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## FUNDING FOR DEFENSE, MILITARY OPERATIONS, HOMELAND SECURITY, AND RELATED ACTIVITIES SINCE 9/11<sup>i</sup>

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Since the terrorist attacks of September 11, 2001, federal funding for defense, military operations (primarily in Afghanistan and Iraq), homeland security, and related activities has increased by a total of some \$513 billion. This figure represents the level of funding appropriated for these programs and activities over the fiscal year (FY) 2001-05 period that is *above what would have been projected to have been provided in these areas, over these years, had funding simply been increased at the rate of inflation.*<sup>ii</sup> In real (inflation-adjusted) terms, funding for these programs and activities is about 35 percent higher in FY 2005 than it was just prior to the attacks of 9/11.<sup>iii</sup>

Moreover, it is likely that before the end of FY 2005 Congress will be asked to provide as much as another \$50 billion to cover the cost of military operations in Afghanistan and Iraq. The FY 2005 Defense Appropriations Act enacted in August includes \$25 billion to cover these costs, but this is clearly only a down payment.<sup>iv</sup>

Although the terrorist attacks of 9/11 may have been the major catalyst for this funding growth, only about one-third of the \$513 billion in additional funding provided since 9/11 (and about one-quarter of the funding added to the Department of Defense's budget) has been used to cover the cost of programs and activities clearly and closely related to recovering from and responding to those attacks, or protecting the US homeland from future terrorist attacks. The \$513 billion total includes some \$378 billion in defense and \$135 billion in non-defense funding. About \$273 billion of this funding was provided through regular annual appropriations acts (see Table 2). The remaining \$239 billion was provided through a number of supplemental appropriations acts (see Table 3).

Table 1 provides an estimate of how the additional funding appropriated since the terrorist attacks of 9/11 has been allocated among various missions and activities. This breakdown was derived by the Center for Strategic and Budgetary Assessments (CSBA) based on the best available data. However, since the administration has provided partial or limited data in some cases, it should be viewed as only a rough approximation of how the \$513 billion in funding has been allocated.<sup>v</sup>

## RESPONSE TO AND RECOVERY FROM THE TERRORIST ATTACKS OF 9/11

About \$192 billion (37 percent) of the \$513 billion in additional funding appears to be relatively closely and directly related to responding to and recovering from the terrorist attacks of 9/11, or to improving US security against future terrorist attacks. This total is broken down as follows:

- **DoD (\$88 billion).** This figure includes \$65 billion provided through various supplemental appropriations acts and \$23 billion provided through regular annual defense appropriations acts. Of this \$87 billion, about \$54 billion has been used to cover costs associated with military operations in Afghanistan (Operation Enduring Freedom).<sup>vi</sup> This includes about \$3.5 billion of the \$25 billion included in the FY 2005 defense appropriations act to cover the cost of military operations in Afghanistan and Iraq.<sup>vii</sup> Based on recent experience, it appears likely that before the year is over DoD will require another \$6 billion for operations in Afghanistan.<sup>viii</sup> This would bring the total cost of the war in Afghanistan to some \$60 billion through the end of FY 2005. The remaining \$34 billion provided to date has been allocated to DoD homeland security efforts in the United States (including Operation Noble Eagle) and related activities.
- **Reconstruction and Related Assistance to Afghanistan (\$4 billion).** This is CSBA's estimate of the amount of funding provided for non-DoD reconstruction and related assistance to Afghanistan since 9/11. Most of this funding appears to have been provided through supplemental appropriations.
- **Non-Defense Homeland Security and Related Activities (\$84 billion).** This total includes some \$64 billion provided through regular annual appropriations acts and about \$21 billion provided through supplemental appropriations acts. The \$64 billion included by CSBA in this category represents the amount of funding that has been provided for homeland security in regular annual appropriations acts that is above the amount non-DoD departments and agencies would have been provided had their funding for these activities been increased only at the rate of inflation (see Table 2). This funding is divided among more than two dozen different departments and agencies, with the largest amounts being provided to the Departments of Homeland Security, Health and Human Services, Justice, and Energy. The \$21 billion provided through supplemental appropriations includes funding for: improving security at US airports and aboard US commercial aircraft; strengthening security at critical, non-DoD, facilities located around the world; developing defenses for civilians against biological and chemical weapons attacks; improving law enforcement capabilities; and a range of other homeland security related activities.
- **Victim Relief and Recovery from 9/11 Attacks (\$16 billion).** Some \$12.5 billion of the funding in this category has been provided to cover the cost of removing debris from and rebuilding equipment and

infrastructure damaged in the attacks of 9/11 in New York. Another \$3.5 billion is for assistance to individuals, families and businesses that were affected by those attacks. This funding was provided through various supplemental appropriations measures enacted since 9/11.<sup>ix</sup>

## **WAR IN IRAQ**

Some \$147 billion (29 percent) of the \$513 billion in additional funding provided since 9/11 has been used to cover the cost of military operations in Iraq, and expenses related to Iraqi reconstruction and security. Altogether, about \$126 billion appears to have been provided to cover the incremental costs to DoD of carrying out the war in Iraq and the ongoing occupation of the country.<sup>x</sup> This includes about \$21.5 billion of the \$25 billion included for operations in Afghanistan and Iraq in the FY 2005 Defense Appropriations Act.<sup>xi</sup> As in the case of Afghanistan, this funding represents only a down payment for FY 2005. Assuming there is no significant decline in the number of US troops deployed in Iraq, it is likely that another \$40 billion will be required to cover the cost of military operations in that country through the end of FY 2005.<sup>xii</sup> This would bring the total cost of military operations in Iraq to some \$166 billion. In addition, to date, \$21 billion in non-DoD funding has been provided to assist Iraq with reconstruction and related efforts. While administration officials have argued that the war in Iraq and ongoing operations in that country are closely tied to fighting the “Global War on Terrorism,” others have argued that—whatever the merits of the invading Iraq—US efforts in that country have relatively little to do with combating terrorism.<sup>xiii</sup>

## **DEFENSE PROGRAMS AND ACTIVITIES UNRELATED TO HOMELAND SECURITY, IRAQ AND AFGHANISTAN**

Of the \$513 billion added since 9/11, about \$165 billion (32 percent) has been used to support increases in DoD’s regular annual budget—that is, the budget used to pay for DoD’s general modernization programs, and operations and support activities. In other words, this funding has been used to cover weapons acquisition costs, and costs associated with manning and operating the US military, that would be incurred *even were the United States not engaged in ongoing operations in Iraq, the global war on terrorism, or expanded homeland security efforts*. Some of these programs and activities may help improve the US military’s ability to conduct future military operations against terrorists located overseas. But the primary focus of these efforts is to maintain and improve the ability of the US military to conduct conventional wars against regional military powers, rather than to conduct counterterrorism missions or defend the homeland against terrorist attacks. The funding included in this category represents the amount of funding provided in DoD’s regular annual appropriations acts that is above the amount DoD would have received had its budget been increased only at the rate of inflation since 9/11.

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Table 1: Additional Funding Since  
9/11,  
By Major Mission or Activity  
(in billions of dollars)

<b>Response to and Recovery from 9/11 Terrorist Attacks</b>	
Afghanistan	
Military Operations (DoD)	54
Reconstruction and other Aid	4
<b>Subtotal:</b>	<b>58</b>
DoD Homeland Security and Related Activities	34
Non-DoD Homeland Security	84
Victim Relief and Recovery from 911 attacks	16
<b>Subtotal:</b>	<b>192</b>
<b>War In Iraq</b>	
Military Operations (DoD)	126
Reconstruction and Related Aid to Iraq	21
<b>Subtotal:</b>	<b>147</b>
<b>Other</b>	
Foreign Aid (primarily to states supporting US operations in Afghanistan and Iraq)	6
Aviation Industry Relief	2
Other	1
<b>Subtotal:</b>	<b>10</b>
<b>Defense Programs and Activities Unrelated to homeland security, Afghanistan and Iraq:</b>	<b>165</b>
<b>Total:</b>	<b>513</b>
in annual appropriations acts	273
in supplemental appropriations acts	239

Source: CSBA estimates based on DoD, OMB, CRS and CBO data.

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Table 2: Funding for Defense and Homeland Security Provided in Annual Appropriations Acts\*

(in billions of dollars)

	<b>FY 2001</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 01-05</b>
<b>Actual/Estimated Funding</b>						
Homeland Security	17	21	37	41	47	163
Defense	318	343	382	395	446	1,885
<b>Pre-9/11 Inflation- Adjusted Baseline**</b>						
Homeland Security	17	17	18	18	18	88
Defense	318	328	335	344	350	1,675
<b>Difference</b>						
Homeland Security**	0	3	19	23	29	75
Defense	0	16	47	52	96	210
Adjustment for Overlap	0	0	-4	-3	-4	-11
<b>Total Real Growth Since 9/11</b>	0	22	66	72	121	273

\* In other words, these totals exclude funding provided in supplemental appropriations acts.

\*\* This is the level of funding that would have been provided each year had pre-9/11 FY 2001 funding been increased only enough to keep up with inflation.

\*\*\* This figure includes \$64 billion in additional funding provided to non-DoD departments and agencies, and \$20 billion in additional funding for DoD.

Source: CSBA based on OMB, CBO and DoD data.

## OTHER

Of the remaining \$10 billion (2 percent) in additional funding provided since 9/11, about \$6 billion has been allocated to foreign assistance—primarily to states in the Middle East (including Turkey, Egypt, Israel, Jordan, and Pakistan) that have provided some level of support for US military operations in Afghanistan or Iraq.<sup>xiv</sup> Another \$2 billion has been provided in assistance to the US airline industry to help defray some of the costs associated with improving aviation security. Some \$1 billion has been provided since 9/11 for a range of other activities not easily included in any of the above categories.

Table 3: Supplemental Funding for Defense,  
Homeland Security, and Related Activities Since  
9/11

(in billions of dollars)

	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 01-04
<b>Defense</b>						
September 2001	13	0	0	0	0	13
January 2002	0	3	0	0	0	3
August 2002	0	14	0	0	0	14
February 2003*	0	0	10	0	0	10
April 2003	0	0	63	0	0	63
November 2003	0	0	0	65	0	65
<b>Subtotal</b>	13	17	73	65	0	168
<b>Non-Defense</b>						
September 2001	7	0	0	0	0	7
January 2002	0	17	0	0	0	17
August 2002	0	10	0	0	0	10
April 2003	0	0	16	0	0	16
November 2003	0	0	0	22	0	22
<b>Subtotal</b>	7	27	16	22	0	72
<b>Total</b>						
September 2001	20	0	0	0	0	20
January 2002	0	20	0	0	0	20
August 2002	0	24	0	0	0	24
February 2003*	0	0	10	0	0	10
April 2003	0	0	78	0	0	78
November 2003	0	0	0	87	0	87
<b>Total</b>	20	44	88	87	0	239

\* This additional funding for defense was provided in the FY 2003 Consolidate Appropriations Act.

Source: CSBA based on OMB, CBO and DoD data.

## SUMMARY

Altogether, federal funding for defense, military operations, homeland security, and related activities has increased by a total of some \$513 billion since the terrorist attacks of September 11, 2001. About one-third of this

funding has been used to cover costs relatively closely and directly related to the attacks of 9/11.

DoD has accounted for about \$378 billion of the \$513 billion in additional funding. About \$88 billion (23 percent) of this DoD funding has been used to cover costs clearly tied to the attacks of 9/11—specifically, the cost of conducting military operations against al-Qaida and the Taliban in Afghanistan, and various programs and activities related to homeland security. However, more than three-quarters of the additional funding provided to DoD since 9/11 has been used to cover costs that appear to be, at best, only indirectly related to the attacks of 9/11, combating terrorism or homeland security. This includes roughly \$126 billion for military operations in Iraq and \$164 billion for other DoD programs and activities.

Non-defense programs and activities have accounted for about \$135 billion of the funding added since the terrorist attacks of 9/11. In contrast to the case with DoD funding, most of the non-DoD funding added since 9/11 appears to have been allocated to programs and activities relatively closely tied to the terrorist attacks of 2001. This includes about \$84 billion used to improve US efforts to combat terrorism, especially homeland security measures, and another \$16 billion allocated to 9-11 victim relief and recovery efforts.

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<sup>i</sup> This is the latest in a series of *Updates* CSBA has published on this topic over the past several years.

<sup>ii</sup> This estimate was derived using a variety of sources including: Amy Belasco, “Defense Funding For Iraq, Afghanistan, and Enhanced Security: Issues and Implications,” Congressional Research Service (CRS), October 13, 2004; Office of Management and Budget (OMB), Budget of the United States, Fiscal Year 2005, Analytical Perspectives (Washington, DC: US Government Printing Office, 2004), pp. 25-38; Mathew Schmidt, “Federal Funding for Homeland Security,” Congressional Budget Office (CBO), April 30, 2004; Office of Management and Budget (OMB), *2003 Report to Congress on Combating Terrorism*, September 2003; Amy Belasco and Larry Nowels, “Supplemental Appropriations FY 2003: Iraq Conflict, Afghanistan, Global War on Terrorism, and Homeland Security,” CRS, April 28, 2003; Stephen Daggett, Larry Nowels, Curt Tarnoff, and Rhoda Margesson, “FY 2004 Supplemental Appropriations for Iraq, Afghanistan, and the Global War on Terrorism: Military Operations and Reconstruction Assistance,” November 13, 2003; and CBO, Letter to the Honorable John M. Spratt, Jr., concerning federal spending the terrorist attacks of September 11, 2001, August 29, 2002.

<sup>iii</sup> This change in funding is based on a comparison of the enacted or requested FY 2005 funding levels for defense, homeland security and related activities (including both regular annual appropriations and supplemental appropriations acts), with the pre-9/11 enacted levels for these programs in the FY 2001 budget.

<sup>iv</sup> The initial FY 2005 defense budget request submitted by the administration in February 2004 did not include any funding for military

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operations in Iraq and Afghanistan. Under pressure from members of Congress and events in Iraq, the administration amended its request later in the year to include \$25 billion for these operations. Prior to the enactment of the FY 2005 defense appropriations act, the vast majority of funding for military operations in Afghanistan and Iraq had been provided through supplemental appropriations.

<sup>v</sup> For an analysis of the impact of 9/11 on funding for a somewhat different set of national security programs, see, Cindy Williams, "Paying for the War on Terrorism: US Security Choices since 9/11," January 5, 2004.

<sup>vi</sup> According to an analysis by CRS (Belasco, p. 4), to date, about \$53.2 billion has been appropriated for military operations in Afghanistan, \$121.1 billion for military operations in Iraq and \$22.7 billion for enhanced security operations (e.g., Operation Noble Eagle). CRS notes that another \$5.9 billion has been provided for these activities, but that due to data limitations it was unable to allocate these funds among these three areas. In this analysis, the \$5.9 billion is allocated proportionately to each of the three areas. This brings the total for Afghanistan to about \$54 billion and the total for Iraq to some \$126 billion.

<sup>vii</sup> Belasco, p. 4.

<sup>viii</sup> Ibid., p. 1.

<sup>ix</sup> Funding for repairing damage caused to the Pentagon after the attack of 9/11 is included in the (\$88 billion) DoD category described earlier in this section.

<sup>x</sup> See footnote 4.

<sup>xi</sup> Belasco, p. 4.

<sup>xii</sup> Ibid., p. 1.

<sup>xiii</sup> See, for example, Jeffrey Record, *Bounding the Global War on Terrorism*, Strategic Studies Institute, Army War College, December 2003, p. 18.

<sup>xiv</sup> Arguably, this funding should be allocated to one or more of the previous categories. However, it is difficult to discern how much of the aid provided to various states is related, respectively, to support for military operations in Iraq, and military operations in Afghanistan and elsewhere related to the global war on terrorism. Moreover, at least a small amount of this foreign assistance funding appears to be unrelated to either military operations in Iraq or counter-terrorist operations in Afghanistan and elsewhere.