



Appropriations Update: Senate Appropriations Committee Releases FY 2023 Defense Bill

Lewis-Burke Associates LLC – August 3, 2022

On July 28, the Senate Appropriations Committee (SAC) released its fiscal year (FY) 2023 Department of Defense (DOD) appropriations bill. The bill would provide \$792.5 billion in total defense funding, a \$29.5 billion increase over the FY 2022 enacted level and a \$30 billion increase over both the FY 2023 President’s budget request (PBR) and the [FY 2023 House defense appropriations bill](#). The proposed increase in defense funding, compared to the PBR and FY 2023 House bill, reflects the Committee’s commitment to modernizing the U.S. defense strategy, capabilities, and industrial base, particularly to compete with China, as outlined in the [2022 National Defense Strategy](#). The bill would prioritize addressing inflation, continued support for Ukraine in the war with Russia, upgrading infrastructure, space investments, and supply chain and acquisition management, among other initiatives.

The Senate defense appropriations bill would provide \$134.6 billion for **Research, Development, Test, and Evaluation (RDT&E)**, a proposed \$4.5 billion increase over the PBR, a \$2.9 billion increase over the FY 2023 House bill, and a \$15.4 billion increase over the FY 2022 enacted level. The **science and technology (S&T) accounts**, which include basic research (6.1), applied research (6.2), and advanced technology development (6.3) accounts, would also be increased, as compared to FY 2022 enacted levels. This differs from the PBR and FY 2023 House bill, which decreased S&T funding by \$2.4 billion and \$569 million, respectively, as compared to the FY 2022 enacted levels.

Basic research would receive the largest increase of the S&T accounts, a proposed 21.6 percent increase over the FY 2022 enacted level. SAC underscored the importance of basic research investments to “continue to make meaningful advancements in next-generation technologies,” as well as to enable instrumentation upgrades and talent development at national labs and universities. This contrasts with the House and Biden Administration’s prioritization of rapid prototyping and fielding capabilities.

While SAC is supportive of **rapid prototyping programs**, the Committee stated concern that DOD may be using prototyping authorities for operational procurement— rather than procuring the appropriate number of prototypes for testing. The Committee is concerned about downstream effects on acquisition management, transparency, testing, and innovation. In response, the Committee would direct DOD to provide acquisition and test strategies to oversee assumed costs and risks for reach acquisition program along with the FY 2024 President’s budget request. Similarly, the Committee would direct the Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)) to report on the use of Other Transaction Authorities (OTAs), including success rates, to improve transparency and determine efficacy of the contracting mechanism.

Highlights from SAC’s recommended defense RDT&E appropriations include:

- Approximately \$3.8 billion for the **Defense Advanced Research Projects Agency (DARPA)**, which is similar to the FY 2022 enacted level
- \$362.1 million for the **Defense-wide Manufacturing Science & Technology program**, a \$106 million increase from the PBR and \$39.8 million increase from the FY 2023 House bill

- \$92.4 million for **Defense-wide Basic Research Initiatives**, which would include a \$20 million increase for the **Defense Established Program to Stimulate Competitive Research (DEPSCoR)**
- \$58.4 million for the **Strategic Environmental Research and Development Program (SERDP)**, which is level with the PBR, and \$102.6 million for the **Environmental Security Technology, Certification Program (ESTCP)**, which would represent an \$18 million increase above the PBR
- \$72.7 million for the **Defense-wide Manufacturing Technology Program**, a \$26.6 million increase over the PBR and \$13.6 million over the FY 2023 House bill
- \$83.3 million for **Historically Black Colleges and Universities (HBCUs) and Minority Serving Institutions (MSIs)** in unrestricted 6.1 funding, a \$50 million increase above the PBR, but \$17.2 million less than the recommended level in the FY 2023 House bill
- \$100 million increase each for the **Defense University Research Instrumentation Program (DURIP)** within the Army, Navy, Air Force, and Space Force
- \$172.3 million for the **National Defense Education Program**, which would include a \$15 million increase for the manufacturing engineering education program in critical industry areas, a \$15 million increase for the civil societies program, and a \$10 million increase for languages advancement
- \$42.3 million for **cybersecurity research**, which would include a \$10 million increase for the university cyber consortium and a \$10 million increase for academic cyber institutes
- \$99.8 million for activities of the **Chief Data and Artificial Intelligence Officer (CDAO)**, which integrates RDT&E from the now-defunct Joint AI Center, Defense Digital Service, and Chief Data Officer offices
- Consolidation of the Defense Modernization and Prototyping program (formerly the Rapid Reaction Technology Officer) with similar programs for rapid experimentation and prototyping into a new **Defense Innovation Acceleration** account of \$282.2 million and a **Defense Innovation Acceleration Prototyping** account of \$20 million

The Committee would allocate \$200 million for a new **Space Force basic research (6.1) account**, divided equally between space-specific S&T programs for defense sciences research and DURIP. This is notable because the Space Force has not conducted basic research previously, and both the PBR and FY 2023 House bill only provide funding for applied research and advanced technology development. Though the FY 2022 Senate bill recommended \$75 million for Space Force basic research, it was amended to provide funding for applied research in the final omnibus bill. The Committee also noted that capabilities and programs unique to space, including programs in the Air Force Research Lab's Space Vehicles Directorate, are better managed directly by Space Force and would direct the Secretary of the Air Force to include space research programs in the Space Force basic research account in the FY 2024 PBR.

The bill would provide approximately \$2 billion for **Defense Health Program RDT&E**. Maintaining historical precedent, the Senate bill would fund the Peer Reviewed Medical Research Program (PRMRP) within the Congressionally Directed Medical Research Program (CDMRP). The FY 2023 bill recommends \$370 million for PRMRP and no less than \$954 million for CDMRP.

In addition to RDT&E accounts, the bill would include these relevant adds **to Operations and Maintenance (O&M) and Procurement**:

- \$431.5 million for the **Defense Logistics Agency (DLA)**, which would be a \$2.5 million increase to the PBR and \$27.5 million greater than the FY 2023 House bill

- \$756.3 million for the **Space Development Agency (SDA)**, a \$242 million increase over the FY 2023 House bill and a \$442 million increase over the PBR, to support two additional launches of Earth orbit missile warning and tracking satellites
- \$50 million increase compared to the PBR for the **Defense Manufacturing Community Support Program**
- Various adjustments for 2022 inflation rates in utilities, supplies, materials, and other costs. Funding for these adjustments returns buying power to DOD acquisition after historic inflation increases in 2022, but they are not included in any RDT&E account

Sources and Additional Information:

- The draft bill text is available at:
<https://www.appropriations.senate.gov/imo/media/doc/DEFFY2023.PDF>
- The Committee report is available at:
<https://www.appropriations.senate.gov/imo/media/doc/DEFFY23RPT.pdf>
- A short summary of the bill provided by the Committee is available at:
<https://www.appropriations.senate.gov/imo/media/doc/Defense%20FY%2023%20Summary.pdf>

Department of Defense

*As reported by the Senate Appropriations Committee on July 28, 2022
(in thousands of \$)*

	FY 2022 Enacted	FY 2023 Request*	FY 2023 House	FY 2023 Senate	Senate vs. FY 2022 Enacted	Senate vs. FY 2023 Request	FY 2023 Senate vs. House
RDT&E, total	119,211,192	130,097,410	131,667,180	134,625,494	15,414,302 (12.9%)	4,528,084 (3.5%)	2,958,314 (2.2%)
S&T, Total	18,892,284	16,454,676	18,323,986	20,531,821	1,639,537 (8.7%)	4,077,145 (24.8%)	2,207,835 (12.0%)
6.1, Total	2,763,498	2,375,872	2,598,784	3,361,372	597,874 (21.6%)	985,500 (41.5%)	762,588 (29.3%)
6.2, Total	6,908,213	5,791,097	6,566,681	7,001,133	92,920 (1.3%)	1,210,036 (20.9%)	434,452 (6.6%)
6.3, Total	9,220,573	8,287,707	9,158,521	10,169,316	948,743 (10.3%)	1,881,609 (22.7%)	1,010,795 (11.0%)
Army RDT&E	14,539,417	13,710,273	15,004,405	15,496,166	956,749 (6.6%)	1,785,893 (13.0%)	491,761 (3.3%)
Army 6.1	609,725	466,823	536,123	695,223	85,498 (14.0%)	228,400 (48.9%)	159,100 (29.7%)
Army 6.2	1,531,255	883,759	1,252,091	1,419,925	-111,330 (7.3%)	536,166 (60.7%)	167,834 (13.4%)
Army 6.3	2,191,638	1,392,065	1,828,313	2,033,515	-158,123 (7.2%)	641,450 (46.1%)	205,202 (11.2%)
Navy RDT&E	22,139,080	24,078,718	25,142,077	24,445,418	2,306,338 (10.4%)	366,700 (1.5%)	-696,659 (2.8%)
Navy 6.1	698,319	589,192	636,492	806,792	108,473 (15.5%)	217,600 (36.9%)	170,300 (26.8%)
Navy 6.2	1,283,233	971,814	1,181,814	1,335,714	52,481 (4.1%)	363,900 (37.4%)	153,900 (13.0%)
Navy 6.3	972,196	865,755	1,040,787	1,122,490	150,294 (15.5%)	256,735 (29.7%)	81,703 (7.9%)
Air Force RDT&E	41,592,913	44,134,301	43,173,883	43,717,011	2,124,098 (5.1%)	-417,290 (0.9%)	543,128 (1.3%)
Air Force 6.1	540,706	546,517	552,317	751,517	210,811 (39.0%)	205,000 (37.5%)	199,200 (36.1%)
Air Force 6.2	1,585,571	1,305,787	1,480,911	1,573,542	-12,029 (0.8%)	267,755 (20.5%)	92,631 (6.3%)

Air Force 6.3	968,538	827,271	912,753	877,638	-90,900 (9.4%)	50,367 (6.1%)	-35,115 (3.8%)
Space Force RDTE	11,597,405	15,819,372	15,461,468	16,528,488	4,931,083 (42.5%)	709,116 (4.5%)	1,067,020 (6.9%)
Space Force 6.1	--	--	--	200,000	--	--	--
Space Force 6.2	286,505	243,737	286,492	340,201	53,696 (18.7%)	96,464 (39.6%)	53,709 (18.7%)
Space Force 6.3	288,584	564,215	580,988	606,040	317,456 (110.0%)	41,825 (7.4%)	25,052 (4.3%)
Defense Wide RDT&E	29,065,786	32,077,552	32,608,153	33,836,217	4,770,431 (16.4%)	1,758,665 (5.5%)	1,228,064 (3.8%)
Defense Wide 6.1	914,748	773,340	873,852	907,840	-6,908 (0.8%)	134,500 (17.4%)	33,988 (3.9%)
Defense Wide 6.2	2,221,649	2,386,000	2,365,373	2,331,751	110,102 (5.0%)	-54,249 (2.3%)	-33,622 (1.4%)
Defense Wide 6.3	4,799,617	4,638,401	4,795,680	5,529,633	730,016 (15.2%)	891,232 (19.2%)	733,953 (15.3%)
Defense Health R&D	2,633,488	1,047,350	2,341,015	2,001,650	-631,838 (24.0%)	954,300 (91.1%)	-339,365 (14.5%)

*FY 2023 President's budget request, as [reported by DOD](#) in April 2022.