

The BOTTOM LINE

Fiscal Year 2015 Department of the Navy Budget Submission

The Fiscal Year 2015 (FY15) baseline budget submission of \$148.0 billion for the Department of the Navy (DoN) 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. This is the first budget to fully reflect the transition DoD is making after 13 years of war. The DoN will continue operating forward across the globe, providing the nation offshore options to deter and defeat aggression today and into the future, however difficult choices were required. The DoN FY 2015 budget aligns with the 2014 Quadrennial Defense Review (QDR), which builds upon the 2012 Defense Strategic Guidance, while being realistic about future budget levels.

The FY15 request for overseas contingency operations (OCO) to fund incremental costs to sustain ongoing operational commitments, manpower, equipment/infrastructure repair, as well as equipment replacement has not been finalized and is not currently included in the FY15 budget.

Highlights

- The published budget reflects deployable battle forces of 283 ships in FY15, including 10 aircraft carriers and 30 large amphibious ships, 4 guided missile submarines and 54 nuclear powered attack submarines. This reflects revised counting rules to include forward deployed Patrol Craft and Hospital Ships.
 - Eight battle force ships will be delivered: 1 nuclear powered attack submarine, 4 littoral combat ships, 2 joint high speed vessels, and 1 mobile landing platform
 - Similarly, the published budget reflects thirteen battle force ships will be retired: 10 frigates, 1 nuclear powered attack submarine, 1 amphibious warfare assault ship, and 1 combat logistics ship.
 - Eleven Cruisers and two Dock Landing Ships will be “laid up” and eventually modernized.
- Ship procurement funds 7 new-construction ships (2 SSNs, 2 DDG 51, and 3 LCS) in FY15 and 44 ships across the Future Years Defense Plan (FYDP).
- Aircraft procurement funds 103 airframes in FY15 and 470 airframes across the FYDP.
 - Major aviation procurement includes: 8 F-35B/C, 4 E-2D, 8 P-8A, 26 AH-1Z/UH-1Y, 19 MV-22, 37 MH-60R/S, and 1 KC-130J.
- Military basic pay and civilian pay are increased by 1.0 percent.
- This budget includes a 20% reduction to Major Headquarters operating budgets, as well as a focus on reducing acquisition costs.

Key Messages

- The FY15 budget reflects the FY 2015 portion of the BBA and a FYDP profile to reach the BCA of 2011 spending reductions by FY 2023.
 - Matching strategic interest and budget interests required difficult choices (e.g. end strength cuts, force structure cuts, compensation slowed).
- The DoN FY 2015 budget aligns with the 2014 Quadrennial Defense Review (QDR), which builds upon the 2012 Defense Strategic Guidance.
 - DoN will continue to protect the homeland, engage globally, and project power&win decisively.
- The DON budget request for FY15 budget is reduced when compared with the FY14 request.

Facts & Figures

- The FY15 baseline budget is reduced when compared with the FY14 budget request. It provides:
 - \$45.0 billion for Military Personnel
 - \$46.8 billion for Operation and Maintenance
 - \$38.4 billion for Procurement
 - \$16.3 billion for Research and Development
 - \$1.5 billion for Infrastructure
 - 323,600 Active Navy end strength
 - 182,700 Active Marine Corps end strength
 - 215,014 Civilian full-time equivalents

For DON FY 2015 Budget information visit:

<http://www.finance.hq.navy.mil/fmb/PB/books.htm>