

The Cost of a Bigger Budget

Despite stringent caps on federal spending, some House hawks are prepared to boost defense spending, even if it means underfunding the military's operations overseas to pay for pet projects that didn't make the final 2017 President's budget.

The House Armed Services Committee, the first of the four congressional defense panels to consider their annual bills, set the tone for the year in late April when members agreed to a Fiscal Year 2017 defense authorization bill that would eliminate \$18 billion from the overseas contingency operations account and replace that with money to pay for fighters, ships, and personnel the military did not request.

The move to use OCO as an overflow valve amounts to an end run around the spending limits established in a bipartisan budget deal hatched late last year that gave the Pentagon moderate relief from even more stringent caps set in 2011.

The HASC's \$610 billion bill technically abides by the caps and adheres to the letter of the law. However, it only funds operations overseas for the first seven months of the fiscal year, forcing the next President to request a supplemental spending request, not subject to the caps but nonetheless boosting federal spending, early in his or her first term.

While most of the items added by the armed services panel were pulled directly from the services' budgetary wish lists (the so-called "unfunded requirements lists"), the sheer volume of the add-ons could be disruptive to Pentagon planners. Indeed, most of the plus-ups come with hefty life cycle price tags that could upend military plans moving forward, forcing the Pentagon to pay to maintain force structure it can ill afford in an era of capped spending.

HASC Chairman Rep. Mac Thornberry (R-Texas) has defended his strategy as a necessary way to fund programs that are vital to military readiness. The additional base-budget funding, he has said, gets the military to the minimum spending levels it requires for next year.

"I think we are in a far more serious readiness crisis than I had understood and, I think, most people understand," Thornberry told reporters in April, adding that it is "absolutely wrong" to ask the military to go on missions without funding to adequately prepare and support them.

Defense officials testify before the HASC on the Fiscal 2017 defense authorization request.

Most Democrats on the panel supported the widely popular bill that sets Pentagon policy in addition to prescribing spending levels. But many did so with deep reservations.

"At some point, we are going to have to live within our means, the means we've decided to provide," armed services ranking member Rep. Adam Smith (D-Wash.) said just before he voted in favor of the bill.

The spending added by the committee includes \$3 billion for 25 additional fighter jets, including \$691 million for Air Force F-35s. Other plus-ups in the House bill include \$415 million for C-40As, \$272 million for C-130Js, and \$219 million for upgrades to the A-10 Warthog close air support aircraft, which service officials have agreed to keep flying through 2017 after efforts to retire the airplanes failed on Capitol Hill.

The panel has also boosted Active Duty military end strength by 27,000 and increased the reserve component by another 25,000 above the Administration's request, at a cost of \$2.1 billion next year.

At press time, House appropriators had followed the HASC's path, with some differences in figures.

In the Senate, meanwhile, Armed Services Committee Chairman John McCain (R-Ariz.) said he does not favor this approach, lining up a potential battle with his House counterparts when they meet later this year to resolve differences in the two chambers' versions of the authorization bill.

If Thornberry's strategy prevails, it could set the defense authorization bill on another collision course with the White House—this time, at the very end of an Administration with a President who has nothing to lose and a lame-duck Congress that will likely be eager to complete its legislative work for the year.

Last year, President Obama vetoed the authorization measure because it increased war spending to pay for base-budget items, forcing lawmakers to revise the bill before sending it back through both chambers and to the White House for approval.

Thornberry, however, appears unfazed that this year's bill could also be struck with the veto pen, stressing that the Administration has threatened to kill the must-pass piece of legislation every year for a multitude of reasons.

"If it's not that, it's something else," he said. 

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