

INFORMATION PAPER

Subject: FY 2018 Department of the Navy (DON) President's Budget (PB) Summary

1. Purpose. Provide a summary of the FY 2018 DON President's Budget.

a. Budget Overview

- The Fiscal Year 2018 (FY 2018) baseline budget submission for the Department of the Navy (DON) is \$171.5B. The FY 2018 President's Budget balances current readiness needed to execute assigned missions while sustaining a highly capable fleet. The DON budget balances risk in today's requirements and those required to counter 21st century threats.

| PB17 Baseline \$B | *FY 2017 | FY 2018 |
|---------------------------------|-----------------|----------------|
| Navy | 132.0 | 139.5 |
| Marine Corps | 23.4 | 25.5 |
| DON | 155.4 | 165.0 |
| PB18 Baseline \$B | | |
| Navy | 135.4 | 145.2 |
| Marine Corps | 23.5 | 26.3 |
| DON | 158.9 | 171.5 |
| Delta PB17 to PB18 \$B | | |
| Navy | 3.4 | - |
| Marine Corps | 0.1 | - |
| DON | 3.5 | - |
| <i>*Estimated enacted value</i> | | |

- FY 2018 baseline funding by major category
 - Military Personnel: \$47.6B
 - Operations and Maintenance: \$54.6B
 - Procurement: \$49.5B
 - Research and Development: \$17.7B
 - Infrastructure: \$2.2B
- FY 2018 personnel levels:
 - Navy Active End Strength: 327,900
 - Marine Corps Active End Strength: 185,000

- o Civilian Personnel (Full Time Equivalents): 209,008
- b. Overseas Contingency Operations (OCO)
 - The FY 2018 OCO request is as follows:

| PB18 OCO \$B | FY 2016 | *FY 2017 | FY 2018 |
|--------------------------|----------------|-----------------|----------------|
| Navy | 5.8 | 11.8 | 7.2 |
| Marine Corps | 0.9 | 2.6 | 1.3 |
| DON | 6.7 | 14.4 | 8.5 |
| *Estimated enacted value | | | |

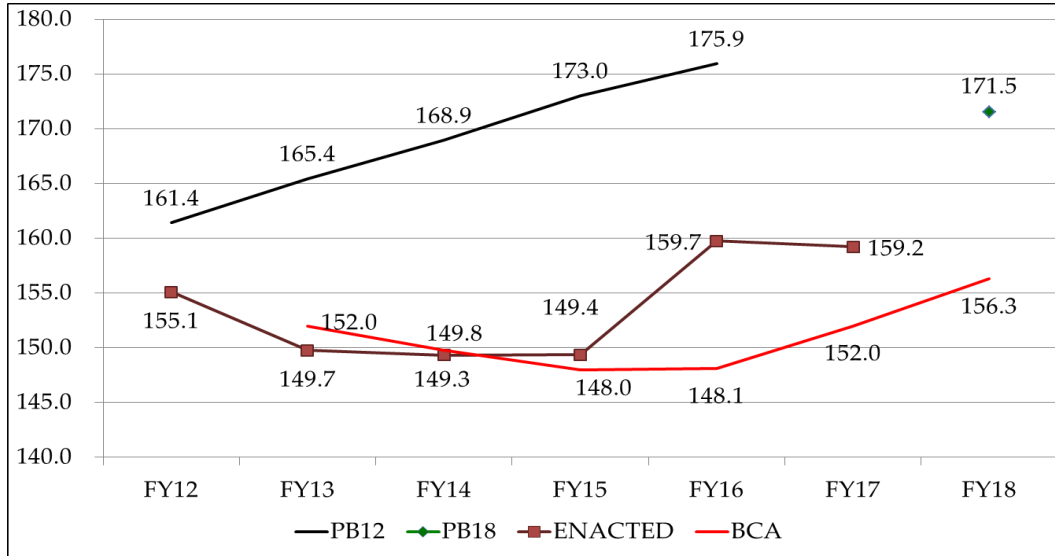
- FY 2018 OCO funding by major category
 - o Military Personnel: \$0.5B
 - o Operations and Maintenance: \$7.0B
 - o Procurement: \$0.8B
 - o Research and Development: \$0.1B
 - o Infrastructure: \$0.0B
- c. FY 2018 Budget highlights
 - 8 new-construction ships in FY18
 - o FY 2018 delivers thirteen battle force ships
 - 2SSNs
 - 4 LCS
 - 2 EPFs
 - 1 Expeditionary Sea Base
 - 1 LPD
 - 2 DDGs
 - 1 DDG 1000
 - o FY 2018 funds 91 airframes

Highlights include:

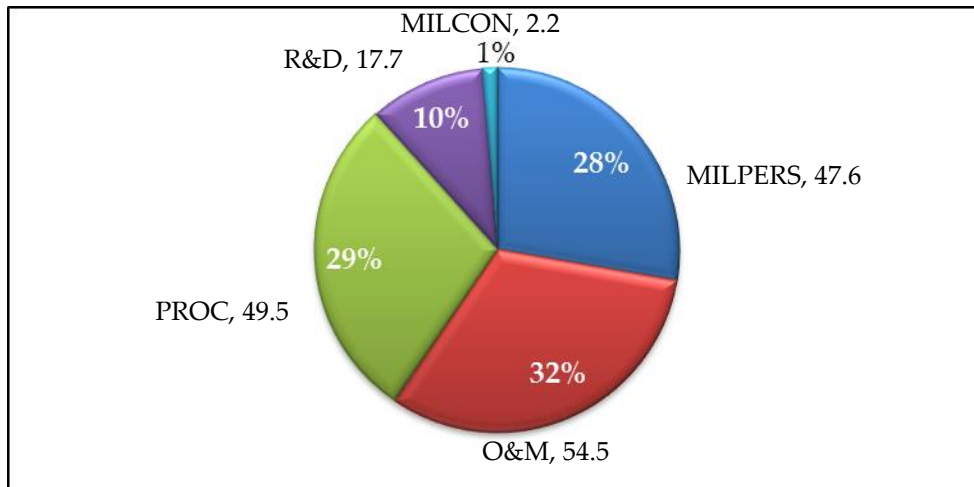
- 24 F-35B/C, 14 F/A-18E/F, 5 E-2D, 7 P-8A, 2 KC-130J, 22 AH-1Z, 4 CH-53K, 6 CMV-22, 4 RQ-21, and 3 MQ-4C.
- Military basic pay and civilian pay increased by 2.0% and 1.9% respectively.
- Battle force ship count is 292 in FY 2018
- Ship depot maintenance funding to 100%
- Ship operations funded to support 58 underway days per quarter for deployed forces and 24 days per quarter for non-deployed forces
- Navy/Marine Corps flying hours budgeted at T-2.0

- Percentage required maintenance funded in base and OCO in FY2018: Ship Depot: 100%, Aviation Depot: 89%, Marine Corps ground equipment: 79%. Sustainment of shore facilities is funded at 78% of requirement for Navy and 75% for Marine Corps.

d. Funding Charts (\$B) – FY 2012 – FY 2018 Baseline funding



FY 2018 by appropriation category



e. Shipbuilding Plan

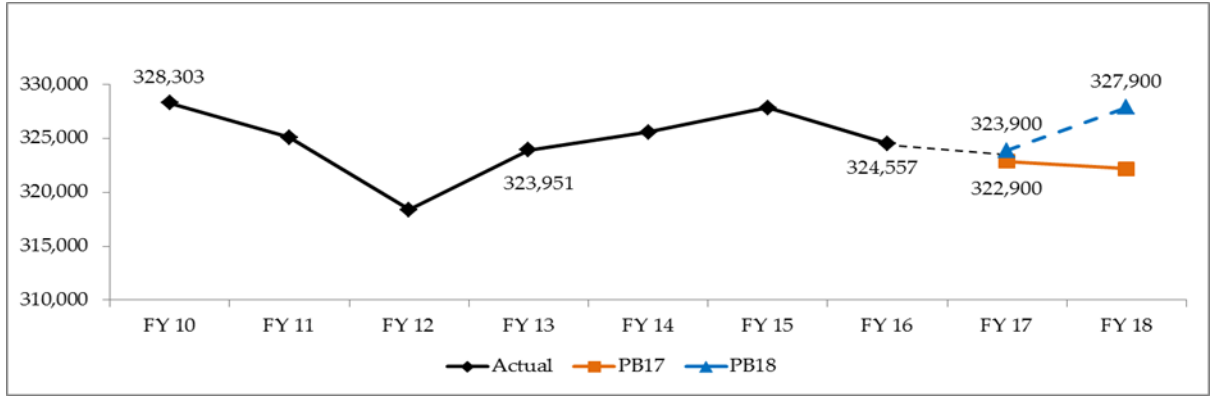
| | FY 2017 | FY 2018 |
|-------------------------------------|---------------|---------------|
| Columbia class | - | - |
| CVN 21 | - | 1 |
| SSN 774 | 2 | 2 |
| DDG 51 | 2 | 2 |
| LCS | 3 | 1 |
| FFX | - | - |
| LHA(R) | 1 | - |
| LPD 17 | 1 | - |
| LX(R) | - | - |
| T-ATS | - | 1 |
| Expeditionary Fast Transport | - | - |
| Expeditionary Sea Base | - | - |
| T-AO 205 | - | 1 |
| T-AGOS (X) | - | - |
| New Construction Total QTY | 9 | 8 |
| New Construction Total (\$B) | \$17.4 | \$17.3 |
| LCAC SLEP | 3 | - |
| Ship to Shore Connector | 2 | 3 |
| LCU 1700 | - | 1 |
| Moored Training Ships | 1 | - |
| CVN RCOH | - | - |
| Other Construction Total QTY | 6 | 4 |
| Total Shipbuilding QTY | 15 | 12 |
| Total Shipbuilding (\$B) | \$21.2 | \$19.9 |

f. Aircraft Plan

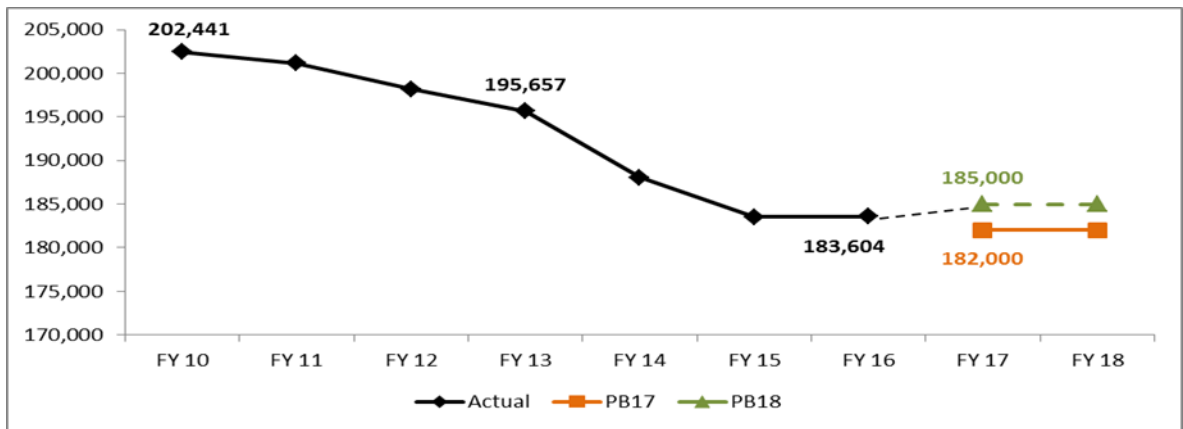
| Fixed Wing | FY 2017 | FY 2018 |
|--------------------------------------|------------|-----------|
| F-35C (CV) | 8 | 4 |
| F-35B (STOVL) | 18 | 20 |
| F/A-18E/F | 14 | 14 |
| E-2D AHE | 6 | 5 |
| P-8A (MMA) | 11 | 7 |
| C-40A (USN) | 2 | - |
| KC-130J | 2 | 2 |
| Rotary Wing | | |
| CH-53K (HLR) | 2 | 4 |
| MV-22B/CMV-22B | 19 | 6 |
| AH-1Z | 26 | 22 |
| VH-92A | - | - |
| UAV | | |
| MQ-4C Triton | 3 | 3 |
| MQ-8C Firescout | 5 | - |
| RQ-21A Blackjack* | 8 | 4 |
| Total Major Aircraft Programs | 124 | 91 |

g. Active Military Personnel

Navy



Marine Corps



h. Civilian Personnel Needs Total in the Table

| | <u>FY 2016</u> | <u>FY 2017</u> | <u>FY 2018</u> |
|---------------------------------------|----------------|----------------|----------------|
| Total – Department of the Navy | 203,835 | 205,226 | 209,008 |
| <u>By Appropriation/Fund</u> | | | |
| Operation and Maintenance | 117,451 | 119,163 | 121,835 |
| Other (FHOPS/RDTEN/BRC) | 1,401 | 1,626 | 1,841 |
| Working Capital Funds | 84,983 | 84,437 | 85,332 |

i. OCO

