

# ***Business Managers' Conference***

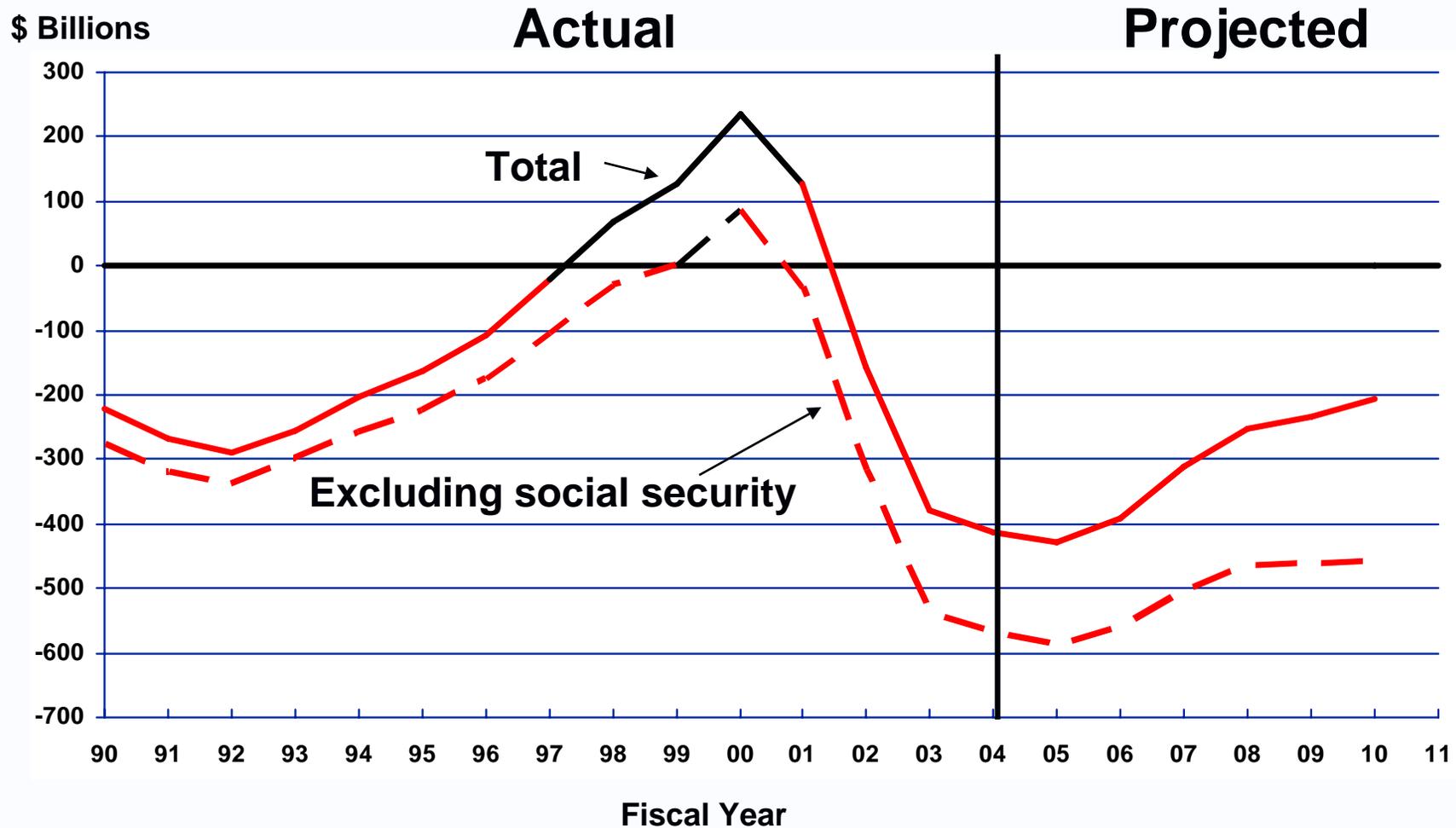
***“FY 2006 DoD Budget  
Environment”***

***May 10-11, 2005***

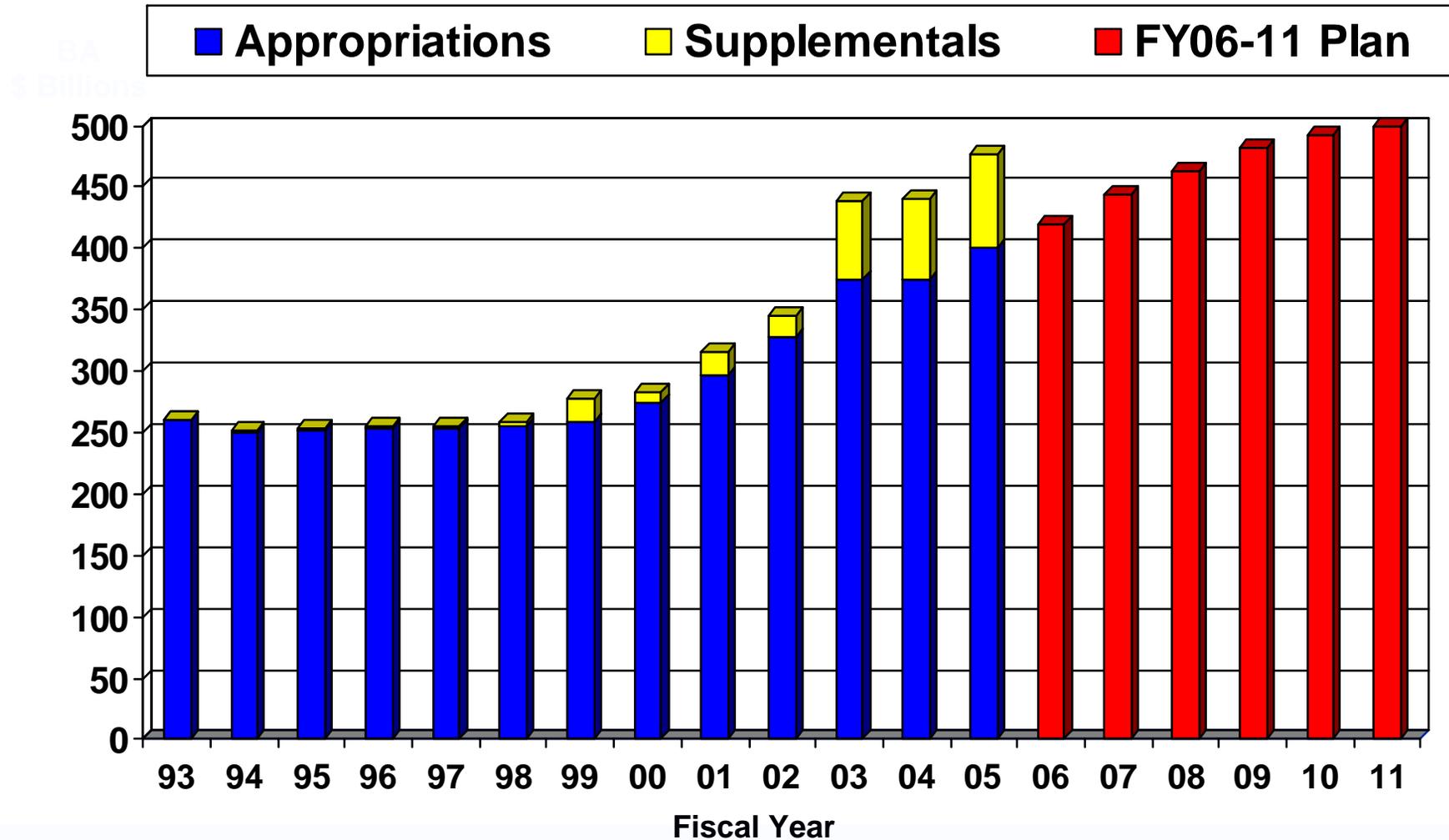
# FY 2006 Budget Environment

- **Budget Deficits**
  - » On Borrowed Time?
- **Looking at the budget differently**
  - » Capabilities vs Appropriations Accounts
- **Flexibility vs Oversight**
  - » DOD and Congress: meeting in the middle
- **Congressional Action**
  - » Reviewing the FY 2006 DoD Budget

# Budget Deficit Projections



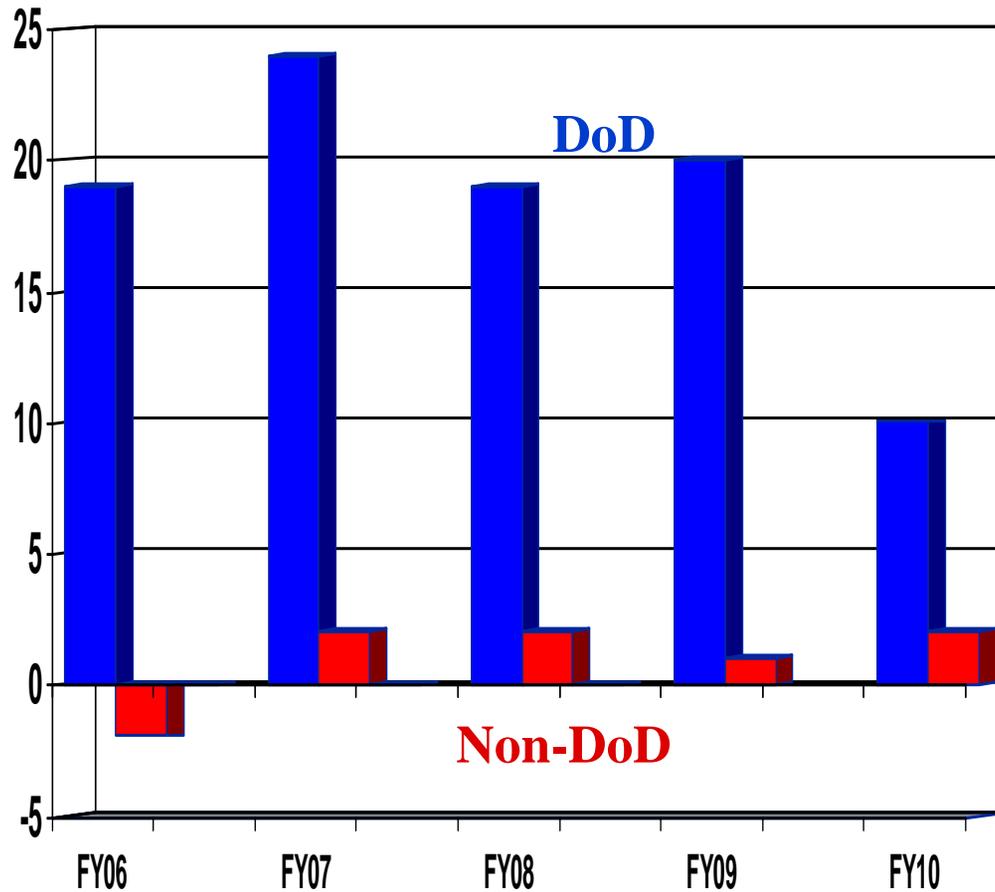
# Long-term DoD Budgets



# DoD/Non-DoD Budgets

## Year-to-Year Change

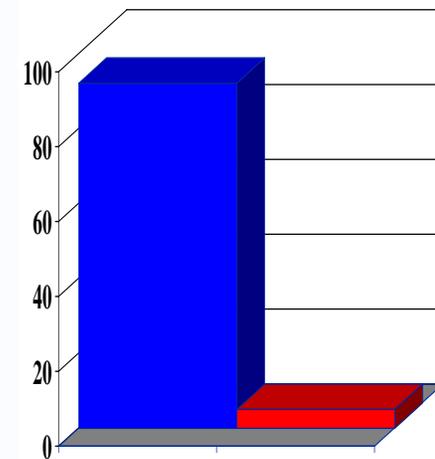
BA in \$ billions



Cum change FY05-10

DoD       +\$92B

Non-DoD   +\$5B



# FY 2006 Budget

(BA in billions of dollars)

	<u>FY05</u>	<u>FY06</u>	<u>\$▲</u>	<u>%▲</u>
Military Personnel	104.0	108.9	+4.9	+4.7
O&M	137.0	147.8	+10.8	+7.9
Procurement	78.1	78.0	-.1	-
RDT&E	68.8	69.4	+.6	+.1
Military Construction	6.0	7.8	+1.8	+30.0
Family Housing	4.1	4.2	+.1	+2.4
Other	<u>2.1</u>	<u>3.2</u>	<u>+1.1</u>	<u>+52.3</u>
<b>TOTAL</b>	<b>400.1</b>	<b>419.3</b>	<b>+19.2</b>	<b>+4.8</b>

# Looking at the Budget Differently

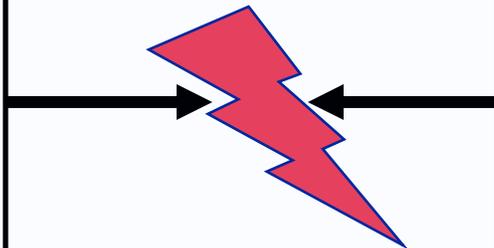
- We request funds and get funds by appropriation
  - » Military Personnel
  - » Operation & Maintenance
  - » Procurement
  - » RDT&E
  - » Military Construction
  - » Revolving Funds

- We want to think about joint capabilities
  - » Battlespace awareness
  - » Command & Control
  - » Network Operations
  - » Interagency Integration
  - » Information Affairs
  - » Information Operations
  - » Protection
  - » Logistics
  - » Force Generation
  - » Force Management
  - » Homeland Defense
  - » Strategic Deterrence
  - » Shaping & Security Cooperation
  - » Stability Operations
  - » Civil Support
  - » Non-Traditional Operations
  - » Access & Access-denial Operations
  - » Land Control Operations
  - » Maritime/Littoral Control
  - » Air Control Operations
  - » Space Operations

# When Push comes to Shove

**DoD**

**Congress**



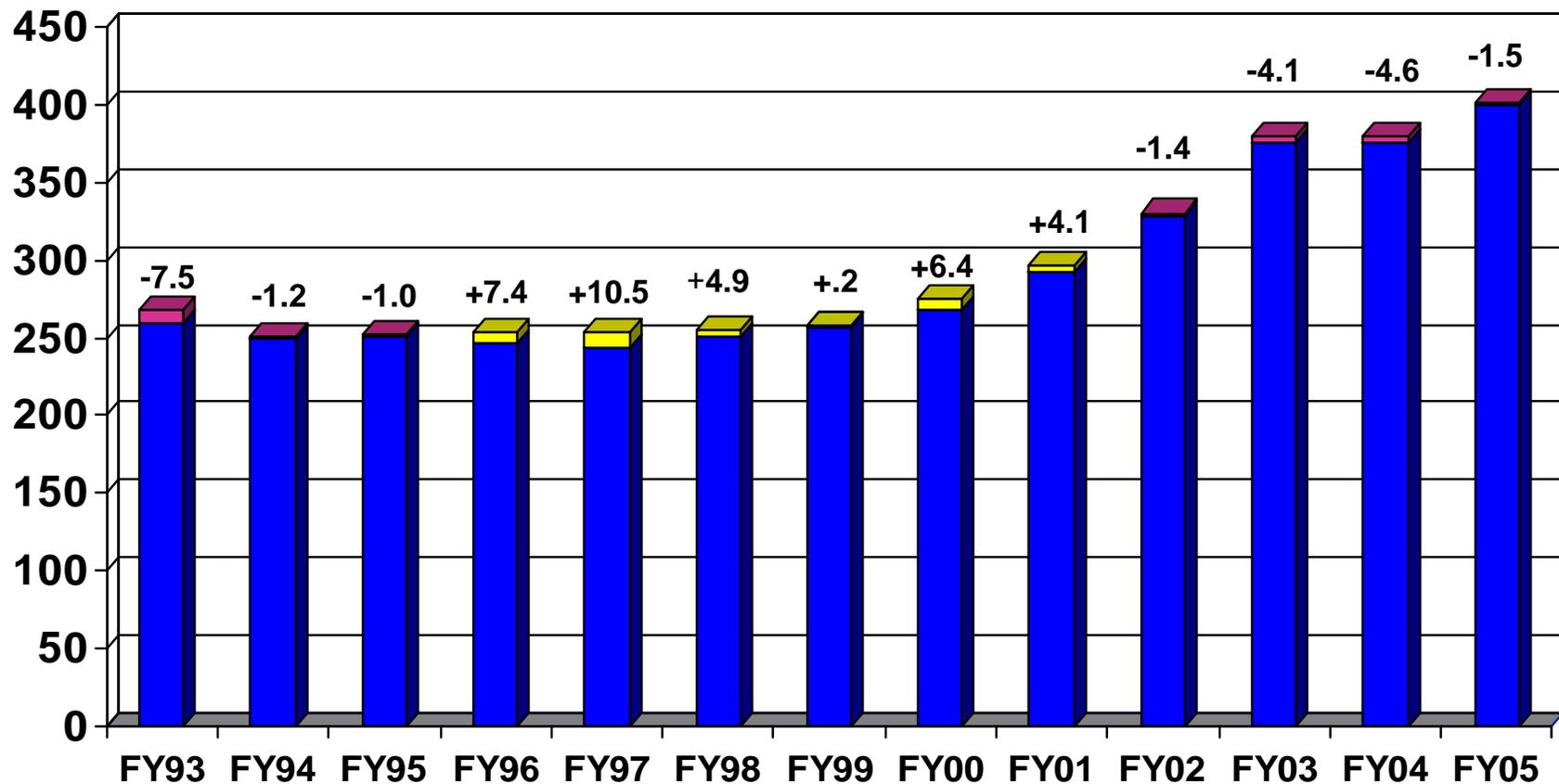
# FY06 Congressional Budget Review Environment

- Deficit Hawks pressing for lower spending to reduce deficits
- Concern that domestic agency budget requests are too low to ensure passage
- Strong resistance to defense cuts
- House and Senate Budget Resolutions support defense request
- Appropriations Subcommittee allocations cut defense

# Congressional Action on DOD Budgets

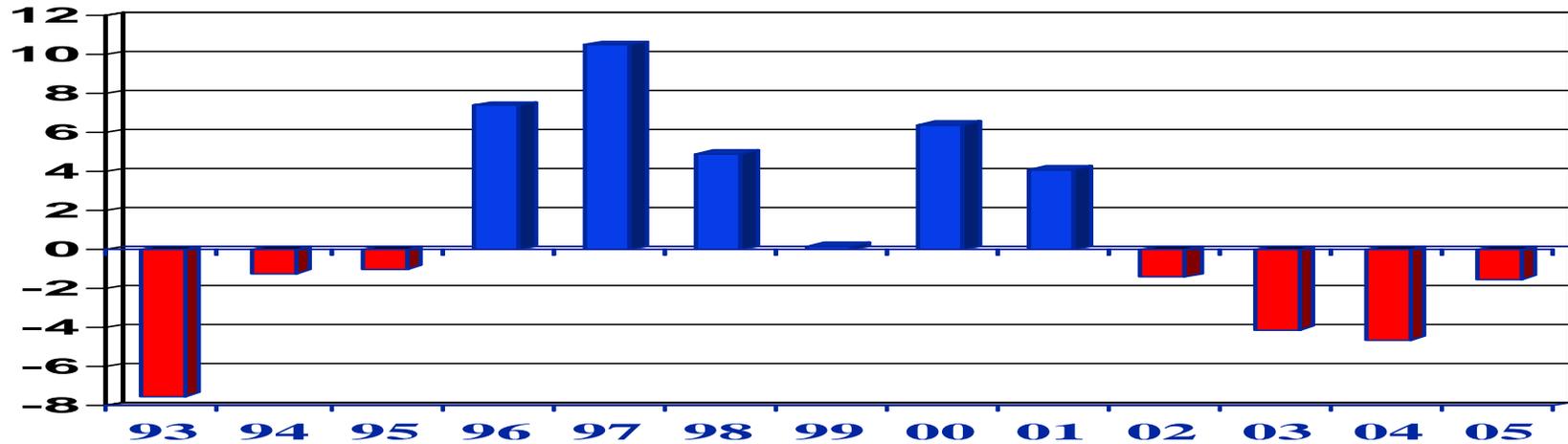
(excluding Supplementals)

■ Request   ■ Net Congressional Add   ■ Net Congressional Cut

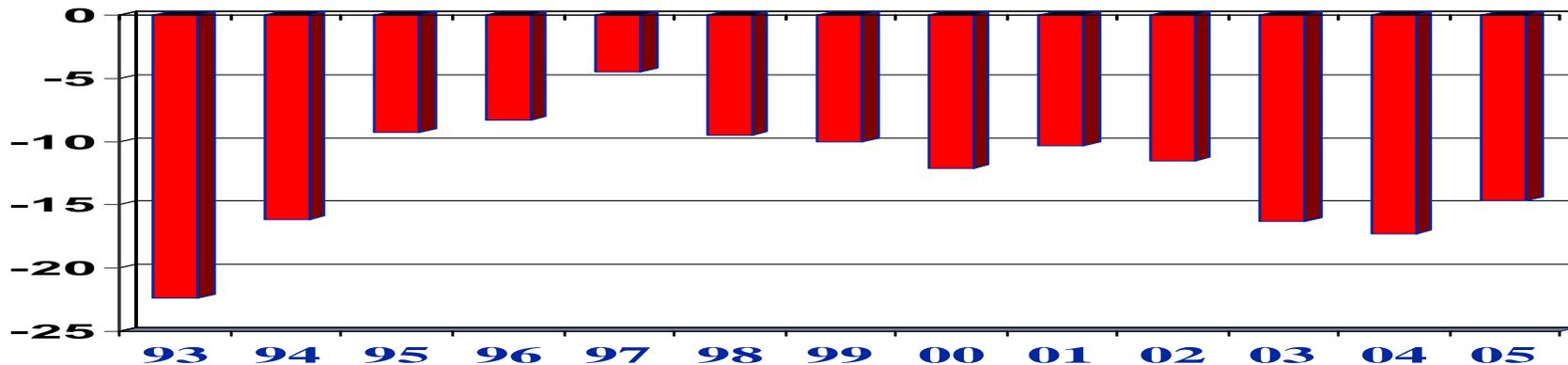


# DoD Programs get cut even when Congress adds to the budget

\$ billions



\$ billions



# Appropriations Subcommittees

## HOUSE

- Agriculture
- Energy & Water
- Homeland Security
- Labor/HHS/Education
- Interior & Environment
- **Defense**
- **Military Quality of Life/VA**
- Science/State/Justice/Commerce
- Foreign Operations
- Transportation/Treasury/HUD/Judiciary/DC

- **Basic Allowance for Housing**
- **Facilities Sustainment, Repair, & Modernization**
- **Environmental Programs**
- **Defense Health Program**

## SENATE

- Agriculture
- Energy & Water
- Homeland Security
- Labor/HHS/Education
- Interior & Related Agencies
- **Defense**
- **Military Construction & VA**
- Commerce/Justice/Science
- State & Foreign Operations
- Transportation/Treasury/Judiciary/HUD
- DC
- Legislative Branch

# Congressional Action Schedule

- House Authorization Bill *May*
- Senate Authorization Bill *May*
- House Appropriation Bill *May -June*
- Senate Appropriation Bill *June*
- *Omnibus Reprogramming* *June*
- Authorization Conference *June-July*
- Appropriation Conference *July-Aug*

# Keys to Better Congressional Staff Relations

- Know your audience--authorizers or appropriators
- Maintain a cordial, but professional relationship
- Be attentive and maintain frequent contact, but don't wear out your welcome
- Be responsive and timely
- Be prompt and forthright with bad news
- Develop strong, logical, and dispassionate justification for your program
- Keep your stories straight