



## DEPARTMENT OF DEFENSE

### Funding Highlights:

- The Department of Defense (DOD) provides the combat-credible military forces and capabilities needed to deter aggression, fight and win wars, and protect the security of the United States.
- The 2021 Budget delivers on the President's promise to rebuild America's military, strengthen readiness for the future, and support the Nation's warfighters. The Budget implements the 2018 National Defense Strategy by prioritizing essential investments in modernization, lethality, and innovation that provide the U.S. military with the required capabilities to meet current and future challenges.
- The Budget reflects the Administration's commitment to streamline bureaucracy, ensure good stewardship of taxpayer dollars, and prioritize the core functions of Government. As part of this effort, the Budget supports DOD's comprehensive review of defense-wide organizations, known as DOD's Fourth Estate, which identified over \$5 billion in savings in 2021 and transferred an additional \$2 billion in activities and functions to the military departments for more effective and efficient operations. The effort reduces Office of the Secretary of Defense programs and reinvests savings in innovation and lethality initiatives that would strengthen the U.S. military's competitive advantage in high-end warfare.
- The Budget requests \$705.4 billion for DOD, including \$636.4 billion for the base budget and \$69 billion for Overseas Contingency Operations (OCO). The Budget reflects a \$0.8 billion increase above the 2020 enacted level for base and OCO.

### The President's 2021 Budget:

The Budget provides the necessary resources for DOD to protect and defend the homeland, maintain balances of power in key regions of strategic importance, and exert a sphere of influence that supports U.S. security and prosperity. Ultimately, the Budget reflects the President's commitment to ensure America's military remains second to none, both today and into the future.

Underpinned by the 2018 National Defense Strategy, the Budget sustains and builds on efforts over the last three years to prioritize investments in modernization, lethality, and innovation that provide the Nation's warfighters a competitive advantage against growing threats from near-peer adversaries, such as China and Russia; deter aggressive regional challengers; and maintain pressure on terrorist groups throughout the world. The Budget continues the Administration's work to rebuild the military and improve readiness, while balancing the need for reform, efficiency, and accountability at every level.

*“Together, the men and women of America’s Armed Forces are the most extraordinary warriors ever to walk the face of the Earth. You stand ready to vanquish any danger and deliver the full might of American justice whenever and wherever duty calls.”*

President Donald J. Trump  
June 30, 2019

The Budget supports U.S. military dominance in all warfighting domains—air, land, sea, space, and cyberspace. Essential funding is provided to research, design, and procure advanced capabilities across each of the services, including 115 modern fighter aircraft, modernization of one armored brigade combat team per year, and a total of 10 battle force and unmanned ships. The Budget supports U.S. technical superiority by investing in innovative, crosscutting programs such as artificial intelligence, microelectronics, and hypersonic weapons. Further, the Budget supports a total military end strength of 2,153,500 active duty and reserve personnel, including personnel to grow America’s newest military Service, the United States Space Force

(USSF). Most importantly, the Budget puts the needs of the warfighter and their families first with a 3.0-percent increase in military basic pay.

### ***Invests in Modernization and Lethality***

**Ensures Maritime Superiority.** The Budget sustains the Administration’s emphasis on growing the world’s most advanced and lethal naval force by investing \$19.3 billion to procure a total of 10 new battle force and unmanned ships, including funding the recapitalization of the strategic ballistic missile submarine (SSBN) fleet with *Columbia*-class SSBNs. The Budget prioritizes funding for programs that would deliver warfighting advantages against China and Russia, including high-end extended range munitions, unmanned systems, hypersonic and advanced strike missiles, directed energy, containerized weapons, and information warfare capabilities. In addition, the Budget balances the need to maintain readiness with investments in future growth to ensure America’s naval forces are prepared to protect and defend national interests anywhere in the world.

**Grows the USSF.** Building on its historic establishment in the previous budget, the Budget supports the growth of the USSF to ensure it can advance America’s national interests in space. The Budget provides \$111 million to fund essential personnel growth for the USSF, including staff for centers for development of doctrine, testing, and training for the new Service. The USSF is realigning existing space forces and materiel from the Air Force in the near term and scaling up with other components over the next several years in order to address increasing threats and maintain strategic advantage. The Budget also grows the Space Development Agency, which was established in 2019 to foster innovation by leveraging the thriving domestic commercial space sector, and the U.S. Space Command, which would employ the forces and capabilities of the USSF.

**Strengthens U.S. Missile Defeat and Defense.** The Budget provides \$20.3 billion to strengthen missile defeat and defense programs. To advance the 2019 Missile Defense Review’s policy of providing effective and enduring protection against rogue state missile threats to the homeland, the Budget proposes additional investments in more robust Homeland Missile Defense programs. Specifically, the Budget proposes assessing the potential modification of existing regional missile defense programs for layered homeland defense, some of which can be demonstrated as early as 2025.

**Prioritizes Nuclear Deterrence.** America’s nuclear deterrent is the backstop and foundation of the Nation’s defense and that of America’s allies. To address the return of great power competition and implement the Administration’s 2018 Nuclear Posture Review, the Budget continues investments in modernizing critical nuclear delivery systems. The Budget also supports the critical ongoing enhancement of the Nation’s Nuclear Command, Control, and Communications system.

**Delivers Airpower for the Future Fight.** The Budget prioritizes funding for programs that would deliver the U.S. airpower needed to prevail in the highly contested fights of the future. The Budget invests \$15.1 billion in DOD's tactical fighter programs, continuing the procurement of F-35A stealth fighters and new, upgraded, F-15EX fighter aircraft for the Air Force, and the procurement of the Navy's and Marine Corps' variants of the F-35. The Budget also modernizes the Navy's current F/A-18E/F fighters and accelerates the development of the next generation of advanced fighter aircraft. Funding supports the development of the new stealth bomber and the procurement of the KC-46 aerial refueling tanker. These mission critical investments would ensure that DOD can successfully counter the wide variety of threats that are expected in future air combat situations.

**Improves Ground Combat Lethality.** The Budget provides significant funding to improve the lethality of ground combat capabilities, including nearly \$11 billion to fund modernization of long-range precision artillery, combat vehicles and helicopters, command and control networks, air and missile defense, and close combat training and equipment. The Budget also provides over \$3 billion to support the modernization of one armored brigade combat team per year. Further, the Budget prioritizes the development of next generation combat systems over the sustainment of Cold War-era legacy platforms to deliver greater firepower for high intensity combat.

### ***Funds Leading Edge Innovation***

**Ensures Technological Superiority by Investing in Industries of the Future.** The Budget supports critical investments to regain and sustain U.S. technological superiority to counter and overmatch emerging threats. The Budget invests over \$14 billion in DOD science and technology programs that support key investments in industries of the future, such as artificial intelligence, quantum information science, and biotechnology, as well as core DOD modernization priorities such as hypersonic weapons, directed energy, 5G, space, autonomy, microelectronics, cybersecurity, and fully-networked command, control, and communications.

**Accelerates Development of Offensive Hypersonic Weapons.** DOD continues to accelerate the development and demonstration of offensive hypersonic weapon capabilities. The Budget provides \$3.2 billion, \$459 million more than the 2020 enacted level, to continue development of Army, Navy, and Air Force weapons variants. In addition, the Budget supports increased operational flight testing necessary to accelerate delivery of fully operational weapon systems that would provide unprecedented offensive strike capability across multiple warfighting domains.

**Ensures Access to Trusted and Assured Microelectronics.** The Budget invests in necessary enhancements to ensure that the United States can maintain trusted and reliable access to state-of-the-art microelectronics suppliers. The Budget enables secure design, development, fabrication, and assembly of microelectronics without the need to invest in a costly Government-owned and operated fabrication facility. These investments are essential for the development of next generation capabilities in communications, computing, artificial intelligence, and autonomy.

**Invests in Cyber Capability.** The Budget builds on progress in recent years to develop the military's cyber capabilities by requesting nearly \$10 billion in 2021. The cyber budget is aligned to advance DOD's three primary cyber missions: safeguarding DOD's networks, information, and systems; supporting military commander objectives; and defending the Nation. This investment provides the resources necessary to grow the capacity of U.S. military cyber forces, including U.S. Cyber Command, invest in the cyber workforce, and continue to maintain the highest cybersecurity standards at DOD.

### ***Maximizes Readiness and Supports the Warfighter***

**Puts the Warfighter First.** People are the Department's most valuable asset. Providing a robust pay and benefits package is imperative to ensure that DOD remains best positioned to compete with the private sector for new recruits and that DOD can retain a well-trained volunteer force. The Budget proposes a 3.0-percent increase in military basic pay and provides funding for a full range of important compensation programs to support America's servicemembers and their families. The Budget also grows military end-strength by over 13,000 from 2020 authorized levels to enable the services to continue to improve readiness, while addressing critical capability gaps.

**Sustains and Builds on Readiness Gains.** The Budget sustains and accelerates readiness gains across each of the services in recent years as a result of the Administration's focus on rebuilding the military. The Budget provides an increase of \$1.4 billion for the Navy's ship and aircraft operations and maintenance accounts to significantly reduce the surface ship and submarine maintenance backlog, while ensuring that Navy and Marine Corps aircraft mission capable rates continue to improve. For the Air Force, the Budget optimizes resources by redirecting funding for combat flying hours, weapons sustainment, and training from aging, legacy aircraft to next generation platforms and systems designed for the high-end fight, such as the F-35 joint strike fighter and KC-46 aerial refueling tanker. In addition, for the Army, the Budget emphasizes readiness-generating activities tied directly to the National Defense Strategy, such as large-scale training activities in Europe and Asia as well as enhancing tactical proficiency within operational forces.

**Divests Legacy Systems to Ensure Readiness Tomorrow.** The Budget supports DOD's effort to divest \$20 billion of legacy systems over the Future Years Defense Program (FYDP) in order to reallocate resources in support of the National Defense Strategy. By shedding older and less capable aircraft, surface ships, and ground systems, DOD can more effectively focus resources to modernized platforms and systems that support both high-intensity conflict and operations in highly contested environments.

**Maintains Pressure on Terrorist Groups while Focusing on Great Power Competition.** The Budget maintains the funding necessary to continue DOD counterterrorism efforts to ensure terrorists do not have the capacity to attack the U.S. homeland or America's allies. Building on trends from the previous budget, the Budget further implements the 2018 National Defense Strategy by prioritizing programs and efforts that are necessary to prepare for the high-end fight. The Budget de-emphasizes funding in areas that support operations in U.S. Central Command, while furthering the shift in resources toward great power competition efforts in the European and Indo-Pacific Commands.

### ***Promotes Reform, Efficiency, and Accountability***

**Achieves Savings across the Department.** The Budget reflects the Administration's commitment to ensuring good stewardship of taxpayer dollars by prioritizing resources for lethality and readiness initiatives. The Budget supports the Department's comprehensive review of DOD's Fourth Estate to ensure alignment with the National Defense Strategy and free up time, money, and manpower to reinvest in the Department's highest priorities. As part of this effort, known as the Defense-Wide Review, DOD identified over \$5 billion in savings in 2021 to reallocate toward higher strategic priorities. The review also transferred an additional \$2 billion in activities and functions to the military departments for more effective and efficient operations. The Budget reduces most DOD offices outside the military departments by at least five percent in an effort to counter defense-wide programs' growing share of the total DOD budget. The effort seeks to restore the appropriate balance between defense-wide organizations and the military departments, while promoting long-term structural reform of DOD's defense-wide activities.

**Reforms Business Operations for Greater Performance and Accountability.** DOD continues to pursue management reforms to increase affordability and redirect savings to higher priorities. For example, DOD will continue to modernize and eliminate legacy business systems and processes to reduce duplication, which will yield significant savings. In 2019, the Department achieved reform savings totaling \$6 billion. In 2020 DOD is on track to achieve \$7.7 billion in savings and nearly \$45 billion across the FYDP. DOD's reform efforts include initiatives to sunset legacy data systems, transfer personnel data infrastructure to cloud technology, and transition legacy information technology infrastructure to emerging capabilities. DOD will continue to seek new ways to do business by leveraging the results of the recently completed audit, and continuing annual audits to promote transparency and accountability. DOD's reforms will not only produce savings for the Department, but also improve processes to ensure DOD prioritizes support for the warfighter.

**Implements Successful Background Investigation Mission Transfer.** DOD will continue its mission of conducting background investigations for the Federal Government following the successful transfer from the Office of Personnel Management in 2019, a key pillar of the President's Management Agenda. The transfer will dramatically improve the ability of agencies to deliver mission outcomes, and will continue to provide economy of scale in addressing the Federal Government's background investigations workload. The Budget requests funding for critical technology protection associated with this mission, while eliminating the need for additional resources since these activities are funded via the Defense Counterintelligence and Security Agency Working Capital Fund.

**Reforms the Military Health System.** DOD will continue rightsizing the military medical force to meet the Department's medical obligations in support of the National Defense Strategy. In addition, the Department will complete the transition of management and operations of the military treatment facilities from the services' Surgeons General to the Defense Health Agency. These two actions, coupled with the continued investments in trauma courses, medical simulation training, the alignment of medical readiness funds to the services, and continued Electronic Health Record modernization enable a renewed focus on readiness for uniformed servicemembers while ensuring the delivery of safe, high-quality healthcare.