

FUNCTION 050: NATIONAL DEFENSE SENATE BUDGET RESOLUTION FOR 2001

Under current law, spending for function 050, National Defense, will total \$288.9 billion in BA and \$282.5 billion in outlays for 2000. The President has requested \$2.3 billion for additional 2000 appropriations (assumed in the Chairman's mark) for military operations in Kosovo, for counter drug operations, and for storm damage to DoD facilities. This function includes funding for the Department of Defense (approximately 95 percent of function total), defense activities of the Department of Energy (about 5 percent), and small amounts expended by the Selective Service, the General Services Administration, the Departments of Transportation and Justice, and other federal agencies (less than 1 percent).

CHAIRMAN'S MARK (\$ Billions)

	2000	2001	2002	2003	2004	2005
Budget Authority	291.6	305.8	309.1	315.5	323.2	331.5
Outlays	288.1	294.1	302.3	309.4	317.5	327.9

Discretionary

The Chairman's mark assumes discretionary spending for Function 050 would total \$306.8 billion in BA and \$295.1 billion in outlays for 2001. This represents an increase of \$16.9 billion in BA and \$5.4 billion in outlays over the levels enacted for 2000. With the President's \$2.3 billion supplemental requested for 2000 added to the 2000 level, the Chairman's mark is a BA increase of \$14.6 billion. The Chairman's mark is also an increase of \$24.9 billion in BA and \$24.3 billion in outlays over the amounts assumed by the Balanced Budget Act for 2001, and it is an increase of \$2.1 billion in BA and \$7.9 billion in outlays over the amount assumed for 2001 in the 2000 congressional budget resolution.

Compared to the President's request, the Chairman's mark assumes a BA increase of \$400 million in 2000, \$500 million in 2001, and \$100 million for each of the four years thereafter. For outlays, the Chairman's mark assumes an increase over the President of \$485 million in 2001, \$220 million in 2002, and \$100 million in each year thereafter. The following points characterize the Chairman's mark:

- C This would be the first time since 1988 that a congressional budget resolution exceeds the President's request in both BA and outlays in every year for the years assumed in the resolution. In the recent past, spending assumed in budget resolutions has exceeded the President's request for the budget year, but not for all of the "outyears."
- C The President's request is the first request of any President since 1985 to request real growth in National Defense spending.
- C The Chairman's mark fully funds outlays as scored by CBO. OMB and DoD scoring has not fulfilled assurances of accuracy, continues to undercount outlays, and continues to be less reliable than CBO scoring.
- C The Chairman's mark re-establishes a "firewall" between defense and non-defense discretionary spending. As in the past, this firewall is enforceable by a 60-vote point of order. Such firewalls have been a key element in maintaining budgetary discipline in past years, and they obviate pressure that might otherwise occur to expend national security funds for non-defense purposes.
- C The Chairman's mark assumes that \$4.8 billion in outlays originally "shifted" from 2000 to 2001 to achieve delays in obligation of salary and contractual payments is realigned and scored to the appropriate fiscal year –2000.

Need to Address Continuing and Serious Readiness Deficiencies: The Chairman's mark takes particular note of the continued deterioration of combat capabilities of U.S. military forces. Despite DoD rhetoric that their budgets have adequately addressed training, weapons and facility maintenance, spare parts supplies, and other key elements of readiness, there has been measurable and significant deterioration of such measures in each of the military services. Since at least 1995, training has been truncated, mission capable rates of aircraft have declined, cannibalization has increased, the backlog of equipment and facilities repairs has climbed, and a shortage of spare parts has become a virtual drought. The deterioration has been directly observed and measured in field surveys by the staff of this Committee, GAO reports, and – belatedly – in DoD reports to Congress. For several years in succession, improvement has been promised, but each new year brings only even more disturbing revelations.

While multiple valid criticisms have been made of DoD management for the past several years – such as the continuing failure to address chaotic financial management, inadequate support for scientific research, anemic procurement budgets, poorly

researched personnel policies, and the lack of candor in assurances that all is -- or will soon be -- well, none of the manifest failures in DoD should be considered more troubling than an apparent willingness to send the men and women of our Armed Forces into danger without better training and material support. The adequacy of budgets for national defense should not be judged just for their total amount, but more cogently for the amounts devoted solely to readiness and for the results of that spending in the form of expanded training, full spare parts inventories, and small backlogs for weapons and facilities repairs. The Chairman's mark assumes that more meaningful metrics of the adequacy of defense budgets will be adopted in DoD in the future and that they will be closely scrutinized in the relevant Committees of Congress, including this Committee. Accordingly, aside from funding specifically assumed for other purposes, the Chairman's mark assumes that funding increases for readiness will be DoD's first priority until training assets and tempo, and spare parts inventories achieve levels prevalent in 1990, and the backlogs of facility and weapon systems repairs have been largely eliminated.

The 2002 budget will necessarily be prepared by a new President and a new national security team. The Chairman's mark welcomes such change and assumes significant budget increases for national defense in the years 2002-2005 to support that team. However, should a new national defense budget request fail to adopt a plan to stem **and** reverse current readiness inadequacies – and fully fund any such plan over the long and the short term – the budget increases assumed in this Chairman's mark will be reconsidered.

Security and Safety in DoE Defense Activities: For Department of Energy Defense Activities, increases of \$400 million in BA, and commensurate outlays, are assumed in 2000 and 2001 to support increased security requirements, newly discovered stockpile safety and reliability issues, and for recapitalization and modernization investments to provide plants and laboratories with the facilities to meet scheduled military requirements for weapons refurbishment and certification.

Mandatory Program Reductions Assumed in the Discretionary Category:

The Chairman's mark assumes such National Defense Stockpile asset sales that have been approved in previous years.

FUNCTION 050: NATIONAL DEFENSE SENATE BUDGET RESOLUTION FOR 2001

COMPARISON OF CHAIRMAN'S MARK WITH PRESIDENT'S BUDGET AND SBC BASELINE (\$ Billions)

	2000	2001	2002	2003	2004	2005
<u>Chairman's Mark</u>						
Budget Authority	291.6	305.8	309.1	315.5	323.2	331.5
Outlays	288.1	294.1	302.3	309.4	317.5	327.9
<u>President's Budget</u>						
Budget Authority	291.2	305.3	309.0	315.4	323.1	331.4
Outlays	287.8	293.6	302.1	309.3	317.4	327.8
<u>SBC Baseline</u>						
Budget Authority	288.9	288.9	289.0	289.0	289.1	289.1
Outlays	282.5	288.7	287.5	287.8	287.9	290.6
<u>Mark compared to:</u>						
<u>President's Budget</u>						
Budget Authority	0.4	0.5	0.1	0.1	0.1	0.1
Outlays	0.3	0.5	0.2	0.1	0.1	0.1
<u>SBC Baseline</u>						
Budget Authority	2.7	16.9	20.1	26.5	34.1	42.4
Outlays	5.6	5.4	14.8	21.6	29.6	37.4

