



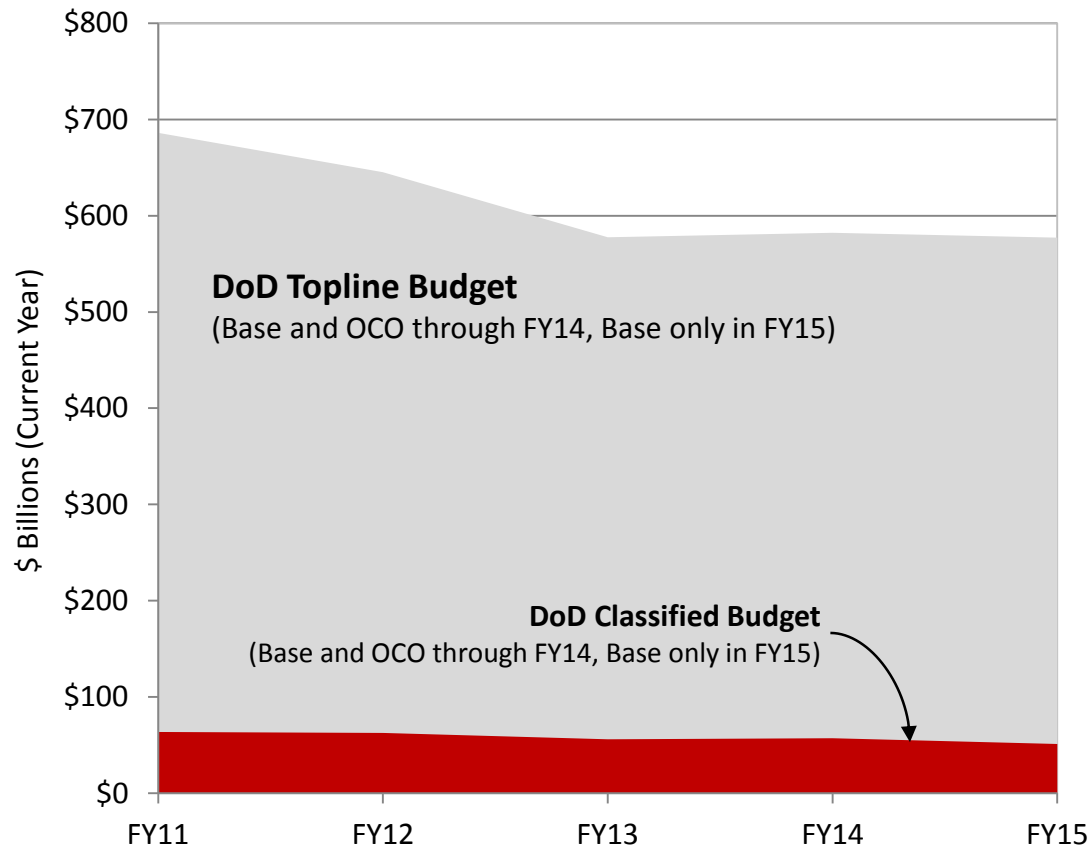
Classified and Intelligence Spending

An unclassified overview of intelligence and classified DoD budgets

27 March 2014

The fiscal year 2015 Department of Defense budget includes about \$51.2 billion in classified funding

Classified Spending as a Portion of Total DoD Budget

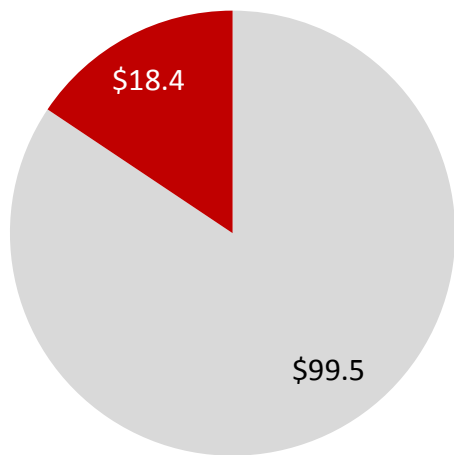


- Classified portion of DoD topline budget has ranged between 8.9% (FY15) and 9.8% (FY14)
- FY15 figures shown here do not include Overseas Contingency Operations (OCO) accounts, which had not been requested as of March 27, 2014
 - This request may boost the share of DoD topline in classified accounts above 8.9%
- Classified spending has declined more slowly than the DoD topline as a whole
 - Topline growth (FY11-14): -5.3%
 - Classified growth (FY11-14): -3.5%

Roughly 9 percent of the DoD budget is classified, but proportions vary by account

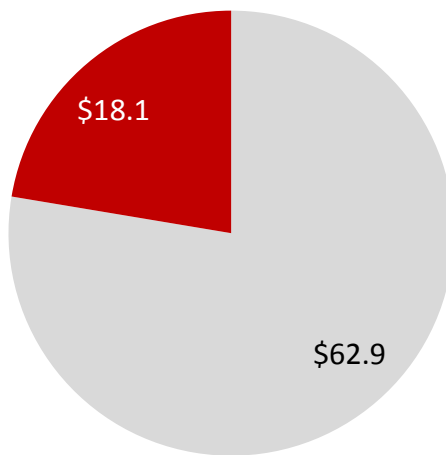
Classified Spending as a Portion of Major DoD Budget Accounts (FY14)

Procurement



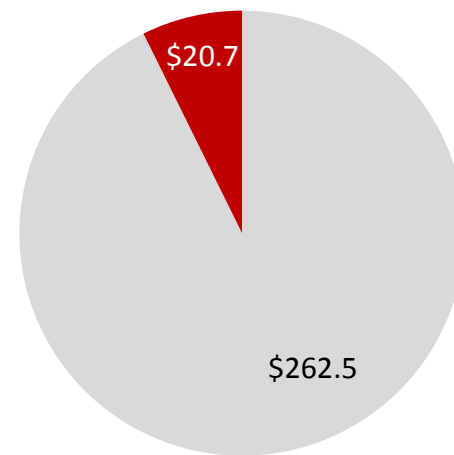
~15.6% classified in FY14

RDT&E



~22.4% classified in FY14

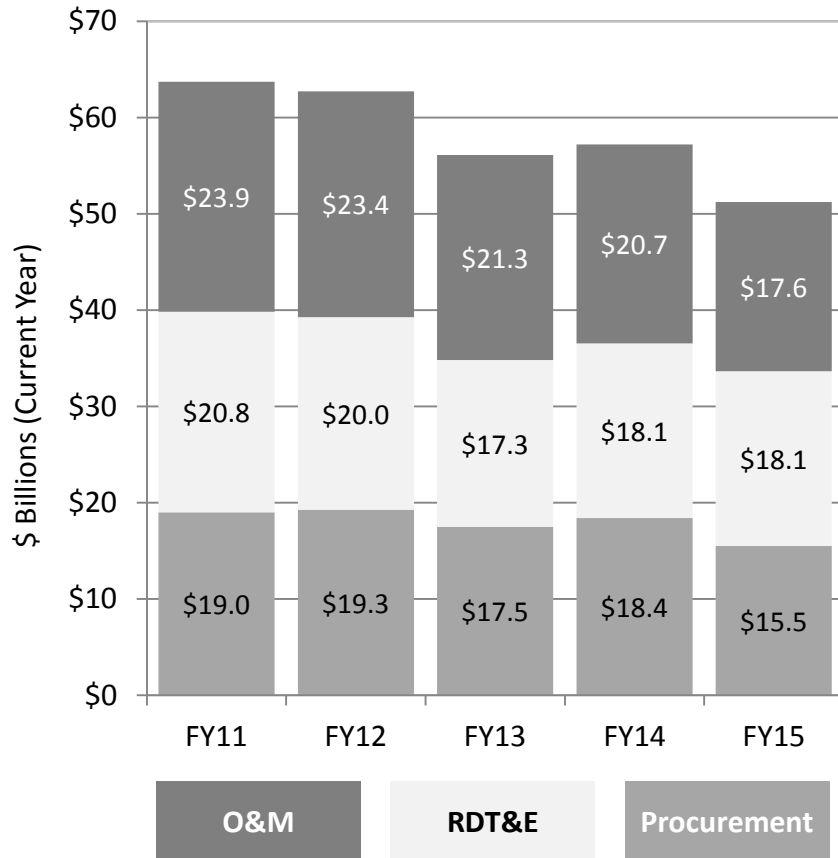
Operations & Maintenance



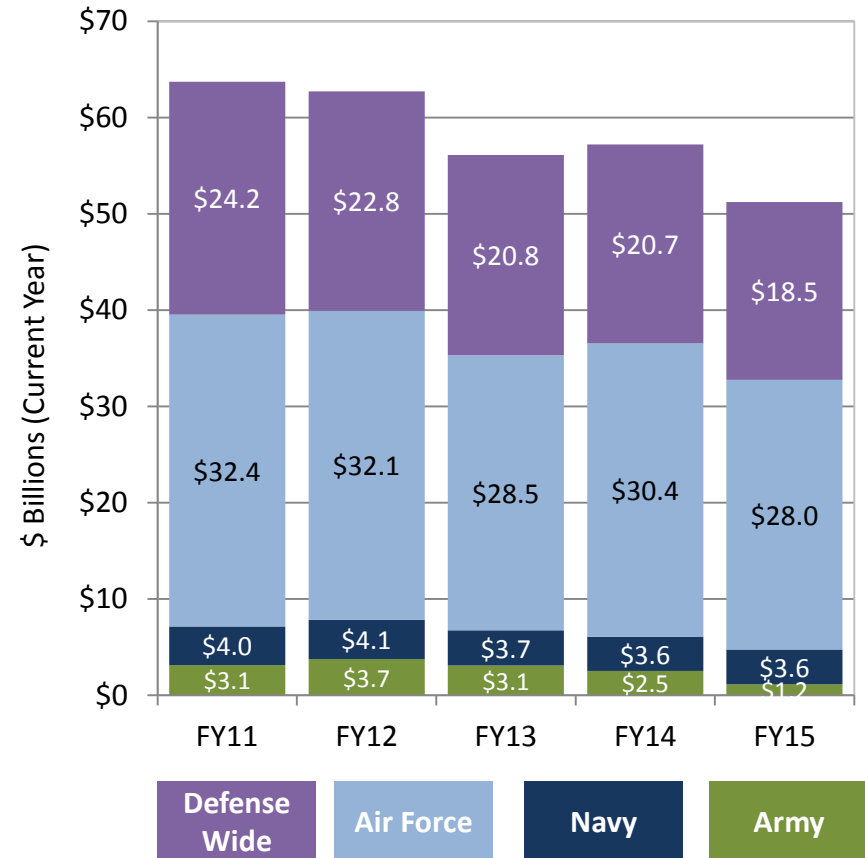
~7.3% classified in FY14

Like the DoD budget as a whole, classified funding has declined across all Services and accounts, but the Army has seen the steepest proportional decline

Classified DoD Budget by Appropriation Title



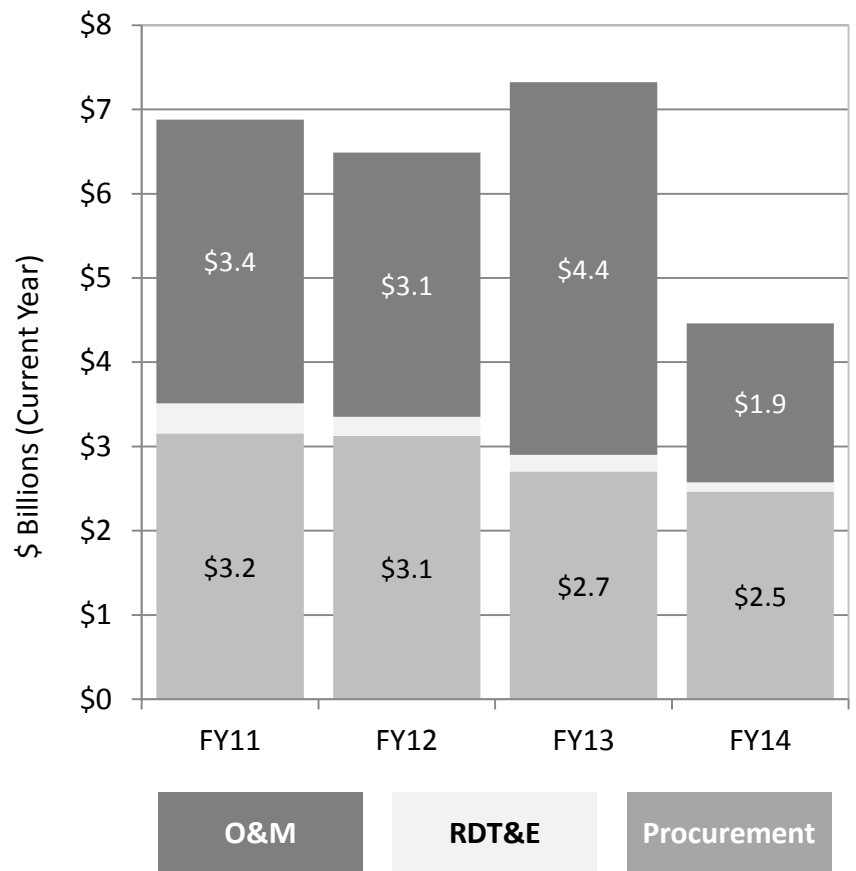
Classified DoD Budget by Service



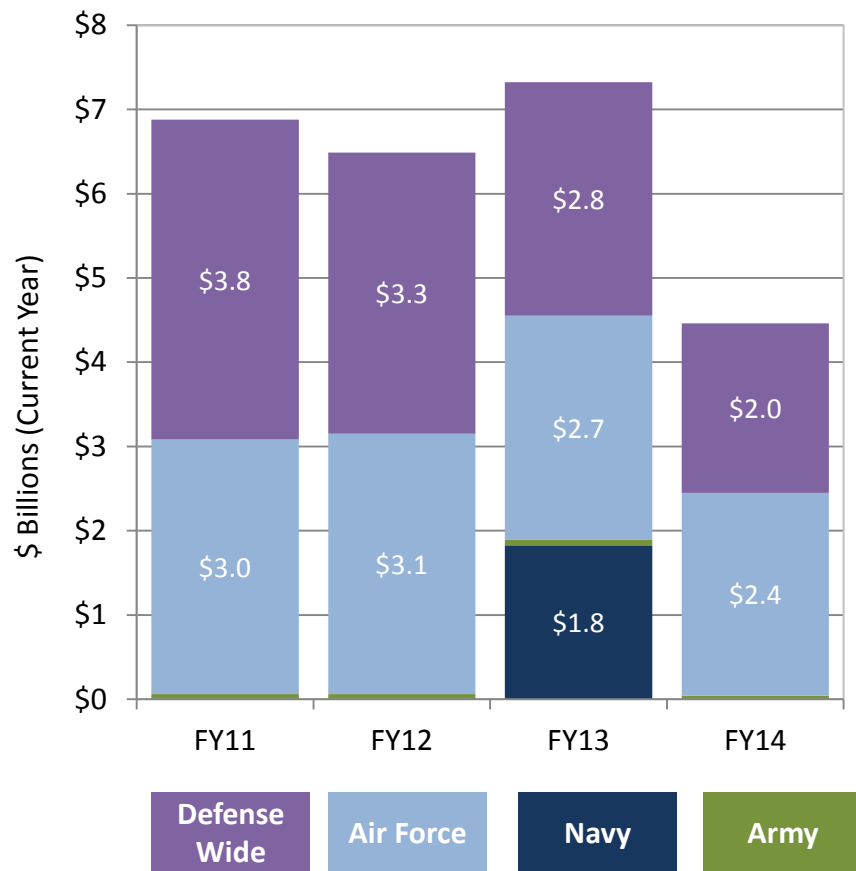
DoD has not yet requested Overseas Contingency Operations funds, which will add to the Classified topline

In prior years, the Department has requested substantial classified funding in the Overseas Contingency Operations (OCO) appropriation

Classified OCO Budget Request by Appropriation Title



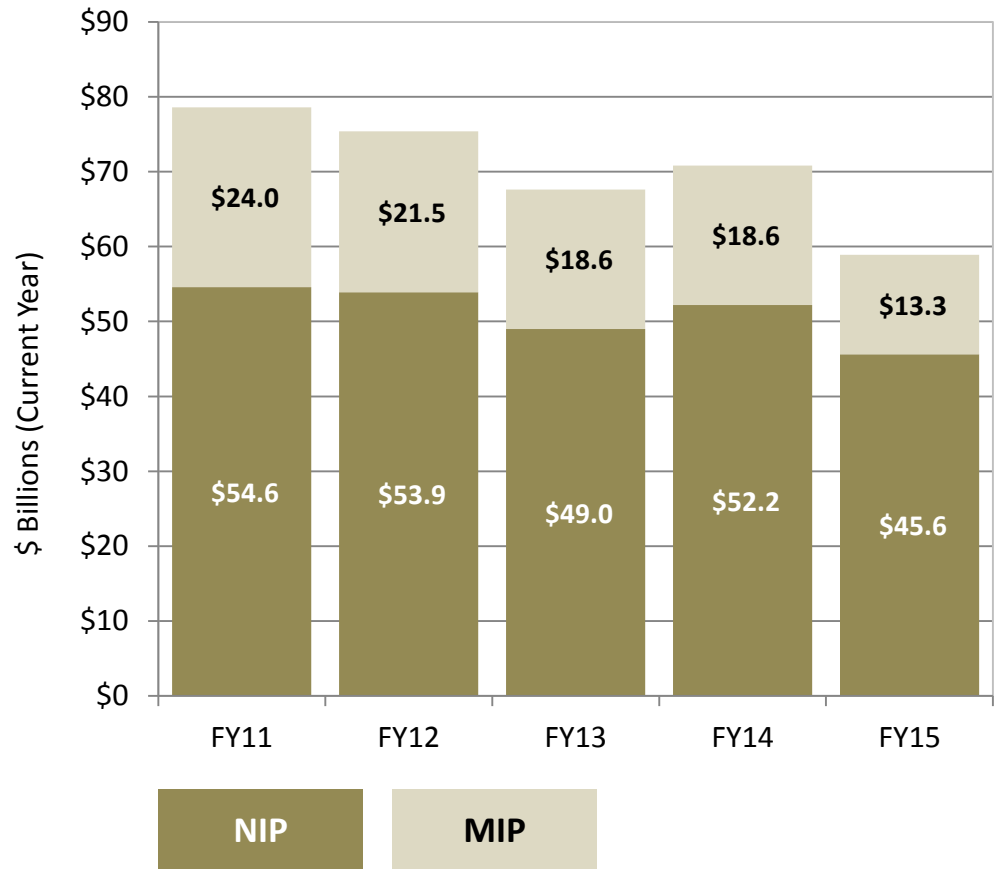
Classified OCO Budget Request by Service



DoD listed \$2.3 billion in additional classified requirements in its FY15 Opportunity, Growth and Security Initiative (OGSI) request

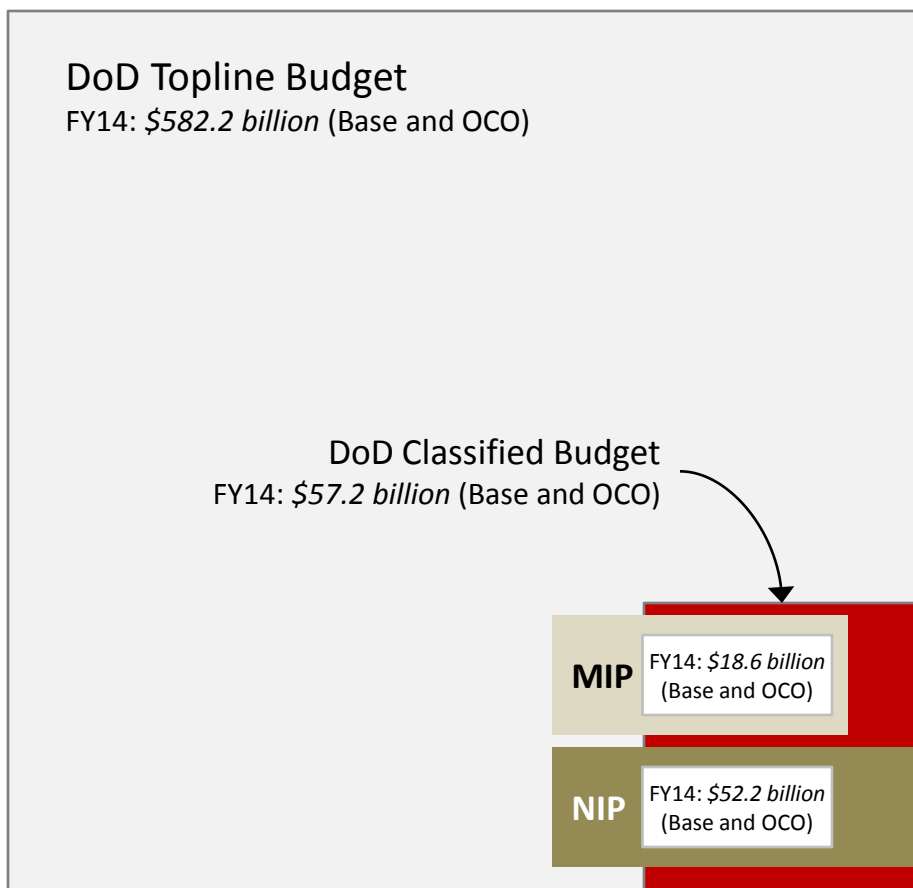
The National Intelligence Program (NIP) and Military Intelligence Program (MIP) have also seen modest decline over the past five years

National Intelligence Program (NIP) and Military Intelligence Program (MIP) Budgets



- Figures for FY15 request do not include Overseas Contingency Operations (OCO) funding, which may be requested in Spring 2014
 - In FY14, OCO provided roughly \$4 billion to both the MIP and NIP (or about 21.5% of the total MIP, and 7.7% of the total NIP)
 - DoD has requested \$2.3 billion for classified activities in the FY15 Opportunity, Growth and Security Initiative, which was submitted to Congress in March 2014; These funds may contribute to NIP and/or MIP activities
- Figures for FY13 were subject to sequester
 - NIP was sequester by about 7%; MIP was sequestered by about 3%

DoD classified spending is closely related to the NIP and MIP budgets, but the categories are not identical



- DoD classified spending is used for a wider array of activities than just intelligence-related programs
- Classified spending contributes to the NIP and the MIP, but those budgets also likely draw funding from other sources
- The MIP draws funding from unclassified DoD sources
- The NIP draws funding from unclassified DoD sources and from the budgets of non-DoD agencies

Figures are not to scale

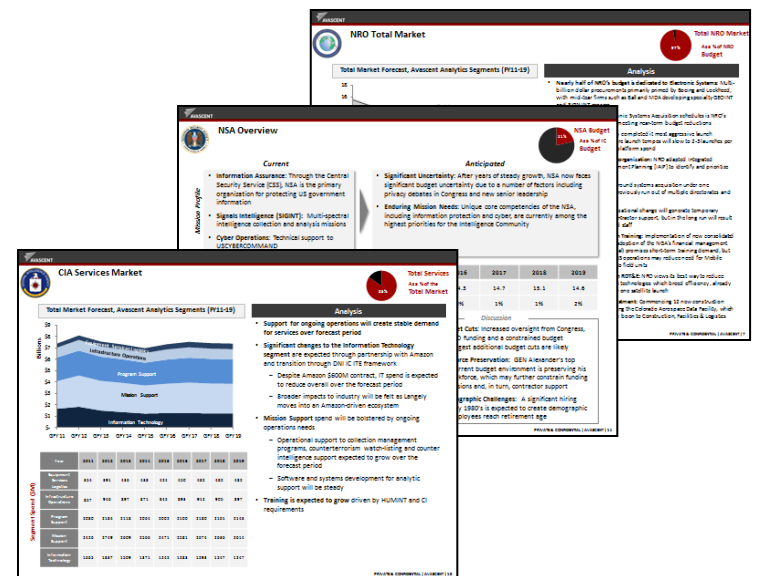
Avascent has developed a comprehensive toolkit for analyzing the budgets and addressable spending in the Intelligence Community

Avascent Analytics Intelligence Community Market Analysis Tools

Interactive Market Forecast



Detailed Agency-by-Agency Assessments



- Estimates of total budget, contracted spend, and composition of addressable spending by agency
- Allows users to mix and match agencies and market segments to estimate their addressable IC market over time
- Unclassified product

- Detailed evaluation of agency trends and dynamics affecting budgets and demand for technology and services
- Evaluates all IC customers, including the major 3-letter agencies, DoD agencies, and civil agencies
- Unclassified product



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