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FY 2012 Base Defense Budget Represents a Turning Point

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The Obama Administration today unveiled its defense budget request for FY 2012, which totals \$553 billion in discretionary funding for the peacetime costs of the Department of Defense (DoD) and \$5 billion in mandatory funding. In addition to the “base” budget, the administration also requests \$118 billion for Overseas Contingency Operations (OCO) and \$27 billion for national defense activities in the Department of Energy and other agencies. Altogether, the total national defense budget request is \$703 billion for FY 2012.

This request increases the base defense budget by 3.6 percent in real terms compared to the \$526 billion the Defense Department is currently funded at under the continuing resolution. It is, however, a 2.2 decrease, adjusting for changes in inflation assumptions, from the \$566 billion DoD projected it would need in FY 2012 in last year’s budget request. The cost of the wars in Iraq and Afghanistan is projected to decline by 27 percent in real terms from the \$159 billion requested in FY 2011, reflecting the administration’s current strategy to complete the drawdown of military forces in Iraq and begin a drawdown of the surge in Afghanistan.