

The *BOTTOM LINE*

Fiscal Year 2021 Department of the Navy Budget Submission

The Fiscal Year 2021 (FY21) President's Budget submission (PB21) of \$207.1B is an increase of \$1.9B (0.9%) from the FY20 enacted budget (base+OCO), less \$4.8B added by Congress in Natural Disaster funding we received in FY20. This budget supports irreversible implementation of the National Defense Strategy (NDS) and balances priorities in order to maximize naval power now and in the future.

This budget achieves several major goals. First, PB21 recapitalizes the COLUMBIA strategic ballistic missile submarine, our nation's ultimate insurance policy and the Navy's highest priority. Next, this budget sustains our readiness recovery to deliver credible forces to win today's fight. Third, PB21 aggressively pursues increased lethality and targets those areas of modernization with the greatest potential to deliver non-linear warfighting advantages. This budget also prioritizes the development and delivery of Naval Expeditionary forces capable of imposing cost with distributed, lethal power that is sustainable. Finally, this budget delivers capable capacity within the constraints of our budget topline. These investments will maximize our Naval power and deliver a larger overall Navy as our battle force grows from 293 today to 306 by the end of FY21. PB21 delivers 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 while supporting dynamic force employment, keeping the Navy and Marine Corps more agile, lethal, and adaptable.

Highlights

- The budget provides for a deployable battle force of 306 ships in FY21. This supports 11 aircraft carriers and 33 amphibious ships that serve as the foundation for our carrier and amphibious ready groups.
 - In FY21, 15 battle force ships will be delivered: 4 Destroyers, 3 Nuclear Attack Submarines (SSN), 5 Littoral Combat Ships, 1 Amphibious Transport Dock (LPD 17), 1 Fleet Replenishment Oiler (T-AO), and 1 Towing, Salvage, and Rescue Ship (T-ATS). Additionally, 6 battle force ships will be retired: 4 LCS, 1 LSD-41, and 1 T-ATF.
- Ship procurement funds 8 new-construction battle force ships in FY21 (1 SSBN, 1SSN, 2 DDG, 1 FFG(X), 1 LPD 17 Flight II, 2 T-ATS), as well as 2 Large Unmanned Surface Vessels (USVs); and funds 44 battle force ships/17 unmanned vessels across the Future Years Defense Plan (FYDP).
- Aircraft procurement funds 121 airframes (fixed-wing, rotary-wing, unmanned) in FY21 (10 F-35B, 21 F-35C, 4 E-2D, 24 F/A-18E/F, 5 KC-130J, 7 CH-53K, 6 CMV-22, 3 MV-22B, 36 TH-73A, and 5 VH-92A); and funds 537 airframes across the FYDP.
- Military basic pay increases by 3.0%, basic allowance for housing increases 3.8%, and basic allowance for subsistence increases 2.3%.
- Key readiness programs are funded: Ship Depot Maintenance (resourced to executable capacity); 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 expeditionary equipment (80% serviceability); and facilities sustainment to 81% of the sustainment model (both Navy & USMC).
- Research & Development increases 5% over FY20, providing innovative capabilities in shipbuilding (*Columbia* class), aviation (F-35), weapons (Maritime Strike Tomahawk), hypersonics (Conventional Prompt Strike), unmanned, family of lasers, digital warfare, applied AI, and USMC expeditionary equipment. These technologies are crucial to maintaining DON's competitive advantage.
- Military Construction funds 32 projects: 8 new platform/mission, 2 European Deterrence Initiative, 2 Reserve, 10 Guam, 1 Naval shipyard, and 9 replacement of aging infrastructure. Family Housing funds O&M, recapitalization, leasing, and privatization oversight.
- Overseas Contingency Operations funding increases by 13.8%.
- Our integrated Business Operations Plan aligns to the NDS and allows us to create departmental processes that directly support reform. Savings of -\$1.4B in FY21/-\$12.3B FYDP have been reinvested due to divestments (less capable platforms), business process improvements (e.g. execution reviews/SSC delays), business systems improvements (e.g. aviation cross functional teams), weapons systems acquisition (e.g. MYPs), and policy reforms (e.g. Performance-to-Plan/USMC Military End Strength reductions).

Key Messages

- Prioritizes a strategy-driven and balanced approach
- Resources COLUMBIA SSBN for on-track delivery
- Sustains and builds readiness to deter, fight, and win
- Increases lethality through development and modernization
- Prioritizes developing crucial emerging technologies such as hypersonics, directed energy, AI, and autonomous systems
- Matures Naval Expeditionary forces capable of imposing cost with distributed, lethal power that is sustainable
- Strengthens support of Service members, families, civilians
- Uses audit results to inform reform to free resources
- Relies upon sustainable, predictable, adequate, and timely budgets to properly resource for long-term competition

Facts & Figures

- \$207.1B FY21 (& delta from FY20 enacted)*
 - \$55.2B for Military Personnel (+\$3.3B/+6.4%)
 - \$70.6B for Operation & Maintenance (+\$2.6B/+3.8%)
 - \$57.2B for Procurement (-\$5.2B/-8.3%)
 - \$21.5B for Research and Development (+\$1.0B/+5.1%)
 - \$2.6B for Infrastructure (-\$1.0B/-28.0%)*
 - 347,800 Active Navy end-strength (+7,300 ES)
 - 184,100 Active Marine Corps end-strength -2,100 (-2,300 from PB20)
 - 220,901 Civilian full-time equivalents (+1,971 FTE)
- Reform savings of -\$1.4B in FY21/-\$12.3B FYDP
 - <http://www.finance.hq.navy.mil/fmb/PB/books.htm>

*delta from FY20 excludes disaster funds of \$4.8B (\$3.5B in MCN, \$1.3B in OMN, OMMC, NWCFC, RDTEN, OPN, PMC)