



No Supplemental Funding: Implications for the U.S. Army

Introduction

The U.S. Army continues to support ongoing combat operations in Afghanistan and Iraq, as well as other operations in 80 countries worldwide. Most active component brigade combat teams (BCTs) are deploying for a third time, for 15-month tours. Many reserve component BCTs are mobilizing for a second tour of approximately 12 months. While Soldiers and Army civilians continue to answer the call to duty and their families remain as supportive as ever, all are increasingly under strain by the pressures emanating from the magnitude of the Army's global commitments.

As 2007 comes to a close, the Army needs full, timely and predictable funding to accomplish the myriad missions to which it has been assigned. Without the necessary funds and resources, by mid-February 2008 the Army will find itself unable to support combatant commanders worldwide.

Background

In a normal budget year, Congress receives the President's budget submission in February for the following fiscal year (FY). The President also submits a supplemental request to the base budget to fund wartime commitments. In February 2007, the President submitted the FY 2008 Iraq and Afghanistan supplemental war funding request with the normal base budget request for the Department of Defense (DoD).

Before Congress adjourned for its 2007 Thanksgiving recess, it approved and sent to the President the Pentagon's \$481.4 billion appropriations base budget for FY 2008.

However, the supplemental funding request to pay for war operations (approximately \$197 billion) was not approved by Congress. Continuing resolutions (CRs) by Congress are enabling the Army to receive funds: one was enacted on 27 September, and the second was enacted on 13 November. These CRs provide temporary funding at FY 2007 levels for all discretionary programs and were extended until 14 December 2007.

In addition to a yearly supplemental, there can be a "bridge supplemental" to span the gap between fiscal years until the yearly supplemental is passed. Unfortunately, there is no bridge supplemental for the current timeframe. Consequently, the Army must now take draconian actions within its organization to meet its wartime funding requirements.

Implications

The lack of funds for Army missions in the Global War on Terrorism (GWOT) will impact short-term operations, Army installations at home and abroad, Soldiers, Department of the Army civilians and their families. In the absence of funds, the Army has had to rely on Operation and Maintenance (O&M) dollars—allocated for organizing, training, equipping and sustaining Soldiers and their families—to fund war-related activities. The FY 2008 budget for O&M provided the Army with approximately \$27 billion, but the war demands an additional \$55 billion. In a recent DoD news briefing, Pentagon Press Secretary Geoff Morrell stated, "That money's going to run out... within a matter of months."¹ Experts estimate that Army funds will only last until mid-February 2008.

¹ DoD News Briefing with Press Secretary Geoff Morrell, 20 November 2007, available online at <http://www.defenselink.mil/transcripts/transcript.aspx?transcriptid=4091>.



Department of Defense and senior Army leaders have enumerated several significant consequences that will result from lack of full funding:

- **Employee Layoffs and Notifications.** It is estimated the DoD and the Army will have to furlough approximately 200,000 civilian employees and contractors. Federal laws require workers to be notified in advance that they might be furloughed. As such, persons affected by potential furloughs had to be notified by mid-December.
- **Military Contracts.** Senior officials have alluded to the cancellation of current and future military contracts.
- **U.S. Military Bases and Quality of Life Programs.** Operations on various military bases will be partially or completely shut down. A recent document issued by the Army Budget Office (ABO) warned that lack of funding would result in a reduction in services for servicemembers and their families.
- **Limited Reprogramming Opportunities.** Congress has limited transfer authority for the Army. Secretary Gates received permission to shift \$3.7 billion from the Navy and Air Force and \$800 million from a working capital account to fund Army and Marine Corps operations. However, this is the last such transfer Congress is allowing the Army to make; there is no more reprogramming authority to borrow from other accounts.

In anticipation of these adverse developments, the Army Vice Chief of Staff General Richard Cody directed Army commanders and agency directors in late November to begin planning to curtail operations and related expenses not directly supporting Soldiers engaged in GWOT operations. Its guidance also instructed Army commanders and civilian leaders to review all operations and to provide recommendations on how to reduce costs. The standoff over funding could also have a negative

impact on the DoD's domestic base structuring plan—base restructuring and closures (BRAC)—which must be completed by 2011.

Besides these immediate consequences, lack of funding has a long-lasting impact on Army families. At the AUSA Annual Meeting and Exposition in October 2007, Secretary of the Army Pete M. Geren and Chief of Staff General George W. Casey introduced the Army Family Covenant, a pledge to support Soldiers' families while they defend the nation. Since October's announcement, the covenant was sent to various Army installations and signed at town meetings and formal signing ceremonies. The absence of timely, predictable funding undermines the written pledge by Army senior leadership to guarantee the tenets of the covenant.

Summary

The Army began FY 2008 under a CR. The regular appropriations bill has been enacted in the absence of a corresponding emergency supplemental to fund the war in Iraq or a bridge fund to compensate for war costs. The Army is now left with only its base budget to support normal war operations, a sum which is inadequate to support both domestic and wartime Army responsibilities.

The lack of funding may result in readiness challenges, which will impair the ability of the Army to respond to threats both at home and abroad. Specifically, Iraq and Afghanistan operations may be at risk. Army installations will be "warm-based," and modernization programs will see significant delays.

The Army is already overstretched and under great strain as a result of its war duties abroad; these burdens should not be compounded by an impasse over full, timely and predictable funding. Lack of funding will have a lasting impact on Army families. Soldiers, Army civilians and their families deserve a quality of life commensurate with the quality of their service.

Key Points

- The supplemental funding request to pay for war operations (approximately \$197 billion) has not yet been passed by Congress.
- Lack of emergency funding will have a lasting impact on Army families and undermines the promises made by the Army Family Covenant.
- The lack of emergency supplemental funds will cause operations on Army installations, as well as the overseas missions of men and women serving in Iraq and Afghanistan, to be at risk.
- **Bottom line: The Army is already overstretched and under great strain as a result of its war duties abroad; these burdens should not be compounded by an impasse over full, timely and predictable funding.**