



CHAIRMAN

OFFICE OF THE SECRETARY OF DEFENSE
RESERVE FORCES POLICY BOARD

5113 Leesburg Pike, Suite 601
FALLS CHURCH, VA 22041

ACTION MEMO

August 16, 2019

FOR: DEPUTY SECRETARY OF DEFENSE

FROM: MajGen Arnold L. Punaro, USMCR (Ret), Chairman, Reserve Forces Policy Board

SUBJECT: Reserve Forces Policy Board (RFPB) Proposed Implementation of Specific National Guard and Reserve Budget Line Item Numbers (BLIN) in the President's Budget Request.

- Request your approval of the RFPB's June 5, 2019 recommendation to implement specific Reserve Component (RC) BLINs in the President's Budget Request. The recommendation follows.
- **Recommendation: Implement Reserve Component (RC) Budget Line Item Numbers (BLIN) that are mutually exclusive from Active Component (AC) BLINs in the Department of Defense President's Budget Request. RC BLINs are designed to achieve full transparency and auditability of procurement funding, along with the oversight required by Congress. The Chief, National Guard Bureau has stated he will not be able to definitively certify the procurement or receipt of expected items for which funds were appropriated until specific RC BLINs, or something similar, is put in place. The RFPB recognizes that any resolution must fulfill congressional desire for increased transparency and auditability, while maintaining the Military Services' flexibility to address changing priorities.**
- With my approval of this recommendation, the Undersecretary of Defense, Comptroller will take the actions necessary to execute implementation of specific RC BLINs beginning with the Fiscal Year (FY) 2021 President's Budget Request. In coordination with USD (Comptroller), USD (Personnel and Readiness) will update DoD Instruction 1225.06, "Equipping the Reserve Forces."

TAB A includes background on the subject.

RECOMMENDATION: Approve the implementation of RC BLINs starting with the FY 2021 President's Budget Request.

Approve _____ Disapprove _____ Other _____

Attachment:
As stated

Prepared by: Col Darren Paladino, (703) 681-0642



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SUBJECT: Reserve Forces Policy Board (RFPB) Proposed Implementation of Specific National Guard and Reserve Budget Line Item Numbers (RC BLIN) in the President's Budget Request.

- The RFPB is a federal advisory committee established to provide you with independent advice and recommendations on strategies, policies and practices designed to improve and enhance the capabilities, efficiency, and effectiveness of the reserve components.
- The RFPB Staff was invited to attend the RC and Service Equipment Management Briefings to the Assistant Secretary of Defense (ASD (Readiness)) in October and November, 2018.
- The RFPB requested representatives from ASD (Readiness) to present information on equipment transparency and the impact on the Reserve Components. This included a review of the findings of the Undersecretary of Defense (Personnel and Readiness), "Report to Congress on Reserve Component Equipment Transparency" and updates on transparency reform. The report concluded that a Budget Line Item solution, imbedded within the President's Budget (PRESBUD) (P-1), was the best course of action for achieving equipment transparency of RC programming, budgeting, formulation, execution, and tracking of delivery of procurement items to RC units.
- The RFPB requested a follow-up briefing to update them on the implementation of RC BLINs and further clarify the impact of the lack of funding transparency on equipment readiness and interoperability.
- The RFPB considered the following support documentation to determine the findings and recommendations enclosed in this memorandum.
 - Foreword to FY 2020 National Guard and Reserve Equipment Report (NGRER).
 - Undersecretary of Defense (Personnel and Readiness), "Report to Congress on Reserve Component Equipment Transparency."
 - CNGB Certification and Statement of Accuracy.
 - CNGB Joint Parity Assessment.

Findings:

1. Lack of transparency in the equipping process has led to disparity in funding and investment in the RCs and resulted in the unsatisfactory outcome that the RCs are often reliant upon overused and outdated equipment, subject to a widening capability gap with the AC, and unable to maintain pace with rapid technological change.

2. Creating specific Guard & Reserve Budget Line Item Numbers provides the desired transparency over RC equipment funding, while retaining Service flexibility within the prescribed reprogramming thresholds.
3. Increased transparency through RC BLIN implementation would provide advanced audit readiness resulting from the establishment of exhibits that are subject to review and enable oversight and traceability of funds. RC BLIN implementation reflects the Department's commitment to improving budget discipline and effective resource management and streamlining requirements and acquisition processes.
4. DoD reported in 2017 that it would proceed with implementing RC BLINs in future PRESBUD requests (P-1). However, the Department subsequently determined that RC BLINs would not be included in the FY 2020 PRESBUD request.

Recommendations:

1. Implement of RC-specific BLINs beginning with the Fiscal Year 2021 President's Budget Request.
2. Designated RC BLINs should be coordinated with RCs and focus on high priority items, mission essential equipment, and congressional items of interest.

COORDINATION: NONE

Attachment: NONE

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