

FY 2014 Federal Budget Request: Challenges and Opportunities

Report Background and Summary

Deltek's **FY 2014 Federal Budget Request: Challenges and Opportunities** analyzes the spending priorities, policy plans and information technology trends and initiatives in the FY 2014 budget request. The Obama Administration is requesting \$3.8 trillion for FY 2014. The report examines patterns in the \$1.2 trillion discretionary budget, as well as the \$82 billion information technology budget, including market trends and drivers.

Report Abstract

Each new federal budget request reveals new and evolving policy and program priorities, as well as possible course changes for the up-coming fiscal year. Although some multi-year programs will be familiar, an administration often uses the new budget request to make the case for new proposals or greater investment in on-going initiatives. In addition, any number of current and growing challenges is often reflected in how departments plan to spend their funds. As expected under the current fiscal pressures, agency budgets are trending downward. However, there are still areas that emerge as priorities in the 2014 budget.

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- Aerospace and Defense
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- Equipment
- Consumable Supplies and Materials
- Operations and Maintenance Services
- Telecom Services
- Medical Services
- Architecture, Engineering and Construction

Key Findings

As the federal government strives to reduce the deficit and decrease spending, finding contracting areas of opportunity becomes increasingly difficult. This report dives into agency budgets across numerous segments to identify areas of potential opportunity. This year's budget report combines the analysis of previous years' budget assessment reports along with Deltek's former Federal Outlook Report, resulting in an in-depth analysis of the FY 2014 budget.

Report Overview

Deltek's **FY 2014 Federal Budget Request: Challenges and Opportunities** report analyzes the trends and spending forecast of federal agencies for FY 2014.

Deliverables include:

- 158 - slide PowerPoint® Module 1
- 84 - slide PowerPoint® Module 2
- 48 – slide PowerPoint® Executive Summary
- Excel® Workbook with Chart Data

Purchase this report at
www.GovWin.com/FedBudget14

Deltek draws upon its extensive knowledge of the government marketplace to analyze federal spending plans for the next fiscal year. Key drivers currently at play across the government include:

- The FY 2014 budget request does not include sequestration; the administration proposes an alternative scenario for deficit reduction.
- The request provides insight into the administration's priorities; however the eventual enacted budget is somewhat of a wildcard. Don't expect appropriations to conclude prior to Oct. 1 (Continuing Resolution(s)).
- Debate around the debt ceiling in the summer of 2013 will impact budgetary compromises. Although final FY 2014 dollars are yet to be determined, the request signals areas that agencies are more likely to protect in a constrained budget environment.
- Agencies are reevaluating program priorities to adjust to new budget realities. The negative impact of previous mandates to cut services spending is evident.
- The total IT budget request is 2% higher than FY 2012, with priorities largely the same as the past 2 years.

Critical Insight for Vendors

This report provides companies and other interested parties with a detailed view of upcoming fiscal year federal spending plans and is designed to enhance a firm's business development planning with relevant strategic and tactical analysis. This report provides insight into:

- The top priorities for the Obama Administration in fiscal year 2014
- Analysis of agency discretionary and IT budgets, and amounts available to contractors in various industry segments
- The federal initiatives driving information technology investment and acquisition
- The mix of departmental technology budget Development, Enhancement and Modernization (DME) spending verses Steady State (SS) funding
- Agency budget priorities, programs and trends

Report Structure

Deltek's report ***FY 2014 Federal Budget Request: Challenges and Opportunities*** is delivered in PowerPoint format. In addition, the report package includes an accompanying Excel workbook with the supporting data for budget analysis.

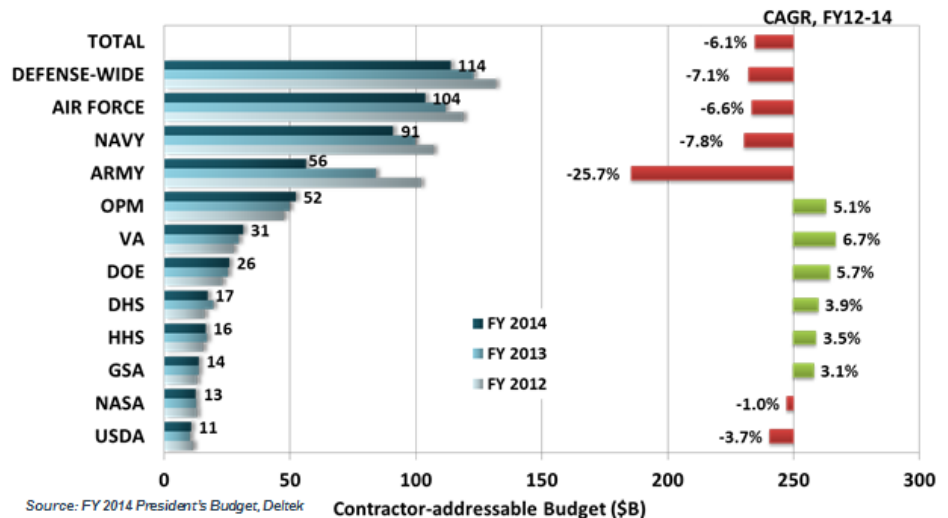
- Module 1 (Powerpoint®)– Discretionary and IT Budget Analyses
- Module 2 (Powerpoint®)– Other Markets
- Executive Summary (Powerpoint®) – Summary slide deck with budget highlights and key findings from Modules 1 and 2
- Workbook of Budget Data Analysis (Excel®)

Modules 1 and 2 are also available separately for purchase.

Sample Slides

Slide #1: Deltek's analysis of the FY2014 budget to identify contractor addressable dollars by agency.

FY2014 Budget Request – Contractor-Addressable*



*This differs from discretionary budget in that it includes some mandatory budget but is focused only on contractor addressable dollars.

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Federal Industry Report

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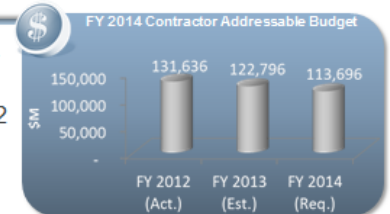
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Slide #2: Module 1 of the report profiles the discretionary and IT budget requests of the top 24 departments and agencies.

Discretionary Budget Observations Defense(OSD)

Budget Highlights

- Provides \$526.6B in discretionary funding for the baseline total Department of Defense budget; a decrease of 0.6% from the FY 2012 budget of \$530B, and decrease of 0.9%, or \$900M, from the FY 2013 enacted level.
- The Defense-wide (OSD) baseline of \$96.7B represents a \$200M decrease from the FY 2013 enacted level. The budgets of the services branches show greater changes.
- DoD's FY 2014 budget request does not account for Sequestration. These cuts have the potential to reduce the FY 2014 DoD budget by an additional \$41B overall.
- The FY 2014 budget focuses on restructuring the civilian workforce, reducing infrastructure, rebalancing DoD strategy, and providing for soldiers and their families.



Source: FY 2014 President's Budget, Deltek

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About Federal Industry Analysis (FIA)



FY 2014 Federal Budget Request: Challenges and Opportunities is published by Deltek's Federal Industry Analysis team. Its principal and senior analysts harness Deltek's wealth of data, interviews with government and industry decision makers, and other strategic resources to provide a comprehensive view of the federal IT marketplace and the trends, drivers, priorities, budgets and legislative issues influencing it. With a top-down perspective on all of Deltek's information and analysis capabilities and resources, FIA is able to provide broad, long-range strategic insight on the federal contracting industry and its various sectors that focus on technology.

Deltek's analysis focuses on market trends and drivers, policy/legislation impact, agency budgets and priorities, market sizing, the competitor landscape and market forecasts. Our goal is to help your company achieve its peak potential by preparing you for future market trends.

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