



National Guard Bureau
Office of Legislative Liaison



FY17 Defense Appropriation Act



As of May 16th, 2016

Bill Status

	Passed in Committee	Passed in Chamber	Final Passage	Signed into Law
House	12 May 2016 passed subcommittee <input checked="" type="checkbox"/>			
Senate				

<http://www.nationalguard.mil/Leadership/JointStaff/PersonalStaff/LegislativeLiaison.aspx>

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Executive Summary

This guide provides a short summary of the initial subcommittee markup for the Fiscal Year 2017 Defense Appropriations Act. To obtain a complete understanding of any particular provision, users are encouraged to review the actual legislative language.

Status:

On Wednesday, 11 May, the House Appropriations Subcommittee on Defense marked up its Fiscal year 2017 Defense Appropriations bill. The bill provides \$517.1 billion in base activities and \$58.6 billion for the Overseas Contingency Operations account (OCO). The House Appropriators followed the Authorizers by carving out around \$16 billion in OCO for base activities.

Highlights:

- Appropriates \$1 billion for the National Guard and Reserve Equipment Account in OCO
 - Includes \$330 million each for the Army National Guard and Air National Guard
- Appropriates \$159 million for the National Guard Counterdrug Program
- Adds \$19 million for Operation Phalanx
- Adds \$9.87 million for ARNG Cyber protection teams
- Adds \$8 million to the State Partnership Program
- Adds \$100 million for ARNG HMMVW modernization in Army Procurement
- Adds \$62 million for the ARNG to maintain 4 Apache battalions

National Guard Accounts Overview

(All Dollars in Thousands)

Army National Guard	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
ARNG Personnel	\$7,910,694	\$7,827,440	-\$83,254			
ARNG Personnel OCO	\$196,472	\$436,968*				
ARNG O&M	\$6,825,370	\$6,923,595	+\$98,225			
ARNG O&M OCO	\$127,035	\$380,221*				
NGREA	n/a	\$330,000				

*\$316,454 of OCO Personnel is to be used for base activities, \$237,880 in OCO O&M is to be used for base activities

Air National Guard	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
ANG Personnel	\$3,280,065	\$3,271,215	-\$8,850			
ANG Personnel OCO	\$5,288	\$4,125				
ANG O&M	\$6,703,578	\$6,708,200	+\$4,622			
ANG O&M OCO	\$20,000	\$279,036*				
NGREA	n/a	\$330,000				

*\$247,950 of OCO O&M is to be used for base activities



Army National Guard

Army National Guard Personnel

(All Dollars in Thousands)

ARNG Personnel Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	\$2,561,418	\$2,561,418	-			
PAY GROUP F TRAINING (RECRUITS)	\$551,868	\$551,868	-			
PAY GROUP P TRAINING (PIPELINE RECRUITS)	\$46,202	\$46,202	-			
SCHOOL TRAINING ¹	\$546,563	\$536,563	-\$10,000			
SPECIAL TRAINING ^{2,3,4}	\$570,009	\$590,635	+\$20,626			
ADMINISTRATION AND SUPPORT	\$3,632,138	\$3,632,138	-			
EDUCATION BENEFITS	\$2,496	\$2,496	-			
TOTAL, BUDGET ACTIVITY 1 (BAC-01)	\$7,910,694	\$7,921,320	+\$10,628			
UNDISTRIBUTED ADJUSTMENT ^{5,6}		-\$93,890	-\$93,890			
TOTAL, ARNG PERSONNEL	\$7,910,694	\$7,827,440	-\$83,254			

1. Unjustified increase -\$10,000
2. Program increase – State Partnership Program +\$3,750
3. Cyber Protection Teams +\$6,876
4. Operation Phalanx +\$10,000
5. Unobligated/Unexpended balances -\$110,000
6. Maintain four apache battalions +\$16,120

Army National Guard Personnel (Overseas Contingency Operations)

(All Dollars in Thousands)

ARNG Personnel (OCO) Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	\$33,702	\$33,702	-			
SCHOOL TRAINING	\$47,658	\$47,658	-			
SPECIAL TRAINING	\$105,939	\$105,939	-			
ADMINISTRATION AND SUPPORT	\$9,173	\$9,173	-			
TOTAL, BUDGET ACTIVITY 1 (BAC-01)	\$196,472	\$196,472				
REDUCTION TO SUPPORT READINESS SHORTFALLS		-\$82,523				
OPERATIONAL SUPPORT FOR DEPLOYED END STRENGTH OF 9,800 IN AFGHANISTAN		\$6,565	+\$6,565			
SUBTOTAL OCO/GWOT	\$196,472	\$120,514	-\$75,958			
INCREASE ARMY END STRENGTH		\$316,454	+\$316,454			
TOTAL ARNG PERSONNEL	\$196,472	\$463,968	+\$240,496			

Army National Guard Operations & Maintenance

(All Dollars in Thousands)

ARNG O&M Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
MANEUVER UNITS	\$708,251	\$708,251	-			
MODULAR SUPPORT BRIGADES	\$197,251	\$197,251	-			
ECHELONS ABOVE BRIGADE ¹	\$792,271	\$788,178	-\$4,093			
THEATER LEVEL ASSETS ²	\$80,341	\$84,341	+\$4,000			
LAND FORCES OPERATIONS SUPPORT	\$37,138	\$37,138	-			
AVIATION ASSETS ^{3,4}	\$887,625	\$889,825	+\$2,200			
FORCE READINESS OPERATIONS SUPPORT ^{5,6,7}	\$696,267	\$693,153	-\$3,114			
LAND FORCES SYSTEMS READINESS	\$61,240	\$61,240	-			
LAND FORCES DEPOT MAINTENANCE	\$219,948	\$219,948	-			
BASE OPERATIONS SUPPORT ^{8,9}	\$1,040,012	\$1,038,189	-\$1,823			
FACILITIES SUSTAINMENT, RESTORATION, & MODERNIZATION ¹⁰	\$676,715	\$692,947	+\$16,232			
MANAGEMENT AND OPERATIONAL HQ ¹¹	\$1,021,144	\$1,008,817	-\$12,327			
TOTAL, BUDGET ACTIVITY ONE (BAC-01)	\$6,418,203	\$6,419,278	+\$1,075			
SERVICEWIDE TRANSPORTATION	\$6,396	\$6,396	-			
ADMINISTRATION ¹²	\$68,528	\$69,678	+\$1,150			
SERVICEWIDE COMMUNICATIONS	\$76,524	\$76,524	-			
MANPOWER MANAGEMENT	\$7,712	\$7,712	-			
OTHER PERSONNEL SUPPORT	\$245,046	\$245,046	-			
OTHER CONSTRUCTION SUPPORT AND REAL ESTATE MANAGEMENT	\$2,961	\$2,961	-			
TOTAL, BUDGET ACTIVITY FOUR (BAC-04)	\$407,167	\$408,317	+\$1,150			
MAINTAIN 4 APACHE BATTALIONS	-	\$46,000	+\$46,000			
RESTORE READINESS	-	\$50,000	+\$50,000			
TOTAL, ARNG O&M	\$6,825,370	\$6,923,595	+\$98,225			

1. Unjustified program growth -\$4,093
2. Program increase – Operation Phalanx +\$4,000
3. Program increase – Operation Phalanx +\$5,000
4. Unjustified Program increase -\$2,800
5. Unjustified Program increase -\$6,315
6. Program increase – Cyber Protection Teams +\$3,000
7. Program increase – language capabilities +\$200
8. Program increase +\$555
9. Unjustified program growth -\$2,378
10. Program increase +\$16,232
11. Unjustified program growth -\$12,327
12. Program increase – State Partnership Program +\$1,150

Army National Guard Operations & Maintenance (Overseas Contingency Operations)

(All Dollars in Thousands)

ARNG O&M (OCO) Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
MANEUVER UNITS	\$16,149	\$16,149	-			
MODULAR SUPPORT BRIGADES	\$748	\$748	-			
ECHELONS ABOVE BRIGADE	\$34,707	\$34,707	-			
THEATER LEVEL ASSETS	\$10,472	\$10,472	-			
AVIATION ASSETS	\$32,804	\$32,804	-			
FORCE READINESS OPERATIONS SUPPORT	\$12,435	\$12,435	-			
BASE OPERATIONS SUPPORT	\$18,800	\$18,800	-			
MANAGEMENT AND OPERATIONAL HEADQUARTERS	\$920	\$920	-			
REDUCTION TO SUSTAIN MINIMAL READINESS LEVELS	-	-\$51,446	-\$51,446			
OPERATIONAL SUPPORT FOR DEPLOYED END STRENGTH OF 9,800 IN AFGHANISTAN	-	+\$66,752	+\$66,752			
FACILITY SUSTAINMENT, RESTORATION & MODERNIZATION*	-	+\$58,800	+\$58,800			
OPERATIONAL SUPPORT FOR INCREASE IN ARMY GUARD END STRENGTH*	-	+\$159,080	+\$159,080			
RESTORE READINESS*	-	+\$20,000	+\$20,000			
TOTAL, ARNG O&M (OCO)	\$127,035	\$380,221	+\$253,188			

*OCO for Base requirements



Air National Guard

Air National Guard Personnel

(All Dollars in Thousands)

ANG Personnel Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
PAY GROUP A TRAINING (15 DAYS & DRILLS 24/48)	\$934,650	\$934,650	-			
PAY GROUP F TRAINING (RECRUITS)	\$131,022	\$131,022	-			
PAY GROUP P TRAINING (PIPELINE RECRUITS)	\$10,555	\$10,555	-			
SCHOOL TRAINING	\$349,904	\$349,904	-			
SPECIAL TRAINING ¹	\$167,077	\$168,227	+\$1,150			
ADMINISTRATION AND SUPPORT	\$1,678,355	\$1,678,355	-			
EDUCATION BENEFITS	\$8,502	\$8,502	-			
TOTAL, BUDGET ACTIVITY 1 (BAC-01)	\$3,280,065	\$3,281,215				
UNDISTRIBUTED ADJUSTMENT	-	-\$10,000	-\$10,000			
TOTAL ANG PERSONNEL	\$3,280,065	\$3,271,215	-\$8,850			

1. Program increase – State Partnership Program +\$1,150

Air National Guard Personnel (Overseas Contingency Operations)

(All Dollars in Thousands)

ANG Personnel (OCO) Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
SPECIAL TRAINING	\$5,288	\$5,288	-			
TOTAL, BUDGET ACTIVITY 1 (BAC-01)		\$5,288				
REDUCTION TO SUPPORT READINESS SHORTFALLS	-	-\$1,725	-\$1,725			
OPERATIONAL SUPPORT FOR DEPLOYED END STRENGTH OF 9,800 IN AFGHANISTAN	-	\$562	+\$562			
TOTAL ANG PERSONNEL	\$5,288	\$4,125	-\$1,163			

Air National Guard Operations & Maintenance

(All Dollars in Thousands)

ANG O&M Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
AIRCRAFT OPERATIONS ^{1,2}	\$3,282,238	\$3,266,057	-\$16,181			
MISSION SUPPORT OPERATIONS ³	\$723,062	\$725,012	+\$1,950			
DEPOT MAINTENANCE	\$1,824,329	\$1,824,329				
FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION ⁴	\$245,840	\$255,840	+\$10,000			
BASE OPERATING SUPPORT ⁵	\$575,548	\$556,507	-\$9,041			
TOTAL, BUDGET ACTIVITY ONE (BAC-01)	\$6,651,017	\$6,637,745	-\$13,272			
ADMINISTRATION	\$23,715	\$23,715	-			
RECRUITING AND ADVERTISING	\$28,846	\$28,846	-			
TOTAL, BUDGET ACTIVITY FOUR (BAC-04)	\$52,561	\$52,561				
LOWER THAN BUDGETED CIVILIAN COMPENSATION	-	-\$32,106	-\$32,106			
RESTORE READINESS	-	\$50,000	+\$50,000			
TOTAL, AIR NATIONAL GUARD O&M	\$6,703,578	\$6,708,200	+\$4,622			

1. Projected under execution -\$12,181
2. Unjustified growth -\$4,000
3. Program increase – State Partnership Program +\$1,950
4. Program increase +\$10,000
5. Unjustified growth -\$9,041

Air National Guard Operations & Maintenance (Overseas Contingency Operations)

ANG O&M (OCO) Appropriation	FY17 President's Budget Request	FY17 HAC-D Mark	Delta from Request	FY17 SAC-D Mark	Delta from Request	FY17 Conference
MISSION SUPPORT OPERATIONS	\$3,400	\$3,400	-			
BASE SUPPORT	\$16,600	\$16,600	-			
REDUCTION TO SUSTAIN MINIMAL READINESS LEVELS	-	-\$2,632	-\$2,632			
OPERATIONAL SUPPORT FOR DEPLOYED END STRENGTH OF 9,800 IN AFGHANISTAN	-	+\$13,718	+\$13,718			
DEPOT MAINTENANCE *	-	+\$40,000	+\$40,000			
FACILITIES SUSTAINMENT, RESTORATION & MODERNIZATION*	-	+\$120,950	+\$120,950			
RECRUITING AND ADVERTISING*	-	+\$67,000	+\$67,000			
RESTORE READINESS*	-	+\$20,000	+\$20,000			
TOTAL, ANG O&M (OCO)	\$20,000	\$279,036	+\$259,036			

*OCO for base requirements

Funding Tables

- Appropriates \$1 billion for the National Guard and Reserve Equipment Account in OCO
 - Includes \$330 million each for the Army National Guard and Air National Guard
- Appropriates \$159 million for the National Guard Counterdrug Program
- Appropriates \$25 million for STARBASE
- Adds \$19 million for Operation Phalanx
 - \$9 million in ARNG Operations and Maintenance
 - \$10 million in ARNG Personnel
- Adds \$9.87 million for ARNG Cyber protection teams
 - \$3 million in ARNG Operations and Maintenance
 - \$6.87 million in ARNG Personnel
- Adds \$8 million to the State Partnership Program
 - \$1.15 million in ARNG Operation and Maintenance
 - \$3.75 million in ARNG Personnel
 - \$1.95 million in ANG Operation and Maintenance
 - \$1.15 million in ANG Personnel
- Adds \$62 million to maintain 4 ARNG Apache battalions
 - \$46 million ARNG Operation and Maintenance
 - \$16 million in ARNG Personnel
- Adds \$100 million for ARNG HMMVW Modernization in Army Procurement
- Adds \$10.3 million for Youth Challenge
- Adds \$25 million for Sexual Assault Special Victims Council Program

Legislative Provisions

SEC. 8004. No more than 20 percent of the appropriations in this Act which are limited for obligation during the current fiscal year shall be obligated during the last 2 months of the fiscal year: *Provided*, That this section shall not apply to obligations for support of active duty training of reserve components or summer camp training of the Reserve Officers' Training Corps.

SEC. 8031. None of the funds made available by this Act may be used to— (1) disestablish, or prepare to disestablish, a Senior Reserve Officers' Training Corps program in accordance with Department of Defense Instruction Number 1215.08, dated June 26, 2006; or (2) close, downgrade from host to extension center, or place on probation a Senior Reserve Officers' Training Corps program in accordance with the information paper of the Department of the Army titled "Army Senior Reserve Officers' Training Corps (SROTC) Program Review and Criteria", dated January 27, 2014.

SEC. 8042. None of the funds available in this Act may be used to reduce the authorized positions for military technicians (dual status) of the Army National Guard, Air National Guard, Army Reserve and Air Force Reserve for the purpose of applying any administratively imposed civilian personnel ceiling, freeze, or reduction on military technicians (dual status), unless such reductions are a direct result of a reduction in military force structure.

SEC. 8044. Funds appropriated in this Act for operation and maintenance of the Military Departments, Combatant Commands and Defense Agencies shall be available for reimbursement of pay, allowances and other expenses which would otherwise be incurred against appropriations for the National Guard and Reserve when members of the National Guard and Reserve provide intelligence or counterintelligence support to Combatant Commands, Defense Agencies and Joint Intelligence Activities, including the activities and programs included within the National Intelligence

Program and the Military Intelligence Program: *Provided*, That nothing in this section authorizes deviation from established Reserve and National Guard personnel and training procedures.

SEC. 8054. (a) Notwithstanding any other provision of law, the Chief of the National Guard Bureau may permit the use of equipment of the National Guard Distance Learning Project by any person or entity on a space-available, reimbursable basis. The Chief of the National Guard Bureau shall establish the amount of reimbursement for such use on a case-by-case basis. (b) Amounts collected under subsection (a) shall be credited to funds available for the National Guard Distance Learning Project and be available to defray the costs associated with the use of equipment of the project under that subsection. Such funds shall be available for such purposes without fiscal year limitation.

SEC. 8062. Notwithstanding section 12310(b) of title 10, United States Code, a Reserve who is a member of the National Guard serving on full-time National Guard duty under section 502(f) of title 32, United States Code, may perform duties in support of the ground-based elements of the National Ballistic Missile Defense System.

SEC. 8064. Notwithstanding any other provision of law, the Chief of the National Guard Bureau, or his designee, may waive payment of all or part of the consideration that otherwise would be required under section 2667 of title 10, United States Code, in the case of a lease of personal property for a period not in excess of 1 year to any organization specified in section 508(d) of title 32, United States Code, or any other youth, social, or fraternal nonprofit organization as may be approved by the Chief of the National Guard Bureau, or his designee, on a case-by-case basis.

SEC. 8113. None of the funds made available by this Act may be used to divest, retire, transfer, or place in storage or on backup aircraft inventory status, or prepare to 1 divest, retire, transfer, or place in storage or on backup aircraft inventory status, any A-10 aircraft, or to disestablish any units of the active or reserve component associated with such aircraft.

SEC. 8131. In addition to amounts provided elsewhere in this Act for military personnel pay, including active duty, reserve and National Guard personnel, \$340,000,000 is hereby appropriated to the Department of Defense and made available for transfer only to military personnel accounts: *Provided*, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

Report Language

MILITARY PERSONNEL OVERVIEW

The Committee recommendation provides \$128,168,468,000 for the military personnel accounts, which funds military pay and allowances, recruitment and retention initiatives, and overall quality of life programs for active duty, National Guard, and reserve personnel. The recommendation provides the resources required for an additional 27,000 active forces and 25,000 selected reserve forces above the requested end strength levels in order to meet operational needs for fiscal year 2017. The recommendation also provides increased basic pay for all military personnel by 2.1 percent as authorized by current law, effective January 1, 2017. The Committee continues to encourage constructive evaluations of recruitment and retention programs, bonus and special pay incentives, and personnel benefit programs for fiscal year 2017. The Committee remains supportive of programs intended to enhance the morale and quality of life of military personnel and their families.

FULL-TIME SUPPORT STRENGTHS

There are four categories of full-time support in the National Guard and reserve components: military technicians (dual status), Active Guard and Reserve, non-technician civilians, and active component personnel. Full-time support personnel organize, recruit, train, maintain, and administer the reserve components. Military technicians (dual status) directly support units and are critical to helping units maintain readiness and meet the wartime missions of the Army and Air Force.

ACTIVE, RESERVE, AND NATIONAL GUARD MILITARY PERSONNEL

In title I of the bill, the Committee recommends a total of \$128,168,468,000 for active, reserve, and National Guard military personnel, a decrease of \$733,864,000 below the budget request, and a decrease of \$1,060,190,000 below the fiscal year 2016 enacted level. The Committee recommendation provides funding to increase basic pay for all military personnel by 2.1 percent, as authorized by current law, effective January 1, 2017. The recommendation provides the resources required for an additional 28,715 active forces and 25,000 Selected Reserve forces above the requested end strength levels in order to meet operational needs in fiscal year 2017.

ARMY, ARMY NATIONAL GUARD, AND ARMY RESERVE CYBERSPACE OPERATIONS

The Committee recommendation includes \$1,330,000,000 across appropriation accounts to the Department of the Army, including the Army National Guard and the Army Reserve, for cyberspace operations in fiscal year 2017, an increase of \$384,000,000 over the fiscal year 2016 enacted level. The Army's contribution to the joint Cyber Mission Forces (CMF) is 41 teams made up of active duty personnel. In addition to the 41 active duty CMF teams, the Department of the Army has chosen to grow 21 Cyber Protection Teams (CPTs) in the reserve component. While the Committee strongly supports the Army CMF efforts to reach full operating capability by fiscal year 2018, the Committee is concerned that because the Army Reserve and the Army National Guard are not formally part of the CMF, they are not resourced through the United States Cyber Command training pipeline, which hinders access to training. As a result, the Army National Guard has chosen to establish a separate training course at its Professional Education Center. While the Committee supports the intent of this course, it is concerned that this is not the most efficient use of Army National Guard resources in the current constrained budget environment.

The Committee is aware that the Army Cyber Center of Excellence at Fort Gordon is growing capabilities and capacity and will provide training to the reserve component beginning in the summer of 2016. The Committee is also aware that the reserve component has not fully identified its training throughput requirements to support development of the 21 reserve component CPTs, which has made it difficult to ensure that reserve cyber warriors receive the training they need. The Committee directs the Commander, United States Cyber Command, the Secretary of the Army, the Chief of the Army Reserve, and the Director of the Army National Guard to cooperate to ensure that the Army National Guard and Army Reserve have adequate access to the Army training

pipeline to ensure the reserve component CFTs will meet full operating capability within their current fielding plans and to submit a report to the congressional defense committees not later than 120 days after the enactment of this Act detailing the implementation of this plan. The Committee also encourages the Director of the National Security Agency (NSA), to collaborate with the Secretary of the Army to ensure that training courses that require NSA certification are reviewed in a timely manner.

The Committee recognizes the threat that attempted attacks to critical infrastructure and associated control systems by cyber hackers presents both domestically and internationally. The Committee supports collaborative efforts by the Department of Homeland Security, the Department of Energy national laboratories, universities, and private industry in order to spur innovation and create cost efficiencies while addressing these threats across multiple sectors. In addition, the Committee recognizes that the Army National Guard, through its CPTs, offers a flexible and ready force that can provide specialized experience. The Committee supports efforts by the Army National Guard, as part of its title 32 duties, to partner with these entities to provide training focused on protecting industrial control systems associated with critical infrastructure. The Committee further supports Army Reserve efforts to engage with universities and the private sector to develop formal cyber public-private partnerships to further cyber training and employment for Army Reserve cyber warriors. The Committee understands that the Army Reserve has experienced challenges in certifying the cyber public-private partnership program due to the classified nature of the cyber common technical core course. The Committee encourages the Director of the NSA and the Commander, United States Cyber Command to work with the Chief of the Army Reserve to provide a pathway for certification of this program.

MQ-9 FLEET SIZE

The Committee notes the objective procurement quantity of MQ-9 Reapers has declined from over 400 as recently as fiscal year 2014 to 347 in the fiscal year 2017 budget request, and the current plan does not include procurement of any further MQ-9 aircraft after fiscal year 2017, despite an increasing demand for intelligence, surveillance, and reconnaissance from the combatant commanders and the attrition of at least 22 aircraft since 2009. The Committee understands that the Air Force is currently conducting a new analysis of the objective MQ-9 fleet, including an updated attrition model, and directs the Secretary of the Air Force to report the results of this study to the congressional defense committees not later than 30 days after its completion.

JOINT SURVEILLANCE TARGET ATTACK RADAR SYSTEM RECAPITALIZATION

The Committee is concerned by further delays in the acquisition schedule for the recapitalization of the E-8 Joint Surveillance Target Attack Radar System (JSTARS) fleet. The Committee is also concerned by direction from the Office of the Secretary of Defense that would appear to contemplate further delays to entering the engineering and manufacturing development phase of the program based on progress in radar risk reduction. The Committee urges the Secretary of Defense and the Secretary of the Air Force to avoid any further slips to the present schedule. The Committee recommends that the Secretary of the Air Force adopt a clear size, weight, power, and cooling requirement based on data and analysis that takes into account both prior experience on past acquisition programs and the present state of technology. The Committee also recommends that the Secretary of the Air Force consider an increase in the number of developmental aircraft and utilize a contracting method that will incentivize the prime contractor to accelerate delivery of JSTARS recap aircraft and expedite the achievement of initial operating capability, which is currently projected to occur in fiscal year 2024. In order to preclude further delays to the program, the Committee recommendation includes a provision that prohibits the obligation or expenditure of JSTARS recapitalization program funds for pre-milestone B activities, including radar technology maturation and risk reduction, beyond December 31, 2017. Finally, in order to preserve JSTARS capability for the combatant commanders during the transition to a recapitalized fleet, the Committee also recommends an increase of \$19,700,000 above the budget request to complete modifications to the primary mission equipment of the existing operational E-8 JSTARS fleet. A

recent report from the Air Force noted that two aircraft have not received these modifications solely due to budget restraints and that these modifications are essential to ensuring continued JSTARS mission relevance in the near term.

REPROGRAMMING GUIDANCE FOR THE DEFENSE HEALTH PROGRAM

The Committee remains concerned regarding the transfer of funds from the In-House Care budget sub-activity to pay for contractor- provided medical care. To limit such transfers and improve oversight within the Defense Health Program operation and maintenance account, the Committee includes a provision which caps the funds available for Private Sector Care under the TRICARE program subject to prior approval reprogramming procedures. The provision and accompanying report language should not be interpreted as limiting the amount of funds that may be transferred to the In-House Care budget sub-activity from other budget sub-activities within the Defense Health Program. In addition, funding for the In-House Care budget sub-activity continues to be designated as a congressional special interest item. Any transfer of funds from the In-House Care budget sub-activity into the Private Sector Care budget sub-activity or any other budget sub-activity requires the Secretary of Defense to follow prior approval reprogramming procedures for operation and maintenance funds. The Committee remains concerned that transfers of funds from the Private Sector Care budget sub-activity often occur without the submission of written notification as required by prior year Department of Defense Appropriations Acts. The Committee directs the Secretary of Defense to provide written notification to the congressional defense committees of cumulative transfers in excess of \$10,000,000 out of the Private Sector Care budget sub-activity not later than fifteen days after such a transfer. Furthermore, the Committee directs the Secretary of Defense to provide a report to the congressional defense committees not later than 30 days after the enactment of this Act that delineates transfers of funds, and the dates any transfers occurred, from the Private Sector Care budget sub-activity to any other budget sub-activity for fiscal year 2016. The Committee further directs the Assistant Secretary of Defense (Health Affairs) to provide quarterly reports to the congressional defense committees on budget execution data for all of the Defense Health Program budget activities and to adequately reflect changes to the budget activities requested by the Services in future budget submissions.

NATIONAL GUARD AND RESERVE EQUIPMENT

The Committee recommendation provides \$1,000,000,000 for National Guard and Reserve Equipment. Of that amount, \$330,000,000 is for the Army National Guard; \$330,000,000 is for the Air National Guard; \$140,000,000 is for the Army Reserve; \$50,000,000 is for the Navy Reserve; \$10,000,000 is for the Marine Corps Reserve; and \$140,000,000 is for the Air Force Reserve to meet urgent equipment needs that may arise in fiscal year 2017. This funding will allow the National Guard and reserve components to procure high priority equipment that may be used by these units for both their combat missions and their missions in support of state governors. The funding within this account is not to be used to procure equipment that has been designated as high density critical equipment item, major weapon systems, aircraft, and other items of equipment central to a unit's ability to perform its doctrinal mission. The funding within this account is not to be used to procure equipment that should be purchased by the senior Service, to expand or accelerate current Service procurement plans increasing program risk borne by the reserve components, to purchase expendable items, or to purchase facilities or equipment for any requirement that can be satisfied elsewhere. The Committee directs the Secretary of Defense to ensure that the National Guard and Reserve Equipment account shall be executed by the Chiefs of the National Guard and reserve components with priority consideration given to the following items: acoustic hailing devices, airborne sense and avoid systems, common access card for remote access virtual private network with pre-tunnel authentication, crashworthy ballistically tolerant auxiliary fuel systems, integrated facial protection components for standard issue helmets, large aircraft infrared countermeasures, advanced targeting pods, electromagnetic in-flight propeller balance system, handheld and manpack and mid-tier networking vehicular radios, handheld explosives and chemical weapons detection capabilities, HMMWV rollover mitigation, modular small arms and self-contained ranges, joint threat emitter, Marine Corps tactical radio digital

communications, the mobile user objective system, all-digital radar warning receivers, unstabilized gunnery crew trainer and small arms simulation trainers, and wireless mobile mesh self-healing network systems.

PILOT PROGRAM TO ASSIST MEMBERS OF THE ARMED FORCES

The Committee remains concerned with the ability of service members to attain employment after they leave the military and understands that a pilot program to address this issue was authorized in the National Defense Authorization Act for fiscal year 2015. The Committee directs the Secretary of Defense, in coordination with the Secretary of Veterans Affairs, to submit a report to the congressional defense committees not later than January 15, 2017, that details the feasibility of establishing a pilot program to assist members of the armed forces in obtaining post-service employment, the program requirements set forth in the National Defense Authorization Act for fiscal year 2015, and the annual funding required by the Department of Defense and the Department in such a program.