

Defense, Labor-HHS-Education Minibus Conference Report Filed

On 13 September 2018, the Senate Appropriations Committee announced that a final conference agreement has been reached on the second of three Fiscal Year 2019 (FY2019) minibus appropriations packages. The package, H.R. 6157, includes FY2019 Department of Defense and Labor, Health and Human Services, Education, and Related Agencies funding bills.

The **Department of Defense** division of the bill includes \$674.4 billion, which is an increase of \$19.8 billion above the FY2018 enacted level. The conference agreement includes \$606.5 billion in base funding and \$67.9 billion for Overseas Contingency Operations (OCO) funding. The measure provides an outline to ensure our military leaders have the necessary resources to meet current and future threats to U.S. national security. We must approve defense appropriations legislation to fund for military readiness, procurement, and testing — all of which are required to keep U.S. military forces the best trained, equipped, prepared, and strongest force in the world.

Bill Highlights

Military Personnel: \$143.2 billion in base and OCO funding for military personnel accounts in FY 2019, supporting an active duty end strength of 1,338,100 and a Selected Reserve end strength of 817,700, an increase of 16,400 over FY 2018 levels. It also supports a 2.6 percent pay raise for U.S. servicemembers, the largest in almost a decade.

Readiness: \$243.2 billion in base and OCO funding for operation and maintenance accounts to improve full spectrum warfighter readiness. The recommended funding level makes significant investments in training, maintenance, and modernization to restore near-term warfighting readiness while setting the conditions for future, sustained readiness. The bill also supports increased funding above the President's request for multiple programs across the military services including: \$302 million for facility sustainment, restoration and modernization; \$48 million for enhanced protective equipment such as helmets and ear protection; \$26 million for training range upgrades; and \$330 million for various Defense-wide programs such as impact aid for schools, innovative readiness training, and multiple initiatives included in the National Defense Authorization Act for FY 2019. The conference agreement also provides an additional \$750 million to mitigate higher than anticipated fuel costs.

Shipbuilding: \$24.2 billion for Navy shipbuilding, including \$2.3 billion in additional funding not requested by the President for high priority shipbuilding and industrial base programs. In total, the bill funds the construction of 13 new battle force ships: two Virginia class submarines; three DDG-51 destroyers; three Littoral Combat Ships; one Expeditionary Sea Base; one Expeditionary Fast Transport; two TAO Fleet Oilers; and one Towing, Salvage, and Rescue

Ship. Additionally, the bill makes important investments to accelerate future shipbuilding priorities such as: \$350 million in advanced procurement for the next LPD amphibious ship; \$350 million in advance procurement for the LHA 9 amphibious ship; \$250 million in advance procurement to purchase an additional DDG-51 in Fiscal Year 2020; and \$225 million for submarine industrial base expansion to increase capacity and create multiple suppliers for critical submarine components.

Aviation programs: \$43.0 billion for the procurement of military aircraft, including \$4.8 billion in funding not requested by the President to address high priority programs across the services, such as: \$1.7 billion for 16 additional F-35 aircraft – 8 F-35A conventional takeoff and landing variants, 2 F-35B short takeoff/vertical landing variants, and 6 F-35C carrier variants; \$640 million for 8 additional Air National Guard C-130J aircraft; \$468 million for 6 additional Navy and Marine Corps V-22 aircraft; \$340 million for 2 additional Navy E-2D aircraft; \$168 million for 6 additional AH-64E Apache aircraft; \$156 million for 8 additional UH-60 Blackhawk Army National Guard helicopters; and \$100 million for the O/A-X Light Attack Aircraft program.

Missile Defense: \$10.3 billion, for the Missile Defense Agency (MDA), including \$1.1 billion in additional funding not requested by the President to support urgent MDA unfunded priorities and emergent threats. The additional funds include \$285 million for U.S. Forces Korea Joint Emergent Operational Need; \$126 million for enhanced discrimination capabilities; \$85 million to support laser scaling for boost phase intercept; \$73 million for missile defense tracking system; and \$46 million for hypersonic missile defense efforts. The conference agreement also fully funds the President's budget request of \$500 million for Israeli Cooperative Programs, the same amount requested by the Government of Israel.

Munitions: \$18.3 billion for Missile and Ammunition programs, including \$380 million in additional funding not requested by the President for high priority munitions programs. The bill supports the Department's efforts to expand industry capacity for munitions programs to meet replenishment goals and increased requirements from the National Defense Strategy. Initiatives include an additional \$125 million to expand JASSM (Air Force and Navy) and LRASM (Navy) maximum production rates and an additional \$57 million for the Army's industrial facilities to increase production capacity.

Defense Health: \$34.4 billion, \$278 million above the request, for the Defense Health Program, which provides medical services for military personnel and their families, continues advancements in medical research, and implements the next generation of electronic health records. This amount includes an additional \$1.5 billion for defense medical research efforts, including \$350 million for the competitively awarded peer-reviewed medical research program and \$299 million to advance DoD medical research priorities.

National Guard and Reserve Equipment: \$1.3 billion for the National Guard and Reserve Equipment Account to modernize our reserve forces and ensure full interoperability with the active duty force. The bill also includes \$120 million for Army Guard and Reserve HMMWV Ambulances.

Additional FY2019 Initiatives

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Basic Research Investments: \$268 million in additional funding not requested by the President, for basic (non-medical) research for the Army, Navy, Air Force, and DoD.

Test and Evaluation Infrastructure: \$326 million in additional funding not requested by the President to increase testing range space and availability and ensure continued independent assessments of weapon system capabilities.

Hypersonics: \$617 million in additional funding not requested by the President to support and accelerate offensive and defensive hypersonics research and prototyping efforts.

Directed Energy: \$184 million in additional funding not requested by the President to further develop directed energy technology and transition these activities to both offensive and defensive capabilities in the future.

Microelectronics: \$397 million in additional funding not requested by the President to ensure access to trusted microelectronics and develop manufacturing processes for next generation chips.

Artificial Intelligence (AI): \$147 million in additional funding not requested by the President to accelerate the pursuit of state of the art, AI systems that can be rapidly adapted to the warfighting mission needs of the Department.

Cyber: \$306 million in additional funding not requested by the President to expand and accelerate cyber research across the DoD.

Space: \$417 million in additional funding not requested by the President to develop enhanced offensive and defensive space capabilities.