Overseas Contingency Operations: Trends and Issues

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

F. Matthew Woodward
National Security Division
The Congressional Budget Office
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)
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.

GWOT = Global War on Terrorism.
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.
Data for forces dedicated to in-theater support are not available for years before 2009.

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

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

Data on the cost of in-theater support are not available for years before 2013.
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

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.
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.