

Defense Budget Composition and Internal Pressures

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Overview of Talk

- Composition of the Department of Defense budget
 - By appropriation title
 - By major force program
 - By military department
- Internal pressures on future budgets for national defense
 - Rising costs of personnel and of operation and maintenance (O&M)
 - Rising costs of equipment
 - Over-programming in the current defense plan

National Defense Budget

Budget Authority in Billions of Current Dollars

Budget Function	FY 10	FY 11 request
051 Department of Defense non-war	534	553
war	163	159
053 DOE Atomic Energy	18	19
054 Other Departments' Defense-Related	7	8
050 Total National Defense	722	739

DOD FY 2011 Budget Request by Appropriation Title

(Excludes FY 2011 War Costs)

Current Dollars in Billions	TOA	BA	Outlays
Military Personnel	139	144	144
Operation & Maintenance	200	201	227
Procurement	113	113	131
RDT&E	76	76	78
Military Construction	17	17	23
Family Housing	2	2	3
Revolving & Mgt Funds	2	2	3
Trust & Other		-2	-2
Total	549	553	602

DoD Base Budgets FY 2010 and FY 2011

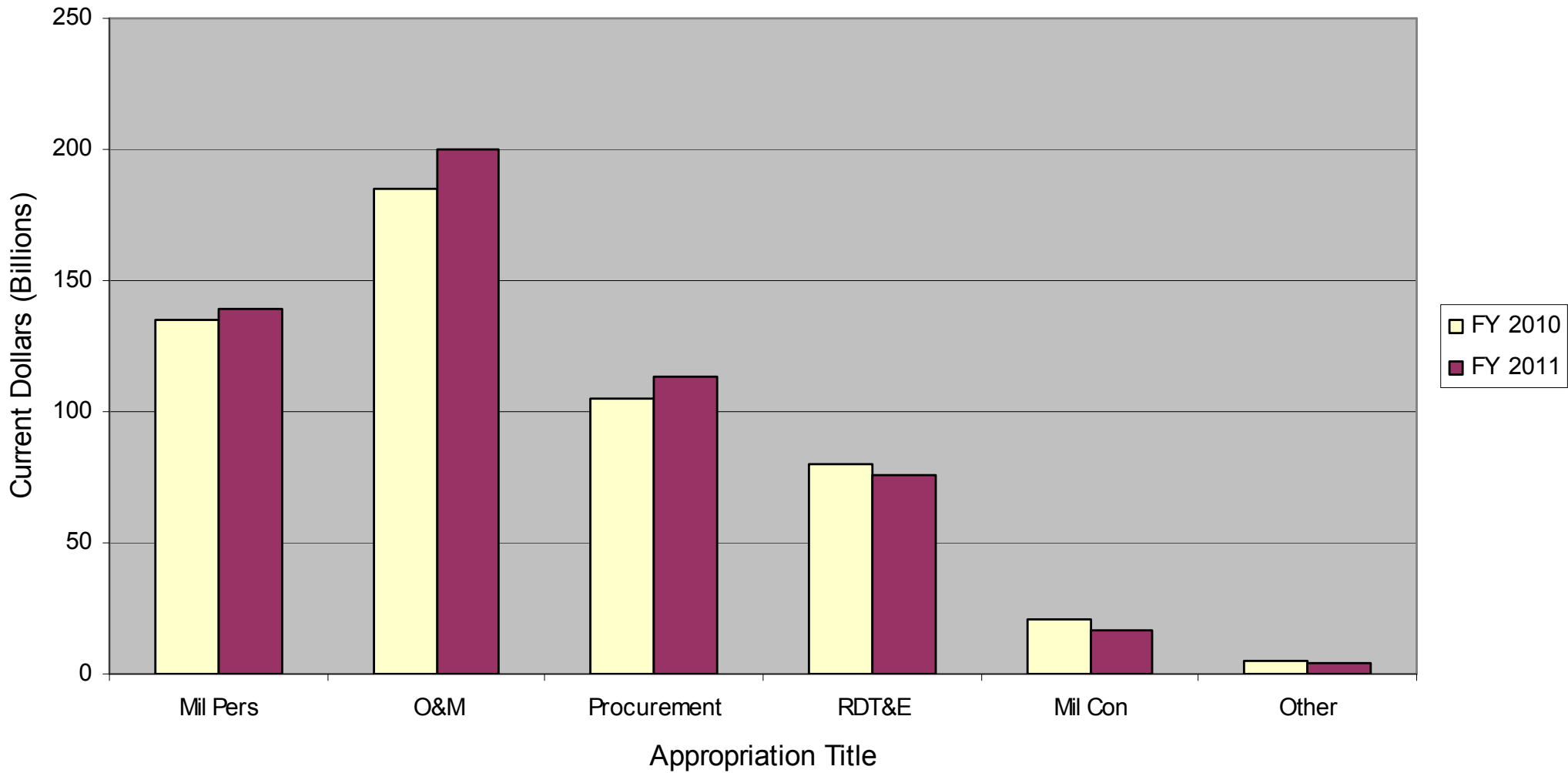
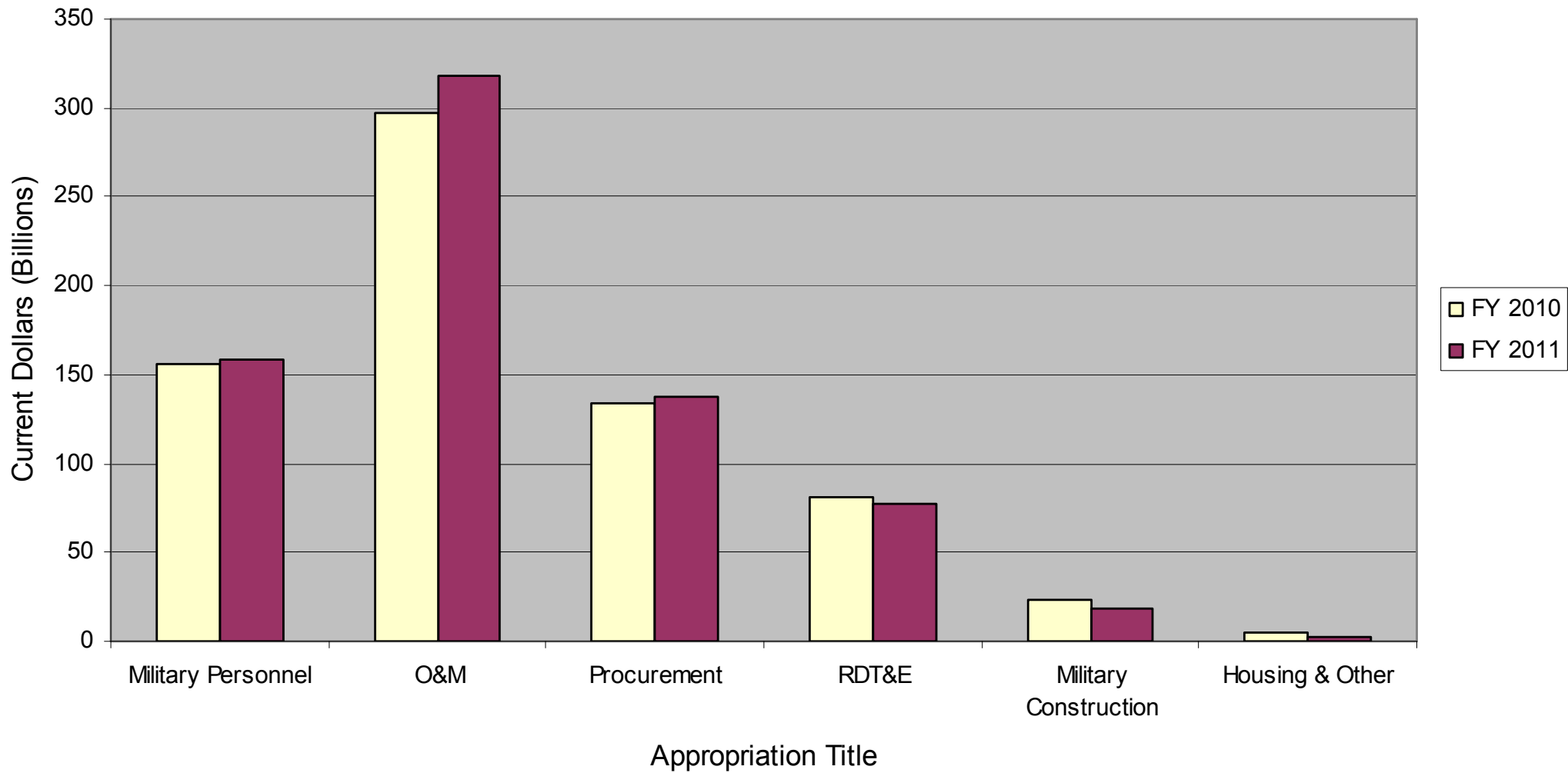
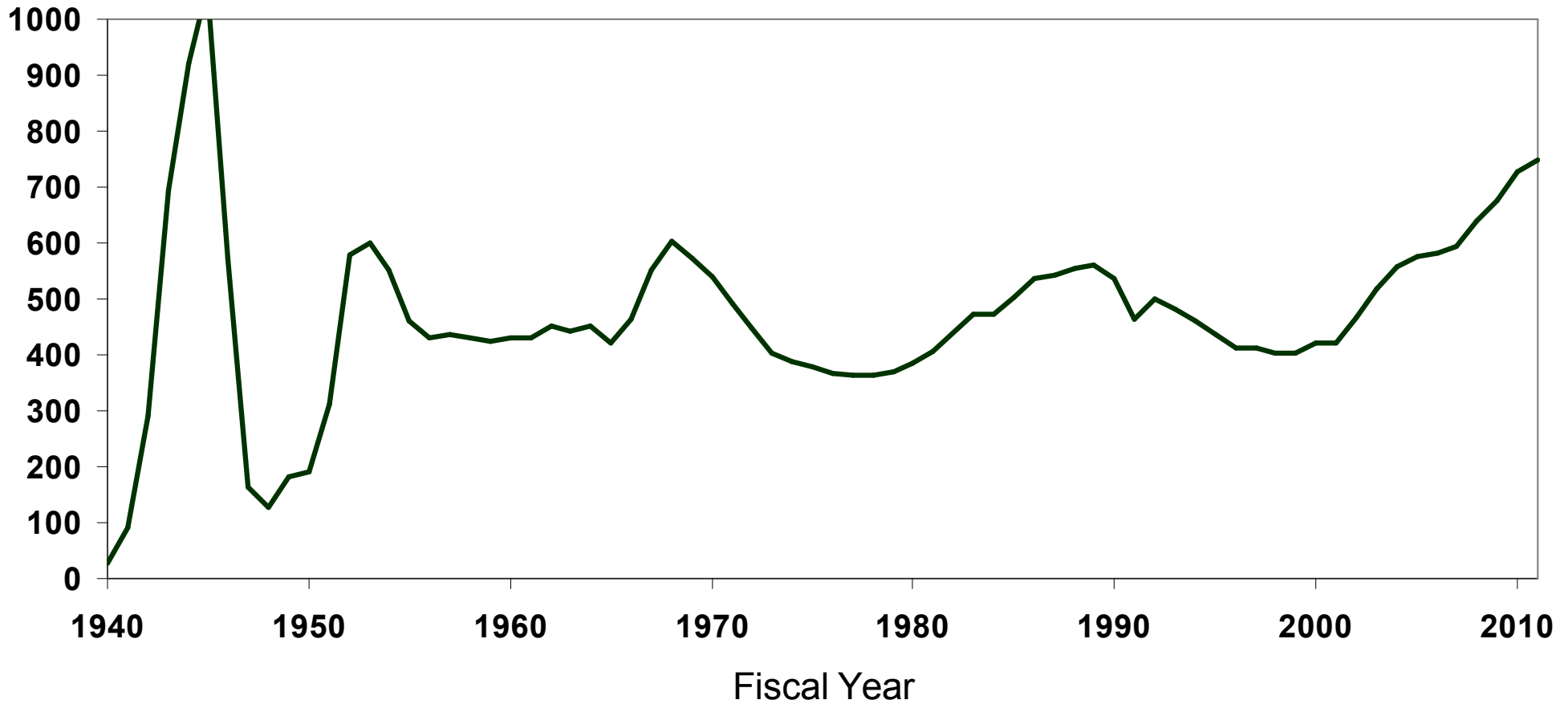


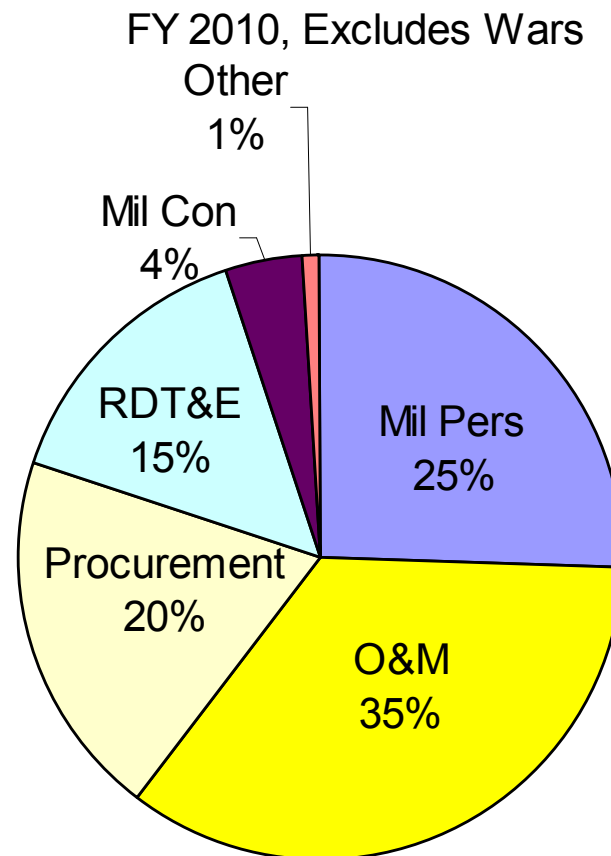
Figure 2. DoD Total Budgets FY 2010 and FY 2011



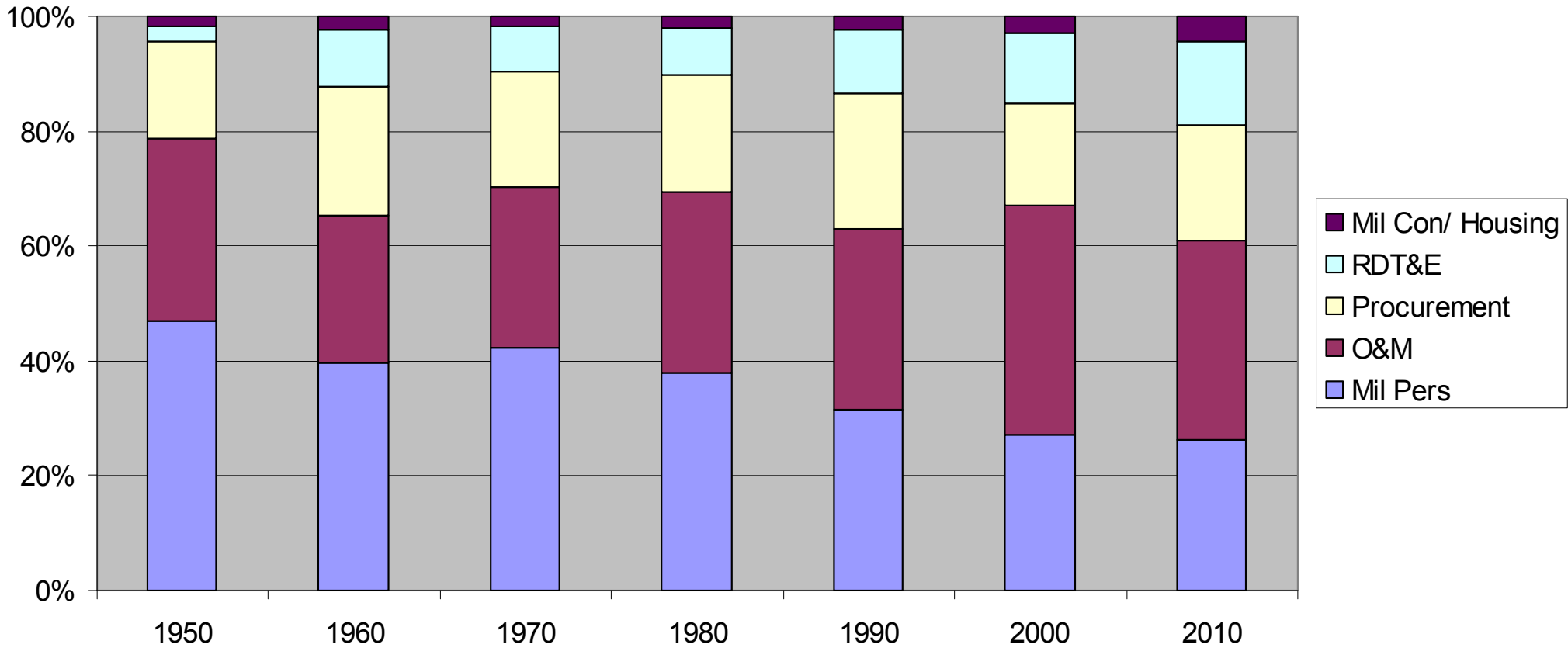
U.S. Outlays for National Defense (Billions of Constant FY 2011 Dollars)



DoD Budget Authority by Appropriation



DOD BA by Title



DOD budget by program

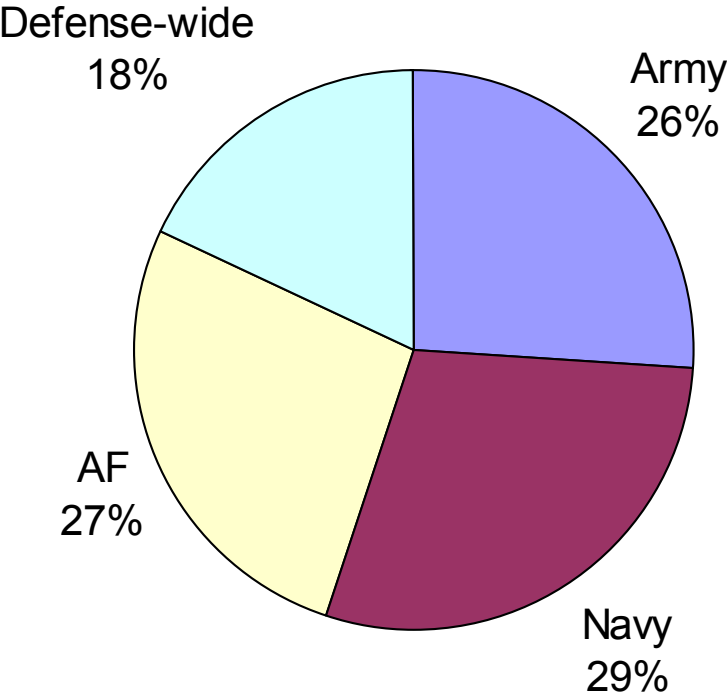
FY 2011 TOA

Billions of Dollars

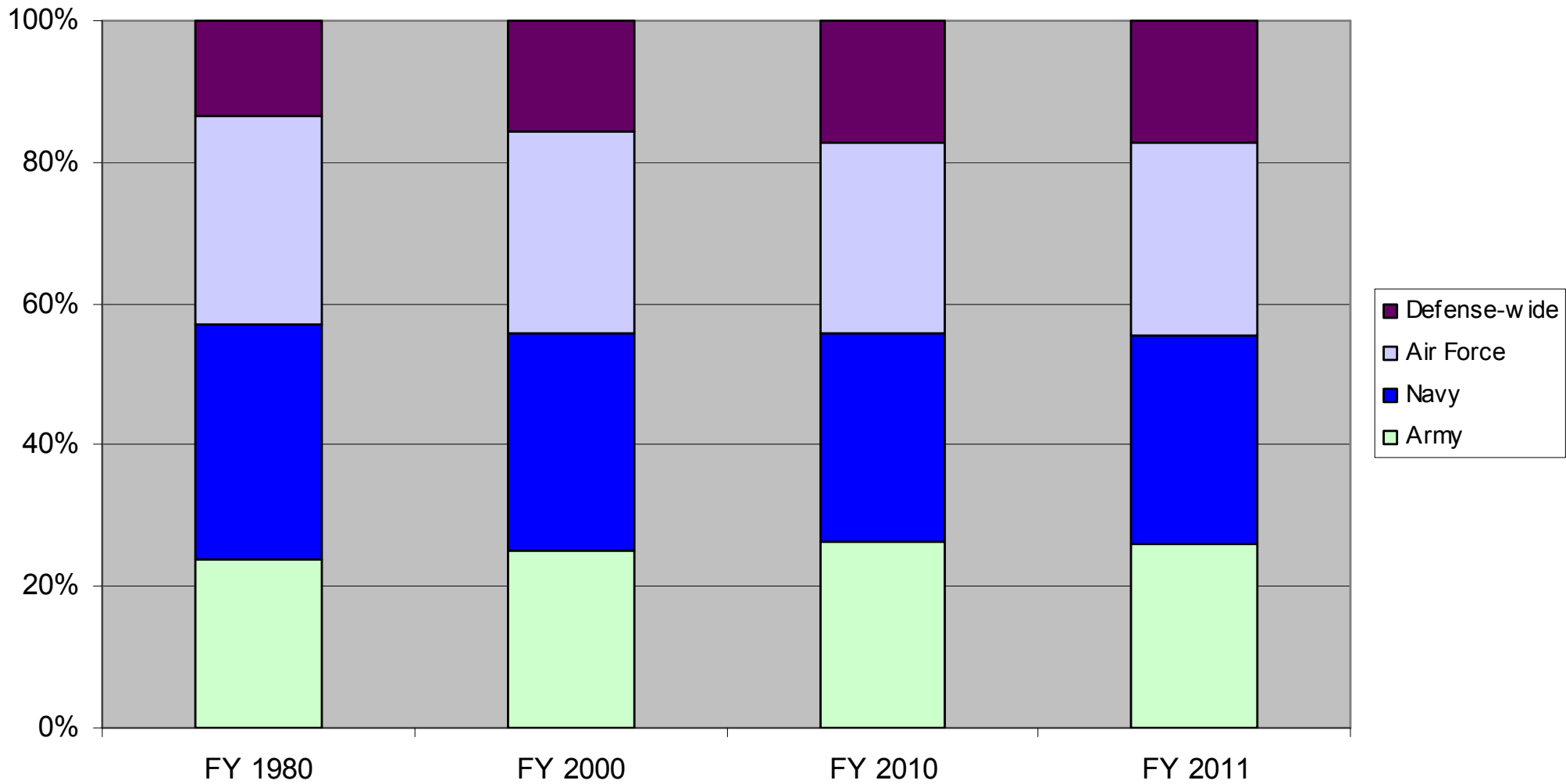
Strategic Forces	11
General Purpose Forces	214
C3, Intelligence, and Space	84
Mobility Forces	13
Guard and Reserve Forces	41
Research and Development	48
Central Supply and Management	24
Training, Medical and Other	84
Administration & Associated	17
Support of Other Nations	2
Special Operations Forces	10
Total	549
C3: Command, Control, and Communications	

DoD Budget Authority by Service

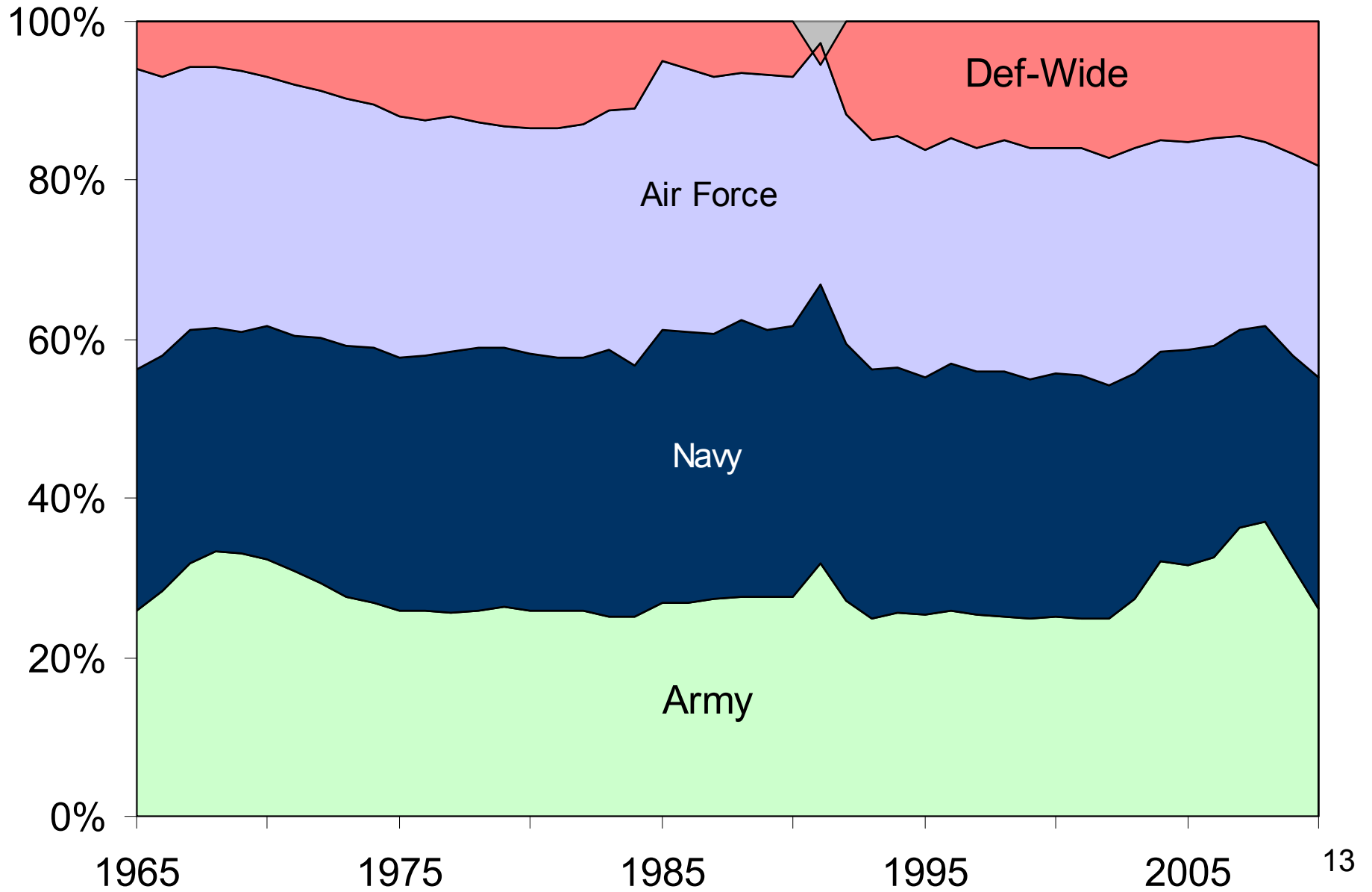
FY 2010 Budget Request, Excludes Wars



Component Shares of DoD Base Budget



Defense Department Budget Authority by Department



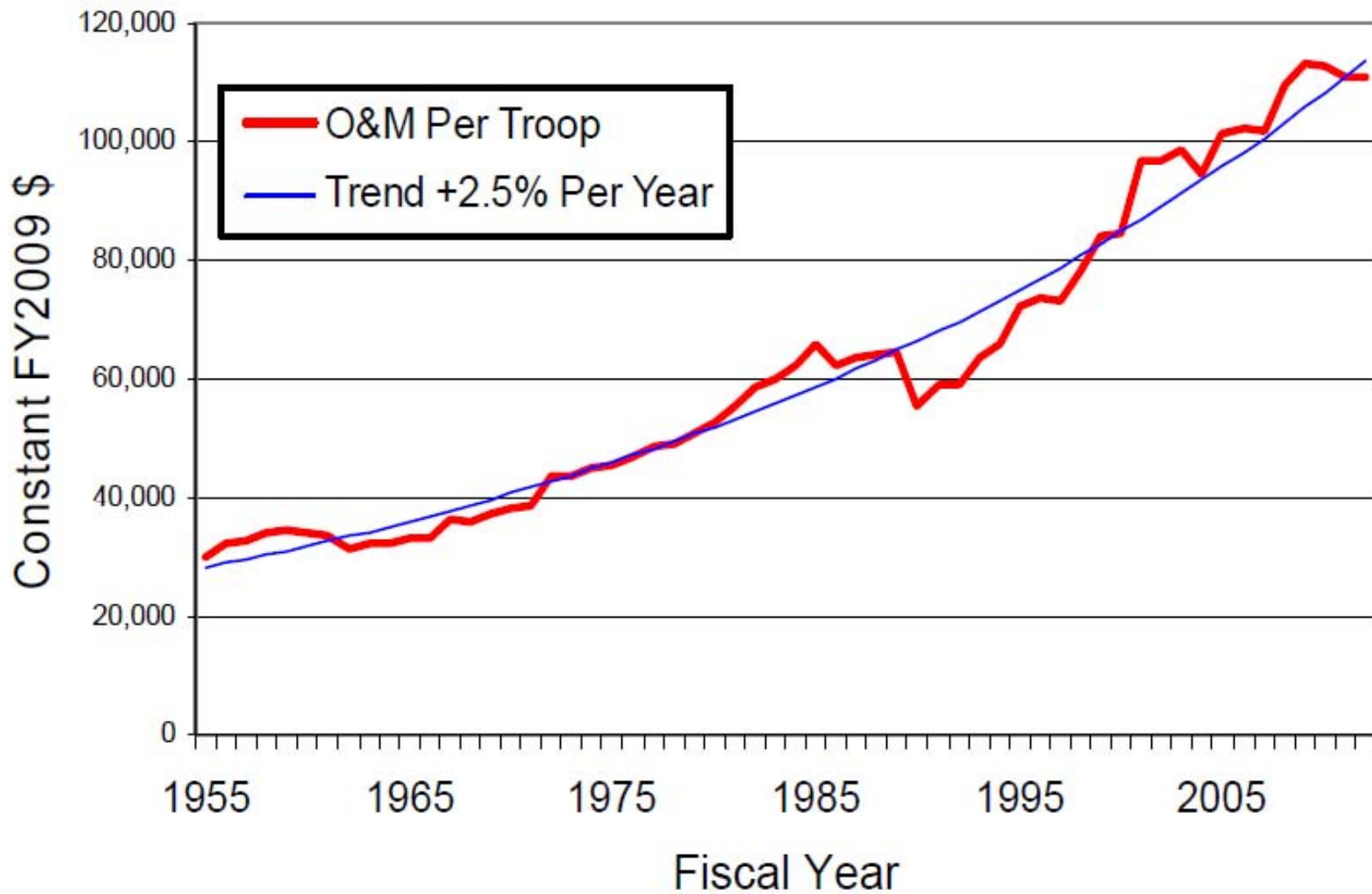
Military department shares of the budget
that goes to the services
(percent)

	Cold war average share (1965 to 1989)	Non-war 2010 share
Army	30	32
Navy	35	35
Air Force	35	33

Defense faces cost pressure from the inside

- Future costs of wars
- Military & civilian pay raises above inflation
- Rising costs of health care for military and civilian employees
- Rising costs of weapon systems
- Rising operating & maintenance costs

Figure 4: Operation and Maintenance Funding per Active Duty Troop, FY1955-FY2013



Source: CRS based on Department of Defense budget data.

Defense faces cost pressure from the inside (continued)

- CBO says DOD would need \$40 billion more on average between now and 2028, to maintain the planned force structure and purchase planned systems, but...
- In real terms, Obama non-war budget plan for FY 2011-2015 adds just 2 percent in FY 2011 over FY 2010 and about 1 percent annually after that.

President's Plan for DOD

Discretionary Budget Authority, Current \$ Billions

Fiscal Year	Non-war	War	Total
2009	513	146	667
2010	531	163	693
2011	549	159	708
2012	566	50	616
2013	582	50	632
2014	598	50	648
2015	616	50	666

Source: President's budget of February 2010

What do the fiscal pressures portend for the US military?

- Obama plan for FY 2011
 - Cancellation of systems with weak performance or big cost and schedule overruns
 - Stretch-outs of equipment modernization programs
- Secretary Gates's recent initiatives
 - Close Joint Forces Command
 - Reduce the number of Generals and Admirals
 - Other efficiency cuts
- Later
 - Belt-tightening concurrent with drawdown of forces in Afghanistan?
 - Likely reductions in size of force
 - Cancellation or stretch-outs of more systems in development
 - Changes in allocation of budgets among the services?

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