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Military Spending in Fiscal Year 2015: The Pentagon's Budget Request

*National Priorities Project examines the new budget proposal
for the Department of Defense.*

By Bill French

On March 4, the Obama Administration released its fiscal year 2015 budget request. The administration is seeking a \$495.6 billion budget for the Department of Defense, not including war funding or nuclear weapons activities at the Department of Energy. The Pentagon's request for fiscal year 2015 complies with the budget caps imposed by the Budget Control Act of 2011 (BCA) as modified by the Ryan-Murray Bipartisan Budget Act of 2013 (BBA). However, the President's budget would nonetheless exceed these caps for the Pentagon by \$26 billion as a result of a separate request called the "Opportunity, Growth and Security Initiative." Moreover, the Defense Department's spending plans for FY2016-2019 submitted with this year's budget would collectively exceed the spending caps during those years by a total of \$115 billion.

NOTE: All funding figures are in nominal dollars unless otherwise noted – i.e., they are not adjusted for inflation.

Budget Highlights

Top Line Funding

The Obama Administration is requesting \$495.6 billion for the Department of Defense in fiscal year 2015, which begins on Oct. 1, 2014.

The FY2015 budget proposal also includes a separate request, entitled the "Opportunity, Growth and Security Initiative" (OGS), that would add \$26.4 billion to Pentagon spending in FY2015. If OGS were to be approved, the Department of Defense would see a 5 percent increase in its topline budget compared to last year. DoD intends to use the additional funds primarily to invest in readiness, accelerate procurement of major weapon systems and military construction to improve facilities.

In addition to \$495.6 billion for the DoD base budget, and \$26.4 billion for OGS, the recent budget request also includes funding for nuclear weapons, military assistance to foreign militaries, and wars overseas. Excluding war funding, the budget contains \$549 billion for

military programs. Once projected war costs are included, the new 2015 budget proposal would spend a total of \$648 billion on all military programs.

Funding for Overseas Contingency Operations (OCO)

The budget does not include a detailed request for military operations in Iraq and Afghanistan. According to the Office of Management and Budget, "the Budget includes a place-holder for DOD's 2015 Overseas Contingency Operations (OCO) funding equivalent to the amount provided in the President's 2014 Budget." The president's FY2014 budget request for OCO was \$79.4 billion, though the final amount of war funding appropriated for 2014 totaled \$92.3 billion.

Since 2001, this country has spent \$1.57 trillion on the wars in Iraq and Afghanistan. See the running total of money spent on the wars at [Cost of National Security](#).

Base Closures

The Pentagon is requesting a new round of base closures to occur in 2017. The last round of base closures occurred in 2005.

Missile Defense

The administration is requesting \$8.2 billion for missile defense, down roughly \$500 million from the enacted levels in FY2014. This total does not include an additional \$770 million for the SBIRS-High satellite.

Shipbuilding

The request includes \$22 billion for ship building and maritime systems, of which \$7.4 billion is for surface combatant construction and \$7.7 billion is for submarine combatant construction. The budget request includes funding for two DDG-51 destroyers, three Littoral Combat Ships and two "Virginia" class submarines. The budget also provides \$2.1 billion to continue construction of the USS Gerald R. Ford, the first in a new class of nuclear aircraft carriers, and nearly \$1.3 billion for the development of the next generation ballistic missile submarine program intended to replace the current "Ohio" class submarine.

Aircraft

The request includes \$40 billion for aircraft and related systems, of which \$13.8 billion is for combat aircraft, \$8.2 billion is for cargo aircraft, and \$2.4 billion is for Unmanned Aerial Vehicles. The request provides \$8.3 billion for the F-35 Joint Strike Fighter program (including the procurement of 29 aircraft), \$1.5 billion for V-22 "Osprey" tilt-rotor aircraft, \$2.4 billion for the KC-46 airborne tanker aircraft, and \$1.4 billion for C-130J Cargo aircraft. Twelve MQ-9 "Reaper" and nineteen MQ-1 "Predator" Unmanned Aerial Vehicles were also requested in the budget.

Military Personnel

The FY2015 proposal includes \$176.6 billion for military pay and benefits. The Department of Defense seeks a 1 percent pay increase for personnel, with the exception of General Officers and Flag Officers for whom DOD is requesting a pay freeze. The request would also reduce the share of housing costs paid for by DOD through Basic Allowance for Housing (BAH) to 95 percent. The budget includes \$47.4 billion for the Military Health System.

Department of Energy Activities

The request includes \$8.31 billion for the nuclear weapons activities of the Department of Energy (DoE), a nearly 7 percent increase compared to enacted FY2014 levels. It also contains \$1.55 billion for DoE’s nuclear nonproliferation work, a decrease of more than 20 percent, and \$5.32 billion for Defense Environmental Cleanup (up 6.6 percent). In total, the request includes \$17.7 billion for the nuclear weapons-related activities of the Department of Energy, a 4.6 percent increase.

Supporting Tables

Projected Pentagon Base Budget

(in billions of nominal dollars)

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	Total
Request	496	495.6	535.1	543.7	551.4	559	3,180.8
Including “Opportunity, Growth, and Security”		522					

Funding by Military Service

(in billions of nominal dollars)

	FY2014 Request	FY2014 Enacted	FY2015 Request	Dollar Change FY2014/FY2015 Request	Percent Change FY2014 Enacted/FY2015 Request
Army	129.7	121.7	120.3	-1.36	-1.11%
Navy	155.8	147.3	147.7	+0.36	+0.25%
Air Force	144.4	134.7	137.8	+3.07	+2.28%
Defense-wide	96.8	92.3	89.8	-2.50	-2.71%
Total	527	496	496	-0.42	-0.08%

Funding by Title

(in billions of nominal dollars)

	FY2014 Request	FY2014 Enacted	FY2015 Request	Dollar Change FY2014/FY2015 Request	Percentage Change FY2014 Enacted/FY2015 Request
Military Personnel	137.1	135.9	135.2	-0.73	-0.53%
Operation and Maintenance	209.4	192.8	198.7	+5.90	+2.82%
Procurement	99.3	92.4	90.4	-2.08	-2.10%
Research, Development, Test and Evaluation	67.5	62.8	63.5	+0.73	+1.08%
Military Construction	9.5	8.4	5.4	-3.03	-31.95%
Family Housing	1.5	1.4	1.2	-0.23	-14.60%
Revolving Funds	2.3	2.2	1.2	-0.99	-43.40%
Total	527	496	496	-0.42	-0.08%

Program and Per Unit Costs of Selected Weapons Programs

(in millions of nominal dollars; unit and program costs are over the lifetime of the program)

	FY2015 Request	Quantity	Per Unit Cost	Total Program Cost
Aircraft				
F-22A Fighter	543	0	358	67,337
F-35 Fighter (JSF)	8,314	34	159	391,212
E/A-18G Jamming Aircraft	44	0	97	13,084
C-130J Cargo Aircraft	1,402	14	93	15,539
KC-46 Airborne Tanker Aircraft	2,360	7	289	51,642
V-22 Osprey Aircraft	1,597	19	120	55,062
UH-60M "Blackhawk" Helicopter	1,434	79	19	25,694
MH-60R "Seahawk" Helicopter	1,052	29	48	13,462
MH-60S "Knighthawk" Helicopter	236	8	29	7,892
UH-72A "Lakota" Light Utility Helicopter	417	55	6	2,004
Shipbuilding				

Aircraft Carrier CVN-78 Class	2,138	0	14,376	43,129
DDG-51 "Arleigh Burke" Destroyer	3,060	2	1,185	91,234
Littoral Combat Ship (LCS)	2,071	3	653	33,956
SSN-774 "Virginia" Attack Submarine	6,300	2	3,062	91,847
Missiles/Munitions				
Trident II D-5 Missile	1,517	0	74	41,506
Tactical Tomahawk Cruise Missile	227	100	1	7,109
Joint Direct Attack Munition (JDAM)	101	2,973	0	6,442
Joint Stand-off Weapon (JSOW)	135	200	1	1,875
Joint Air to Surface Standoff Missile (JASSM)	353	224	1	2,914
Small Diameter Bomb (SDB II)	219	246	0	4,185
Unmanned Systems				
Predator UAV (MQ-1B)	293	19	13	3,321
Reaper UAV (MQ-9)	591	12	33	13,318
Global Hawk UAV (RQ-4A/B/C, MQ-4 and NATO AGS)	1,089	0	200	9,009
http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2015/fy2015_Weapons.pdf				
Note: "Per unit costs" include both procurement and research and development funding, unless otherwise noted				

FY2015 Funding Request for Ballistic Missile Defense

(in millions of nominal dollars)

Program	FY2014 Request	FY2015 Request
Ballistic Missile Defense Selected Functions		
Ground-Based Midcourse Defense		
AEGIS BMD	9,162	1,004
THAAD	1,518	1,365
Patriot/PAC-3	850	764
PAC-3/MSE Missile	337	321
Other	609	420
Space Based Infra-Red System-High (SBIRS-High)		
	936	770
http://comptroller.defense.gov/Portals/45/Documents/defbudget/fy2014/FY2014_Weapons.pdf		