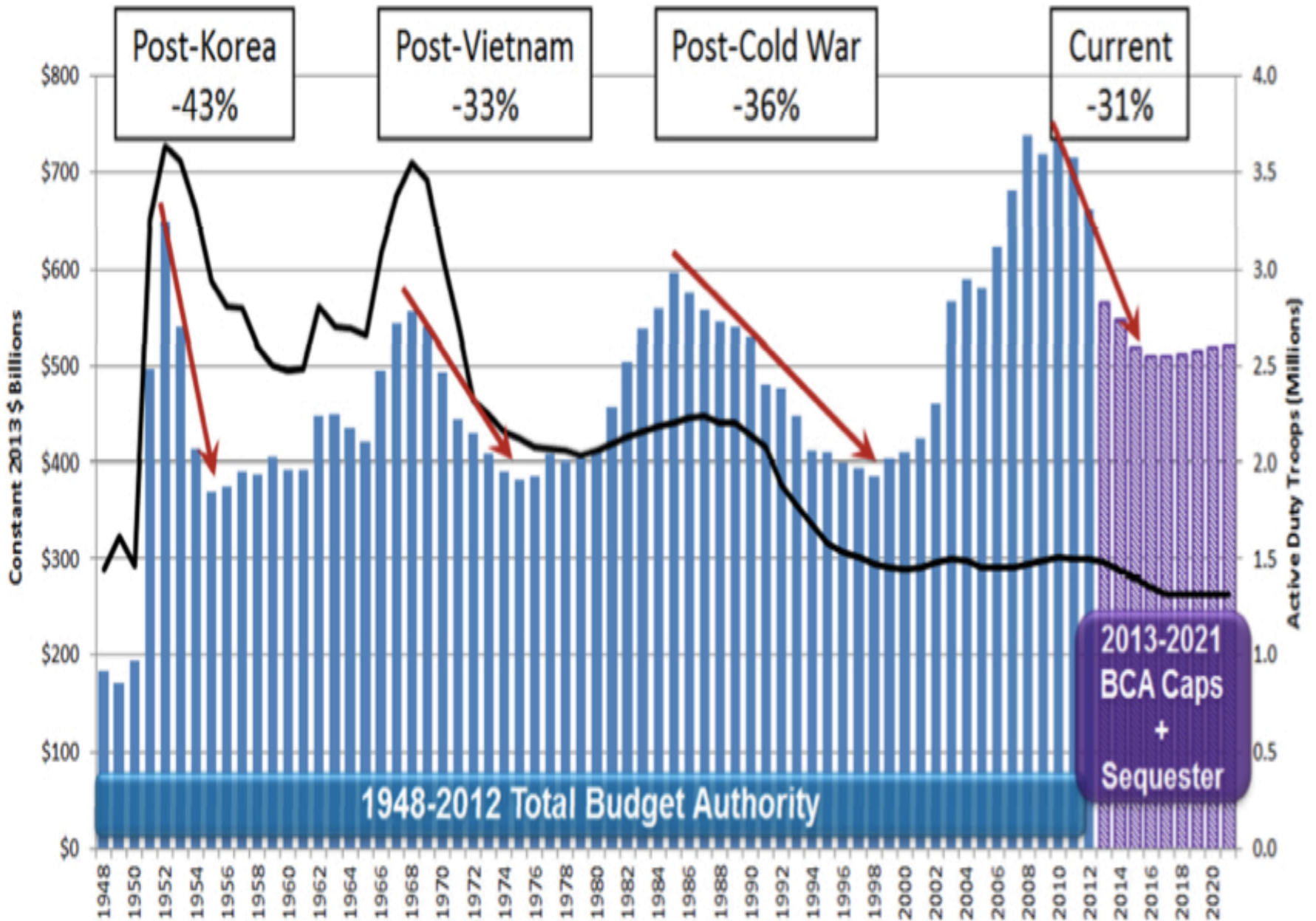


2014 House Appropriations Committee Retreat

J. C. Harvey Jr, Adm USN (Ret)
Sec of Veteran and Defense Affairs



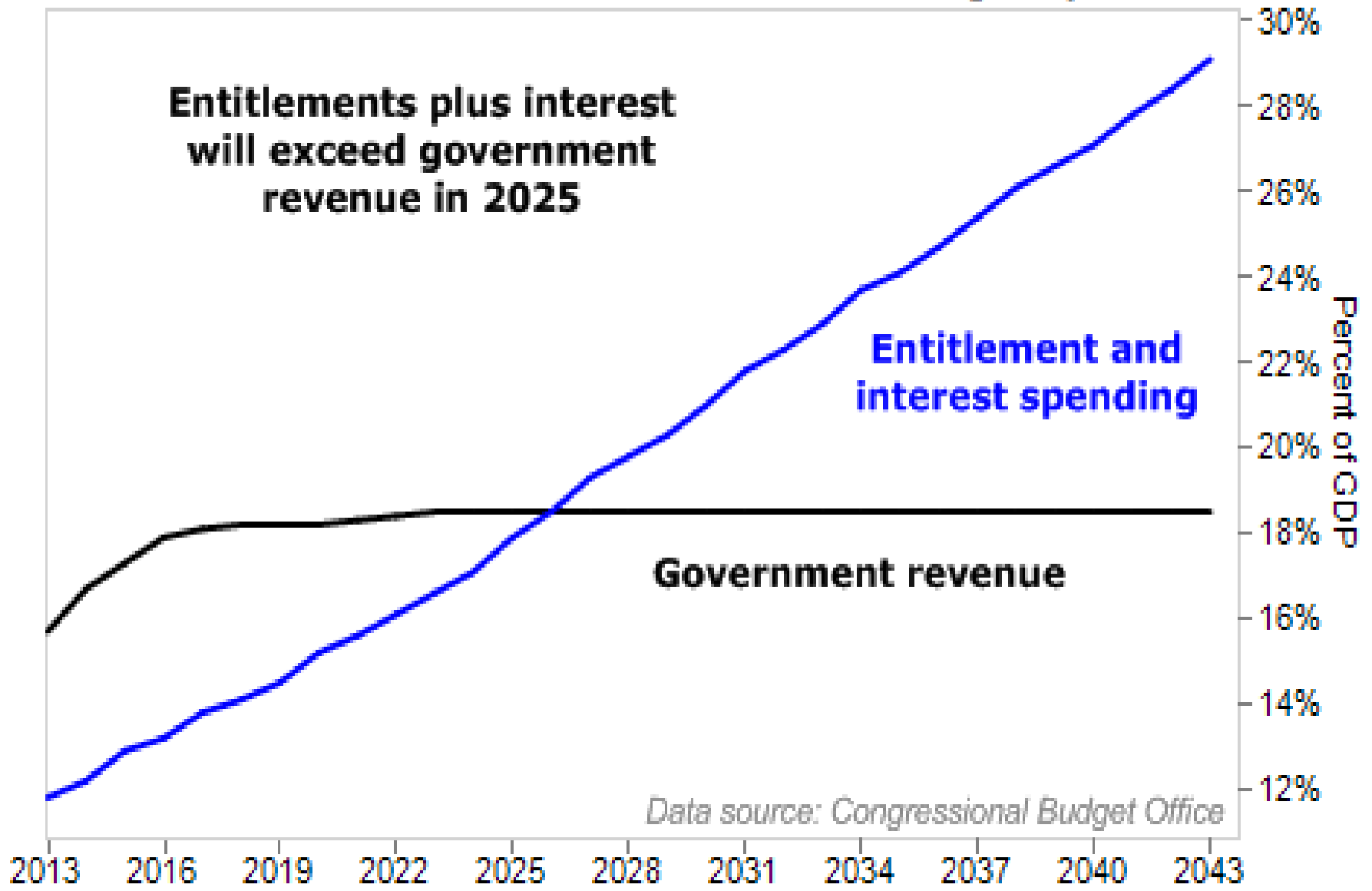


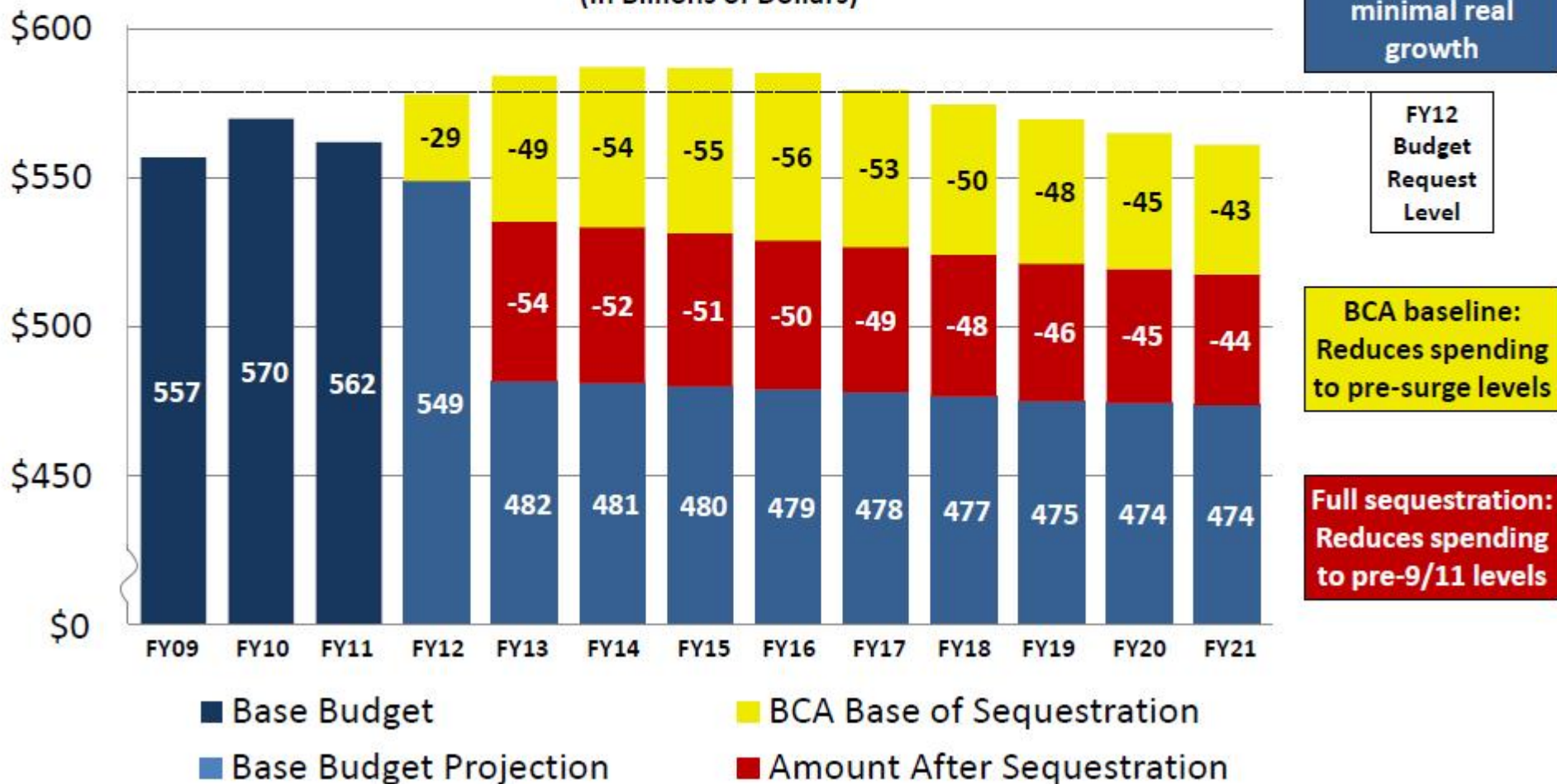
Figure 1 - National Defense Base Budget Topline

January 2012 – Implementation of Budget Control Act (BCA) Sequestration

FY 2009 – FY 2021

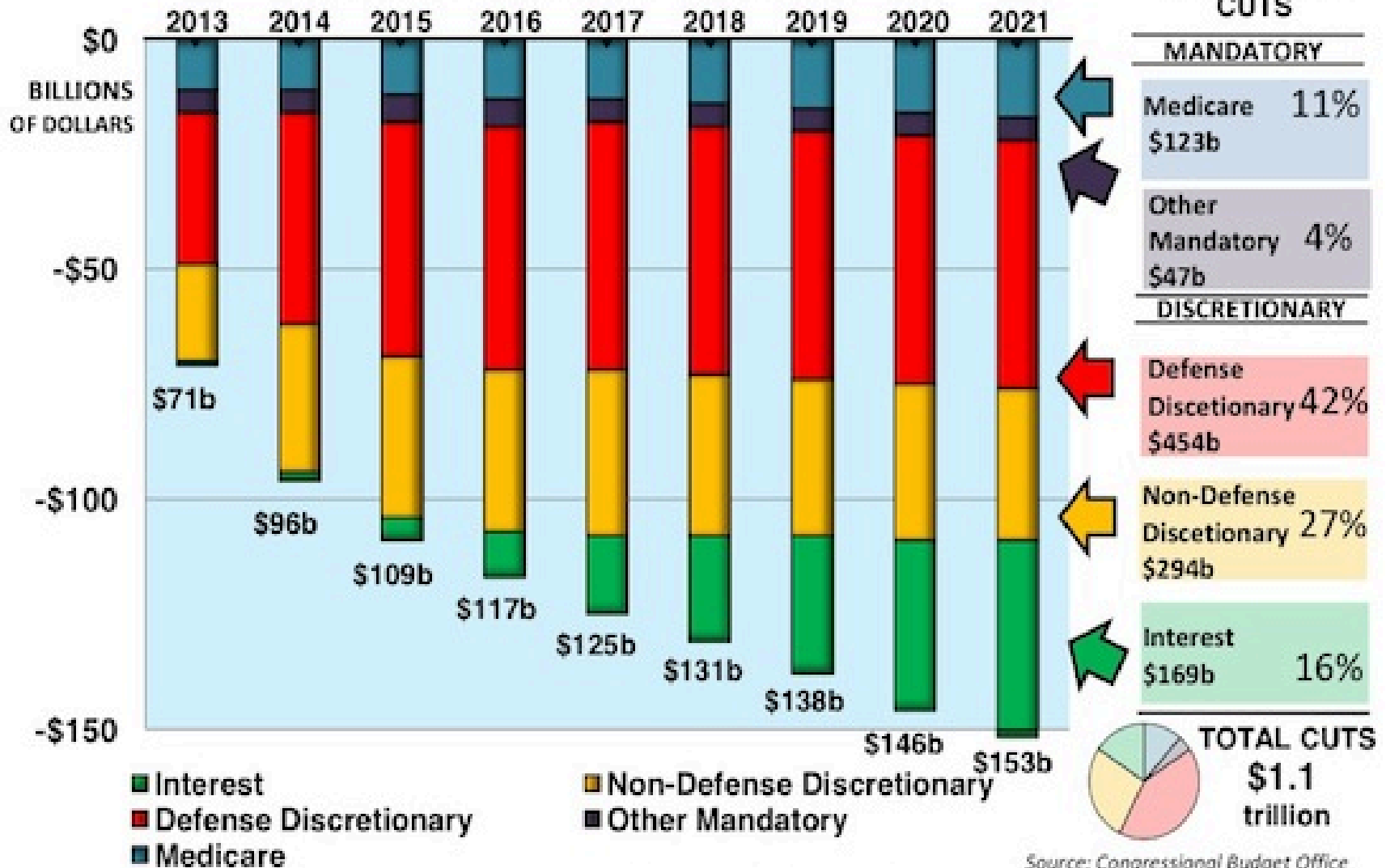
Constant FY 2012 Dollars

Base Budget (In Billions of Dollars)



Automatic Spending Cuts Under BCA Sequester

Annual and Cumulative, FY 2013-2021



Source: Congressional Budget Office

Produced by: Veronique de Rugy, Mercatus Center at George Mason University

DoD TOP LINE SPENDING

Total spending, in billions of then-year dollars:
(2006-13 actual, 2014 enacted, 2015 requested)

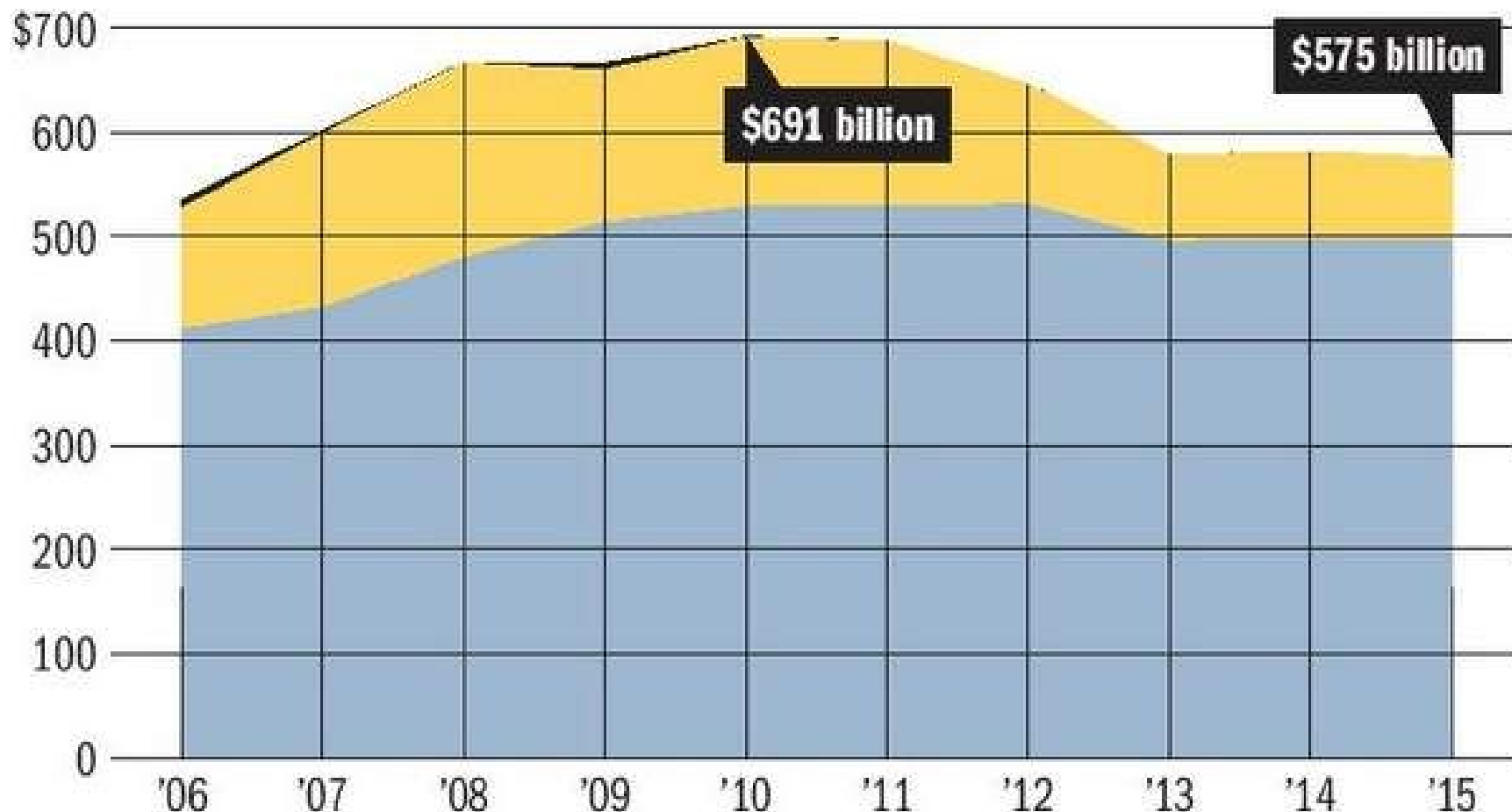
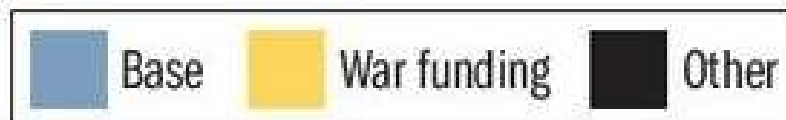
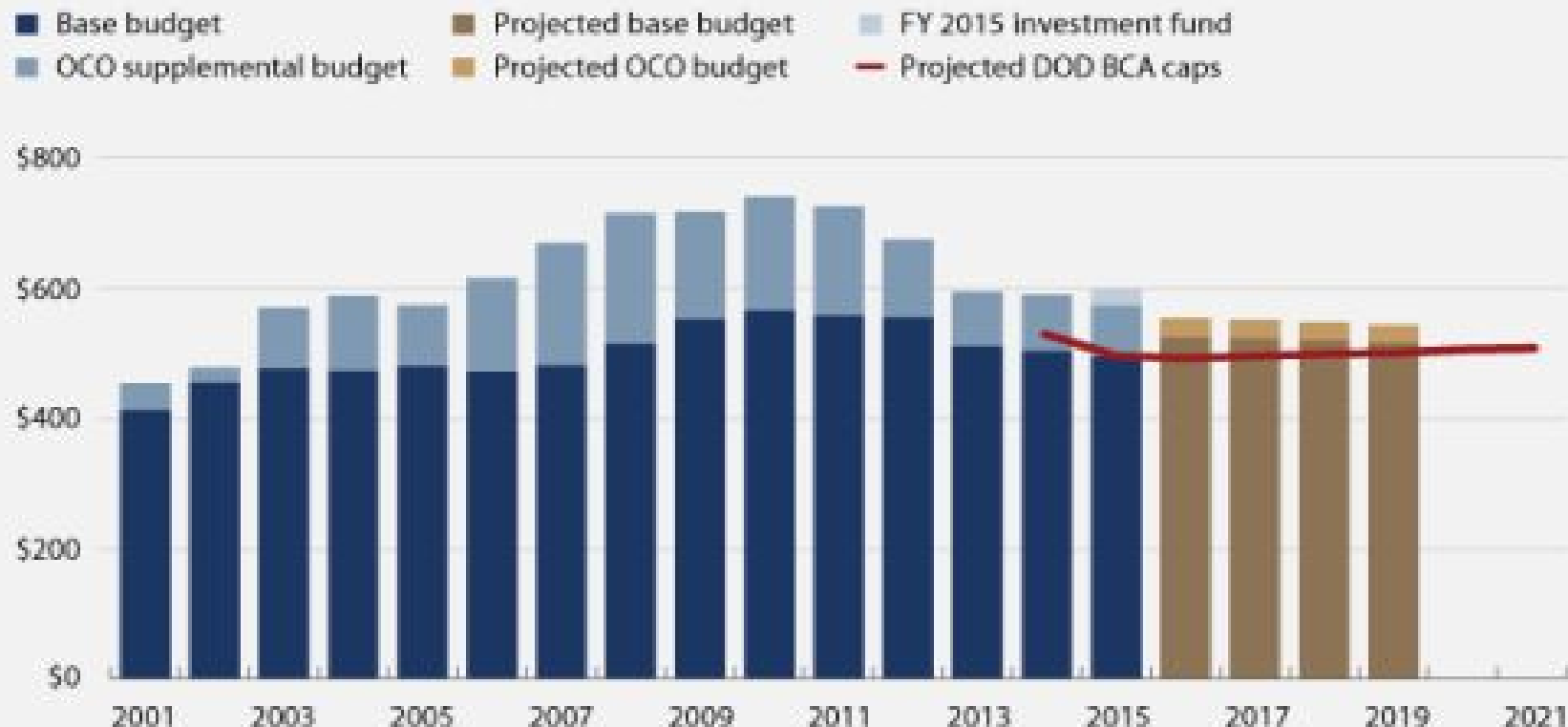


FIGURE 1

DOD budgets, FY 2001–FY 2019

Constant FY 2015 dollars (in billions)



Source: For figures in current-year dollars, see Office of the Under Secretary of Defense, *Fiscal Year 2015 Budget Request* (U.S. Department of Defense, 2014), p. 2, available at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Budget_Request.pdf; Congressional Budget Office, "Final Sequestration Report for Fiscal Year 2014" (2014), table 2, available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/45013-Sequestration.pdf>. DOD's share of the defense BCA caps was estimated at 95.5 percent, following previous application. See Congressional Budget Office, "Long-Term Implications of the 2014 Future Years Defense Program" (2013), figure 1, note d, available at <http://www.cbo.gov/sites/default/files/cbofiles/attachments/44683-FYDP.pdf>. Center for American Progress conversion into FY 2015 constant dollars using deflation factors from the U.S. Department of Defense. See Office of the Under Secretary of Defense, *National Defense Budget Estimates for FY 2015 (Green Book)* (U.S. Department of Defense, 2014), table 5–7, available at http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/FY15_Green_Book.pdf.

BRAC ?

The 2005 Commission recommended that Congress authorize another BRAC round in 2015, and then every 8 years thereafter.^[15] On May 10, 2012, the [House Armed Services Committee](#) rejected Pentagon calls for base closures outside of 2015 round by a 44 to 18 vote.^[16] Defense Secretary [Leon Panetta](#) had called for two rounds of base closures, while at the same time arguing that the alternative of the sequester would be a "meat-ax" approach to cuts which would "hollow out" military forces.^[17]

The [National Defense Authorization Act for Fiscal Year 2014](#) specifically prohibits authorization of future BRAC rounds: *No future Base Realignment and Closure round for military installations within the United States, its commonwealths, territories, and possessions for realignment or closure shall be authorized until, at the very earliest, the Department of Defense has completed and submitted to Congress a formal review of the overseas military facility structure, which incorporates overseas basing consolidations, an assessment of the need for bases to support overseas contingency operations, and the Department of Defense's Strategic Choices and Management Review.*^[18]

In May of 2014, it was attempted to fund another round of BRAC, although funding was not approved in a vote in May of that year.^[19]

At the end of the day ...,

“The Department appears to be caught between two approaches for addressing its strategy-resource mismatch. It has not budgeted enough to fully resource the defense program called for by its strategy nor has it revised its strategy and defense program to fit within the budget constraints set by Congress. Much like the chicken-or-the-egg question, it matters less whether the strategy or the budget comes first in the process and more that there is a process to reconcile mismatches between the two. Strategy should inform one's budget, and budget constraints should inform one's strategy.”

Todd Harrison, CSBA Analyst