

# NAVAL POSTGRADUATE SCHOOL Monterey, California



## THESIS

**AN ANALYSIS OF IMPROVISATIONAL BUDGETING  
FROM CALENDAR YEAR 1990 TO 1999**

by

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March 2002

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## Report Documentation Page

<b>Report Date</b> 29 Mar 2002	<b>Report Type</b> N/A	<b>Dates Covered (from... to)</b> -
<b>Title and Subtitle</b> An Analysis of Improvisational Budgeting from Calendar Year 1990 to 1999	<b>Contract Number</b>	
	<b>Grant Number</b>	
	<b>Program Element Number</b>	
<b>Author(s)</b> Buell, Richard	<b>Project Number</b>	
	<b>Task Number</b>	
	<b>Work Unit Number</b>	
<b>Performing Organization Name(s) and Address(es)</b> Naval Postgraduate School Monterey, California	<b>Performing Organization Report Number</b>	
<b>Sponsoring/Monitoring Agency Name(s) and Address(es)</b>	<b>Sponsor/Monitor's Acronym(s)</b>	
	<b>Sponsor/Monitor's Report Number(s)</b>	
<b>Distribution/Availability Statement</b> Approved for public release, distribution unlimited		
<b>Supplementary Notes</b> The original document contains color images.		
<b>Abstract</b>		
<b>Subject Terms</b>		
<b>Report Classification</b> unclassified	<b>Classification of this page</b> unclassified	
<b>Classification of Abstract</b> unclassified	<b>Limitation of Abstract</b> UU	
<b>Number of Pages</b> 90		

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REPORT DOCUMENTATION PAGE			Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington DC 20503.				
1. AGENCY U.S.E ONLY (Leave blank)		2. REPORT DATE March 2002	3. REPORT TYPE AND DATES COVERED Master's Thesis	
4. TITLE AND SUBTITLE: AN ANALYSIS OF IMPROVISATIONAL BUDGETING FROM CALENDAR YEAR 1990 TO 1999			5. FUNDING NUMBERS	
6. AUTHOR Buell, Richard C.				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited.			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) Improvisational budgeting represents an interruption to the normal budgeting process, resulting in costly delays to the defense Planning Programming and Budgeting Process (PPBS). A normal congressional budget process was characterized by Congress' ability to follow established procedures, complete their budget in a timely manner and fulfill their expected roles for applying incremental adjustments to the budget. The latent pro-spending bias and intrinsic political behavior within the budgetary process, in conjunction with a U.S. economy bitten by stagflation in the 1970's, was a recipe for the creation of enormous debt and political breakdowns in the 1980's. The result of these factors was a breakdown of the normal budgeting process, subsequently circumvented by improvisational budgeting. Ramifications include continuing resolution appropriations, appropriations passed before authorizations, delayed bills or even government shutdowns. These ramifications impact DoD's ability to issue accurate Budget Estimate Submissions during budget formulation, increasing the level of uncertainty in the PPBS process. This can negatively impact defense programs requiring accurate forecasting to remain executable. It is important to further explore the decade of the 1990's to ascertain whether harmony could be restored in a budgetary process defined by a surplus rather than the deficit spending-driven improvisational budgeting of the 1980's.				
14. SUBJECT TERMS Improvisational Budgeting, Planning, Programming & Budgeting (PPBS), classic period of budgeting, defense appropriations and authorizations from 1990-1999.			15. NUMBER OF PAGES 90	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL	

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**AN ANALYSIS OF IMPROVISATIONAL BUDGETING  
FROM CALENDAR YEAR 1990 TO 1999**

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Submitted in partial fulfillment of the  
requirements for the degree of

**MASTER OF SCIENCE IN MANAGEMENT**

from the

**NAVAL POSTGRADUATE SCHOOL  
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## **ABSTRACT**

Improvisational budgeting represents an interruption to the normal budgeting process, resulting in costly delays to the defense Planning Programming and Budgeting Process (PPBS). A normal congressional budget process is characterized by Congress' ability to follow established procedures, complete their budget in a timely manner and fulfill their expected roles for applying incremental adjustments to the budget. The latent pro-spending bias and intrinsic political behavior within the budgetary process, in conjunction with a U.S. economy bitten by stagflation in the 1970's, was a recipe for the creation of enormous debt and political breakdowns in the 1980's. The result of these factors was a breakdown of the normal budgeting process, subsequently circumvented by improvisational budgeting. Ramifications include continuing resolution appropriations, appropriations passed before authorizations, delayed bills or even government shutdowns. These ramifications impact DoD's ability to issue accurate Budget Estimate Submissions during budget formulation, increasing the level of uncertainty in the PPBS process. This can negatively impact defense programs requiring accurate forecasting to remain executable. It is important to further explore the decade of the 1990's to ascertain whether harmony could be restored in a budgetary process defined by a surplus rather than the deficit spending-driven improvisational budgeting of the 1980's.

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# **I. INTRODUCTION**

## **A. PREFACE**

This thesis deals with the failings of the budget process in the 1990's caused by the continued decline of stable procedures and changes in expected roles. The resulting fractious process was attributed to conflicts over the deficit in the 1980's. The purpose of this thesis is to evaluate improvisational budgeting in the 1990's to determine whether the elimination of budget deficits could overcome the turmoil of the 1980's and create a timely budget process. It will utilize congressional budget data obtained from the Congressional Quarterly Almanacs during said period.

A normal congressional budget process is characterized by dispersed and decentralized power centers, subsequently weakening the power of the controlling committees in monetary affairs, appropriations and taxation. The Budget Act of 1974 increased congressional turbulence by adding an additional set of actors, the budget committees. These factors can be further compounded by partisan politics tempered with debates over the how to address deficit budgeting. The unfortunate result of these factors is a breakdown of the normal budgeting process, subsequently circumvented by improvisational budgeting.

Ramifications can include continuing resolution appropriations, appropriations passed before authorizations, delayed bills or even government shutdowns. It is important to further explore the decade of the 1990's to ascertain whether harmony could be restored in a budgetary process defined by a surplus rather than the deficit spending-driven improvisational budgeting of the 1980's.

## **B. RESEARCH OBJECTIVE**

My proposed thesis deals with the failings of the budget process in the 1990's caused by the continued decline of stable procedures and changes in expected roles. The objective of this analysis will be to summarize the legislative processes and issues for each year in order to deduce patterns or trends defining improvisational budgeting over the decade. The identification of such trends will assist students of the budgetary process

and reveal the relationship between such trends and the further complication of the defense budgeting process.

## **C. RESEARCH QUESTIONS**

### **1. Primary Research Question**

Through an analysis of improvisational budgeting demonstrated during the 1990's can we determine its origins and impacts on the budgetary process?

### **2. Secondary Research Questions**

- A. How does improvisational budgeting impact military funding requirements?
- B. Does the elimination of budgetary deficits reduce the need for improvisational budgeting?
- C. Does improvisational budgeting disappear with a budgetary surplus and can a surplus restore harmony to the budgetary process?

## **D. SCOPE OF THE THESIS**

Due to time constraints and the availability of data, I intend to focus my research on impacts of improvisational budgeting within the congressional budgetary process with special emphasis on defense appropriation and authorization bills during the decade of the 1990's. I anticipate that the resulting analysis will be helpful to students of the congressional budget process. The main thrust of the study is intended to be an assessment of the existence of improvisational budgeting during that decade to further explore the reasons for its origins beyond the deficit spending criteria experienced during the 1980's. Such an exploration will reveal the inherent strengths and weaknesses of our existing budgetary process during a decade defined by improvisational budgeting despite a budgetary surplus.

## **E. METHODOLOGY**

The methodology used in this thesis consists of the following steps:

- Assemble all DoD legislative events for each year in a separate table.
- Design a table for the purpose of evaluating the fiscal year to include key events such as continuing resolution appropriations (CRA), delayed authorizations, government shutdowns, etc.
- Assess DoD bills for calendar years 1990 through 1999 against the table.
- Identify hot issues, pork and turf for each year assessed.
- Analyze outcomes of these issues to identify trends or patterns.

## **F. BENEFITS OF RESEARCH**

This thesis is primarily intended to benefit students of the congressional budget process by providing data and analysis of the budgetary process during the 1990's. Specifically, it is intended to illustrate how the budgetary process fails to work in a timely and effective manner despite the elimination of conflicts over deficit budgeting. Studies such as this will help students to better understand the strengths and weaknesses of the budgetary process and provide them a broader base of knowledge to better prepare them for the budgeting challenges they will likely encounter in the future. My intent is to provide a summary of the budgeting process during the 1990's, resulting in an improved understanding of improvisational budgeting and how it impacts defense bills and defense resource planning.

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## **II. BACKGROUND**

### **A. THE CLASSIC PERIOD OF BUDGETING**

#### **1. Introduction**

As students of the congressional budget process we must begin by describing the periods of budgeting preceding the emergence of improvisational budgeting. A review of the classic period of budgeting will establish the budgetary process, as it existed following World War II up to the early 1970's. Such efforts are necessary for understanding the origins of the normal incremental budgeting process. The classical model for budgeting representing this period will subsequently be used for comparison and analysis of the budgetary processes observed during the 1990's.

In order to understand and determine the effects of improvisational budgeting upon defense appropriations and authorizations, we must also review the Department of Defense resource allocation system. A review of this process, termed the Planning, Programming and Budgeting System (PPBS), will reveal how defense budgeting differs from non-defense discretionary budgeting not only in size, but in method as well.

#### **2. The Classic Period**

Prior to Franklin D. Roosevelt's New Deal, the budget's share of gross national product (GNP) was not significant enough to critically influence the national economy. But with the advent of intense spending during WWII in conjunction with the New Deal, the budget's share of GNP rose significantly, as illustrated in Table 1, and marked a turning point in budget to economy relations. Now the federal budget could and did influence the economy and government would play a larger role directing the course of the U.S. economy from this period forward.

The shift in federal government spending to nearly twenty percent of GNP would have an impact on fiscal policymakers weighted consideration of the fiscal effects of their spending decisions. These decisions in the post WWII era would have the newfound ability to shape American society by attempting to solve domestic or economic problems with new and larger spending programs while stimulating the economy in the process.

Table 1. Federal Outlays (billions of dollars) [From: Schick, p.16]

<i>Fiscal Year</i>	<i>Federal outlays (current dollars)</i>	<i>Outlays (constant 1982 dollars)</i>	<i>Outlays as percentage of GNP</i>
1929	\$ 3.1	—	3.0
1940	9.5	\$ 83.2	9.9
1950	42.6	220.5	16.0
1960	92.2	340.4	18.2
1970	195.6	509.4	19.8
1980	590.9	699.1	22.1
1988	1,064.0	879.2	22.3

As the budget's role in influencing the economy grew, so did the expectation that claims on the budget for spurring economic growth would grow along with it. The alluring combination of using the budget to stabilize prices and keep unemployment low would empower fiscal policymakers. It would also legitimize the notion that American society could be better off through proper application of the federal budget [Schick, p.30].

The lucrative relationship between making bigger budgets to improve American society would have consequences, as claims on the budget would occasionally exceed revenues. But this period of budgeting was not marked by large deficits as the budget was adjusted in increments to the inflow of money from the economy. Similarly, the economy was responsive to adjustments in the budget.

The ensuing years of high growth are referred to as the classical period of budgeting due in large part to the federal budgets newfound ability to critically influence the overall performance of the U.S. economy with incrementally larger budgets from year to year [Schick, p.23].

The flexibility of the budget to adjust to revenue booms and contractions similarly defined the classic period. The budget's predictable and responsive behavior underscored

the perceived success of fiscal policy makers' decisions to directly impact the economy. The budget adjusted to the inflow of money from the economy whose performance was directly attributable to their decisions [Schick, p.24].

Budget claimants shared the informal assumption that the next budget would be larger than the current budget and the focus of the budget shifted to the increment of change above the base. The preeminent theory of incrementalism emerged to describe budgeting during the classic period [Schick, p.24]. As the complexity and size of budgets grew there was a limit to how much of the budget could realistically be reviewed from year to year. These limits to policy makers' ability to control the entire budget led to the incremental approach.

Spending continued to grow incrementally during the classic period. The political reality was that policy makers started spending to recover from the great depression and continued to spend on existing and new programs as revenues allowed [Schick, p.29]. The ability of the budget to guide the economy clearly depended on the balance between revenue and expenditure whose levels were directly linked to economic activity in America. The budget's ability to boost or contract the economy empowered government to continue intervening in the economy with subsequent budget revenue and spending decisions. The budget grew to become a prediction about what the federal government would do for American society and it promised more every year.

The budget model that emerged during this period was representative of informal agreements between the House and the Office of Management and Budget (OMB) regarding increments of change from budget year to budget year. The federal agencies' requests would be aggressive, the OMB and House would make cuts, while the Senate would restore or moderate in order to sustain growth. Table 2 summarizes changes in agency requests for 36 Department of Agriculture Agencies from 1946-1971 and reveals the classical model of budgeting. Policy makers working in public service positions were hesitant to make unpopular decisions to cut or hold spending levels. The incremental growth process, representative of the classic period of budgeting, emerged with specific roles for all of the budget participants (Agencies ask a lot, OMB and the House cuts while Senate moderates).

Table 2. Changes in Agency Requests Made by Reviewing Bodies [From: Schick]

<i>Changes in Agency Requests From Previous Budget</i>	<i>Number of Cases</i>	<i>Average % Change by Department</i>	<i>Average % Change by OMB</i>	<i>Average % Change by Congress</i>	<i>Average % Change in Agency Appropriation</i>
Request Decrease	60	25.5%	- 6.5%	2.4%	- 21.0%
Request Increase 0-9.9%	99	- 2.0%	- 3.0%	- 0.3%	0%
10-24.9%	121	1.3%	- 8.0%	- 0.5%	1.3%
25-49.9%	103	- 13.0%	- 11.0%	- 0.7%	4.6%
50-99.9%	79	- 16.5%	- 14.4%	- 1.3%	17.0%
> 100%	36	- 20.2%	- 16.2%	- 10.5%	130.0%
Average for Agencies	498	- 4.0%	- 9.0%	- 2.0%	11.0%

The budgetary process continued in this manner with relationships among budgetary participants remaining stable with changes to the budget in small increments. This incremental approach was clearly preferable to remaking the entire budget due to the obvious limits of time and human resources to do so [Schick, p.24]. Budget makers simply couldn't afford to reexamine each item every year and the incremental approach moderated or avoided conflicts that would have emerged if the budget had been reviewed comprehensively each year.

It was mutually understood by all participants that a continuing rise in expenditures was desirable and expected, as the budget became a vehicle for expanding allocations. It became a self-fulfilling prophecy that incremental changes must be the right decisions or the budgetary participants would not have authorized them [Schick, p.30].

Similarly, the process was viewed to be self-correcting because any mistakes made would be relatively small in comparison to the base. Subsequent adjustments could be made to get the economy or programs back on track [Schick, p.25].

## **B. IMPROVISATIONAL BUDGETING IN THE 1980'S**

Incremental expansion and budgeting continued in this manner until the mid seventies when the effects of stagflation derailed its self-correcting properties. The years between the Vietnam War and OPEC oil shocks revealed that incremental changes failed to sufficiently slow down the still expanding budget in step with diminished revenue levels [Schick, p.159].

When the good times stopped rolling, the expansion minded participants of the budgetary process could not evolve and enact new policies to counter dramatic changes in the economy. The participants failed to find fiscal consensus regarding what was wrong with the process and how to fix it. Compounded by an economy no longer responsive to incremental adjustments, these failures gave rise to an economy that was diverging from the budgets intentions for economic stimulation. The performance of one no longer resulted in predictable results of the other and marked the end of the classic period of budgeting [Schick, p.159].

The budget participants, in their incremental molds, could not sufficiently adjust spending demands and revenue capacity to an economy diverging from its high growth performance. The obvious result was a growing budget deficit and a budgetary process marked by turbulent policy reversals.

In response to the inability of incrementalism to keep spending in step with revenues, Congress attempted to link revenue and expenditure in the budget process by passing the Budget Reform Act of 1974 [Schick, p.171]. Its intentions were sound, but the political behavior in the budget process revealed the weakness in the well-intended Act. Namely, Congress, despite the linking legislation, became revenue neutral [Schick, p.172]. Such revenue neutrality behavior was similarly exhibited in the passage of the Tax Reform Act of 1986 wherein the participants could not commit to higher taxes despite the understanding that all tax increases were linked to deficit reduction.

The latent pro-spending bias and intrinsic political behavior within the budgetary process, in conjunction with a U.S. economy bitten by stagflation, was a recipe for the creation of enormous debt and political breakdowns in the 1980's. The rapidly growing

debt impaired the ability of government to budget [Schick, p.160]. The clearly defined roles of budget participants during the classic period became muddled by conflicts over how to resolve their pro-spending bias with balanced revenue and spending decisions. The political nature of the process made it difficult to increase taxes and cut spending beyond the magnitude normally visited incrementally in the face of mounting debt.

The stage was set for the advent of improvisational budgeting as each year's budget process would differ from the previous year's and were similar only in their inability to address the imbalance between a budget programmed for growth and an economy that failed to grow with it. The classic sign of this breakdown during the 1980's was the inability of Congress to follow established procedures or complete their budget in a timely manner [Schick, p.159]. The fractious process pursued by Congress resulted in delays such as continuing resolution appropriations and late authorization and appropriation bills. The decline of stable procedures and changes in expected roles was a poor substitute for the reliable process marked by the classic period of budgeting.

The end of the classic period marked a shift from budgets that were agreed upon annually, balanced based on revenues and incremental expenditures and linked to the performance of the U.S. economy to a budget process that lacked the ability to adapt itself to deal with total spending. Governments established commitment to solve the problems of American society by expanding the budget or increasing existing social programs made the criteria for a good budget one that spent more than the previous year [Schick, p.159]. Imbalanced budgets became the norm as roles for participants in the process became less clear due to the difficulty of controlling agencies spending requests. Due to the failure of incrementalism to be responsive to shifts in the economy, the roles among participants in the budget process broke down and trust in the classical model of cutting and restoring amongst participants was no longer valid.

Unbridled spending inhibited shared consensus that all participants were making the same sacrifices or shared the same concerns for total expenditure and revenue figures. This lack of agreement and unwillingness to be the one to say no to more deficit spending ensured the golden age of incrementalism was doomed to become a period in history never to be experienced again.

These failings in the budgetary process resulted in attempts to force participants to create balanced budgets by establishing spending limits to not exceed revenues. The Gramm-Rudman-Hollings (GRH) Act of 1985 and 1987 set revenue-spending targets in an attempt to repair the process, but failed to meet targets on time due to inflated estimates for spending and revenues [Schick, p.205].

Such attempts to resuscitate the failed budgetary process were symptomatic of causes for the emergence of improvisational budgeting. Their inability to find consensus or agree on the budget in a timely manner would spill over into the 1990's. Whether or not a surplus would afford the participants the means of reestablishing order and normalcy will be forthcoming during the analysis of budgeting during that decade in Chapter IV.

### **C. THE DEFENSE BUDGET PROCESS (PPBS)**

Having established the budget process during the classical period and its subsequent transformation into improvisational budgeting, the connection must be made regarding how it impacts the defense budget. In order to establish that link, the defense budget process, referred to as the Planning, Programming and Budgeting System (PPBS), will require description.

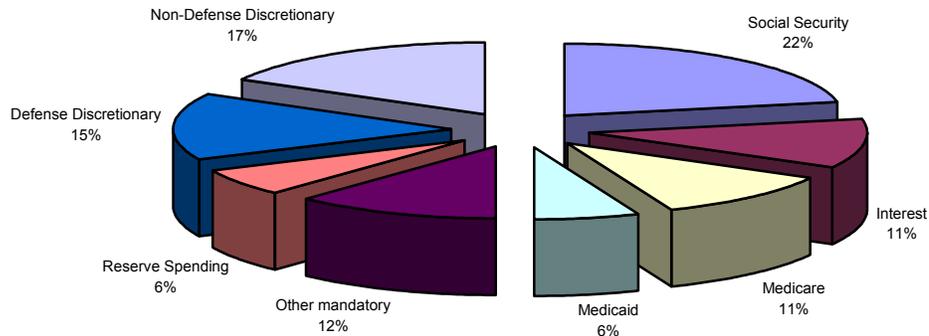
The defense budget process differs from non-defense for the simple reason that it is driven by threats to America and her allies [CRS, p.123]. The issues debated are often complex or even secret in nature, but the resulting totals in the Department of Defense (DoD) budget have widespread meaning and strategic implications. Other nations will monitor U.S. defense spending to assess threat scenarios with the understanding that spending trends represent shifts in foreign policy [CRS, p.123].

The first phase of the DoD PPBS process involves an assessment of the world situation from which a strategy is developed. Much like other nations noting U.S. defense spending level shifts, the U.S. will similarly respond to changes in the defense spending levels of her competitors [CRS, p.123]. The U.S. must decide whether such shifts in defense spending will conflict with the interests of her allies or potential allies and adjust her defense spending accordingly.

The strategy developed from assessing the world environment will have to address whether or not the U.S. has sufficient ships, tanks, airplanes and trained personnel to counter those threats. The resulting requirements of that assessment are estimated and translated into programs to execute the strategy. Subsequently a budget is developed to support the approved programs marking an end to the final phase of the PPBS process [Hleba, p.25].

The purpose of PPBS is to provide a systematic and structured approach for allocating resources in support of the national security strategy of the U.S. The ultimate goal of the entire PPBS process is to provide the Commander-In-Chiefs (CINCs) with the best mix of forces, equipment and support attainable within resource constraints [Hleba, p.25]. Defense spending constraints fall within the discretionary spending portion of the federal budget. As illustrated in Figure 1, discretionary spending accounts for one-third of all federal spending. Defense discretionary spending accounts for 70% of discretionary spending [CRS, p.123]. Years of spending entitlement increases have reduced the discretionary portion of the budget, making the defense budget one of the few pots of money Congressman can raid to get funding for their districts. The defense budget is also the biggest and tends to be veto proof increasing the temptation to add pork to it. Similarly, because the defense budget is an annual appropriation, it must be passed each year further bolstering the likelihood of unrelated items being added to the bill [CRS, p.124].

Figure 1. Mandatory and Discretionary Spending [After: Hleba, p.3]



Prior to 1962, the DoD did not have a coordinated approach for the development of a budget with the Secretary of Defense (SECDEF) playing a limited role [Hleba, p.25]. Bi-partisan consensus was typically the norm during this period, but the lack of centralization in the process still created many problems as each component developed its own budget. With defense contractor work experience under his belt, Defense Secretary McNamara implemented the PPBS to be used as the primary resource allocation mechanism in the DoD. Focusing more on long range planning and less on incremental adjustments, the process remained relatively stable over time [Hleba, p.25].

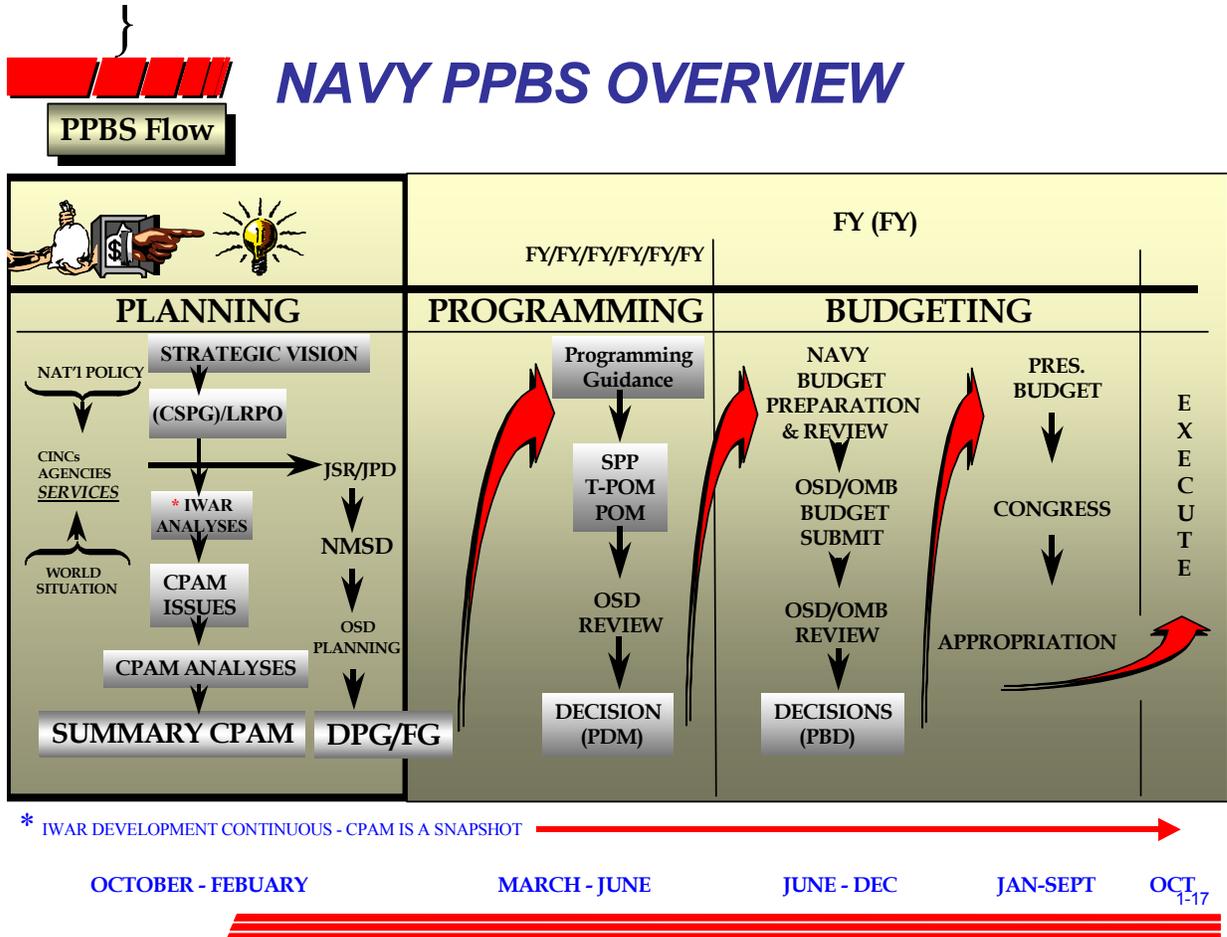
While social program spending has steadily increased over time, the defense budget has had a mixture of sharp increases and deep cuts over the same period. Peacetime finds the defense budget competing with human resource programs; a negative portrayal of perceived wasteful defense spending taking from the poor and needy [CRS, p.124]. Further complicating the defense budget process is the lack of clearly established adequate spending levels, making political consensus unlikely [CRS, p.124]. During the classical period, it operated on a bi-partisan consensus, but the advent of constrained resources, increasing national debts and rising health care costs created divides [CRS, p.124]. The end of the classic period also marked the beginning of political dissensus and the defense budget was not exempt to the emerging political trend.

Mirroring improvisational budgeting patterns of the 1980's, the defense budgets were heatedly debated and usually passed beyond the normal budgeting timelines defined during the classic period. In response to the growing budgetary turbulence, the DoD began strategically dispersing various defense programs as widely as possible amongst congressional districts to strengthen its political position [CRS, p.124]. The ensuing pork and turf battles were a natural result of the turbulent budget process amidst a constrained resource environment.

The PPBS, as portrayed in Figure 2, is marked by three distinct phases with each phase overlapping the other phases. Planning and assessing, for example, are continuous and all players in the process understand that decisions made in their phase will affect other phases. Because the interrelationships are so closely entangled, all players strive to

remain aware of issues in their respective phase as well as issues in other phases affecting them or vice versa [Hleba, p.30].

Figure 2. Navy PPBS Overview [From: CRS Report, p.123]



The **planning phase** begins at the Executive Branch level with the President’s National Security Strategy (NSS) developed by the National Security Council [Hleba, p.31]. The NSS takes its input from several federal agencies to ascertain the threats to the U.S. in order to form the nation’s overall strategic plan to meet those threats, thereby outlining the national defense strategy. Subsequently, the Joint Chief’s of Staff (JCS) produce a fiscally unconstrained document called the National Military Strategy Document (NMSD). The NMSD contains their advice regarding strategic planning to meet the direction given in the NSS while addressing the military capabilities required supporting that objective [Hleba, p.27]. As a follow on to the NMSD, the Chairman of the Joint Chief’s of Staff (CJCS) advises the Secretary of Defense, in the Chairman’s

Program Recommendation (CPR), regarding joint capabilities to be realized across DoD components [Hleba, p.28]. All of these inputs are provided to the SECDEF for drafting and ultimately issuing the Defense Planning Guidance (DPG), marking the end of the planning phase [Hleba, p.32]. The DPG will provide the services official guidance regarding force structure and fiscal guidelines for use in preparing their Program Objectives Memorandum (POM) during the programming phase of PPBS.

The purpose of the **programming phase** is for each component to produce a POM addressing their plan on how they will allocate their resources over a six-year period [Hleba, p.32]. The development of the POM requires the services to consider numerous issues including the Commanders-In-Chiefs (CINCs) fiscally unconstrained Integrated Priority Lists (IPLs) stipulating programs that must be addressed during its development. The POM must also support the guidance given in the DPG and operate under fiscal constraints issued within it [Hleba, p.28]. POMs are developed in even numbered years and subsequently reviewed in odd-numbered years during what is called the POM update.

Woven within the POM are the Sponsor Program Proposals (SPPs) developed by resource sponsors in order to address component objectives, and desires of the CINCs [Hleba, p.33]. The SPPs must be developed within the constraints of component Total Obligation Authority (TOA), defined as the total amount of funds available for programming in a given year including new obligation authority and unspent funds from prior years.

Component POMs are reviewed by the JCS to ensure compliance with the NMSD and DPG, assessing force levels, balance and capabilities. Following the review, the CJCS issues the Chairman's Program Assessment (CPA) in order to influence the SECDEFs decisions delineated in the Program Decision Memoranda (PDM) marking the end of the programming phase [Hleba, p.35]. The PDM issued by the SECDEF approves or adjusts programs in each POM. The POM that has been amended by the PDM provides an approved baseline for components to submit their budget inputs.

The **budgeting phase** is last phase in the PPBS and simply takes the approved programs in each POM and converts them into budget exhibits in the form of

appropriations [Hleba, p.35]. Each component submits their budget in the appropriation format becoming their Budget Estimate Submission (BES). The BES, in even-numbered “POM years” is a two-year submission and is based on the first two years of the POM as adjusted by the PDM. The BES will be amended by the services during the POM update occurring in odd-numbered years and cover only one year [Hleba, p.29].

Every BES is reviewed by components, and then a joint Office of the Secretary of Defense (OSD)/OMB review occurs to ensure compliance with the DPG, the PDM and the President’s NSS. The SECDEF makes changes and provides rationale for the changes in the form of the Program Budget Decisions (PBD) [Hleba, p.35]. Before becoming part of the President’s Budget (PB), required for submission to Congress no later than the first Monday in February, drafts of the SECDEFs PBD are issued to allow the services to respond with reclaims. Once the major budget issues have been resolved, the final PBD is released marking the end of the budgeting phase [Hleba, p.36].

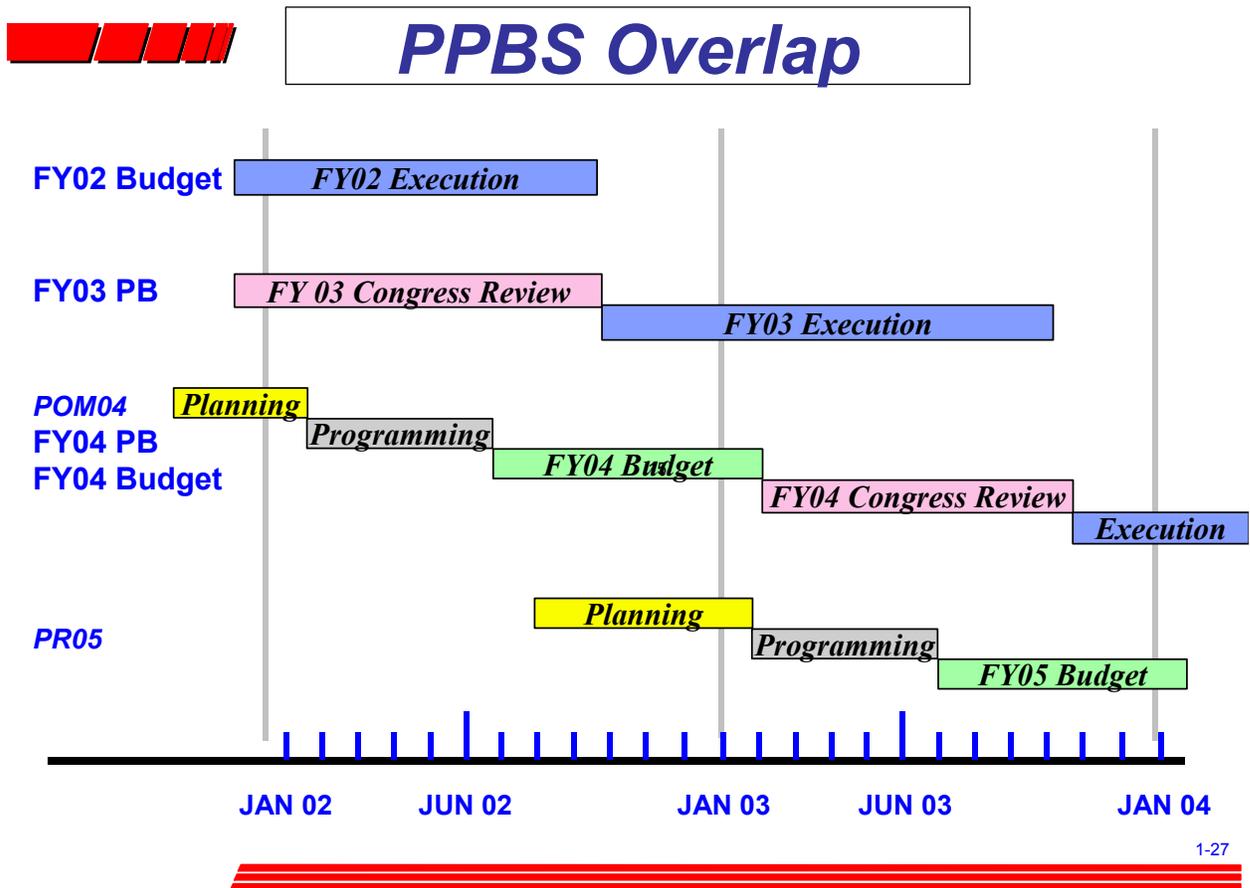
#### **D. SUMMARY LINKING IMPROVISATIONAL BUDGETING TO DEFENSE BUDGETING**

With the DoD budget now in the hands of Congress, it must proceed concurrently through the House and Senate ending in signed DoD authorization and appropriation bills by 30 September in the absence of improvisational budgeting. Regrettably, the politics of dissensus as discussed earlier have led to heatedly debated budgets passed late thereby impacting the PPBS process. In order to be accurate, the PPBS process relies on Budget Estimate Submissions spanning two years of data. The availability of this data is drawn into question when the budget process is untimely, making budget data difficult to obtain in the fractured budgetary process.

Improvisational budgeting clearly can and does affect the PPBS system. Improvisational budgeting, in the form of delayed defense appropriations, makes it increasingly difficult for DoD to link the budgets being addressed simultaneously each year in the PPBS process. As Figure 3 illustrates, the DoD must balance the overlap between the budget being executed, the budget being worked for the upcoming FY and the budget for the following year whose totals are based on the two previous years. Improvisational budgeting adds uncertainty to the DoD budget process with the potential

for impacting the national security strategy programs and readiness posture for the United States.

Figure 3. PPBS Overlap [From: CRS Report, p.125]



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### **III. EVIDENCE OF IMPROVISATIONAL BUDGETING FROM CALENDAR YEAR 1990 TO 1999**

#### **A. INTRODUCTION**

In order to do an analysis of improvisational budgeting during the 1990's, each budget year must be summarized and reduced to allow us to focus on how patterns of budgeting fit or differ from the classical model of budgeting. Following the conclusion of a fiscal year, a Congressional Quarterly Almanac is produced and published summarizing the events, issues and public laws resulting from that budgetary process. The data from each almanac was extracted and summarized below in legislative tracker Tables 3 through 12. The emphasis will be on the annual DoD appropriation and DoD authorization budgetary process to isolate the effects of improvisational budgeting within defense budgeting.

A model or pattern of improvisational budgeting behavior will subsequently be revealed from this summary that will likely differ from the classical model of budgeting, which had specific roles for all of the budget participants (Agencies ask a lot, OMB and the House cuts while Senate moderates). To further emphasize the presence of improvisational budgeting beyond the fractured budgeting model, continuing resolution appropriations (CRA) will be identified to underscore the inability of members of the budgetary process to create a budget in a timely manner. When a regular appropriation bill fails to be enacted by the beginning of the fiscal year (FY), Congress will enact a CRA. Congressional reliance on continuing resolution appropriations as a stopgap spending measure is a symptom of a fractured budgetary process.

In order to illustrate the story behind the legislative tracker data, a summary of issues defining that year's budgetary process will be discussed. The potential for conflict and disruption can be exposed by unveiling divisive issues; issues, such as whether there was a Republican majority in Congress and a Democratic President, the emergence of military operations overseas, whether it was an election year and others will serve to explain what was behind the budgetary process for that year. Each year has a different story to tell and each budgetary process will have an impact on the subsequent year, but

the patterns of improvisational budgeting will remain as exposed by the legislative trackers for each budget year.

## **B. YEAR BY YEAR DISPLAYS AND INTERPRETATIONS OF BUDGET EVENTS**

### **1. Legislative Issue Summary for CY 1990**

Table 3 [CQA, 1990] below is a summary of the budgetary processes for calendar year 1990. This year was very interesting in several ways. First, President Bush was operating in the relatively new post Cold War era with warming U.S. and Russian relations in the face of enormous debt. Deficit reduction was a major issue facing participants of the budgetary process now that the Cold War victory bills were coming due and the days of unbridled spending were coming to an abrupt halt. Secondly, in August of that same year, Iraq invaded Kuwait, raising the issue, in the midst of defense budgetary deliberations, of appropriate force size. These issues led to calculated attempts from the Democratic Congress to use the defense budget as an opportunity to re-shape the U.S. military's post Cold War strategy and structure.

The resulting Presidential Budget proposed a relatively small cut from baseline defense spending in the amount of \$3.6B and a reduction of 35,000 military personnel. He also proposed \$36B in deficit reduction to offset the projected \$63.1B deficit for the year based on \$1.23T in proposed spending. President Bush also proposed to cut 26 domestic programs, while Congress wanted to increase domestic program spending with funds funneled from defense cuts. A deteriorating economy and political division over domestic program spending were compounding the goal of deficit reduction. Democrats were divided over how much discretionary defense spending to shift to non-defense discretionary domestic programs.

The President's projections for economic growth did not hold up under close scrutiny and differed from Congressional Budget Office (CBO) projections, which were not as rosy as those submitted by the OMB. His campaign promise for no new taxes was reneged upon as the economic realities of deficit reduction in a slowing economy became apparent. Differences over how much to reduce defense spending were highlighted by the House proposing \$24B less than the President, followed closely by the Senate

proposing \$18B less with the final defense authorization reflecting the Senates proposal. The House certainly lived up to their reputation for cutting and the Senate followed suit, with a less severe cut to moderate the proposed defense spending levels.

The struggles between Congress and the President were often resolved with the threat of veto or grandstanding over the Persian Gulf crisis. The Senate authorizers didn't begin their debates until August 2<sup>nd</sup>, which was unusually late in the normal budgetary process and certainly an indication of the struggles over what to do with the proposed budget. One of the major fights in the defense budget was over the size of troop cuts. President Bush wanted a 35K reduction, while Congress proposed an 80K reduction and President Bush threatened to veto the legislation over that issue. Other areas of conflict included the B-2 bomber production levels and the expensive Strategic Defense Initiative ((SDI) program.

The tumultuous nature of the budgetary process was underscored by the six continuing resolution appropriations proposed by Congress, with one vetoed by the President. A divided House and Senate struggling with the Presidents proposals failed to approve a defense budget in a timely manner resulting in a government shutdown over the Columbus Day weekend. The defense authorizations and appropriations were not signed into law until 5 November, more than a month later than the fiscal year (FY) deadline. Certainly the size of defense cuts were large in comparison to previous years of defense spending, but the cuts could have been deeper in the post Cold War environment offset slightly by the advent of the Gulf War.

## **2. Legislative Issue Summary for CY 1991**

Table 4 [CQA, 1991] below is a summary of the budgetary processes for calendar year 1991. The FY 1992 budget process was highlighted by few of the budget battles present in previous years due in large part to the Budget Agreement Act of 1990. This Act established very strict guidelines for Congress to use while preparing their budget in the form of spending caps on discretionary spending in three areas; domestic, international and defense programs. The Act, in addition to reducing some of the infighting on discretionary spending, reinforced strict pay-go procedures resulting in automatic cuts to program violators.

Providing Congress operated within the processes outlined in the Act, they would not be responsible for the resulting huge deficit linked to situations beyond the scope of their control. Situations such as the cost to bailout the Savings and Loan collapse, the cost of Operation Desert Storm, and the revenue losses and spending increases caused by the recession fell outside the provisions of this Act. Based on these guidelines, 12 of the 13 appropriation bills were signed into law with relatively little friction or delay. The budgetary process was smooth, but paid little heed to deficit reduction.

A year marked by few budget disputes was evident in most appropriations issued by the President mirroring the appropriations approved by House and Senate. The President requested \$290.8B for DoD authorization and all subsequent participants in the budgetary process, from Committees to the Full House and Senate, ratified the exact same amount, resulting in an identical final budget authority signed by the President. Such consensus is rare and came close to being repeated only two more times in CY 1994 and 1998. The budget presented by the President provided Congress with a very well aligned and targeted starting point in the budget process this year. The Presidents Budget requested \$2.7B more in defense spending than the previous year and was approved without much resistance.

Equally as noteworthy was the low number of continuing resolution appropriations in the budgetary process, with only two required to sign appropriations into law. With such clear consensus, it is equally noteworthy and troubling that the DoD authorization was not signed into law until December 5<sup>th</sup>, a week after the defense appropriation was signed into law. Part of the reason for the delay was related to a post Gulf War environment where the military found itself in the unusual position of having to defend the need for its force size in a world with fewer discernable threats.

Congress had the unenviable task of determining how big the defense spending cuts ought to be while balancing those decisions with the economic impact it would have on their constituents and a nation in the midst of a mild recession. This was the first defense budget in a post-Cold War era following a decisive and rapid victory in the Gulf War. It was clear that superior technology contributed to the swiftness and low casualty

rates associated with the Gulf War. So the issues that arose were related to how much spending was appropriate for each program.

President Bush proposed a reduction of the military from 2 million to 1.65 million troops during FY 1992. Congress approved a reduction to 1.8 million. Similar differences were evident when Congress did not approve the Presidents request of \$3.2B for the production of four new B-2 bombers. Instead, Congress approved \$1.56B to continue development of the B-2. No bombers would be authorized for production until the Pentagon could certify that problems with the B-2 had been resolved.

Overall, the budget process for 1991 went fairly smoothly with relatively minor delays, while adhering to the strict guidelines of the 1990 Budget Agreement. However, Congress had built in a loophole that did not hold them responsible for the deficit spending, which was expected to soar to \$360B by the end of FY 1992.

### **3. Legislative Issue Summary for CY 1992**

Table 5 [CQA, 1992] below is a summary of the budgetary processes for calendar year 1992. The key issue defining this year was the looming Presidential election in November. All participants in the budgetary process offered little resistance and only minor conflicts with the election on the horizon. Both the defense appropriation and authorization bills were approved with very little cutting or restoration to the Presidents Budget. All participants agreed to reduce defense spending by \$16.7B from the previous FY as force size and weapon system spending continued to be reduced in the post Cold War era. The Presidents Budget for DoD authorization was \$274.0B, only \$300M less than what was signed into law on October 23<sup>rd</sup>. Similarly, the Presidents Budget for the DoD appropriation was \$253.0B, only \$800M less than the final version signed into law on October 5<sup>th</sup>. Congress, in both cases, had increased spending levels proposed by the President, but only by a relatively small amount.

The DoD authorization was once again preceded by the appropriation, but was relatively timely requiring only one continuing resolution appropriation before it was signed into law. Like the previous year, disagreements and delays were related to DoD hot issues differing between participants in the budget process. Force size, SDI and the

number of B-2 bombers to procure topped the list of issues resulting in conflict and delaying the passage of the DoD spending bills.

Another defining issue in the budgetary process was the slow realization that the country was indeed in the middle of a mild recession. Although President Bush was fond of denying the realities of the economic indicators of slow growth, the issue remained at the forefront of budgetary participants minds as they struggled to come to an agreement about how to handle the reduction in revenue balanced with appropriate spending levels. The members of Congress attempted to override the spending caps set in the 1990 Budget Act, but were unsuccessful in amounting the necessary votes while facing a growing deficit. The prime directive to avoid controversy in an election year cleared the way for continued deficit spending.

This year also saw the passage of two more Supplemental Bills providing relief to storm damaged areas in Florida, Louisiana, Hawaii and Guam, drought relief to California and funding to offset numerous DoD spending requirements. Among those issues was funding for the close out of the Persian Gulf War account, increased military pay, unemployment and COLA for veterans and a new Pentagon heating and cooling system.

#### **4. Legislative Issue Summary for CY 1993**

Table 6 [CQA, 1993] below is a summary of the budgetary processes for calendar year 1993. With the election of President Clinton, the White House saw the return of a Democrat to office for the first time in twelve years. In conjunction with a Democratic majority in the House and Senate, a new Democratic regime would make its first statement in the FY 94 budget. The new President was elected on the platform promising change in the governments handling of the economy and deficit reduction while protecting the future of Social Security and ensuring the continuation of Medicaid and Medicare.

The economy was relatively stable in early 1993 with only two lagging economic indicators, namely GDP growth at slightly over 2% and real wage growth at essentially zero. With a rapidly growing deficit, the stage was set for defense spending cuts and the Presidents Budget requested \$10.9B less than the previous years approved defense

budget. Although eager to support the new President, many of the members of Congress were not certain the proposed defense cuts were the right amount. The House ended up mirroring his budget request, passing the DoD authorization at \$263.4B. The Democratic majority in the Senate proposed further cuts with the Full Senate Committee approving a \$262B DoD authorization. The Senate ended up approving a \$261.1B defense authorization, \$100M more than the bill signed into law on 30 November.

President Clinton's \$500B, five year deficit reduction plan to increase taxes and broadly cut spending was adopted by Congress despite partisan conflict over whether or not to increase taxes. As it turned out, Congress ended up cutting even more than what the President proposed while going along with a tax increase.

In a similar vote of support, the House and Senate supported President Clinton's agenda to cancel the A/F-X stealth bomber, repeal the ban on females serving aboard combatant ships, cut the underground nuclear testing program by half, approve the Anti-Missile Defense program and approve a modified version for allowing homosexuals in the military. Other issues debated included the conditions concerning the on-going deployment of U.S. forces in Somalia as well as plans for increased burden sharing with allied nations.

When the President signed the bill two months late on 30 November, it was considered a legislative victory for the administration because it achieved defense cuts and laid the groundwork for additional cuts in subsequent years. The new administration did not win on all issues with the proposed freeze to military and civilian pay increases overturned and replaced by a 2.2% pay raise.

The need for three continuing resolution appropriations stemmed from Congress debating how to reduce the force size, what weapons programs to procure and what U.S. foreign policy should be regarding involvement in Somalia, Haiti and Bosnia. Similar to the preceding year, the DoD appropriation was approved prior to the DoD authorization, marking the third year in a row this occurred.

Despite the Democratic majority, debates over key issues delayed the budgetary process, resulting in a DoD authorization approved two months after the FY deadline. Although agreement on sweeping cuts and tax increases were achieved during the budget

process while riding the wave for deficit reduction, partisan debates and exercising clout amongst key participants resulted in a delayed defense bill. The delayed budgeting process deviated from the mold of classical budgeting as it reemphasized the need for further improvisational budgeting in the form of continuing resolution appropriations and non-incremental spending cuts.

## **5. Legislative Issue Summary for CY 1994**

Table 7 [CQA, 1994] below is a summary of the budgetary processes for calendar year 1994. The budget process for this year was marked by overall cooperation between the Executive and Legislative branches of government as they followed the agenda for deficit reduction agreed upon the year before. The final appropriations bill was a little late, but largely for the amount that the President had requested. Despite its late approval, it was the first DoD authorization to make it to the Presidents desk before the conclusion of the FY. It also marked the first time since 1948 that Congress had cleared all 13-appropriation bills before October 1<sup>st</sup>. The overall budget process was dominated by haggling over social issues and welfare reform; consequently, the President got what he wanted in defense spending.

The Presidents budget requested \$263.8B in budget authority for the DoD, a \$2.9B increase over the previous year. It represented a trend to sustain a force capable of fighting and winning two regional conflicts and a shifting priority to increase readiness funding while decreasing force size. It mirrored his State of the Union remarks that defense cuts had gone about as far as they could go.

The proposed DoD authorization went virtually unchanged throughout the budgetary process and was passed into law on 5 October in the amount of \$263.8B. Key issues deliberated included whether to provide further funding for the B-2, how many C-17s to build and whether to lift of the embargo banning shipment of arms to Bosnia. The version signed into law supported all of the major weapons programs proposed by the President. These major programs included F-22s, the Comanche helicopter, one new CVN, “E” and “F” versions of the F/A-18 and the V-22. Minor differences included the size of the military pay raise from 1.6% to 2.6% and funding for the B-2.

The defense appropriation bill approved in the House and Senate closely tracked with the defense authorization bills and closely mirrored the defense appropriation proposed by the President in the amount of \$244.7B. The appropriation signed into law on 30 September was \$1B less than what the President proposed representing additional cuts in the successor to the Seawolf submarine program and the TSSAAM missile.

A relatively smooth and successful budgetary process defined CY 1994, marking a relatively boring budget year. Although many in Congress had expressed concern about shrinking defense dollars and the possible reduction in readiness it might bring, few were willing to substantially increase expenditures at the cost of other programs or higher deficits. It was a year marked by compromise and very little friction or conflict regarding defense spending as Congressmen set their sights on being reelected for another term.

#### **6. Legislative Issue Summary for CY 1995**

Table 8 [CQA, 1995] below is a summary of the budgetary processes for calendar year 1995. Despite much partisan bickering between the newly elected Republican majority in Congress and the Democratic President, a spirit of cooperation was embraced and Congress did work together to achieve their common goal of balancing the budget. They learned to compromise despite the republican majority.

Preceding these loftier outcomes from the budget process was a defense appropriation bill signed into law 62 days late and passed before the authorization bill. The authorization bill was 89 days late before being vetoed and was signed into law 143 days into FY 96. The Government had to shut down twice for 28 days as a result of the inability of Congress to agree on key issues. To put this number into perspective, historically up to this point the nation had seen 9 shutdowns, the worst of which lasted three days. A remarkable 10 CRAs were required before all appropriations were completed on 26 April 1996, covering an astounding 219 days, excluding the 28 days the government was shutdown in the absence of a CRA.

Despite congressional assurances to the contrary, only seven spending bills were enacted at the conclusion of the fiscal year (30 September 1995). The remaining bills were casualties of the legislative process. With a Republican majority and the Speaker's promises for victory in their contract with America, they knew there was going to be a

fight. Yet, they failed to work together to resolve their differences. Giving themselves extensions in the form of continuing resolution appropriations failed to facilitate the resolution of their differences.

It is hard to imagine how government shutdowns made the Republican majority appear victorious. It only served to make politicians appear inefficient and overpaid. Clearly the process of passing legislation in an environment of conflicting priorities is challenging at best. Add to that issues of loyalty to the party and state and we discover how ponderous and complex this entire process can be. But when a system of government has to shutdown, it should force our attention to the inefficiencies within the process.

There was a reconciliation bill during FY 96 and it called for \$894B to be slashed from the budget over a seven-year period. The driving goal of balancing the budget by cutting spending and lowering taxes guided the process of reconciliation. With a proposed reduction in taxes of \$245B in conjunction with the \$894B cuts, the budget would be balanced by 2002. In addition to taxation tasking, it required both committees to come up with their own program cuts to facilitate deficit reduction.

Unlike the defense authorization and appropriation bills, the Republican majority did manage to find a consensus and agreed upon a way to cut taxes without tampering with defense or Social Security. It didn't leave the House and Senate floors until several weeks into the fiscal year, but a powerful message was sent about their resolve to balance the budget.

The joke about the opposite of progress being Congress found favor in the eyes of the public as they witnessed the budgetary participants slowly work out the issues. A popular President Clinton contrasted markedly with the whining Republican majority leader who seemed to single handedly derail the budget process and make the Republicans relatively unpopular. In their bid to regain some popular support, they passed a large tax-cut while promising to balance the budget. Americans want more of everything, but they had to cut something. They ended up cutting the touchy area of savings in Medicare and Medicaid, not exactly a "popularity contest tiebreaker" with the poor and elderly.

There was a defense supplement bill that essentially addressed the peacekeeping contingency operations the U.S. was involved in Iraq and Bosnia. The normal appropriations were insufficient to address the increased operating tempo the U.S. military was experiencing abroad. Routine operations such as training missions were in jeopardy due to the shifting of funds to support the peacekeeping missions. Military leaders testified before Congress that in order to maintain military readiness, money would have to be taken from maintenance accounts.

There were several continuing resolution appropriations because of heated arguments over several key issues that slowed or froze progress on appropriation bills. One such divisive issue was about banning overseas abortions for military women. Despite *Roe v. Wade*, the Republican majority saw an opportunity to take a stand on a platform issue. Democrats countered that the policy made a uniform a handicap for women serving overseas. The result was a bitter dispute that caused the appropriations Conference Report to be rejected, resulting in delays and the need for continuing resolution appropriations to halt government shutdowns. Lawmakers holding the government hostage did not force the terms desired by both parties and only served to discredit the legislative process and anger U.S. citizens. Such a partisan display over divisive issues neither won over the voting masses nor did it benefit the country.

The three hottest issues in the defense authorization bill were over the missile defense program, reversing the decline in military strength, and banning overseas abortions. Democrats wanted to cut the Anti-Missile Defense (AMD) program by \$682 million to allow for the increased funding for housing allowances and military personnel pay. Democrats argued that the Anti-Ballistic Missile (ABM) treaty protected the U.S. against missile attacks and the need for the ABM program had passed with the Cold War. The Republicans countered that several other nations either possessed or were developing the ability making the need for missile defense viable. President Clinton vetoed the authorization bill over this issue, adding to the delay in getting it enacted.

The issue of military readiness reaching its breaking point defined the difference of opinion between the President and the Republican majority House and Senate. The President proposed a \$6.6B decrease from the previous year in defense authorizations

that was summarily increased \$7.1B by the House and Senate. Republican Bill Young represented the issue best by noting the 10-year decline in national defense. The Democrats wanted a continued military reduction to allow for increases in education, housing and environmental restoration. The only spin on the issue was that the Republicans were in the majority. The final issue of banning overseas abortions was already mentioned and the partisan debate forced concessions banning them except in cases of rape, incest or to save the life of a woman.

It is clear that this FY had both good and bad points for Congress. The Republicans newfound majority momentum was lost because of differences between the House and Senate. Although successful in offsetting the decline in military spending, they still had to make concessions to the President when they failed to override his veto. More troubling still was the loss of public support due to the Republicans political maneuvering resulting in two shutdowns. It was a great year for defense with the dramatic reversal of 10 years of declining military spending. Many of the new weapon systems were fully funded and many of the aging systems were plused up to improve readiness. But the budget process suffered by exposing its vulnerability to partisan politics. Overall, it was a bad year for our government and one that would be remembered for partisan bickering, inefficiency and politics as usual.

## **7. Legislative Issue Summary for CY 1996**

Table 9 [CQA, 1996] below is a summary of the budgetary processes for calendar year 1996. First and foremost, this year was an election year for the President and after the turbulence of the previous year, there was consensus to balance the budget, reduce the deficit and avoid another government shutdown. Embedded within this agreement was the goal to cut family taxes, add a child tax credit and reform both welfare and health insurance. Issues defining this year include U.S. troops in Bosnia, the Oklahoma City bombing, the Atlanta Olympics and the TWA flight 800 disaster.

As a result of the DoD authorization for FY 96 being approved on 10 February 1996, the budgetary process for FY97 got off to a late start with President Clinton submitting his budget 19 March. His proposal, \$254.4B, requested \$10.4B less than the defense authorization for the previous FY and represented a return to the trend towards reductions in defense spending in the post Cold War environment. The House identified

the cuts to be too deep as the Full House Committee restored the authorization to \$267.0B, proposing a \$1.7B increase over the previous year. The Senate Committee followed the Houses trend to add to the Presidents proposed DoD authorization by passing \$267.3B, which was subsequently reduced \$1.7B before being passed by the Senate 10 June, mirroring the dollar amount signed into law 23 September.

The defense appropriations bill was passed into law as part of an omnibus appropriation bill put together by Congress, which contained five other non-defense appropriations. The DoD appropriation proposed by the President was nearly identical to the one passed into law 1 December the previous year, totaling \$243.4B. The House and Senate proceeded to add \$1.9 and \$1.3B respectively, ultimately agreeing in Conference on \$245.0B. The pattern of low proposals being restored by both the House and Senate emerges this calendar year, adding a new wrinkle to the model of budgeting in the 1990's. This pattern of increases to the proposed budget would continue for the remainder of the 1990's.

Considering the delays experienced the previous year, it was a remarkable achievement to have both defense bills signed into law before the beginning of the new FY. There was no need for continuing resolution appropriations in the budget process this year, excluding the 6 CRAs spilling over into CY 1996 from the broken CY 1995 budget process. Members of the budgetary process resolved to compromise on forcing partisan agendas and expedite the budgetary process despite a late start in April.

Highlighting the defense authorization bill was funding for the Anti-Missile Defense program, 12 new F/A-18's with longer range, continued funding for the AF-22, funding to develop a Joint Strike Fighter, and funding for upgrades to the B-1 and B-2. Also included were further force size reductions and a pay raise of 3% for active duty. The Navy received funding for its third and last Seawolf submarine, funding to develop the Virginia class submarine of the future, and funding for four Aegis Destroyers.

Among the controversial policy decisions during deliberations was to table discussions regarding discharges for members with AIDS, table the proposal to drop the "don't ask, don't tell" policy and table the proposal to repeal overseas abortions. These

very issues were directly involved in slowing or derailing the defense budget process the previous year.

On a final note, Congress was able to pass the Line-Item Veto Legislation planned to take effect on January 1, 1997. The Republicans were thinking at the time the bill was passed that it would benefit Republican Presidential candidate Bob Dole. The election of 1996 would derail their plans with the re-election of President Clinton. The overall budgetary process was remarkably timely and had a tendency to improve during years coinciding with elections.

#### **8. Legislative Issue Summary for CY 1997**

Table 10 [CQA, 1997] below is a summary of the budgetary processes for calendar year 1997. Following a relatively conflict free year in 1996, President Clinton was re-elected for another term and the Republicans maintained control over Congress. Both parties learned from the prior years elections to resolve to work together and balance the budget by seizing the opportunity afforded by a stronger economy. The congressional leaders resolved to avoid the budget battles of recent years and pass a bipartisan budget to avoid quarrels.

The Republican agenda was to cut taxes and balance the budget in an environment where the Speaker of the House was experiencing diminished power due to the failings of his contract with America. The Democratic agenda was to preserve domestic spending priorities, create education tax credits and balance the budget. As it would turn out, a strong party and budgetary participants resolve to balance the budget would result in the first balanced budget since Lyndon Johnson was President.

In keeping with congressional leaderships resolve to balance the budget, they passed the Balanced Budget Act of 1997 and Taxpayer Relief Act of 1997. The Balanced Budget Acts main thrust was to reduce the deficit with gross spending cuts of \$263B over five years with \$140B coming from extending caps on discretionary spending. The Act also addressed extending pay-go rules in addition to revisions to Medicare and Medicaid. The Taxpayer Relief Act was the first significant tax cut since 1981. The Act would provide \$95B over five years, a \$500 child tax credit, restructured taxes on air travel, increased cigarette taxes and the creation of Education and Roth IRAs.

The President submitted his budget 6 February and his defense authorization requested \$265.4B, \$200M less than the defense authorization signed the previous FY. Both the House and Senate proceeded to add \$2.9B to the President's Budget, ultimately agreeing in Conference to the same amount, \$268.3B. The Conference report was not issued until 23 October and did not pass the Senate until 6 November. It was finally signed into law 18 November well beyond the commencement of the new FY. The pattern of low agency proposals being restored by both the House and Senate emerged again this calendar year.

The defense authorization was signed into law 41 days after the defense appropriation bill was signed due to a 108-day delay in the Conference Committee. A great deal of debate and delay in committee was a result of partisan conflict regarding the status of Air Force Depot maintenance. President Clinton had added Sacramento and San Antonio to the Base Realignment and Closure (BRAC) list and planned to privatize maintenance at those locations, while Congress was trying to prohibit maintenance there for constituency reasons. The resulting BRAC disputes sunk the administrations request for two more rounds of base closures in 1999 and 2001. Similar debates ensued over the fate of the B-2 bomber with the President desiring to end production and Congress trying to keep the program online. Congress also added legislation providing provisions to cut off funds for troops in Bosnia no later than June 30, 1998. If the President provided a detailed report to Congress on the reasons for continued troop presence, then the deadline would be waived. The push was for less U.S. involvement and greater participation by U.N. peacekeepers.

The defense appropriation bill in the President's budget requested \$243.9B and, following the pattern established during the authorization process, both the House and Senate added to the proposal in the amounts of \$4.4B and \$3.3B respectively. The amount agreed to when the Conference Report was issued reflected a modest increase resulting in the amount of \$247.7B, which was a \$3.8B increase to the President's Budget request. The DoD appropriation was signed into law on 8 October, not nearly as late as the DoD authorization ended up being.

In addition to the Bosnia troop funding deadline, Congress found a clever way to keep the B-2 alive by calling for a restart of production but allowing \$331M to be spent for items unrelated to B-2 production.

The turf battles and sensitive international issues that littered this budgetary cycle contributed to its delay. Six continuing resolution appropriations were required to keep the government running while the participants in the budgetary process debated the finer points of constituency ramifications involved in BRAC or program funding. It was a bad year for the budget despite being balanced with only three of the thirteen appropriation bills submitted to the President before the end of the FY.

#### **9. Legislative Issue Summary for CY 1998**

Table 11 [CQA, 1998] below is a summary of the budgetary processes for calendar year 1998. The defining issue this year was unrelated to matters of a fiscal nature, but rather related to an extra-marital affair when the Lewinsky scandal broke six days before the President Clintons State of the Union address. The scandal culminated in votes to impeach the President on 19 December. During the tumultuous year many Republican leaders believed that voter support for President Clinton would eventually wane. As a result they did not push a legislative agenda as strongly as they had in previous years and were instead fraught with divisions within the party over key issues such as banning cloning and training men and women troops in the same unit. The distractions created a rift that allowed the President to pass legislation that would have otherwise met in defeat.

For the first time since the modern budget process was established in 1974, Congress failed to produce a fiscal budget resolution with the House and Senate unable to agree on a spending plan. This slowed the appropriation budgetary process forcing congressional leaders to put together a \$500B omnibus-spending bill that encompassed eight appropriations. Five continuing resolution appropriations would be required in order to keep the government running while Congress deliberated the various issues standing in the way of agreement.

President Clinton's agenda to save Social Security first forced Republican leaders to abandon their plans for a \$100B tax cut by calling them on their decision to spend the

precious budget surplus on tax breaks. It didn't help matters that members of the House and Senate could not reach agreement on the numbers supporting a tax cut.

The \$250.5B DoD appropriations bill provided \$488M less than President Clinton requested. Although the appropriation was released to the President on time, it was not signed into law until 17 October. The bill did not include the funding needed to pay for U.S. peacekeeping forces in Bosnia through the FY and were instead provided for in the omnibus bill. The final measure made no dramatic changes to the amount the President had requested for his usual major weapons programs. However it did manage to direct a couple billion dollars to members' local projects, including \$400M for C-130s built in the district represented by Newt Gingrich. The bill also provided most of the funding requested for the Anti-Missile Defense (AMD) program as well as funds to support a 3.6% military pay raise (0.5% more than President Clinton requested).

Congress was able to clear the DoD authorization bill in late September authorizing \$271.5B, nearly identical to President Clinton's request and represented the maximum allowable under the Balanced Budget Law in 1997. The most contentious issue raised during deliberations was the unsuccessful effort by Republicans to make the military train male and female recruits in separate units. Drawing strong objections, the Conference Report settled the matter by only requiring separate housing during training. Another significant change to the Presidents proposal increased the annual military pay raise to 3.6 percent and set a ceiling of 1.4 million active-duty personnel, a reduction of 36,000 from FY 98.

The bill made relatively few changes to the Presidents Budget, funding the AMD program and other similar major defense weapon programs, such as a nuclear powered submarine, three Aegis destroyers, 13 C-17s, and funding for development of the Navy's aircraft carrier of the future, CVX.

With clearly defined spending caps and the additional constraints added by a budget year in the midst of political turmoil as a result of the Lewinsky scandal, the budgetary participants had little room for major conflicts and the resulting budget reflected the relatively smooth process.

## **10. Legislative Issue Summary for CY 1999**

Table 12 [CQA, 1999] below is a summary of the budgetary processes for calendar year 1999. Calendar year 1999 began with a \$66T surplus and President Clinton had avoided being impeached. More importantly, it was an election year and healthcare spending doubled while Congress debated Census 2000 issues.

Despite an economy defined by the unfamiliar term “budgetary surplus” the defense authorization and appropriation bills were passed late, being signed into law on October 5<sup>th</sup> and 25<sup>th</sup>, respectively. However, the defense authorization was passed before the defense appropriation, marking a return to normalcy not seen since CY 1996 and only the second time the DoD authorization would precede the appropriation during the decade. Relatively timely authorizations in the proper sequence indicated an unusually good start to a new fiscal year for the DoD and allowed participants of the PPBS process to stay on track for executing the current year and planning the following years budget.

Kosovo emerged as a crisis requiring U.S. intervention at the end of March and was subsequently funded via a second supplemental bill to fund forces committed to the region. The Supplemental also included funding for relief from Hurricanes Georges and Mitch, farm loans, a military pay raise and tornado relief for Kansas and Oklahoma.

More notably, CY 1999 had seven continuing resolution appropriations, which began on September 27<sup>th</sup> and extended government funding through midnight on December 2<sup>nd</sup>. Congress stalled bills due to partisan issues left over from the 1998 vote to impeach President Clinton. The President retaliated by vetoing and threatening to veto numerous appropriation bills. By the 7<sup>th</sup> CRA, five appropriation bills were still outstanding: Commerce, D.C., Interior, Foreign Operations and Labor. During the last week in November, Congress and the President reached an agreement and created an omnibus CRA, which included the five outstanding appropriation bills. It was subsequently signed into law and completed the CY 1999 budget process November 29, 1999.

Compared to previous budget years, defense fared very well. Not only were they able to pay for Kosovo and fund a military pay raise, but they also succeeded in procuring their top three items: the F-22 fighter plane, a helicopter carrier and extra F-15s

and C-130s. Their success was due in large part to strong support from the Senate and aggressive lobbying from supporting agencies. The DoD also managed to escape the cuts levied in discretionary spending that impacted other agencies.

Although the DoD authorization was relatively timely, the time spent reviewing pork and turf issues slowed a process that would have otherwise been timelier in a budgetary environment defined by a \$66T surplus. The DoD bills went through requiring far fewer CRAs than other appropriations required the same year. Overall, CY 99 was an average year that required an omnibus bill and seven CRAs to complete the fractured budgetary process that year. Not the budgetary process anticipated during a budget year marked by a surplus.

Table 3. CY 1990 Legislative Tracker (in \$ Billions)

FY 1991	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	29 Jan \$306.9	31 July \$283.0	19 Sep \$283.0	13 July \$289.0	4 Aug \$289.0	23 Oct \$288.3	24 Oct \$288.3	26 Oct \$288.3	5 Nov \$288.3	101-510
DoD Approp	29 Jan \$287.3	9 Oct \$288.2	12 Oct \$269.3	11 Oct \$269.2	15 Oct \$268.2	24 Oct \$268.9	25 Oct \$268.9	26 Oct \$268.9	5 Nov \$268.9	101-519
CRA	Sep 25, 7 Oct, 18 Oct, 24 Oct, 27 Oct	-	30 Sep, 8 Oct, 18 Oct, 24 Oct, 27 Oct	-	30 Sep, 8 Oct, 19 Oct, 24 Oct, 27 Oct	-	-	-	1 Oct, 9 Oct, 19 Oct, 25 Oct, 28 Oct	101-403, 101-412, 101-444, 101-461, 101-467

Table 4. CY 1991 Legislative Tracker (in \$ Billions)

FY 1992	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	4 Feb \$291.0	8 May \$291.0	22 May \$291.0	17 July \$291.0	2 Aug \$291.0	13 Nov \$291.0	18 Nov \$291.0	22 Nov \$291.0	5 Dec \$291.0	102-190
DoD Approp	4 Feb \$270.9	8 May \$270.6	7 Jun \$270.6	19 Sep \$270.4	26 Sep \$270.3	15 Nov \$271.0	20 Nov \$270.0	23 Nov \$270.0	26 Nov \$269.9	102-172
CRA	24 Sep, 23 Oct	-	25 Sep, 24 Oct	-	25 Sep, 24 Oct	-	-	-	30 Sep, 28 Oct	102-109, 102-145

Table 5. CY 1992 Legislative Tracker (in \$ Billions)

FY 1993	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	29 Jan \$281.6	13 May \$274.0	5 June \$270.0	24 Jul \$274.5	19 Sep \$274.0	1 Oct \$274.3	3 Oct \$274.3	5 Oct \$274.3	23 Oct \$274.3	102-484
DoD Approp	29 Jan \$261.1	18 Jun \$253.0	2 Jul \$251.8	17 Sep \$250.0	23 Sep \$250.7	2 Oct \$253.8	5 Oct \$253.8	5 Oct \$253.8	6 Oct \$253.8	102-396
CRA	24 Sep	-	30 Sep	-	30 Sep	-	-	-	1 Oct	102-376

Table 6. CY 1993 Legislative Tracker (in \$ Billions)

FY 1994	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	8 Apr \$263.4	27 July \$263.4	29 Sep \$263.4	23 July \$262.0	14 Sep \$261.1	10 Nov \$261.0	15 Nov \$261.0	17 Nov \$261.0	30 Nov \$261.0	103-160
DoD Approp	8 Apr \$240.9	22 Sep \$240.9	30 Sep \$239.4	4 Oct \$239.0	21 Oct \$238.8	9 Nov \$240.5	10 Nov \$240.5	10 Nov \$240.5	11 Nov \$240.5	103-139
CRA	27 Sep, 20 Oct, 27 Oct	-	29 Sep, 21 Oct, 28 Oct	-	29 Sep, 21 Oct, 28 Oct	-	-	-	30 Sep, 21 Oct, 29 Oct	103-88, 103-113, 103-128

Table 7. CY 1994 Legislative Tracker (in \$ Billions)

FY 1995	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	7 Feb \$263.8	5 May \$263.3	25 July \$263.3	9 June \$263.3	1 July \$263.1	12 Aug \$263.8	17 Aug \$263.8	13 Sep \$263.8	5 Oct \$263.8	103-337
DoD Approp	7 Feb \$244.7	27 June \$243.6	29 June \$243.6	29 Jul \$243.6	11 Aug \$243.4	26 Sep \$243.7	29 Sep \$243.7	29 Sep \$243.7	30 Sep \$243.7	103-335
CRA	None	-	-	-	-	-	-	-	-	-

Table 8. CY 1995 Legislative Tracker (in \$ Billions)

FY 1996	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DOD Auth	6 Feb \$257.5	24 May \$267.0	15 Jun \$267.0; 24 Jan \$265.3	29 June \$264.7	6 Sep \$265.3; 26 Jan 265.3	13 Dec \$265.3	15 Dec \$265.3	19 Dec \$265.3	28 Dec <b>VETO</b> , 10 Feb \$265.3	104-106
DOD Approp	6 Feb \$236.3	25 Jul \$244.2	7 Sep \$244.0	28 Jul \$242.7	5 Sep \$242.7	22 Sep \$243.3; 15 Nov \$243.3	29 Sep <b>Reject</b> ; 16 Nov \$243.3	16 Nov \$243.3	1 Dec <b>No sig</b>	104-61
CRA	27 Sep, 15 Nov, 18 Nov, 22 Dec	-	28 Sep, 16 Nov, 18 Nov, 22 Dec	-	29 Sep, 16 Nov, 19 Nov, 22 Dec	-	-	-	30 Sep, 20 Nov, 19 Nov, 22 Dec	104-31, 104-56, 104-54, 104-69
Shut-down	-	-	14-20 Nov, 16- 21 Dec	-	14-20 Nov, 16- 21 Dec	-	-	-	-	-

Table 9. CY 1996 Legislative Tracker (in \$ Billions)

FY 1997	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	19 March \$254.4	1 May \$267.0	15 May \$267.0	2 May \$267.3	10 June \$265.6	30 July \$265.6	1 Aug \$265.6	10 Sep \$265.6	23 Sep \$265.6	104-201
DoD Approp	19 March \$243.4	5 June \$245.7	13 June \$245.3	19 June \$244.7	18 July \$244.7	28 Sep \$245.0	28 Sep \$245.0	30 Sep \$245.0	30 Sep \$245.0	104-208
CRA	FY96: 3 Jan, 20 Dec, 13 Mar, 20 Mar, 29 Mar, 23 Apr	-	FY 96: 3 Jan, 20 Dec & 5 Jan, 14 Mar, 21 Mar, 29 Mar, 24 Apr	-	FY 96: 4 Jan, 22 Dec & 5 Jan, 14 Mar, 21 Mar, 29 Mar, 24 Apr	-	-	-	FY 96: 4 Jan, 6 Jan (amend), 15 Mar, 22 Mar, 29 Mar, 24 Apr	FY 96: 104-90, 104-94 (amend), 104-116, 104-118, 104-122, 104-131

Table 10. CY 1997 Legislative Tracker (in \$ Billions)

FY 1998	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	6 Feb \$265.4	12 June \$268.3	25 June \$268.3	18 June \$268.3	11 July \$268.3	23 Oct \$268.3	28 Oct \$268.3	6 Nov \$268.3	18 Nov \$268.3	105-85
DoD Approp	6 Feb \$243.9	22 July \$248.3	29 July \$248.3	10 July \$246.9	15 July \$247.2	19 Sep \$247.7	25 Sep \$247.7	25 Sep \$247.7	8 Oct \$247.7	105-56
CRA	-	-	30 Sep, 23 Oct, 7 Nov, 9 Nov, 10 Nov, 14 Nov	-	30 Sep, 23 Oct, 7 Nov, 9 Nov, 10 Nov, 14 Nov	-	-	-	30 Sep, 23 Oct, 7 Nov, 9 Nov, 10 Nov, 14 Nov	105-46, 105-64, 105-68, 105-69, 105-71, 105-84

Table 11. CY 1998 Legislative Tracker (in \$ Billions)

FY 1999	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	7 Feb \$271.8	27 Apr \$270.8	21 May \$271.0	13 May \$270.6	25 June \$274.0	22 Sep \$270.5	24 Sep \$271.5	1 Oct \$271.5	17 Oct \$271.5	105-261
DoD Approp	7 Feb \$250.9	4 June \$250.5	24 June \$251.0	4 June \$250.3	30 July \$252.0	25 Sep \$252.0	28 Sep \$251.0	29 Sep \$251.0	17 Oct \$251.0	105-262
CRA	16 Sep, 9 Oct, 12 Oct, 14 Oct, 16 Oct	-	17 Sep, 9 Oct, 12 Oct, 14 Oct, 16 Oct	-	17 Sep, 9 Oct, 12 Oct, 14 Oct, 16 Oct	-	-	-	17 Sep, 9 Oct, 12 Oct, 14 Oct, 16 Oct	105-240, 105-249, 105-254, 105-257, 105-260

Table 12. CY 1999 Legislative Tracker (in \$ Billions)

FY 2000	Submitted On	House Cmte	House Floor	Senate Cmte	Senate Floor	Conf Report Issued	CFR Passed House	CFR Passed Senate	Pres Signed	PL #
DoD Auth	1 Feb \$280.5	19 May \$288.8	10 June \$288.8	13 May \$288.8	27 May \$288.8	12 Sep \$288.8	15 Sep \$288.8	22 Sep \$288.8	5 Oct \$288.8	106-65
DoD Approp	1 Feb \$263.3	16 July \$266.1	22 July \$268.7	25 May \$264.7	8 June \$264.7	6 Oct \$267.7	13 Oct \$267.8	14 Oct \$267.8	25 Oct \$267.8	106-79
CRA	27 Sep, 18 Oct, 27 Oct, 3 Nov, 9 Nov, 16 Nov, 17 Nov	-	28 Sep, 19 Oct, 28 Oct, 4 Nov, 9 Nov, 17 Nov, 18 Nov	-	28 Sep, 19 Oct, 28 Oct, 4 Nov, 10 Nov, 17 Nov, 18 Nov	-	-	-	28 Sep, 21 Oct, 29 Oct, 5 Nov, 10 Nov, 18 Nov, 19 Nov	106-62, 106-75, 106-85, 106-88, 106-94, 106-105, 106-106

### **C. SUMMARY OF HOW EVENTS DIFFERED FROM A NORMAL BUDGETARY PROCESS**

The purpose of this chapter was to summarize the congressional budgetary process and identify critical issues surrounding those budgetary events in the 1990's. Ten years of data and issues were recorded in order to support a further analysis, in chapter four, of emerging trends and issues common to improvisational budgeting. This will facilitate the ability to determine whether or not the elimination of budget deficits could overcome the turmoil of the 1980's and create a timely budget process. The data will also provide the ability to better answer the question regarding whether or not improvisational budgeting has an impact on military funding requirements. All the data listed in Tables 3 through 12 was extracted from the Congressional Quarterly Almanacs.

Recall that a normal congressional budget process is characterized by the budget model that emerged during the classical period of budgeting and was representative of informal agreements between the House and OMB regarding increments of change from budget year to budget year. The federal agencies requests would be aggressive, the OMB and House would make cuts, while the Senate would restore or moderate in order to sustain growth. The Budget Act of 1974 increased congressional turbulence by adding an additional set of actors, the budget committees. These factors were further compounded by partisan politics tempered with debates over the how to address deficit budgeting. The unfortunate result of these factors was a breakdown in the normal budgeting process, subsequently circumvented by improvisational budgeting.

The budgeting process of the 1990's was not unlike the improvisational budgeting evident during the 1980's with an abundant supply of continuing resolution appropriations, appropriations passed before authorizations, delayed bills and even government shutdowns. The data makes it abundantly clear that harmony was not restored in a budgetary process defined by a surplus. The data illustrates how the budgetary process fails once again to work in a timely and effective manner despite the elimination of conflicts over deficit budgeting.

The model representing the budgetary processes between the President and the Conference Committees was inconsistent at best and far from incremental without clear cut roles for the players involved. Four of the ten years during this decade the DoD

authorizations signed into law were less than the Presidents Budget (PB), with cuts ranging from \$17.7B in 1990, \$7.3B in 1992, \$2.4B in 1993 and \$0.3B in 1998. Similarly, four of the ten years during the 90's the DoD authorizations signed into law exceeded the PB, with increases ranging from \$7.8B in 1995, \$11.2B in 1996, \$2.9B in 1997 and \$8.3B in 1999. The remaining two years, 1991 and 1994, had no additions to or subtractions from the PB.

A pattern of spending cuts relative to the PB, in order to reduce deficit spending in a post Cold War environment, emerges from 1990 to 1994. Not only were the budgetary participants cutting, but the PB was less than previous year's request during each subsequent year from 1990 to 1995. Conversely a pattern of increased spending, in order to restore a military over-tasked and under-funded, emerges from 1995 to 1999 with each years PB requesting more than the previous year. In addition to larger PB requests, the budgetary participants added to the PB every year from 1995 to 1999, with the exception of 1998 when the participants cut \$0.3B.

The broad statement that all participants increased and decreased spending when public sentiment and the economy supported it, is the closest the 1990's will come to being described in a budgetary model at this juncture in the analysis.

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## IV. IMPROVISATIONAL BUDGETING ANALYSIS

### A. SUMMARY CHARTS AND TABLES

Table 13. Changes from the President's Budget Made by Participants in the 1990's

<i>Changes From Presidents Budget Defense Authorization</i>	<i>No. of Years</i>	<i>Average % Change by House Committee</i>	<i>Average % Change by Senate Committee</i>	<i>Average % Change by House</i>	<i>Average % Change by Senate</i>	<i>Average % Change in Appropriation</i>
Decrease	4	(2.90%)	(2.46%)	(3.24%)	(2.29%)	(2.55%)
Decrease by > 10B	1	(7.79%)	(5.83%)	(7.79%)	(5.83%)	(6.06%)
Decrease by \$2-8B	2	(1.39%)	(1.56%)	(2.13%)	(1.82%)	(1.78%)
Decrease by < \$1B	1	(0.37%)	(0.44%)	(0.29%)	0.80%	(0.11%)
Increase	4	3.05%	2.87%	3.05%	2.78%	2.78%
Increase by > \$10B	1	4.72%	4.83%	4.72%	4.22%	4.22%
Increase by \$2-8B	3	2.51%	2.24%	2.51%	2.31%	2.31%
Increase by < \$2B	0	-	-	-	-	-
Same or no change	2	-	-	-	-	-

What emerges from this summary of changes to the President's Budget by the players in the budgetary process is a departure from the classical model of budgeting similar to the pattern identified during the decade of the 1980's. In other words, there is no pattern identifying who cuts and who restores from year to year. It varies during the decade of the 1990's just like it did during the 1980's confirming a continuation of the pattern of improvisational budgeting clearly identified by its departure from normalcy.

Forty percent of the decade the participants cut further from the President's Budget and another forty percent of the decade they restored or added to it. The other twenty percent of the decade the participants unanimously agreed with the President's Budget and approved the exact same amount he requested. There was a pattern established that represents cuts or additions were generally supported by all participants, from the Committees to the Full House and Senate. Essentially, everyone cut, everyone added or everyone agreed with the President's Budget from year to year. Certainly agreement was not proportional from participant to participant with some cutting more or less than their counterparts and some adding more or less depending on the year. But a consensus was shared, marking a new pattern for budgeting that underscored the improvisational nature of each year's budget deliberations.

But the pattern of the OMB and House making cuts, while the Senate would restore or moderate in order to sustain growth is no longer evident during this decade, with participants cutting and restoring based on the economic and political climate rather than an informal agreement for incremental growth. The increment of change could no longer address the size of the ballooning deficit balanced with appropriate spending and revenue decisions. The process had become too complicated and the size of the budget too large to efficiently apply a model for budgeting that would provide the desired economic stimulus and benefits from government that everyone, participants and constituents alike, desired.

Table 14. Continuing Resolution Appropriations in the 1990's

Calendar Year	# CRA(s)	Range Between CRA(s) in days	# Days CRA(s) Required
1990	5	3 to 10	35
1991	2	28	65
1992	1	N/A	22
1993	3	8 to 21	60
1994	0	N/A	0
1995	10	1 to 67	219
1996	0	N/A	0
1997	6	1 to 23	48
1998	5	2 to 9	16
1999	7	1 to 21	59
TTL	39	N/A	524 days or 14% of the decade

When a regular appropriation bill is not enacted by the beginning of the fiscal year, Congress usually enacts a continuing resolution appropriation or “CRA”. An intentional failure to adopt a CRA, or a mistaken delay in doing so, leaves an agency without authority to spend funds. Part of the blame contributing to these delays is the human tendency to delay budgetary decisions, especially unpopular ones, until the approach of deadlines. Sharing the blame for delays are the intrinsic conflicts between

branches of the budget process, such as between spending and taxing committees, over spending and revenue decisions intertwined with constituency-related economic impacts resulting from their decisions. It is a recipe for debate and delayed deliberations as corroborated by the 39 CRAs spanning the decade of the 1990's. Late appropriations can also be blamed on the appropriators themselves who often try to do too much within the process. The degree of detail bound within each bill is overwhelming and makes the case for delayed bills easier to comprehend [Meyers, p.28].

Because CRAs are passed in a rush, they are less likely to be vetoed. This feature alone may encourage appropriators and authorizers to delay their bills until a CRA is required due to the increased likelihood that it will be passed with what would otherwise be unacceptable pork within them [Meyers, p.28]. Among the victims are the participants of the PPBS process whose programs can go un-funded for periods of time before the CRAs take effect and subsequently experience cost overruns due to delays in production or contract execution. Similarly damaging to the DoD are the incomplete BESs, which are based on the first two years of the POM as adjusted by the PDM. When late appropriations occur, it adds error to the dynamic PPBS process and makes accurate budgeting and resource planning more difficult while adding complexity.

The fact that 14% of the calendar year during the 1990's was spent deliberating late appropriations and authorizations underscores the complexity of the budgeting process and bolsters the argument that improvisational budgeting was evident during 1990's and will likely continue in the future.

Table 15. CCR Adoption Dates Compared to 15 April Deadline

Calendar Year	Adoption Date	# Days After Deadline
1990	14 June	59
1991	22 May	36
1992	21 May	35
1993	01 April	0
1994	12 May	26
1995	29 June	74
1996	13 June	58*
1997	5 June	50
1998	Failed to Agree	Never Completed
1999	15 April	0

\* Submitted 14 May 1996 following late approval of FY 96 appropriations

Table 16. Concurrent Resolution (CCR) Funding Levels in the 1990's

Calendar Year	Presidents Budget (\$B)	CCR (\$B)	Public Law (\$B)
1990	306.0	288.3	288.3
1991	291.0	290.8	291.0
1992	281.6	277.4	274.3
1993	263.4	263.4	261.0
1994	263.8	263.8	263.8
1995	257.5	264.7	265.3
1996	254.4	265.6	265.6
1997	265.4	267.0	268.3
1998	271.8	Failed to Agree	271.5
1999	280.5	288.8	288.8

One of the consequences of Congress imposing legislated budgetary discipline upon themselves when they approved the Budget Impoundment and Control Act of 1974 was the additional requirement for a concurrent budget resolution (CCR). Prior to the Act, the congressional budget process was a two-step process, providing funding from the authorization step first, followed by the appropriation step. With the addition of budget committees in the Act, it became a three-step process, counting the CCR [Jones, p.65].

The CCR was established to precede the authorization and appropriation bills for the purpose of setting budget limits. Such limits were derived annually by the

committees using the President's Budget and estimates from the CBO regarding national revenue projections based on historical performance of the U.S. economy. The CCR, by definition, is not law, but only advisory, intended to be used as a congressional planning document in the form of a summary table. It was, however, binding upon Congress to the extent that if a bill exceeded the ceiling set in the resolution, a vote of 60 percent would be required to change that ceiling. Within the law, no authorization or appropriation bills can be considered until the CCR is passed [Jones, p.67].

Following the establishment of the modern budget process in the Budget Impoundment and Control Act of 1974, Congress has endeavored to set budget caps to be adhered to during the formulation of each year's appropriation bills. Table 15 & 16 illustrate the difficulties inherent in modern budgeting to fulfill these requirements both in dollar amount and timeliness of execution.

Table 15 makes it abundantly clear that passing the CCR prior to the 15 April deadline is difficult and uncommon, successfully doing so only twice during the decade of the 1990's. The establishment of the 15 April deadline, much the like the shifting of the FY from July to October, was well intended, but doomed to failure due to the nature of the budget process lacking normalcy and participants serving shifting roles in the turbulent process.

Excluding CY 1998 when they failed to agree on a CCR, the average CCR was passed 37.5 days after the 15 April deadline with delays ranging from 0 to 74 days. Delays in establishing spending levels within the CCR inevitably resulted in late appropriation and authorization bills. However, late defense appropriation and authorization bills did not always coincide with late CCRs. Late defense appropriation and authorization bills subsequently followed the two budget cycles the CCR was approved on time, namely CY 1993 and 1999.

Four of the ten years, namely 1990, 1994, 1996 and 1999, witnessed final defense authorization amounts equal to the amounts established by the coincident CCR. The other six years marked disparity in spending totals ranging from \$1.3B over the CCR in 1997 to \$3.1B under in 1992. This divergence from the CCR emulates the budgeting trend

coinciding with that particular year as 1992 was marked by spending cuts and deficit reduction, while increased spending in a surplus environment marked 1997.

The fact that there was divergence from the spending levels established by the CCR indicates the presence of improvisational budgeting. The members of the House and Senate established budgetary rules to abide by and then proceeded to deviate from them during their attempts to complete another increasingly complex budgetary cycle. Such deviation from normalcy defines the need for improvisational budgeting.

The most glaring example of improvisational budgeting with respect to CCRs occurred during calendar year 1998. For the first time since the modern budget process was established in 1974, Congress failed to produce a fiscal budget resolution with the House and Senate unable to agree on a spending plan. Work on the various appropriation and authorization bills had progressed to the point where the CCR was deemed irrelevant leading the quagmired participants to abandon their efforts to agree on resolution issues and amounts. The CCR dispute slowed the appropriation process forcing congressional leaders to put together a \$500B omnibus-spending bill that encompassed eight appropriations. An omnibus bill typifies compromise amidst budgetary turbulence and underscores the improvisational nature of budgeting during the decade. Five continuing resolution appropriations would be required in order to keep the government running while Congress deliberated the various issues standing in the way of agreement.

Table 17. Defense Authorization & Appropriation Comparison Timeline

Calendar Year	DoD Author	DoD Approp	Auth On Time?	Approp On Time?	Auth Before Approp?
1990	5 Nov	5 Nov	N	N	Same
1991	5 Dec	26 Nov	N	N	N
1992	23 Oct	6 Oct	N	N	N
1993	30 Nov	11 Nov	N	N	N
1994	5 Oct	30 Sep	N	Y	N
1995	10 Feb 1996	1 Dec	N	N	N
1996	23 Sep	30 Sep	Y	Y	Y
1997	18 Nov	8 Oct	N	N	N
1998	17 Oct	17 Oct	N	N	Same
1999	5 Oct	25 Oct	N	N	Y

Perhaps one of the most defining indicators of improvisational budgeting resides in the occurrence of late appropriation and authorization bills. The complexity of the budgeting process and the diversity of individual agendas among the myriad budgetary participants make their timely passage seemingly implausible. But when the political climate is right, such as the year following the 28 days of government shutdown when the budget participants were frightened at the prospect of repeating such exploits, timely passage of both the defense authorization and appropriation bills can be realized. Every

other year during the decade resulted in the untimely passage of both defense bills, with the exception of 1994 when the defense appropriation bill was signed into law before 1 October.

Perhaps even more troubling was the frequent passage of the defense appropriation bill before the defense authorization bill. Six of the ten years witnessed the defense appropriation being passed before the authorization. The defense authorization was properly passed before the appropriation only twice during this decade, during CY 1996 and 1999. The two years unaccounted for, 1990 and 1998, were unusual because the defense bills were passed the same day. Such a coincidence is an oddity in budgeting and the bills were in fact out of step with one another during the budgetary process up until the Conference Report was issued, making their signature into law on the same date a matter of convenience for the Presidents busy agenda.

As previously discussed during the analysis of CRAs under Table 14, when late appropriations occur, it adds error to the dynamic PPBS process and makes accurate budgeting and resource planning more difficult while adding complexity.

## **B. THE PRESENCE OF PORK IN BUDGETING DURING THE 1990'S**

The following summary of Pork issues was extracted from the Congressional Quarterly Almanacs for the applicable years. As discussed in Chapter II, years of spending entitlement increases reduced the discretionary portion of the budget, making the defense budget one of the few pots of money Congressman can raid to get funding for their districts. The defense budget is also the biggest and tends to be veto proof increasing the temptation to add pork to it. Similarly, because the defense budget is an annual appropriation, it must be passed each year further bolstering the likelihood for unrelated items to be added to the bill.

In response to the growing budgetary turbulence in the late seventies, the DoD began strategically dispersing various defense programs as widely as possible amongst congressional districts to strengthen its political position. The ensuing pork and turf battles were a natural result of the turbulent budget process amidst a constrained resource environment.

The addition of pork to the annual defense budget has become rather common and has emerged as an occupation for some members of Congress. Key members of the various appropriations committees or majority leaders have made a reputation for themselves by the addition of items to defense appropriations or authorizations above and beyond what was requested. Similarly as common is the addition of items totally unrelated to defense, which are routinely attached to omnibus bills and defense bills due to their vulnerability to such abuse during the tumultuous budgeting process.

Examples of pork during the 1990's are more abundant than could be economically documented within this thesis, but several players and examples emerge as a pattern from year to year. For example, Senator Byrd (D-WV), considered an institution in Congress, was responsible for requesting the addition of \$1B for U.S. steel workers in the 1999 defense supplemental bill. The West Virginia benefits and non-defense specific nature of the request led to its subsequent overturn. But such an overturn is less common and examples of successful pork additions include his request in 1994 for \$21.5M to beef up the National Guard C-130 squadrons in his state. This increase was not requested in the budget, but would clearly benefit the defense industry in his home state.

Perhaps more legendary than Senator Byrd is Senator Inouye (R-HI) who successfully added \$50 million to the defense authorization and appropriation bills almost every year during the 1990's. The funding was slated for assisting in the clean up and clearing of unexploded mines and ordnance from Kahoolawe, a small island that the Navy used as a bombing range for over fifty years. He also successfully added \$250K for Hawaiian Cruise lines to ferry troops around the island chain in 1997 and \$19M for two reservist manned amphibious transport ships to shuttle troops from Pearl Harbor to training grounds on the big island of Hawaii.

Senator Trent Lott (R-MS) ensured shipbuilding would continue in his home state of Mississippi. He was very successful at adding additional ships for construction at the shipyards in Pascagoula, including an extra Aegis Destroyer in 1995 and 1997, a helicopter carrier and amphibious assault craft in 1999 and an LHD-7 in 1995 and 1998. He wasn't the only senator benefiting from the addition of ships. Senator Livingston (R-

LA) added \$974M for the LPD-17 to be built in his state in 1995 and Senator Cohen (R-ME) added \$2.16B for two new Arleigh Burke destroyers to be built in Bath, Maine.

Senator Gingrich (R-GA) was legendary for seeing to the addition of new C-130's in his home state almost every year during the 1990's. Defense programmers could plan on the Senator adding a few of the planes to the budget every budget cycle regardless of their need for additional planes of that type. CY 1997 typified such plus ups with the approval of nine vice one C-130J, adding to \$529M more than requested. Of the 36 C-130's built during the decade, only five had been requested in the budget.

Senator Nunn's (D-GA) persistent attempts to keep the B-2 program funding flowing was legendary during the Clinton administration as he would religiously add funds for the production, maintenance or upgrade of the disputed Cold War relic. CY 1995 was typical of B-2 additions with \$493M added to the defense bill, while the Pentagon had stated that current funding levels were sufficient. Vetoes were not uncommon over wording regarding the intent of funds slated for the B-2 and provisions were added to clarify that funds were not intended for production of new aircraft, but to support existing assets.

Calendar year 1993 had some classic examples of pork with the addition of ten new Apache helicopters for \$273M, not requested and the initial order for a Wasp class helicopter carrier for \$50M, also not requested. The addition of high-speed cargo vessels for a new Army pre-positioning force was increased from \$291M to \$1.5B in a strategic shift for the Army to find new missions for themselves.

Similarly in 1990 a billion dollars was added to the defense bill for the production of more M1 tanks after the Army requested zero funding for that program in their budget request. Mirroring that pattern was the addition of half a billion dollars for the V-22 Osprey program after requesting no funding that budget cycle.

Other types of pork emerge in the budgetary process as typified by the 1999 omnibus CRA, which was filled with additional funds for things such as satellite TV for rural areas, Canyon Ferry Reservoir funding and dairy policies for midwestern states. In CY 1995, Congress added \$10.4M for a new PT center at Bremerton, \$99M for a Navy-berthing wharf at North Island (although ships could use the wharf at Long Beach) and

\$370M to research Russian Nuclear Demise. This year also had one of the more notable pork additions to defense bills with the inclusion of \$16M in support of the 1996 Olympic games in Atlanta, Georgia by Senator Nunn (D-GA).

Regardless of the year or the line item, pork will be found and is a constant source for debate and dispute adding to the already fractured budgetary process evident during this decade.

## **C. ENDURING CONTROVERSIES**

### **1. Turf**

The following summary of Turf issues was extracted from the Congressional Quarterly Almanacs for the applicable years. Thematic throughout the decade were debates over top ticket items such as the V-22 Osprey, SDI, B-2 bomber, Seawolf submarine, Aircraft carriers, M1 production, F-18 E/F, and other such costly weapons programs. Such weapon systems essentially define a branch of service and the cancellation of any one of these money-generating programs would put into question the purpose or mission of the respective branch of service using or defending that program. Such programs are the very definition of turf battles within the defense budget process.

Each service has its defining programs. The Carrier Battle Group, highlighted by a nuclear powered aircraft carrier, Aegis destroyers, cruisers, submarines and the attached air wing, defines the U.S. Navy. The Apache and Comanche helicopters, M-1 Abrams tanks and THAAD missiles similarly define the U.S. Army. The Air Forces crown jewels include the B-1 and B-2 bombers, the F-15 Eagle, F-16 Falcon and F-22 Raptor fighter jets as well as the C-17 cargo plane. The U.S. Marine Corps is defined by their amphibious warfare abilities included within the LHD-7 and LPD-17 ships in addition to the AAV and Bradley assault vehicles.

With these identifying weapons programs as a background, they must all compete within a relatively constrained resource environment for funding. The debates between services over funding for their major weapons programs are always a source of heated discussion and delay with service reputation, readiness and constituency employment implications hinging on the outcomes of the heatedly contested items. The emerging

trend toward joint weapon systems is the natural result of spreading the support for a weapon system across services, resulting in a more stable platform made less vulnerable to cuts do to its widely distributed support across services and districts alike.

It becomes intuitively obvious, due to the nature of competing requirements, that every year will have turf battles. Calendar year 1995 was no exception witnessing various Turf issue deliberations between the House and Senate. The Seawolf submarine being built in Groton vice the new Virginia class being built in Newport News was such an issue. Similarly, there were large battles over which military programs to keep, such as, funding LPD 17 in Louisiana versus LHD 7 in Mississippi, an extra Aegis destroyer (DDG) in Massachusetts versus Mississippi and base closures contested in all states.

Calendar year 1999 was marked by a turf struggle between the US Navy's new F/A-18E/F Super Hornet competing with the Air Force F-22 Raptor. Both represented billions in potential new procurement dollars in addition to representing its respective services future strategic requirements. Since both were required for their respective services, they were both funded with the Super Hornet getting an increase from \$1.35B to \$2.1B and the Raptor received an increase of \$331M.

The B-2 bomber-funding story spanned the entire decade with continuous struggles between congressional program supporters and opposition for further production in the White House. President Clinton threatened to veto the defense bill over wording regarding whether or not B-2 production would continue. Although a Cold War relic, it defined the Air Forces mission capabilities and represented billions of dollars in government funding to the various states supporting its continuation. For these reasons, funding continued to be provided for the B-2 and emerged as one of the classic turf issues of the decade.

Calendar year 1993 saw the U.S. Army attempting to redefine its mission with the introduction of funding for twelve pre-positioning ships, competing for turf against the U.S. Marine Corps amphibious role. Opposed by the U.S Marine Corps, it was ultimately funded but they found turf compensation with funding for the new Wasp class helicopter carrier in the amount of \$50M. The U.S. Navy had a turf battle of their own this year when they faced the cancellation of their A/F-X stealth attack plane in favor of

the U.S. Air Forces F-22 Raptor reportedly operable from an aircraft carrier. Unconvinced of its seaworthiness, the Navy was placated by the addition of \$1.47B for Super Hornet enhancements.

Regardless of the year, the turf wars were the same with service reputation and capability at stake and ample federal dollars on the line. The result each year was heated exchanges and differences between the House and Senate resulting in delays in the approval of authorization and appropriation funding, delays in issuance of the Conference Report and even vetoes. The presence of Turf is clearly a contributing factor towards the emergence of improvisational budgeting during the congressional budget process.

## **2. Readiness**

The shifting state of military readiness during the post-Cold War era following 1989 was marked by steady declines in both constant 1992 and current dollars amounts. CY 1992 saw a reversal in the declining trend with an increase due to funding the Gulf War, but thereafter the steady decline in defense authorizations continued until leveling off in 1996. The following three years, 1997 thru 1999 saw a reversal of fortunes with targeted attempts to increase defense spending in the surplus environment. The transition from 1997 to 1999 saw increases of \$2.7B, \$3.2B and \$17.3B respectively from year to year, but in constant dollars the relative increase in current dollars was more of a leveling off from the declining trend over the decade.

The Bush and Clinton administrations, along with their budgetary participant counterparts, aggressively cut defense spending over the first half of the decade during the post-Cold War draw down and brought defense readiness to its breaking point as the issue of how much defense is enough failed to be addressed during the pronounced decline. In CY 1994, the Presidents budget requested \$263.8B in budget authority for the DoD, a \$2.9B increase over the previous year. It represented a trend to sustain a force capable of fighting and winning two regional conflicts and a shifting priority to increase readiness funding while decreasing force size. It mirrored President Clinton's State of the Union remarks that defense cuts had gone about as far as they could go.

But the trend did not continue the following year, when the President proposed a \$6.6B decrease from the previous year in defense authorization. The issue of military

readiness reaching its breaking point defined the difference of opinion between the President and the Republican majority in the House and Senate during CY 1995 when they responded with an increase of \$7.1B. Congressman Bill Young represented the issue best by saying “The people who have to fight the wars...say that the 10-year decline in national defense has got to stop.” The Democrats wanted a continued military reduction to allow for increases in education, housing and environmental restoration. But the defense would benefit from the Republican majority and their resolve to make a statement to President Clinton regarding who was in charge in the form of restored defense spending.

The cuts leading up to defense spending restoration in 1995 had severe implications that could not be readily offset with moderate increases to defense spending. Retention had been impacted as each service was forced to do more with less requiring more work from their respective troops to keep their assets operational. Aviation experienced backlogs in maintenance on aging aircraft leaving bare firewalls and years of required maintenance unfunded. As a result, existing assets were juggled in order to sustain minimum operational requirements with reduced funding for parts. Because of decreased funding, insufficient parts were held in inventory requiring cannibalizations and longer hours to accomplish a task requiring twice the labor as parts were robbed from one asset and installed in another. Every service and community had similar issues to overcome as they struggled to emerge from the bathtub curve describing readiness levels spanning from operation to operation.

Fully funding defense requirements within a fiscal year failed to address the bow wave of lagging funding requirements leftover from under funded years, which continued to push forward from year to year until additional funding could be provided. The bow wave continues today with FY 02 representing the first year since the Cold War that fully funded the readiness accounts.

## V. CONCLUSIONS AND RECOMMENDATIONS

### A. EVIDENCE OF EXTREME IMPROVISATIONAL BUDGETING

As illustrated in Table 18, the budgeting process remains very complicated and is situated within a very turbulent environment. Look how complicated this budgeting business has become. This table demonstrates the recurring theme of extreme improvisational budgeting underscored by the complexity of the process. Sometimes the President leads the budget process with the other participants following suit, and sometimes Congress leads. There is no clear pattern from budget cycle to budget cycle. It is clear the budget process is complex and fraught with debate and conflict, but that's our democratic system of government. Each participant in the process is an individual with their own vision of how the government should be funded, as it was intended to be by our forefathers. Budget summitry, partisan wrangling and deficit spending dominated the decade of the 1990's. But the work got done and the diverse issues emerging during the tumultuous process accurately represented the varying opinions of the constituents the budgetary participants represented.

Table 18. Evidence of Extreme Improvisational Budgeting

Calendar Year	Government Shutdown	Budget Summit	Veto	Bargaining Chips
1990	Y1	Y3	Y8	Y16
1991			Y9	
1992			Y10	
1993				
1994				
1995	Y2		Y11	Y17
1996		Y4	Y12	
1997		Y5	Y13	Y18
1998		Y6	Y14	
1999		Y7	Y15	

1. Divided House and Senate over PB proposals regarding DoD budget resulted in shutdown over Columbus Day weekend.
2. Prior to 1995, there had been nine shutdowns, with the longest lasting three days. Shutdown over vetoes and disagreement over overseas abortion issues & ABM.
3. High level talks between congressional negotiators and the President
4. Omnibus bill
5. High level talks between congressional negotiators and the President
6. Omnibus bill
7. Omnibus bill
8. President Bush vetoed CRA to indicate his disappointment with Congress' inability to resolve differences following 6 CRAs. 11 vetoes total this year
9. 4 vetoes in total this year
10. 21 vetoes in total this year
11. 11 vetoes total this year
12. 6 vetoes total this year
13. 3 vetoes total this year, including first use of line item veto
14. 5 vetoes total this year
15. 5 vetoes total this year
16. President Bush vetoed over the scale of troop reductions, wanting a 35K reduction vice the 80K proposed by Congress
17. Issue of banning overseas abortions resulted in a partisan debate forcing concessions banning them except in cases of rape, incest or to save the life of a woman
18. President Clinton had to provide a report on reasons for continued troop presence in Bosnia in order to retain troop funding after 30 June 1998

The appropriators themselves often try to do too much within the process. The degree of detail bound within each bill is overwhelming and makes the case for delayed bills understandable, despite the disappointing delays. The fact remains that the budgetary participants are human and humans tend to delay budgetary decisions, especially unpopular ones, until the approach of deadlines. The modern budget process established in 1974 creates intrinsic conflicts by nature of its design between branches of

the budget process, such as between spending and taxing committees. Consensus on issues in public service is unrealistic. Public servants live in a media fishbowl and are assessed on the perception of their performance, unlike their counterparts in the private sector who are assessed based on more definable goals, such as profit and return on investment. Debates over spending and revenue decisions are to be expected as each decision has constituency-related economic impacts.

## **B. CONCLUSIONS**

It becomes apparent that the classical model of budgeting, with the OMB and House making cuts, while the Senate restored in order to sustain growth is no longer valid or applicable during this decade, with participants cutting and restoring based on the economic and political climate rather than an informal agreement for incremental growth. The increment of change could no longer address the size of the ballooning deficit balanced with appropriate spending and revenue decisions. The process had become too complicated and the size of the budget too large to efficiently apply a model for budgeting that would provide the desired economic stimulus and benefits from government that everyone, participants and constituents alike, desired.

Some final points underscoring the departure from normalcy and the continuation of improvisational budgeting during the 1990's:

- Calendar Year 1994 marked the first time since 1948 that Congress had cleared all 13-appropriation bills before October 1<sup>st</sup>.
- Calendar Year 1997 marked the first balanced budget for federal government since Lyndon Johnson was President, with deficit spending occurring within seven of the ten budget cycles.
- Calendar year 1998 marked the first time since the modern budget process was established in 1974, Congress failed to produce a fiscal budget resolution with the House and Senate unable to agree on a spending plan.
- Despite endeavoring to put an end to continuing resolution appropriations by shifting the FY from July 1 to October 1 back in 1973, the decade of the 1990's bore witness to 39 continuing resolution appropriations.
- The defense authorization was signed into law on time only once, in 1996, due in large part to fears over repeating the delays and shutdowns experienced during FY96 budget debacle.

- The defense authorization was signed before the defense appropriation only twice during the 1990's.
- Only two years, 1994 and 1996 (barring the six CRAs spilling over from the FY 96 budget mess) saw no continuing resolution appropriations.
- Seven of the ten years had three or more CRAs, with 1990, 1995, 1997, 1998 and 1999 reporting five, ten, six, five and seven CRAs respectively.
- The most serious breakdown in budgeting occurred in 1995 when the failure of the President and the Congress to agree on budget priorities culminated in two separate government shutdowns, covering 28 days.
- Excluding CY 1998 when they failed to agree on a CCR, the average CCR was passed 37.5 days after the 15 April deadline with delays ranging from 0 to 74 days.
- CRAs spanned 524 days over the decade, representing 14% of the entire decade spent deliberating over late appropriations.

### **C. RECOMMENDATIONS**

Perhaps to address the numerous differences between the budget participants, they could require budget summits to work out the issues every budget cycle. Or perhaps budget resolutions with two levels of spending to induce Presidential behavior.

### **D. SUMMARY AND REVIEW OF RESEARCH QUESTIONS**

#### **1. Primary Research Question**

Through an analysis of improvisational budgeting demonstrated during the 1990's can we determine its origins and impacts on the budgetary process?

Yes. It's origins, as related above, are connected to the complexity of the modern budgeting process, the differences of opinion inherent in the variety of individuals represented by participants in the budget process and the size of the federal budget whose discretionary spending portion continues to shrink as social benefits demanded by everyone continues to grow. The impact on the budgetary process, as evidenced during the past two decades, is continued delays in the approval of spending bills, continued reliance on CRAs, additional and more severe government shutdowns, continued untimely adoption of the CCR and continued reliance on bargaining chips and budget summitry. The individual needs of the participants in the budgetary process represent

themselves in heated debates over pork and turf often accompanied by political standoffs over partisan agendas further impacting the budget process. Consensus on issues is rare in public service and the process of budgeting is not getting any simpler as demands on the budget grow from year to year.

## **2. Secondary Research Questions**

- A. How does improvisational budgeting impact military funding requirements?

The persistent delays to defense authorization and appropriation bills will complicate the ability to issue accurate BESs during budget formulation. Because budget projections are often wrong and spending levels unresolved when CRAs are required, it increases the level of uncertainty in the process. This serves to negatively impact defense programs requiring accurate forecasting to remain solvent and executable. Further, the nature of overlap in the PPBS process makes impacts from delays more pronounced as balance is frantically sought as participants manage the current budget years unclear execution and the future years equally unclear development.

Beyond the budgeting process, government shutdowns and late appropriations are costly to defense. Agencies anticipating delays or shutdowns must develop revisions to their budget submissions or devise contingency plans for their programs in anticipation of reduced funding. Uncertainty about final appropriation amounts may cause financial or program managers to hoard funds or freeze hiring and purchasing. Instead of spending time planning for the future, time is spent revising exhibits pending outcomes of budget deliberations. The effects of delays will spill over into the out years, further adding to any impacts felt directly attributable to the delays.

- B. Does the elimination of budgetary deficits reduce the need for improvisational budgeting?

No. Calendar Year 1997 through 1999 eliminated budgetary deficits while operating in a surplus and still had abundant evidence of improvisational budgeting in the form of late appropriations, CRAs ranging from five to seven total each year, omnibus bills and budget summitry. The repeated failure of Congress to follow established procedures and to complete its budget work in a timely manner is the very definition of

improvisational budgeting and the elimination of deficits failed to dissuade its occurrence.

- C. Does improvisational budgeting disappear with a budgetary surplus and can a surplus restore harmony to the budgetary process?

No. Not only did improvisational budgeting not disappear, but also harmony was less descriptive than more accurate terms describing the interactions among participants, such as disharmony, dispute and dissensus on issues.

## **E. SUGGESTED AREAS OF FURTHER RESEARCH**

### **1. Analysis of Pork and Turf in Congressional Budgeting**

It may be interesting and useful to dedicate time and energy for the collection and subsequent analysis of pork and turf issues emerging within defense budgeting throughout the modern budget process. Certain vital programs seem to hold the key to whether or not a defense bill will be approved in a timely manner or in the amount requested. Vital programs that happen to have the right congressional backing are often the ones approved or added to from cycle to cycle.

### **2. Analysis of Budget Summitry**

Research and assess the emergence of budget summitry in modern budgeting and analyze its contributions to improvisational budgeting. Summitry was evident in the late 1980 and in 1990, but the 1990 summit did not hold. The budget relationships in the 90's may have been such that summits did not occur or were not held at a high enough level of visibility to be readily identifiable.

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