



SUPPORTING NATIONAL SECURITY

Protecting the American People, the Homeland, and the American Way of Life

As described in the President's National Security Strategy, the Government's fundamental responsibility is to protect the American people, the homeland, and the American way of life. An America that is strong and prosperous at home is an America capable of defending its interests and advancing its influence abroad. While America possesses enduring national strengths, we face an era of increased strategic competition, global challenges, and erosion of the U.S. comparative military advantage. In order to preserve peace through strength, we must continue to invest in the combat credible military capabilities needed to compete, deter, and if necessary, fight and win wars to protect the security of the United States.

- ***Preserving Peace through Strength and Supporting the National Defense Strategy.*** The Budget requests \$750 billion for national defense, a \$34 billion or 5-percent increase over the 2019 enacted level. Of this total, \$718 billion is for the Department of Defense (DOD) to fund the National Defense Strategy's three lines of effort: rebuilding readiness and lethality; strengthening alliances and partnerships; and improving performance and affordability through reform. The Budget prioritizes strategic competition with China and Russia, while also sustaining efforts to deter and counter rogue regimes such as North Korea and Iran, defeat terrorist threats, and consolidate gains in Iraq and Afghanistan through a resource-sustainable approach.
- ***Ensuring the Readiness of U.S. Armed Forces.*** The Budget provides the resources necessary to continue rebuilding military readiness. It includes increased funding for the U.S. Army to modernize existing forces, and provides additional training for soldiers to build partner capacity. The Budget funds continuing efforts to improve Navy and Marine Corps aviation readiness, while prioritizing close combat investments in lethality to provide every advantage to America's tactical warfighters. The Budget also funds ship operations and Air Force flying hours to the maximum executable levels, in addition to an aggressive program to recruit and retain additional pilots. The Budget expands continuing investments in training for high-end combat to ensure the United States remains able to defeat any adversary.
- ***Investing in Military Capabilities.*** The Budget provides the Army, Navy, Air Force, and Marine Corps the capabilities to bolster military advantages on land, at sea, in the air, and in space, leveraging advances in key technologies, including long-range precision fires, hypersonic missiles, and missile defense systems. The Budget continues to integrate cyber efforts and operationalize U.S. cyber strategy, while scaling artificial intelligence throughout the Department. In 2020, the Budget funds an end strength of 2,140,300 active and reserve military personnel, buys 12 battle force ships and two large experimental unmanned surface vessels, procures 110 fighter aircraft, and modernizes nearly two brigade combat teams.
- ***Compensating Service Members.*** Military compensation must be competitive to recruit and retain the most qualified men and women to serve in an All-Volunteer Force. The Budget proposes a 2020 military pay raise of 3.1 percent – the largest increase in a decade.

- ***Pursuing Technological Innovation for Decisive Military Advantage.*** To prevent the erosion of the U.S. competitive military advantage, the Budget invests in new technologies, including autonomous systems, hypersonics, artificial intelligence, and directed energy. The Budget requests more than \$59 billion in research, engineering, and prototyping activities to maintain the military's technological superiority and conventional overmatch against priority challenges.
- ***Establishing the United States Space Force.*** The Budget supports the creation of the United States Space Force (USSF) as the sixth branch of the Armed Forces. For the first time in 70 years, DOD will establish a new service to organize, train, and equip DOD's forces in order to protect and defend America's national interests in the fourth domain of warfare. The Budget provides funding to establish the USSF as a new service within the Department of the Air Force while continuing to accelerate the development and procurement of vital capabilities to the Joint Force, allies, and partners. The Budget also supports U.S. Space Command as the newest Combatant Command, which will employ the forces and capabilities presented by the USSF.
- ***Modernizing the Nuclear Deterrent.*** The return of great power competition demonstrates the need for flexible, adaptable, and resilient nuclear capabilities to keep America safe and secure. The Budget continues the Administration's implementation of the Nuclear Posture Review through investments in nuclear ballistic missile submarines, strategic bombers, nuclear air-launched cruise missiles, intercontinental ballistic missiles, and the associated nuclear command, control, and communications systems.
- ***Strengthens Missile Defense.*** The Budget supports the President's commitment to expand and improve state-of-the-art missile defense systems as articulated in the recently released Missile Defense Review (MDR). The Budget invests in "left-of-launch" operations, boost phase intercept, and studies of space-based sensing, in addition to a sustained focus on homeland defense and regional security presence. To address critical emerging adversarial capabilities and protect the homeland against North Korean and other intermediate- and long-range ballistic missile threats, the Budget continues work to build a new missile field at Fort Greely, Alaska.
- ***Reforms Business Practices and Invests in Fixing Audit Findings.*** DOD continues to pursue management reforms to increase affordability and redirect savings to higher priorities. DOD achieved \$4.7 billion in reform savings in 2017 and 2018 and is targeting \$6 billion in savings in 2019 and over \$7 billion in 2020. The Department also recently completed its full financial statement audit, which is the largest audit ever undertaken by an agency of the U.S. government. The Department will address audit findings by holding the military departments and defense agencies accountable for the development and implementation of corrective actions, with a goal of meaningful, persistent progress toward a clean audit opinion.

Supporting International Affairs Agencies. The FY 2020 Budget builds on the vision of the FY 2019 Budget by supporting the core activities of the Department of State, the U.S. Agency for International Development (USAID), and other international programs, while refocusing their work on the highest National Security Strategy priorities and objectives. These include:

- ***Preserving Peace and Security.*** The FY 2020 Budget supports our commitments to allies, including Israel, Jordan, and other strategic partners. The Budget also seeks to expand the U.S. Government's toolkit for financing U.S. defense sales by requesting expanded authority for Foreign Military Financing (FMF) loans. The Budget requests interest rate flexibility for the FMF direct loan program and requests

new authority for guaranteed loans to incentivize more private sector lending for defense sales. The expanded use of FMF loans would complement FMF grant assistance and help to make U.S. defense equipment a more viable choice for partners and allies that otherwise could not afford to buy American.

- ***Advancing American Influence.*** The FY 2020 Budget will enable the President's Emergency Plan for AIDS Relief (PEPFAR) to provide lifesaving support in more than 50 countries, maintain all current patients on treatment, and continue the United States' position as the world's top HIV/AIDS donor. The Budget also supports the upcoming replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria, offering to match \$1 for every \$3 pledged by other donors, providing a \$1.1 billion contribution in 2020 and up to \$3.3 billion over the three-year replenishment period. The Budget request for humanitarian assistance programs, when combined with expected carryover, will provide an average funding level available for 2019 and 2020 that roughly matches the highest ever level, retaining the U.S.'s position as the largest single donor.
- ***Protecting the American People.*** The FY 2020 Budget supports the global diplomatic presence of the United States. Sustaining a forward diplomatic presence supports proactive diplomacy and other tools of statecraft required for a new era of strategic competition while also serving United States citizens overseas. The Budget further invests in embassy security and maintenance in order to safeguard the United States workforce overseas.
- ***Promoting American Prosperity.*** The FY 2020 Budget supports the soon-to-be established Development Finance Corporation (DFC), which consolidates the Overseas Private Investment Corporation with development finance functions at USAID. The DFC will be a reformed and enhanced one-stop shop for development finance tools such as loans, guarantees, and insurance, and will newly be able to provide project-specific technical assistance, and make equity investments.
- ***Optimizing International Affairs Spending.*** The FY 2020 Budget restructures our fragmented and outdated overseas humanitarian programming and elevates humanitarian assistance. These changes will enable the U.S. to respond seamlessly to evolving humanitarian needs, achieve optimal UN reforms, induce other donors to do their fair share, and resolve ongoing crises. This restructuring builds on State's and USAID's comparative strengths, with a new senior, dual-hatted State and USAID leadership structure under the authority of the Secretary of State, where State leads on refugee resettlement, migration, and population policy issues as well as diplomacy and conflict resolution while USAID administers overseas humanitarian assistance for refugees and other victims abroad. The Budget also prioritizes funding on international organizations that substantially advance our foreign policy interests and continues to focus attention on the appropriate United States share of international spending at the United Nations and elsewhere where the United States currently pays more than its fair share.

Strengthening the Commitment to our Nation's Veterans.

The Fiscal Year 2020 President's Budget fulfills our enduring promise and commitment to veterans by making critical investments that ensure they receive the high quality care, benefits, and services they have earned through sacrifice and service to our Nation. To meet this commitment, the Budget provides dedicated resources to give veterans greater choice and access to the medical care they deserve, invests in benefit programs and services, such as compensation, education, insurance, and home loans, that improve the

veteran experience, and protects our Nation's veterans by promoting efficiency, transparency, and accountability within the Department of Veterans Affairs (VA).

- ***Expands Veterans' Choice and Access to Medical Care.*** The Budget invests in world-class health care for our Nation's veterans by proposing \$80.2 billion in discretionary appropriations to fully fund VA medical care requirements in 2020 – a \$7.0 billion or nearly 10 percent increase over the 2019 enacted level. This funding level fully supports implementation of the historic *VA MISSION Act of 2018* to provide veterans greater choice on where they receive their health care, whether at a VA facility or through a private health care provider. As part of the continued implementation of the MISSION Act, the Budget also streamlines and consolidates all veterans' community care programs, provides access to more convenient urgent care facilities in the community, and expands the Caregivers program for eligible veterans who incurred or aggravated a serious injury in the line of duty before September 11, 2001. Further, the Budget provides essential resources for VA's suicide prevention programs and supports the expansion of key initiatives aimed at advancing VA's National Strategy for Preventing Veteran Suicide.
- ***Modernizes and Improves the Veteran Experience.*** The Budget makes significant investments in VA's information technology (IT) and physical infrastructure, while also providing resources to streamline and modernize veteran compensation appeals processes. The Budget provides \$4.3 billion for essential IT investments that improve the online interface between the veteran and the Department, as well as \$1.6 billion to continue the multi-year modernization into a single, seamless, and integrated Electronic Health Record (EHR) between VA and the Department of Defense (DOD). The Budget requests \$1.6 billion for high priority major and minor construction projects, including more than \$1.2 billion to begin construction of a new hospital in Louisville, KY, complete construction of other ongoing major medical facilities, make critical seismic corrections, and expand VA's national cemeteries. The Budget also provides dedicated resources to continue implementation of the *Veterans Appeals Improvement and Modernization Act of 2017*, creating a new streamlined framework that will provide more options and faster decisions on veteran compensation appeals.
- ***Promotes Efficiency, Transparency, and Accountability.*** The Budget prioritizes investments that generate cost savings and improve the efficiency and effectiveness of VA programs. Targeted investments to IT systems, such as more than \$200 million to support cloud migration and replace aging network infrastructure, will result in savings over time as VA consolidates data centers and reallocates resources to higher priority needs. The Budget promotes fiscal discipline by implementing Federal reorganization proposals that will more effectively and efficiently utilize taxpayer funds, including the consolidation of small business certification programs across Government and transferring ownership of 11 cemeteries from DOD to VA. Further, the Budget allocates resources for VA programs that will improve oversight, accountability, and performance within the Department, including an increase of \$22 million in direct funding for the VA Office of Accountability and Whistleblower Protection (OAWP).