

FY 2016 Budget Request – Information Technology Highlights

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Information Technology (IT) budgets are UP for fiscal year (FY) 2016 nearly across the board for major federal departments. The Obama Administration released its FY 2016 Budget request Monday morning, and around 6 p.m. the Office of Management and Budget (OMB) posted details on the Information Technology budget proposal, revealing a return to year-over-year budget increases for both the Defense and Civilian top-line numbers and net increases for most Executive Branch departments and agencies.

In a previous entry we looked at the [overall FY 2016 discretionary budget highlights](#) across the top agencies. Here, we will focus on IT.

According to the [IT budget request for FY 2016](#), the overall IT budget for Executive Branch departments and agencies comes in at \$86.3B, up 2.3% from the FY 2015 enacted level and 5.5% higher than the \$81.7B spent in FY 2014. However, factoring out grants to state and local governments, the total IT budget for FY 2016 comes in at just over \$79B, an increase of 4% from FY 2015, which was effectively flat from FY 2014. (See table below.)

FY 2016 Federal Budget Request – Information Technology

\$M	FY 2014 (Act.)	FY 2015 (Est.)	FY 2016 (Req.)	FY 2015-16 % Change
DOD	37,415	36,267	37,314	3%
Classified	6,342	6,011	6,570	2%
Non-Classified	31,073	30,256	30,744	9%
DHS	6,020	5,955	6,201	4%
HHS	4,844	5,066	4,942	-2%
VA	3,601	4,200	4,403	5%
TREAS	3,530	3,776	4,503	19%
DOT	3,175	3,140	3,326	6%
USDA	1,951	1,925	1,953	1%
DOJ	2,691	2,637	2,732	4%
DOC	1,877	2,163	2,333	8%
SSA	1,859	1,588	1,694	7%
STATE	1,408	1,414	1,632	15%
DOE	1,505	1,511	1,496	-1%
NASA	1,477	1,413	1,390	-2%
DOI	1,050	1,102	1,099	-0.3%
EDUC	630	683	683	-0.04%
OTHERS	3,116	3,227	3,386	5%
TOTAL (excluding S&L grants)	76,149	76,066	79,088	4%

Others: DOL, HUD, EPA, GSA, NARA, NSF, NRC, OPM, SBA, USAID, USACE

Source: OMB

AGENCY HIGHLIGHTS

In addition to the many budget increases for the next fiscal year, many agencies are also allocating greater funds to Development, Modernization, Enhancement (DME) efforts over Operations and Maintenance (O&M). These and other funding observations are included in the following agency highlights.

Department of Defense

The DoD is allocated a total of \$37.3B in IT funds for FY 2016, a 3% increase over the FY 2015 enacted level of \$36.3B. The total funds are split between classified and non-classified areas, \$6.6B and \$30.7B respectively. If enacted, this would mean a 2% increase in classified DOD IT and a 9% increase in non-classified DOD IT.

OMB released only top-line IT budget numbers for DoD and promised detailed updates in early March. This is fairly common practice each budget cycle, but shrouds DoD IT spending longer than any other department. Until then, we pursued what IT-related spending information could be gleaned from other DoD budget documentation.

Air Force

- \$1.8B in Procurement funds for Electronics and Telecom Equipment, an increase of more than \$400M (30%) over FY 2015

- \$2.6B in Space Procurement funding, which budget materials note that FY 2016 marks the first year that such procurement are broken out.
- \$2.4B in Science and Technology RDT&E funds, an increase of \$96M from FY 2015
- \$287M in Procurement funds for the Strategic Command And Control program, up from \$140M (+105%) in FY 2015
- \$103.7M for AFNET, up 15% from the \$90.5M level in FY 2015
- \$31.4M in Procurement funds for "General Information Technology," down from \$43M in FY 2015.
- \$9.6M for Integrated Strategic Planning & Analysis Network (ISPAN), an increase of \$500K (6%) from the FY 2015 level

Army

- \$3.5B in Procurement funding for Communications and Electronics Equipment
- \$783M in O&M funding for upgrades to the Warfighter Information Network-Tactical (WIN-T)
- \$260M in Procurement funding for the Distributed Common Ground System-Army
- \$152.2M in Procurement funding for Automated Data Processing Equipment
- \$103M in Procurement funding for the Installation Information Infrastructure Modernization (IMOD) Program
- \$72.2M in Procurement funding for the Communications Security Program
- \$43.5M in Research, Development, Test, and Evaluation funding related to WIN-T for developing Network Operations software to meet the Army Network Convergence goals
- \$22M in Procurement funding for the Unified Command Suite

Navy

- \$17.9B in R&D funding, up nearly 12% from the FY 2015 level of \$16.0B
- \$55M in R&D for Cyber (ORT/TFCA only), up from \$3M in FY 2015
- \$2.4B in Navy Procurement funds for Communications and Electronics Equipment, up \$158M (7%) from FY 2015
- \$279M in Procurement funds for CANES, down from \$336M in FY 2015
- \$31.8M For the Distributed Common Ground System-Navy (DCGS-N), up from \$23.7M in FY 2015
- \$135.7M for the Information Systems Security Program (ISSP), a 26% increase over the FY 2015 level of \$108M
- \$740M in Marine Corps Procurement funds for Communications and Electronics Equipment, including \$67M to support NGEN. The total is up from \$570M in FY 2015

Defense-Wide

- \$12.3B in funding for the Science and Technology program for future technologies
- \$7.4B in funding for C4I systems
- \$7.1B for space-based systems
- \$800M for the MQ-9 Reaper Unmanned Aircraft System
- \$84.4M in Procurement funding for equipment for the Joint Information Environment, a 539% increase over the \$13.3M invested in FY 2015
- \$57.7M in Research, Development, Test, and Evaluation funding for SOF Advanced Technology Development
- \$11.7M in Research, Development, Test, and Evaluation funding for Insider Threat detection

Agriculture

The USDA's FY 2016 budget request for IT is \$1.95B, 1.56% higher than the estimated level of \$1.92B in Fiscal Year 2015.

Funding highlights include:

- \$431M in the USDA's Working Capital Fund, with money in this account used to finance central services in the USDA, including automated data processing systems for payroll, personnel, and related services; telecommunications services; and information technology systems
- \$66.3M in funding for information technology related to Farm Service Agency IT programs, including work related to the Modernize and Innovate the Delivery of Agricultural Systems (MIDAS) program
- \$29.5M in DME funding for the Natural Resources Conservation Service's Conservation Delivery Streamline Initiative (CDSI)
- \$29M in DME funding for the Office of the Chief Information Officer's Optimized Computing Environment (OCE)
- \$28M for the USDA's cyber security requirements and programs
- \$7.6M to fund a USDA Digital Services team that will focus on transforming the department's digital services in line with the White House's Smarter IT Delivery initiative
- \$4.25M for information technology infrastructure at the Animal Plant and Health Inspection Service
- \$3M to implement the Digital Accountability and Transparency Act, including changes in business processes, work force, and/or information technology assets
- \$1M for the Common Computing Environment, a shared information technology platform for the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development

Commerce

The president's budget request provides \$2333.2M in funding for the Commerce Department's information technology, an 8% increase over FY 2015 enacted levels. 62% of FY 2016 funds are dedicated to operations and maintenance, a 3% increase over the FY 2015 enacted levels. Funding to support development, modernization, and enhancement efforts totals over \$880M for FY 2016, rising above the amount enacted in FY 2015 by 38%.

Funding highlights include:

- The top ten investments by requested funding for FY 2016 combine to make up just over 57% of Commerce's entire IT budget.
- Includes \$339.7M in new investments for FY 2016.
- Funding for upgrades is set to receive \$5.2M for FY 2016, level with the enacted amounts for FY 2015.
- Mission delivery and management support efforts request an additional \$84M, bringing the total for FY 2016 to \$1,415.5M and marking a 9% increase over the enacted level from FY 2015.
- Commerce aims to provide \$798.3M in funding for infrastructure, office automation, and telecommunications, an increase of 8% over levels from FY 2015.
- Increasing 27% over the enacted level for FY 2015, Commerce has identified \$116.2M for efforts related to enterprise architecture, capital planning, and CIO functions.

Energy

The president's budget request provides \$1,469.1M in funding for the Energy Department's information technology, a 1% drop from FY 2015 enacted levels. 92% of FY 2016 funds are dedicated to operations and maintenance, a 1% increase over the FY 2015 enacted levels. Funding to support development, modernization, and enhancement efforts decline below the amount enacted in FY 2015 by \$25.M, marking a drop of 18%.

Funding highlights include:

- With details for over 700 investments for FY 2016, the top ten investments by requested funding combine to make up around 11%

- of Energy's IT budget.
- Includes \$72.7M in new investments for FY 2016.
- Consolidation activities are set to receive \$43.6M.
- Funding for upgrades is set to receive \$3.5M for FY 2016, level with the enacted amounts for FY 2015.
- Energy is targeting \$663.8M in funds for mission delivery and management support, marking a drop of 2% from FY 2015.
- Maintaining the enacted funding level from FY 2015, Energy aims to provide \$747.6M for infrastructure, office automation, and telecommunications.
- Increasing 7% over the level for FY 2015, Energy is looking to provide \$73.5M for efforts related to enterprise architecture, capital planning, and CIO functions.

Health and Human Services

The president's budget request provides \$11.4B in total IT funding to HHS, a 10% decrease over FY 2015 enacted levels. Grants account for \$6.4B of the total IT budget. HHS' proposed IT budget without grants totals \$4.9B which is a 2% decrease over FY 2015.

Funding highlights include (excludes grants):

- DME accounts for \$1.1B or 22% of the total IT budget, a 14% decrease from FY 2015 enacted levels
- 545 total investments of which the top 10 represent 37% of the total IT budget at \$1.8B
- \$149M slated for cloud investments, a 5.5% decrease from FY 2015
- Notable changes in agency IT budgets include CMS \$2.3B down 3%, NIH \$781M down 2.4%, FDA \$584 up 1%, and CDC \$324M down 6.5%
- Notable program changes include CMS IT Infrastructure – Ongoing down \$95M, CMS Federally Facilitated Marketplace (FFM) down \$60M, and CMS Beneficiary e-Services up \$22M

Homeland Security

The budget request provides \$6.2B for IT investments at DHS for FY 2016, a 4% increase over the FY 2015 enacted level of \$5.9B.

Funding highlights include:

- DME accounts for \$1.0B or 16% of the total IT budget, a \$76M increase from FY 2015 enacted levels
- \$150.3M in DME funds for USCIS Transformation, which makes up 83% of the total FY 2016 funding of \$180.9M
- \$463.9M for the National Cybersecurity & Protection System (NCPS), including \$95.8M in DME funds, 21% of the total
- \$102.7M for the Continuous Diagnostics & Mitigation (CDM) program, of which \$91.4, or 89%, are DME funds
- \$88.5M in DME funds for the CBP Non-Intrusive Inspection (NII) Systems Program, which represents 42% of the overall \$209.3M for the year
- \$80.3M in funds for the NPPD Next Generation Networks Priority Services (NGN-PS), 100% of which is DME

Interior

The president's budget request provides \$1,098.5M in funding for the Department of the Interior's information technology, a drop of less than one percent from FY 2015 enacted levels. 92% of FY 2016 funds provide operations and maintenance, a 2% increase over the FY 2015 enacted levels to \$1014.2M. At less than \$85M for FY 2016, support for development, modernization, and enhancement efforts drops 20% below the amount enacted in FY 2015.

Funding highlights include:

- The top five investments by requested funding for FY 2016 combine to make up over 61% of Interior's entire IT budget.
- New investments receive \$5.6M for FY 2016.
- Requesting \$402.1M for mission delivery and management support efforts, Interior looks to slightly raise the funding for these investments bumping the total up by 1% over the FY 2015 levels.
- Interior's request of \$657.6M for investments targeting infrastructure, office automation, and telecommunications marks a 1% decrease from FY 2015 enacted levels.
- Dropping 13% from the level enacted for FY 2015, Interior has identified \$38.3M for investments related to enterprise architecture, capital planning, and CIO functions.

NASA

The president's budget request provides \$1,390.4M in funding for NASA's information technology, a 2% decrease from FY 2015 enacted levels. 95% of FY 2016 funds are dedicated to operations and maintenance, maintaining the FY 2015 enacted levels at \$1,323.1M. Funding to support development, modernization, and enhancement efforts takes a hit for FY 2016, dropping 27% below the amount enacted in FY 2015 to \$67.3M.

Funding highlights include:

- The top five investments by requested funding for FY 2016 combine to make up nearly 59% of NASA's entire IT budget.
- NASA is looking to maintain its spending for mission delivery and management support, requesting \$942.8M for FY2016.
- \$445.2M for Infrastructure, office automation, and telecommunications, a 2% drop from FY 2015 levels.
- Maintaining the funding level enacted for FY 2015, FY 2016 would see \$2.5M for efforts related to enterprise architecture, capital planning, and CIO functions.

Justice

The president's budget request provides \$2732.3M in funding for the Justice Department's information technology, a 4% increase over FY 2015 enacted levels. Topping \$2,250M for FY 2016, 83% of these funds are dedicated to operations and maintenance, marking a 5% increase over the FY 2015 enacted levels. At \$476.1M for FY 2016, funding to support development, modernization, and enhancement efforts stay fairly level with the amount enacted in FY 2015, dropping by only 1%.

Funding highlights include:

- The top ten investments by requested funding for FY 2016 combine to make up nearly 37% of Justice's entire IT budget.
- Includes \$110.6M in new investments for FY 2016.
- \$478.6M is requested for system upgrades, an increase of around \$5.5M over enacted levels for FY 2015.
- Consolidation activities are set to receive \$237.3M.
- Dropping by 2% from the enacted FY 2015 levels, the request for mission delivery and management support activities totals \$1,138.0M for FY 2016.
- Justice aims to provide \$1,413.8M in FY 2016 for infrastructure, office automation, and telecommunications, marking an increase of 10% from the level enacted for FY 2015.
- Rising 23% above the FY 2015 level, Justice has identified \$152.2M for efforts related to enterprise architecture, capital planning, and CIO functions.

Social Security Administration

SSA sees a 7% budget increase for FY 2016, growing to \$1.7B from \$1.6B in FY 2015.

Funding highlights include

- At SSA DME accounts \$705M or 42% of the total FY 2016 IT budget
- \$278.4M is allocated for Non-Major Infrastructure IT investments, of which 275.5M (99%) is DME
- \$55.0M in DME funds for the Disability Case Processing System (DCPS), which accounts for 92% of the total \$60M budget
- \$68.5M slated for Non-Major IT Security Initiatives, 62% of which (\$42.7M) is new development funds
- \$29.1M in new DME funding for the Intelligent Disability program, which makes up 84% of the \$34.8M total

State

The State department receives \$1.6B in IT funds for FY 2016, up 15% with an increase of \$218M from FY 2015.

Funding highlights include

- \$140.4M of total agency DME funds account for 9% of the total FY 2016 IT budget and increases \$3M from FY 2015
- \$28.5M for Consular Systems Modernization, of which \$18.8M (66%) is DME funds
- \$13.3 in funding for the Architecture Services program, 100% of which is DME
- \$11.0M in DME funding for Bureau IT Support, which accounts for 5% of the overall \$230.3M allocated for FY 2016
- \$10.9M for DME efforts around the Global Foreign Affairs Compensation System (GFACS), or 35% of the total \$30.8M in funds
- \$43.3M in total funding for the Integrated Personnel Management System (IPMS), \$10.1M (23%) of which is DME
- \$31.6M in total funding for the Earnings Redesign initiative, \$27.6M (88%) of which is DME

Transportation

The DOT's FY 2016 budget request for IT is \$3.3B, 6.4% higher than the estimated level of \$3.1B in Fiscal Year 2015.

Funding highlights include:

- \$245M in DME funding for the FAA's Terminal Automation Modernization and Replacement Program (TAMR-P)
- \$238M in DME funding for the FAA's Data Communications NextGen Support (DataComm) program
- \$215M for the FAA's Automatic Dependent Surveillance-Broadcast (ADS-B) system
- \$200M for the FAA's Facilities & Equipment account to finance major capital investments in FAA power systems, air route traffic control centers, air traffic control towers, terminal radar approach control facilities, and navigation and landing equipment
- \$3M to implement the Digital Accountability and Transparency Act, including changes in business processes, work force, and/or information technology assets
- \$60M for NextGen operations planning activities at the FAA
- \$42.6M in funding through September 30, 2018 for information management related to Motor Carrier Safety Operations and Programs
- \$20M for FMCSA's commercial vehicle information systems and networks deployment program and Information Technology Deployment (ITD) program
- \$9M to fund a DOT Digital Services team that will focus on transforming the department's digital services in line with the White House's Smarter IT Delivery initiative
- \$8M for cyber security initiatives, including necessary upgrades to the DOT's wide area network and information technology infrastructure
- \$4M for operation and maintenance of the FTA's National Transit Database

Treasury

The president's budget request provides \$4.5B in total IT funding to Treasury, a 19% increase over FY 2015 enacted levels.

Funding highlights include:

- DME accounts for \$933M or 21% of the total IT budget, a 4% increase from FY 2015 enacted levels
- 280 total investments of which the top 10 represent 56% of the total IT budget at \$2.5B
- \$330M slated for cloud investments, a 9.6% increase from FY 2015
- Notable changes in agency IT budgets include IRS \$3.2B up 30%, Fiscal Service \$697 down 1%, and Departmental Offices \$255M down 5%
- Notable program changes include IRS Main Frames and Servers Services and Support (MSSS) up \$219M, IRS Enterprise Services - PAC 9U up \$204M, and IRS Applications Development Program Support (ADPS) up \$60M

Veterans Affairs

The president's budget request provides \$4.4B in total IT funding to VA, a 5% increase over FY 2015 enacted levels.

Funding highlights include:

- DME accounts for \$639M or 15% of the total IT budget, a 11% decrease from FY 2015 enacted levels
- 31 total investments of which the top 10 represent 92% of the total IT budget at \$4B
- \$49M slated for cloud investments, a 32% decrease from FY 2015
- Notable program changes include Benefits 21st Century Paperless Delivery of Veterans Benefits up \$116M, Medical 21st Century Development Core down \$81M, and Interagency 21st Century One Vet up \$75M

We will be publishing our complete analysis of the FY 2016 budget request – including IT investments and initiatives – in the weeks to come.

Fellow GovWin Federal Industry Analysis (FIA) analysts Kyra Fussell, Deniece Peterson, Angela Petty and Alex Rossino contributed to this entry.