

**TALKING POINTS FOR CONGRESSIONAL ENGAGEMENT
FISCAL YEAR 2023 MILITARY PERSONNEL APPROPRIATION SOLVENCY**

Topline Message

- As you may be aware, a congressional hold on all DoD reprogrammings is challenging the Department's ability to fund several key programs, including some activities within the Military Departments' Military Personnel budgets.
 - The Department is awaiting approval of several reprogramming actions that would realign several hundred million dollars – approximately one to two percent of the accounts in question – and will face potential funding shortfalls in late-July to mid-September if they are not approved.
 - Specifically, under the HASC's current reprogramming hold, all three Military Departments will be constrained before the end of the fiscal year in their ability to fund efforts such as special pay and special recruiting bonuses.

- This reprogramming hold has immediate negative consequences, which can impact military readiness and lead to additional challenges. These include:
 - Lost manning through reduced accessions/re-enlistments, gaps in unit manning due to reductions in Permanent Change of Stations (PCS), and a deferral of FY 2023 requirements into FY 2024.
 - Impeded ability of Airmen and their families to relocate to new duty stations and arrange for housing, schools, and childcare.
 - Longer-term difficulty in achieving recruitment goals, should the Department be unable to pay special enlistment bonuses.

- As of 10 July, the Department of the Air Force (DAF) is the only Military Department pausing obligations for such requirements due to solvency issues driven by the reprogramming hold. However, other Military Departments may be required to do so soon.

- In the coming weeks and months, the entire Department may encounter impacts to their programs should the Department’s reprogramming requests not be approved. This may require the Department to take action to remain solvent and avoid Anti-Deficiency Act (ADA) violations.

- The DoD Comptroller, in coordination with Military Department Assistant Secretaries for Financial Management, is determining whether additional funding actions are available that might keep the Military Personnel funding accounts solvent. However, options may be limited – or unavailable – to alleviate this challenge without congressional action to lift the reprogramming hold.

- The United States Military’s greatest strategic advantage is our people. That’s why the Department is committed, every single day, to taking care of our incredible men and women in uniform, and their families.
 - We urge you to support our military families by lifting this damaging hold on reprogramming requests.

Department of the Air Force Challenges

- The Department of the Air Force began FY23 with a \$757 million deficit driven by a compounding set of factors: a grade mix imbalance across the officer and enlisted workforce, higher than projected costs in the PCS portfolio, and recent efforts to support recruiting and retention through targeted bonuses.
 - The DAF has been closely managing this deficit, initially reducing the amount to the \$173 million requested so far in reprogramming actions, despite recruiting challenges necessitating additional funding to bolster accessions.
 - By closely managing the military personnel program, the DAF may be able to further reduce the total amount needed, but the total funding will be mis-aligned between budget accounts.
 - Without reprogramming approval, intensive strategic management of remaining discretionary Military Personnel spending is required.
 - DAF projects that its PCS funding will be exhausted on ~1 August 2023 and other the Military Personnel budget categories on ~1 September 2023. This will leave

no resources for mid-month or end-of-month pay for all active Air Force service members including special pay and earned bonuses.

- The DAF has implemented and is considering the following measures to avoid an appropriation-level ADA violation by the end of FY23.
 - Pausing/Deferring Various Incentives, Bonuses, and Special Pays
 - Effective 1 July, the DAF paused the fourth quarter Initial Enlistment Bonus and Enlisted College Loan Repayment Program which were implemented this year to enhance our ability to attract and recruit talent.
 - DAF currently estimates it will implement on 14 July an across-the-board pause on all new contracts for bonuses offered to Airmen for recruitment and retention of critical skills. These bonuses impact approximately 1,635 reenlistment eligible Airmen in critical areas.
 - Pausing/Delaying PCS Moves
 - Effective 1 July, the DAF paused authenticating orders for certain PCS moves. Airmen moving in July will continue as scheduled and the DAF is considering options for moves scheduled in August. Deferring these orders delays approximately 460 officers and 4,150 enlisted Airmen and may cause associated expenses for members.
 - On 14 July, any Airmen departing on 1 October 2023 and beyond will be paused. This will impact approximately 15,200 personnel.

Additional Department-wide Reprogramming Impacts

- In addition to the Military Personnel impacts, the reprogramming hold also is delaying dozens of other emergent defense requirements affecting readiness and warfighter safety, including:
 - Fielding the High Explosive Proximity cartridge in support of Joint Urgent Operations Needs Statement CC-0558 Counter Unmanned Aerial System Capabilities (Army).
 - Retesting of Battery 1 Tactical Rounds for the Long-Range Hypersonic Weapon (Army).
 - Emergency Facilities Sustainment, Restoration and Modernization requirements at Puget Sound Naval Shipyard and Trident Refit Facility Bangor to mitigate the

risk of seismic activity while nuclear vessels are under maintenance in those facilities (Navy).

Importance of the Reprogramming Process

- Congress provides the Department the authority to move \$6.0 billion, or less than one percent of its funding, between programs and accounts once Congress has acted on our annual budget.
- This flexibility, although it allows us to move a relatively small percent of our funding, is a vital tool for the Department to respond to emerging priorities across our people, readiness, and modernization needs.
- Because it takes months for the executive branch to build a balanced comprehensive annual budget, and an equivalent number of additional months for Congress to consider and act on that budget, the ability to move funding to address emerging needs is essential.
- Should Congress stop allowing the Department to realign funding in this way, it will result in harm to our personnel, missed opportunities, and inefficient use of taxpayer funding.