

Billions Under the Couch Cushions

Congress is in the throes of its perpetual struggle over the federal budget, as lawmakers deliberate the Trump administration's detailed request for next year, just weeks after closing the deal on the budget for Fiscal 2017.

As always, the Defense Department's budget is at the center of that debate, with lawmakers divided over how and whether to boost the Pentagon's budget above the federally mandated spending caps.

In its first budget request, the new administration has already made clear that it wants to invest more heavily in defense, to the tune of \$54 billion above today's prescribed spending limits.

The extra money would buy more advanced fighters and ships than in the military's long-term plans from previous years. Military readiness, particularly for ground forces, also tops the priority list.

The pot for the Defense Department is expanding as lawmakers, particularly those who serve on the appropriations committees, are becoming much more adept at squeezing their priorities into the Pentagon budget.

Their preferences often mirror the items on the unfunded priorities lists provided by the military services, including the Air Force. Expensive but desirable weaponry that did not make the Pentagon's internal budget cut typically headline the services' wish lists, giving lawmakers justification to find room for them in the budget.

In January, for instance, the Air Force sent Congress a \$7.2 billion wish list that included five additional F-35A strike fighters and eight more C-130J cargo aircraft than requested in the

Fiscal 2017 proposal submitted by the Obama administration nearly a year earlier.

In the end, Congress granted the service \$495 million for those five F-35s and \$160 million for two C-130Js for the Air Guard.

The same dynamic will likely play out this year as the four congressional defense committees push their bills through their chambers and into bicameral conference negotiations. The goal is to stretch the defense dollar as far as it can go, including employing a few tricks learned over the last half-dozen years.

The final defense spending measure for this year totaled \$593 billion—\$19.9 billion over last year's levels and \$16.3 billion more than the Obama administration's original request for 2017.

That topline number was made possible by an earlier deal to relieve some pressure on both defense and nondefense budget caps and a reliance on overseas contingency operations funding. OCO funding is not subject to the stringent spending limits.

Indeed, the war accounts totaled \$76.6 billion for this year, including \$14.8 billion in supplemental spending requested by the Trump administration in March. The White House had originally asked for an extra \$30 billion, without realizing that Congress had already granted more than \$5 billion of the items listed in their proposal (including additional fighters).

The uncapped war accounts certainly serve as an overflow valve, although lawmakers this year resisted abusing them to fund billions in items not at all related to operations overseas.

The spending bill also axed a House-passed plan that would have shortchanged war spending by more than \$15 billion and used those funds for more weapons and other lawmaker favorites.

The House goal was to pass additional war funding later in the year. But Democrats, who have pushed for equal increases to defense and nondefense spending, saw it as an end run around the budget caps.

This is where the true art of budgeting—as refined in recent years by the Senate Appropriations Committee—comes in. Appropriators have become incredibly skilled at claiming unused spending from previous years and making hundreds of pinpricks across the Pentagon's expansive budget.

They are, essentially, finding change in the couch cushions, but that money quickly adds up. Last year, Senate appropriators trimmed \$15.1 billion from more than 450 accounts and redirected that spending to higher-priority items, like advanced fighters, ships, and more personnel.

It's a time-consuming and tedious drill but one that will almost certainly be repeated this year as Congress gets to work once again on drafting a defense spending measure within the constraints of the current budget law.

It will all pay off in the end, if it makes room for lawmaker and military priorities.

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A C-130J from Channel Islands ANG, Calif., flies over Jordan in 2014. This January, USAF asked to procure eight more C-130Js for the ANG. Congress approved funds for two.