

July 19, 2018

FY2019 Defense Appropriations Bill: An Overview of House-passed H.R. 6157

H.R. 6157, the FY2019 Defense Appropriations Bill passed by the House on June 28, would provide \$667.5 billion to fund all activities of the Department of Defense (DOD) except for the construction of military facilities and the operation of military family housing complexes. This amounts to \$882 million less than the Administration's request for this bill, a reduction of slightly more than one-tenth of 1%. (See **Table 1.**)

While the total appropriation would be nearly equal to the request, the House bill would provide more funding than requested for dozens of programs, with the gross increase exceeding \$10 billion.

Those proposed additions would be offset by hundreds of proposed reductions to the budget request. The House Appropriations Committee report to accompany H.R. 6157 (H.Rept. 115-769) characterizes many of these reductions

in terms that imply they would have no anticipated adverse impact on DOD programs.

In effect, these reductions allowed the House committee to add billions of dollars to the Administration's request without exceeding the cap on defense spending that arose from the Bipartisan Budget Act of 2018 (P.L. 115-123). That cap applies to discretionary appropriations for DOD's *base budget*—that is, funding for those activities not associated with current operations in Afghanistan and Syria, and other operations which are designated by Congress and the President as *Overseas Contingency Operations* (OCO).

The House-passed bill would provide a 2.9% increase over the base budget amount appropriated by the FY2018 defense appropriations act (P.L. 115-141, Division C).

Table 1. FY2019 Defense Appropriations: House-passed H.R. 6157
amounts in billions of dollars of discretionary budget authority (numbers may not sum due to rounding)

Title	FY2018 Enacted Defense Appropriations			FY2019 Request	House-passed H.R. 6157
	Regular defense appropriation [Division C of P.L. 115-141]	Missile defense and ship repair [P.L. 115-96]	Total		
Base Budget					
Military Personnel	133.4	--	133.4	140.7	139.3
Operation and Maintenance	188.2	0.7	189.0	199.5	197.6
Procurement	133.9	2.4	136.3	130.6	133.0
Research and Development	88.3	1.3	89.7	91.1	91.2
Revolving and Mgmt. Funds	1.7	--	1.7	1.5	1.5
Def. Health Program and Other	36.6	--	36.6	35.8	36.2
Related Agencies	1.1	--	1.1	1.1	1.0
General Provisions	-0.9	--	-0.9	0.1	-0.5
Subtotal: Base Budget	582.3	4.5	586.8	600.3	599.4
Overseas Contingency Ops. (OCO)	65.2	--	65.2	68.1	68.1
Total	647.4	4.5	651.9	668.4	667.5

Source: Congressional Budget Office, "Estimate of H.R. 6157, the Department of Defense Appropriations Act, 2019," July 2, 2018.

Notes: The regular defense appropriations bill for FY2018, initially H.R. 3219, had been enacted as Division C of the FY2019 Omnibus Appropriations Act, H.R. 1625/P.L. 115-141. An additional \$4.5 billion for defense was appropriated as a part of the third FY2018 Continuing Resolution (H.R. 1370/P.L. 115-96). These funds, designated as "emergency" spending (and, thus, exempt from the BCA-originated cap on discretionary defense spending), were to accelerate improvements in missile defenses and other activities oriented toward North Korea and to repair two Pacific Fleet destroyers damaged in collisions. The table does not include two other pools of discretionary budget authority appropriated for these DOD accounts in FY2018: \$434 million to repair hurricane damage, designated as emergency funding, that was appropriated as part of the fifth Continuing Resolution (H.R. 1892/P.L. 115-123); and \$8.1 billion in accrual payments to fund the TRICARE for Life program of medical insurance for military retirees, funding for which is appropriated automatically, as a matter of permanent law (10 U.S.C. 1111-1117).

However, before the regular FY2018 defense bill was passed, an additional \$4.5 billion had been appropriated for the FY2018 DOD base budget as part of the third Continuing Resolution for FY2018 (P.L. 115-96). If these funds—associated chiefly with missile defense programs relating to North Korea and the repair of two Pacific Fleet destroyers—are counted as part of the FY2018 base budget appropriation, the base budget increase provided by H.R. 6157 would be 2.2%.

Proposed Cuts

As described in the House committee report, some of the bill's proposed cuts to the Administration request reflect disagreement with DOD on the merits of the program at issue. For example, the bill would cut \$267.5 million from the \$718.9 million requested to develop an unmanned airplane to operate from Navy carriers because—according to the committee report—those funds would not be needed to carry out the work planned for FY2019.

Similarly, the bill would deny \$20.2 million the Navy requested to shut down the production line for Tomahawk long-range cruise missiles. In its budget justification documents, the Navy proposed transitioning from producing new Tomahawks to upgrading the existing supply of approximately 4,000 missiles with “anti-access area denial (A2AD) modernization kits.” The committee asserted that the Navy’s Tomahawk inventory is too low to start with and that it is being depleted by the expenditure of Tomahawks in ongoing combat operations.

However, the committee report describes hundreds more proposed reductions—with a total value in excess of \$10 billion—in terms that imply that they would have no adverse impact on DOD operations. Most of these reductions involve amounts of less than \$50 million. For example, according to the House Appropriations Committee report:

- Some of the proposed cuts could be offset by unspent funds left over from prior fiscal years (which the report labels as “unobligated balances”);
- Some are consistent with a program’s track record of spending each year less than its appropriation;
- Some are intended to restrain the rate of increase over a program’s FY2018 appropriation; and
- Some are described in the committee report as premature, sometimes because of delays in the program in question.

The House bill also incorporates reductions to the request—totaling nearly \$4 billion—that the committee report labels as “unjustified” or based on flawed DOD accounting of congressional action on the FY2018 budget request.

Selected Funding Increases

- **Facilities Modernization and Repair.** The bill would add \$1.5 billion to the \$12.3 billion requested for maintenance, repair, and modernization of DOD facilities and for the demolition of facilities no longer in use. That increase includes \$450 million for healthcare facilities, a 42% increase over the budget request.

- **“Readiness Restoration.”** The bill would add a total of \$1 billion, spread across the Operation and Maintenance (O&M) accounts of the service components, for “Readiness Restoration.” The committee report on the bill says that the funds should be used “only to improve military readiness,” and lists training, depot maintenance, and base operation support as suitable uses, while prohibiting the use of these funds for advertising, marketing, or recruiting.
- **Additional F-35 Joint Strike Fighters.** The bill would provide \$9.4 billion to procure 93 F-35 fighters, an increase of \$1.7 billion over the \$7.7 billion request. The increase would buy an additional eight planes for the Air Force, six planes equipped for carrier operations, and two of the short-takeoff/vertical landing version used by the Marine Corps.
- **National Guard and Reserve Equipment.** The bill would add to the budget request a total of \$2.4 billion for equipment used by the reserve units of the four armed forces as well as by the Army and Air National Guard. The total includes \$1.3 billion for a congressionally-sponsored account to pay for mission-critical equipment other than major weapons, which the four services are supposed to buy for National Guard and reserve units. The increase also includes \$168 million for six Apache attack helicopters, \$156 million for eight Black Hawk transport helicopters, \$100 million for HMMWV (“Hum-vee”) modernization for the Army National Guard, and \$640 million for eight C-130 cargo aircraft for the Air National Guard.
- **Science and Technology R&D.** The bill would make a gross addition of \$839 million to the \$13.7 billion requested for the type of research and development activity that DOD designates as *science and technology (S&T)*. This is relatively speculative research aimed at developing novel technologies in contrast to research to develop specific types of operational equipment.
- **Carriers and Submarines.** The bill would provide the \$1.6 billion requested for components that would be used in aircraft carriers slated for funding in future budgets. During floor debate on the bill, the House agreed to an amendment that would allow those components to be used in two future carriers rather than one, as the committee-reported bill would have required. The Navy says allowing the funds’ use for two ships would reduce their combined cost. The House rejected an amendment that would have cut a total of \$1 billion from several projects and allocated those funds to buy components that would support the procurement in future budgets of more submarines than are currently planned.

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IF10928

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