



FY 2009 National Defense Authorization Act and Appropriations Summary

- S 3001/ PL 110-417, FY 2009 National Defense Authorization Act was signed into law October 14, 2008.
 - Authorizes \$612 billion in fiscal 2009 funding for Defense Department operations and Energy Department national security programs, including \$68.6 billion for war-related costs in Iraq and Afghanistan.
- HR 2638/ PL 110-329, FY 2009 Department of Homeland Security Appropriations Act was signed into law September 30, 2008.
 - This bill included full FY 09 funding for Department of Homeland Security, Department of Defense, and Department of Veterans' Affairs, with a continuing resolution for all other federal agencies through March 6, 2009.
 - Provides \$487.7 billion for defense programs in FY 09, \$4 billion less than the President's request and \$32.4 billion more than the current level (not taking into account supplemental fiscal 2008 appropriations for the wars in Iraq and Afghanistan).
 - Provides \$118.9 billion for military construction and veterans' programs .



Air Force Hardware Funding Summary

Fund	Authorization	Appropriation	Request
Aircraft	\$12.8B	\$13.1B	\$12.6B
Ammunition	\$894.4M	\$895.4M	\$894.4M
Missiles	\$5.5B	\$5.4B	\$5.5B
RDT&E	\$26.2B	\$27B	\$28B
O&M	\$35.4B	\$34.8B	\$35.9B
Reserve O&M	\$3.1B	\$3B	\$3.1B
ANG O&M	\$5.8B	\$5.9B	\$5.8B
Other	\$16B	\$16B	*****

“The US Air Force is our primary national strategic force. Yet it is too small, has inadequate numbers of aging aircraft, has been marginalized in the current strategic debate...the next Administration must fix the...shortfalls or we will place the American people in enormous peril.”



Air Force Association

...THE FORCE BEHIND THE FORCE



PROCUREMENT	FY08	FY09	FY10	FY11	FY12	FY13	TOTAL
F-35A	6	8	12	24	42	48	140
F-22A	20	20	0	0	0	0	40
MQ-9A	22*	9	11	11	8	8	69
RQ-4B	5	5	5	5	5	5	30
MQ-1B	24	38	42	26	24	18	172
C-17A	15*	0	0	0	0	0	15
C-130J	27*	0	8	8	8	8	59
C-27 (JCA)	0	0	3	5	8	8	24
KC-X	0	0	5	12	13	14	44
CV-22A	10*	6	5	5	5	5	36
CSAR-X	0	0	2	10	10	14	36
HC-130 Recap	0	2	4	4	4	4	18
MC-130 Recap	7*	4	4	4	4	4	27
C-29 ATCALs	0	1	0	0	0	0	1
T-6	39	0	0	0	0	0	39

•In order to reverse the aging fleet trends, the Air Force would have to acquire at least 200 aircraft per year. We only got 125 this year and at this rate it would take 45 years to replace the fleet.

* FY08 procurement now includes supplemental appropriations of 18 MQ-9, 15 C-17, 18 C-130J, 7 MC-130J, 5 CV-22



Key Systems-Related Policy Language

- Requires the Air Force to issue a report on the tanker due March 1, 2009 detailing the original KC-X requirements, explaining why the KC-135R is the baseline for KC-X, and a reassessment of the tanker requirements put forth by the JROC in 2006.
- Authorizes \$523M for advance procurement of F-22 components, but the next administration must commit to the next lot of F-22 production by March 1, 2009 in order for this money to be spent.
- Requires DoD to develop an integrated R&D, procurement, and ground station interoperability capability for the various classes of UAVs.
- Prohibits the integration of AF and ANG aircraft maintenance until OSD determines that such consolidation will not “adversely affect recruitment, retention, or execution of the Air National Guard mission.”



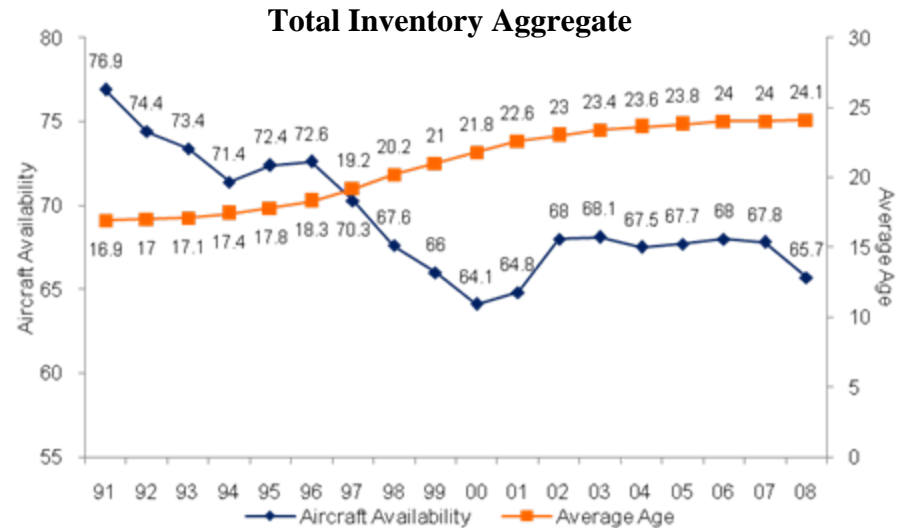
There is no single greater priority for the coming 10 years for the USAF than funding, deploying, and maintaining 350+ F-22 Raptors to ensure air-to-air total dominance of battlefield air space in future contested areas.

General Barry McCaffrey, US Army (Ret)



Key Systems-Related Policy Language

- Requires a DoD--DNI study to “clarify the national security space policy and strategy for the near term.” This is slated to cover everything from space situational awareness and defensive counterforce protection to ISR issues and industrial base concerns.
- Requires the SecDef to determine whether the FAA should issue a type certificate for the C-17 for civilian use.
- Requires the SECAF to provide a report to Congress detailing the risk to national security that will be assumed if certain aircraft procurement numbers are insufficient.



The problem of aging equipment is most acute for the Air Force...the Service has been conducting combat operations in the Gulf for 17 years, patrolling the desert skies and now providing the wartime logistics lifeline to the battlefield. The same seventeen years have seen underinvestment in modernization and recapitalization...a financial burden that snowballs with every year.

Personnel Funding and Related Provisions

<u>Authorized End Strengths</u>		<u>Appropriated Funds</u>
USAF	317,050	\$25.1 billion
ANG	106,756	\$ 2.7 billion
AFR	67,400	\$ 1.4 billion

- Military Basic Pay Increase
 - Increase of 3.9 percent, 0.5 percent above the pay raise recommended in the budget request, to become effective January 1, 2009.
- Enhanced Bonuses and Special Pays
 - All Dental Officers, not only surgeons, are now eligible for the Health Professions Incentive Pay
 - Pro-rated payments of certain hazardous duties is eliminated
- Retired Pay and Survivor Benefits
 - Expansion of the Special Survivor Indemnity Allowance to provide SBP/DIC offset to the families of certain military personnel who die on active-duty

**Though not a function of the NDAA, the cost-of-living adjustment for 2009 has been set at 5.8%, the largest increase in military retired pay since 1982*



Defense Health Program Funding and Provisions

Category	Authorized	Appropriated	Above President's Budget
Total	\$2.49 billion	\$25.8 billion	\$1.02 billion
O&M	\$24.5 billion	\$24.6 billion	\$310 million
Research	\$195 million	\$902 million	\$708 million
Procurement	\$303 million	\$311 million	\$ 8 million

- Health Care and Wounded Warrior Provisions
 - TRICARE fee and co-payment increases cannot take effect until FY10
 - TRICARE pharmacy benefit co-pays cannot increase until FY10
 - Many co-payments for preventative health care are waived, even in situations where annual deductibles have not yet been met, though it does not apply to Medicare-eligible beneficiaries.
 - The SecDef has authority to refund co-payments for previously acquired preventative health services during FY09.
 - A new demonstration project will begin January 1, 2009 designed to evaluate the benefits of a preventive health services allowance for Active-Duty personnel with and without dependents.
 - Reservists are afforded waiver of some co-payments to access the TRICARE Dental Program to enhance readiness. The Army has been confronted with a significant number of unemployable soldiers (especially in the RC) due to poor dental health. A detailed report from SecDef to Congress on the issue is also required.



General FY 09 NDAA Provisions

- Paternity leave - military members shall receive 10 days leave in connection with the birth of a child. Not retroactive.
- Air University now has discretion to offer any degree for which they have acquired a national accreditation. This new authority requires that they provide to Congress an annual report detailing all the degrees they intend to offer in the next academic year, whereas prior to FY2009 they were required to have explicit approval from Congress to offer new degrees.
- Pilot program to evaluate whether permitting sabbatical from active duty and greater flexibility in career paths will enhance current retention strategies.
- There will now be a total of 23 permanent professors at the USAF Academy. The previous mandated level was 21.
- Funding levels for the education loan repayment program specifically for health professions officers serving in Selected Reserve with wartime critical medical skill shortages will now be identical to funding levels for similar Active Duty personnel. Those individuals will see an increase of what the government will pay towards educational loans rise from \$20,000 per year of service with a \$50,000 cap to \$60,000. The law falls silent on the per year stipulation, which likely means the Service Secretaries will be able to promulgate their own rules on how to implement.



Air Force MILCON FY09 Appropriations

- **Total USAF Appropriation** **\$1.17 billion**
 - Elmendorf AFB receives \$138 million to construct various facets of F-22 infrastructure
 - Holloman receives \$25.5 million for their F-22 infrastructure
 - Nellis AFB is appropriated \$48.5 million to build facilities in support of the UAS mission
 - Columbus AFB will receive \$8 million for a new Child Development Center
 - Tinker AFB received well over \$100 million in total MilCon appropriations, with \$65 million being earmarked for a new Medical/Dental clinic
 - A considerable amount of Defense-Wide appropriations funding goes to the Air Force. In Florida, Eglin, Hurlburt, and MacDill all receive considerable funding from those accounts to build SOF training/execution facilities

The familiar missions of deterring...and defeating aggression through large-scale power-projection operations have not diminished in importance. In fact, these missions are, in many ways, becoming more challenging.



Air Force MILCON FY09

- **Examples of Specified Funds**

- Centralized Administrative Processing Center, Sheppard AFB, TX \$1.3 million
- F-22A Consolidated Munitions Maintenance, Holloman AFB, NM \$495,000
- Fire and Rescue Station , Randolph AFB, TX \$972,000
- Joint Intelligence Technical Training Facility, Goodfellow AFB, TX \$1.65 million
- Logistics Readiness Center, Mountain Home AFB, ID \$1.8 million
- Missile Service Complex, F.E. Warren AFB, WY \$810,000
- Repair Runway Pavement, Luke AFB, AZ \$1.75 million
- Security Forces Bldg, Phase I, Lackland AFB, TX \$900,000
- Student Officer Quarters, Phase II, Laughlin AFB, TX \$1.44 million
- Air & Space Combat Arms Training Facility, Maxwell AFB, AL \$15.5 million
- C-17 Road Restoration, Elmendorf AFB, AK \$2 million



Air Force Military Construction Appropriations FY2009

Air National Guard Appropriation	\$24.9 million
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- Examples of Specified Funds
 - C-5 Taxiway Upgrades, Martinsburg Air Base, WV \$850,000
 - C-130 Squadron Operations Center, Greater Peoria RAP, IL \$400,000
 - Combat Arms Training Simulator Facility Hector Field, ND \$1.5 million
 - Combat Comm Training Complex Springfield-Beckley ANG, OH \$1.1 million
 - Conventional Munitions Shop, Joe Foss Field, SD \$1.9 million
 - Replacement Control Tower, Quonset State AP, RI \$600,000
 - Security Gate, Rickenbacker Airport ANG, OH \$1.6 million
 - TFI Digital Ground Station FOC Beddown, Otis ANG, MA \$1.7 million

Air Force Reserve Appropriation	\$36.9 million
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- Examples of Specified Funds
 - Joint Services Lodging Facility, Westover AFB, MA \$943,000
 - Joint Services Lodging Facility, Youngstown AFB, OH \$900,000



Department of Veterans' Affairs Appropriations FY2009

Total Appropriation	\$94.4 billion
Mandatory/Veterans' Benefits Administration	\$46.4 billion
Veterans' Health Administration	\$40.7 billion
Discretionary Spending Total	\$47.6 billion

- The total appropriation of \$94.4 billion is an increase of \$6.8 billion or 7.7% over the FY08 enacted level
- The total level for the Veterans' Benefits Administration, \$46.9 billion, is \$2.3 billion over the FY08 enacted level and \$800 million over the President's request.
- Discretionary spending also increased, from \$43.1 billion for FY08 to \$47.6 billion FY09. The President's request was approximately \$44.8 billion
- Funds for medical facilities within the VA rose from \$3.6 billion in FY08 to \$5 billion for FY09
- Medical and Prosthetic Research received a \$99 million increase, from \$411 million to \$510 million
- Funding to treat veterans with mental illness, PTSD, suicide prevention and other mental health conditions rose \$900 million in FY09, to a minimum of \$3.8 billion
- Travel reimbursement mileage rates have increased from 28.5 cents to 41.5 cents, and deductibles have been frozen at current levels
- Funds totaling \$375 million have been added to increase enrollment of Priority 8 veterans by 10%



Personnel Goals for 2009

- Discuss the need for adequate personnel strengths and associated funding to meet national security requirements
 - specifically, it is imperative to educate staff on the correlation between increased end strength of the Army and Marines and increased workload and other stressors placed on the USAF as a result
- Advocate for annual pay raises each year until the pay gap is eliminated
 - recent years have seen progress on this issue, and yet despite the 3.5% FY 2008 pay increase, a pay gap of 3.4% remains
- Raise awareness of the need for objective, comprehensive financial education to ensure military families are aware of their options and thinking soberly about their financial future



Personnel Goals for 2009

- Protect the Wounded Warrior
 - Work with DoD and the VA to ensure medical records are fully electronic and can be transferred bi-directionally while protecting the privacy of the servicemember
 - Seek permanent legislation to allow severely injured service members to receive active-duty equivalent TRICARE and VA assistance for three years post-separation to both acclimate them to the VA system and to ensure they have access to care
- Make PCS moves less burdensome
 - Authorize paid shipment of a second privately-owned vehicle to Alaska, Hawaii, and other overseas accompanied assignments
 - Establish a 500lb professional goods weight allowance for military spouses
 - Provide intrastate reciprocity for professional licensure and certification requirements



Personnel Goals for 2009

- Advocate for a robust family readiness and support structure
 - We will demand that full funding be provided to meet the child care needs of all active-duty, guard, and reserve families
 - Advocate for the expansion of family access to mental health counseling and other support services across the total force
 - Promote authorization of flexible spending accounts to pay health care and child care expenses with pre-tax dollars
 - Because the MGIB offers some advantages over the Post 9-11 GI Bill, AFA will promote establishing new rules making the value of the MGIB equivalent to the average cost of a four-year public college, taking the inflationary pressures upon educational expenses into account



Guard and Reserve Personnel

- AFA will urge further progress in revamping the reserve retirement system in recognition of increased service and sacrifice of Reserve Component members, including at a minimum, extending the new authority for a 90 day - three month reduction to all Guard and Reserve members who have served since 9/11.
- AFA will continue to advocate for the creation of a new health care benefit to provide 'grey-area' retirees with access to a TRICARE option until they reach retirement age.
- We will continue to discuss the GAO report that found TRS premiums are disproportionately high with respect to the real costs of providing the benefit, and will advocate for a recalculation of premiums to save RC personnel hard earned money



Guard and Reserve Personnel

- AFA will advocate for the expansion of employer incentives for retaining Guard and Reserve personnel under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and will advocate for extension of reemployment rights to military spouses who must suspend employment to care for dependent children due to a military sponsor's deployment.
- AFA will support initiatives to ensure that the 650,000+ Guard and Reserve that have been activated since 9/11 receive the transition services they and their families need to make a successful readjustment to civilian status.
- AFA will advocate for funding and implementation of “yellow ribbon reintegration” programs that ensure that Reserve veterans have access to services and support available to National Guard veterans.