Where DME Dollars are Going in FY 2015 Defense-Wide IT Funding

Posted At : April 29, 2014 8:02 AM | Posted By : Alex Rossino

Related Categories: Department of Defense, IT Budget, Joint Information Environment (JIE), Health IT, ISR, Federal, Forecasts & Spending, Emerging Technologies, Budget, Electronic Health Record

In last week's post, I provided an analysis of "net new" IT funding in the Army's budget request for fiscal year 2015. This week's post shifts the perspective a bit to take a look at IT development, modernization, and enhancement (DME) funding in the Defense Agencies for FY 2015. Net new funding, defined as DME dollars slated in FY 2015 for programs that received zero total dollars in FY 2014, will not be part of the equation this week for the simple reason that there is none. Yes, you read that correctly. The Defense Agencies will have $0 in net new IT funding in FY 2015, making it critical that vendors focus business development efforts on existing Defense-Wide programs receiving DME and/or operations and maintenance dollars.

Top Ten Defense-Wide Programs Receiving DME Funding

Program	FY 2015 DME Funding ($M)
DoD Healthcare Management System Modernization (DHMSM)	$149
Defense Information System Network (DISN)	$104
Integrated Electronic Health Record Inc. 1	$82
DoD CIO Programs	$66
Joint Interoperability Test Command (JITC)	$63
Theater Medical Information Program-Joint Inc. 2	$53
Defense Agencies Initiative Inc. 2	$41
Command, Control, Communications, Computing, and Intelligence Automation (C4IAS)	$40
Global Command and Control System-Joint (GCCS-J)	$39
Teleport Generation 3	$36

Source: OMB

DME funding for the top ten Defense-Wide programs in FY 2015 totals $673 million, up $144 million from total DME funding in FY 2014 of $529 million for these same programs. Looking at the list, it is clear that DoD intends to fund the following priorities:

- Health IT/Defense Health Modernization
- Joint Information Environment (JIE)
- Command and Control
- Financial Management/ERP

Health IT/Defense Health Modernization

The presence of three major health IT initiatives sticks out prominently. Funding for the **DoD Healthcare Management System Modernization** probably reflects the fact that the government anticipates it will make an award for the DHMSM effort at least partway through FY 2015. Curiously, the Integrated Electronic Health Record Increment 1 effort, now called the Defense Medical Information Exchange (DMIX), anticipates receiving $82 million in DME funding despite the fact that the DoD expects the program will enter sustainment by FY 2015. The $53 million requested for the second increment of the Theater Medical Information Program (TMIP) will fund a host of installation, integration, and testing efforts.

Joint Information Environment (JIE)

Another program in the top ten list is the Defense Information System Network (DISN), with $104 million in requested FY 2015 DME funding. As the DoD's primary transport network, the DISN is central to standing up the Joint Information Environment. Activities to be funded in FY 2015 include the ongoing refresh of network hardware to enable Internet Protocol-based communications, additional network testing, and a focus on expanding the classified optical transport network and classified unified capabilities in the area of responsibility of U.S. Pacific Command. Similarly, the activities of the Joint Interoperability Test Command (JITC) are increasingly important for the future success of the JIE. The JITC is the DoD's command organization responsible for certifying interoperability across components, making its efforts central to the effective operation of the JIE. Funding for the JITC will be down in FY 2015, in part because of delays in the evolution of testing and evaluation methodology for the JIE. Lastly, the DoD CIO Programs line is also focused heavily on developing the policy framework for supporting the JIE, including expanding the use of advanced analytics and cloud computing.

Command and Control

Three areas of investment make up funding for command and control. The first is C4IAS, for which $40

million has been requested. Funding for C4IAS reflects an ongoing shift at the DoD toward a greater reliance on Special Operations Forces globally. The investment provides command and control and information sharing capabilities from the garrison to tactical environments by incorporating local and wide area networks into a unified enterprise network. Requested funding for the Global Command and Control System – Joint comes in slightly under that for C4IAS at $39 million. GCCS-J is an older system currently in sustainment. However, it is also being modernized to enable greater use by the joint force. Investment in GCCS-J illustrates the increasing importance the DoD is placing on joint operations. Similarly, funding for the Teleport Generation 3 investment is joint-focused, "replacing obsolete and end of life equipment with new, more capable equipment that supports [greater] throughput requirements" for a network-enabled force.

Financial Management/ERP

The final investment rounding out the top ten is the second increment of the Defense Agencies Initiative. Funding for the DAI indicates DoD's ongoing drive to achieve a clean audit by FY 2017. This is a program driven by Congressional mandate, signifying to vendors the importance of knowing how legislative requirements can translate into Defense spending. In the current environment knowing these requirements is about as close to a sure thing as anyone can ask for.