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Report to the Chairman, Subcommittee on Defense, Committee on Appropriations, House of Representatives

February 2000

DEFENSE BUDGET

DOD Should Further Improve Visibility and Accountability of O&M Fund Movements

GAO/NSIAD-00-18

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Abbreviations

DOD	Department of Defense
O&M	Operation and Maintenance

United States General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

B-284037

February 9, 2000

The Honorable Jerry Lewis
Chairman
Subcommittee on Defense
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

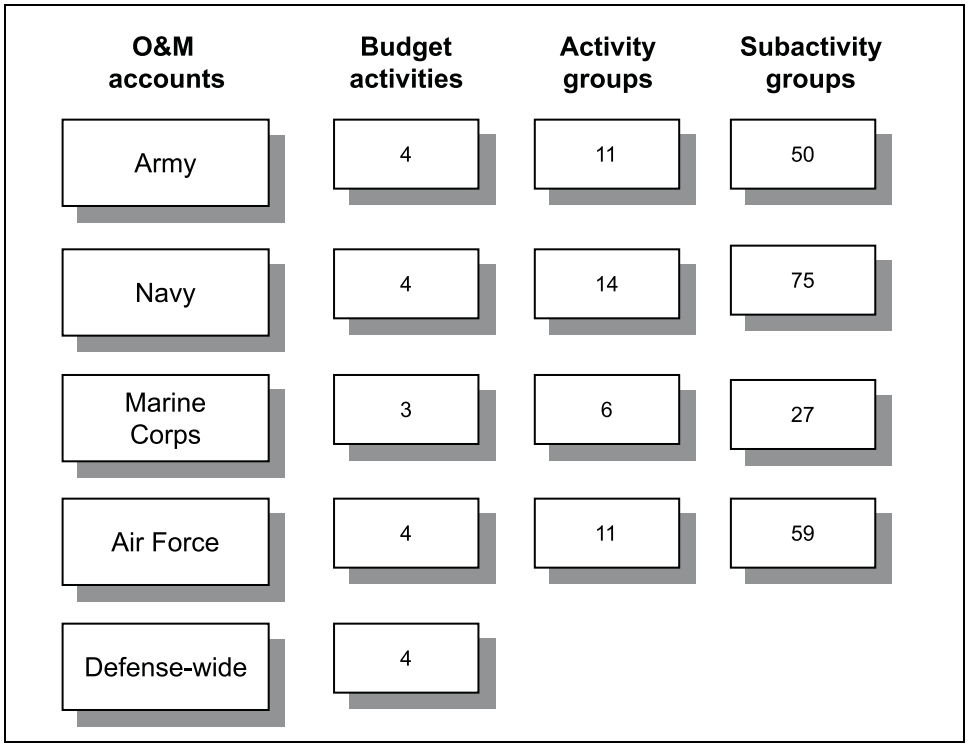
The Department of Defense's (DOD) single largest appropriation group, Operation and Maintenance (O&M), funds training, maintenance, and other key readiness-related activities, as well as other expenses not directly related to readiness. For fiscal year 2000, Congress has provided about $104 billion for all these activities.

To request funding from Congress, DOD divides its services' O&M budget requests into four budget activities: (1) operating forces, (2) mobilization, (3) training and recruiting, and (4) administration and servicewide activities.[1] DOD further divides its budget activities into various activity groups, then again into subactivity groups. The number and names of the activity and subactivity groups differ with each service. Although Congress reviews DOD's budget proposal for the services and Defense-wide activities at the subactivity level, it makes appropriations at the aggregated account level—that is, for the Army, the Navy, the Marine Corps, the Air Force, and the Defense-wide O&M accounts. However, to indicate how it expects O&M funds to be spent, Congress designates,[2] in its conference report on annual appropriations acts, specific amounts for each subactivity group, Defense-wide agency, field activity, and program. Figure 1 displays the services' O&M multi-tiered budget structure.

[1]The Marine Corps is an exception with only three budget activities and does not include the mobilization budget activity.

[2]We use the term "congressionally designated," "congressional designation," or variations of these terms throughout to refer to amounts set forth at the budget activity, activity group, and subactivity group level in an appropriation act's conference report. These recommended amounts are not binding unless they are also incorporated directly or by reference into an appropriation act or other statute. We did not review the appropriation acts or related statutes to make this determination because of the extensive time that would be involved.

Figure 1: Number of Budget Activities, Activity Groups, and Subactivity Groups in DOD's Active Service and Defense-wide O&M Accounts, Fiscal Year 1998



Source: Our depiction, based on the services' and Defense-wide budget justification estimates submitted to Congress for fiscal year 1998.

Congressional defense committees have expressed concerns about the extent to which funds that directly affect readiness—generally those in the operating forces portion of the O&M budget—have been reduced to pay for other O&M expenses. To assist congressional oversight of O&M funds, the previous subcommittee chairman asked that we analyze the active components and Defense-wide agencies' O&M appropriations from fiscal year 1994 through 1998.[3] We did not include the reserve and guard components, as it would significantly broaden the scope of our effort. As agreed with his office, this report

- identifies the aggregated differences between the amounts Congress initially designated for O&M subactivities, (especially the readiness-

[3]Most recent 5-year period data available.

related subactivities) and those DOD reported as obligated for the same subactivities;
- identifies those O&M subactivities where DOD obligated funds differently than recommended by Congress in each year of the 5-year period we examined (1994 through 1998); and
- assesses information available to Congress to track DOD's movement of funds among O&M subactivities.

To respond to this request, we conducted an analysis of congressional conference and committee reports and DOD budget documents for fiscal years 1994 through 1998. We compared the amounts Congress designated for O&M subactivities in its conference reports on various Defense appropriation acts with DOD's obligations for the same subactivities. As discussed in greater detail in appendix I, which describes our scope and methodology, we used available DOD budget data as a basis for our analysis although our past audits of financial statements have shown that the data may not be reliable. However, it is the latest budget data available and we provided our documentation of this data to the Office of the Under Secretary of Defense (Comptroller) and service budget offices to aid in data verification.

Since 1994, Congress has directed DOD to provide semiannual reports on transfers from certain high-priority readiness-related subactivities within the Operating Forces budget activity.[4] Included in the reports are data on the funds moved into or out of these subactivities, as well as explanations of the movements. During this period, Congress has gradually increased the number of subactivities covered by these reports to 28. Currently, all but one of the subactivities designated by Congress as high-priority readiness-related are also considered most directly related to readiness by DOD because they are in the Operating Forces budget activity. The one exception, the Air Force airlift operations subactivity, is included in the Mobilization budget activity.

[4]National Defense Authorization Act for Fiscal Year 1994, section 377 (P.L. 103-160, Nov. 30, 1993), subsequently amended and codified at 10 U.S.C. 483 by the National Defense Authorization Act for Fiscal Year 1998, section 323 (P.L. 105-85, Nov. 18, 1997).

Results in Brief

From fiscal year 1994 through 1998, DOD changed funding amounts for the 245 O&M subactivities[5] by almost $43 billion compared with the amounts Congress originally designated for them. These changes included both decreases and increases to the amounts designated by Congress. DOD moved almost $16 billion out of and $27 billion into O&M subactivities. The changes made to these O&M subactivities accounted for about 12 percent of the total amounts initially appropriated for O&M during the period. Over half of the $43 billion was moved out of or into ($9 billion out of and $13.5 billion into) 81 O&M subactivities DOD considers directly related to readiness, while $10 billion was moved out of or into ($5.5 billion out of and $4.4 billion into) 28 O&M subactivities that Congress now considers high-priority readiness-related.

Every year from fiscal year 1994 through 1998 DOD obligated a different amount than Congress designated for the same 63 subactivities. In total, DOD moved about $19 billion out of or into these subactivities ($6.2 billion was moved out and $12.6 billion was moved in). About $4.3 billion was moved out of and about $6.7 billion was moved into 30 subactivities DOD considers directly related to readiness for a total of about $11 billion. The 30 subactivities include 11 of the high-priority readiness-related subactivities. Further, of the 11 subactivities, DOD moved $3.2 billion out of 6 subactivities Congress considers high-priority readiness-related (e.g., Army divisions, Navy ship depot maintenance, Air Force primary combat forces), while moving $2.3 billion into 5 others (e.g., Army base operations for land forces, Navy mission and other flight operations, Marine Corps operational forces).

In recent years DOD has improved the information it gives to Congress on the movement of O&M funds. But this budget information is still incomplete and does not provide adequate details of where funds are moved and why. Changes in the way DOD presents budget justification materials, as well as congressionally mandated changes in the level of details to be provided by DOD, have improved DOD's budget information available to Congress. In particular, the high-priority readiness-related transfer reports offer the most information available on why DOD moves funds among selected subactivities. However, the statutory requirement for these reports will expire when DOD submits its fiscal year 2000 report. In

[5]The number of O&M subactivity groups varied for each service every year during the 5-year period. In total, the services had 245 subactivities during this period.

addition, from fiscal years 1994 through 1998, little information was available to Congress about what DOD terms "fact-of-life" movements, which DOD says are made to reflect changes that occur between the time DOD formulates its budget request and the time Congress passes the appropriation act. DOD reported over $1 billion in fact-of-life adjustments to its fiscal year 1999 O&M appropriations. DOD's financial management regulation does not define these adjustments and provides no guidance on when it is appropriate to make such adjustments, who should approve them, or how much funding can be moved. Without any such guidance governing these movements, DOD and Congress cannot evaluate whether the movements of funds are appropriate.

To enhance congressional oversight, we are recommending that DOD take actions to further improve the visibility and accountability of funds moved within the O&M appropriations. DOD agreed with our recommendation to provide more guidance on the fact-of-life adjustments. DOD did not agree with our recommendation to continue to provide Congress reports on transfers of funds in high-priority readiness-related subactivities because DOD believes the information is available in several other reports. However, because we do not believe these reports collectively provide the same information, we changed our recommendation to a matter for congressional consideration.

Background

O&M is directly related to military readiness because it provides funds for training troops for combat and for maintaining tanks, airplanes, ships, and related equipment. O&M accounts also fund a wide range of activities that are less directly related to readiness. These include many day-to-day activities such as civilian personnel management and payments, transportation, health and child care. Since 1989, O&M has accounted for an average of 35 percent of the total Defense budget, making it DOD's largest appropriation. Appendix II provides more detail of DOD's O&M budget structure.

DOD has considerable flexibility in using O&M funds and can move them in several ways. As shown in figure 2, after the initial appropriation is made, DOD can "adjust" funding among subactivities through

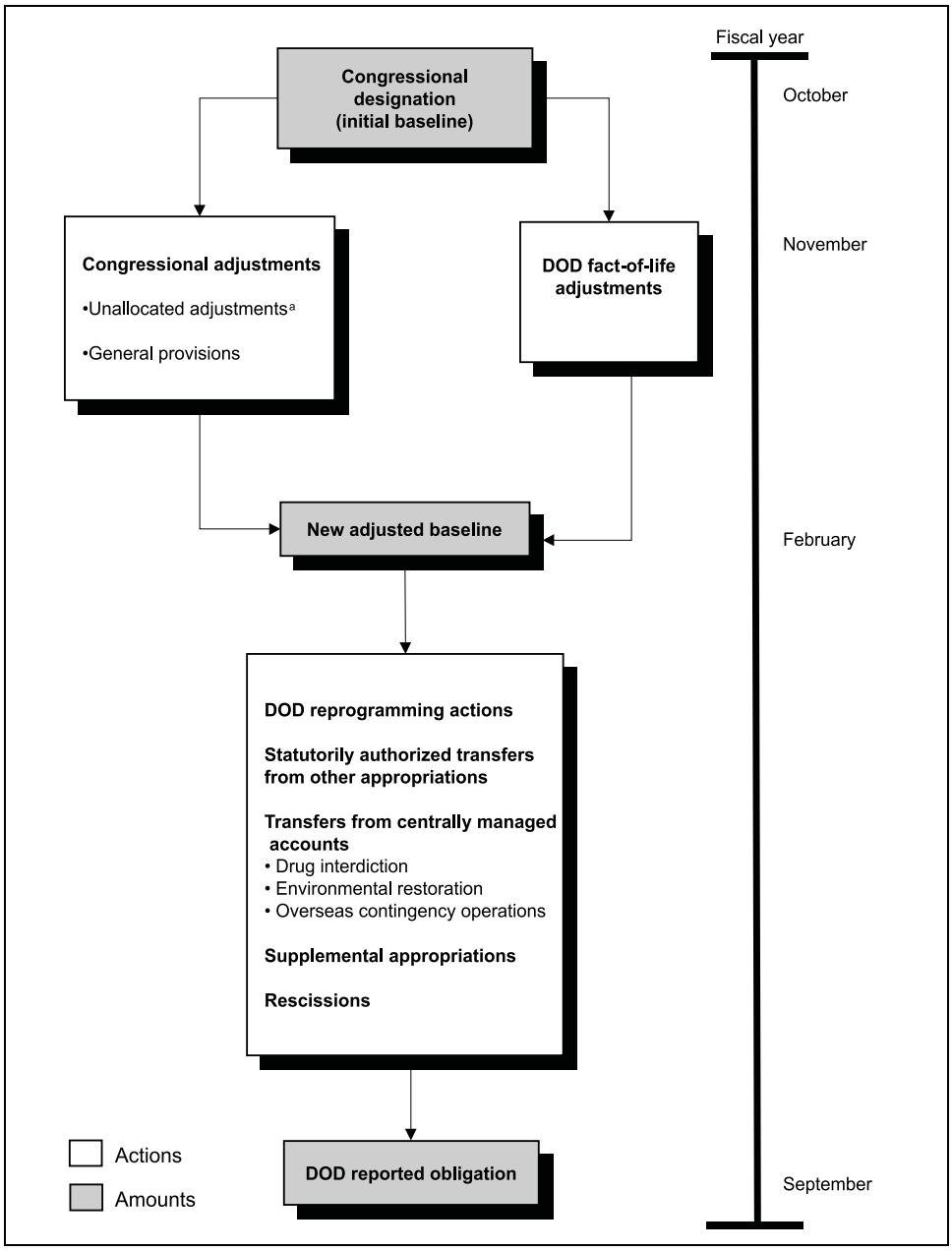
- adjustments directed by Congress in conference reports on appropriation acts and

- fact-of-life adjustments DOD believes are necessary due to changes, such as unplanned force structure changes, that have occurred since the budget was formulated.

After making these initial fund movements, DOD establishes a new "adjusted" baseline budget. It can then move funds among subactivities through

- reprogramming actions, to move funds from one budget activity to another within the same account;
- statutorily authorized transfers, to move funds from other Defense appropriations (such as Procurement);
- transfers from congressionally established, centrally managed accounts (such as for overseas contingencies);
- supplemental appropriations that Congress provides for additional expenses during the year; and
- rescissions, with which Congress cancels appropriated funds.

Figure 2: How O&M Funds Are Moved Throughout the Fiscal Year



[a]In the conference report on the appropriations act, conferees direct DOD to make changes to its budget baseline. These changes are known as unallocated adjustments and general provisions.

Source: Our depiction, based on Defense Financial Management Regulation DOD 7000.14-R, conference reports on the appropriations acts, and interviews with officials from the Office of the Under Secretary of Defense (Comptroller).

DOD financial management regulations, which reflect agreements between DOD and the authorization and appropriation committees, provide general guidelines for various reprogramming. For example, congressional notification is required for O&M reprogramming actions of $15 million or more. In recent years, DOD has made efforts to provide Congress with a single annual request for reprogramming actions requiring congressional approval.

DOD Obligations Differed Substantially From Congressional Designations

From fiscal year 1994 through 1998, DOD moved almost $43 billion out of or into 245 O&M budget subactivities after Congress made initial funding designations. This amount represents about 12 percent of all the services' and Defense-wide agencies' O&M appropriations over the 5-year period and includes all fact-of-life adjustments, reprogramming actions, statutorily authorized transfers, and supplemental appropriations. DOD moved almost $16 billion out of and $27 billion into its O&M subactivities. As shown in table 1, over half the fund movements took place within the Operating Forces budget activity, which DOD considers most directly related to readiness. Further, DOD moved almost $10 billion out of or into ($5.5 billion out of and $4.4 billion into) the 28 subactivities which, under 10 U.S.C. 483, are listed as high-priority readiness-related for reporting purposes. Appendix III shows these differences by O&M subactivity for each fiscal year.

Table 1: Differences Between Initial Congressional Designations and DOD's Reported Obligations, by O&M Budget Activity, Fiscal Years 1994-98

Constant 1999 dollars in millions

O&M account	Operating forces	Mobilization	Training and recruiting	Administration and servicewide	Total difference
Army					
Increase	$6,871.9	$105.9	$587.4	$3,250.5	$10,815.7
Decrease	3,001.9	178.1	661.0	1,265.0	5,106.0
Subtotal	**$9,873.8[a]**	**$284.0**	**$1,248.4**	**$4,515.5**	**$15,921.7**
Navy					
Increase	3,734.3	37.2	233.7	2,775.8	6,781.0
Decrease	2,907.4	301.7	306.5	616.9	4,132.5
Subtotal	**$6,641.7**	**$338.9**	**$540.2**	**$3,392.7**	**$10,913.5**

Continued

Constant 1999 dollars in millions

O&M account	Operating forces	Mobilization	Training and recruiting	Administration and servicewide	Total difference
Marine Corps					
Increase	412.4	[b]	111.6	111.1	635.1
Decrease	191.2	[b]	139.9	41.7	372.8
Subtotal	**$603.6**	**[b]**	**$251.5**	**$152.8**	**$1,007.9**
Air Force					
Increase	2,186.0	1,395.9	370.7	3,048.1	7,000.7
Decrease	2,837.4	852.8	503.4	978.8	5,172.4
Subtotal	**$5,023.4**	**$2,248.7**	**$874.1**	**$4,026.9**	**$12,173.1**
Defense-wide					
Increase	290.6	9.5	8.3	1,223.2	1,531.6
Decrease	92.8	57.9	11.3	1,118.6	1,280.6
Subtotal	**$383.4**	**$67.4**	**$19.6**	**$2,341.8**	**$2,812.2**
Subtotal increase	**$13,495.2**	**$1,548.5**	**$1,311.7**	**$10,408.7**	**$26,764.1**
Subtotal decrease	**$9,030.7**	**$1,390.5**	**$1,622.1**	**$4,021.0**	**$16,064.3**
DOD total	**$22,525.9**	**$2,939.0**	**$2,933.8**	**$14,429.7**	**$42,828.4**

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Amounts may not total due to rounding.

Note: Initial congressional designations for each O&M subactivity as reported in annual conference reports on Defense appropriations acts for fiscal years 1994-98.

[a]Amount does not include Army data for fiscal year 1996, when the Army restructured its Operating Forces budget activity

[b]The Marine Corps does not have a separate budget activity for Mobilization.

Source: Our analysis, based on Defense O&M budget data.

DOD Consistently Moved O&M Funds Into and Out of Certain Subactivities

DOD consistently obligated either more or less funding for certain O&M subactivities than Congress originally designated. As shown in table 2, DOD obligated less funding, totaling $6.2 billion, for the same 36 O&M subactivities over the 5 years included in our review. DOD also obligated more funding, totaling $12.6 billion, for 27 other O&M subactivities over the 5 years.

Table 2: Consistency of Movements Between Initial Congressional Designations and DOD's Reported Obligations, Fiscal Years 1994-98

Constant 1999 dollars in billions

	Total O&M subactivities		DOD: readiness-related[a,b] (Operating Forces)		Congress: high-priority readiness-related[a,b]	
For each of the 5 years 1994-98	**Number of subactivities DOD moved funds into or out of every year**	**Total difference in funding over 5-year period**	**Number of subactivities DOD moved funds into or out of every year**	**Total difference in funding over 5-year period**	**Number of subactivities DOD moved funds into or out of every year**	**Total difference in funding over 5-year period**
DOD decreased funding	36	$6.2	17	$4.3	6	$3.2
DOD increased funding	27	12.6	13	6.7	5	2.3
Total	**63**	**$18.8**	**30**	**$11**	**11**	**$5.5**

Note: Initial congressional designations for each O&M subactivity as reported in annual conference reports on Defense appropriation acts, fiscal years 1994-98.

[a]Data for the Army is only for fiscal year 1997 and 1998 because it restructured its budget in 1996.

[b]All of the subactivities designated by Congress as high-priority readiness-related are also considered readiness-related by DOD because they are in the Operating Forces budget activity.

Source: Our analysis, based on Defense O&M budget data.

Appendix IV presents data on each O&M subactivity for which DOD consistently obligated less funding than Congress designated during the 5-year period (fiscal years 1994 through 1998) and a description of what the subactivity finances. Seventeen are among those DOD considers most directly related to readiness, and 6 have been designated by Congress as high-priority readiness-related for reporting purposes. The six are

- Army divisions,
- Army corps combat forces,
- Army land forces depot maintenance,
- Army echelon above corps forces,
- Navy ship depot maintenance, and
- Air Force primary combat forces.

For example, the Air Force reported obligations totaling about $988 million less than Congress designated for its primary combat forces subactivity in fiscal years 1994 through 1998. This subactivity finances front-line fighter aircraft and bombers and about 40 percent of the Air Force's flying-hour program.[6] The Air Force said its headquarters and major commands used funding initially designated for its flying hour program for what they considered other critical mission programs such as training ranges and base operations support. Our 1999 report on the Air Force flying-hour program found that $357 million designated for the flying-hour program in fiscal year 1998 was moved for these and other O&M purposes. However, we also found that (1) the Air Force consistently requested funding for more flying hours than it was able to use every year from fiscal year 1995 through 1998, using between 89 and 94 percent of estimated flying hours and (2) continuing pricing problems have contributed to the Air Force's inability to accurately estimate the funding it needs for this program. In a June 1998 report, we recommended to improve pricing problems that the Secretary of the Air Force direct the Air Force Materiel Commander to develop and implement procedures to ensure that the prices that are established for individual inventory items are consistent with the composite prices developed and approved by the Office of the Under Secretary of Defense (Comptroller) during the budget process.[7] The Command's efforts to accomplish this are currently in progress.

DOD also consistently obligated more funds, totaling $6.7 billion, than Congress designated for 13 O&M subactivities DOD considers most directly related to readiness (see app. V). Five of these are subactivities Congress has designated as high-priority readiness-related for reporting purposes:

- Army base operations for land forces,
- Army land forces operations support,
- Navy mission and other flight operations,
- Navy mission and other ship operations, and
- Marine Corps operational forces.

[6]Each of the services has a flying-hour program, which finances air operations support. Costs include fuel and maintenance. Our report, *Defense Budget: Observations on the Air Force Flying-Hour Program* (GAO/NSIAD-99-165, July 8, 1999), provides more detailed information on the Air Force's budget formulation process for its flying-hour program for fiscal years 1997 through 1999.

[7]*Air Force Supply Management: Analysis of Activity Group's Financial Reports, Prices, and Cash Management* (GAO/AIMD/NSIAD-98-118, June 8, 1998).

For example, the Navy obligated a total of about $876 million more than Congress designated for the mission and other flight operations subactivity in fiscal years 1994 through 1998. This subactivity supports all Navy and Marine Corps tactical air and anti-submarine forces, shore-based fleet air support, operational testing and evaluation, operation and maintenance of White House helicopters, and miscellaneous items such as transportation of squadron equipment. Several sources provided additional funding for this subactivity. In fiscal year 1998, for example, almost $157 million in additional funds were obtained from the centrally managed account for contingency operations.

Some O&M funding increases came from three special transfer accounts for drug interdiction, environmental restoration, and overseas contingency operations. Congress established these transfer accounts to ensure DOD would have funds for these activities without having to shift funds from training, maintenance, or other O&M subactivities. For example, in fiscal year 1998, the services received a total of $4.5 billion from the three transfer accounts. However, information tracking these funds at the subactivity level for the period under review was not readily available.

The reason for O&M fund movements among subactivities most often cited by service budget officials is funds are needed to cover more pressing needs or emerging requirements. Funds moved out of one subactivity cannot be traced to another subactivity. Other work that we have done in this area has noted that DOD's financial management systems are not designed to capture the full costs of its activities and programs.[8] However, services' budget documents do provide some explanations of where the funds are moved. Many of the documents we reviewed stated that funds had to be moved because of needs elsewhere. Having reviewed the services' explanations of these movements, we question whether the movements were in fact driven by more pressing needs or emerging requirements or whether they were the result of initial budget requests that did not accurately reflect the services' actual needs. For example, the Army consistently failed to use all the funds budgeted for training ground operation units,[9] and in fiscal years 1997 and 1998, it moved funds totaling about $880 million to other subactivities, including base operations support.

Congress Has Visibility Over Some Movements of O&M Funds

The information DOD has provided to Congress over its movements of funds among O&M subactivities has improved, but additional improvements are needed to enhance congressional oversight of these movements and to ensure DOD can account for its use of O&M funds. Although there is a requirement for DOD to provide more detailed reports on high-priority readiness-related subactivities, this requirement will soon expire. In addition, the Department still does not have any formal guidance governing when it is appropriate to make fact-of-life budget adjustments, which totaled over $1 billion in fiscal year 1999 alone.

[8] *DOD Financial Management: More Reliable Information Key to Assuring Accountability and Managing Defense Operations More Efficiently* (GAO/T-AIMD/NSIAD-99-145, Apr. 14, 1999).

[9] We previously reported that the Army has consistently trained at reduced rates since at least fiscal year 1993, using some of its training funds for other purposes: *1998 DOD Budget: O&M Program* (GAO/NSIAD-97-239R, Aug. 21, 1997); *1997 DOD Budget: Potential Reductions to O&M Program* (GAO/NSIAD-96-220, Sept. 18, 1996); and *Army Training: One-Third of 1993 and 1994 Budgeted Funds Were Used for Other Purposes* (GAO/NSIAD-95-71, Apr. 7, 1996).

Budget Justification and Appropriation Status Reports

DOD uses its annual budget request and other reports to inform Congress of O&M fund movements. However, the annual budget materials do not explain where funds added to O&M subactivities come from reprogramming actions, transfers from centrally managed accounts, or statutorily authorized transfers from other appropriation accounts such as Procurement.

The National Defense Authorization Act for Fiscal Year 1998[10] requires DOD to report monthly on the allocation of funds within O&M budget subactivities and DOD has revised these reports. For its fiscal year 2000 budget request, DOD revised its budget justification materials to show details at the subactivity level, whereas prior justification materials presented data at the activity group level. Although the revised appropriation status reports and the budget justification materials' format are improvements, they still only provide Congress with limited information about fund movements. The appropriation status reports do not identify separate actions (transfers, reprogramming actions, etc.) associated with adjustments to the O&M budget or the reasons why adjustments are made at the subactivity level. Budget justification materials do not identify reprogramming actions or transfers or the reasons for these adjustments.

High-Priority Readiness-Related Reports

The House report on the National Defense Authorization Act for fiscal year 1996 noted the Committee's concerns over the extent of resources provided for training and maintenance that are moved to other uses and the effects of such movements on readiness.[11] Congress expanded the previous reporting requirement on fund movements for the high-priority readiness-related subactivities and now requires DOD to provide more detailed data, including the total amounts moved into and out of each subactivity and an explanation of the movement.[12] Beginning with DOD's fiscal year 1997 budget, DOD has been providing Congress with additional details and explanations why funds moved for the 28 O&M subactivities listed by Congress as high-priority readiness-related. However, this reporting requirement will expire when DOD submits its annual report for fiscal year

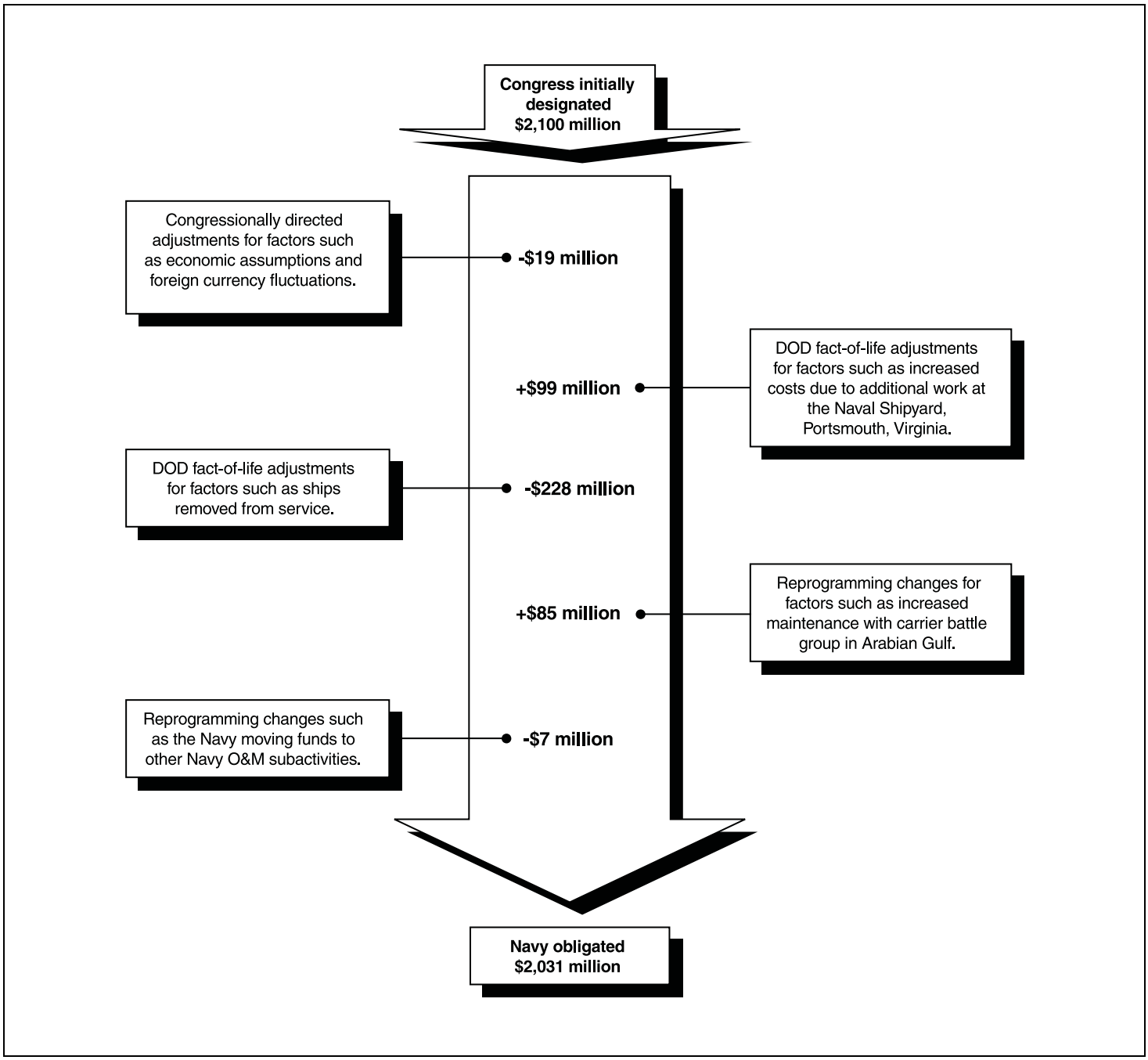
[10]P. L. 105-85, section 321 (1997).

[11]House Report 104-131 (1995).

[12]10 U.S.C. 483.

2000 in conjunction with the President's submission of the fiscal year 2001 budget request to Congress. An example of the type of information provided by these reports is shown in figure 3.

Figure 3: Movements of Funds for Navy Ship Depot Maintenance O&M Subactivity in Fiscal Year 1998



Source: Our depiction, based on budget information for one O&M subactivity in DOD's fiscal year 1998 high-priority readiness-related reports on transfers.

Fact-of-Life Adjustments

DOD has not established guidance governing fact-of-life adjustments. DOD's financial management regulations do not define these adjustments and provide no guidance on when it is appropriate to make such adjustments, who should approve them, or how much funding can be moved. Officials from the Office of the Under Secretary of Defense (Comptroller) confirmed there is no formal guidance for fact-of-life adjustments. Therefore, Congress has no assurance that fact-of-life adjustments do not need to comply with established procedures for reprogramming actions that are reflected in DOD's financial management regulation.

Fact-of-life adjustments are wide-ranging. For example, those made by the Navy in fiscal year 1999 ranged between $3,000 and $96 million each. The Navy reported that it decreased funding for fleet air training by $96 million because, on the basis of more recent data, it expected to fly fewer hours and have fewer students. The Navy said it made this adjustment to reflect changes that occurred after the budget was prepared but before Congress passed the appropriations.

The House Committee on Appropriations' report on the fiscal year 1999 Defense appropriation bill specifically expressed concern about DOD's fact-of-life adjustments.[13] The conference report on the 1999 Defense Appropriations Act supported the House Committee on Appropriations' position and required DOD to report on the extent it was making these adjustments for fiscal year 1999.[14] To comply with the requirement, DOD reported over $1 billion in fact-of-life adjustments to the fiscal year 1999 O&M appropriations.

Conclusions

DOD has broad discretion in how it uses O&M funds. It has used this discretion to move funds among various subactivities. For some readiness-related subactivities, this movement has been significant. As a result, it is important that congressional committees maintain visibility over the movement of funds within the O&M account.

[13]House Report 105-591 (1998).

[14]House Report 105-746 (1998).

When the requirement for DOD to submit reports on high-priority readiness-related subactivities expires in 2000, Congress will no longer have ready access to the level of budgetary information it now has and will be less able to oversee DOD's movement of funds for the operation and maintenance of U.S. fighting forces. Currently, these reports are the only timely and detailed sources of information on the movement of funds among key readiness-related military O&M subactivities to aid Congress in determining why funds are obligated differently than Congress initially designated.

DOD cannot assure Congress that fact-of-life adjustments (which totaled over $1 billion in fiscal year 1999) do not include movements of funds that should otherwise comply with established procedures for reprogramming actions. DOD's lack of formal guidance on fact-of-life adjustments limits internal and congressional oversight, as well as the Department's ability to reasonably ensure that appropriated funds are being used for their intended purposes.

Recommendation

To improve accountability over the movement of operation and maintenance funds, we recommend that the Secretary of Defense direct the Under Secretary of Defense (Comptroller) to (1) develop, in consultation with the House and Senate Committees on Appropriations, formal guidance for fact-of-life adjustments of funds designated by Congress; (2) provide the guidance to the services and Defense-wide agencies; and (3) take steps to ensure the guidance is followed. The guidance should also state when it is appropriate to make such adjustments, who should approve them, and how much funding can be moved.

Matter for Congressional Consideration

DOD's reported obligations for some readiness-related operation and maintenance subactivities are consistently different from the amounts originally designated by Congress. In view of the information that is presented in the high-priority readiness-related reports, such as the reasons for movement of funds, that is not included in other DOD budget reports provided to Congress for all fund movements, Congress may wish to consider extending the legislative requirement (10 U.S.C. 483) that the Secretary of Defense provide Congress with the high-priority readiness-related transfer reports.

Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD generally agreed with the facts we presented but disagreed with one of two recommendations. DOD concurred with our recommendation to develop and implement guidance for fact-of-life adjustments of funds designated by Congress. DOD emphasized that it would have to define carefully fact-of-life adjustments to preserve the flexibility needed by commanders to adjust to changes (such as major policy changes).

DOD disagreed with our recommendation that the Secretary of Defense direct the Under Secretary of Defense (Comptroller) to continue providing high-priority readiness-related transfer reports to Congress after the legislative requirement for them expires in 2000. We believe these reports are useful because they document each separate action taken to move funds and state the reasons why the funds were moved. However, DOD believes these reports are redundant and no longer necessary because other reports it provides to Congress contain the same information.

We do not believe that the reports DOD cited, even if taken collectively, provide the same information included in the high-priority readiness-related reports. DOD noted that the fiscal year 1999 rebaselining report provided data that included the amount designated by Congress and the adjusted baseline amount by subactivity and explained the adjustments used to reach the new adjusted baseline. However, this report does not show the actual movement of funds between the new adjusted baseline and the amounts reported as obligated (such as transfers from centrally managed accounts, which DOD acknowledged were responsible for many of the changes).

Furthermore, DOD stated in its comments that it had modified its appropriation status reports (DD 1002 Execution Status Report) and justification materials (OP-5 exhibit) to provide obligation data at the subactivity level. As we previously noted, although DOD's modifications have improved these reports, the appropriation status reports do not identify separate actions, such as transfers from the centrally managed accounts, associated with adjustments to the O&M appropriation or the reasons why adjustments are made at the subactivity level. Similarly, the justification materials do not provide data or reasons why funds were moved from the time the new adjusted baseline is established to the time obligations are reported.

Finally, DOD noted that any fund transfer between O&M budget activities in excess of $15 million above the rebaselined level requires "normal, prior approval" by Congress. DOD stated that Congress requires DOD to provide written notification of the cumulative value of any and all transfers in excess of $15 million from many high-priority readiness programs. This information, however, is limited to reprogramming of funds and does not provide Congress ready access to full information on all the ways DOD moves funds or on how the funds are eventually obligated.

While all the reports DOD cited provide valuable insights into the various ways it moves funds, only the high-priority readiness-related reports (1) show the reasons for all movements of funds from one subactivity to another, (2) provide data on the movement of centrally managed funds by subactivity, and (3) provide a complete trail of the movements of funds from the time Congress designates amounts to the time obligated amounts are reported. Because DOD disagreed with our recommendation, we changed it to a matter for congressional consideration.

DOD's comments are reprinted in their entirety in appendix VI.

We are sending copies of this report to the Honorable William S. Cohen, Secretary of Defense; the Honorable William J. Lynn III, Under Secretary of Defense (Comptroller and Chief Financial Officer); the Honorable Louis Caldera, Secretary of the Army; the Honorable Richard Danzig, Secretary of the Navy; General James Jones, Commandant of the Marine Corps; the Honorable F. Whitten Peters, Secretary of the Air Force; the Honorable Jacob J. Lew, Director, Office of Management and Budget; and interested congressional committees and members. Copies will also be made available to others upon request.

Please contact me at (202) 512-5140 if you or your staff have any questions concerning this report. GAO contacts and staff acknowledgments are listed in appendix VII.

Sincerely yours,

Norman J. Rabkin
Director, National Security
Preparedness Issues

Objectives, Scope, and Methodology

The former Chairman, Subcommittee on National Security, House Committee on Appropriations, asked that we conduct an analysis of the four active services' and the Defense-wide Operation and Maintenance (O&M) accounts from fiscal year 1994 through 1998, for which time period budget data should be available for our review. We focused our analysis on the active forces and defense agencies and did not include reserve components in our review, as it would significantly broaden the scope of our effort. As agreed with his office, in April 1999, we provided information on subactivities where the Department of Defense (DOD) consistently moved funds out for every year during this period. We then agreed to continue our analysis to review DOD's appropriations and obligations for 245 subactivities for this period.[1] Specifically we were asked to

- identify the aggregated differences between the amounts Congress initially designated for O&M subactivities, (especially the readiness-related subactivities) and those DOD reported as obligated for the same subactivities;
- identify those O&M subactivities where DOD obligated funds differently than recommended by Congress in each of the 5-year period we examined (1994 through 1998);
- assess information available to Congress to track DOD's movement of funds among O&M subactivities.

To identify the aggregated differences between the amounts Congress initially designated for O&M subactivities and those DOD reported as obligated, we compared the O&M amounts Congress designated[2] at the subactivity level in its conference reports on Defense appropriation acts with DOD's reported obligations for the same O&M subactivities. To calculate the magnitude of these increases or decreases, we added the absolute value of the individual annual differences over the 5-year period. For the Defense-wide account, we determined the magnitude of fund movement at the Defense agency, field activity, and program level because

[1]The 245 O&M subactivities include 24 Defense-wide agencies as represented in the conference report on the appropriations acts.

[2]We use the term "congressionally designated" or "congressional designation" or variations throughout to refer to amounts set forth at the budget activity, activity group, and subactivity group level in an appropriation act's conference report. These recommended amounts are not binding unless they are also incorporated directly or by reference into an appropriation act or other statute. We did not review the appropriation acts or related statutes to make this determination because of the extensive time that would be involved.

this is the lowest level at which Congress consistently designated funding in its conference reports on the appropriation acts.

To determine those O&M subactivities where DOD obligated funds differently than recommended by Congress in each of the 5-year period we examined (1994 through 1998), we identified those O&M subactivities and Defense-wide agencies where DOD either increased funds each year or decreased funds each year during the period under review.

We obtained general explanations from the services about overall fund movement. For the subactivities where DOD consistently moved funds, however, we provided our analysis and written questions to the services, requesting explanations for why the movements occurred. We provided our documentation of this data to the Office of the Under Secretary of Defense (Comptroller) and service budget offices to aid in data verification.

To identify readiness-related O&M subactivities, we used subactivities Congress designated as high-priority readiness-related for reporting purposes on transfers as mandated by 10 U.S.C. 483 and subactivities DOD considers most directly related to readiness—those in the services' Operating Forces budget activity. For the Army, we excluded fiscal year 1996 data for the operating forces to determine the magnitude of movement of funds because the Army restructured its budget activity for operating forces in December 1996, as requested by the Office of the Secretary of Defense. When it did so, the Army did not maintain a link or "crosswalk" between the old and the new budget structures. Consequently, comparable budget data to determine the movement of funds was not available at the subactivity level. However, Army data was available to determine the movement of funds for the Army's three other budget activities in fiscal year 1996. Because of this data limitation, we could only determine consistent movement of funds for the Army's operating forces for fiscal years 1997 and 1998.

While we used available DOD budget obligation data as a basis for our analysis, our recent financial statement audit results show that this data may not be reliable. As part of the DOD fiscal year 1998 financial statement audit,[3] we found several areas in which the systems and controls over DOD's use of budgetary resources were ineffective. In particular, we found

[3] *Department of Defense: Status of Financial Management Weaknesses and Actions Needed to Correct Continuing Challenges* (GAO/T-AIMD/NSIAD-99-171, May 4, 1999).

that DOD does not know the true amount of funds that are available to obligate and spend in its appropriation accounts because obligated balances are not always correct or supported and that not all disbursements are recorded promptly in DOD's accounting records. As a result, Congress cannot be assured that DOD did not overspend its budget authority for individual appropriation accounts or spend more for specific programs for which Congress established spending limits. We noted that short-term improvement strategies for DOD's financial management weaknesses are imperative. Also, enhancements are needed in updating DOD's Financial Management Improvement Plan—its long-term blueprint for financial management reform. Further, we discussed our analysis with Office of the Under Secretary of Defense (Comptroller) and service budget officials responsible for managing O&M budgets. We adjusted nominal dollars to constant fiscal year 1999 dollars using DOD's inflation factors for O&M accounts to adjust for inflation and to obtain a clearer picture of the movement of funds over the 5-year period.

To assess information available to Congress to track DOD's movement of funds for O&M subactivities, we reviewed committee and conference reports on various authorization and appropriation acts to identify what documents Congress requires or directs DOD to provide on its O&M budgets. We reviewed the documents DOD has provided to Congress showing fund movement and other documents pertaining to the visibility of O&M funds such as semi-annual reports on transfers from high-priority readiness-related subactivities. We discussed the purpose and use of these documents with Under Secretary of Defense (Comptroller) budget officials and congressional staff from defense subcommittees. We also reviewed Congressional Budget Office and Congressional Research Service reports on defense O&M.

We performed our review at the Office of the Under Secretary of Defense (Comptroller) for the Defense-wide agencies and at the budget offices for the Army, the Navy, the Marine Corps, and the Air Force. We performed our work from October 1998 through December 1999 in accordance with generally accepted government auditing standards.

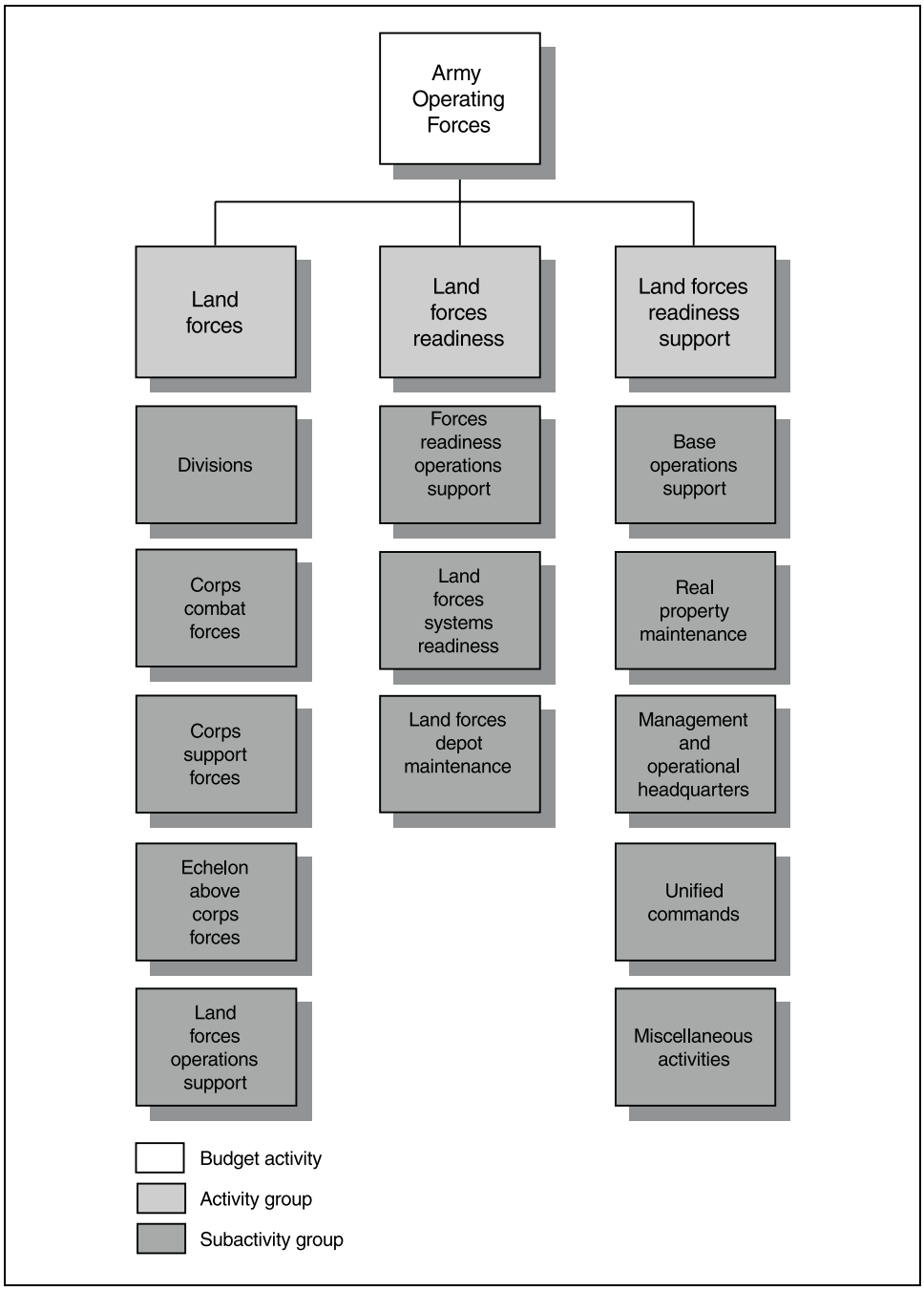
O&M Budget Structures

This appendix describes the O&M budget structures of the active services and the Defense-wide accounts. The services' O&M budget structure is multi-tiered. The highest level we reviewed are—Army, Navy, Marine Corps, Air Force, and Defense-wide. Each of these is divided into four budget activities: (1) Operating Forces, (2) Mobilization, (3) Training and Recruiting, and (4) Administration and Servicewide.[1] Budget activities are in turn divided into activity groups, which are further divided into subactivity groups. For fiscal year 1998, DOD's budget requests for the services included 42 individual activity groups and 211 individual subactivity groups and the number of these activity groups, and subactivity groups varies for each service. The budget structure for the Defense-wide O&M account also contains four budget activities; however, this account is not further divided into activity and subactivity groups. The Defense-wide O&M account structure contained 10 agencies, 7 field activities, and 7 other programs or Defense support offices in fiscal year 1998.

As an example, figure 4 shows the budget structure of a single budget activity—Army Operating Forces. The other services use similar budget formats, but the names of the budget activity and subactivity groups generally differ in each service.

[1]The Marine Corps is the exception, with only three budget activities: (1) Operating Forces, (2) Training and Recruiting, and (3) Administration and Servicewide.

Figure 4: Structure of the Army Operating Forces Budget Activity



Source: Our depiction, based on Army budget justification estimates submitted to Congress for fiscal year 2000.

Differences Between Initial Congressional Designation and DOD Obligation, by Individual O&M Subactivity and Agency

This appendix provides the details on the almost $43 billion that DOD moved into and out of O&M subactivities in fiscal years 1994-98. The increases and decreases in O&M funds varied significantly among a wide range of O&M programs, which influence almost every aspect of the military—from the direct readiness of operating forces to the quality of life of servicemembers and their families. A summary of these funding differences is shown in table 3.

Table 3: Summary of Differences in Funding Between Congressional Designations and DOD Obligations, Fiscal Years 1994-98

Constant 1999 dollars in millions

O&M account	Amount increased	Amount decreased	Total difference
Army	$10,815.7	$5,106.1	$15,921.8
Navy	6,781.1	4,132.6	10,913.7
Marine Corps	635.1	372.8	1,007.9
Air Force	7,000.7	5,172.5	12,173.3
Defense-wide	1,444.0	1,192.9	2,637.0
Total	**$26,676.6**	**$15,977.0**	**$42,653.6**

Amounts may not total due to rounding.

Source: Our analysis, based on Defense O&M budget data.

Movement of O&M funds among the active services' individual O&M subactivities and Defense agencies are shown in table 4. A positive figure means DOD obligated more funds for a subactivity than Congress initially designated. A negative figure means DOD obligated less than initially designated.

Table 4: Differences in Funding Between Initial Congressional Designations and DOD Obligations, by Individual O&M Subactivity and Defense-wide Agency, Fiscal Years 1994-98

Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Army						
Miscellaneous activities[a]	[b]	[b]	[b]	$1,390,032	$1,534,375	$2,924,406
Other service support	$-567	$4,479	$-202,169	537,482	786,721	1,531,418
Base support for land forces[a]	1,155,342	-245,532	[b]	[b]	[b]	1,400,874
Force-related training and special activities[a]	510,417	737,757	[b]	[b]	[b]	1,248,175
Combat units[a]	-499,473	-620,424	[b]	[b]	[b]	1,119,897
Administration	345,567	357,682	120,700	-7,526	51,344	882,819
Divisions[c]	[b]	[b]	[b]	-289,925	-290,039	579,963
Base operations support for basic skills and advanced training	157,772	-136,983	71,047	80,178	-469	446,450
Base operations for land forces readiness[c]	[b]	[b]	[b]	324,850	96,735	421,586
Forces readiness operations support[a]	[b]	[b]	[b]	-196,734	220,238	416,972
Logistic support activities	10,772	93,573	79,451	91,471	42,032	317,300
Base operations support for servicewide support	126,120	42,817	56,989	33,860	-39,748	299,535
Servicewide transportation	39,784	-94,505	68,863	28,740	8,468	240,359
Claims	-24,132	-58,235	-48,628	-65,750	-32,557	229,303
Corps combat forces[c]	[b]	[b]	[b]	-116,594	-104,007	220,601
Central supply activities	25,745	-36,984	-53,888	-37,054	-50,149	203,820
Land forces operations support[c]	[b]	[b]	[b]	190,070	13,000	203,070
Depot maintenance[a]	-17,107	-180,995	[b]	[b]	[b]	198,102
Servicewide communications	-40,924	-17,278	-31,942	-66,216	-22,782	179,143
Prepositioned stocks	-3,428	23,770	58,985	-67,133	-22,936	176,251
Ammunition management	16,398	9,066	26,168	53,985	-64,035	169,651
Land forces depot maintenance[c]	[b]	[b]	[b]	-111,691	-51,302	162,993

Continued

Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Unified commands[a]	109,548	52,282	[b]	[b]	[b]	161,830
Tactical support[a]	73,694	69,909	[b]	[b]	[b]	143,603
Real property maintenance for basic skills and advanced training	[b]	[b]	-17,896	-81,571	-34,369	133,836
Real property maintenance for servicewide support	[b]	[b]	-24,244	-56,164	-52,235	132,643
Real property maintenance for land forces readiness[c]	[b]	[b]	[b]	-10,671	110,364	121,035
Specialized skill training	-2,374	-36,949	-56,979	-11,681	10,277	118,260
Unified commands[a]	[b]	[b]	[b]	93,351	12,572	105,923
Other personnel support	11,196	7,238	32,084	29,788	24,959	105,265
Base operations support for accession training	48,541	-39,936	-4,915	-5,305	-2,060	100,755
Corps support forces[c]	[b]	[b]	[b]	36,014	-64,110	100,125
Management and operational headquarters[a]	[b]	[b]	[b]	64,843	27,639	92,482
International military headquarters	362	25,121	-19,085	-34,670	-8,078	87,316
Flight training	-2,772	-44,397	-10,687	4,285	-18,733	80,873
Echelon above corps forces[c]	[b]	[b]	[b]	-32,845	-46,192	79,037
Strategic mobilization	-131	-3,542	-64,661	1,519	-4,913	74,766
Training support	-6,350	41,110	-6,376	-3,900	5,309	63,045
Land forces systems readiness[a]	[b]	[b]	[b]	-21,611	30,340	51,952
Recruiting and advertising	4,686	-4,141	-6,151	18,340	17,067	50,384
Off-duty and voluntary education	-3,497	-11,891	2,613	11,290	20,114	49,405
Theater defense forces[a]	-38,187	-10,670	[b]	[b]	[b]	48,857
Professional development education	-11,045	-18,101	1,063	9,434	8,273	47,917
Security programs	4,719	-17,598	-10,605	7,378	6,222	46,522
Manpower management	8,864	-8,269	-8,920	-5,272	-6,860	38,186

Continued from Previous Page

Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Combat development[a]	-18,274	18,174	[b]	[b]	[b]	36,448
Base operations support for recruiting and other training	-540	-2,088	4,378	10,813	17,375	35,195
Industrial preparedness	2,254	1,602	17,737	-6,839	-4,556	32,988
Joint Chiefs of Staff exercises[a]	-16,965	-15,439	[b]	[b]	[b]	32,404
Real estate management	-4,361	-6,177	-6,345	9,010	1,463	27,357
Miscellaneous support of other nations	10,951	8,745	2,070	-1,054	2,042	24,863
Civilian education and training	-1,061	-5,384	-5,688	-4,401	-6,216	22,749
Junior reserve officers training corps	-3,877	2,600	-4,428	-8,469	-1,187	20,561
One station unit training	-3,160	-4,496	-5,251	-2,454	-2,184	17,546
Real property maintenance for accession training	[b]	[b]	-1,236	10,379	5,588	17,203
Reserve officers training corps	1,349	4,354	2,683	-5,274	2,449	16,110
Officer acquisitions	4,147	2,996	-1,150	3,143	248	11,685
Examining	-1,680	-1,218	-972	893	-6,402	11,166
Recruit training	-1,095	-1,441	425	-132	2,164	5,257
Force communications[a]	381	-3,135	[b]	[b]	[b]	3,516
Navy						
Planning, engineering, and design	453,526	452,263	426,142	311,162	14,496	1,657,588
Ship depot maintenance[c]	-401,004	-125,644	-403,401	-217,909	-70,410	1,218,369
Mission and other flight operations[c]	217,726	274,092	179,859	110,818	93,080	875,574
Mission and other ship operations[c]	241,922	168,578	106,295	29,530	109,833	656,158
Base support for ship operations[c]	277,650	-170,209	61,269	-34,213	-32,131	575,473
Ship depot operations support[a]	7,515	47,530	6,729	386,458	-9,018	457,249
Administration	122,639	118,683	-14,811	67,744	75,196	399,073

Continued from Previous Page

Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Combat support forces[a]	80,525	93,924	79,283	83,177	61,267	398,176
Base support for air operations[c]	53,029	-185,626	29,577	-55,930	-9,312	333,475
Ship activations and inactivations	-129,884	-103,899	-20,480	16,279	5,793	276,335
Weapons maintenance[a]	-68,205	-23,541	-61,029	-53,949	-39,361	246,084
Space systems and surveillance[a]	45,391	62,100	37,458	42,428	43,094	230,472
Base support for combat operations[a]	48,269	-95,109	-13,952	18,887	16,351	192,567
Aircraft depot maintenance[c]	-141,750	-11,666	13,577	-3,308	-13,105	183,406
Base support for servicewide support	-22,126	-77,935	-16,577	4,328	40,673	161,639
Air systems support	-21,220	-23,955	-45,915	-43,834	-21,969	156,892
Servicewide communications	-9,187	28,108	-49,048	-14,904	-39,381	140,628
Intermediate maintenance[a]	-6,664	25,431	11,084	29,239	-67,962	140,380
Base support for logistics operations and technical support	12,812	-30,987	-7,705	24,441	62,242	138,187
Base support for weapons support[a]	67,730	-39,514	4,427	9,121	11,587	132,379
Acquisition and program management	26,297	5,872	5,626	85,093	8,708	131,597
Ship operational support and training[c]	-13,231	-39,741	-8,111	50,375	-16,649	128,106
Aircraft depot operations support[a]	4,428	-3,892	-6,067	108,075	-2,100	124,563
Civilian manpower and personnel management	22,581	17,291	39,301	36,688	-5,444	121,305
Flight training	-43,446	-38,700	-12,340	-25,931	-778	121,196
Servicewide transportation	56,598	30,623	6,471	-14,244	-9,933	117,869
Other personnel support	26,711	34,613	30,342	-8,901	11,177	111,744
Base support for basic skills and advanced training	16,808	23,716	-17,506	-377	-36,153	94,559

Continued from Previous Page

Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Real property maintenance for air operations[c]	[b]	[b]	-56,996	-36,290	1,217	94,503
Warfare tactics[a]	8,728	15,994	27,835	11,952	13,422	77,931
Investigations and security programs	24,807	16,861	12,098	-20,289	5,240	79,295
Fleet ballistic missile[a]	-3,703	-1,560	-19,258	-20,030	-33,363	77,914
Recruiting and advertising	25,047	3,240	-2,634	-14,058	28,745	73,725
Fleet air training[c]	35,399	-23,035	278	6,590	4,828	70,130
Real property maintenance for ship operations[c]	[b]	[b]	-51,395	-14,522	1,664	67,581
Equipment maintenance[a]	11,959	-18,965	-15,960	-3,191	-9,740	59,815
Combat communications[a]	23,848	4,306	16,779	-5,873	8,552	59,357
Real property maintenance for basic skills and advanced training	[b]	[b]	36,856	-10,330	-12,100	59,286
Real property maintenance for combat operations[a]	[b]	[b]	20,940	8,677	24,157	53,775
Specialized skill training	-19,721	3,398	6,768	2,774	20,910	53,572
Operational meteorology and oceanography[a]	-4,051	-5,750	18,376	-12,515	-5,955	46,646
Military manpower and personnel management	11,401	-9,148	-10,276	-2,597	-7,428	40,850
Cruise missile[a]	-5,729	-23,700	-2,791	-2,898	-3,846	38,964
Air operations and safety support[a]	-5,931	-2,925	-4,619	-9,862	-11,347	34,684
In-service weapon systems support[a]	-452	-1,592	9,443	-11,901	-10,691	34,079
Space and electronic warfare systems	-11,751	-8,012	-3,183	-6,873	-2,596	32,414
Base support for accession training	-11,825	-13,206	889	318	2,717	28,955
Combat and weapon systems	1,088	-1,573	-14,716	-3,877	2,984	24,240
Reserve officers training corps	3,205	7,730	-5,576	-4,450	-2,285	23,245

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Hull, mechanical and electrical support	-5,522	-915	-4,485	10,210	743	21,875
Real property maintenance for logistics operations and technical support	[b]	[b]	-4,529	1,989	15,226	21,745
Real property maintenance for servicewide support	[b]	[b]	-12,290	-4,359	3,587	20,236
Industrial readiness	-10,576	-6,654	-1,337	51	-977	19,596
Ship prepositioning and surge	5,498	-1,494	-770	9,542	-1,517	18,820
Training support	981	-748	-3,865	3,131	8,633	17,359
Professional development education	1,379	2,388	-269	7,701	3,277	15,015
Intermediate maintenance[a]	524	-1,708	-1,906	-7,094	2,640	13,871
Real property maintenance for accession training	[b]	[b]	1,456	-4,141	-6,748	12,345
Real property maintenance for weapons support[a]	[b]	[b]	-2,445	-2,329	7,475	12,250
Officer acquisitions	1,467	1,479	-921	2,834	4,739	11,440
Coast Guard support	-1,562	-1,757	-3,391	-3,286	-1,361	11,357
Off duty and voluntary education	3,391	-1,444	2,561	1,473	1,776	10,646
Aircraft activations and inactivations	-1,103	-6,921	-2,144	-8	47	10,224
Civilian education and training	-3,283	-835	-648	302	-3,812	8,880
External relations	1,143	2,887	-1,983	301	-2,469	8,783
Electronic warfare[a]	-1,799	-2,128	-1,684	-931	-608	7,150
International headquarters and agencies	646	1,092	1,355	817	2,927	6,837
Junior reserve officers training corps	-1,398	-85	-1,264	-1,995	-972	5,714
Fleet hospital program	-388	-520	-430	-717	-552	2,607
Recruit training	729	-262	-241	-725	264	2,219

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Base support for recruiting and other training	568	-1,151	-315	55	-3	2,092
Depot operations support[a]	-47	-101	-159	-221	-102	630
Real property maintenance for recruiting and other training	[b]	[b]	-2	-2	0	4
Marine Corps						
Base support for expeditionary forces[c]	17,683	-151,186	1,339	38,108	51,190	259,505
Real property maintenance for expeditionary forces[c]	[b]	[b]	84,377	24,930	37,479	146,786
Operational forces[c]	11,149	52,603	25,019	30,638	14,205	133,614
Special support	20,971	24,835	30,659	-704	-3,015	80,183
Training support	15,405	22,351	-6,298	-4,604	-4,612	53,269
Base support for accession training	-6,955	-23,268	-4,404	-1,739	-14,167	50,533
Base support basic skills and advanced training	-50	-22,208	8,980	-2,412	-4,953	38,604
Logistic support	-19,931	-5,931	12,157	0	0	38,018
Field logistics[a]	9,078	-6,838	3,308	-4,166	4,049	27,439
Recruiting and advertising	1,899	167	6,534	8,666	10,097	27,364
Specialized skill training	4,561	-9,639	-7,737	2	226	22,165
Depot maintenance[c]	-2,440	-505	-9,771	-1,381	6,177	20,274
Administration	3,234	-2,509	5,881	6,897	335	18,856
Maritime prepositioning[a]	-2,404	-2,271	-3,488	-757	-5,132	14,052
Base support for recruiting and other training	-3,131	-6,338	-2,004	-1,120	-937	13,530
Real property maintenance for accession training	[b]	[b]	7,263	-1,582	2,916	11,760
Off duty and voluntary education	-1,929	2,305	3,370	363	2,558	10,526
Servicewide transportation	49	-1,087	-836	-5,540	-507	8,019
Real property maintenance for basic skills and advanced training	[b]	[b]	786	5,906	739	7,431

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Recruit training	162	1,515	1,170	1,656	873	5,375
Base support for servicewide support	-167	-1,106	654	420	2,506	4,853
Real property maintenance recruiting and other training	[b]	[b]	-2,652	-803	-885	4,340
Professional development education	-760	-2,125	-676	-221	234	4,016
Real property maintenance for servicewide support	[b]	[b]	-405	822	1,696	2,923
Junior reserve officers training corps	-144	-1,364	706	177	-3	2,394
Norway prepositioning[a]	1,058	0	-112	-606	-166	1,942
Flight training	-56	0	-16	-6	0	78
Officer acquisitions	-7	-46	-6	-14	0	72
Air Force						
Other servicewide activities	605,847	242,544	473,255	412,092	441,566	2,175,303
Primary combat forces[c]	-71,654	-148,305	-217,245	-113,260	-437,977	988,442
Base support for mobility operations	698,065	-31,096	11,368	-12,211	20,834	773,573
Airlift operations[d]	-278,265	127,418	111,776	-122,176	-87,137	726,772
Base support for air operations[c]	303,293	-93,223	173,395	-66,481	43,251	679,643
Logistics operations	-134,105	-107,071	-12,165	-292,631	-50,865	596,837
Combat communications[a]	-28,188	87,293	230,750	118,644	85,378	550,252
Primary combat weapons[a]	13,781	-42,704	13,171	-144,712	-194,998	409,368
Mobilization preparedness	72,293	49,774	115,456	139,420	-8,343	385,285
Base support for logistics operations	178,796	32,541	14,254	96,605	18,427	340,623
Management and operational headquarters[a]	54,933	63,842	87,044	70,250	63,558	339,628
Combat enhancement forces[a]	-49,354	-119,639	2,876	-81,440	-77,942	331,251
Space control systems[a]	-91,743	-40,409	-55,152	-81,119	-54,012	322,435

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Real property maintenance for air operations[c]	[b]	[b]	56,048	-61,323	151,536	268,907
Other combat operations support[a]	84,302	32,749	39,176	52,050	49,321	257,598
Base support for basic skills and advanced training	-6,178	-166,994	-35,297	-24,346	-3,873	236,689
Payments to transportation business area	-80,573	-99,856	-16,131	-22,742	0	219,303
Administration	23,659	37,593	22,020	23,232	106,877	213,382
Air operations training[c]	-4,834	47,173	-40,282	33,441	64,992	190,722
Base support for space operations[a]	46,104	-40,908	35,369	14,786	-3,705	140,872
Global C3I and early warning[a]	-52,292	-7,189	-28,408	-4,987	-46,257	139,132
Flight training	-56,974	-38,335	-22,508	-13,769	4,367	135,953
Servicewide transportation	47,054	20,590	-8,543	-30,810	-17,539	124,536
Launch facilities[a]	-66,428	-35,313	585	12,125	44	114,496
Airlift operations C3I	-91,272	1,408	6,621	1,846	5,990	107,138
Servicewide communications	-10,901	-30,008	-27,632	9,330	-16,675	94,546
Security programs	1,594	-7,467	15,435	-58,665	-8,224	91,386
Real property maintenance for basic skills and advanced training	[b]	[b]	53,556	-16,541	19,615	89,712
Base support for accession training (academies)	12,383	-58,624	12,437	-3,158	-2,082	88,684
Base support for servicewide activities	13,474	1,170	-24,614	37,178	10,206	86,643
Specialized skill training	8,165	-16,813	-12,397	21,079	27,987	86,441
Technical support activities	-23,443	16,150	16,156	-8,597	16,591	80,938
Training support	17,723	8,836	10,724	13,602	25,346	76,231
Launch vehicles[a]	-18,261	-5,153	-25,528	-10,433	-9,466	68,841

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Satellite systems[a]	-15,089	-6,694	-14,938	-18,148	-10,636	65,505
Off duty and voluntary education	27,106	23,724	2,985	-119	-2,836	56,770
Navigation and weather support[a]	-23,284	-6,254	10,363	6,452	-4,652	51,005
Real property maintenance for logistics operations	[b]	[b]	9,795	-11,493	28,252	49,541
Tactical intelligence and other special activities[a]	-11,596	1,012	-3,403	-6,608	-20,809	43,428
Arms control	-13,084	-4,620	-12,509	-2,989	-4,306	37,509
Real property maintenance for mobility operations	[b]	[b]	-3,033	20,970	12,679	36,682
Real property maintenance for servicewide activities	[b]	10,908	12,612	4,378	6,938	34,835
Personnel programs	-12,472	3,290	-1,706	-4,506	-8,524	30,499
Rescue and recovery services	-1,442	17,751	2,305	1,733	-4,019	27,250
Professional development education	1,985	7,329	-130	9,249	7,691	26,384
Other space programs and operations[a]	2,734	5,658	10,772	-5,388	-428	24,979
Real property maintenance for space operations[a]	[b]	[b]	-9,030	4,562	10,935	24,528
Recruiting and advertising	5,505	5,999	2,456	7,468	-948	22,376
Reserve officers training corps	2,786	-1,329	7,478	7,059	-1,223	19,875
Other personnel support	-3,636	-8,260	-3,482	-1,648	-1,639	18,666
Civil air patrol corporation	2,875	3,317	3,243	1,938	-1,441	12,815
Joint Chiefs of Staff exercises[a]	-1,694	-4,753	-2,498	2,263	-1,218	12,426
Civilian education and training	3,399	71	-5,089	-1,187	-690	10,436
Officer acquisition	-4,955	3,000	-487	526	-5	8,974
Subsistence in kind	-3,734	88	-2,595	0	0	6,417

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Real property maintenance for accession training (academies)	[b]	[b]	1,051	4,410	-365	5,826
International support	469	2,008	-757	939	1,050	5,223
Examining	492	-686	-1,412	-545	-719	3,854
Recruit training	1,174	153	-140	-8	1,746	3,222
Junior reserve officers training corps	28	-491	-1,590	-204	-355	2,669
Defense-wide						
Office of the Secretary of Defense	-76,155	-533,603	28,200	61,619	34,815	734,391
Classified and Communications Agencies[e]	92,927	138,204	125,387	44,084	102,956	503,558
U.S. Special Operations Command	47,734	67,382	51,345	59,268	54,701	280,430
Defense Logistics Agency	-34,390	-62,881	-1,244	20,117	72,143	190,774
DOD Dependents Education	72,435	12,715	-21,942	-14,937	-9,577	131,606
Washington Headquarters Services	-51,100	-8,870	25,726	28,937	9,250	123,884
On-Site Inspection Agency	-35,834	-19,233	-19,896	-20,420	-16,435	111,818
Corporate Information Management	-21,809	-6,350	-45,693	-19,855	[f]	93,707
Defense Human Resources Field Activity	[f]	6,084	1,065	42,144	43,921	93,214
Defense Support Activities	-24,989	2,601	22,635	-24,747	-3,026	77,999
Office of Economic Adjustment	40,983	-2,868	2,420	-18,248	-821	65,340
Joint Chiefs of Staff	-1,633	-10,731	-11,534	-13,702	-8,446	46,046
Defense Special Weapons Agency	18,078	7,338	-3,146	2,669	3,502	34,734
Civil Military Programs	[f]	[f]	[f]	[f]	30,413	30,413
Armed Forces Information Service	-270	18,254	2,199	4,058	-743	25,524
Defense Security Service	8,088	9,290	5,193	401	366	23,338

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Constant 1999 dollars in thousands

	Fiscal Year					
Service O&M subactivity	**1994**	**1995**	**1996**	**1997**	**1998**	**Total difference**
Defense Contract Audit Agency	-596	-6,355	-7,312	-6,138	-889	21,289
Federal Energy Management Program	-8,578	-3,276	-4,793	0	-1	16,648
Defense Acquisition University	-55	34	-2,643	8,114	-829	11,674
Defense Finance Accounting Service	[f]	[f]	[f]	[f]	11,179	11,179
Defense Prisoner-of-War/Missing in Action Office	[f]	-3,720	-904	-300	-316	5,240
Defense Legal Services Agency	-268	-151	513	841	699	2,473
Defense Technology Security Administration	987	-311	-57	-35	-74	1,464
Defense Business Management University	-47	-175	[f]	[f]	[f]	222
Total difference	**$10,304,786**	**$8,914,102**	**$6,007,657[g]**	**$9,338,258**	**$8,088,795**	**$42,653,598**

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[a]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness.

[b]Defense budget data not available to calculate difference.

[c]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness for which Congress has also identified as high-priority readiness-related for reporting fiscal year 1998 transfers.

[d]Airlift operations subactivity is the only subactivity Congress identified as high-priority readiness-related for reporting purposes not located in the Operating Forces budget activity.

[e]Includes the classified and communications agencies, the Defense Information Systems Agency, and the Defense Mapping Agency.

[f]Defense-wide agency, field office, or program did not exist at the time.

[g]Amount is conservative because the Army's fiscal year 1996 data for its Operating Forces budget activity was not available to determine the difference between initial congressional designations and Army obligations.

Amounts may not total due to rounding.

Source: Our analysis, based on Defense O&M budget data.

O&M Subactivities and Agencies for Which DOD Consistently Obligated Less Funds Than Congress Initially Designated

Every year from fiscal year 1994 through 1998, DOD obligated less funding than Congress designated for the same 33 O&M subactivities and 3 Defense-wide agencies. DOD considers 17 of these subactivities most directly related to readiness. This appendix describes each subactivity or Defense agency and shows the amounts DOD requested, those Congress initially designated, and those DOD adjusted and obligated. Table 5 summarizes the O&M subactivities and agencies that consistently obligated less funding than Congress initially designated.

Data Limitations on Certain Army O&M Subactivities

The Army restructured its Operating Forces budget activity in fiscal year 1997 and did not maintain a link between the old and the new budget structure. Four subactivities in the Army's Operating Forces budget activity in this appendix were affected by this change. Therefore, the appendix presents the amounts reported by the Army for these four subactivities using the revised budget activity structure for fiscal years 1997 and 1998.

Table 5: O&M Subactivities and Defense-wide Agencies for Which DOD Consistently Obligated Fewer Funds Than Congress Initially Designated, Fiscal Years 1994-98

Constant 1999 dollars in millions

	5-year total			
O&M subactivity	**Congress' initial designation[a]**	**DOD's obligation**	**Difference**	**Percentage difference**
Army				
Divisions[c,d]	$2,515.7	$1,935.8	$579.9	23.1
Claims	917.8	688.5	229.3	25.0
Corps combat forces[c,d]	720.9	500.3	220.6	30.6
Servicewide communications	3,808.6	3,629.4	179.2	4.7
Land forces depot maintenance[c,d]	1,649.2	1,486.2	163.0	9.9
Echelon above corps forces[c,d]	906.3	827.2	79.1	8.7
Civilian education and training	443.3	420.5	22.8	5.1
One station unit training	84.2	66.6	17.6	20.9
Subtotal	**$11,046.0**	**$9,554.5**	**$1,491.5**	
Navy				
Ship depot maintenance[c]	11,611.9	10,393.6	1,218.3	10.5
Weapons maintenance[b]	2,335.0	2,088.8	246.2	10.5
Air systems support	1,467.8	1,310.8	157.0	10.7

Continued

Constant 1999 dollars in millions

O&M subactivity	5-year total: Congress' initial designation[a]	5-year total: DOD's obligation	Difference	Percentage difference
Flight training	1,630.5	1,509.4	121.1	7.4
Fleet ballistic missile[b]	4,180.4	4,102.4	78.0	1.9
Cruise missile[b]	568.0	529.0	39.0	6.9
Air operations and safety support[b]	454.4	419.6	34.8	7.6
Space and electronic warfare systems	385.9	353.5	32.4	8.4
Coast Guard support	104.3	92.9	11.4	10.9
Electronic warfare[b]	41.3	34.1	7.2	17.3
Junior reserve officer training corps	119.2	113.5	5.7	4.8
Fleet hospital program	95.0	92.4	2.6	2.7
Depot operations support[b]	6.3	5.7	0.6	10.0
Subtotal	**$23,000.0**	**$21,045.7**	**$1,954.3**	
Marine Corps				
Base support for accession training	284.0	233.4	50.6	17.8
Maritime prepositioning[b]	420.9	406.8	14.1	3.3
Base support for recruiting and other training and education	43.6	30.0	13.6	31.1
Subtotal	**$748.5**	**$670.2**	**$78.3**	
Air Force				
Primary combat forces[c]	13,448.3	12,459.9	988.4	7.3
Logistics operations	4,574.9	3,978.1	596.8	13.0
Space control systems[b]	1,874.2	1,551.8	322.4	17.2
Base support for other training	2,303.6	2,066.9	236.7	10.3
Global C3I and early warning[b]	4,053.5	3,914.3	139.2	3.4
Launch vehicles[b]	596.5	527.7	68.8	11.5
Satellite systems[b]	231.5	165.9	65.6	28.3
Arms control	168.9	131.5	37.4	22.2
Other personnel support	178.3	159.5	18.8	10.5
Subtotal	**$27,429.7**	**$24,955.6**	**$2,474.1**	
Defense-wide				
On-Site Inspection Agency[e]	464.5	352.7	111.8	24.1
Joint Chiefs of Staff	2,807.3	2,761.3	46.0	1.6
Defense Contract Audit Agency	1,754.7	1,733.5	21.2	1.2
Subtotal	**$5,026.5**	**$4,847.5**	**$179.0**	
Total	**$67,250.7**	**$61,073.5**	**$6,177.2**	**9.2**

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[a]Initial designations for each O&M subactivity as reported in DOD's budget estimates to Congress.

[b]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness.

[c]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness for which Congress also identified as high-priority readiness-related for reporting fiscal year 1998 transfers.

[d]Includes only fiscal years 1997 and 1998.

[e]On-Site Inspection Agency's resources were transferred to the newly established Defense Threat Reduction and Treaty Compliance Agency as of October 1, 1998.

Amounts may not total due to rounding.

Source: Our analysis, based on Defense O&M budget data.

Army: Divisions

This subactivity supports the training and operations of the Army's 10 active fighting divisions (6 heavy, 1 airborne, 1 air assault, and 2 light) plus other forces associated with these divisions. Table 6 shows the Army obligated $579.9 million less than Congress initially designated in fiscal years 1997 and 1998.

Table 6: Budget Information for Army Divisions

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	a	a	a	a	a
1995	a	a	a	a	a
1996	a	a	a	a	a
1997	$1,330.9	$1,330.9	$1,264.1	$1,041.0	$289.9
1998	1,233.6	1,184.8	958.5	894.8	290.0
Total	**$2,564.5**	**$2,515.7**	**$2,222.6**	**$1,935.8**	**$579.9**

[a]Data not available because the Army restructured this subactivity.

Army: Claims

This subactivity supports the administration of claims such as for lost or damaged personal property or for loss, injury, or death caused by negligence of Army personnel. It also supports status of forces claims pursuant to international agreements. Table 7 shows the Army obligated

$229.3 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 7: Budget Information for Army Claims

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$222.1	$206.3	$206.6	$182.2	$24.1
1995	192.9	192.6	193.8	134.4	58.2
1996	183.0	183.0	173.9	134.3	48.7
1997	183.4	183.4	133.3	117.6	65.8
1998	152.5	152.5	142.2	120.0	32.5
Total	**$933.9**	**$917.8**	**$849.8**	**$688.5**	**$229.3**

Army: Corps Combat Forces

This subactivity supports the operation of corps level combat units (aviation, armored, cavalry, field artillery, and air defense) not organic to a division. These units may be deployed in independent or semi-independent operations. Corps level assets provide the corps commander with additional combat power within a theater. Table 8 shows the Army obligated $220.6 million less than Congress initially designated in fiscal years 1997 and 1998.

Table 8: Budget Information for Army Corps Combat Forces

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$384.8	$384.8	$367.9	$268.2	$116.6
1998	354.3	336.1	248.3	232.1	104.0
Total	**$739.1**	**$720.9**	**$616.2**	**$500.3**	**$220.6**

[a]Data not available because the Army restructured this subactivity.

Army: Servicewide Communications

This subactivity supports information management activities, central software design, the Defense Communications System, long-haul communications, information security, satellite ground communications, and the National Science Center for Communications and Electronics. Table 9 shows the Army obligated $179.2 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 9: Budget Information for Army Servicewide Communications

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$870.5	$913.3	$922.4	$872.3	$41.0
1995	875.3	803.5	799.9	786.3	17.2
1996	724.8	724.8	698.8	692.8	32.0
1997	718.4	734.1	666.6	667.9	66.2
1998	626.8	632.9	615.4	610.1	22.8
Total	**$3,815.8**	**$3,808.6**	**$3,703.1**	**$3,629.4**	**$179.2**

Army: Land Forces Depot Maintenance

This subactivity supports the recovery and return of major equipment components and end items (e.g., trucks, tanks, etc.) to combat forces. Table 10 shows the Army obligated $163.0 million less than Congress initially designated in fiscal years 1997 and 1998.

Table 10: Budget Information for Army Land Forces Depot Maintenance

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$903.8	$861.4	$766.7	$749.7	$111.7
1998	643.2	787.8	751.4	736.5	51.3
Total	**$1,547.0**	**$1,649.2**	**$1,518.1**	**$1,486.2**	**$163.0**

[a]Data not available because the Army restructured this subactivity.

Army: Echelon Above Corps Forces

This subactivity supports echelon above corps units–separate from divisional and corps units–that directly support operations within a specified theater of operations. These units include theater level aviation, engineer, medical, signal, finance, personnel, military police, military intelligence, and logistics units. Table 11 shows the Army obligated $79.1 million less than Congress initially designated in fiscal years 1997 and 1998.

Table 11: Budget Information for Army Echelon Above Corps Forces

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$461.5	$461.5	$456.9	$428.6	$32.9
1998	444.8	444.8	409.2	398.6	46.2
Total	**$906.3**	**$906.3**	**$866.1**	**$827.2**	**$79.1**

[a]Data not available because the Army restructured this subactivity.

Army: Civilian Education and Training

This subactivity supports civilian education and training typically performed at military installations, training centers, colleges, universities, and civilian contract facilities. Table 12 shows the Army obligated $22.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 12: Budget Information for Army Civilian Education and Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$96.7	$95.9	$99.8	$94.8	$1.1
1995	100.0	95.8	93.6	90.5	5.3
1996	85.6	85.6	87.8	79.9	5.7
1997	86.8	83.7	82.9	79.3	4.4
1998	82.3	82.3	79.2	76.0	6.3
Total	**$451.4**	**$443.3**	**$443.3**	**$420.5**	**$22.8**

Army: One Station Unit Training

This subactivity supports civilian pay and benefits, trainee support, resident instruction, local preparation of training aids and training literature, procurement of supplies and equipment, and contracted services. Examples include travel and per diem costs for staff and faculty and organizational clothing and equipment issued for use during training. Table 13 shows the Army obligated $17.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 13: Budget Information for Army One Station Unit Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$14.4	$15.7	$15.7	$12.6	$3.1
1995	18.2	18.2	16.9	13.7	4.5
1996	18.0	18.0	16.8	12.7	5.3
1997	17.4	17.4	17.0	14.9	2.5
1998	14.9	14.9	14.1	12.7	2.2
Total	**$82.9**	**$84.2**	**$80.5**	**$66.6**	**$17.6**

Navy: Ship Depot Maintenance

This subactivity supports maintenance, ranging from overhauls to restricted technical repairs, performed at naval and private shipyards. Ship overhauls restore ships, including the operating systems that affect safety or current combat capability, to established performance standards. Table 14 shows the Navy obligated $1.2 billion less than Congress initially designated in fiscal years 1994 through 1998.

Table 14: Budget Information for Navy Ship Depot Maintenance

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$2,231.7	$2,327.5	$2,179.5	$1,926.5	$401.0
1995	2,539.9	2,570.3	2,594.0	2,444.7	125.6
1996	2,387.4	2,545.8	2,370.4	2,142.4	403.4
1997	1,880.6	2,047.4	1,945.5	1,829.5	217.9
1998	2,060.3	2,120.9	1,972.0	2,050.5	70.4
Total	**$11,099.9**	**$11,611.9**	**$11,061.4**	**$10,393.6**	**$1,218.3**

Navy: Weapons Maintenance

This subactivity supports depot-level maintenance and overhaul of missile systems, rockets, gun systems, and surface/undersea/aviation and anti-submarine warfare systems, as well as ammunition and ordnance rework and certification. Table 15 shows the Navy obligated $246.2 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 15: Budget Information for Navy Weapons Maintenance

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$564.4	$564.4	$510.6	$496.2	$68.2
1995	517.2	517.2	501.5	493.6	23.6
1996	424.3	429.6	390.8	368.6	61.0
1997	406.0	405.0	374.3	351.0	54.0
1998	404.7	418.8	402.8	379.4	39.4
Total	$2,316.6	**$2,335.0**	**$2,180.0**	**$2,088.8**	**$246.2**

Navy: Air Systems Support

This subactivity supports air engineering services, ground support equipment, technical publications, aircraft structural life survivability, automatic test equipment, automatic test equipment centers, acquisition and standardization reform initiatives, and integrated logistics support management. Table 16 shows the Navy obligated $157.0 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 16: Budget Information for Navy Air Systems Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$217.2	$215.3	$215.4	$194.1	$21.2
1995	407.6	373.9	366.9	349.9	24.0
1996	318.9	318.9	279.3	273.0	45.9
1997	288.2	285.9	246.9	242.0	43.9
1998	273.8	273.8	265.6	251.8	22.0
Total	**$1,505.7**	**$1,467.8**	**$1,374.1**	**$1,310.8**	**$157.0**

Navy: Flight Training

This subactivity supports undergraduate pilot and flight officer training and other flight training such as for flight surgeons, Naval Academy orientation, and transition. This subactivity also finances fuel, flight gear, organizational and intermediate maintenance parts, and contractor maintenance of training aircraft expenses. Table 17 shows the Navy obligated $121.1 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 17: Budget Information for Navy Flight Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$372.6	$368.2	$355.3	$324.8	$43.4
1995	353.9	348.5	335.3	309.8	38.7
1996	288.2	288.2	283.5	275.9	12.3
1997	307.8	307.8	300.1	281.9	25.9
1998	317.8	317.8	319.0	317.0	0.8
Total	**$1,640.3**	**$1,630.5**	**$1,593.2**	**$1,509.4**	**$121.1**

Navy: Fleet Ballistic Missile

This subactivity supports readiness and reliability of strategic weapon systems aboard fleet ballistic missile submarines, including systems for launchers, fire control, navigation, test instrumentation, missiles, missile checkout, and guidance. Table 18 shows the Navy obligated $78.0 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 18: Budget Information for Navy Fleet Ballistic Missile

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$891.2	$891.2	$885.8	$887.5	$3.7
1995	848.5	848.5	846.0	846.9	1.6
1996	832.5	832.5	823.0	813.2	19.3
1997	788.9	788.9	775.9	768.9	20.0
1998	819.3	819.3	802.1	785.9	33.4
Total	**$4,180.4**	**$4,180.4**	**$4,132.8**	**$4,102.4**	**$78.0**

Navy: Cruise Missile

This subactivity supports overall management, maintenance, and engineering support to maintain the Sea Launched Cruise Missile. Funding also supports the Joint Services Imagery Processing System and the surface ship Harpoon weapon control systems. Table 19 shows the Navy obligated $39.0 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 19: Budget Information for Navy Cruise Missile

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$118.1	$118.1	$122.2	$112.4	$5.7
1995	142.3	142.3	120.2	118.6	23.7
1996	102.1	102.1	84.7	99.3	2.8
1997	83.2	112.1	107.6	109.2	2.9
1998	93.4	93.4	87.8	89.5	3.9
Total	**$539.1**	**$568.0**	**$522.5**	**$529.0**	**$39.0**

Navy: Air Operations and Safety Support

This subactivity supports nine major programs: Aviation Mobile Facilities, Expeditionary Airfields, Aircraft Launch and Recovery Equipment, Aviation Facilities and Landing Aids, Aviation Life Support Systems, Air Traffic Control, Marine Air Traffic Control Automated Landing System, Situational Awareness Beacon With Reply, and Naval Air Technical Data and Engineering Services Command. Table 20 shows the Navy obligated $34.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 20: Budget Information for Navy Air Operations and Safety Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$160.6	$160.0	$148.7	$154.0	$6.0
1995	89.5	89.5	83.8	86.6	2.9
1996	62.4	62.4	58.9	57.7	4.7
1997	68.5	68.5	63.2	58.7	9.8
1998	74.0	74.0	68.5	62.6	11.4
Total	**$455.0**	**$454.4**	**$423.1**	**$419.6**	**$34.8**

Navy: Space and Electronic Warfare Systems

This subactivity supports the Navy Command and Control Systems, the Tactical Support Center, Ocean Surveillance, and other electronic programs. Table 21 shows the Navy obligated $32.4 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 21: Budget Information for Navy Space and Electronic Warfare Systems

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$89.3	$87.7	$78.4	$76.0	$11.7
1995	80.0	80.0	73.7	72.0	8.0
1996	71.9	71.9	69.6	68.7	3.2
1997	75.6	75.3	71.3	68.4	6.9
1998	71.0	71.0	67.9	68.4	2.6
Total	**$387.8**	**$385.9**	**$360.9**	**$353.5**	**$32.4**

Navy: Coast Guard Support

This subactivity supports maintenance, overhaul, and calibration of Navy equipment installed on Coast Guard ships and aircraft. This support ensures interoperability between Coast Guard and Navy equipment. Table 22 shows the Navy obligated $11.4 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 22: Budget Information for Navy Coast Guard Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$20.3	$20.3	$19.4	$18.7	$1.6
1995	19.9	19.9	19.6	18.1	1.8
1996	22.7	22.7	20.5	19.3	3.4
1997	22.9	22.9	20.3	19.6	3.3
1998	18.5	18.5	18.0	17.2	1.3
Total	**$104.3**	**$104.3**	**$97.8**	**$92.9**	**$11.4**

Navy: Electronic Warfare

This subactivity supports ship operations electronic warfare, including quick reaction capability support, various electronic warfare decoys and deception devices, and a wide spectrum of electronic warfare support such as maintenance and software support for radar and antiship missile warning and defense systems. Table 23 shows the Navy obligated $7.2 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 23: Budget Information for Navy Electronic Warfare

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$8.4	$8.4	$7.4	$6.6	$1.8
1995	9.4	9.4	7.2	7.2	2.2
1996	7.8	7.8	7.4	6.1	1.7
1997	7.9	7.9	7.2	7.0	0.9
1998	7.8	7.8	7.3	7.2	0.6
Total	**$41.3**	**$41.3**	**$36.5**	**$34.1**	**$7.2**

Navy: Junior Reserve Officer Training Corps

This subactivity provides funding to the Naval Junior Reserve Officer Training Corps, including instruction in the basic elements of and requirements for national security. Examples of funded items include instructor salaries, cadet travel, training aids, and texts and educational materials. Table 24 shows the Navy obligated $5.7 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 24: Budget Information for Navy Junior Reserve Officer Training Corps

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$20.6	$20.6	$20.2	$19.2	$1.4
1995	23.0	23.0	23.3	22.9	0.1
1996	25.7	25.7	25.5	24.5	1.2
1997	26.0	26.0	23.9	24.0	2.0
1998	23.9	23.9	22.7	22.9	1.0
Total	**$119.2**	**$119.2**	**$115.6**	**$113.5**	**$5.7**

Navy: Fleet Hospital Program

This subactivity supports modular, rapidly erectable fleet hospitals throughout the world. The Fleet Hospital Program complements or expands the medical capabilities of the fleet and plays a critical role in the Marine Corps' doctrinal concept of overseas theater support. Table 25 shows the Navy obligated $2.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 25: Budget Information for Navy Fleet Hospital Program

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$19.8	$19.8	$19.8	$19.4	$0.4
1995	17.9	17.9	17.7	17.4	0.5
1996	17.1	17.1	16.9	16.6	0.5
1997	20.2	20.2	19.8	19.5	0.7
1998	20.0	20.0	19.5	19.5	0.5
Total	**$95.0**	**$95.0**	**$93.7**	**$92.4**	**$2.6**

Navy: Depot Operations Support

This subactivity supports testing and monitoring systems such as general purpose electronic test equipment. Examples include in-service engineering to develop and maintain equipment data, equipment modifications, equipment and ship system configuration change management, and distribution and verification of computer programs. Table 26 shows the Navy obligated $0.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 26: Budget Information for Navy Depot Operations Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$1.6	$1.6	$1.6	$1.6	$0.0
1995	1.4	1.4	1.4	1.3	0.1
1996	1.2	1.2	1.1	1.0	0.2
1997	1.2	1.2	1.1	1.0	0.2
1998	0.9	0.9	0.9	0.8	0.1
Total	**$6.3**	**$6.3**	**$6.1**	**$5.7**	**$0.6**

Marine Corps: Base Support for Accession Training

This subactivity provides funding for administrative, community, and real property services. Administrative services include installation financial and manpower management. Community services include support of living facilities, food services, recreation areas, special services programs, and common-use facilities. Real property services include utilities operations and other engineering support. Table 27 shows the Marine Corps obligated $50.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 27: Budget Information for Marine Corps Base Support for Accession Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$63.5	$63.5	$60.2	$56.5	$7.0
1995	60.3	60.3	63.3	37.0	23.3
1996	51.4	51.4	51.2	47.0	4.4
1997	49.1	49.5	51.5	47.7	1.8
1998	51.8	59.3	52.6	45.2	14.1
Total	**$276.1**	**$284.0**	**$278.8**	**$233.4**	**$50.6**

Marine Corps: Maritime Prepositioning

This subactivity supports training and exercises in the Marine Corps' prepositioning forces program and aviation logistics support ships program. Examples of funded activities include maintenance support, facility leases, port operations, transportation, and contractor maintenance. Table 28 shows the Marine Corps obligated $14.1 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 28: Budget Information for Marine Corps Maritime Prepositioning

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$71.9	$106.9	$119.5	$104.5	$2.4
1995	77.0	77.0	77.0	74.7	2.3
1996	81.7	81.7	77.1	78.2	3.5
1997	77.2	77.2	79.0	76.4	0.8
1998	78.1	78.1	78.1	73.0	5.1
Total	**$385.9**	**$420.9**	**$430.7**	**$406.8**	**$14.1**

Marine Corps: Base Support for Recruiting and Other Training and Education

This subactivity supports base support functions in the recruiting and other training and education activity group. Functions include financial management, personnel management, base safety, legal services, food services, recreation areas, utilities operations, engineering support, and communication systems. Table 29 shows the Marine Corps obligated $13.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 29: Budget Information for Marine Corps Base Support for Recruiting and Other Training and Education

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$7.6	$7.6	$10.3	$4.4	$3.2
1995	10.1	10.1	10.4	3.8	6.3
1996	8.9	8.9	8.9	6.9	2.0
1997	8.8	8.8	8.0	7.7	1.1
1998	8.2	8.2	8.1	7.2	1.0
Total	**$43.6**	**$43.6**	**$45.7**	**$30.0**	**$13.6**

Air Force: Primary Combat Forces

This subactivity supports the operation and maintenance of the Air Force's fighters and bomber aircraft such as the F-16 or the B-1. This includes funding for wing headquarters, fighter squadrons, bomber squadrons, organizational avionics, and consolidated aircraft maintenance. Table 30 shows the Air Force obligated $988.4 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 30: Budget Information for Air Force Primary Combat Forces

Constant 1999 dollars in millions

Fiscal year[a]	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$2,712.0	$2,835.1	$3,023.8	$2,763.4	$71.7
1995	2,930.8	3,116.5	3,078.5	2,968.2	148.3
1996	2,834.8	2,865.4	2,826.9	2,648.2	217.2
1997	2,434.3	2,033.7	2,341.8	1,920.5[a]	113.2
1998	2,745.5	2,597.6	2,232.5	2,159.6[a]	438.0
Total	**$13,657.4**	**$13,448.3**	**$13,503.5**	**$12,459.9**	**$988.4**

[a]Although the Air Force requested and Congress designated funds for depot maintenance within several subactivities for fiscal years 1997 and 1998, the Air Force's reported obligations excluded these funds for these fiscal years.

Air Force: Logistics Operations

This subactivity supports the Air Force Material Command's Air Logistics Centers, Product Centers, and Headquarters; the Air Force's Acquisition Program Executive Offices; and several field operating agencies. Funds are also used to reimburse the Defense Information Systems Agency and the Air Force Information Services Business Area for services. Table 31 shows the Air Force obligated $596.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 31: Budget Information for Air Force Logistics Operations

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$948.5	$943.6	$852.2	$809.5	$134.1
1995	960.7	974.0	943.7	866.9	107.1
1996	834.4	796.4	871.6	784.3	12.1
1997	1,087.1	1,064.6	842.5	772.0	292.6
1998	796.3	796.3	732.3	745.4	50.9
Total	**$4,627.0**	**$4,574.9**	**$4,242.3**	**$3,978.1**	**$596.8**

Air Force: Space Control Systems

This subactivity supports the Air Force Satellite Control Network. This global network provides remote tracking stations and communication links required for operating military satellites. Examples include switchboard systems, wire communications, launch communications, and software and hardware maintenance. Table 32 shows the Air Force obligated $322.4 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 32: Budget Information for Air Force Space Control Systems

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$471.2	$469.6	$418.7	$377.9	$91.7
1995	431.4	431.4	408.1	391.0	40.4
1996	360.9	360.9	343.0	305.8	55.1
1997	324.6	324.6	309.2	243.4	81.2
1998	286.3	287.7	249.3	233.7	54.0
Total	**$1,874.4**	**$1,874.2**	**$1,728.3**	**$1,551.8**	**$322.4**

Air Force: Base Support for Other Training

This subactivity supports personnel and base infrastructure at installations in the Air Education and Training Command. Examples include physical plant, food, and housing services; childcare and family support; religious services; personnel management; security forces; and morale, welfare, and recreation. Table 33 shows the Air Force obligated $236.7 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 33: Budget Information for Air Force Base Support for Other Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$554.0	$549.9	$545.5	$543.8	$6.1
1995	575.0	531.6	521.1	364.6	167.0
1996	575.9	438.0	424.5	402.7	35.3
1997	405.5	410.1	426.2	385.7	24.4
1998	374.0	374.0	376.6	370.1	3.9
Total	**$2,484.4**	**$2,303.6**	**$2,293.9**	**$2,066.9**	**$236.7**

Air Force: Global Command, Control, Communications, and Intelligence and Early Warning

This subactivity supports strategic offensive and defensive capabilities and Air Force-wide communications. Table 34 shows the Air Force obligated $139.2 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 34: Budget Information for Air Force Global Command, Control, Communications, and Intelligence and Early Warning

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$880.5	$856.0	$805.0	$803.7	$52.3
1995	867.8	822.7	765.7	815.5	7.2
1996	872.7	876.9	870.9	848.5	28.4
1997	767.4	778.1	734.3	773.1	5.0
1998	719.8	719.8	646.3	673.5	46.3
Total	**$4,108.2**	**$4,053.5**	**$3,822.2**	**$3,914.3**	**$139.2**

Air Force: Launch Vehicles

This subactivity supports satellite launch vehicles, including the Delta II, Atlas IIA, and Titan II and IV to provide launch and orbital support for DOD space programs. Table 35 shows the Air Force obligated $68.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 35: Budget Information for Air Force Launch Vehicles

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$117.5	$136.3	$150.0	$118.0	$18.3
1995	120.8	120.8	124.4	115.7	5.1
1996	124.0	124.0	112.6	98.5	25.5
1997	110.8	110.8	98.9	100.4	10.4
1998	104.6	104.6	94.2	95.1	9.5
Total	**$577.7**	**$596.5**	**$580.1**	**$527.7**	**$68.8**

Air Force: Satellite Systems

This subactivity supports the Defense Meteorological Satellite Program. This includes equipment hardware and software, equipment maintenance at remote tracking stations, support and service for launch pad maintenance and launch preparation activities, and satellite and sensor daily operations support. Table 36 shows the Air Force obligated $65.6 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 36: Budget Information for Air Force Satellite Systems

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$50.5	$50.4	$40.2	$35.3	$15.1
1995	40.4	40.4	42.5	33.7	6.7
1996	51.9	51.9	52.6	36.9	15.0
1997	46.2	46.2	39.3	28.0	18.2
1998	42.6	42.6	30.3	32.0	10.6
Total	**$231.6**	**$231.5**	**$204.9**	**$165.9**	**$65.6**

Air Force: Arms Control

This subactivity supports efforts directly associated with implementing arms control treaties and agreements such as the Strategic Arms Reduction Treaty, Conventional Forces Europe, Open Skies, the Intermediate Nuclear Forces Treaty, and the Chemical Weapons Convention. Table 37 shows the Air Force obligated $37.4 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 37: Budget Information for Air Force Arms Control

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$42.2	$41.4	$38.3	$28.3	$13.1
1995	35.4	31.1	30.2	26.5	4.6
1996	36.6	36.6	28.6	24.1	12.5
1997	30.0	30.0	29.4	27.1	2.9
1998	29.8	29.8	28.6	25.5	4.3
Total	**$174.0**	**$168.9**	**$155.1**	**$131.5**	**$37.4**

Air Force: Other Personnel Support

This subactivity supports the Air Force Broadcasting Service, including the Air Force Armed Forces Radio and Television Service. Additional supported programs include the Air Force Honor Guard, the Air Force Band, the Defense Equal Opportunity Management Institute, and the Air Force Library and Information System. Table 38 shows the Air Force obligated $18.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 38: Budget Information for Air Force Other Personnel Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$37.0	$36.8	$36.8	$33.1	$3.7
1995	41.5	41.5	35.3	33.2	8.3
1996	33.9	33.9	30.4	30.4	3.5
1997	32.2	32.2	31.4	30.5	1.7
1998	33.9	33.9	31.3	32.3	1.6
Total	**$178.5**	**$178.3**	**$165.2**	**$159.5**	**$18.8**

Defense-wide: On-Site Inspection Agency

This agency conducts inspections of foreign facilities, territories, or events by sending inspection, monitoring, and escort teams to exercise its treaty rights for on-site inspection. Table 39 shows this agency obligated $111.8 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 39: Budget Information for On-Site Inspection Agency

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$128.0	$92.8	$92.8	$56.9	$35.9
1995	108.6	96.4	96.4	77.2	19.2
1996	103.5	89.3	88.6	69.4	19.9
1997	113.6	90.7	90.3	70.3	20.4
1998	110.3	95.3	95.2	78.9	16.4
Total	**$564.0**	**$464.5**	**$463.3**	**$352.7**	**$111.8**

Defense-wide: Joint Chiefs of Staff

The Joint Chiefs of Staff supports its joint exercises and the day-to-day operations of the Joint Staff, including civilian personnel, travel, lease, rents and utilities, communications, equipment maintenance, printing, contract studies, facility maintenance, supplies, equipment, and other services. Table 40 shows the Joint Chiefs of Staff obligated $46.0 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 40: Budget Information for the Joint Chiefs of Staff

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$499.1	$513.2	$513.2	$511.6	$1.6
1995	549.6	522.7	523.6	512.0	10.7
1996	605.9	613.1	612.4	601.6	11.5
1997	610.4	591.1	595.4	577.4	13.7
1998	676.2	567.2	564.0	558.7	8.5
Total	**$2,941.2**	**$2,807.3**	**$2,808.6**	**$2,761.3**	**$46.0**

Defense-wide: Defense Contract Audit Agency

This agency assists DOD acquisition authorities in contract pricing. The agency evaluates contractor pricing proposals, provides contracting officers with accounting and financial advisory services, and verifies contractor costs. Table 41 shows the Defense Contract Audit Agency obligated $21.2 million less than Congress initially designated in fiscal years 1994 through 1998.

Table 41: Budget Information for the Defense Contract Audit Agency

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$395.9	$372.9	$374.0	$372.3	$0.6
1995	367.2	365.8	365.9	359.5	6.3
1996	361.9	347.2	345.7	339.9	7.3
1997	349.8	341.2	340.2	335.1	6.1
1998	332.5	327.6	326.7	326.7	0.9
Total	**$1,807.3**	**$1,754.7**	**$1,752.5**	**$1,733.5**	**$21.2**

O&M Subactivities and Agencies for Which DOD Consistently Obligated More Funds Than Congress Initially Designated

Every year from fiscal year 1994 through 1998, DOD obligated more funding than Congress designated for the same 24 O&M subactivities and 3 Defense-wide agencies. DOD considers 13 of these subactivities most directly related to readiness. This appendix describes each subactivity or Defense agency, and shows the amounts DOD requested, those Congress initially designated, and those DOD adjusted and obligated. Table 42 summarizes the O&M subactivities and agencies that consistently obligated more funding than Congress initially designated.

Data Limitations on Certain Army O&M Subactivities

The Army restructured its Operating Forces budget activity in fiscal year 1997 and did not maintain a link between the old and the new budget structure. Five subactivities in the Army's Operating Forces budget activity in this appendix were affected by this change. Therefore, the appendix presents the amounts reported by the Army for these five subactivities using the revised budget activity structure for fiscal years 1997 and 1998.

Table 42: O&M Subactivities and Defense-wide Agencies for Which DOD Consistently Obligated More Funds Than Congress Initially Designated, Fiscal Years 1994-98

Constant 1999 dollars in millions

	5-year total			
O&M subactivity	**Congress' initial designation[a]**	**DOD's obligation**	**Difference**	**Percentage difference**
Army				
Miscellaneous activities[b,d]	$216.0	$3,140.5	$2,924.5	1353.7
Base operations support for land forces readiness[c,d]	5,198.8	5,620.4	421.6	8.1
Logistic support activities	1,667.0	1,984.4	317.4	19.0
Land forces operations support[c,d]	1,325.8	1,528.8	203.0	15.3
Unified commands[b,d]	119.6	225.5	105.9	88.6
Other personnel support	890.3	995.6	105.3	11.8
Management and operational headquarters[b,d]	291.7	384.2	92.5	31.7
Subtotal	**$9,709.2**	**$13,879.4**	**$4,170.2**	
Navy				
Planning, engineering, and design	1,398.7	3,056.2	1,657.5	118.5
Mission and other flight operations[c]	10,187.7	11,063.1	875.4	8.6
Mission and other ship operations[c]	10,302.7	10,958.9	656.2	6.4
Combat support forces[b]	1,748.8	2,146.9	398.1	22.8

Continued

Constant 1999 dollars in millions

O&M subactivity	5-year total: Congress' initial designation[a]	5-year total: DOD's obligation	Difference	Percentage difference
Space systems and surveillance[b]	809.0	1,039.4	230.4	28.5
Acquisition and program management	2,239.0	2,370.7	131.7	5.9
Warfare tactics[b]	728.6	806.4	77.8	10.7
International headquarters and agencies	38.8	45.7	6.9	17.6
Subtotal	**$27,453.3**	**$31,487.3**	**$4,034.0**	
Marine Corps				
Operational forces[c]	1,810.8	1,944.5	133.7	7.4
Recruiting and advertising	347.5	374.8	27.3	7.9
Recruit training	38.3	43.6	5.3	14.1
Subtotal	**$2,196.6**	**$2,362.9**	**$166.3**	
Air Force				
Other servicewide activities	2,760.1	4,935.4	2,175.3	78.8
Base support for logistics operations	3,553.6	3,894.1	340.5	9.6
Management and operational headquarters[b]	572.1	911.8	339.7	59.4
Other combat operations support[b]	1,159.6	1,417.4	257.8	22.2
Administration	543.7	757.0	213.3	39.3
Training support	324.0	400.1	76.1	23.5
Subtotal	**$8,913.1**	**$12,315.8**	**$3,402.7**	
Defense-wide				
Classified and communications agencies[e]	20,643.4	21,146.9	503.5	2.4
U.S. Special Operations Command	5,514.8	5,795.1	280.3	5.1
Defense Security Service	1,012.5	1,035.8	23.3	2.3
Subtotal	**$27,170.7**	**$27,977.8**	**$807.1**	
Total	**$75,442.9**	**$88,023.2**	**$12,580.3**	**16.7**

Continued from Previous Page

[a]Initial designations for each O&M subactivity as reported in DOD's budget estimates to Congress.

[b]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness.

[c]O&M subactivities located in the Operating Forces budget activity that DOD considers to be most directly related to readiness for which Congress also identified as high-priority readiness-related for reporting fiscal year 1998 transfers.

[d]Includes only fiscal years 1997 and 1998.

[e]Includes the classified and communications agencies, the Defense Information Systems Agency, and the Defense Mapping Agency.

Amounts may not total due to rounding.

Source: Our analysis, based on Defense O&M budget data.

Army: Miscellaneous Activities

This subactivity supports special activities not funded elsewhere in the Land Forces activity group. These include active Army support to the Commander in Chief's counter-drug program and special and miscellaneous programs not captured in other activity groups. Table 43 shows the Army obligated $2.9 billion more than Congress initially designated in fiscal years 1997 and 1998. Additional funds came from the centrally managed account for overseas contingencies.

Table 43: Budget Information for Army Miscellaneous Activities

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]		[a]
1995	[a]	[a]	[a]		[a]
1996	[a]	[a]	[a]		[a]
1997	$433.6	$34.4	$68.3	$1,424.5	$1,390.1
1998	181.6	181.6	95.0	1,716.0	1,534.4
Total	**$615.2**	**$216.0**	**$163.3**	**$3,140.5**	**$2,924.5**

[a]Data not available because the Army restructured this subactivity.

Army: Base Operations Support for Land Forces Readiness

This subactivity supports the quality of life for soldiers and their families and includes services for logistics; engineering; personnel and community; family; base communications; and morale, welfare, and recreation. Table 44 shows the Army obligated $421.6 million more than Congress initially designated in fiscal years 1997 and 1998.

Table 44: Budget Information for Army Base Operations Support For Land Forces Readiness

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$2,701.7	$2,734.6	$2,648.9	$3,059.5	$324.9
1998	2,441.0	2,464.2	2,440.4	2,560.9	96.7
Total	**$5,142.7**	**$5,198.8**	**$5,089.3**	**$5,620.4**	**$421.6**

[a]Data not available because the Army restructured this subactivity.

Army: Logistic Support Activities

This subactivity supports logistics activities and functions to equip, deploy, and sustain Army and other service forces worldwide, including some Army commands such as Army Materiel Command, Communications-Electronics Command, Aviation Missile Command, Industrial Operations Command, Soldier and Biological Chemical Command, Tank Automotive and Armament Command, Test and Evaluation Command, and Army Security Assistance Command. Table 45 shows the Army obligated $317.4 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 45: Budget Information for Army Logistic Support Activities

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$365.3	$369.0	$376.3	$379.7	$10.7
1995	372.4	374.6	374.4	468.2	93.6
1996	315.9	315.9	313.1	395.4	79.5
1997	321.6	315.6	326.8	407.1	91.5
1998	255.6	291.9	346.3	334.0	42.1
Total	**$1,630.8**	**$1,667.0**	**$1,736.9**	**$1,984.4**	**$317.4**

Army: Land Forces Operations Support

This subactivity supports force-related training at Army combat training centers, including the National Training Center, the Joint Readiness Training Center, and the Combat Maneuver Training Center. This subactivity also funds a virtual training center called the Battle Command Training Program. Table 46 shows the Army obligated $203.0 million more than Congress designated in fiscal years 1997 and 1998.

Table 46: Budget Information for Army Land Forces Operations Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$659.3	$661.4	$652.8	$851.4	$190.0
1998	664.4	664.4	830.6	677.4	13.0
Total	**$1,323.7**	**$1,325.8**	**$1,483.4**	**$1,528.8**	**$203.0**

[a]Data not available because the Army restructured this subactivity.

Army: Unified Commands

This subactivity supports Headquarters, U.S. European Command; Headquarters, U.S. Southern Command; and the Army elements of Headquarters, U.S. Atlantic Command, and Headquarters, U.S. Pacific Command. Table 47 shows the Army obligated $105.9 million more for than Congress initially designated in fiscal years 1997 and 1998.

Table 47: Budget Information for Army Unified Commands

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$66.5	$66.5	$69.0	$159.8	$93.3
1998	71.3	53.1	67.9	65.7	12.6
Total	**$137.8**	**$119.6**	**$136.9**	**$225.5**	**$105.9**

[a]Data not available because the Army restructured this subactivity.

Army: Other Personnel Support

This subactivity supports active duty and civilian personnel management programs, including recruitment, training, assignments, and career progression. Specific programs include disposition of remains, chaplain activities, Army career and alumni program, armed forces radio and television services, and drug abuse prevention. Table 48 shows the Army obligated $105.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 48: Budget Information for Army Other Personnel Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$172.3	$175.7	$177.8	$186.9	$11.2
1995	190.1	195.8	190.9	203.0	7.2
1996	185.6	182.5	177.4	214.6	32.1
1997	179.0	179.5	185.9	209.3	29.8
1998	156.8	156.8	150.5	181.8	25.0
Total	**$883.8**	**$890.3**	**$882.5**	**$995.6**	**$105.3**

Army: Management and Operational Headquarters

This subactivity supports day-to-day operation of Army management headquarters activities for the Army's operating forces, excluding unified commands. Management headquarters activities develop policy and guidance, perform long-range planning, programming, and budgeting, and manage and distribute resources. Table 49 shows the Army obligated $92.5 million more than Congress initially designated in fiscal years 1997 and 1998.

Table 49: Budget Information for Army Management and Operational Headquarters

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	[a]	[a]	[a]	[a]	[a]
1995	[a]	[a]	[a]	[a]	[a]
1996	[a]	[a]	[a]	[a]	[a]
1997	$159.2	$159.2	$156.4	$224.1	$64.9
1998	131.3	132.5	108.1	160.1	27.6
Total	**$290.5**	**$291.7**	**$264.5**	**$384.2**	**$92.5**

[a]Data not available because the Army restructured this subactivity.

Navy: Planning, Engineering, and Design

This subactivity supports ship system acquisition studies and reports to improve ship construction projects. Planning, engineering, and design support is also provided for bachelor quarters management, facilities, environmental compliance, hazard abatement, and materials technology. Table 50 shows the Navy obligated $1.7 billion more than Congress initially designated in fiscal years 1994 through 1998. Additional funds came from the centrally managed account for environmental restoration.

Table 50: Budget Information for Navy Planning, Engineering, and Design

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$313.7	$313.7	$313.8	$767.2	$453.5
1995	264.3	264.3	278.0	716.6	452.3
1996	263.6	263.6	283.5	689.7	426.1
1997	296.4	295.8	292.2	606.9	311.1
1998	261.3	261.3	253.8	275.8	14.5
Total	**$1,399.3**	**$1,398.7**	**$1,421.3**	**$3,056.2**	**$1,657.5**

Navy: Mission and Other Flight Operations

This subactivity supports all Navy and Marine Corps tactical air and anti-submarine forces, shore-based fleet air support, operational testing and evaluation, operation and maintenance of White House helicopters, and miscellaneous items such as transportation of squadron equipment. Table 51 shows the Navy obligated $875.4 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 51: Budget Information for Navy Mission and Other Flight Operations

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$2,049.3	$1,979.0	$1,956.7	$2,196.7	$217.7
1995	2,089.1	2,089.1	2,138.7	2,363.2	274.1
1996	1,888.1	1,896.6	2,088.1	2,076.4	179.8
1997	1,947.5	1,842.6	1,816.1	1,953.4	110.8
1998	2,121.7	2,380.4	2,226.2	2,473.4	93.0
Total	**$10,095.7**	**$10,187.7**	**$10,225.8**	**$11,063.1**	**$875.4**

Navy: Mission and Other Ship Operations

This subactivity supports operating tempo, fleet training units, specialized skills, operational support, pier-side support and port services, organizational maintenance, and associated administrative support. Table 52 shows the Navy obligated $656.2 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 52: Budget Information for Navy Mission and Other Ship Operations

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$2,429.7	$2,152.4	$2,331.8	$2,394.3	$241.9
1995	2,055.0	2,055.0	2,072.9	2,223.6	168.6
1996	1,990.5	1,990.5	2,064.1	2,096.8	106.3
1997	2,001.7	1,976.4	1,922.0	2,006.0	29.6
1998	2,151.1	2,128.4	2,198.0	2,238.2	109.8
Total	**$10,628.0**	**$10,302.7**	**$10,588.8**	**$10,958.9**	**$656.2**

Navy: Combat Support Forces

This subactivity supports ship environmental protection, diving and salvage operations, fleet commands and staffs, ocean facilities programs, fleetwide imaging services, unified commands support, mobile construction battalions, amphibious craft units, special combat support forces, and combatant craft repair. Table 53 shows the Navy obligated $398.1 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 53: Budget Information for Navy Combat Support Forces

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted Baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$295.7	$295.6	$307.8	$376.1	$80.5
1995	305.2	305.2	316.6	399.1	93.9
1996	358.9	358.9	375.3	438.1	79.2
1997	402.4	401.6	401.5	484.8	83.2
1998	387.5	387.5	402.5	448.8	61.3
Total	**$1,749.7**	**$1,748.8**	**$1,803.7**	**$2,146.9**	**$398.1**

Navy: Space Systems and Surveillance

This subactivity supports the Naval Space Command Headquarters; space systems management, tracking, telemetry, and control; and undersea surveillance. The Naval Space Command supports naval space policy. Table 54 shows the Navy obligated $230.4 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 54: Budget Information for Navy Space Systems and Surveillance

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$247.3	$230.4	$272.9	$275.8	$45.4
1995	126.9	126.9	154.7	189.0	62.1
1996	162.5	162.5	160.8	199.9	37.4
1997	151.0	151.0	148.4	193.4	42.4
1998	138.2	138.2	135.2	181.3	43.1
Total	**$825.9**	**$809.0**	**$872.0**	**$1,039.4**	**$230.4**

Navy: Acquisition and Program Management

This subactivity supports ship systems, space systems, food service systems, material transportation, fuel and petroleum support, and special support operations. Funding also supports the Navy International Program Office. Table 55 shows the Navy obligated $131.7 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 55: Budget Information for Navy Acquisition and Program Management

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$410.8	$408.4	$453.8	$434.7	$26.3
1995	427.1	427.1	428.7	433.0	5.9
1996	450.2	436.0	458.8	441.6	5.6
1997	487.2	469.8	559.3	554.9	85.1
1998	495.7	497.7	512.9	506.5	8.8
Total	**$2,271.0**	**$2,239.0**	**$2,413.5**	**$2,370.7**	**$131.7**

Navy: Warfare Tactics

This subactivity supports warfare tactics development and execution efforts, including the Enhanced Naval Warfare Gaming System, warfare tactics development and documentation, exercise support and analysis, fleet training administration, and range operations. Table 56 shows the Navy obligated $77.8 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 56: Budget Information for Navy Warfare Tactics

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$143.5	$165.6	$167.5	$174.3	$8.7
1995	145.9	145.9	158.3	161.9	16.0
1996	146.0	146.0	166.6	173.8	27.8
1997	144.0	144.0	145.2	155.9	11.9
1998	127.1	127.1	142.7	140.5	13.4
Total	**$706.5**	**$728.6**	**$780.3**	**$806.4**	**$77.8**

Navy: International Headquarters and Agencies

This subactivity supports the Latin American Cooperation Program, the Technology Transfer Program, and emergency medical travel for Navy personnel and their families at military assistance advisory groups and missions and defense attaché offices worldwide. Table 57 shows the Navy obligated $6.9 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 57: Budget Information for Navy International Headquarters and Agencies

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$8.5	$8.5	$8.4	$9.2	$0.7
1995	8.1	8.1	8.0	9.2	1.1
1996	7.8	7.8	8.6	9.2	1.4
1997	7.9	7.9	7.9	8.7	0.8
1998	6.5	6.5	8.3	9.4	2.9
Total	**$38.8**	**$38.8**	**$41.2**	**$45.7**	**$6.9**

Marine Corps: Operational Forces

This subactivity provides funding to the operating forces that constitute the Marine Air-Ground Team and Marine security forces at naval installations and aboard naval vessels. Table 58 shows the Marine Corps obligated $133.7 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 58: Budget Information for Marine Corps Operational Forces

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$331.1	$338.8	$337.3	$349.9	$11.1
1995	322.6	346.2	352.8	398.8	52.6
1996	352.8	363.3	380.4	388.4	25.1
1997	345.6	380.8	389.6	411.5	30.7
1998	348.4	381.7	371.6	395.9	14.2
Total	**$1,700.5**	**$1,810.8**	**$1,831.7**	**$1,944.5**	**$133.7**

Marine Corps: Recruiting and Advertising

This subactivity supports military recruiting forces development, salaries of civilian personnel associated with recruiting, administrative supplies, communications, travel, per diems, leasing of recruiting vehicles, recruiter out-of-pocket expenses, and applicant processing costs and equipment. Advertising includes magazine, broadcast, and outdoor billboard advertising. Table 59 shows the Marine Corps obligated $27.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 59: Budget Information for Marine Corps Recruiting and Advertising

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$57.1	$59.7	$59.5	$61.6	$1.9
1995	59.3	66.5	66.5	66.7	0.2
1996	64.4	68.7	70.5	75.2	6.5
1997	68.2	73.1	78.0	81.7	8.6
1998	75.2	79.5	82.0	89.6	10.1
Total	**$324.2**	**$347.5**	**$356.5**	**$374.8**	**$27.3**

Marine Corps: Recruit Training

These subactivity supports recruit training at two recruit depots located at Paris Island, South Carolina, and San Diego, California. Costs cover individual equipment requirements, operation and maintenance of support equipment, administrative functions, and routine supplies. Table 60 shows the Marine Corps obligated $5.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 60: Budget Information for Marine Corps Recruit Training

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$6.0	$6.0	$6.0	$6.2	$0.2
1995	6.8	6.8	8.6	8.3	1.5
1996	7.8	7.8	8.4	8.9	1.1
1997	8.5	8.5	9.4	10.1	1.6
1998	9.2	9.2	10.0	10.1	0.9
Total	**$38.3**	**$38.3**	**$42.4**	**$43.6**	**$5.3**

Air Force: Other Servicewide Activities

This subactivity supports a wide variety of programs and systems worldwide for telephone services and data communications; design, implementation, testing, and operation of new automated systems; and automated data processing consolidation. Table 61 shows the Air Force obligated $2.2 billion more than Congress initially designated in fiscal years 1994 through 1998. Additional funds came from the centrally managed account for environmental restoration.

Table 61: Budget Information for Air Force Other Servicewide Activities

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$606.3	$589.3	$639.3	$1,195.2	$605.9
1995	744.1	749.6	641.8	992.1	242.5
1996	418.3	418.3	561.4	891.5	473.2
1997	502.7	502.7	526.3	914.8	412.1
1998	529.6	500.2	529.8	941.8	441.6
Total	**$2,801.0**	**$2,760.1**	**$2,898.6**	**$4,935.4**	**$2,175.3**

Air Force: Base Support for Logistics Operations

This subactivity supports a variety of programs, including audiovisual information activities, base communications, base operating support, child development centers, family support centers, real property services, environmental conservation and compliance, and pollution prevention. Table 62 shows the Air Force obligated $340.5 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 62: Budget Information for Air Force Base Support For Logistics Operations

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$819.6	$740.5	$833.1	$919.3	$178.8
1995	806.2	788.6	1,008.4	821.1	32.5
1996	939.0	684.1	635.8	698.3	14.2
1997	605.9	613.0	657.9	709.6	96.6
1998	760.7	727.4	733.7	745.8	18.4
Total	**$3,931.4**	**$3,553.6**	**$3,868.9**	**$3,894.1**	**$340.5**

Air Force: Management and Operational Headquarters

This subactivity supports civilian pay, travel, supplies, and equipment for Air Force headquarters such as Headquarters, Air Combat Command, and Headquarters, Air Mobility Command. Table 63 shows the Air Force obligated $339.7 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 63: Budget Information for Air Force Management and Operational Headquarters

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$120.7	$115.8	$137.8	$170.7	$54.9
1995	115.6	115.6	141.4	179.5	63.9
1996	118.2	118.2	135.8	205.2	87.0
1997	110.8	110.8	110.0	181.1	70.3
1998	114.5	111.7	109.6	175.3	63.6
Total	**$579.8**	**$572.1**	**$634.6**	**$911.8**	**$339.7**

Air Force: Other Combat Operations Support

This subactivity supports defensive training, tactical force elements, aircraft delivery, ground processing, chemical and biological defensive equipment items and materials, antiterrorism programs, and other support programs. Table 64 shows the Air Force obligated $257.8 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 64: Budget Information for Air Force Other Combat Operations Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$282.1	$278.5	$247.5	$362.8	$84.3
1995	241.9	241.9	234.1	274.7	32.8
1996	222.2	222.2	236.6	261.4	39.2
1997	206.3	207.8	285.3	259.9	52.1
1998	207.4	209.2	222.1	258.6	49.4
Total	**$1,159.9**	**$1,159.6**	**$1,225.6**	**$1,417.4**	**$257.8**

Air Force: Administration

This subactivity supports the Office of the Secretary of the Air Force, Air Staff, a portion of the 11th Support Wing that provides direct support to Headquarters, U.S. Air Force. The subactivity also supports other Air Force Headquarters support staff and offices. Table 65 shows the Air Force obligated $213.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 65: Budget Information for Air Force Administration

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$126.7	$125.0	$130.3	$148.7	$23.7
1995	122.4	108.8	122.0	146.4	37.6
1996	124.9	119.1	121.2	141.1	22.0
1997	126.5	116.1	124.0	139.3	23.2
1998	127.9	74.7	127.2	181.5	106.8
Total	**$628.4**	**$543.7**	**$624.7**	**$757.0**	**$213.3**

Air Force: Training Support

This subactivity supports the programs of the Air Education and Training Command; on-site training on weapon systems at Active, National Guard, and Reserve installations; and correspondence course programs. Table 66 shows the Air Force obligated $76.1 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 66: Budget Information for Air Force Training Support

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$77.6	$74.3	$76.0	$92.0	$17.7
1995	74.2	74.2	77.1	83.0	8.8
1996	68.7	68.7	66.2	79.4	10.7
1997	62.1	56.0	56.1	69.6	13.6
1998	63.9	50.8	63.5	76.1	25.3
Total	**$346.5**	**$324.0**	**$338.9**	**$400.1**	**$76.1**

Defense-wide: Classified and Communications Agencies, Defense Information Systems Agency, and Defense Mapping Agency

We combined the budgets for the classified and communications agencies, the Defense Information Systems Agency, and the Defense Mapping Agency from fiscal year 1994 to 1998 as shown in table 67 because of the classified nature and reorganizations of these agencies. For example, from 1994 to 1997, the classified and communications programs consisted of the Defense Information Systems Agency, the Defense Intelligence Agency, the National Security Agency, and the Central Imagery Office. Beginning in fiscal year 1998, the classified and communications agencies consisted of the Defense Intelligence Agency, the National Security Agency, and the National Imagery and Mapping Agency. Budget information on these individual agencies is in a classified DOD justification of estimates. Further, the Defense Information Systems Agency is a combat support agency that performs command, control, computer, and intelligence system missions in support of the President, the Secretary of Defense, the Joint Chiefs of Staff, the Joint Staff, the Combatant Commanders in Chief, and DOD components. Beginning in fiscal year 1998, DOD removed the Defense Information Systems Agency's budget data from the classified agencies' data. In addition, DOD disestablished the Defense Mapping Agency on September 30, 1996, and merged most of its elements with the Central Imagery Office to form the budget-classified National Imagery and Mapping Agency.

Table 67 shows DOD obligated $503.5 million more for the classified and communications agencies, the Defense Information Systems Agency, and

the Defense Mapping Agency than Congress initially designated in fiscal years 1994 through 1998.

Table 67: Budget Information for Classified and Communications Agencies, Defense Information Systems Agency, and Defense Mapping Agency

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$4,167.6	$4,026.4	$4,050.3	$4,119.3	$92.9
1995	4,210.4	3,997.3	4,034.8	4,135.5	138.2
1996	4,312.5	4,212.7	4,323.3	4,338.1	125.4
1997	4,331.4	4,289.8	4,259.4	4,333.8	44.0
1998	4,256.9	4,117.2	4,110.6	4,220.2	103.0
Total	**$21,278.8**	**$20,643.4**	**$20,778.4**	**$21,146.9**	**$503.5**

Defense-wide: U.S. Special Operations Command

The U.S. Special Operations Command is a unified command with worldwide responsibilities to train, maintain, and provide special operations forces. Table 68 shows the U.S. Special Operations Command obligated $280.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 68: Budget Information for U.S. Special Operations Command

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$1,085.4	$1,094.0	$1,094.0	$1,141.7	$47.7
1995	1,083.3	1,077.3	1,073.4	1,144.6	67.3
1996	1,075.4	1,075.5	1,138.2	1,126.9	51.4
1997	1,097.8	1,071.0	1,070.3	1,130.2	59.2
1998	1,180.6	1,197.0	1,193.8	1,251.7	54.7
Total	**$5,522.5**	**$5,514.8**	**$5,569.7**	**$5,795.1**	**$280.3**

Defense-wide: Defense Security Service

The Defense Security Service, formerly the Defense Investigative Service, is responsible for the Defense Security Service Training Office, the Security Research Center, and the DOD Polygraph Institute. Table 69 shows the Defense Security Service obligated $23.3 million more than Congress initially designated in fiscal years 1994 through 1998.

Table 69: Budget Information for Defense Security Service

Constant 1999 dollars in millions

Fiscal year	Requested	Congressionally designated	Adjusted baseline	Obligated	Difference between congressionally designated and obligated amounts
1994	$207.9	$207.9	$214.3	$216.0	$8.1
1995	213.2	209.0	215.0	218.3	9.3
1996	213.0	209.1	213.5	214.3	5.2
1997	201.4	199.6	200.0	200.0	0.4
1998	188.5	186.9	187.3	187.2	0.3
Total	**$1,024.0**	**$1,012.5**	**$1,030.1**	**$1,035.8**	**$23.3**

Comments From the Department of Defense

COMPTROLLER

UNDER SECRETARY OF DEFENSE
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

JAN 28 2000

Mr. Norman J. Rabkin
Director
National Security Preparedness Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Rabkin:

Thank you for the opportunity to provide the Department's comment on the General Accounting Office (GAO) draft report, "DEFENSE BUDGET: DoD Should Further Improve Visibility and Accountability of O&M Fund Movements," dated December 10, 1999 (GAO Code 703284/OSD Case 1925). The Department generally agrees with the facts presented in the report but disagrees with some of the conclusions and only partially concurs with the recommendations in the report.

We agree that changes have occurred in each Operation and Maintenance (O&M) subactivity group (O-1 line items) between the amounts designated by the Congress and the amounts obligated by the Department. The changes highlighted in the GAO report reflect the nature of the appropriations and the peculiarities of the budget process. It is very difficult for the Department to precisely estimate the requirements in almost 250 individual subactivity groups 2 years prior to the end of execution. Changes are inevitable as the Department responds to unforeseen events and new priorities. Furthermore, many of the changes are caused by the use of central transfer accounts for specialized and high visibility programs (e.g., the Contingency, Counterdrug, Environmental Restoration, and Foreign Currency accounts). While central transfer accounts give the Congress greater oversight of selected programs, funding transfers from these accounts cause many of the changes highlighted in the report. In addition, the manner in which the Congress assesses undistributed reductions to the Department as part of the appropriations process requires funding realignments during the execution year.

Nonetheless, the Department is aware of the need to minimize the movement of O&M funds and has taken appropriate actions. Specifically, the DoD provided additional funding in the FY 2000 President's Budget to areas such as base operation support and other "level of effort" programs to prevent migration of funds to these areas during the execution year. This action will allow commanders to better protect readiness programs and should minimize the necessity of funding realignments during execution. The Department will continue to aggressively review future budget estimates in an effort to minimize the movement of funds.

The DoD does not agree with the GAO's recommendation to continue to provide the Readiness Transfer Report beyond its statutory expiration. This recommendation was based on an analysis that only covers the period between FY 1994 and FY 1998. Since this report was first established by the Congress, the Department has developed new reports and modified various reports that have been previously submitted to the Congress in order to greatly expand the visibility of the movement of funds to the Congress. In the beginning of FY 1999, the Department began submitting the Rebaseline Report, which provides the execution track requested by the Congress. This report includes execution details for all O-1 line items, not just the high priority readiness accounts reported in the Readiness Transfer Report. In addition, the Department modified the DD 1002 Execution Status Reports. This execution summary by appropriation, budget activity, and O-1 line item is provided monthly to the Congress. Furthermore, the Department submits DD 1415 Reprogramming Requests to the Congress for approval, which provide detailed justifications for movement of funds. These three reports are tailored to provide more meaningful and useful data for the Congress. Since the Department has these reports already in place, the continuation of the Readiness Transfer Report is redundant and is no longer necessary.

As recommended, the DoD will develop formal guidance for the Components, which will define fact-of-life adjustments for purposes of the rebaseline report. However, the Department must carefully define the fact-of-life adjustments in order to preserve the flexibility needed by the field commanders to adjust to changes in major policy, environment, or circumstances. This flexibility is critical in maintaining a high level of military readiness.

The detailed DoD comments on the draft report findings and recommendation are provided in the enclosure. The DoD appreciates the opportunity to comment on the draft report.

Sincerely,

William J. Lynn

Enclosure

GAO DRAFT REPORT DATED DECEMBER 10, 1999
(GAO CODE 703284) OSD CASE 1925

"DEFENSE BUDGET: DOD Should Further Improve Visibility and Accountability of O&M Fund Movements"

DEPARTMENT OF DEFENSE COMMENTS TO THE GAO RECOMMENDATIONS

Now on p. 22.

RECOMMENDATION 1: The GAO stated that obligations for some readiness-related operation and maintenance (O&M) subactivities are consistently different from the amounts originally designated by Congress. To maintain visibility over the movement of funds in these appropriations and the reasons for these changes, the GAO recommended that the Secretary of Defense direct the Under Secretary of Defense (Comptroller) to continue to provide Congress with the high priority readiness-related transfer reports after the legislative requirement (10 U.S. Code 483) for them expires. (pages 19-20/GAO Draft Report)

DOD RESPONSE: Nonconcur. The DoD does not agree that the high priority readiness-related transfer report needs to be provided beyond its statutory expiration. Since the requirement for this report was originally established by the Congress, the Department has developed new reports and modified various reports that have been previously submitted to the Congress in order to greatly expand the visibility of the movement of funds to the Congress. For instance, the Department began submitting the Rebaseline Report in FY 1999, which is not addressed in the GAO report. The GAO analysis only covers the period from FY 1994 through FY 1998. This report provides a detailed track by O-1 line item (subactivity group) from the appropriated amount to the rebaseline amount and explains the various rebaselining adjustments reflected in the O-1 line item track. Any transfer of funds between O-1 budget activities in excess of $15 million above the rebaseline level require normal, prior approvals from the Congress. Furthermore, the Congress requires the Department to provide written notification for the cumulative value of any and all transfers in excess of $15 million from many of the "high priority readiness programs." In addition, 2 years ago the Department modified the DD 1002 Execution Status Report, an official accounting report, to provide execution data by budget activity and O-1 line item. This report is provided monthly to the Congress. The OP-5 exhibit supporting the President's Budget requests reports the actual executed amounts by subactivity group (O-1 line item) for the prior year. The Department will provide any information requested by the Congress. However, it seems duplicative to provide the Readiness Transfer Report since the information included in the Readiness Transfer Report is already available in the aforementioned reports.

RECOMMENDATION 2: The GAO also recommended that the Secretary of Defense direct the Under Secretary of Defense (Comptroller) to

1. develop, in consultation with the House and Senate Committees on Appropriations, formal guidance for fact-of-life adjustments of funds designated by Congress;
2. provide guidance to the Services and Defense-wide Agencies; and
3. take steps to ensure the guidance is followed.

Enclosure

2

Now on p. 22.

The GAO noted that the guidance should also state when it is appropriate to make such adjustments, who should approve them, and how much funding can be moved. (page 20/GAO Draft Report)

DOD RESPONSE: Concur. The DoD agrees to develop formal guidance for fact-of-life funding adjustments to the Services and Defense Agencies. The Department will review the fact-of-life adjustments during each budget review in order to ensure that the guidance is followed. However, any guidance developed that would restrict the flexibility for field commanders to make funding adjustment will be avoided to minimize negative impacts on military readiness. During execution, fact-of-life adjustments empower the field commanders with the flexibility to adjust to the changing circumstances/environment. These changes vary from major policy changes to daily operational changes at the lowest levels of the Department. This flexibility must be available to optimize the execution of the DoD's budget.

GAO Contacts and Staff Acknowledgments

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