



UNITED STATES AIR FORCE

FISCAL YEAR 2016 BUDGET OVERVIEW



MAJ GEN JIM MARTIN/SAF/FMB | FEBRUARY 2015



U.S. AIR FORCE

Overview



- **Strategic Framework**
- **Guiding Principles**
- **FY13/FY15 Recap**
- **Across the FYDP**
- **FY16 President's Budget (PB) Request**
- **FY16 Appropriation Overview**
- **FY16 Overseas Contingency Operations (OCO)**

Integrity - Service - Excellence



Strategic Framework

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FY16 President's Budget:

- Supports defense strategy & most urgent Combatant Commander requirements
- Invests in capabilities we need to defeat future high end threats
- First step in executing the AF strategic framework



Strategic Framework & SecAF's priorities are the foundation for the FY16 PB

- Taking care of people
- Striking the right balance between readiness & modernization / recapitalization
- Making Every Dollar Count



"We need stable funding profiles to focus on combat capability, on our five core missions, and on Global Vigilance, Global Reach, and Global Power for America. Our Airmen deserve it, our joint team needs it, and our Nation expects it."

General Welsh, January 2015



FY16 PB is rooted in necessity and built on long-term strategy



Guiding Principles Support Core Missions

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5 Core Missions

- Air & Space Superiority
- Intelligence, Surveillance & Reconnaissance
- Rapid Global Mobility
- Global Strike
- Command & Control

Guiding Principles

- Align choices with defense & Air Force 30-year strategy
- Ready for full-spectrum of military operations
- Increased contribution of the Total Force
- Invest in nuclear, space, cyber and ISR
- Focus on unique capabilities Air Force provides the Joint Force

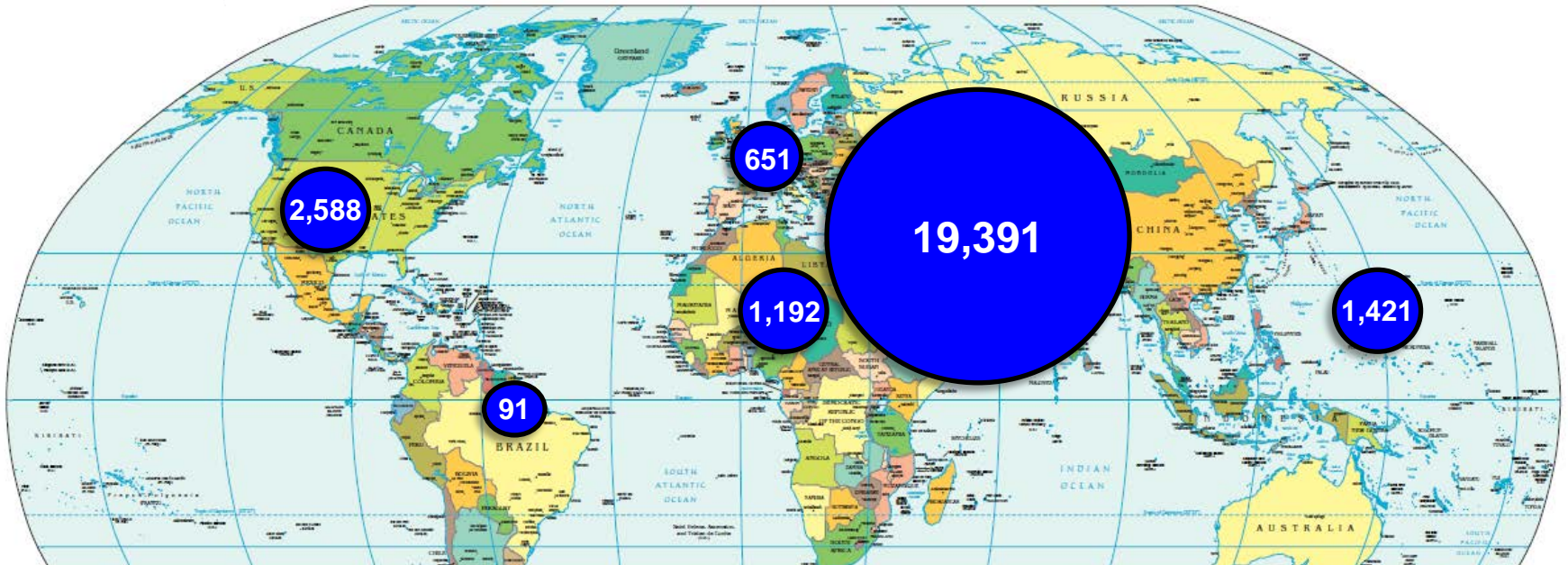


Informed by the defense strategy, Air Force 30-year plan, Combatant Commanders' expectations and requirements of their Air Force



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Air Force Global Engagement: Total Force Effort



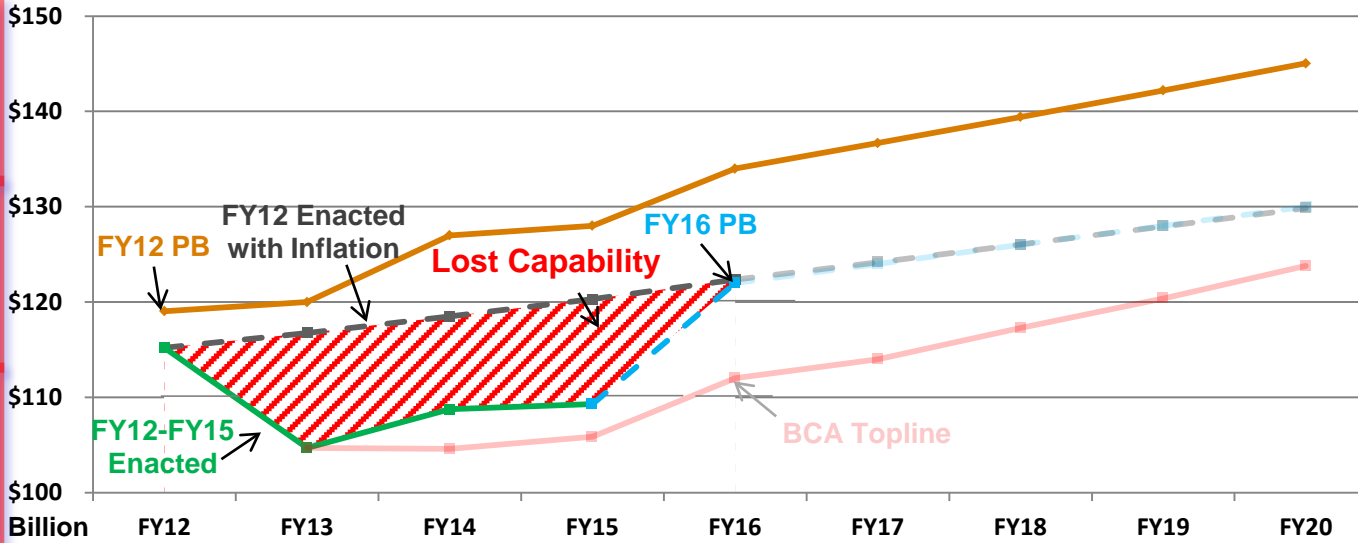
- More than 25,000 Airmen support contingencies around the world – Active, Guard & Reserve
- Nearly 71,000 Airmen are forward stationed overseas
- 205,000 Airmen directly support Combatant Commander requirements from home stations
- We're smaller but busier & older than ever...in 2014 the Air Force:
 - Flew nearly 20,000 Close Air Support sorties in Afghanistan, Iraq and Syria
 - 35,000 ISR missions in CENTCOM
 - Employed almost 4,000 munitions for OIR alone
 - 109,000 mobility/tanker sorties – 172,000,000 gallons of fuel
 - Airlifted more than 6,000 wounded warriors & civilians

Smallest, oldest, busiest now more than ever...need PB level for recovery



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FY13 - FY15 Recap



FY13 Sequester: Large immediate cuts

- Readiness dropped to lowest level since early 1980s
 - Stood down flying squadrons for 3+ months
 - Deferred aircraft & engine depot maintenance
 - Deferred airfield & infrastructure repairs
- Delayed critical modernization programs
- Broke faith with civilian Airmen – furloughed employees for 6 days with no pay restoral

FY14 / 15 Bipartisan Budget Act: Temp relief

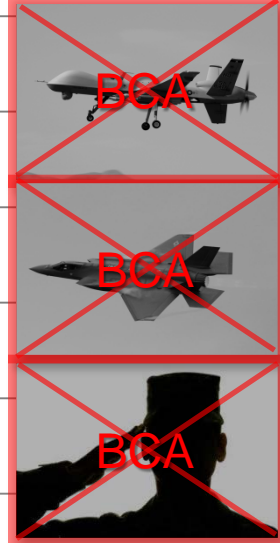
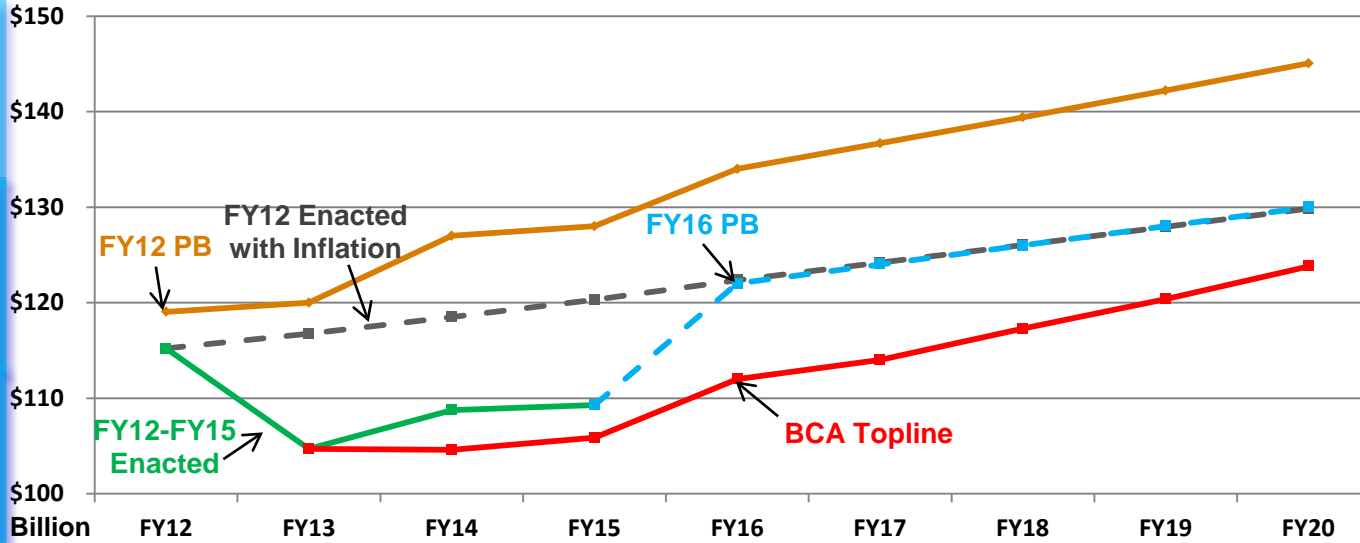
- Started readiness recovery
- Protected top modernization priorities
- Allowed some increase of munition levels
- Still had to make tough choices:
 - Divested entire fleets (i.e. A-10)
 - Reduced military endstrength by 24K
 - Reduced management headquarters by 20%
- Continued risk in base support and FSR&M

The capability gap is closing...if we let the gap narrow, we won't be able to recover before they pass us



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Across the FYDP



At FY16 PB Levels:

- Restores capacity to meet CDR's most urgent needs (e.g., U-2, E-3) while enhancing capability & re-building readiness
 - Must still reduce some force structure to meet budget targets (e.g., A-10, EC-130H)
- Maintains Flying Hours & Weapon Sys Sustainment funding to continue gradual path of full-spectrum readiness recovery
- Preserves top recapitalization programs (KC-46, F-35A, LRS-B)
- Invests in nuclear enterprise (ICBM, Nuclear C3, & B-2 mods)
- Advances Space, Cyber, ISR, CRH, & Preferred Munitions (e.g., SBSS, AEHF, SBIRS, FAB-T, adaptive eng., & MQ-9 CAPs)
- Addresses facility sustainment shortfalls & repair backlog
- Stops downsizing – we are as low as we can go
- Invests in Guard and Reserve

At FY16 BCA Levels:

- Loss of Global Vigilance...reduced ISR capability
 - Forced to divest RQ-4 Blk 40, and cut Blk 30 modifications
 - Reduces ISR capacity by 10 CAPs: equiv to Iraq/Syria today
- Loss of Global Reach...cannot react anywhere, anytime
 - Retire KC-10 fleet; (13% refueling booms, 21% fuel capacity)
 - AF-wide infrastructure/installation spt continues to degrade
 - Defers Presidential Aircraft Recapitalization
- Loss of Global Power...adversaries close in on our advantage
 - Slows readiness recovery due to cuts in Flying Hours, Weapon System Sustainment, ranges & munitions
 - Cuts fighter recapitalization (F-35As); squadron of fighters
 - Reduces investments in Space programs, Cyber mission areas, nuclear enterprise, Science & Tech & Adaptive Engine

Begins recovery in readiness and investments

Too small, less ready, less capable...unable to execute defense strategy

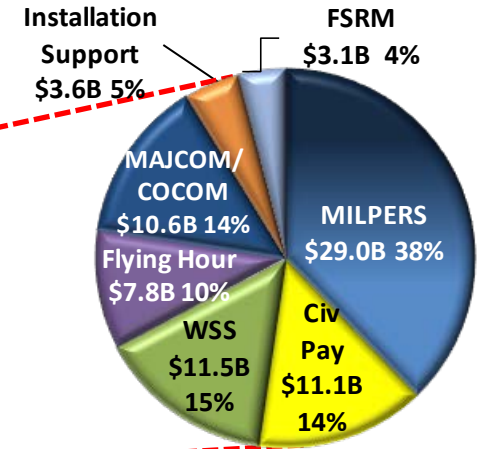
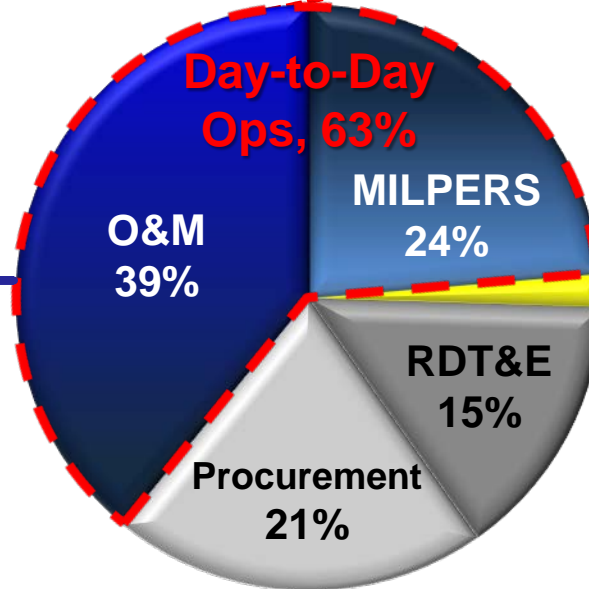


FY16 PB Request

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\$122.2B AF Blue Baseline



Procurement	
Top Aircraft:	\$10.8B
Top Space:	\$2.2B
Top Munitions:	\$1.2B
Sub-Total:	\$14.2B
% of Total:	56.1%

RDT&E	
Classified:	\$4.2B
Aircraft:	\$3.5B
T&E/S&T:	\$3.2B
Space:	\$1.2B
Sub-Total:	\$12.1B
% of Total:	67.2%

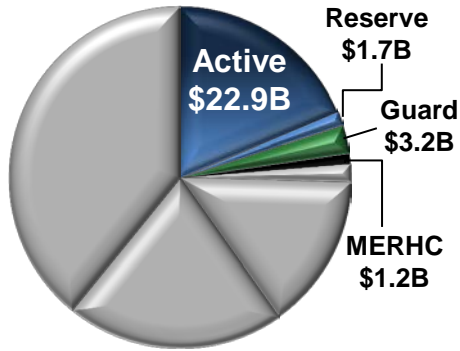
Numbers may not add due to rounding

PB keeps us on path of readiness recovery & invests in future capabilities



Military Personnel

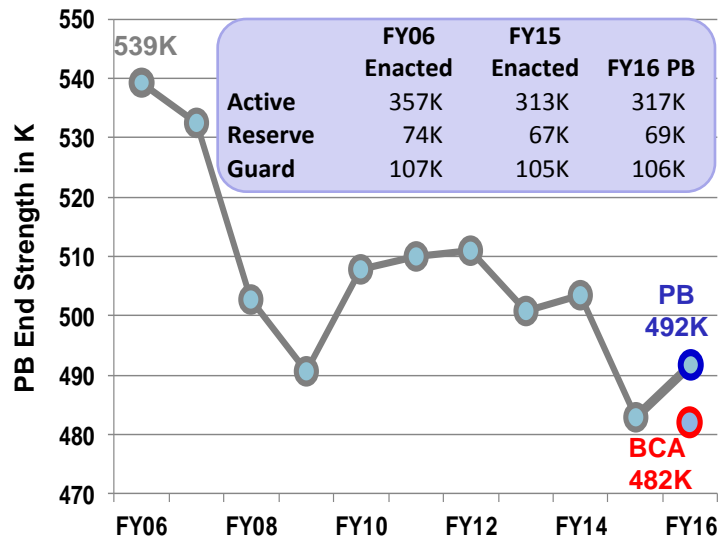
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Category (\$B)	FY15 Enacted	FY16 PB
Pay and Allowances	26.1	26.5
Permanent Change of Station	1.2	1.2
Medicare Eligible Retiree Health Care	1.4	1.2
Other Military Pay	0.1	0.1
Total	28.8	29.0



PB: Matches people to force structure to remain ready today...supports 492K Total Force Airmen



Stabilize the Force: Maintains Total Force structure that aligns with National Defense strategy, maximizing the Air Force's Air, Space, and Cyber capabilities to meet current and future operational commitments

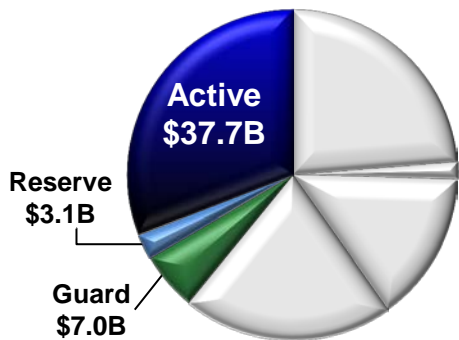
- Restores end strength authorizations from 483K in FY15 to 492K in FY16
 - Funds 900+ billets to further strengthen our Nuclear Enterprise
 - Increases Cyber 200+ billets to counter worldwide cyber threats
 - Restores 2,900+ force structure billets (U-2, F-15C, MQ-9, E-8, & E-3)
- Synchronizes military force size with mission
 - Optimizes Total Force to address geopolitical realities, global demands – increases Guard and Reserve
 - Airmen leading full spectrum engagement - from combat missions and humanitarian operations to protecting the homeland
 - Pay raise for Active Duty and other QoL (bonuses & special pay)

BCA: Too small now...won't meet DSG with BCA level force – need to stop downsizing



Operation & Maintenance

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Category (\$B)	FY15 Enacted*	FY16 PB
Flying Operations	17.6	19.3
Civilian Pay	10.6	11.1
Installation Support & FSRM	5.9	6.7
Logistics Ops & AF Wide Support	2.1	2.2
Mobility Forces	0.7	1.2
Space/Other Combat Forces	5.7	6.2
Training & Recruiting	0.9	1.0
Total	\$43.5	\$47.8

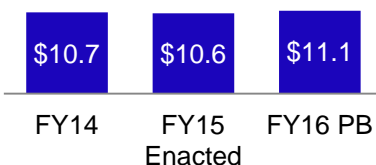


PB: Continues readiness recovery critical for full-spectrum operations, today & in the future

Flying Hours



Civilian Pay



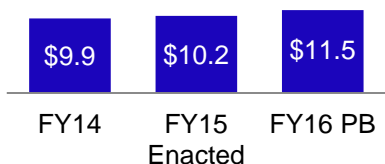
Readiness:

- Flying Hours to capacity: 1.2M hours / \$7.8B
- Weapon System Sustainment at 79% (91% w/OCO)
- Ranges, Simulators, Flag Exercises, Advanced Pilot Training
- Sustains ISR capacity at 60 CAPs; supports COCOM ops
- Supports USCYBERCOM's mission force - 39 cyber teams

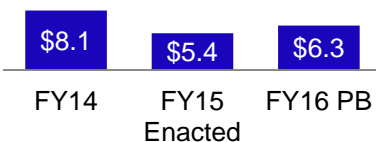
People / Base Operations:

- Invests \$68M in Nuclear Operations & Sustainment
- Funds SAPR billets, childcare, fitness, food & tuition assistance
- Funds BMT transition week; AF core values training
- Funds Civilian Pay raise at 1.3%; stability for workforce
- Restores Installation Support / Facility Sustainment to 80%

WSS



Base Support



* FY15 Enacted includes \$850M (Base to OCO transfer)

BCA: Peels back readiness gains – cuts COCOM required force structure – exacerbates infrastructure degradation



Research, Development Test & Evaluation

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Category (\$B)	FY15 Enacted	FY16 PB
Basic Research	0.6	0.5
Applied Research	1.1	1.2
Adv Technology Dev	0.6	0.7
Demonstration/Validation	1.4	2.1
Engineering Manufacturing Dev	3.6	3.8
RDT&E Management Support	1.2	1.2
Operational System Dev	7.6	8.5
Total	\$16.1	\$18.0



PB: Strategic investment in innovative and advanced concepts that leverage cutting-edge technologies to maintain our competitive edge over adversaries

Program Highlights

\$ Millions

	FY15	FY16
LRS-B	\$914	\$1,246
KC-46A	\$786	\$602
T&E	\$851	\$845
F-35A EMD	\$569	\$589
SBIRS EMD	\$309	\$292
S&T	\$2,282	\$2,378
AEHF	\$308	\$228
GPS III-OCX	\$299	\$350
CRH	\$100	\$156
RQ-4 UAV	\$242	\$208

Investment in Nuclear and Space Enterprise:

- Reduces risk to Ground Based Strategic Defense: ICBM guidance, propulsion, fuze modernization, security, and command & control applications
- Provides B-2 fleet Defensive Management System upgrades for direct attack capability
- Invests in domestic launch systems—mitigates reliance on foreign engine providers

Invests in future capabilities & technology:

- Supports Adaptive Engine Transition Program testing—revolutionary engine architecture
- Restructures JSTARS recapitalization providing critical C2 with enhanced ISR capabilities

Maintains commitment to recapitalize the Air Force:

- Sustains design/development of KC-46, F-35, LRS-B, and Combat Rescue Helicopter
- Initiates EMD funding for the Presidential Aircraft Recapitalization program

BCA: Lose funding for the Adaptive Engine Program, Global Hawk blk 30 sensor mods, B-2 Defensive Management Systems, and Minuteman III command and control modernization



Procurement

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Category (\$B)	FY15 Enacted	FY16 PB
Aircraft Procurement	12.0	15.6
Missile Procurement	3.8	2.1
Other Procurement	2.5	3.2
Ammunition Procurement	0.7	1.8
Space Procurement	0.0	2.6
Total	\$19.0	\$25.3



PB: Invest in multi-role platforms for today's fight and future high threat environments

	FY15	FY16
Aircraft	\$ Millions	
KC-46A	\$1,573	\$2,406
F-35A	\$4,407	\$6,029
C-130J	\$1,403	\$2,351
Space		
EELC	\$688	\$571
EELV	\$732	\$800
SBIRS	\$445	\$453
AEHF	\$298	\$333
Munitions		
JASSM-ER	\$199	\$367
JDAM	\$111	\$375
AGM-114	\$44	\$423

Aircraft:

- \$3.6B increase over prior year affords quantity increases on three primary platforms
 - Procures 12 KC-46 Tankers; funds 44 F-35A aircraft and the F-15C/D radar upgrade
 - Maintains C-130J Multi-Year Procurement; purchases 27 a/c supporting SOF & mobility

Space:

- Continues the Department's Efficient Space Procurement (ESP) approach for the block buys of AEHF satellite vehicles 5 and 6 and SBIRS Geosynchronous Earth Orbit (GEO) 5 and 6
- Funds five EELV launch services and GPS III space vehicle #10
- Funds modernization of SBIRS mobile ground C2

Munitions:

- Adds \$1.1B ammo procurement based on forecast demand and increased OPSTEMPO
- Adds \$700M missile procurement based on forecast demand and increased OPSTEMPO

BCA: Significant reductions to F-35 program and munitions...reduces fighter capacity impacting ability to meet defense strategy



Major Procurement Quantities

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AIRCRAFT	FY15	FY16 PB	FY16 BCA
F-35A Lightning II	28	44	30
KC-46A Tanker	7	12	12
MC-130J Recapitalization	2	8	8
MQ-9A Reaper	24	29	20
HC-130J Recapitalization	4	5	5
C-130J Super Hercules	7	14	14
Total	72	112	89
SPACE	FY15	FY16 PB	FY16 BCA
GPS III	1	1	1
EELV	4	5	4
Total	5	6	5
WEAPONS	FY15	FY16 PB / OCO	FY16 BCA
JDAM	4,333	6,341 / 5,953	3,744
AGM-114 Hellfire	381	3,756 / 2,500	400
AIM-9X Sidewinder	303	506	370
AIM-120D AMRAAM	200	262	262
AGM-158 JASSM	215	360	260
Small Diameter Bomb	144	1,942 / 63	1,942
Total	5,576	13,167 / 8,516	6,978

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Military Construction, BRAC & Military Family Housing

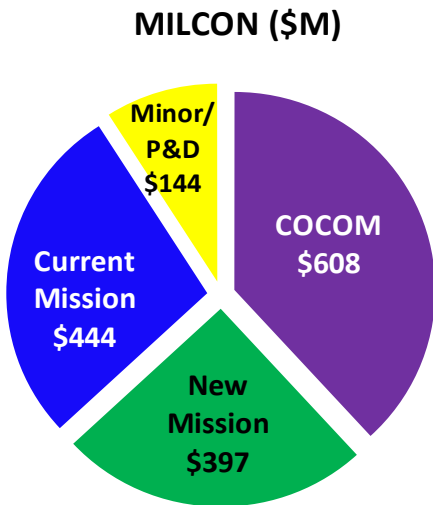
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Category (\$B)	FY15	FY16
	Enacted	PB
Military Construction	1.0	1.6
Military Family Housing	0.3	0.5
BRAC	0.1	0.1
Total	\$1.4	\$2.1



PB: Invests in critical projects supporting our highest priorities – provides required infrastructure to recapitalize and modernize the Air Force



MILCON: Revitalizes recapitalization, invests in nuclear enterprise facilities, funds new mission bed-downs, COCOM facilities, rebalance towards Asia-Pacific Region, & QoL

Active Air Force:

- Nuclear enterprise (\$144.2M): Weapon storage and nuclear alert facilities
- Quality of Life (\$168M): New basic trainee dorm & 3 dorm projects (CONUS)
- New mission bed-downs: F-35A (\$198M); KC-46A (\$52M); F-22 (\$46M)

Air Force Reserve: Medical facilities (\$13M); Firing Range (\$9M); Satellite Fire Station (\$5M)

Air National Guard: Remotely Piloted Aircraft (RPA) / ISR bed-down (\$38M); AOG bed-down (\$7M); KC-46A simulator building (\$3M); C-130 Operations facilities (\$18M); Fuel Cell and Corrosion Control hangar (\$10M)

Combatant Commands: CYBERCOM Joint Ops Center (\$86M): facilitates effort to prevent attacks against DoD networks; Joint Intelligence Analysis Complex (JIAC) (\$94M): constructs AFRICOM JIAC & Intel Fusion Center; PACOM Installation Control Center (\$22M)

BCA: Forced to cut COCOM facilities, Nuclear Enterprise, and Quality of Life projects



Overseas Contingency Operations (OCO)

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Category (\$B)	FY15	FY16
	Enacted	PB
Procurement / RDT&E / MILCON	1.3	0.8
Military Personnel	0.7	0.7
Operation and Maintenance	10.2	9.2
Working Capital Fund	0.0	0.0
Total	\$12.2	\$10.7



PB: Supports President's comprehensive strategy to confront threats to U.S. security & interests

	FY16	Qty
Flying / Support Operations		
Flying Hours	\$2,855	194K
WSS	\$1,779	N/A
Ops Support	\$4,534	N/A
Procurement / RDT&E		
MQ-9	\$83	N/A
JCREW	\$119	N/A
Hellfire	\$280	2,500
JDAM	\$184	5,953

Current Operations:

- Operation FREEDOM'S SENTINEL (OFS) – formerly ENDURING FREEDOM (OEF)
- Operation INHERENT RESOLVE (OIR)
- European Reassurance Initiative (ERI)
- Post-Operation NEW DAWN (OND) Activities

Support to Current Operations:

- Funds day-to-day basics for on-going contingencies
- Delivers critical C2, ISR and Airpower to US and Coalition forces
- Rapid Global Mobility & Global Reach; delivers personnel, supplies & airpower on time

Major Requirements:

- Flying hours and Weapon System Sustainment (WSS) – funds WSS at 91% w/ base
- Operating Support for six enduring locations
- MQ-9 extended range kits & Joint Counter RCIED Electronic Warfare systems (JCREW)
- Replenish Hellfire missiles and Joint Direct Attack Munitions expended in current ops

BCA: Baseline decrease puts today's readiness at risk



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Final Thoughts

- **BCA** renders us unable to execute defense strategy
 - Halts readiness...continues “Band-Aid” fixes on 1960’s era ICBM infrastructure
 - Reduces S&T; defers critical capabilities needed for potential high-end fight
 - Insufficient fighter, tanker, ISR and C2 capacity—forced into perpetual surge state
 - Restarts downward spiral of declining full-spectrum readiness
- FY16 PB is the first step and down payment in our fiscal recovery to:
 - Provide the tools, training and equipment that our Airmen deserve
 - Deliver the most urgent capabilities that our Combatant Commanders need today...and in the future
 - Secure the homeland & defend our interests around the world...America expects it!



*“The return of **Sequestration** will drive a choice between ‘ready and capable now’ and ‘ready and capable in the future.’ It’s a false choice... we must be both for the Joint Force to be successful.”*

General Welsh



Integrity - Service - Excellence



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More Information

- For more information, please visit the website below or scan the QR code for the Department of the Air Force's budget overview
 - <http://www.saffm.hq.af.mil/budget/index.asp>



AMERICA'S

AIR FORCE

A CALL TO THE FUTURE



