INSTITUTE FOR POLICY STUDIES – CENTER FOR AMERICAN PROGRESS

New Report: Rebalancing our National Security: The Benefits of Implementing a Unified Security Budget

The issue of security spending is now enmeshed in the budget negotiations around the so-called "fiscal cliff." At particular issue are the sequestration cuts to the military budget due to begin January 2. Here are the bottom-line conclusions on this issue from the Task Force on a Unified Security Budget:

- If sequestration proceeds, it must not be used to protect the military accounts at the expense of the rest of the security portfolio.
- Whether or not it proceeds, the total cuts to the military accounts specified by sequestration can be achieved without threatening our security if done in a rational manner.

Our case that this is so includes the following:

- Until last year the baseline military budget — not including war spending — had grown in real terms for an unprecedented 13 straight years.[i]

Critical to our nation's adjustment to the post-war period will be reshaping our national security strategy and budgeting for this new era. Beginning in 2004, the Task Force on a Unified Security Budget has successfully helped to shift the discourse toward a unified conception of national security spending and the proper balance between instruments we call Offense (military forces), Defense (homeland security) and Prevention (non-military foreign engagement.)

Each year the Task Force on a Unified Security Budget, made up of experts in each of these domains, reports on the balance among them in the President's budget request and recommends changes to achieve a better balance. Our 2012 report was released in October. This is a summary of its findings.

- The cut levels specified by sequestration would only bring the military budget back to its inflation-adjusted level of FY 2006 — close to the

"We can make cuts to the military budget without compromising our national security. The Unified Security Budget shows how to cut Pentagon spending to the levels required by sequestration, but still invest in programs that strengthen security and our economy."

- MIRIAM PEMBERTON, INSTITUTE FOR POLICY STUDIES

We can save $440 billion over a 10-year period without compromising national security.

Over a 10-year period, the Unified Security Budget plan would narrow the gap between military and preventative security tools to a better-balanced 8 to 1 – one dollar spent on non-military expenditures for every eight dollars spent on military expenditures.

The Unified Security Budget recommends shifts that would strengthen our security and economy and leave a remainder of **$440 billion over a ten-year period** for deficit reduction and other job-creating investment.

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highest level since World War II and the second-to-last year of the George W. Bush administration[ii.] Was anyone, we wonder, worried that we were disarming ourselves then?

- The military's blank check over this period has had predictable results in the form of massive waste. The estimate of cost growth in planned procurement spending is $74.4 billion over the last year alone, according to the Government Accountability Office, the investigative arm of Congress. This would cover the entire amount of next year's sequestration, with $20 billion left over.[iii]

- Reducing spending to 2006 levels will leave our military dominant in every dimension, including air power, sea power, and ground forces deployment, as well as in transport, infrastructure, communications, and intelligence.[iv]

Short term: Some modest improvement
Long term: Improvement disappears

President Obama's budget request for FY 2013 does achieve modest rebalancing of the security budget. For FY 2012 the request allocated **$7.30** to the base military budget for every $1 devoted to the nonmilitary portions of the security budget. The FY 2013 budget narrowed this gap, allocating **$6.70** for every dollar provided for nonmilitary security.

The Security Balance (in billions of dollars)

	Discretionary with war spending		Discretionary without war spending	
	FY2012	**FY2013**	**FY2012**	**FY2013**
Military	678.869	648.254	563.528	559.772
Preventative	43.287	45.166	32.084	36.921
Homeland Security	44.819	46.886	44.819	46.886
TOTAL NATIONAL SECURITY SPENDING	**766.975**	**740.307**	**640.431**	**643.580**
Ratios				
Military to Non-military	7.7	7.0	7.3	6.7
Military to Preventative	15.7	14.4	17.6	15.2
Military to Homeland Security	15.1	13.8	12.6	11.9

Source: Analysis by A. Dancs is based on information from Office of Management and Budget, *Budget of the U.S. Government, FY 2013*, Analytical Perspectives (including Supplemental Materials), Historical Tables, and Supplemental Materials (Public Budget Database).

Unfortunately the ten-year plan in the **President's request would widen the gap between the budgets for military spending and prevention**: from 10 to 1 in FY 2012 to 11.5 to 1 in FY 2021.

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Recommendations from the Task Force

For FY 2013 our budget recommends Pentagon spending reductions of $71.8 billion and additions to the prevention budget of $29.2 billion, while realigning some spending priorities on homeland security but leaving its overall spending level essentially unchanged:

Unified Security Budget FY2013: Recommendations	
Military Accounts:	
Virginia-Class Submarine	- $2.6 billion
V-22 Osprey	- $1.9 billion
F-35 Joint Strike Fighter	- $4.3 billion
Personnel	- $10.0 billion
Health Care	- $15.0 billion
Retirement	- $13.0 billion
Nuclear Forces	- $20.0 billion
Research & Development	- $5.0 billion
TOTAL	**- $71.8 billion**
Non-Military Accounts:	
Diplomacy	$2.1 billion
Nonproliferation	$0.1 billion
U.S. Contributions to International Organizations	$1.7 billion
U.S. Contributions to Peacekeeping	$2.2 billion
U.S. Contributions to UN Emergency Peacekeeping Service	$0.5 billion
Economic Development	$2.7 billion
Alternative Energy	$20.0 billion
Homeland Security Measures	$0.0 billion
TOTAL	**$29.2 billion**

The budgetary shifts we recommend would leave a remainder of $42.7 billion for deficit reduction and other job-creating investment. Our prevention budget makes relatively small, targeted additions to address specific shortfalls in areas as nuclear nonproliferation, peacekeeping forces, and development assistance.

We also recommend that the largest addition to the prevention budget be in the area of climate security. Unless we invest seriously to stabilize the climate, the resulting increased weather extremes will be, in the U.S. military's words, "threat multipliers" for instability and conflict.

In addition, these investments will pay dividends for job creation at home. The components of climate stabilization — clean energy sources connected by a smart grid, clean transportation, and energy efficiency in our buildings and industrial processes — are foundational elements of the rapidly emerging global green

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economy. And a shift of funding from military to climate security would result in a net increase in employment. A 2011 study by economists at the University of Massachusetts found that $1 billion spent on the military generates about 11,000 jobs as compared to the nearly 17,000 jobs generated by the same amount invested in clean energy.

Rebalancing our security: The 10-year horizon

Our Task Force plan outlines an alternative trajectory for spending on offense and prevention that would achieve the benchmark of $1 trillion in military cuts over 10 years—consistent with the recommendations of such bi-partisan commissions as the Bowles-Simpson Commission and the Rivlin-Domenici Commission.

OBAMA FY 2013 PLAN	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022
International Affairs (excludes war spending)	43.7	48.1	48.9	49.8	50.8	51.9	53.0	54.2	55.3	56.5	58.0	**526.4**
National Defense (excludes war spending)	554.8	550.6	558.4	571.2	581.7	593.6	606.2	619.9	633.5	646.6	663.6	**6025.3**

Ten-Year Security Budget Rebalancing	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013-2022
Alternative International Affairs (excludes war spending)	43.7	55.8	56.6	58.4	60.5	63.2	66.9	69.6	71.2	73.0	74.6	**649.7**
National Defense (excludes war spending)	554.8	537.4	531.7	526.8	525.1	527.3	538.6	548.9	562.1	576.4	588.7	**5463.0**

This framework provides $123 billion for international affairs over 10 years. It would increase spending on diplomacy during this period by 28 percent over the president's request, and increase spending on development and humanitarian assistance by 40 percent.

Overall, our plan would achieve a 20 percent increase in the international affairs budget, concentrated in the core missions of diplomacy and development. **Over this 10-year period, the gap between offense and prevention spending would narrow to a better balance of eight to one.**

This leaves a remainder of $440 billion over the next decade. In a late April speech at the AFL-CIO, President Obama outlined the budget shift he wanted to see as our nation transitions from its war footing: "It's time to take some of the money that we spend on wars, use half of it to pay down our debt, and use the rest of it to do some nation-building here at home."[vi] Our 10-year budget proposal is consistent with these priorities. It would allow for $200 billion for deficit reduction and about $240 billion for "nation-building here at home."

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Military and Non-Military Trade-Offs, FY 2013

$20 billion	Maintain 1,968 operational nuclear warheads, a number which, according to the Pentagon[vii], is six-times greater than that needed for national security and military deterrence[viii]	or	Develop and implement "smart grid" electricity transmissions systems, which are more efficient, reliable, economical, and sustainable than those used by the current electric grid.[ix]
$74.4 billion	Absorb cost overruns of weapons now in development (GAO estimate)[x]	or	Protect the international affairs budget from cuts and have $22.8 billion left over[xi]
$1.65 billion	Purchase seven additional F-35 aircraft, though the aircrafts' usefulness and viability are unproven[xii]	or	Reverse cuts to our nation's contribution to the Global Fund to Fight AIDS, TB, and Malaria
$5 billion	Maintain spending on military R&D that is significantly higher (in adjusted dollars) than that during the height of the Cold War[xiii]	or	Commit funds to deficit reduction
$90 million	Buy one V-22 Osprey helicopter, despite bipartisan support to scrap production due to safety concerns and ongoing technical problems[xiv]	or	Implement program to train Foreign Service Officers and diplomats for better cooperation with international organizations
$15 billion	Continue to finance the systemic inefficiencies in the military's healthcare programs (not including the cost of caring for injured or disabled veterans, who receive a separate health care plan)[xv]	or	Fund 95% of the Department of Transportation's investment in clean fuels R&D, green emissions technologies, and sustainable transportation projects
$4.5 billion	Build a new nuclear research facility (CMRR-NF), though the House Appropriations Committee recommended delay because it has "no coherent mission" and it would cost fifteen times more to maintain than to the existing facility[xvi]	or	Fully fund the International Atomic Energy Agency (IAEA), responsible for monitoring and regulating nuclear stockpiles, for eleven years[xvii]
$2.6 billion	Purchase one additional Virginia Class Submarine, though it is ill-suited to fight today's asymmetrical wars[xviii]	or	Fully fund the White House's commitment to fund international peacekeeping forces, with $500 million left over

Unified security budgeting brings into focus trade-offs between military and preventive security, such as the tradeoffs above. Ending two wars gives us the opportunity to rebalance our security budget to shift resources toward preventive and truly defensive security tools, while investing the remainder in deficit reduction and in "nation building at home."

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Endnotes

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[ix] Unified Security Budget 2013
[x] This estimate is for the lifetime cost. Government Accountability Office, "Defense Acquisitions: Assessments of Selected Weapons Programs" (Washington: Government Accountability Office, 2012).
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[xv] Unified Security Budget, FY 2013
[xvi] "November 2010 Update to the National Defense Authorization Act of FY 2010: Section 1251 Report," available at: http://www.lasg.org/CMRR/Sect1251_update_17Nov2010.pdf.
[xvii] "IAEA Regular Budget," available at: http://www.iaea.org/About/budget.html
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