

Focus on Function 050 – National Defense

Function 050 (National Defense) includes the military activities of the Department of Defense (DoD), the nuclear weapons-related activities of the Department of Energy (DOE), the national security activities of several other agencies such as the Selective Service Agency, and portions of the activities of the Coast Guard and the Federal Bureau of Investigation.

Table 1: Function 050 Spending, 2019
(In billions of dollars)

Discretionary BA	714.6
Memo: Base Budget BA	645.5
Memo: Overseas Contingency Operations (OCO) BA	69.1
Discretionary Outlays	661.6
Mandatory Outlays	<u>9.4</u>
Total Outlays	671.0

Note: Estimates assume 2018 emergency funding is one-time only.

Approximately 95 percent of all Function 050 discretionary funding (excluding OCO) finances the operations of DoD and the intelligence agencies. More than two-thirds of the remaining funding goes toward activities at DOE, including maintaining the nuclear weapons stockpile, cleanup of nuclear production facilities, nuclear nonproliferation activities, and supporting nuclear propulsion for the U.S. Navy.

Mandatory spending in Function 050 includes military and Central Intelligence Agency retirement contributions, and benefits for DOE employees with illnesses caused by radiation and other exposures.

According to the Congressional Budget Office (CBO) spring 2018 baseline excluding emergencies, budget authority (BA) for discretionary programs in Function 050 for 2019 will account for 54 percent of total discretionary funding for that year. Outlays for mandatory programs in Function 050 for 2018 will account for less than 1 percent of total non-interest mandatory spending excluding undistributed offsetting receipts.

DISCRETIONARY

Department of Defense

Military Personnel: Military personnel accounts finance pay, allowances, bonuses, and permanent change of station travel for the active, reserve, and guard forces of the Army, Navy, Marine Corps, and Air Force. There are currently 1.3 million active duty and more than 800,000 guard and reserve personnel.

Table 2: Discretionary BA in Function 050, by Major Program, 2019

(In billions of dollars, excluding emergencies)

	Base	OCO	Total
Department of Defense:			
Military Personnel.....	146.3	4.5	150.8
Operation and Maintenance.....	229.5	52.0	281.5
Procurement.....	136.8	10.6	147.4
Research, Development, Test, and Evaluation.....	90.0	0.9	90.9
Military Construction.....	8.9	0.8	9.6
Family Housing.....	1.4	---	1.4
Revolving and Management Funds.....	<u>1.7</u>	<u>0.2</u>	<u>1.9</u>
Subtotal, Department of Defense.....	614.6	69.0	683.6
Department of Energy:			
National Nuclear Security Administration.....	14.9	---	14.9
Environmental and Other Defense Activities.....	7.0	---	7.0
Energy Programs.....	<u>0.2</u>	---	<u>0.2</u>
Subtotal, Department of Energy.....	22.1	---	22.1
Department of Justice:			
Federal Bureau of Investigation.....	<u>5.5</u>	---	<u>5.5</u>
Subtotal, Department of Justice.....	5.5	---	5.5
Department of Homeland Security:			
National Protection and Programs Directorate.....	1.7	---	1.7
U.S. Coast Guard.....	0.4	0.2	0.5
Federal Emergency Management Agency.....	<u>0.1</u>	---	<u>0.1</u>
Subtotal, Department of Homeland Security.....	2.1	0.2	2.3
Other.....	<u>1.2</u>	---	<u>1.2</u>
Total.....	645.5	69.1	714.6

Operation and Maintenance: Included are amounts for training and operation costs; pay of civilians; health care for military personnel, dependents, and military retirees under the age of 65; the contract services for maintenance of equipment and facilities; fuel; supplies; and repair parts for weapons and equipment.

Procurement: The Pentagon's procurement accounts support the acquisition of aircraft, ships, combat vehicles, satellites and their launch vehicles, weapons, and all capital equipment.

Research, Development, Test, and Evaluation: This program supports modernization of the military through basic and applied research, fabrication of technology-demonstration devices, and development and testing of prototypes and full-scale reproduction hardware.

Military Construction: The military construction program includes the construction, development, conversion, or extension of any kind carried out with respect to a military installation, whether to satisfy temporary or permanent needs – including facilities for new weapons systems entering the inventory – or any acquisition of land.

Family Housing: This program supports all costs associated with the construction, improvements, operations, maintenance, and leasing of military family housing.

Revolving and Management Funds: These include various depot maintenance, research and development, transportation, supply management, finance and accounting, and base support activities of the Department that operate on a revolving fund basis.

Department of Energy

National Nuclear Security Administration (NNSA): The NNSA maintains the country's stockpile of nuclear weapons; works to detect, secure, and dispose of nuclear and radiological material; provides the government's primary capability for radiological and nuclear emergency response; and supports the Navy's nuclear propulsion capability by designing, developing and ensuring safe shipboard nuclear reactors.

Environmental and Other Defense Activities: These activities include the environmental cleanup at sites where the Department carried out defense-related nuclear research and production activities.

Energy Programs: These include the Idaho Sitewide Safeguard and Security program, which ensures the safety, operability, and security of the DOE nuclear research facilities and provides the safeguards and security functions for DoD's nuclear-related activities.

Department of Justice

Federal Bureau of Investigation (FBI): The National Defense portion of FBI's funding finances activities protecting the United States from terrorist attack and protecting against foreign intelligence operations and espionage. More than half of the FBI's budget is categorized under the Function 050 budget function. The rest is under Function 750 (Administration of Justice).

Department of Homeland Security

National Protection and Programs Directorate (NPPD): NPPD is engaged in activities to protect and enhance the resilience of the nation's physical and cyber infrastructure.

U.S. Coast Guard: A small portion of the Coast Guard's operating expenses are designated for defense-related activities.

Federal Emergency Management Agency (FEMA): FEMA's defense activities include development and maintenance of a nationwide capability to prepare for and mitigate the impact of terrorist attacks or other emergencies.

Other: This reflects funding for the activities at a number of other agencies, including the Maritime Administration, Director of National Intelligence, National Science Foundation,

Bureau of Industry and Security, Defense Nuclear Facilities Safety Board, Selective Service, Corps of Engineers—Civil Works, and Privacy and Civil Liberties Board.

MANDATORY

Table 3: Mandatory Outlays in Function 050, by Major Program
(In billions of dollars)

	<u>2019</u>	<u>2019-2028</u>
Concurrent Receipt Accrual Payments to the Military Retirement Fund....	7.7	95.1
CIA Retirement and Disability System.....	0.5	5.1
Energy Employees Occupational Illness Compensation Fund.....	1.1	11.4
Other.....	*	-6.9
Total.....	9.4	104.8

Concurrent Receipt Accrual Payments to the Military Retirement Fund: These are Department of Treasury payments to cover the liability for certain military retirees receiving concurrently both military retirement benefits and veterans disability compensation. Credit for these payments is reflected in Function 950.

Central Intelligence Agency (CIA) Retirement and Disability System (CRDS): The CRDS receives mandatory appropriations for the retirement benefits of certain CIA employees hired before 1984.

Energy Employees Occupational Illness Compensation Fund: The fund provides compensation to employees or survivors of employees of DOE and private companies under contract with DOE who are suffering from or who have died from an illness connected to their work in producing or testing nuclear weapons.

TAX EXPENDITURES

There are four defense-related tax expenditures. They concern the exclusion of certain military pay and benefits from taxation, including allowances, disability benefits, and combat pay.

RELEVANT AGENCIES AND CONGRESSIONAL COMMITTEES

Table 4: Discretionary BA in Function 050, by Agency, 2019

(In billions of dollars, excluding emergencies)

	Base	OCO	Total
Department of Defense	614.6	69.0	683.6
Department of Energy	22.1	---	22.1
Department of Homeland Security	2.1	0.2	2.3
Department of Justice	5.5	---	5.5
Department of Transportation	0.3	---	0.3
Corps of Engineers - Civil Works	0.1	---	0.1
National Science Foundation	0.1	---	0.1
Director, National Intelligence	0.6	---	0.6
Other	<u>0.1</u>	---	<u>0.1</u>
Total	645.5	69.1	714.6

Table 5: Mandatory Outlays in Function 050, by Agency

(In billions of dollars)

	<u>2019</u>	<u>2019-2028</u>
Department of Defense.....	7.5	92.6
Department of Labor.....	1.2	12.8
Central Intelligence Agency.....	0.5	5.1
Other	<u>0.1</u>	<u>-5.8</u>
Total.....	9.4	104.8

Table 6: Discretionary BA in Function 050, by Appropriations Subcommittee, 2018

(In billions of dollars, excluding emergencies)

	Base	OCO	Total
Commerce, Justice, Science, and Related Agencies.....	5.6	---	5.6
Defense.....	604.9	68.2	673.1
Energy and Water Development, and Related Agencies.....	22.3	---	22.3
Financial Services and General Government.....	*	---	*
Homeland Security.....	2.1	0.2	2.3
Military Construction, Veterans Affairs and Related Agencies.....	10.3	0.8	11.1
Transportation, Housing and Urban Development.....	<u>0.3</u>	---	<u>0.3</u>
Total.....	645.5	69.1	714.6

Table 7: Mandatory Outlays in Function 050, by Committee
(In billions of dollars)

	<u>2019</u>	<u>2019-2028</u>
Armed Services.....	8.4	104.8
Energy and Commerce.....	0.4	1.2
Intelligence.....	0.5	5.1
Judiciary.....	0.1	0.2
Other.....	---	<u>-6.5</u>
Total.....	9.4	104.8

* Less than \$50 million.