



Center for Strategic and Budgetary Assessments

## BRIEFS

# Gates Submits 'Reform' Budget for FY2010

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Resources: Budget & Resources

Secretary Gates termed the FY 2010 defense budget a “reform budget.” With today’s release of the detailed budget request, we begin to see what shape that reform will take and where he intends to lead the Department. This budget is a departure from the previous administration’s budgets in several ways:

- It moves items that were previously funded through supplemental appropriations, specifically items that were not directly related to the cost of the wars, into the base budget.
- It begins to rebalance acquisition programs, shifting funds away from programs focused on high-end conventional threats and adding to programs that support irregular warfare.
- It alters the Service’s share of the base budget from what has been traditionally allocated.
- It includes projections for the future costs of the wars in Iraq and Afghanistan as part of the budget request.

The budget for FY 2010 requests a total of \$664 billion for defense, including \$533.8 billion for the base DoD budget and \$130 billion for ongoing military operations around the world. The base DoD budget represents a \$20.5 billion increase over last year’s budget. The \$130 billion requested for the ongoing wars in Iraq and Afghanistan is a slight decrease from the \$141 billion requested and appropriated in FY 2009. The total DoD budget for FY 2009 was \$662 billion.

From 2001 to 2009 the base defense budget grew at an average real rate of 4.6 percent annually. This budget slows the real rate of growth to 2.9 percent. Overall defense spending grew by 76 percent in real terms from FY 2001 to FY 2008, or an average annual rate of 8.4 percent, much of which was due to the cost of the wars in Iraq and Afghanistan.

In FY 2009, total defense spending is projected to decline in real terms by 2.5 percent (barring any changes to the supplemental request before Congress), and the budget for FY 2010 would continue that trend with a decrease of 0.8 percent in real terms.