



SECRETARY OF DEFENSE  
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WASHINGTON, DC 20301-1000

DEC 12 2023

The Honorable Rosa DeLauro  
Ranking Member  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative DeLauro:

I am writing in response to your December 1, 2023 request for a detailed list of the impacts of a year-long continuing resolution (CR) for each of the Military Departments and Defense-Wide activities. The Department appreciates the opportunity to share its view on a year-long CR and the litany of difficulties it would impose — not only on accomplishing our mission and maintaining national security, but also on the quality of life of our Service members and their families.

The Department has never operated under a year-long CR in lieu of a Department of Defense (DoD) Appropriations Act. A year-long CR would misalign billions of dollars, subject Service members and their families to unnecessary stress, damage our readiness, and impede our ability to react to emergent events.

As you have heard me say, our budget is aligned to our strategy. A year-long CR would set us behind in meeting our pacing challenge highlighted in our National Defense Strategy — the People's Republic of China (PRC). The PRC is the only global competitor with both the intent and capability to change the international order. Our ability to execute our strategy is contingent upon our ability to innovate and modernize to meet this challenge, which cannot happen under a CR.

Moreover, under the Fiscal Responsibility Act, the consequences of such a CR would be even more dire for the U.S. and its allies and partners in fiscal year (FY) 2024. Failure to pass any one of the 12 full-year appropriations acts by January 1, 2024 will start a process to reduce discretionary spending limits (caps) for the security category by one percent below the enacted FY 2023 level, enforced through sequestration. For the security category, this would mean an additional cut of approximately \$10 billion, which we would be forced to implement with less than half the FY remaining.

Under a year-long CR in FY 2024, thousands of DoD programs and projects would be negatively affected. Military recruiting and readiness would be harmed. We would be forced to forego vital investments in our defense industrial base and would not be able to enter critical new multiyear contracts for munitions. We would lose time and money the Nation cannot afford to lose on modernization of our nuclear triad, expansion of shipbuilding capabilities, execution of hundreds of military construction projects, and deterrence initiatives in the Indo-Pacific and Europe. Additionally, because there would be no funds for legally required military and civilian

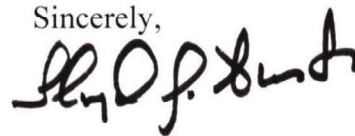
pay raises under a year-long CR, the Department would be forced to offset the cost of these well-deserved raises by cutting into other programs and accounts at potentially draconian levels.

Enclosed with this letter I have included information that highlights the impacts on each of the Military Departments as well as Defense-Wide activities should Congress fail to act. As you will see, Congress failing to agree on regular appropriations legislation for the remainder of FY 2024 would have severe repercussions on our readiness and ability to execute the National Defense Strategy.

In addition to immediately passing legislation for all 12 appropriations bills for the remainder of FY 2024, I also urge Congress to quickly pass the President's national security supplemental funding request. Our allies and partners in Israel and Ukraine are actively fighting to defend their homeland. We must continue to show our resolve as leader of the free world by providing our partners with the security assistance they need while making important investments in our defense industrial base.

The Department stands ready to assist Congress in any way possible to ensure it has the information and resources to pass this essential legislation. As I have said several times in the past, it's not only the right thing to do, but also the best thing to do for our Nation's defense.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark T. Esper", written in a cursive style.

Enclosure:  
As stated

## Impacts of a Year-Long Continuing Resolution

### Lower Department of Defense (DoD) Topline:

- Under a Continuing Resolution (CR), DoD operates at a reduced annualized topline of ~\$24.7 billion (-3 percent) below the President's Budget request (\$817.4 billion vs. \$842.0 billion) – harming military readiness and stifling innovation and modernization efforts.
- The real reduction would be greater when misaligned and potentially unusable funds are considered.
- A long-term CR would cut out the funds requested to absorb the impact of inflation on pay and programs. The FY 2024 President's Budget request includes price change increases of \$23.4 billion, with the largest impacts to Operation and Maintenance (O&M), Procurement, and Research, Development, Test and Evaluation (RDT&E).
- Operating under a CR for an extended period erodes the U.S. military advantage relative to China, impedes our ability to innovate and modernize, degrades readiness, hurts our people, and limits our ability to take action against future energy challenges (e.g., fuel and utilities). It signals to our adversaries that the U.S. is not committed to its stated priorities.

### Misalignment of DoD Funding:

- During a CR, the Department must operate at the previous year's funding levels by account and some of the accounts are much lower than the FY 2024 President's Budget request.
  - Most appropriation accounts for the Department would experience shortfalls – Military Personnel reduced by \$-5.8 billion, O&M reduced by \$-9.7 billion, Procurement reduced by \$-6.3 billion, and RDT&E reduced by \$-5.2 billion.
  - These shortfalls would **disrupt readiness gains and capability enhancements** achieved to date and **slow the pace of innovation and modernization** during a critical juncture in the dynamic threat landscape.
- Conversely, the Military Construction/Family Housing accounts would include about \$2.3 billion above the FY 2024 request. However, due to restrictions under a CR, those excess funds would be essentially unusable by the Department.

### Major Mission Impacts:

- **Taking Care of People:** (2.8 million military and civilian personnel)
  - A long-term CR would likely force reductions in our military personnel or halt new accessions and permanent change of station moves in order to absorb an estimated \$5.8 billion cut to military personnel accounts compared to the budget request. These unplanned disruptions would exacerbate the already serious recruiting challenges that the Department is facing.

- The moral and legal imperative to fund military and civilian pay and benefit increases risk to readiness and operations, which would be offset to fund these requirements. A long-term CR could drive reduction-in-force or furlough actions to the civilian workforce. These actions would further impact current recruiting and retention challenges for both military and civilian talent.
- A long-term CR would not include funds for the following must-pay compensation bills:
  - Funding necessary for 5.2 percent pay raise for military (\$5.6 billion) and DoD civilians (\$4.6 billion)
  - Funding for Basic Housing and Subsistence Allowance Increases (\$3.5 billion)
- A long-term CR jeopardizes the Department's investments in taking care of our people. Under a long-term CR, the Department would not be able to:
  - Implement the expansion to full-day from half-day prekindergarten at DoDEA schools for eligible dependents to enable over 4,100 children to be eligible for full-day pre-K at DoDEA schools.
  - Implement standardizing a 50 percent Child Development Center (CDC) employee discount for the children of our CDC workers.
  - Plan for reducing or eliminating current waitlists for childcare fee assistance for DoD civilians who are not currently covered by existing fee assistance programs.
  - Start a public-private partnership childcare facility to increase capacity for the Pentagon workforce by 120 children.
- **Impacts to PRC Pacing Challenges:**
  - The Mid-Range Capability weapon system testing would be delayed, impacting future fielding of the Army's critical capability for Long-Range Precision Fires, a key component of DoD's strategy.
  - The Lower-Tier Air and Missile Defense Sensor requires Research & Development funding that a CR would impact in obtaining prototypes. This would delay future fielding of this critical radar component, ultimately impacting long-range sensing supporting DoD's Pacific strategy.
  - Multiyear Procurement – Under a CR, the Department would be prohibited from proceeding with the award of multiyear procurement contracts for the following critical precision-guided munitions to increase production capacity and replenish inventories for munitions:
    - AGM-158C Long Range Anti-Ship Missile (LRASM)
    - AGM-158B Joint Air-to-Surface Standoff Missile - Extended Range (JASSM/ER)

- M31 Guided Multiple Launch Rocket System (GMLRS)
- MIM-104 PATRIOT Advanced Capability - 3 (PAC-3) Missile Segment Enhancement (MSE)
- Naval Strike Missile (NSM)
- Halts investments in new space architectures for warfighters, including resilient space data transport, missile warning and tracking, other tactical sensing, and position, navigation, and timing, critical to the Joint Force in contested environments.
- Impedes efforts to develop a family of survivable, long-range and persistent sensors, and kill chain automation tools across multiple modalities and in all domains. These advancements increase the lethality of F-35, long-range strike platforms, and other current and future Joint air assets.
- The Joint Force cannot successfully conduct operations at a rate needed to win against China without optimized resilient forward basing that can remain functional and effective while under heavy attack. A CR would impact \$1.3 billion in investments across the Indo-Pacific theater in infrastructure, agile communications, and base defense critical to the success of this effort.
- **Nuclear Triad:**
  - A long-term CR denies nearly \$3.4 billion in funding needed to modernize the nuclear triad.
  - Puts at risk the modernization of the sea-based leg of the triad by preventing the award of the second *Columbia*-class submarine. This restriction would delay award of Advanced Procurement (AP) for future *Columbia*-class submarines.
  - A reduction in AP compared to the FY 2024 request would cause construction delays to *Columbia*-class ballistic missile submarines (SSBN) 827 – 830 with associated delivery delays, resulting in the Navy’s inability to meet United States Strategic Command requirements for operations beginning in FY 2031. There is no schedule margin remaining between the first operational availability of the *Columbia*-class and the retirement of the *Ohio*-class SSBNs.
    - *Columbia*-class requires a total of \$2.99 billion of AP funding in FY 2024, which exceeds the FY 2023 enacted amount of \$1.47 billion by \$1.52 billion or 103 percent.
  - It derails the momentum for priority divestment and modernization efforts, by putting on hold a considerable number of new starts in programs with direct impact to our nuclear triad.
  - At a time that China has built 100 new missile silos, the United States’ ground-based leg must move forward in areas such as LGM-35A Sentinel and the MH-139 program. The air leg of the triad will suffer when the CR causes a delay in the additional procurement of the B-21 Raider, which is a critical element of the National Defense Strategy to meet

future nuclear threats and deter aggression. A CR would also stop two supporting construction projects, including construction of support and maintenance facilities at Ellsworth AFB, the B-21 Raider's Main Operating Base.

- **Shipbuilding and Conversion, Navy (SCN):**

- Reduces funding for SCN by \$1.1 billion from the FY 2024 request, however the impact would be greater because SCN is a line-item appropriation; the misalignment between FY 2023 and FY 2024 would prevent execution of \$9.7 billion.
- Restrictions on “new starts” will prevent award of the AS Submarine Tender and will worsen already challenged delivery schedules for ships under construction.
- Restrictions of production rates will prevent award of a second FY 2024 Frigate and two Landing Craft Utility.
- This restriction will also increase the funding required for CVN 74 RCOH, DDG 1002, LHA 10, T-AO, Auxiliary vessels, and Service Craft.
- CRs prohibit the start of new multi-year procurement (MYP) contracts or using advance procurement funding to support economic order quantity (EOQ) procurements, which will prevent the award of the planned EOQ FY 2024 funding request that supports the FY 2025-FY 2029 MYP for *Virginia*-class.

- **Lack of New Start and Production Rate Increase Authority:** Under any CR, the DoD lacks the authority to undertake new start efforts or production rate increases for investment programs, which are critical to innovation and modernization goals. For the Procurement and RDT&E titles, a long-term CR inhibits 156 new start efforts and 180 procurement rate increases including:

- Navy's Completion of Prior Year Shipbuilding Program, also called cost-to-complete (CTC). These new funding lines in the Shipbuilding & Conversion, Navy appropriation finance cost overruns on ships under construction, or ships completing final delivery items before transferring to the fleet for duty. Failure to fund CTC for the requested ships could result in stop work issues until funding is available, potentially resulting in future cost increases, and could delay the ships from starting fleet tasking in accordance with the FY 2024 plan.
- USCYBERCOM budgetary control transfer. A long-term CR would impact the transfer of USCYBERCOM budgetary controls from the Military Departments to USCYBERCOM as directed in the FY 2022 NDAA.
- Air Force's HC-130 modifications. A long-term CR would prevent the Air Force from proceeding with new start modifications for the HC-130 fleet, including communication system upgrades and electro-optical/infrared sensor enhancements. These modifications are critical to ensure that the fleet meets cryptographic mandates and remains mission capable for the personnel recovery mission in the years to come.

- Space Procurement. Delays the initial procurement and installation of the Family of Beyond Line of Sight (FAB-T) Force Element Terminals (FET). FAB-T FET replaces the Ultra High Frequency Milstar terminals and provides secure, protected, and survivable communications for the strategic warfighter through airborne-based Military Satellite Communication terminals. The FAB-T FET will provide worldwide nuclear and non-nuclear survivable, anti-jam data and voice communications.
- Air Force Viper Experimentation and Next-gen Operations Model (VENOM). A long-term CR delays the establishment of a man-in-the-loop autonomy testbed and implementing initial autonomy reference architecture to reduce risk for the Collaborative Combat Aircraft program.
- Air Force and Department of the Navy F-35 production rate increase. A long-term CR would restrict aircraft procurement to 77 versus the 83 requested in the FY 2024 request.
- **Military Construction:** Under a long-term CR, the Department can ONLY carry out previously fully or incrementally funded major construction projects, minor construction projects, and planning and design. A long-term CR without relief from the new start prohibition would preclude any new FY 2024 major construction and housing projects (129 projects totaling \$8.7 billion) across a wide swath of initiatives, including:
  - Pacific Deterrence Initiative (PDI) projects critical to DoD's INDO-PACIFIC posture (18 projects, ~\$1.3 billion) such as Naval Artillery Battery Facilities – Finegayan, GU; Navy Missile Integration Test Facility – JRM, GU; and an Air Force Bomber Apron – Tindal, AU
  - Quality of life facilities including community, family housing and medical facilities (21 projects, ~\$1.5 billion) such as Army Troop Housing Facility – Joint Base Lewis-McChord, WA; Ambulatory Care Center/Dental Clinic – Miramar, CA
  - Research facilities critical to modernization efforts (4 projects, ~\$0.5 billion) such as a Navy Aircraft Development and Maintenance Facility – Patuxent River, MD; D-W Ground Test Facility Infrastructure – Redstone Arsenal, AL
  - Shipyard Infrastructure Optimization Program to execute the Navy's once-in-a-century investment to reconfigure, modernize and optimize aging shipyards (1 project, \$195 million) in Navy Shipyard Electrical Backbone – Kitsap, WA. This project provides critical power capabilities to support fleet maintenance activities and enables the planned future modernization of the dry dock at Puget Sound in FY 2026.
- **Military Readiness:** A long-term CR jeopardizes readiness gains of our forces and their equipment at a time when security threats are extraordinarily high. Examples of actions that may have to be taken to stay within the CR funding levels include the following:
  - Stop offering/paying new enlistment and reenlistment bonuses resulting in lost accessions/reenlistments and higher recruiting and training costs in the future.

- Significantly delay/cancel military permanent change of station (PCS) moves, creating gaps in military units, disrupting military families, and reducing morale.
- Cancel significant periods of non-statutory training for the Reserves and National Guard, reducing overall readiness levels.
- Delay purchases of repair parts and supplies and curtail maintenance of equipment for non-deploying units.
- Cancel/delay 75 specific ship depot maintenance availabilities scheduled in FY 2024.
- Delay Facility, Sustainment, Restoration, and Modernization (FSRM) projects.
- Slow Weapons System Sustainment (WSS) and Contractor Logistics Support (CLS) efforts.
- May impede the replacement of munitions and other critical defense articles provided to Ukraine if reliant on base budget contracting actions with no additional supplemental funds.
- **Modernization Efforts:** Derails the momentum for priority divestment and modernization efforts under a long-term CR, such as:
  - Prevents production increases for high-end weapon systems or delays critical long-lead purchases, putting planned delivery at risk and adversely impacting the Department's ability to deter and defeat near-peer adversaries – e.g.,
    - Delays in development of the Common Hypersonic Glide Body.
    - Lowers purchase quantities for the F-35, MH-139A, LRASM, AMRAAM, and National Security Space Launch.
    - Impacts modernization efforts that address immediate and future threats such as Joint Strike Missile, Kill Chain Automation, and Combat Collaborative Aircraft development.

The following tables illustrate the impact on the Department's total annualized discretionary budget authority under a CR, assuming no adjustments, such as a sequester triggered by the provisions of the Fiscal Responsibility Act.

| FY 2024 Annualized CR Amounts vs. FY 2024 PB Request by Title (SB) |                                    |                     |                       |              |                                      |
|--------------------------------------------------------------------|------------------------------------|---------------------|-----------------------|--------------|--------------------------------------|
| Title                                                              | FY 2023 Enacted <sup>1&amp;2</sup> | CR Adj <sup>3</sup> | FY 2024 Annualized CR | FY 2024 PB   | Δ FY 2024 Full-Year CR to FY 2024 PB |
| Military Personnel                                                 | 172.2                              | 0.8                 | 173.0                 | 178.9        | (5.8)                                |
| Operation and Maintenance                                          | 320.1                              | -                   | 320.1                 | 329.7        | (9.7)                                |
| Procurement                                                        | 163.9                              | -                   | 163.9                 | 170.1        | (6.3)                                |
| RDT&E                                                              | 139.7                              | -                   | 139.7                 | 144.9        | (5.2)                                |
| Revolving & Management Funds                                       | 1.7                                | -                   | 1.7                   | 1.7          | -                                    |
| <b>Defense Total</b>                                               | <b>797.5</b>                       | <b>0.8</b>          | <b>798.4</b>          | <b>825.3</b> | <b>(27.0)</b>                        |
| Military Construction                                              | 16.7                               | -                   | 16.7                  | 14.7         | 1.9                                  |
| Family Housing                                                     | 2.3                                | -                   | 2.3                   | 1.9          | 0.4                                  |
| <b>Military Construction Total</b>                                 | <b>19.0</b>                        | <b>-</b>            | <b>19.0</b>           | <b>16.7</b>  | <b>2.3</b>                           |
| <b>Total DoD Base Budget</b>                                       | <b>816.5</b>                       | <b>0.8</b>          | <b>817.4</b>          | <b>842.0</b> | <b>(24.7)</b>                        |
| Ukraine Funding <sup>4</sup>                                       | 35.7                               | -                   | -                     | -            | -                                    |

| FY 2024 Annualized CR Amounts vs. FY 2024 PB Request by MilDep (SB) |                                    |                     |                       |              |                                      |
|---------------------------------------------------------------------|------------------------------------|---------------------|-----------------------|--------------|--------------------------------------|
| Military Department                                                 | FY 2023 Enacted <sup>1&amp;2</sup> | CR Adj <sup>3</sup> | FY 2024 Annualized CR | FY 2024 PB   | Δ FY 2024 Full-Year CR to FY 2024 PB |
| Army                                                                | 185.0                              | 0.3                 | 185.3                 | 185.3        | (0.1)                                |
| Navy <sup>5</sup>                                                   | 243.0                              | 0.3                 | 243.3                 | 255.8        | (12.5)                               |
| Air Force <sup>5</sup>                                              | 247.2                              | 0.3                 | 247.4                 | 259.2        | (11.8)                               |
| Defense-Wide                                                        | 141.4                              | -                   | 141.4                 | 141.7        | (0.3)                                |
| <b>TOTAL DoD Base Budget</b>                                        | <b>816.5</b>                       | <b>0.8</b>          | <b>817.4</b>          | <b>842.0</b> | <b>(24.7)</b>                        |

<sup>1</sup> FY 2023 includes only Divisions C and J of the Consolidated Appropriations Act, 2023 (P.L. 117-328) and the non-recurring rescissions.

<sup>2</sup> The total rescissions for FY 2023 were \$1.08B of which \$0.554B is non-recurring.

<sup>3</sup> Assumes a CR for Divisions C and J of the Consolidated Appropriations Act 2023 through Sept 30, 2024. Adjusted for Medicare Eligible Retiree Health Care Funds (MERHCF) for FY 2024 based on permanent-indefinite authority.

<sup>4</sup> Funding provided in P.L.117-180 and P.L. 117-328, Div. M would not carry over under a long-term CR.

<sup>5</sup> The Department of the Navy includes Navy and Marine Corps; the Department of the Air Force includes Air Force, Space Force and classified activities.

| FY 2024 Annualized CR & Sequestration Amounts vs. FY 2024 PB Request by Account (SB) |                                       |                        |                             |               |                                               |  |
|--------------------------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------------|---------------|-----------------------------------------------|--|
| Account                                                                              | FY 2023<br>Enacted <sup>1&amp;2</sup> | CR<br>Adj <sup>3</sup> | FY 2024<br>Annualized<br>CR | FY 2024<br>PB | Δ FY 2024<br>Full Year<br>CR to FY<br>2024 PB |  |
| <b>Total MILPERS</b>                                                                 | <b>172.2</b>                          | <b>0.8</b>             | <b>173.0</b>                | <b>178.9</b>  | <b>(5.8)</b>                                  |  |
| Military Personnel, Army                                                             | 49.5                                  | -                      | 49.5                        | 50.4          | (0.9)                                         |  |
| National Guard Personnel, Army                                                       | 9.2                                   | -                      | 9.2                         | 9.8           | (0.6)                                         |  |
| Reserve Personnel, Army                                                              | 5.2                                   | -                      | 5.2                         | 5.4           | (0.2)                                         |  |
| MERHCF, Army                                                                         | 2.7                                   | 0.2                    | 2.8                         | 2.8           | (0.0)                                         |  |
| MERHCF, Army Reserve                                                                 | 0.5                                   | 0.0                    | 0.5                         | 0.5           | (0.0)                                         |  |
| MERHCF, Army National Guard                                                          | 0.9                                   | 0.1                    | 1.0                         | 1.0           | (0.0)                                         |  |
| Military Personnel, Marine Corps                                                     | 15.0                                  | -                      | 15.0                        | 15.6          | (0.6)                                         |  |
| Reserve Personnel, Marine Corps                                                      | 0.8                                   | -                      | 0.8                         | 0.9           | (0.1)                                         |  |
| Reserve Personnel, Navy                                                              | 2.4                                   | -                      | 2.4                         | 2.5           | (0.1)                                         |  |
| Military Personnel, Navy                                                             | 36.6                                  | -                      | 36.6                        | 38.0          | (1.4)                                         |  |
| MERHCF, Navy                                                                         | 2.0                                   | 0.2                    | 2.2                         | 2.2           | (0.0)                                         |  |
| MERHCF, Marine Corps                                                                 | 1.0                                   | 0.1                    | 1.1                         | 1.1           | 0.0                                           |  |
| MERHCF, Navy Reserve                                                                 | 0.2                                   | 0.0                    | 0.2                         | 0.2           | -                                             |  |
| MERHCF, Marine Corps Reserve                                                         | 0.1                                   | 0.0                    | 0.1                         | 0.1           | -                                             |  |
| Military Personnel, Air Force                                                        | 35.2                                  | -                      | 35.2                        | 36.8          | (1.5)                                         |  |
| Military Personnel, Space Force                                                      | 1.1                                   | -                      | 1.1                         | 1.3           | (0.2)                                         |  |
| Reserve Personnel, Air Force                                                         | 2.5                                   | -                      | 2.5                         | 2.5           | (0.0)                                         |  |
| National Guard Personnel, Air Force                                                  | 4.9                                   | -                      | 4.9                         | 5.3           | (0.4)                                         |  |
| MERHCF, Air Force                                                                    | 1.9                                   | 0.2                    | 2.0                         | 2.0           | -                                             |  |
| MERHCF, Air Force Reserve                                                            | 0.2                                   | 0.0                    | 0.2                         | 0.2           | -                                             |  |
| MERHCF, Air Force National Guard                                                     | 0.3                                   | 0.0                    | 0.4                         | 0.4           | -                                             |  |
| MERHCF, Space Force                                                                  | 0.0                                   | 0.0                    | 0.1                         | 0.1           | 0.0                                           |  |
| <b>Total O&amp;M</b>                                                                 | <b>320.1</b>                          | <b>(0.0)</b>           | <b>320.1</b>                | <b>329.7</b>  | <b>(9.7)</b>                                  |  |
| Operation & Maintenance, Army                                                        | 58.8                                  | -                      | 58.8                        | 59.6          | (0.7)                                         |  |
| Operation & Maintenance, Army National Guard                                         | 8.3                                   | -                      | 8.3                         | 8.7           | (0.4)                                         |  |
| Operation & Maintenance, Army Reserve                                                | 3.2                                   | -                      | 3.2                         | 3.6           | (0.4)                                         |  |
| Counter-ISIS Train and Equip Fund                                                    | 0.5                                   | -                      | 0.5                         | 0.4           | 0.1                                           |  |
| Operation & Maintenance, Marine Corps                                                | 9.9                                   | -                      | 9.9                         | 10.3          | (0.4)                                         |  |
| Operation & Maintenance, Marine Corps Reserve                                        | 0.3                                   | -                      | 0.3                         | 0.3           | 0.0                                           |  |
| Operation & Maintenance, Navy                                                        | 68.2                                  | -                      | 68.2                        | 72.2          | (4.1)                                         |  |
| Operation & Maintenance, Navy Reserve                                                | 1.3                                   | -                      | 1.3                         | 1.4           | (0.1)                                         |  |
| Operation & Maintenance, Air Force                                                   | 60.2                                  | -                      | 60.2                        | 62.8          | (2.6)                                         |  |
| Operation & Maintenance, Space Force                                                 | 4.1                                   | -                      | 4.1                         | 5.0           | (0.9)                                         |  |
| Operation & Maintenance, Air Force Reserve                                           | 3.7                                   | -                      | 3.7                         | 4.1           | (0.4)                                         |  |
| Operation & Maintenance, Air National Guard                                          | 7.4                                   | -                      | 7.4                         | 7.3           | 0.1                                           |  |
| Operation & Maintenance, Defense-Wide                                                | 51.5                                  | -                      | 51.5                        | 52.8          | (1.3)                                         |  |
| U.S. Court of Appeals for the Armed Forces                                           | 0.0                                   | -                      | 0.0                         | 0.0           | (0.0)                                         |  |
| Drug Interdiction and Counter-Drug Activities                                        | 1.0                                   | -                      | 1.0                         | 0.9           | 0.1                                           |  |
| Office of the Inspector General                                                      | 0.5                                   | -                      | 0.5                         | 0.5           | (0.0)                                         |  |
| DoD Acquisition Workforce Development Fund                                           | 0.1                                   | -                      | 0.1                         | 0.1           | 0.1                                           |  |
| Defense Health Program <sup>4</sup>                                                  | 39.0                                  | -                      | 39.0                        | 38.2          | 0.8                                           |  |
| Cooperative Threat Reduction Account                                                 | 0.4                                   | -                      | 0.4                         | 0.4           | 0.0                                           |  |
| Environmental Restoration, Army                                                      | 0.3                                   | -                      | 0.3                         | 0.2           | 0.1                                           |  |
| Environmental Restoration, Navy                                                      | 0.4                                   | -                      | 0.4                         | 0.3           | 0.1                                           |  |
| Environmental Restoration, Air Force                                                 | 0.6                                   | -                      | 0.6                         | 0.3           | 0.2                                           |  |
| Environmental Restoration, DW                                                        | 0.0                                   | -                      | 0.0                         | 0.0           | 0.0                                           |  |
| Environmental Restoration, Formerly Used Sites                                       | 0.3                                   | -                      | 0.3                         | 0.2           | 0.1                                           |  |
| Overseas Humanitarian, Disaster and Civic Aid                                        | 0.2                                   | -                      | 0.2                         | 0.1           | 0.1                                           |  |
| Support for International Sporting Competitions                                      | 0.0                                   | -                      | 0.0                         | -             | 0.0                                           |  |
| Disposal of Real Property                                                            | 0.0                                   | (0.0)                  | 0.0                         | 0.0           | -                                             |  |
| Lease of Real Property                                                               | 0.0                                   | 0.0                    | 0.0                         | 0.0           | 0.0                                           |  |

| FY 2024 Annualized CR & Sequestration Amounts vs. FY 2024 PB Request by Account (SB) (continued) |                                       |                        |                             |               |                                               |
|--------------------------------------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------------|---------------|-----------------------------------------------|
| Account                                                                                          | FY 2023<br>Enacted <sup>1&amp;2</sup> | CR<br>Adj <sup>3</sup> | FY 2024<br>Annualized<br>CR | FY 2024<br>PB | Δ FY 2024<br>Full Year<br>CR to FY<br>2024 PB |
| <b>Total Procurement</b>                                                                         | <b>163.9</b>                          | <b>-</b>               | <b>163.9</b>                | <b>170.1</b>  | <b>(6.3)</b>                                  |
| Chemical Agents and Munitions Destruction, Defense                                               | 1.1                                   | -                      | 1.1                         | 1.1           | (0.0)                                         |
| Aircraft Procurement, Army                                                                       | 3.8                                   | -                      | 3.8                         | 3.0           | 0.8                                           |
| Missile Procurement, Army                                                                        | 3.8                                   | -                      | 3.8                         | 5.0           | (1.1)                                         |
| Procurement of Weapons and Tracked Combat Vehicles                                               | 4.5                                   | -                      | 4.5                         | 3.8           | 0.7                                           |
| Procurement of Ammunition, Army                                                                  | 2.8                                   | -                      | 2.8                         | 3.0           | (0.2)                                         |
| Other Procurement, Army                                                                          | 8.6                                   | -                      | 8.6                         | 8.7           | (0.1)                                         |
| Procurement Marine Corps                                                                         | 3.7                                   | -                      | 3.7                         | 4.0           | (0.3)                                         |
| Aircraft Procurement, Navy                                                                       | 19.0                                  | -                      | 19.0                        | 17.3          | 1.7                                           |
| Weapons Procurement, Navy                                                                        | 4.8                                   | -                      | 4.8                         | 6.9           | (2.1)                                         |
| Procurement of Ammunition, Navy & Marine Corps                                                   | 0.9                                   | -                      | 0.9                         | 1.3           | (0.4)                                         |
| Shipbuilding and Conversion, Navy                                                                | 31.8                                  | -                      | 31.8                        | 32.8          | (1.1)                                         |
| Other Procurement, Navy                                                                          | 12.1                                  | -                      | 12.1                        | 14.5          | (2.4)                                         |
| Aircraft Procurement, Air Force                                                                  | 22.0                                  | -                      | 22.0                        | 20.3          | 1.7                                           |
| Procurement of Ammunition, Air Force                                                             | 0.9                                   | -                      | 0.9                         | 0.7           | 0.2                                           |
| Missile Procurement, Air Force                                                                   | 3.0                                   | -                      | 3.0                         | 5.5           | (2.5)                                         |
| Procurement, Space Force                                                                         | 4.5                                   | -                      | 4.5                         | 4.7           | (0.3)                                         |
| Other Procurement, Air Force                                                                     | 28.0                                  | -                      | 28.0                        | 30.4          | (2.4)                                         |
| Procurement Defense-Wide                                                                         | 7.2                                   | -                      | 7.2                         | 6.2           | 1.1                                           |
| National Guard and Reserve Equipment, Defense                                                    | 1.0                                   | -                      | 1.0                         | -             | 1.0                                           |
| Defense Production Act Purchases                                                                 | 0.4                                   | -                      | 0.4                         | 1.0           | (0.6)                                         |
| <b>Total RDT&amp;E</b>                                                                           | <b>139.7</b>                          | <b>-</b>               | <b>139.7</b>                | <b>144.9</b>  | <b>(5.2)</b>                                  |
| Research, Development, Test and Evaluation, Army                                                 | 17.1                                  | -                      | 17.1                        | 15.8          | 1.4                                           |
| Research, Development, Test and Evaluation, Navy                                                 | 26.0                                  | -                      | 26.0                        | 26.9          | (0.9)                                         |
| Research, Development, Test and Evaluation, Air Force                                            | 44.9                                  | -                      | 44.9                        | 46.6          | (1.7)                                         |
| Research, Development, Test and Evaluation, Space Force                                          | 16.6                                  | -                      | 16.6                        | 19.2          | (2.6)                                         |
| Research, Development, Test and Evaluation, DW                                                   | 34.5                                  | -                      | 34.5                        | 36.1          | (1.5)                                         |
| Operational Test and Evaluation                                                                  | 0.4                                   | -                      | 0.4                         | 0.3           | 0.1                                           |
| <b>Total Revolving Fund</b>                                                                      | <b>1.7</b>                            | <b>-</b>               | <b>1.7</b>                  | <b>1.7</b>    | <b>0.0</b>                                    |
| Defense Working Capital Fund, Army                                                               | 0.1                                   | -                      | 0.1                         | 0.0           | 0.1                                           |
| Defense Working Capital Fund, Navy                                                               | -                                     | -                      | -                           | -             | -                                             |
| Defense Working Capital Fund, Air Force                                                          | 0.1                                   | -                      | 0.1                         | 0.1           | (0.0)                                         |
| Defense Working Capital Fund, DeCA                                                               | 1.4                                   | -                      | 1.4                         | 1.4           | (0.0)                                         |
| Defense Working Capital Fund, DW                                                                 | 0.0                                   | -                      | 0.0                         | 0.1           | (0.1)                                         |
| Defense Counterintelligence and Security Agency WCF                                              | (0.0)                                 | -                      | (0.0)                       | -             | (0.0)                                         |
| National Defense Stockpile Transaction Fund                                                      | 0.1                                   | -                      | 0.1                         | 0.0           | 0.1                                           |

| FY 2024 Annualized CR & Sequestration Amounts vs. FY 2024 PB Request by Account (\$B) (continued) |                                       |                        |                             |               |                                               |
|---------------------------------------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------------|---------------|-----------------------------------------------|
| Account                                                                                           | FY 2023<br>Enacted <sup>1&amp;2</sup> | CR<br>Adj <sup>3</sup> | FY 2024<br>Annualized<br>CR | FY 2024<br>PB | A FY 2024<br>Full Year<br>CR to FY<br>2024 PB |
| <b>Total MilCon/BRAC</b>                                                                          | <b>16.7</b>                           | <b>-</b>               | <b>16.7</b>                 | <b>14.7</b>   | <b>1.9</b>                                    |
| Military Construction, Army                                                                       | 2.0                                   | -                      | 2.0                         | 1.5           | 0.5                                           |
| Military Construction, Army National Guard                                                        | 0.6                                   | -                      | 0.6                         | 0.3           | 0.3                                           |
| Military Construction, Army Reserve                                                               | 0.3                                   | -                      | 0.3                         | 0.1           | 0.2                                           |
| Military Construction, Navy and Marine Corps                                                      | 5.4                                   | -                      | 5.4                         | 6.0           | (0.7)                                         |
| Military Construction, Navy Reserve                                                               | 0.2                                   | -                      | 0.2                         | 0.1           | 0.1                                           |
| Military Construction, Air Force                                                                  | 4.0                                   | -                      | 4.0                         | 2.6           | 1.4                                           |
| Military Construction, Air Force Reserve                                                          | 0.1                                   | -                      | 0.1                         | 0.3           | (0.2)                                         |
| Military Construction, Air National Guard                                                         | 0.3                                   | -                      | 0.3                         | 0.2           | 0.1                                           |
| Military Construction, Defense-Wide                                                               | 3.1                                   | -                      | 3.1                         | 3.0           | 0.1                                           |
| NATO Security Investment Program                                                                  | 0.2                                   | -                      | 0.2                         | 0.3           | (0.1)                                         |
| DoD Base Closure Account, Army                                                                    | 0.1                                   | -                      | 0.1                         | 0.2           | (0.0)                                         |
| DoD Base Closure Account, Navy                                                                    | 0.3                                   | -                      | 0.3                         | 0.1           | 0.2                                           |
| DoD Base Closure Account, Air Force                                                               | 0.2                                   | -                      | 0.2                         | 0.1           | 0.1                                           |
| DoD Base Closure Account, Defense                                                                 | 0.0                                   | -                      | 0.0                         | 0.0           | (0.0)                                         |
| <b>Total FAM HSG</b>                                                                              | <b>2.3</b>                            | <b>-</b>               | <b>2.3</b>                  | <b>1.9</b>    | <b>0.4</b>                                    |
| Family Housing Construction, Army                                                                 | 0.5                                   | -                      | 0.5                         | 0.3           | 0.2                                           |
| Family Housing Operation and Maintenance, Army                                                    | 0.4                                   | -                      | 0.4                         | 0.4           | 0.1                                           |
| Family Housing Construction, Navy and Marine Corps                                                | 0.3                                   | -                      | 0.3                         | 0.3           | 0.1                                           |
| Family Housing Operation and Maintenance, Navy and Marine Corps                                   | 0.4                                   | -                      | 0.4                         | 0.4           | 0.0                                           |
| Family Housing Construction, Air Force                                                            | 0.3                                   | -                      | 0.3                         | 0.2           | 0.0                                           |
| Family Housing Operation and Maintenance, Air Force                                               | 0.4                                   | -                      | 0.4                         | 0.3           | 0.1                                           |
| Family Housing Operation and Maintenance, Defense-Wide                                            | 0.1                                   | -                      | 0.1                         | 0.1           | (0.0)                                         |
| DoD Family Housing Improvement Fund                                                               | 0.0                                   | -                      | 0.0                         | 0.0           | (0.0)                                         |
| Military Unaccompanied Housing Improvement Fund                                                   | 0.0                                   | -                      | 0.0                         | 0.0           | (0.0)                                         |
| <b>Total DoD Base Budget</b>                                                                      | <b>816.5</b>                          | <b>0.8</b>             | <b>817.4</b>                | <b>842.0</b>  | <b>(24.7)</b>                                 |

<sup>1</sup> FY 2023 includes only Divisions C and J of the Consolidated Appropriations Act, 2023 (P.L. 117-328) and non-recurring rescissions.

<sup>2</sup> The total rescissions for FY 2023 were \$1.08B of which \$0.554B is non-recurring.

<sup>3</sup> Assumes a CR for Divisions C and J of the Consolidated Appropriations Act, 2023 through Sept. 30, 2024. Adjusted for Medicare Eligible Retiree Health Care Funds (MERHCF) for FY 2024 based on permanent-indefinite authority

<sup>4</sup> Transfers funds to the VA for FHCC and Joint Incentive Fund.

Note: Funding estimates, tables, and specific examples included in this paper assume typical CR language and restrictions (e.g., no new starts, etc.) apply for the entire fiscal year. Actual funding availability and impacts will differ based on specific CR language enacted.