



APPROPRIATIONS ALERT

BY THE COMMITTEE ON THE BUDGET, REPUBLICAN CAUCUS

B-71 Cannon House Office Building
Washington, DC 20515
Representative Paul D. Ryan, *Ranking Republican*

Phone: (202)-226-7270
Fax: (202)-226-7174
Augustine T. Smythe, *Republican Staff Director*

DEFENSE APPROPRIATIONS A 4-PERCENT INCREASE FOR DEFENSE H.R. 3326

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The Defense appropriations bill – the twelfth and final House appropriations measure to be brought to the floor – provides \$636.3 billion in discretionary budget authority [BA] primarily to the Department of Defense [DoD], including \$128.3 billion to support “overseas contingency operations” in Iraq and Afghanistan. When those war funds are excluded, the bill represents a 4-percent increase in base DoD spending over the 2009 enacted non-emergency level. The reported bill cuts the President’s request for DoD by \$3.5 billion.

As reported, the bill (H.R. 3326) does not exceed its section 302(b) suballocation and complies with section 302(f) of the Congressional Budget Act of 1974. The Chairman of the Budget Committee has provided an adjustment of \$128.3 billion in BA and \$68.1 billion in budget year outlays to reflect funding for overseas contingency operation war funding, as permitted by section 422(a)(1) of the fiscal year 2010 budget resolution (S.Con.Res 13). While no longer technically designated as “emergency” funding, the overseas contingency funding is added to the 302(b) subcommittee allocation. The bill complies with its 302(b) allocation in both BA and outlays.

Table 1: Defense Appropriations
(discretionary dollars in millions)

	2009 Enacted	2010 Request	302 (b) for 2010	H.R. 3326
Budget Authority	489,025	511,540	—	508,041
Outlays	553,479	554,736	—	550,817
War Funding Budget Authority	147,638	128,602	—	128,252
Outlays	71,453	95,325	—	97,151
Total Budget Authority	636,663	640,142	636,293	636,293
Outlays	624,932	648,261	648,367	647,968

Key elements of the bill include the following:

- **Military Personnel.** The bill provides \$133 billion in non-war funding for the military personnel accounts that pay U.S. troops. This is an increase of \$8.2 billion above the enacted level, and is \$2.9 billion below the President’s request. While reducing funding for military personnel, the bill increases costs by granting a military pay raise of 3.4 percent – which is 0.5 percent higher than the President’s request. The bill also provides \$16.2 billion in military personnel funding to support overseas contingency operations.
- **Operation and Maintenance.** H.R. 3326 provides \$184.9 billion in base funding to the Department of Defense for its operating accounts, including the Defense Health Program.

These accounts are used for operating and maintaining DoD facilities and weapons systems and equipment, as well as providing for training, fuel, flying hours, and steaming hours. The bill is \$827 million below the President's request and is \$5.8 billion higher than the 2009 enacted non-emergency level. The bill also provides \$89.5 billion for overseas contingency operation war funding, in addition to the level above.

- **Investment.** The Procurement and Research, Development, Test, and Evaluation [RDT&E] accounts receive \$185.9 billion to design and purchase new weapon systems. This is \$4.7 billion above the enacted level nearly equal to the President's request of \$186.1 billion for these accounts. The bill also includes slightly more than \$22 billion for overseas contingency war funding for the investment accounts, in addition to the level above.

Table 2: Defense Appropriations

(discretionary budget authority in millions of dollars, excludes emergencies and war funding)

	2009 Enacted	2010 Request	2010 Reported	2010 Rept. minus Reqst.	% Change Reqst./Rept.	% Change 2009/Rept.
Military Personnel	124,868	135,972	133,095	-2,877	-2%	7%
Operation and Maintenance	179,104	185,713	184,886	-827	0%	3%
Procurement	101,692	107,427	105,627	-1,800	-2%	4%
Research, Dev., Test, & Evaluation	79,492	78,635	80,274	1,639	2%	1%
Revolving and Management Funds	3,156	3,120	3,148	28	1%	0%
Allowances	0	0	398	398	-	-
Other Independent Agencies	47	0	2	2	-	-96%
Intelligence Comm. Mnmgmt. Account	666	673	611	-62	-9%	-8%
Total	489,025	511,540	508,041	-3,499	-1%	4%