

INFORMATION PAPER

Subject: FY 2015 Department of the Navy (DoN) President's Budget (PB) Summary

1. Purpose. Provide a summary of the FY 2015 DoN President's Budget.

a. Budget Overview.

- The PB 2015 budget request reflects the FY 2015 portion of the Bipartisan Budget Agreement (BBA) and a FYDP profile to reach the Budget Control Act of 2011 (BCA) spending reductions by FY 2023. DoN funding is reduced when compared with PB 2014 primarily due to PB 2014 exceeding the BCA caps.

PB14 (\$B)	FY2015	FY2016	FY2017	FY2018	FY2019	FYDP
Marine Corps	25.1	25.0	25.2	26.1	26.8	128.3
Navy	137.9	138.6	141.2	143.7	146.8	708.1
DON	163.1	163.5	166.3	169.8	173.6	836.4
PB15 (\$B)*						
Marine Corps	22.8	24.0	24.3	25.0	25.4	121.5
Navy	125.2	135.6	136.9	138.6	140.5	676.8
DON	148.0	159.5	161.2	163.7	165.9	798.3
Delta (PB14 to PB15)						
Marine Corps	-2.4	-1.0	-0.9	-1.1	-1.4	-6.8
Navy	-12.8	-3.0	-4.2	-5.0	-6.3	-31.3
DON	-15.1	-4.0	-5.1	-6.2	-7.7	-38.1

*PB15 funding does not include OCO

- FY 2015 baseline funding by major category:
 - Military Personnel: \$45.0 billion
 - Operation and Maintenance: \$46.8 billion
 - Procurement: \$38.4 billion
 - Research and Development: \$16.3 billion
 - Infrastructure: \$1.5 billion
 - FY 2015 personnel levels:
 - Navy Active End Strength: 323,600
 - Marine Corps Active End Strength: 182,700 (including Embassy Security Group)
 - Civilian Personnel (Full Time Equivalents): 215,014 (191,959 N/23,055 MC)
- b. Overseas Contingency Operations (OCO)
- FY 2015 OCO has not been finalized at this time
- c. FY2015 Budget Highlights
- 44 new construction ships over the FYDP
 - FY 2015 funds seven battle force ships:
 - Two Virginia Class submarines

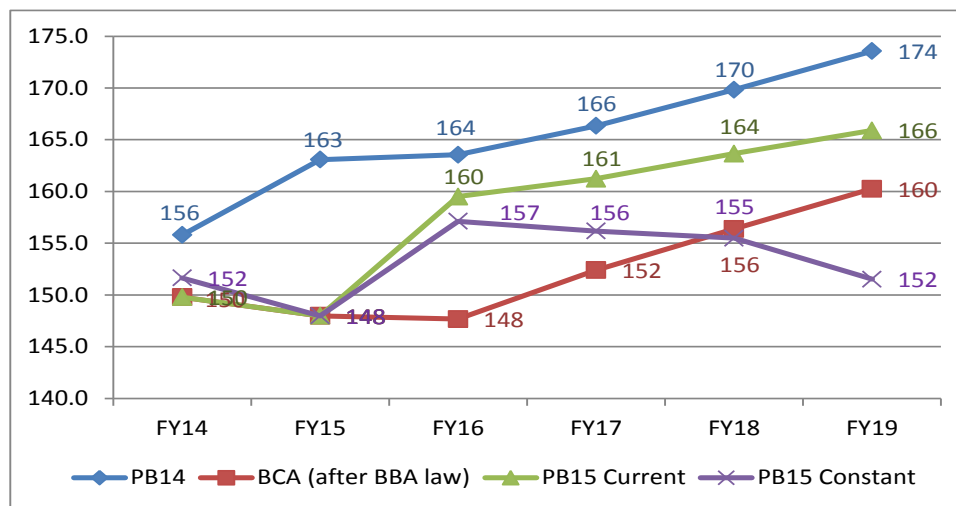
- Two DDG 51
- Three Littoral Combat Ships
- 470 new aircraft over the FYDP
 - FY 2015 funds 103 airframes. Highlights include:
 - 8 F-35B/C, 4 E-2D, and 8 P-8A
 - 26 AH-1Z/UH-1Y, 19 MV-22, and 37 MH-60R/S
- Drawdown of Marine Corps manpower continues in FY 2015 toward the revised goal of 175,000 Marine Corps end strength by FY 2017
- Continued OCO-to-Base transfer
- Battle force ship count, reflecting revised counting rules to include forward deployed Patrol Craft and Hospital Ships, is 283 in FY 2015
- Ship depot maintenance funded to 80 percent in baseline funding
- Ship operations funded to support 45 underway days per quarter for deployed forces and 20 days per quarter for non-deployed forces in baseline funding
- Navy/Marine Corps flying hours budgeted at T-2.5/T-2.0 rating

d. Financial Stewardship

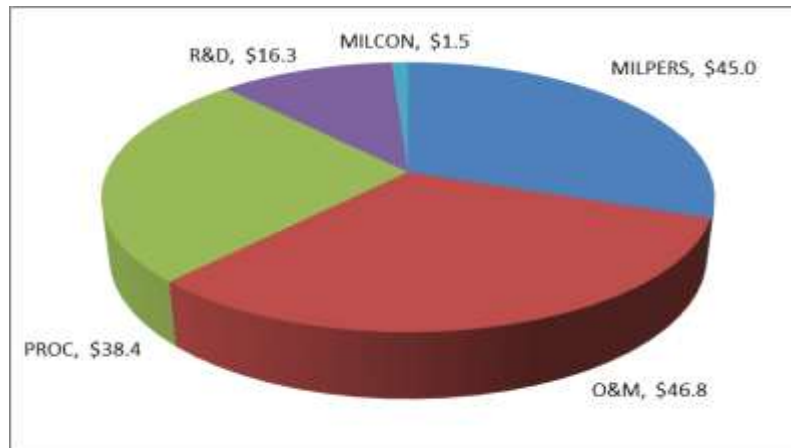
- The DoN continues to develop and expand the scope of its Business Transformation efforts. DoN business processes for acquiring services are being examined to look for ways to reduce costs in three areas: Contractual Services, Better Buying Power in Procurement, and More Efficient Uses of Research and Development. Additionally, the DoN continues to reduce unobligated growth across all programs, achieve savings in military construction bids due to increased competitiveness, and reduce headquarters staffs.

e. Funding Charts (\$B)

FYDP funding



FY 2015 by appropriation category



Financial Stewardship

<i>In Millions of Dollars</i>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FYDP</u>
Contractual Services	-2,535	-3,143	-3,015	-3,366	-2,743	-14,802
Better Buying Power in Procurement	-445	-494	-532	-681	-616	-2,768
More Efficient Use of R&D	-124	-43	-22	-16	-17	-221
Unobligated Balances	-1,320	-285	-350	-269	-266	-2,490
MILCON Restructure & Delays	-805	21	296	-26	-68	-582
Headquarters Operational Reductions	<u>-114</u>	<u>-171</u>	<u>-236</u>	<u>-312</u>	<u>-399</u>	<u>-1,233</u>
Total	-5,343	-4,114	-3,859	-4,671	-4,109	-22,096

f. Shipbuilding Plan

	<u>FY14</u>	<u>FY15</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18</u>	<u>FY19</u>	<u>FYDP</u>
CVN-21	0	0	0	0	1	0	1
SSN-774	2	2	2	2	2	2	10
DDG 51	1	2	2	2	2	2	10
LCS	4	3	3	3	3	2**	14
LHA(R)	0	0	0	1	0	0	1
T-ATF	0	0	0	2	1	1	4
MLP/AFSB	1	0	0	1	0	0	1
T-AO(X)	0	0	1	0	1	1	3
New Construction Total QTY	8	7	8	11	10	8	44
LCAC SLEP	4	2	4	4	4	0	14
Ship-to-Shore Connector	0	2	5	5	8	11	31
SC(X) (R) (LCU Replacement)	0	0	0	0	1	2	3
Moored Training Ships	0	1	0	1	0	0	2
CVN RCOH*	0	0	0	0	0	0	0
Total Shipbuilding QTY	12	12	17	21	23	21	94

Total Shipbuilding includes all new construction, RCOH, SLEP or conversion in SCN, R&D and FY14 NDSF, as well as other related line items including Service Craft, Outfitting and Post Delivery.

**Pending FY16 Decision*

***To be updated in POM16*

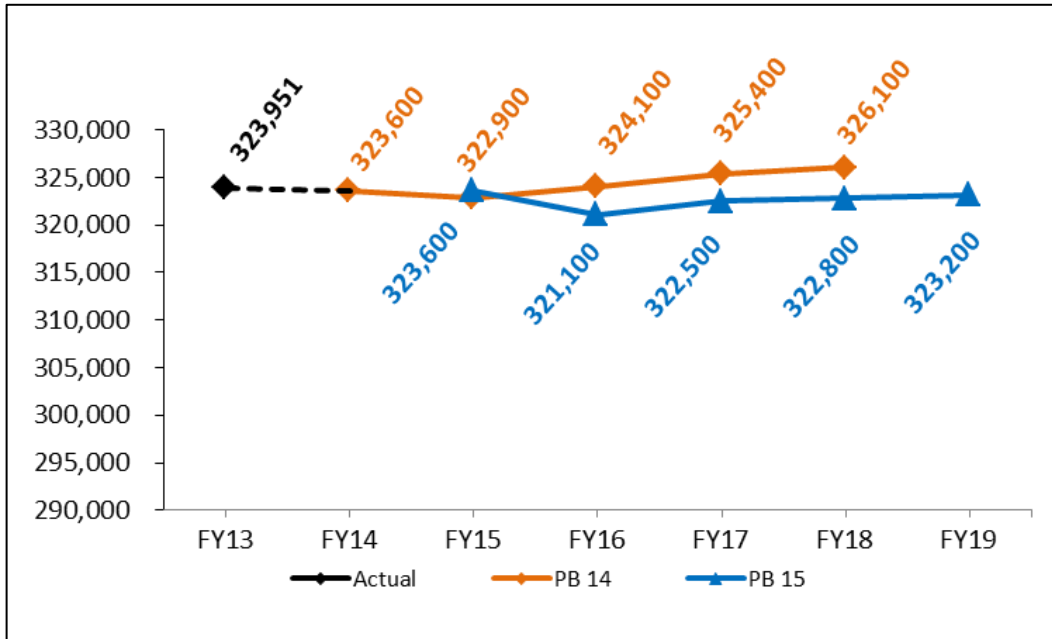
g. Aircraft Plan

	FY14	FY15	FY16	FY17	FY18	FY19	FYDP
Fixed Wing							
F-35B (STOVL JSF)	6	6	9	14	20	20	69
F-35C (CV JSF)	4	2	2	6	10	16	36
F/A-18E/F	0	0	0	0	0	0	0
EA-18G	21	0	0	0	0	0	0
E-2D AHE	5	4	5	6	5	5	25
P-8A (MMA)	16	8	15	13	13	7	56
C-40A (USMC)	0	0	1	0	0	0	1
KC-130J (USMC)	1	1	1	2	1	1	6
UC-12W	1	0	0	0	0	0	0
Rotary Wing							
AH-1Z/UH-1Y	21	26	28	26	26	27	133
VXX	0	0	0	0	0	6	6
CH-53K (HLR)	0	0	0	2	4	7	13
MV-22B	19	19	19	18	4	4	64
MH-60R	19	29	0	0	0	0	29
MH-60S	18	8	0	0	0	0	8
UAV							
MQ-8 (VTUAV)	2	0	0	0	0	0	0
MQ-4 Triton UAS	0	0	4	4	4	4	16
STUAS (NAVY)	0	0	0	1	2	5	8
Training							
T-6A/B (JPATS)	29	0	0	0	0	0	0
TOTAL	162	103	84	92	89	102	470

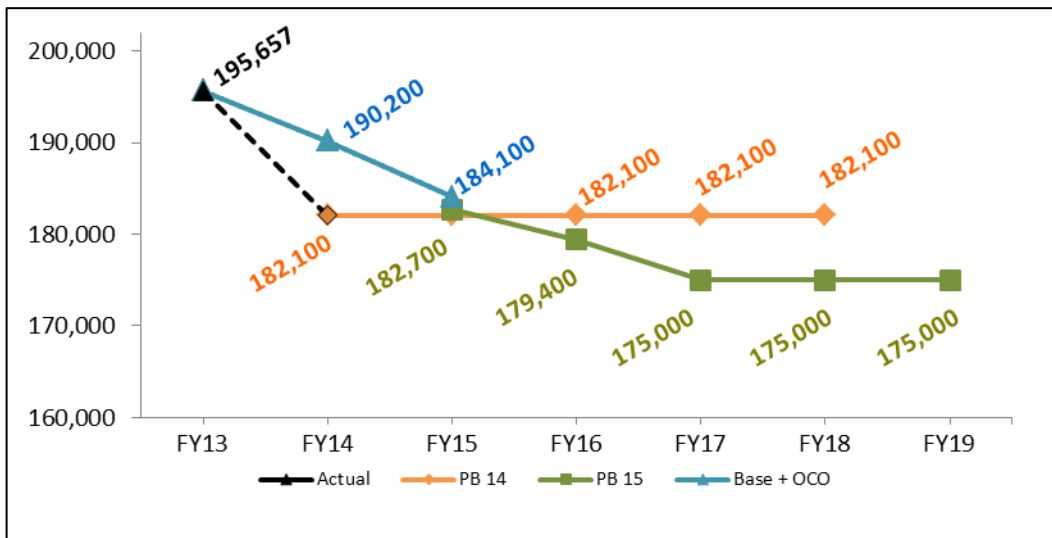
*P.L. 113-76 removed 1 AH-1Z requested in Overseas Contingency Operations (OCO)

h. Active Military Personnel

Navy



Marine Corps



i. Civilian Personnel

	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
Total – Department of the Navy	207,869	212,798	215,014
<u>By Type Of Hire</u>			
Direct	196,710	201,339	203,462
Indirect Hire, Foreign National	11,159	11,459	11,552
<u>By Appropriation/Fund</u>			
Operation and Maintenance	127,656	130,436	133,643
Other (FHOPS/RDTEN)	1,748	2,010	1,936
Working Capital Funds	78,465	80,352	79,435
	207,869	212,798	215,014

j. OCO

Not currently included in PB 2015 request