

The Chart Page

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Snapshots of the New Budgets

In February, President Bush presented to Congress a Fiscal Year 1992-93 DoD biennial budget request that continues the cutback in military spending. The proposal for the **entire national defense program** (DoD activities and defense activities in the Department of Energy and other federal agencies) is \$290.8 billion in budget authority and \$295.2 billion in outlays for FY 1992 and \$290.9 billion in budget authority and \$292.0 billion in outlays for FY 1993. The **direct program** (DoD activities only) is \$278.3 billion in budget authority and \$283.0 billion in outlays for FY 1992 and \$277.9 billion in budget authority and \$279.1 billion in outlays for FY 1993.

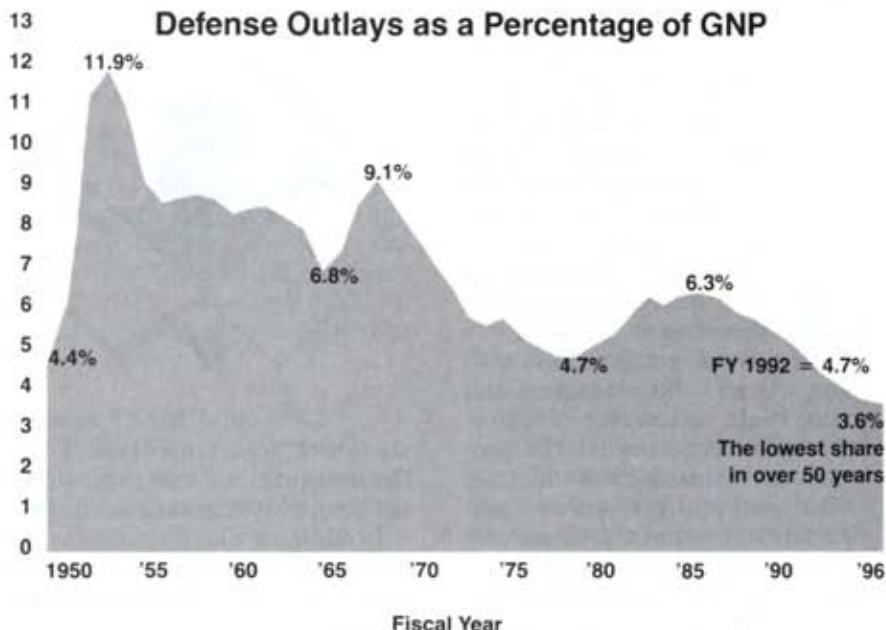
Adjusted for inflation, defense spending will decline by about one percent in FY 1992 and four percent in FY 1993. In FY 1996, the cumulative inflation-adjusted decline since 1985 will reach thirty-four percent.

Funding for Operation Desert Storm will be handled as a separate emergency funding request, although the Pentagon cautioned that "some of the program decisions in the FY 1992-93 request will have to be adjusted in the aftermath of the Gulf crisis."

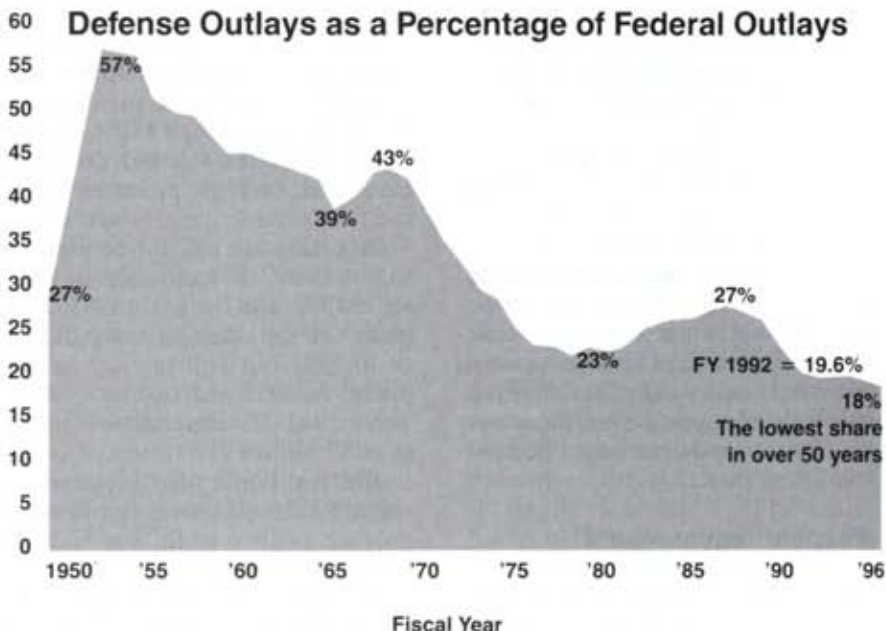
Funding levels can be expressed in several ways. Totals are most frequently stated as **budget authority** (the value of new obligations, including some to be met in later years, which the government is authorized to incur) or **outlays** (actual expenditures, some of which are funded by budget authority in previous years).

Another difference concerns the value of money. When funding is in **constant** or **real dollars**, the effect of inflation has been factored out to make direct comparisons between budget years possible. A specific year, often the present one, is chosen as a baseline for constant dollars. When funding is in **current** or **then-year dollars**, no adjustment for inflation has taken place. This is the actual amount that has been spent, budgeted, or forecast.

The following charts address only the direct program. In some instances, numbers on the charts in this section may not sum to totals shown because of rounding.



One way to measure the total burden on the economy of defense spending is to look at defense outlays as a percentage of the Gross National Product. By FY 1996, planned defense outlays as a share of GNP would be at their lowest level since 1939. During the "hollow force" period of the late 1970s, defense outlays consumed 4.7 percent of GNP.



The facts do not support the claim that defense consumes a disproportionate share of the federal budget. Planned defense outlays represent a declining share of total federal outlays and by FY 1996 will be at their lowest level in fifty years.

Budget Topline

(Current \$ billions)

	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995	FY 1996
Budget authority	273.0	278.3	277.9	278.2	280.7	282.6
Outlays	287.5	283.0	279.1	273.3	274.6	278.5

How the Budget Dropped

(Budget authority in \$ billions)

	FY 1991	FY 1992	FY 1993	FY 1994	FY 1995
Summit baseline, July 1990	303.5	315.6	327.4	338.7	349.3
President's budget, February 1991	273.0	278.3	277.9	278.2	280.7
Reduction	-30.5	-37.3	-49.5	-60.5	-68.6
Inflation-adjusted decline	-11.3%	-0.9%	-3.9%	-3.6%	-2.7%

The summit baseline is based on defense spending at FY 1990 levels plus inflation. The President's budget request is consistent with the fall budget summit agreement totals, which reduce defense spending in FY 1991 by 11.3 percent and then by an average of three percent annually through FY 1995.

Where the Money Goes

(Budget authority in current \$ billions)

	FY 1990	FY 1991	FY 1992	FY 1993
Military personnel	78.9	79.0	78.0	77.5
Operations and maintenance	88.3	86.0	86.5	84.7
Procurement	81.4	64.1	63.4	66.7
Research, development, test, and evaluation (RDT&E)	36.5	34.6	39.9	41.0
Military construction	5.1	5.0	4.5	3.7
Family housing	3.1	3.3	3.6	3.6
Other	-0.3	1.0	2.3	0.7
Total	293.0	273.0	278.3	277.9

FY 1993 RDT&E budget authority, adjusted for inflation, will be ten percent above FY 1991 levels. A handful of major programs accounts for most of the climb.

Service Shares

(Budget authority in \$ billions)

	FY 1990	FY 1991	FY 1992	FY 1993
Current Dollars				
Army	78.5	72.4	71.1	67.7
Navy/Marine Corps	100.0	92.2	91.6	92.5
Air Force	92.9	82.7	86.5	91.4
Defense agencies, Defense-wide	21.7	25.7	29.1	26.3
Total	293.0	273.0	278.3	277.9
Service Percentages				
Army	26.8	26.5	25.6	24.3
Navy	34.1	33.8	32.9	33.3
Air Force	31.7	30.3	31.1	32.9
Defense agencies, Defense-wide	7.4	9.4	10.4	9.5

The Air Force was the only service in FY 1992 to get *more* funds, due in part to increased R&D spending for the B-2 bomber, C-17 airlifter, Advanced Tactical Fighter, and other programs. Army funding is low because 1980s modernization is ending. Growth in the Defense agencies' budget reflects major funding for the Strategic Defense Initiative.

Manpower Losses

(End strength in thousands)

	FY 1987 (Actual)	Programmed				FY 1987-95 Reduction
		FY 1992	FY 1993	FY 1994	FY 1995	
Active Military						
Army	781	660	618	577	536	- 245
Navy	587	551	536	516	510	- 77
Marine Corps	199	188	182	176	171	- 28
Air Force	607	487	458	445	437	- 170
Total	2,174	1,886	1,795	1,714	1,653	- 521
Selected Reserves	1,151	1,068	989	924	906	- 245
Civilians	1,133	1,003	976	958	940	- 193

In FY 1995, total active-duty military personnel will number 1,653,000, down 521,000 from the FY 1987 post-Vietnam peak. Some 30,000 civilian reductions stem from DoD management initiatives. The request funds a training tempo comparable to that in FY 1991.

Force Structure Changes

	FY 1990	FY 1995
Army divisions	28 (18 active)	18 (12 active)
Aircraft carriers	13	12
Carrier air wings	15 (13 active)	13 (11 active)
Battle force ships	545	451
Air Force tactical fighter wings	36 (24 active)	26 (15 active)
Strategic bombers	268	181

Recommended force structure cuts reflect a revised strategy, based on an expectation of reduced global conflict. The drop in strategic bombers reflects retirement of the B-52H aircraft and conversion of the FB-111 to the conventional role.

Funding for Forces

(Budget authority in current \$ millions)

	FY 1992		FY 1993	
	Quantity	Dollars	Quantity	Dollars
Land Forces				
UH-60 Black Hawk helicopter	60	508	60	428
Single-Channel Ground and Airborne Radio System	-	288	-	292
LH (Light Helicopter)	-	550	-	617
Apache Longbow	-	233	-	264
Family of Medium Tactical Vehicles	1,815	170	3,288	293
Tactical Air Forces				
F/A-18 aircraft	36	2,423	20	2,534
Advanced Tactical Fighter	-	1,637	-	2,325
F-16D aircraft	48	1,419	24	923
C-17 airlifter	6	2,831	12	4,212
EA-6B remanufacture	-	110	3	556
AMRAAM	1,191	1,031	1,469	1,049
Naval Forces				
Aircraft carrier replacement	-	-	-	852
SSN-21 fast attack submarine	1	2,382	1	2,464
DDG-51 destroyer	5	4,335	4	3,480
LSD cargo variant	1	245	1	251
MHC-1 coastal minehunter	2	231	2	222
TAGOS Surtass surveillance ship	-	-	1	150
AOE replenishment ship	1	540	-	-

Major Program Terminations

(Savings in \$ billions)

	FY 1992	FY 1993-97
Bradley Fighting Vehicle	0.7	1.7
Trident submarine	1.4	2.8
LHD amphibious assault ship	-	2.1
P-7A antisubmarine warfare aircraft ¹	0.6	5.4
F-14D remanufacture	1.4	13.4
Naval Advanced Tactical Fighter	0.1	2.0
A-12 aircraft ¹	2.7	19.5
Air Force Advanced Tactical Aircraft ¹	-	0.8
F-16 aircraft (end of FY 1993)	1.6	13.8
Peacekeeper missiles	0.7	2.2
Mk. XV Combat Identification System ¹	0.1	0.2
Boost Surveillance and Tracking System (BSTS) satellite program	0.4	5.5
Tacit Rainbow program	0.2	2.3
Total	9.9	71.7

¹Previously announced cancellations taking effect in FY 1992.



The budget calls for the termination of eighty-one programs, for a savings of \$11.9 billion in FY 1992 and an additional \$90 billion through FY 1997. There is no money in the budget for several major programs terminated last year, including the V-22 Osprey (production), F-14D aircraft, Army Helicopter Improvement Program (AHIP), Phoenix missile, M88A2 Improved Recovery Vehicle, F-15E aircraft, Apache helicopter, M1 tank, and Maverick missile.

Funding for Major Air Force Systems

(\$ millions)

	FY 1991	FY 1992	FY 1993
Aircraft			
B-1B bomber	20.8	107.9	142.9
B-2 Stealth bomber	4,184.5	4,821.5	4,639.1
C-17 airlifter	1,025.8	2,830.7	4,211.7
C-20 jet transport	30.0	-	-
C-27A SOUTHCOM mission support aircraft	90.6	-	-
C-130H Hercules	-	391.2	406.6
Civil Air Patrol aircraft	1.9	2.0	2.1
E-8A Joint STARS aircraft	190.5	396.7	778.8
Enhanced flight screener aircraft	-	8.8	13.6
F-15E fighter	1,648.2	308.5	64.5
F-16 fighter	2,154.0	1,419.0	923.0
KC-135 reengining	582.7	466.3	483.8
MH-60G Pave Hawk helicopter ¹	43.5	27.9	34.7
T-1A Tanker/Transport Training System	175.4	173.0	183.5
VC-137 modifications to be determined	-	7.0	34.8
Missiles			
Advanced Cruise Missile (ACM)	506.0	626.4	551.5
AGM-130 air-to-ground weapon	52.3	93.2	110.7
AMRAAM air-to-air missile ²	561.2	813.0	904.2
HARM air-to-ground missile ²	33.6	116.6	232.0
Have Nap air-to-ground missile	27.9	37.3	-
Peacekeeper strategic missile	918.0	458.2	105.6
SRAM II air-to-ground missile	159.4	176.9	258.7
Other Procurement			
9-mm personnel defense weapon ²	-	0.3	-
Cheyenne Mountain Upgrade (CMU)	126.4	170.4	220.5
Defense Meteorological Satellite Program (DMSP)	216.0	161.5	54.6
Defense Satellite Communications System (DSCS)	80.0	70.1	30.2
Defense Support Program (DSP)	674.1	272.8	653.2
Family of Medium Tactical Vehicles (FMTV)	4.5	7.4	8.7
Medium Launch Vehicle (MLV)	454.5	267.6	283.4
Milstar	955.6	1,404.4	1,536.3
Navstar global positioning system	282.3	396.8	419.7
Space boosters	345.3	463.5	519.9
Programs in R&D Only			
Advanced Tactical Fighter	955.3	1,637.2	2,324.6
Advanced Launch System	25.0	147.7	251.1
Small ICBM	100.0	202.2	548.8
SRAM-T	27.8	34.3	106.5
DoD Joint Programs			
Unmanned aerial vehicles (UAVs)	115.9	207.0	290.3
National Aerospace Plane (NASP)	161.5	231.8	183.3
Strategic Defense Initiative	2,873.9	4,580.6	4,933.2
Tactical missile defense initiative	218.2	603.0	723.8

¹Army, Navy, and Air Force funding involved.²Navy and Air Force funding involved.