

Navy FY 2015 IT Budget Snapshot

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A few weeks ago, the Department of Defense released their FY 2015 IT budget numbers after the customary delays that we have come to expect during budget season. With the release we can now get a better sense of the DoD's plans and intentions for the IT portfolio and where their investment dollars will flow. This week, I will take a look at the Navy data to see what we can glean.

Unlike the civilian departments and agencies, which were included in a spreadsheet file that OMB traditionally releases each year, the full defense IT budget data was released through the data feeds function of the [Federal IT Dashboard](#). Navy's position as the third largest of the four DoD components remains unchanged and its year-over-year declines put it basically on par with the Army which shares the bulk of the IT budget cutting pain at the Pentagon this budget cycle.

Specific year-over-year changes include:

- Total Information Technology budget declines from \$6.8B in FY 2014 to \$ 6.2B in FY 2015, down 9.3%
- Development, Modernization, and Enhancement funding drops from \$1.9B in FY 2014 to \$1.1B in FY 2015, a decline of 13.4%.
- The Navy's relative share of the total DoD IT budget has been fairly stable at 21-22% from FY 2013 to FY 2015, although it appears this proportion may be eroding as more funding shifts to joint defense-wide programs like the JIE.

FY 2015 Federal Information Technology Budget – Navy, Marine Corps

Agency	Total Information Technology Budget (\$B)			New Development (DME*) (\$B)		
	FY 2014 (Enacted)	FY 2015 (Request)	% Δ	FY 2014 (Enacted)	FY 2015 (Request)	% Δ
Navy, Marine Corps	6.8	6.2	-9.3%	1.2	1.1	-13.4%

* DME = Development/Modernization/Enhancement

Source: OMB

Noteworthy IT Programs . . . by the Numbers

Comparing budget size and year-over-year changes in total budget as well as new development funding, here are five initiatives that stood out based on the numbers:

- **Consolidated Afloat Network Enterprise Services** – CANES is an enterprise afloat system to provide management services, enterprise services such as e-mail services, directory services, information repository service, web services, etc. It is the largest Navy IT program receiving a budget increase in FY 2015, moving from \$385M to \$423M, up \$38M, or 10%. The program consists of 93% developmental funding and receives the Navy's largest DME increase for FY 2015, up nearly 10% over FY 2014.
- **Base-Level Information Infrastructure** (OCONUS Navy Enterprise Network (ONE-NET)) – BLII is the OCONUS equivalent to CONUS NMCI network. BLII receives the single largest total IT budget bump at +\$48M, a 31% increase from FY 2014. The investment line is fully slated for the O&M category.
- **MITSC Data Center Reporting** – This investment line was created to support the OSD requirement for data center fiscal reporting. The FY 2015 budget of \$58M is a \$27.5M increase from FY 2014, nearly a 90% increase. The investment is 100% DME spending.
- **Maritime Maintenance Systems** – NAVSEA MMS Initiative is to consolidate overlapping application functionality and databases, data centers, and infrastructure into a fully integrated enterprise solution at reduced costs. At \$32M, up from \$10M in FY 2014 and \$18.6M in FY 2013, the investment received the third largest DME increase for FY 2015 of nearly \$15M, up \$12M from FY 2014.
- **Fleet Command and Control Capabilities** – Provides functional applications in Command and Control in support of the Navy fleet. This investment receives a 20% budget increase from \$51M to \$60.5M in FY 2015 as well as the fourth largest DME bump from \$22M to \$32M, a nearly 50% increase.

Possible Net New Funding in FY 2015

While the above programs are set to receive some significant bumps in their total and/or new development budgets, all of them are well established initiatives with ongoing work in progress, meaning there is likely limited opportunity for competition for the work. So what brand new investments might be up for grabs at Navy in FY 2015? Currently, the Navy has three IT initiatives that have zero funding in FY 2014 and budgeted funds for FY 2015 and only one program meeting that criteria has DME funding. The Marine Corps Orders Resource System is an order management system targeted for \$500K in investments in FY 2015. The Manpower Information Portal was funded in FY 2013 and receives \$2M in O&M funding for FY 2015. Finally, the Navy Non-Medical Care Management System receives \$400K in O&M funding with the new budget. (See table below.)

Navy, Marine Corps IT Programs Receiving Net New Funding in FY 2015

Program	(\$M)	Total FY '13	Total FY '14	Total FY '15	DME FY '15
Marine Corps Orders Resource System		-	-	0.5	0.5
Manpower Information Portal		1.8	-	2.0	-
Navy Non Medical Care Management System		-	-	0.4	-

Source: OMB

Like so much of what we have seen at the Navy over the last several years, they continue to press for cost savings, efficiencies, and reduced overall spending. Their largest single investment, NGen, which accounts for more than 20% of their FY 2015 IT budget, is slated for a nearly 25% reduction in FY 2015. Navy leadership continues to stress that this trend will continue, further tightening the competitive landscape for the foreseeable future.

Originally published in the [GovWin FIA Analysts Perspectives Blog](#). Follow me on Twitter [@GovWinSlye](#).