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FY06 BUDGET RESOLUTION: CHALLENGES AND OPPORTUNITIES

Defense and Homeland Security

We are fighting and winning the war on terrorism...

Since the attacks of September 11, 2001, defense spending has gone up \$157 billion, or 47 percent, and homeland security spending \$27.5 billion, or 283 percent. Our military is expanding democracy abroad. Our security infrastructure is strong at home.

War costs are temporary expenditures and should not be built into the budget base...

War costs are not expenditures that will go on forever. However, some allowance should be made for them in a reserve fund. Deputy Secretary of Defense Paul Wolfowitz: "When you have unpredictable emergency expenditures, it is wise to do it through a supplemental. Making some kind of provision in overall budgeting for the fact that there is going to be a requirement for U.S. fiscal resources over and above what we requested for this year makes sense."

THE FY06 BUDGET RESOLUTION:

Fully funds the President's Defense Budget request...

The overall defense budget is \$439 billion, which represents an \$18.2 billion increase, or 4.3 percent. This total is less than what was projected for 2006 last year, reflecting an effort to slow the rate of growth of defense spending and reduce the deficit. The 2006 defense budget achieves four goals: supporting the global war on terrorism, restructuring U.S. forces and base structure, building capabilities for future threats and protecting the compensation and quality of life of U.S. military personnel.

Provides for ongoing war costs...

The budget includes a contingency fund of \$50 billion to provide for additional costs of ongoing military operations in Iraq and Afghanistan.

Fully funds the President's Homeland Security Budget request...

The budget provides an increase of \$1.1 billion, or 3.9 percent, for total homeland security spending of \$29.1 billion to secure borders, train and equip first responders, protect critical infrastructure, guard against bio-terrorism, and improve intelligence analysis and coordination.