
Defense Report

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When Congress Doesn't Pass a Defense Budget on Time — It Costs the Taxpayers Money

In 1974 Congress passed a law that was supposed to improve the way it legislates appropriations to run the government. It changed the start of the new fiscal year from July 1 to October 1 to provide more time each year for the budget process and set a precise time table to follow. It hasn't really worked very well as far as making those time goals is concerned, but Congress retained for itself its time-honored loophole called a "continuing resolution."

The Defense Department has not had a budget on time for the last three years and appears to be well on its way toward a fourth. Instead it has, and will, start each of these new fiscal years operating under a continuing resolution which says, in essence, that the department can only spend at the same levels of the previous fiscal year. Last year the Fiscal 1982 Defense Appropriations Bill, scheduled by law to be passed by September 30 and operable on October 1, was not passed until mid-December. This, of course, has its biggest impact on programs that are scheduled to start in the new year. They are left unfunded, even though they may have been approved by a separate authorization act.

That two and half-month delay cost the U.S. Army and the taxpayers \$30 million because of inflation that occurred between the time contracts were negotiated for the new fiscal year and the date they could actually be finalized. Major losers were the procurement, research and development and military construction appropriations.

Also affected was the appropriation account that pays the Army's soldiers. Increases in enlistment and reenlistment bonuses were scheduled to start on the first day of the new fiscal year but could not be paid because they were new programs, not covered by the continuing resolution. As a result, soldiers who reenlisted in October, 1981 lost an average of \$836 from the bonus due.

This year the debate over the federal budget, including the Defense Budget, is even more intense than usual. Congress, already far behind schedule will almost certainly resort again to the continuing resolution procedure in order to recess in time to campaign for the November elections. Without appropriated funds for the new fiscal year, the men and women of the armed services will feel the first results, but all taxpayers will eventually pay the bill.