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Time to Move Iraq and Afghanistan Funding into the Regular Budget Process

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The U.S. military has been engaged in major combat operations overseas for seven years in Afghanistan and five in Iraq. Congress has provided annual funding for these missions through the use of emergency supplemental spending bills. Given the length of time the military has been engaged and the increased predictability of what is required to succeed, the Pentagon should no longer use supplementals to pay for these contingencies. Congress should instead begin funding these operations as part of the regular defense budget in fiscal year 2010.

War Cost Estimates. Given that military operations in Afghanistan and Iraq have been underway for several years, the scope and cost of these operations has become more predictable.

On this basis, the Department of Defense should incorporate the funding request for these operations into the regular defense budget beginning in fiscal year (FY) 2010. Congress, therefore, should be prepared to abandon supplemental appropriations bills for funding these operations following the adoption of the final supplemental appropriations bill to cover these costs through FY 2009. An exception to this transition plan is appropriate, however, if circumstances require a significantly larger military engagement than what is now foreseen for either operation. Likewise, it will remain appropriate to use supplemental appropriations bills to fund any new military operations that are unrelated to those in Afghanistan or Iraq.

Congress's use of supplemental appropriations bills to fund the operations in Afghanistan and Iraq

have served two fundamental purposes. The first was to provide a flexible funding mechanism for these operations where it was impossible to estimate the precise cost of these operations at the outset. The second was to provide a means to avoid pitting the supplemental funding against the core defense budget, which is required to support the building of future military capabilities against funding for today's operations. The result was that Congress took correct action to provide the Department of Defense almost \$800 billion in supplemental appropriation funding for these operations from FY 2002 through 2008.¹ Further, it is reasonable to expect a final round of supplemental appropriations for FY 2009, which begins on October 1.

By now, the scope of activities in both Afghanistan and Iraq appear more predictable, along with their associated funding requirements. Further, the costs associated with the operations in Afghanistan and Iraq are becoming increasingly about "resetting" the military, making them more difficult to distinguish from the core defense program. The result is a practical argument for bringing the supplemental appropriations to a close in fiscal year 2009 and in 2010 incorporating these funding requirements into the core defense budget.

This paper, in its entirety, can be found at:
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The Heritage Foundation recommends allocating 4 percent of gross domestic product to the core defense program on a consistent basis in the future. Given that the Bush Administration's core defense budget proposal for FY 2009 through FY 2013 is over \$500 billion short of the 4 percent benchmark, the 4 percent of GDP funding level should provide adequate resources for defense if the currently anticipated circumstances in Afghanistan and Iraq hold.²

No Longer Emergencies. Using emergency supplemental bills to fund the global war on terrorism (GWOT) made sense when the costs were unpredictable even over the short-term. Yet, as the situations in Iraq and Afghanistan stabilize, so have the costs of respective American operations, which now average about \$10 billion per month. This predictability allowed the White House to propose a budget in February 2008 that included placeholder funding estimates for the GWOT through the rest of FY 2008 and the first half of FY 2009.

A 1991 report by the Office of Management and Budget (OMB) stated that legislation should not be granted "emergency" status unless it meets each of the five following criteria:³

1. *Necessary expenditure*: an essential or vital expenditure;
2. *Sudden*: quickly coming into being, not building up over time;
3. *Urgent*: pressing and compelling need requiring immediate action;
4. *Unforeseen*: not predictable or seen beforehand as a coming need; and
5. *Not permanent*: the need being temporary in nature.

While funding for the GWOT is certainly necessary and—when Congress delays—urgent, it is no

longer sudden, unforeseen, or temporary. Therefore, there is no adequate justification for funding these activities out of emergency bills.

The overarching goal remains military victories in both Afghanistan and Iraq. If circumstances warrant a significant expansion in military activities in either location, then a resumption of defense supplemental appropriations would be prudent. Further, this recommendation does not pertain to a currently unanticipated military operation of significant size outside of Afghanistan and Iraq.

Congress should only resort to supplemental appropriations to fund military operations under tightly defined circumstances, such as:

- When it is difficult to predict the incremental costs to the Department of Defense of the relevant operation; and
- In order to provide a buffer to protect the core defense budget against the pressing demands to fund the operation.

Further, any future defense supplemental appropriation should be restricted to covering the incremental costs to the Department of Defense. Core defense programs should not receive funding through supplemental appropriations.

Abuses of the "Emergency" Designation. A common misperception is that funding the GWOT through emergency bills is budget-neutral, since Congress would still have to allocate that funding either way. In reality, funding operations in Iraq and Afghanistan through emergency bills has resulted in higher *domestic* spending.

Each year, Congress passes a budget resolution capping total discretionary spending at a specific level for the following year. From that point forward, the House and Senate appropriations committees are charged with setting priorities and

1. Amy Balasco, "The Cost of Iraq, Afghanistan, and Other Global War on Terror Operations Since 9/11," *Congressional Research Service Report for Congress*, updated July 14, 2008, p. 16, at http://assets.opencrs.com/rpts/RL33110_20080714.pdf (September 18, 2008).
2. Baker Spring, "The FY 2009 Defense Budget Request: The Growing Gap in Defense Spending," Heritage Foundation *Backgrounder* No. 2110, February 25, 2008, at <http://www.heritage.org/Research/NationalSecurity/bg2110.cfm>.
3. OMB language is quoted in Government Accountability Office, *Supplemental Appropriations: Opportunities Exist to Increase Transparency and Provide Additional Controls*, GAO-08-314, January 2008, p.14, at <http://www.gao.gov/new.items/d08314.pdf> (September 18, 2008).

making trade-offs to keep spending at or below that level. Without such a cap, Congress could simply give every federal agency and special interest all of the funding they request without regard to the escalating sum of this spending.

Because emergency bills are outside the normal budget process, they are not subject to these caps. So any legitimate emergency bill can quickly become a proverbial Christmas tree for every budget request that did not make it into the regular appropriations bills—regardless of whether they are actual emergencies. Now that Congress has had a bite at this apple, the domestic spending bill has only grown with recent war supplementals. In FY 2006, for example, Congress tried to add \$14 billion in unrelated domestic spending (including a Mississippi “railroad to nowhere”) to the GWOT emergency bill.⁴ Although some of the funding was eventually stripped out, Congress came back in 2007 and successfully added \$21 billion in domestic spending (including another farmer bailout, despite record farm incomes) to that year’s emergency warfighting bill.⁵ Not to be outdone, the recent 2008 GWOT emergency bill included an astounding \$71 billion in new domestic spending.⁶

If Congress believes that its budget resolution spending caps are too low, then members should openly have that debate and go on the record supporting larger budget increases. But for Congress to pass a budget committing itself to a certain spending cap and then brazenly turn around and violate that cap with bogus domestic “emergency” spending makes a mockery out of the budget process. This behavior defeats the purpose of having a budget.

Even beyond the non-emergency domestic spending add-ons by Congress, the GWOT should have to compete with other federal programs within the normal budget process. No single spending item exists in a vacuum, so Congress must have an

opportunity to set priorities and make trade-offs across the entire federal budget. Lawmakers calling for large increases in troop funding should be willing to offset some of the added funding by cutting lower-priority programs.

But in order to force legislators to make tough decisions, Congress must limit the “emergency” designation to true emergencies that meet OMB’s criteria. Otherwise, the emergency designation will continue to be abused.

How to Make the Transition. Moving the Iraq and Afghanistan appropriations into the regular budget process involves two key steps:

1. **Begin in FY 2010.** The FY 2009 budget resolution has already been enacted, and the most recent emergency bill funded the GWOT through spring 2009. Congress could and should pass one more emergency bill (resisting unrelated domestic add-ons) to last through FY 2009. Congress should then pledge to fund the GWOT through the regular budget process beginning in FY 2010.
2. **Make the GWOT the 13th appropriations bill.** Congress’ first instinct may be to fold warfighting operations into the regular defense appropriations bill. Keeping it as a separate bill may be better for several reasons:
 - First, such separation preserves the delineation between regular defense spending and ongoing military operations in the GWOT. Some have expressed concern that if money for Iraq and Afghanistan is folded into the defense appropriations bill, all GWOT funding increases will be immediately carved out of the regular defense operations, leaving the rest of the military under-funded. Placing them in separate bills would remove that bias and empower Congress to look for offsets across all appropriations bills.

4. P.L. 109-234. For examples of domestic spending lawmakers attempted to add, see Brian M. Riedl and Alison Acosta Fraser, “The Senate’s Deadly Sin: Larding Up Emergency Appropriations,” Heritage Foundation *WebMemo* No. 1038, April 17, 2006, at <http://www.heritage.org/Research/Budget/wm1038.cfm>.

5. P.L. 110-28. For examples of domestic spending added, see Brian M. Riedl, “Congress Hijacks Troop Funding for Pork,” Heritage Foundation *WebMemo* No. 1397, March 15, 2007, at <http://www.heritage.org/Research/Budget/wm1397.cfm>.

6. P.L. 110-52. For examples of domestic spending added, see Brian M. Riedl, “Congress Again Lards Iraq War Spending Bill,” Heritage Foundation *WebMemo* No. 1953, June 12, 2008, at <http://www.heritage.org/Research/Budget/wm1953.cfm>.

- Second, such separation helps preserve the integrity of discretionary budget baseline. Funding for Iraq in particular is expected to wind down in the next few years. Congress will be tempted to allocate all those savings to new discretionary spending rather than let discretionary spending settle back down toward pre-war levels. Hiding GWOT funding within other spending bills would make it too easy for Congress to simply redistribute those savings into new domestic spending without notice. By contrast, putting it in a separate bill will highlight any spending reductions in current military operations and corresponding increases in other domestic spending bills.
- Finally, such separation allows lawmakers to take separate votes on normal defense operations and the wars in Iraq and Afghanistan. Some members of Congress have called for de-funding the troops serving in Iraq and Afghanistan but continue to support the regular defense budget. They should have the opportunity to take separate votes on separate spending bills.

Making a 13th appropriations bill does not require creating a 13th appropriations subcommittee. The House and Senate defense appropriations

subcommittees' expertise allows them to ably handle both bills. Otherwise, the full House and Senate appropriations committees could consider their bill on their own without a subcommittee.

GWOT funding may eventually fall to a miniscule level. At that point, it may be acceptable to merge it in with the regular defense appropriations bill.

Return Iraq and Afghanistan Emergency Spending to the Regular Budget Process. Funding the activities in Afghanistan and Iraq through emergency bills made sense immediately following the 9/11 attacks and in the first few years of the Iraq conflict. In 2008, however, the funding needs of the Iraq and Afghanistan conflicts have stabilized, and the need for separate emergency bills has run its course. Lawmakers should begin folding this spending into the regular budget process, while allowing for the resumption of emergency bills in the event of an unforeseen terrorist or military crisis.

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