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## FUNDING FOR DEFENSE, MILITARY OPERATIONS, HOMELAND SECURITY, AND RELATED ACTIVITIES SINCE 9-11

By Steven Kosiak

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 \$754 billion. This figure represents the level of funding appropriated for these programs and activities over the fiscal year (FY) 2001-06 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>i</sup> In real (inflation-adjusted) terms, funding for these programs and activities is about 35 percent higher in FY 2006 than it was just prior to the attacks of 9-11.<sup>ii</sup>

Moreover, it is expected that before the end of FY 2006 the Bush Administration will request another large supplemental appropriation to cover the cost of military operations in Afghanistan and Iraq, and possibly other DoD programs and activities. The recently enacted FY 2006 Defense Appropriations Act includes \$50 billion to cover the cost of military operations, but this is clearly only a down payment. Estimates of the amount of additional funding that might be required in FY 2006 range from \$35 billion to as much as \$100 billion.<sup>iii</sup>

Although the terrorist attacks of 9-11 may have been the major catalyst for this funding growth, only about one-third of the \$754 billion in additional funding provided since 9-11 (and about one-fifth 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 \$754 billion total includes some \$585 billion in defense and \$169 billion in non-defense funding. About \$432 billion of this funding was provided through regular annual appropriations acts (see Table 2). The remaining \$322 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 \$754 billion in funding has been allocated.<sup>iv</sup>

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

About \$244 billion (32 percent) of the \$754 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 (\$110 billion).** Of this total, about \$76 billion has been used to cover costs associated with military operations in Afghanistan (Operation Enduring Freedom). This includes about \$10 billion of the \$50 billion included in the FY 2006 defense appropriations act to cover the cost of military operations in Afghanistan and Iraq.<sup>v</sup> 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 (\$7 billion).** This is 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.<sup>vi</sup>
- **Non-Defense Homeland Security and Related Activities (\$112 billion).** This total includes some \$90 billion provided through regular annual appropriations acts and about \$22 billion provided through supplemental appropriations acts. The \$90 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 \$22 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>vii</sup>

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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 911 Terrorist Attacks</b>	
Afgghanistan	
Military Operations (DoD)	76
Reconstruction and Related Aid	7
<b>Subtotal</b>	<b>82</b>
DoD Homeland Security, Recovery and Related	34
Non-DoD Homeland Security	112
Victim Relief and Recovery from 911 attacks	16
<b>Total:</b>	<b>244</b>
<b>War In Iraq</b>	
Military Operations (DoD)	226
Reconstruction and Related Aid to Iraq	25
<b>Total:</b>	<b>251</b>
<b>Other</b>	
Foreign Aid (primarily to states supporting US operations in Afganistan and Iraq)	7
Aviation Industry Relief	2
Other	2
<b>Total:</b>	<b>11</b>
<b>Defense Programs and Activities Unrelated to HLS, Afghanistan or Iraq:</b>	<b>250</b>
<b>Grand Total:</b>	<b>754</b>
in annual appropriations acts	432
in supplemental appropriations acts	322

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

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### **WAR IN IRAQ**

Some \$251 billion (33 percent) of the \$754 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 \$226 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. This includes about \$40 billion of the \$50 billion included for operations in Afghanistan and Iraq in the FY 2005 Defense Appropriations Act.<sup>viii</sup> In addition, to date, \$25 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>ix</sup>

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

Of the \$754 billion added since 9-11, about \$250 billion (33 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. Most of the funding included in this category consists 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. But it also includes a small amount of funding provided in supplemental appropriations for programs (e.g., Army modularity) that appear to be largely unrelated to supporting either the ongoing military operations in Iraq and Afghanistan, or homeland security.<sup>x</sup>

**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 2006</b>	<b>FY 01-06</b>
<b>Actual/Estimated Funding</b>							
Homeland Security	17	21	37	42	49	50	215
Defense	318	344	384	426	424	492	2,387
<b>Pre-911 Inflation-Adjusted Baseline**</b>							
Homeland Security	17	17	18	18	18	19	108
Defense	318	327	336	345	355	364	2,045
<b>Difference</b>							
Homeland Security***	-	3	19	24	31	31	107
Defense	-	17	48	80	68	128	341
Adjustment for Overlap	-	(0)	(4)	(3)	(4)	(5)	(17)
<b>Real Growth Since 911</b>	-	<b>20</b>	<b>63</b>	<b>101</b>	<b>95</b>	<b>154</b>	<b>432</b>

\* In other words, these totals exclude funding provided in supplemental appropriations acts. The FY 2003 figure also excludes \$10 billion provided in the FY 2003 Consolidated Appropriations Act. These figures do include funding for military operations provided in DoD annual 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 \$91 billion in additional funding provided to non-DoD departments and agencies, and \$17 billion in additional funding for DoD.

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

**OTHER**

Of the remaining \$11 billion (1.5 percent) in additional funding provided since 9-11, about \$7 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>xi</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)**

	<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>Defense</b>						
September 2001	14	0	0	0	0	14
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	62	0	0	62
November 2003	0	0	0	65	0	65
May 2005	0	0	0	0	76	76
<b>Subtotal</b>	<b>14</b>	<b>17</b>	<b>72</b>	<b>65</b>	<b>76</b>	<b>244</b>
<b>Non-Defense</b>						
September 2001	6	0	0	0	0	6
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
May 2005	0	0	0	0	7	7
<b>Subtotal</b>	<b>6</b>	<b>27</b>	<b>16</b>	<b>22</b>	<b>7</b>	<b>78</b>
<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
May 2005	0	0	0	0	82	82
<b>Total</b>	<b>20</b>	<b>44</b>	<b>88</b>	<b>87</b>	<b>82</b>	<b>322</b>

\* This additional funding was provided in the FY 2003 Consolidated Appropriations Act.

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

#### **SUMMARY**

Altogether, federal funding for defense, military operations, homeland security, and related activities has increased by a total of some \$754 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 \$585 billion of the \$754 billion in additional funding. About 110 billion (19 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 four-fifths 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 \$226 billion for military operations in Iraq and \$250 billion for other DoD programs and activities.

Non-defense programs and activities have accounted for about \$169 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 \$112 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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The Center for Strategic and Budgetary Assessments (CSBA) is an independent policy research institute established to promote innovative thinking about defense planning and investment strategies for the 21st century. The center is directed by Dr. Andrew F. Krepinevich. For more information on CSBA, see our web site at: <http://www.csbaonline.org>.

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<sup>i</sup> This estimate was derived using a variety of sources including: Amy Belasco, “The Cost of Iraq, Afghanistan and Enhanced Base Security Since 9/11,” Congressional Research Service (CRS), October 7, 2005; Office of Management and Budget (OMB), Budget of the United States, Fiscal Year 2006, Analytical Perspectives (Washington, DC: US Government Printing Office, 2005), pp. 37-52; CBO, The Budget and Economic Outlook: Fiscal Years 2006 to 2015 (Washington, DC: CBO, January 2005), pp. 6-7; Mike Waters, “Federal Funding for Homeland Security: An Update,” Congressional Budget Office (CBO), July 20, 2005; Office of Management and Budget (OMB), *2003 Report to Congress on Combating Terrorism*, September 2003; Amy Belasco and Larry Nowels, “FY 2005 Supplemental Appropriations for Iraq and Afghanistan, Tsunami Relief, and Other Activities,” CRS, May 12, 2005; 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>ii</sup> This change in funding is based on a comparison of the enacted or requested FY 2006 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.

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<sup>iii</sup> In a February 2005 analysis, the Congressional Budget Office (CBO) estimated that about \$85 billion would be required to cover the cost of military operations in FY 2006, assuming the United States were to maintain roughly the same number troops in Iraq and Afghanistan in FY 2006 as it did in FY 2005. CBO, “An Alternative Budget Path Assuming Continued Spending on Military Operations in Iraq and Afghanistan and in Support of the Global War on Terrorism,” February 2005, p. 3. In this case, another \$35 billion would need to be provided to fully cover FY 2006 costs. Reportedly, however, DoD officials have indicated to OMB that they may need as much as \$80-\$100 billion more. Henry J. Pulizzi, “White House: Premature to Speculate On Iraq Budget Request,” Wall Street Journal (WSJ.com), December 14, 2005.

<sup>iv</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>v</sup> Through FY 2005, CSBA estimates that about \$66 billion has been appropriated for military operations in Afghanistan. This is \$1 billion less than estimated by CRS (Belasco, p. 10). This lower number reflects CSBA’s decision to exclude FY 2005 funding for the Army’s modularity program from its estimates of the cost of military operations in Iraq and Afghanistan (with the \$5 billion provided for this program reducing estimated costs for these two military operations by, respectively, \$1 billion and \$4 billion). The breakdown of the \$50 billion provided for military operations in the FY 2006 defense appropriations act assumes that operations in Afghanistan would receive the same share of war-related funding in FY 2006 as they did in FY 2005.

<sup>vi</sup> Belasco, p. 10.

<sup>vii</sup> Funding for repairing damage caused to the Pentagon after the attack on 9-11 is included in the (\$110 billion) DoD category described earlier in this section.

<sup>viii</sup> Through FY 2005, CSBA estimates that about \$122 billion has been appropriated for military operations in Iraq. This is \$4 billion less than estimated by CRS (Belsco, p. 10). This lower number reflects CSBA’s decision to exclude FY 2005 funding for the Army’s modularity program from its estimates of the cost of military operations in Iraq and Afghanistan (with the \$5 billion provided for this program reducing estimated costs for these two military operations by, respectively, \$1 billion and \$4 billion). The breakdown of the \$50 billion provided for military operations in the FY 2006 defense appropriations act assumes that operations in Iraq would receive the same share of war-related funding in FY 2006 as they did in FY 2005.

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

<sup>x</sup> The Army’s decision to restructure its forces through its modularity program appears to rest in part on lessons learned as a result of recent experience in Afghanistan and Iraq. However, this initiative would apparently be carried out by the Army even if US forces were no longer engaged in operations in those countries—since the Army leadership believes these changes are needed, in any case, to improve the capability of the US Army to fight effectively in future military operations.

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<sup>xi</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.