

## Fact Sheet

### Savings and Efficiencies Initiative

The Department of Defense (DoD) is conducting comprehensive changes to ensure that it operates in the most efficient manner possible. The FY 2012-2016 program will reflect an in-depth scrutiny into the DoD processes and organization that support the military mission.

The Secretary is directing a corporate review of critical support policies that affect the entire Department in order to create a more agile, flatter and efficient organization.

This is a reprioritization to enable DoD to use resources to more effectively support and sustain the warfighter. DoD will use those savings to fund personnel in units, force structure, readiness to fight and investment in future capabilities.

Some of these initiatives may be implemented in FY 2010 or 2011. No organization, to include the Office of the Secretary of Defense (OSD), will be excluded from these efforts.

#### Substantive Goals

The Secretary assigned each Military Department and each of the OSD components that oversee the individual agencies and field activities substantive goals for FY 2012-2016. The goals are summarized in the table below (the DoD Topline budget is provided for context):

\$ Billions	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	Total
Individual Military Dept Goal (Army, Navy, Air Force)	2	3	5.3	8	10	28.3
Defense Agency/Field Activity Wide Goal	1	2	3	4	7	17
Combined Goal	7	11	18.9	28	37	101.9
<i>DoD Topline</i>	<i>566</i>	<i>582</i>	<i>598</i>	<i>616</i>	<i>635</i>	<i>2,997</i>

- The goals will be reviewed annually and may change.
- The OSD components may find efficiencies in many areas of the budget to meet those targets, but they must focus on headquarters and administrative functions, support activities and other overhead.
- Initiatives must be specific, actionable, and measurable. Percentage and across-the-board reductions are not acceptable.

- The Military Departments can keep their savings and apply them to critical areas such as personnel in units, force structure, readiness to fight and investment in future capabilities.

Although not assigned specific fiscal targets, Combatant Commands are tasked to provide their ideas for realizing efficiencies in their overhead and support activities. They are specifically asked to focus on arresting and reversing growth in contractor support.

All proposals to meet these assigned goals will be part of the Program / Budget submission due July 30th.