



March 7, 2019

## **Overseas Contingency Operations: Trends and Issues**

A Joint Seminar by the Congressional Research Service, the Congressional Budget Office, and the Government Accountability Office

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# **The Congressional Budget Office**

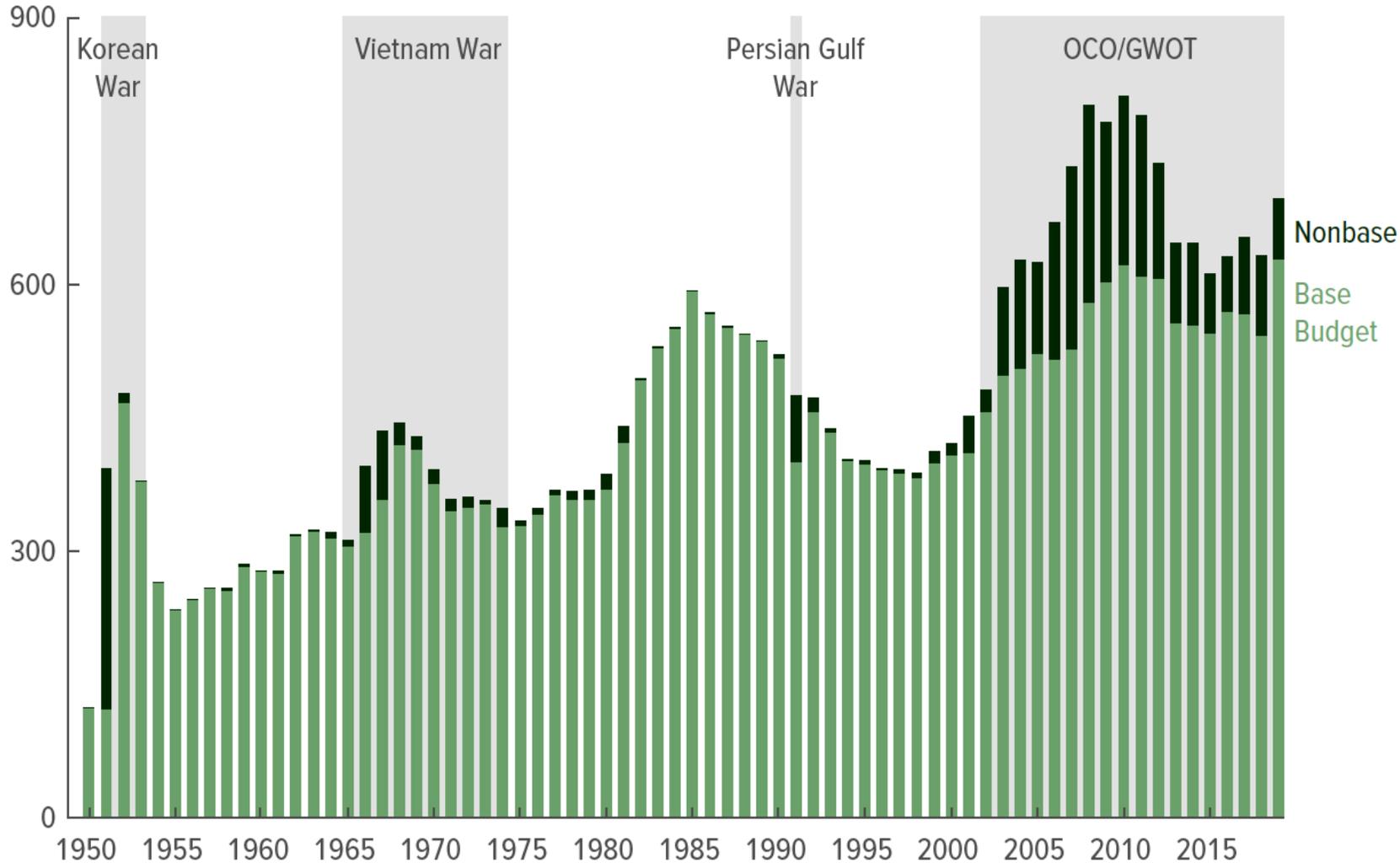
## **CBO's Role**

CBO supports the Congressional budget process by providing the Congress with objective, nonpartisan, and timely analyses of legislative proposals and of budgetary and economic issues.

# **Historical Perspective on Funding for Overseas Contingency Operations (OCO)**

# Base-Budget and Nonbase Funding for DoD, 1950 to 2019

Billions of 2019 Dollars



In addition to its regular, **base-budget** request for funding, the Department of Defense (DoD) requests **nonbase** funds for unanticipated expenses.

Before 2001, that practice was limited. After 2001, OCO were funded one year at a time with nonbase budgets.

# **Nonbase Funding and Enduring Operations**

# Evolution of Contingency Operations

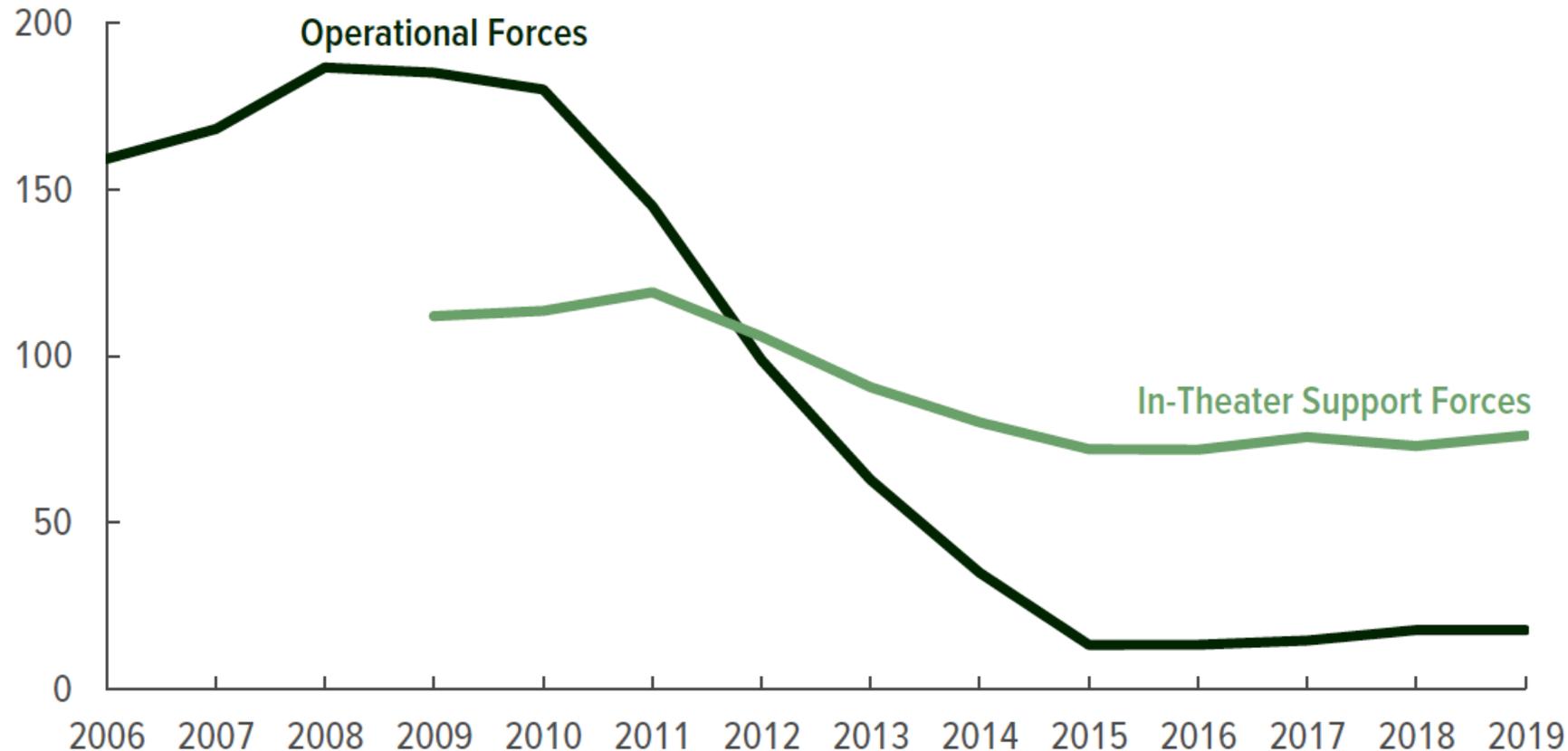
In the initial phases of a contingency operation, it can be difficult to predict costs. However, that changes over time:

- The operating costs of a large deployed force become relatively predictable, because it is difficult to rapidly change the force's size once it is deployed, and
- New patterns in the size and kinds of U.S. forces operating in a part of the world begin to emerge.

**Enduring activities** are the elements of contingency operations that have become routine. Their costs can be expected to change little from budget to budget.

# Average Numbers of Operational Forces in Iraq and Afghanistan and In-Theater Support Forces, 2006 to 2019

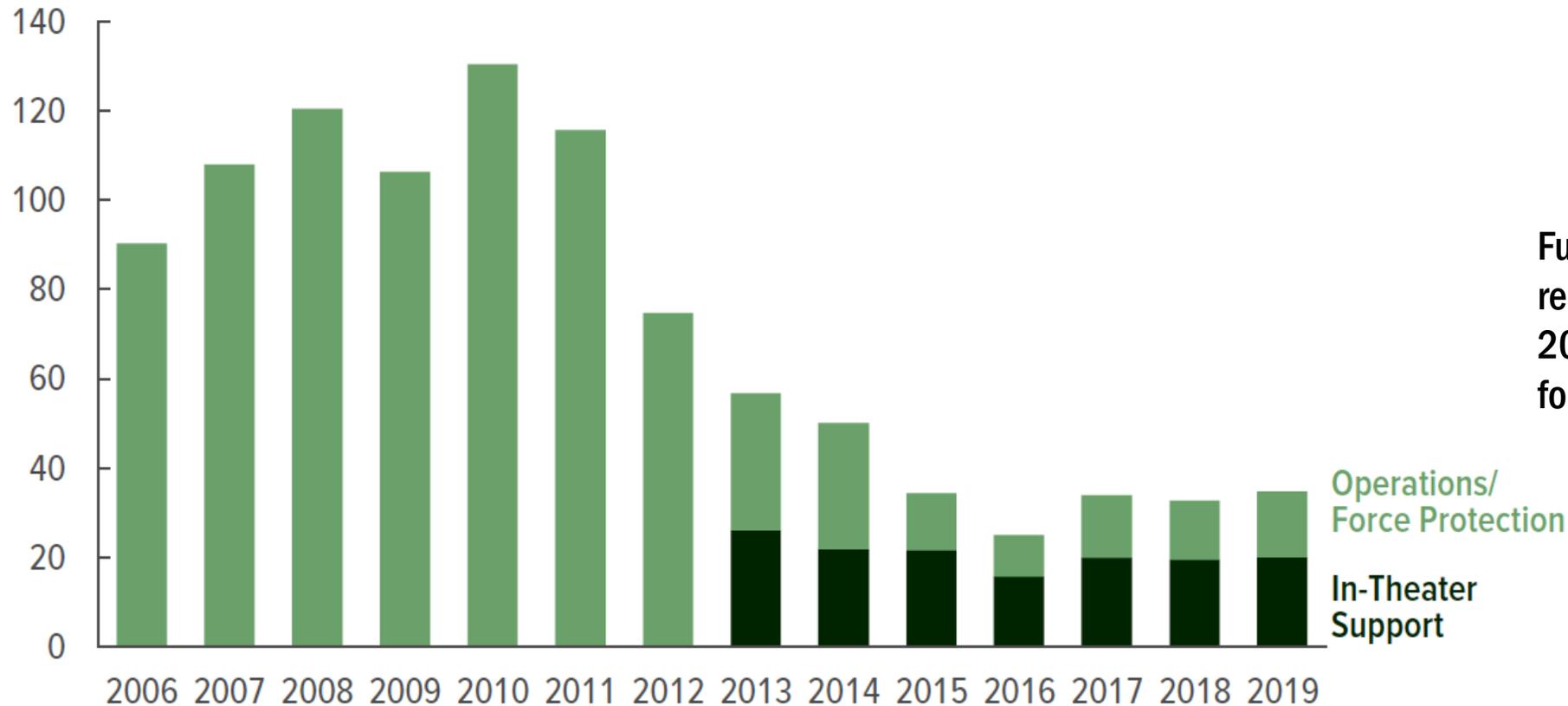
Thousands of Service Members



Despite a sharp decrease in the number of operational forces, the number of in-theater support forces has changed little.

# OCO Funding for Operations and In-Theater Support, 2006 to 2019

Billions of 2019 Dollars



Funding for in-theater support has remained relatively constant since 2013 despite a decrease in funding for operational forces.

## **Funding for Enduring Activities**

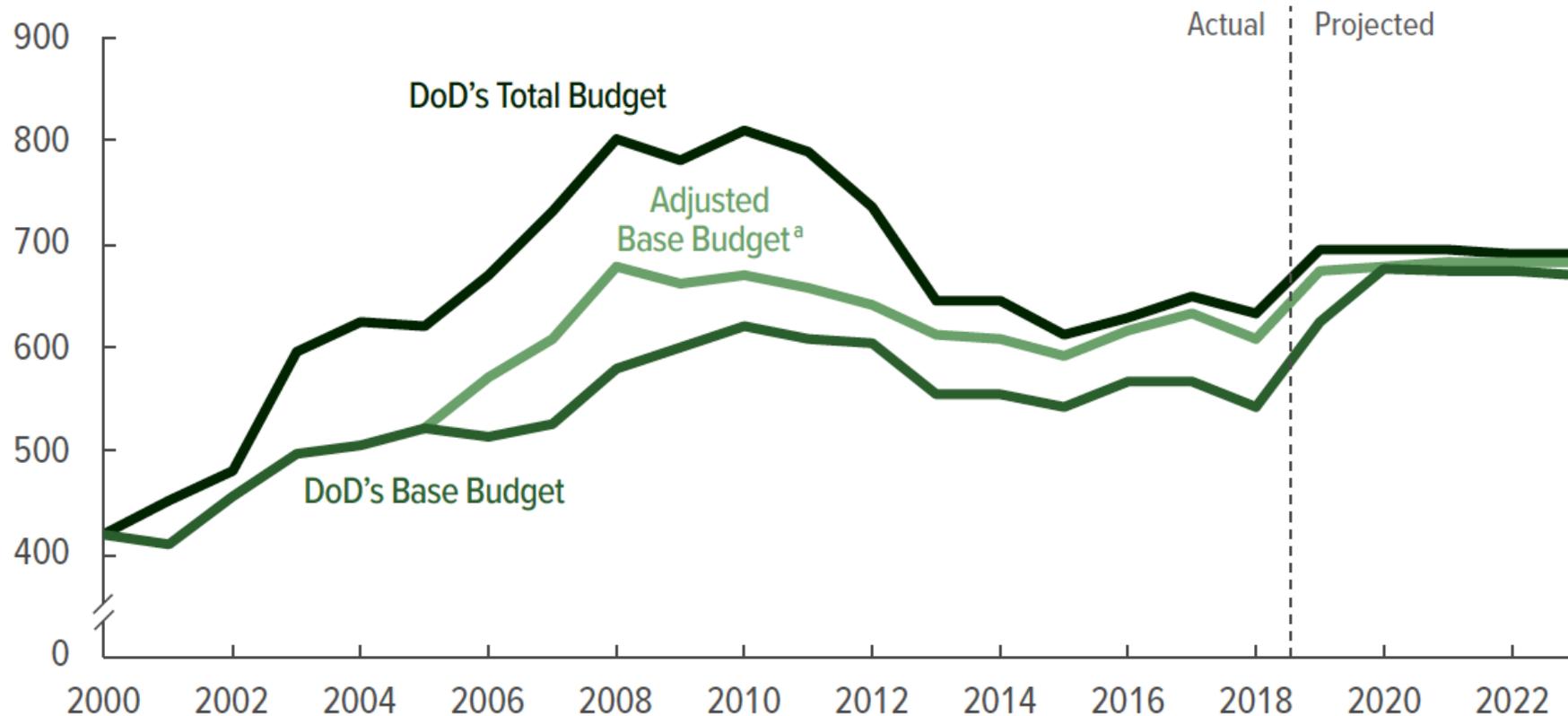
In CBO's estimation, from 2006 to 2018, more than \$50 billion in OCO funding per year (in 2019 dollars), on average, has gone toward the costs of enduring activities rather than the temporary costs of overseas operations.

DoD's fiscal year 2019 budget request indicated that, beginning in 2019, the department planned to increase the base budget to include most of what it considered enduring funding in future years.

# **Effects of Incorporating Enduring OCO Funding in the Base Budget**

# The Possible Effect of Moving Enduring OCO Funding Into DoD's Base Budget

Billions of 2019 Dollars

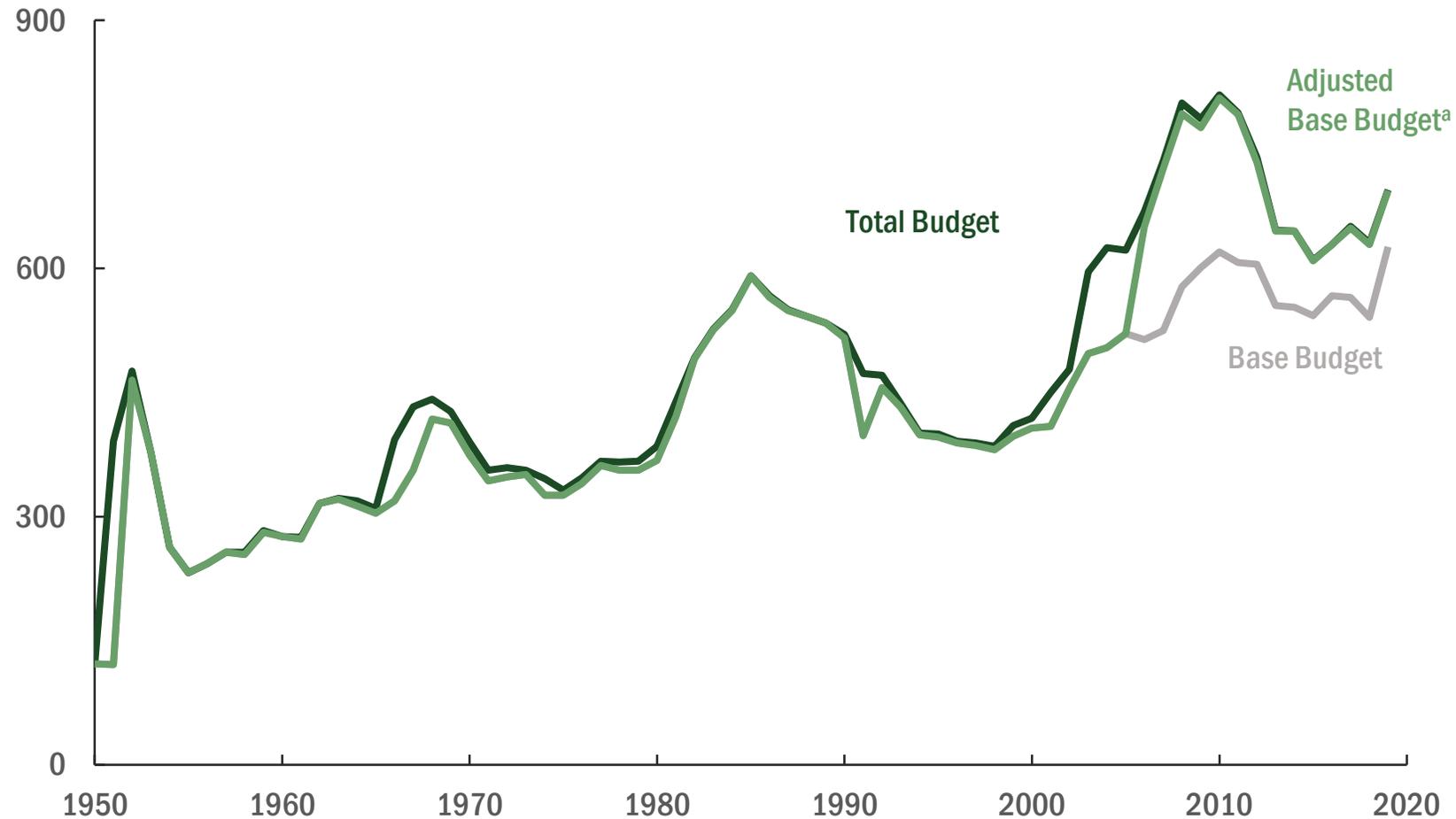


Including the projected costs of enduring activities in the base budget (as reported in the President's 2019 budget request) would increase it by about \$47 billion per year starting in 2020.

a. DoD's base budget plus CBO's estimate of enduring OCO funding. Projected values are based on DoD's 2019 Future Years Defense Program.

# How DoD's Base-Budget Funding Would Look If It Included All OCO-Related Funding, 1950 to 2019

Billions of 2019 Dollars



Funding long-term, large-scale operations in the OCO budget rather than the base budget tends to understate the actual costs of implementing U.S. national security strategy and foreign policy. Furthermore, the practice of funding overseas conflicts outside of the base budget departs from historical norms.

The **adjusted base budget** in the figure is constructed to be more consistent with trends in DoD's funding before 2001.

a. The adjusted base budget includes DoD's base budget plus contingency-related funding in the OCO budget starting in 2006. CBO could not identify such spending in earlier years because DoD did not categorize OCO funding by function or mission until 2006. Projected values are based on DoD's 2019 Future Years Defense Program.