

# The *BOTTOM LINE*

## Fiscal Year 2020 Department of the Navy Budget Submission

The Fiscal Year 2020 (FY20) budget submission of \$205.6B is an increase of \$9.5B (4.6%) from the FY19 enacted budget (base+OCO). The increased funding is beginning to reverse the erosion of our military advantage and we are on a better trajectory to restore that competitive advantage. This budget is strategy-driven and balanced to maximize our naval power. The budget fields a formidable force in all domains of naval operations.

The central theme in our National Defense Strategy (NDS) and other strategic guidance is the return of Great Power Competition and our FY20 budget request reflects the implementation of this guidance to ensure that the Department will compete, deter and win against great powers, and it will ensure our forces are ready to conduct prompt, sustained combat operations to protect America from attack and to preserve strategic influence in key regions of the world. This budget aligns and resources the people, capabilities, and processes required to implement this NDS. It builds on prior-year investments to deliver increased readiness and lethality both today and in the future, and this budget is synchronized for the joint fight across all domains. In terms of capacity, this budget provides for a larger overall force: we deliver more people and platforms, as well as enablers that make the force whole. We deliver a better and more innovative force through investments that improve our legacy platforms and provide for a more robust and lethal mix of next-generation opportunities. The budget also increases the availability and readiness of our force.

### Highlights

- The budget provides for a deployable battle force of 301 ships in FY20. This supports 11 aircraft carriers and 33 amphibious ships that serve as the foundation upon which our carrier and amphibious ready groups are based.
  - In FY20, 10 battle force ships will be delivered: 4 Destroyers, 3 Nuclear Attack Submarines (SSN), 2 Littoral Combat Ships, and 1 Expeditionary Fast Transport; additionally, 5 battle force ships will be retired: 2 SSNs and 3 Mine Warfare ships.
- Ship procurement funds 12 new-construction battle force ships in FY20 (1 CVN\*, 3 SSN, 3 DDG, 1 FFG, 2 T-AO, and 2 T-ATS), as well as 2 Large Unmanned Surface Vessels (USVs); and 55 battle force ships/10 Large USVs across the Future Years Defense Plan (FYDP). (\* Awarded in 2-CVN procurement with FY18 CVN).
- Aircraft procurement funds 148 airframes (fixed wing, rotary wing, unmanned) in FY20 (10 F-35B, 20 F-35C, 4 E-2D, 24 F/A-18E/F, 6 P-8A, 3 KC-130J, 22 F-5, 6 CH-53K, 10 CMV-22, 32 TH-57 Replacement, 6 VH-92A, 2 MQ-4C, and 3 MQ-9A); and 650 airframes across the FYDP.
- Military basic pay increases by 3.1%, basic allowance for housing increases 4.0%, and basic allowance for subsistence increases 2.4%.
- Key readiness programs are funded: Ship Depot Maintenance (95% requirement); Ship Operations (58 days/quarter deployed & 24 days/quarter non-deployed); Air Depot Maintenance (funded to maximum throughput); Flying Hours (aligned with increasing mission capable rates); Marine Corps ground equipment (equipment reset 99% complete, serviceability at 93%, availability at 82%); and facilities sustainment to 87%/88% of the sustainment model (Navy/USMC, respectively).
- Research & Development increases 9.5% over FY19, providing innovative capabilities in shipbuilding (Columbia class), aviation (F-35), weapons (Maritime Strike Tomahawk), hypersonics, unmanned, family of lasers, digital warfare, applied AI, big data analytics, and USMC ground equipment. These technological advancements are crucial to maintaining DON's competitive advantage.
- Military Construction funds 40 projects: 12 new platform/mission, 12 restore warfighting readiness, 3 European Deterrence Initiative, 1 Reserve, 2 Guam, 2 Naval shipyards, 2 Force 2025, 5 replace aging infrastructure, and 1 training project.
- Overseas Contingency Operations funding increases are due to compliance with the Budget Control Act of 2011.
- Our integrated Business Operations Plan is aligned to the NDS and allows us to create departmental processes that directly support reform. Savings of -\$1.9B in FY20/-\$9.4B FYDP have been reinvested due to business process improvements (e.g. execution reviews/SSC delays), business systems improvements (e.g. aviation cross functional teams), weapons systems acquisition (e.g. 2 CVN buy, MYPs), divestments (e.g. CG SLEP), and policy (e.g. Performance-to-Plan, reimbursable work orders, Sailor 2025).

### Key Messages

- Prioritizes a strategy-driven and balanced approach.
- Provides a Bigger, Better, More Ready Naval Force.
- Stable, predictable funding key to naval power.
- Supports the NDS tenets of *Compete, Deter, and Win*.
- Aligns people, capabilities, and processes to maximize naval power in all domains of potential conflict.
- Grows capacity, increases capability, & improves readiness.
- Prioritizes R&D - enabling technologies to maintain competitive advantage.
- Fully committed to audit effort.

### Facts & Figures

- The FY20 total budget is \$205.6B (& delta from FY19 enacted):
  - \$52.1B for Military Personnel (+\$2.3B/+4.6%)
  - \$68.5B for Operation & Maintenance (+\$5.6B/+8.9%)
  - \$61.1B for Procurement (-\$0.4B/-0.6%)
  - \$20.4B for Research and Development (+\$1.8B/+9.5%)
  - \$3.5B for Infrastructure (+\$0.2B/+6.5%)
  - 340,500 Active Navy end strength (+5,100 ES)
  - 186,200 Active Marine Corps end strength (+100 ES)
  - 217,476 Civilian full-time equivalents (+3,192 FTE)
- Reform savings of -\$1.9B in FY20/-\$9.4B FYDP.
   
<http://www.finance.hq.navy.mil/fmb/PB/books.htm>