



October 22, 2008

## THE FY 2009 DEFENSE APPROPRIATIONS ACT

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On September 24, 2008, the House passed a conference agreement on the fiscal year (FY) 2009 continuing resolution (HR 2638). This incorporated what was essentially a conference agreement on the FY 2009 defense appropriations act. The Senate passed the same measure on September 27, and the President signed it into law on September 30.

The version of the defense appropriations act included in the FY 2009 continuing resolution provides a total of \$512.7 billion in discretionary budget authority for the Department of Defense (DoD), about \$3.4 billion less than requested by the Bush Administration.<sup>1</sup> In addition, in June, Congress approved \$65.9 billion to cover the costs of the military operations in Iraq and Afghanistan through the first several months of 2009. Thus, altogether a total of \$578.6 billion in FY 2009 funding has been provided for DoD so far.<sup>2</sup>

At \$512.7 billion, the level of funding provided for DoD's FY 2009 "base" defense budget (i.e., the DoD budget exclusive of war costs) represents about a 4 percent real (inflation-adjusted) increase from the FY 2008 level. It also raises funding in DoD's base budget to its highest level ever. On the other hand, even with this increase in the base defense budget and adding in the funding provided for military operations, defense spending in FY 2009 will absorb a significantly smaller share of gross domestic product (GDP) than it did during World War II, or the Korean and Vietnam Wars.

The bullets on the next page briefly summarize the major categories of funding included in the DoD appropriations act, and discuss some of the major

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<sup>1</sup> This includes \$488 billion in the Defense Appropriations Act in and \$25 billion in the Military Construction Act. Normally these appropriations measures would be passed separately. In this case, they were both incorporated into the continuing resolution.

<sup>2</sup> The House and Senate also passed a conference agreement on the FY 2009 defense *authorization* act on September 24, 2008 and September 27, 2008, respectively. The defense authorization act *authorizes the appropriation* of funds. It does not, however, provide any actual funds to the Department of Defense (DoD). The enactment of separate appropriations measures is required for DoD to receive funding. The conference agreement on the FY 2009 defense authorization act authorizes \$515.3 billion for DoD's base defense budget in FY 2009, plus \$70 billion in FY 2009 war-related funding. In addition, the FY 2009 defense authorization act includes \$22.5 billion for Department of Energy and other non-DoD departments and agencies.

programmatic differences between the recently approved act and administration's request.<sup>3</sup>

#### HIGHLIGHTS OF THE DEFENSE APPROPRIATIONS ACT

- **Military Personnel:** The FY 2009 defense appropriations act includes \$124.8 billion for military personnel, some \$452 million less than requested.<sup>4</sup> This level of funding is sufficient to provide average pay raises of 3.9 percent for military personnel. This is half a percentage point higher than the 3.4 percent pay raise requested by the administration.
- **End Strength:** The act provides the funding necessary to increase the permanent active-duty end strength of the US military by 12,000 personnel in FY 2009, as part of the ongoing plan to eventually add a total of 92,000 troops. The planned increase—which includes 65,000 additional Army personnel and 27,000 more Marines—is projected to add about \$100 billion to the cost of DoD's plans over the next six years.
- **Procurement:** The administration's FY 2009 request included \$102.1 billion for procurement in DoD's base budget. The defense appropriations act provides about \$1.1 billion less. The act makes changes to a number of major weapons programs, including several ship programs. Specifically, the act: cuts \$994 million from the administration's \$2.5 billion request for the DDG-1000 destroyer program, and directs that this funding instead be provided in FY 2010; adds \$830 million to buy an additional, unrequested LPD-17 amphibious ship, and directs that the additional funding needed to complete this ship be provided in FY 2010; and adds \$200 million in unrequested funding to provide the Navy with the option of resuming production of the DDG-51 class destroyer in FY 2010. The defense appropriations act also makes changes to a number of aircraft programs. In particular, it adds \$523 million in advance procurement funding to create the option of buying 20 additional F-22 fighters in FY 2010, and provides \$360 million in unrequested funding for multi-intelligence manned aircraft and sensors.
- **Research and Development (R&D):** The administration's defense budget request included \$79.6 billion for R&D in FY 2009. The defense appropriations act provides an additional \$905 million. A key difference is that the act cuts \$213 million from the R&D request for the VH-71A Executive Helicopter program. Conversely, it adds \$432 million to continue development of an alternate engine for the F-35 aircraft.

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<sup>3</sup> For more information, see, Pat Towell, Stephen Daggett and Amy Belasco, "Defense: FY 2009 Authorization and Appropriations," CRS, October 6, 2009; "Summary of FY 2009 Defense Appropriations," US Senate Committee on Appropriations, Press Release, September 24, 2008; and *Consolidated Security, Disaster Assistance and Continuing Appropriations Act, 2009, FY 2009*, Division C, at [http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110\\_cong\\_bills&docid=f:h2638enr.txt.pdf](http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=110_cong_bills&docid=f:h2638enr.txt.pdf).

<sup>4</sup> This includes \$10.4 billion in accrual payments for the Tricare for Life program.

- **Ballistic Missile Defense (BMD):** The administration requested nearly \$11 billion for BMD programs in FY 2009. The recently approved defense appropriations act cuts \$476 million from the request. Among other things, the act reduces funding for a European interceptor site by \$90 million and cuts \$70 million from the Multiple Kill Vehicle program.
- **Military Operations in Iraq and Afghanistan:** As noted earlier, on June 30, Congress passed and the President signed a supplemental appropriations bill that included \$65.9 billion for DoD for military operations in FY 2009. That bill also included \$4 billion in related foreign assistance.<sup>5</sup> This represents only a down-payment on FY 2009 war costs. How much will ultimately need to be provided for the wars in Iraq and Afghanistan in FY 2009 will depend primarily on the level of forces maintained in those countries through the end of next year.

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<sup>5</sup> In addition, this measure included about \$100 billion in war-related funding for FY 2008. Combined with the \$87 billion previously provided (as part of the FY 2008 defense appropriations act passed at the end of last year), this brought the total amount of war-related funding enacted for FY 2008 to some \$187 billion.