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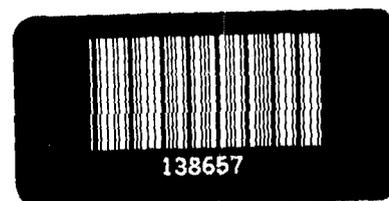
United States General Accounting Office

Fact Sheet for the Chairman,
Subcommittee on Defense, Committee on
Appropriations, House of Representatives

May 1989

ADP BUDGET

Department of Defense's Information Technology Systems Obligations





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

Information Management and
Technology Division

B-231233

May 18, 1989

The Honorable John P. Murtha
Chairman, Subcommittee on Defense
Committee on Appropriations
House of Representatives

Dear Mr. Chairman:

On October 19, 1988, your predecessor asked us to review the Department of Defense fiscal year 1990 budget request for automated data processing resources to assist the Subcommittee in its budget deliberations. As part of this request, we agreed on January 11, 1989, to provide your office with budget information from four Defense Reports on Obligations for Information Technology Systems. This report provides Defense budget summary information on the Departments of the Army, Navy, and Air Force, as well as the Office of the Secretary of Defense and defense agencies.

Our information comes from Defense's reports for fiscal years 1987, 1988/1989, amended 1988/1989, and 1990/1991. They are required by Office of Management and Budget Circular A-11, Preparation and Submission of Budget Estimates. As specified in the circular, they show obligations for information technology activities by fiscal year distributed among such categories as capital investment,¹ personnel, rental and other, and commercial services.

Appendixes I and II depict information technology obligations over 5 years, fiscal years 1986-1990. Appendix I shows that total information technology obligations have increased since fiscal year 1986. The first figure in appendix II shows that capital investment and rental and other obligations have decreased since fiscal year 1986, while personnel and commercial services obligations have increased. To distinguish equipment lease obligations from the total rental and other category, figure II.2 contains a detailed breakout of obligations for equipment leases and for space leases and supplies. This figure shows that equipment lease obligations have decreased, while obligations for space and supplies have increased.

¹Capital investment includes obligations for computer equipment, software, and site preparation.

We compared original obligation estimates and actual obligations for fiscal years 1987 and 1988 only. These comparisons are shown in appendixes III and IV, respectively. Actual obligations exceeded the original estimated obligations in both fiscal years. Finally, appendix V shows the actual data extracted for this report.

Our work was conducted in March and April 1989. We discussed the contents of this report with an Office of the Secretary of Defense (Comptroller) representative and incorporated his views where appropriate.

We are providing copies of this report to the Chairmen, House and Senate Committees on Appropriations; the Chairmen, House and Senate Committees on Armed Services; the Chairman, House Committee on Government Operations; and the Chairman, Senate Committee on Governmental Affairs. We are also providing copies to the Secretary of Defense; and the Director, Office of Management and Budget. We will make copies available to other interested parties upon request.

This report was prepared under the direction of William S. Franklin, Associate Director. Other major contributors are listed in appendix VI.

Sincerely yours,



Ralph V. Carlone
Assistant Comptroller General

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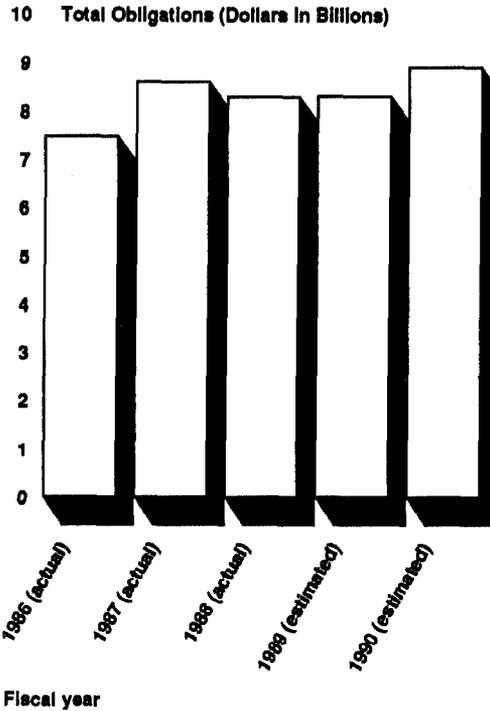
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Abbreviations

GAO General Accounting Office
IMTEC Information Management and Technology Division

Information Technology Obligations by Fiscal Year

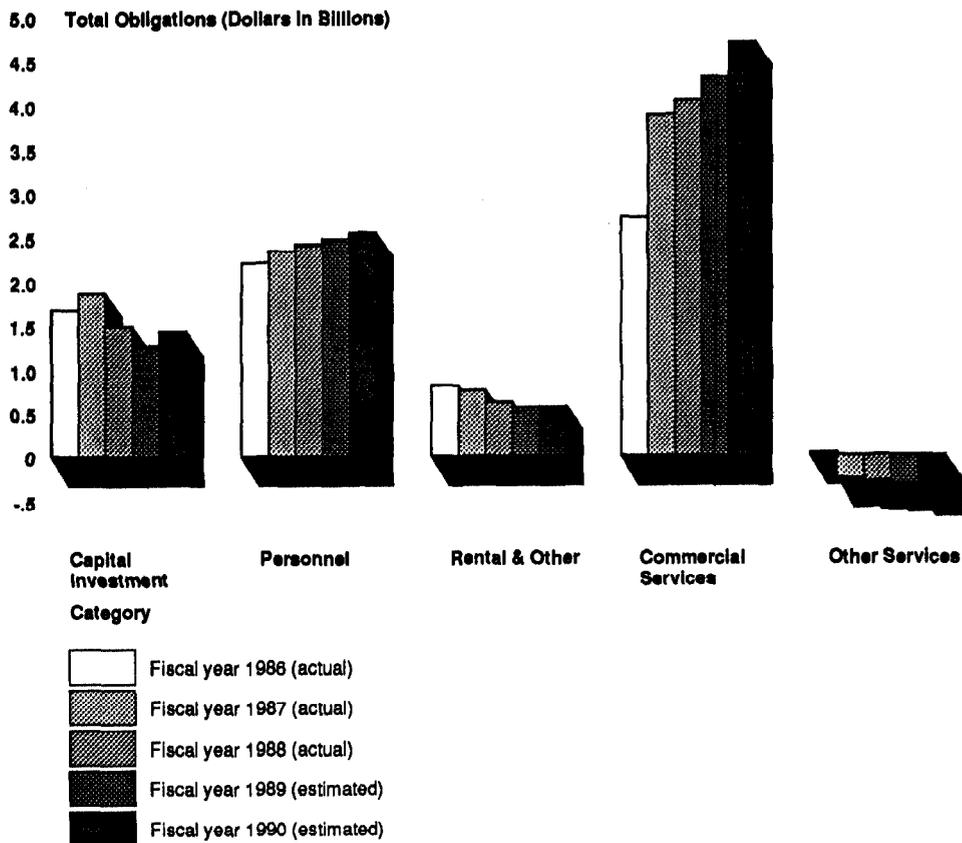


Obligations shown in this and subsequent appendixes are from the following information technology systems obligations reports:

- Fiscal year 1986 actual obligations are from the fiscal year 1988/1989 report.
- Fiscal year 1987 actual obligations are from the amended fiscal year 1988/1989 report.
- Fiscal year 1988 actual obligations, and fiscal year 1989 and 1990 estimated obligations are from the fiscal year 1990/1991 report.

Information Technology Obligations by Category

Figure II.1: Information Technology Obligations by Category

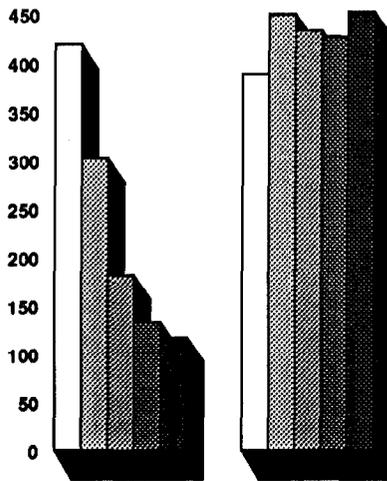


Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

**Appendix II
Information Technology Obligations
by Category**

**Figure II.2: Information Technology
Rental and Other Obligations by
Subcategory**

500 Rental & Other Obligations (Dollars in Millions)

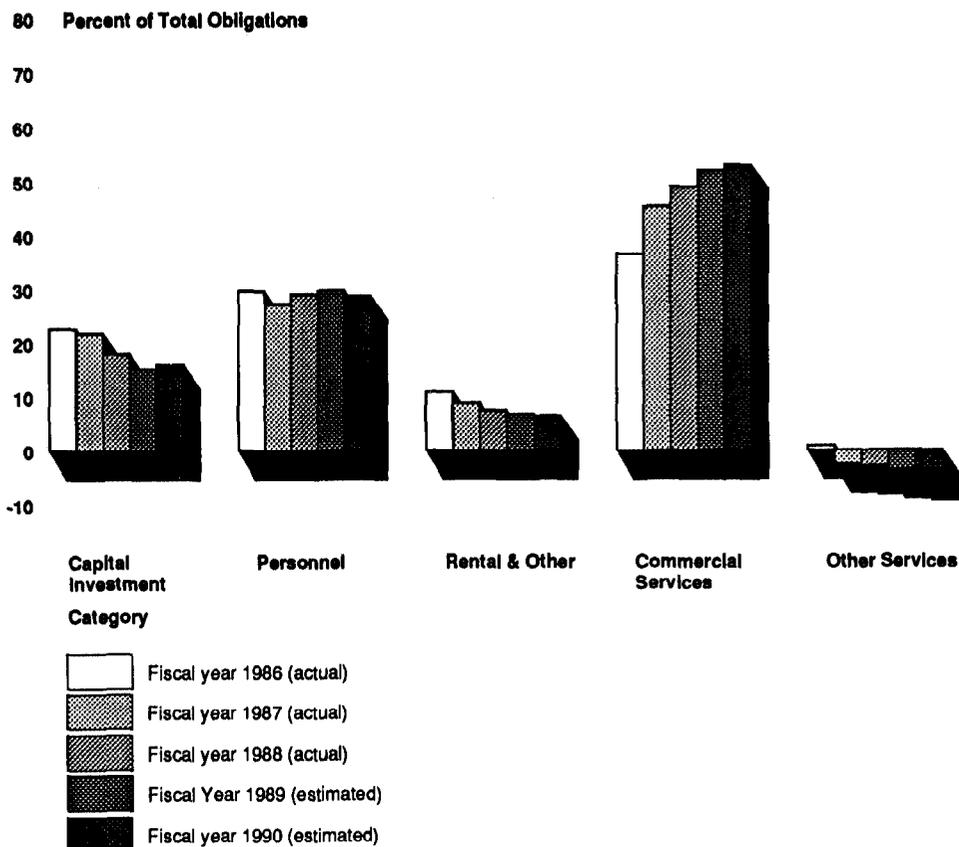


Equipment Leases
Space and Supplies
Subcategory

- Fiscal year 1986 (actual)
- Fiscal year 1987 (actual)
- Fiscal year 1988 (actual)
- Fiscal year 1989 (estimated)
- Fiscal year 1990 (estimated)

**Appendix II
Information Technology Obligations
by Category**

Figure II.3: Percentage of Information Technology Obligations by Category

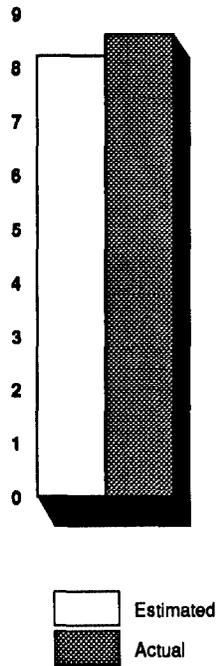


Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Fiscal Year 1987 Obligations

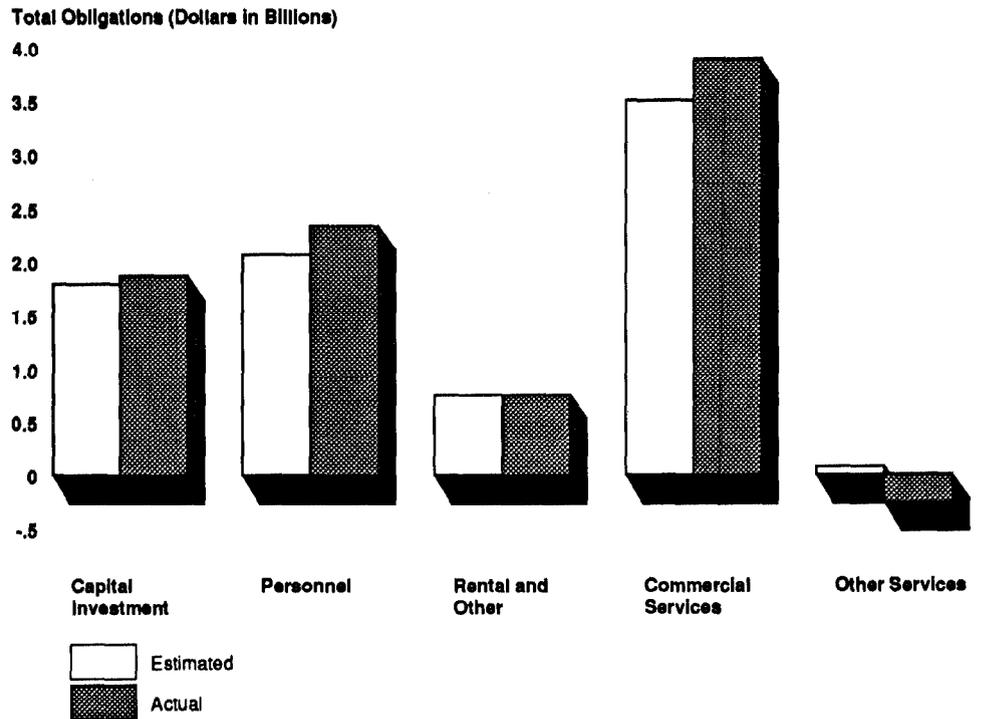
Figure III.1: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1987

Total Obligations (Dollars in Billions)



Estimated fiscal year 1987 obligations are from the fiscal year 1987 report on information technology obligations. Actual fiscal year 1987 obligations are from the amended fiscal year 1988/1989 report on information technology obligations.

Figure III.2: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1987 by Category



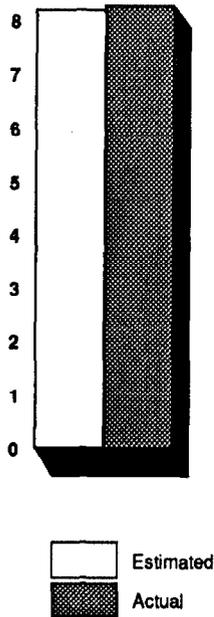
Estimated fiscal year 1987 obligations are from the fiscal year 1987 report on information technology obligations. Actual fiscal year 1987 obligations are from the amended fiscal year 1988/1989 report on information technology obligations.

Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Fiscal Year 1988 Obligations

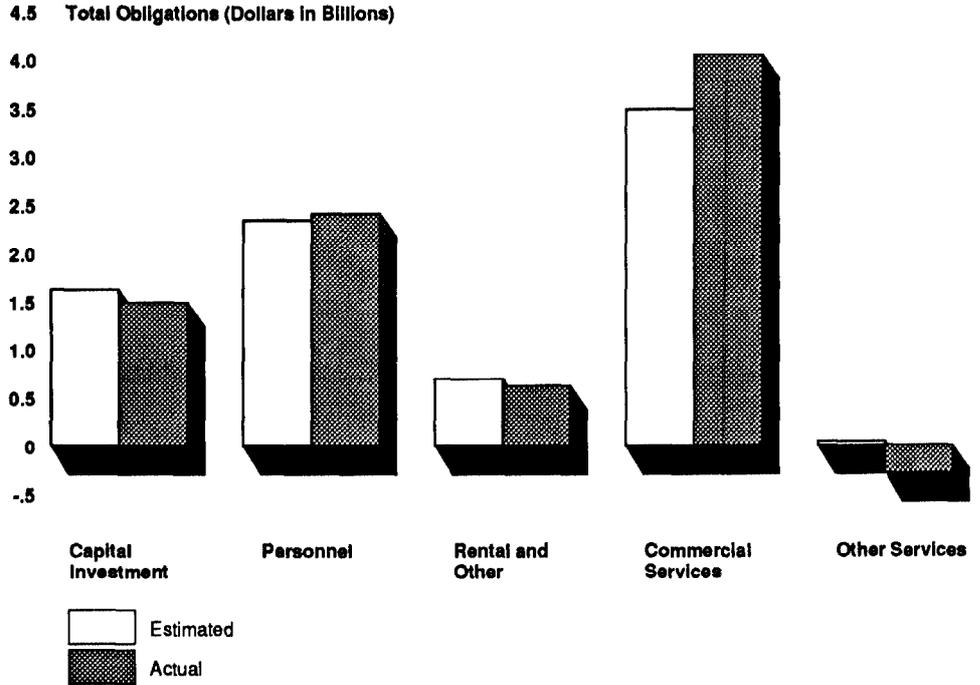
Figure IV.1: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1988

9 Total Obligations (Dollars in Billions)



Estimated fiscal year 1988 obligations are from the fiscal year 1988/1989 report on information technology obligations. Actual fiscal year 1988 obligations are from the fiscal year 1990/1991 report on information technology obligations.

Figure IV.2: Estimated Versus Actual Information Technology Obligations for Fiscal Year 1988 by Category



Estimated fiscal year 1988 obligations are from the fiscal year 1988/1989 report on information technology obligations. Actual fiscal year 1988 obligations are from the fiscal year 1990/1991 report on information technology obligations.

Other services include obligations related to payments and collections for information technology services within and between agencies, and between an agency and an entity outside the executive branch.

Information Technology Obligations

Dollars in millions

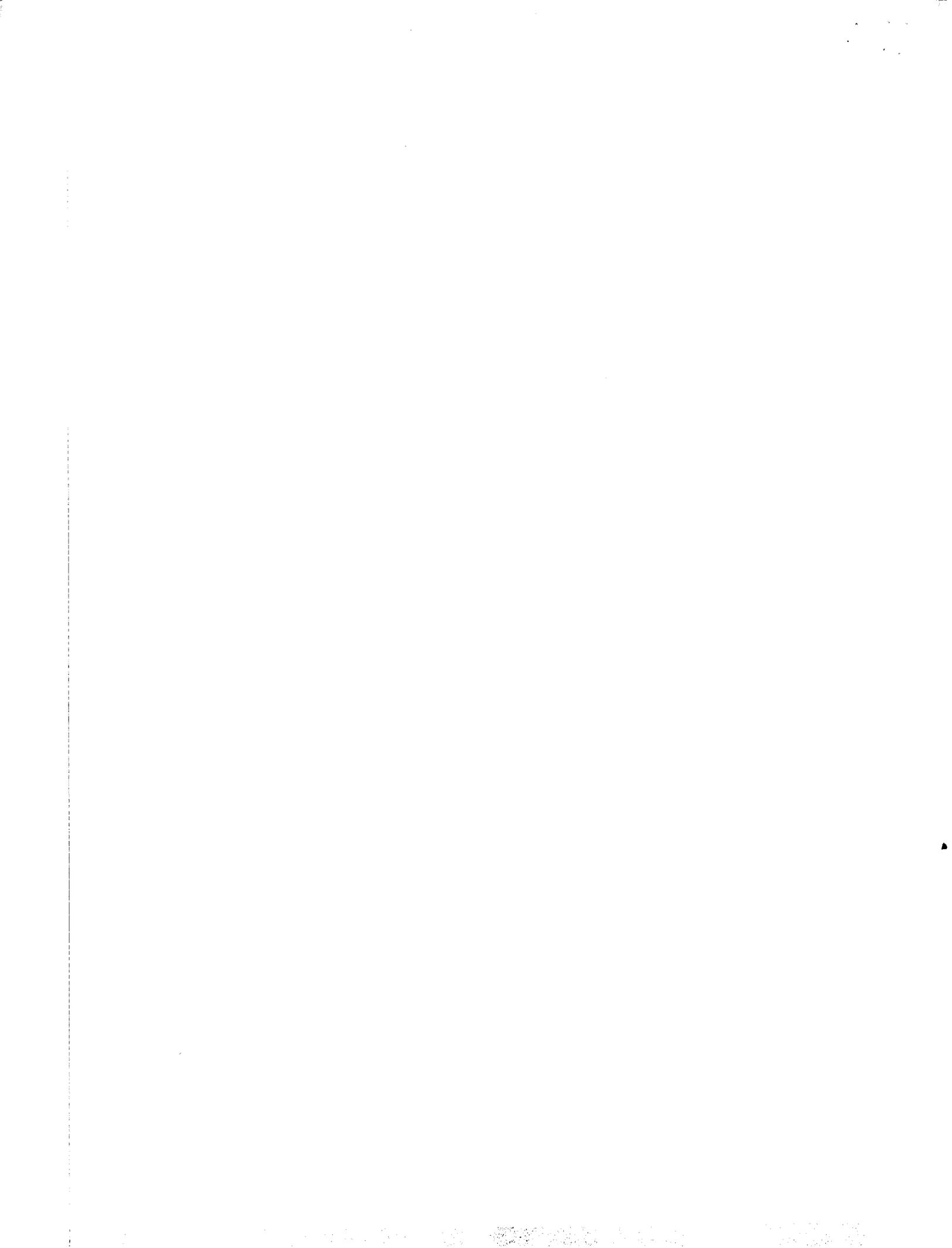
	Fiscal Year						
	1986 Actual	1987 Estimate	1987 Actual	1988 Estimate	1988 Actual	1989 Estimate	1990 Estimate
Capital Investment	1,684	1,796	1,873	1,623	1,492	1,272	1,433
Personnel	2,212	2,070	2,341	2,340	2,412	2,478	2,551
Rental and Other	807	753	753	692	615	560	570
Equipment Leases	419	332	302	208	182	133	117
Space and Supplies	389	421	450	484	433	427	453
Commercial Services	2,726	3,506	3,890	3,490	4,047	4,305	4,705
Inter-Agency Services							
Payments	139	175	225	143	187	208	219
Collections	(25)	(39)	(261)	(28)	(300)	(292)	(305)
Difference	114	135	(36)	116	(113)	(84)	(86)
Intra-Agency Services							
Payments	382	408	1,202	413	1,264	1,308	1,318
Collections	(417)	(393)	(1,389)	(442)	(1,405)	(1,501)	(1,563)
Difference	(35)	15	(187)	(29)	(141)	(193)	(245)
Other Services							
Payments	4	3	7	6	5	2	3
Collections	(49)	(78)	(42)	(50)	(33)	(36)	(34)
Difference	(46)	(75)	(35)	(44)	(28)	(34)	(31)
Total Obligations^a	7,461	8,199	8,599	8,187	8,284	8,304	8,897

^aColumns may not add due to rounding.

Major Contributors to This Report

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