

May 9, 2018

The FY2019 Defense Budget Request: An Overview

The President's FY2019 budget request includes \$726.8 billion for national defense, a major function of the federal budget that includes funding primarily for Department of Defense (DOD) programs but also for defense-related activities administered by other federal agencies.

National defense is one of 20 major functions used by the Office of Management and Budget (OMB) to organize budget data—and the largest in terms of discretionary spending. The national defense budget function (identified by the numerical notation 050) comprises three subfunctions: DOD–Military (051); atomic energy defense activities primarily of the Department of Energy (DOE) (053); and other defense-related activities (054), such as Federal Bureau of Investigation counterintelligence activities.

National Defense Budget

The \$726.8 billion national defense budget request includes \$716.0 billion in discretionary spending and \$10.8 billion in mandatory spending (see **Figure 1**). The discretionary spending is, for the most part, provided by the annual appropriations bill drafted by the House and Senate Appropriations Committees.

The \$716.0 billion requested for national defense discretionary spending breaks down as follows:

- \$686.1 billion for DOD (96% of the total);
- \$21.9 billion for atomic energy activities (3%); and
- \$8.0 billion for other defense-related activities (1%).

Of the total, \$708.1 billion falls under the jurisdiction of the House and Senate Armed Services Committees and is subject to authorization by the annual National Defense Authorization Act (NDAA). The remaining \$7.9 billion falls under the jurisdiction of other congressional committees.

In Line with Revised Budget Cap

The President's budget request conforms to the spending limits (or caps) established by the Budget Control Act of 2011 (BCA; P.L. 112-25) and amended by the Bipartisan Budget Act of 2018 (BBA of 2018; P.L. 115-123).

The request for national defense discretionary spending includes \$647 billion in base budget spending and \$69 billion in funding for Overseas Contingency Operations (OCO). Because the caps do not apply to spending that is designated for OCO or for emergency purposes, the request is in line with the limits enacted February 9, 2018, under the BBA of 2018.

The legislation increased the defense discretionary spending cap to \$647 billion in FY2019, an increase of \$85 billion, or 15%, over the previous \$562 billion cap.

It did not change the spending limits for FY2020 and FY2021.

Defense Secretary James Mattis said if Congress allows these caps to take effect, the newly crafted National Defense Strategy, which calls for the United States to bolster its competitive military advantage, “is not sustainable. The strategy is designed to protect America and our interests. I cannot provide you the same strategy. I would have to go back and rewrite it. There would be reductions in what we are able to do.”

DOD Budget

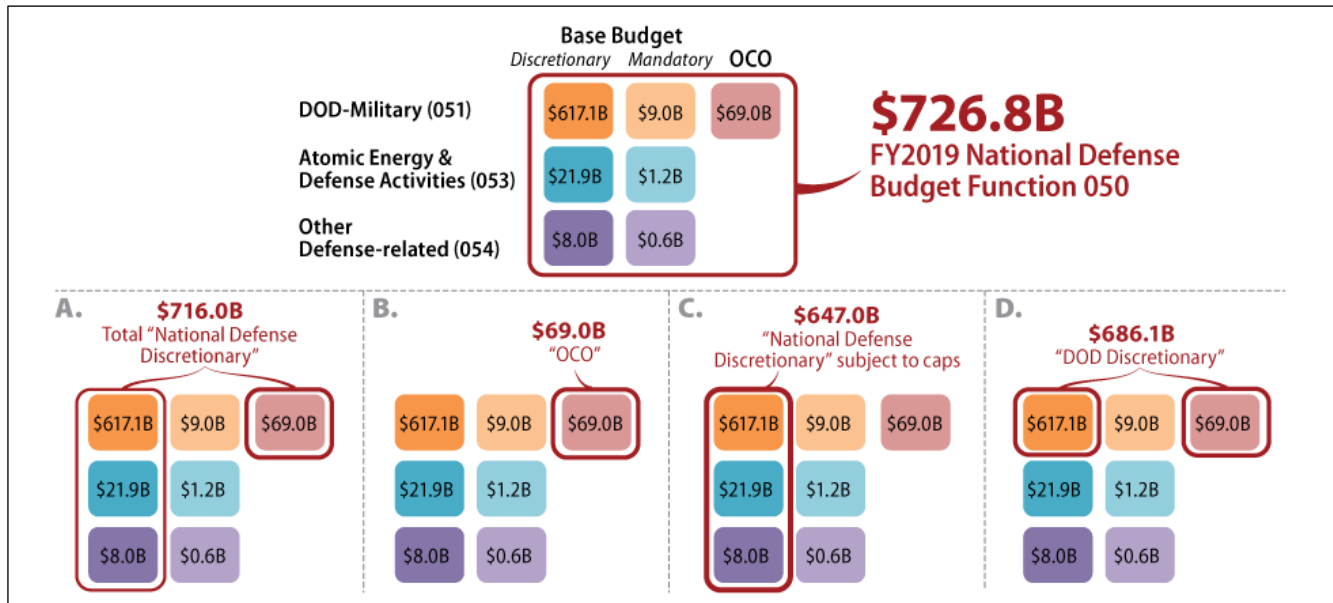
Table 1. FY2019 DOD Budget Request by Title and Funding Type
(in billions of dollars)

DOD Base Title	FY2018 Enacted	FY2019 Request	FY2018-FY2019 \$ Change	FY2018-FY2019 % Change
Personnel	141.5	148.2	6.7	4.7%
O&M	223.5	234.2	10.7	4.8%
Procurement	134.1	131.6	-2.6	-1.9%
RDT&E	88.0	91.1	3.1	3.5%
Construction	8.7	8.9	0.2	2.1%
Housing	1.4	1.6	0.2	13.7%
Rev. Funds	1.7	1.5	-0.1	-8.5%
Subtotal	598.9	617.1	18.2	3.0%
OCO	65.9	69.0	3.1	4.7%
Emergency	5.8		-5.8	-100.0%
DOD Total	670.6	686.1	15.4	2.3%

Sources: Department of Defense, *Defense Budget Overview*, Table A-4: DOD Base Budget by Appropriation Title, published February 12, 2018; Office of Management and Budget, *FY2019 Budget Amendments*, Attachment, at https://www.whitehouse.gov/wp-content/uploads/2018/04/FY_2019_Budget_Amendment_Package.pdf#page=114; Congressional Budget Office scoring tables for the Consolidated Appropriations Act, 2018 (P.L. 115-141), continuing appropriations (P.L. 115-96), and Bipartisan Budget Act of 2018 (P.L. 115-123).

Notes: 2019 figures from the DOD and OMB sources cited above; 2018 figures based on CBO scoring tables for P.L. 115-141 and CRS analysis of P.L. 115-96 and P.L. 115-123.

Figure 1. FY2019 National Defense Budget Request
(in billions of dollars of budget authority)



Source: Office of Management and Budget (OMB), Analytical Perspectives, Table 26-1. *Budget Authority and Outlays by Function, Category, and Program*, at <https://www.whitehouse.gov/wp-content/uploads/2018/02/26-1-fy2019.pdf>.

The \$686.1 billion in discretionary spending for DOD includes \$617.1 billion for the base budget (that is, for the most part, activities DOD would pursue even if U.S. forces were not engaged in combat) and \$69.0 billion for the OCO budget (the incremental cost of those military operations).

Budget Comparisons

The FY2019 DOD discretionary budget of \$686.1 billion, including base and OCO funding, represents an increase of \$15.4 billion (2.3%) over the enacted FY2018 amount (see **Table 1**). The FY2019 DOD discretionary base budget of \$617.1 billion represents an increase of \$18.2 billion (3.0%) over the enacted FY2018 amount. The FY2019 DOD OCO budget of \$69 billion represents an increase of \$3.1 billion (4.7%) over the enacted FY2018 amount.

OCO Funding Shift

The Administration's initial FY2019 DOD budget request, released on February 12, 2018, included \$89.0 billion designated for OCO. In a budget amendment published April 13, 2018, the Administration removed the OCO designation from \$20.0 billion of funding in its initial request, in effect, shifting that amount into the base budget request after Congress agreed to raise the spending caps.

In a statement on the budget amendment, White House Office of Management and Budget Director Mick Mulvaney said the FY2019 budget request fixes "long-time budget gimmicks" in which OCO funding has been used for base budget requirements. Beginning in FY2020, "the Administration proposes returning to OCO's original purpose by shifting certain costs funded in OCO to the base budget where they belong," he wrote.

Selected Highlights

Personnel/Policy

- **16K More Military Personnel.** The request includes funding to expand the military to 1.34 million active-duty personnel and 817,700 Guard and Reserve personnel, an increase of 15,600 and 800, respectively, from the FY2018 enacted level.
- **Increased Force Levels.** The request assumes a force level of 11,958 personnel in Afghanistan, 5,765 in Iraq and Syria, 59,463 for in-theater support, and 16,610 for other mobilization, for a total of 93,796, an increase of 3,153 troops, or 3.5%, over the FY2018 request.
- **2.6% Military Pay Raise.** The request calls for a 2.6% military pay raise, the largest since 2010 and in keeping with private-sector wage growth.

Weapons/Equipment

- **Aircraft.** The request includes \$10.7 billion in funding for 77 F-35 Joint Strike Fighter jets, \$3.0 billion for 15 KC-46A refueling tankers, and \$2.2 billion for 10 P-8A Poseidon maritime surveillance aircraft.
- **Missile Defense/Nuclear Deterrence.** The request includes \$9.9 billion for the Ballistic Missile Defense System, \$3.7 billion for the Navy's Columbia-class submarine program, and \$2.3 billion for the Air Force's future stealth bomber, the B-21 Raider.
- **Ships.** The request includes \$7.4 billion for two Virginia-class submarines and other program costs, \$6.0 billion for three Arleigh Burke-class destroyers, and \$1.8 billion for the Ford-class aircraft carrier.
- **Tactical Vehicles.** The request includes \$2.0 billion for 5,113 Joint Light Tactical Vehicles.

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