

# Biden's Fiscal Year 2022 Defense Budget Would Create Unacceptable Risk

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## KEY TAKEAWAYS

Success deterring China and Russia in the era great-power competition demands increased investments in the nation's military.

Despite bipartisan consensus on this reality, Biden's budget proposal asks the military to do more with less.

Congress must right this wrong and ensure the U.S. military has full-spectrum capabilities—from cyber to tanks—in sufficient quantity and state of readiness.

On May 28, 2021, the Department of Defense (DOD) released President Joe Biden's fiscal year (FY) 2022 \$715 billion budget request, a 1.6 percent increase over FY 2021 funding levels.<sup>1</sup> However, as this *Issue Brief* will describe, this amount is insufficient to meet the current demands on our military, nor is it sufficient to prepare for the challenges that lie ahead.

## Budget Analysis

The budget request does have its bright spots. It merges the overseas contingency operations account into the base budget, a necessary step toward transparency and accountability.<sup>2</sup> The request for nuclear modernization is robust,<sup>3</sup> but the main elements of the budget represent a step backward for our national

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defense. It would drive reduced capacity, both in terms of people and platforms. Meanwhile, the new Pentagon leadership is increasing the missions and demands on those very people and platforms.<sup>4</sup> The proposed budget reduces capacity in the present to bet on uncertain future capabilities, creating gaps.

## Recommendations

Thankfully, the President's budget request needs to be debated and approved by Congress, who will have the final say on how the DOD is resourced. To address the problems highlighted by this budget request, Congress should take the following steps.

**Increase the Defense Budget.** The current request fails to meet the growth of inflation, which was projected at 2.2 percent for FY 2022.<sup>5</sup> The budget request would raise the budget by 1.6 percent, which when accounting for inflation amounted to a cut in purchasing power.<sup>6</sup> This reduction in purchasing power forced the military services to make reductions in capacity and capabilities to accommodate rising fixed costs, such as salaries, health care, and operations. This increased cost within a fixed budget was largely why the military personnel account experienced a \$5 billion increase, the operations and maintenance almost \$7 billion extra, while procurement is set to be reduced by \$8 billion.

These hurtful reductions could be avoided with a defense budget that acknowledges the demands of our national security strategy and the current moment of great-power competition. The Biden Administration appears to agree with the Chinese threat as outlined in the 2018 National Defense Strategy—yet fails to adequately resource the associated force.<sup>7</sup> A bipartisan commission evaluating the National Defense Strategy recommended the Pentagon be provided from 3 percent to 5 percent budgetary growth above inflation to meet the challenges outlined by the strategy.<sup>8</sup>

Congress can and should meet that need to avoid the reductions made necessary by the Biden Administration's paltry defense budget.

**Limit the Expansion of DOD Missions.** The Biden Administration came into office with an expansive view of the mission of the Department of Defense, which included the promotion of minority rights and tackling climate change.<sup>9</sup> Some of this perspective is reflected in the \$617 million requested by the Administration to address climate change, including over \$38 million for non-tactical electric vehicles.<sup>10</sup> This broadening of the mission is also reflected on the training that is emphasized through the budget request, as resources traditionally dedicated to maintaining and enhancing force readiness are diverted to sexual assault or diversity initiatives.<sup>11</sup>

Congress can and should limit the resources dedicated for national defense that are allocated to non-defense tasks, be they electric vehicles or the millions allocated to cancer research under congressional direction.<sup>12</sup>

**Investigate Research, Development, Testing, and Evaluation (RDT&E) Transitions.** The budget proposes a seventh year of record-high money for RDT&E.<sup>13</sup> Since FY 2016, the DOD has increased its RDT&E budget from \$69.5 billion to the proposed \$111.9 billion for FY 2022.<sup>14</sup> While there is value for the Pentagon to invest in military research and development, to be effective that research needs to transition into fielded military capabilities.

Congress should ensure that RDT&E funds are tied to a military problem that will result in a tangible solution.

**Assess Capacity Reductions.** President Biden's budget request reduces 4,600 active duty servicemembers. The reduction impacts every service except for the newly formed Space Force. The Marine Corps would shrink the most, losing 2,700 personnel.<sup>15</sup> The Army is set to be reduced by 1,000 soldiers.

The budget also proposes the retirement of air assets that will reduce capacity. The Chief of Staff of the Air Force, General C. Q. Brown, announced plans to cut 137 fighters and 32 tankers from its inventory by the end of FY 2022, reducing the total aircraft inventory to 2,096 fighters, 140 bombers, 483 tankers, and 274 strategic airlift platforms. That means that the Air Force will have a total force which equates to 47 percent of the fighter and bomber assets and 69 percent of the tanker and airlift assets that it possessed during the Cold War—the last time the United States was prepared to fight a peer competitor.<sup>16</sup> This reduction would be an unacceptable outcome for a service that has stated its need to grow in capacity.<sup>17</sup>

Air Force aircraft procurement was minimal from the end of the Cold War through the beginning of the Trump Administration. Throughout that period, the total aircraft inventory contracted significantly. While funding for procurement rose from 2017 to 2020, funding for RDT&E grew much more rapidly. After just three years of adding to its inventory, the service returned to the idea of trading capacity for some future gain through RDT&E.<sup>18</sup> In 2021, the budget for procurement began to fall yet again, while Air Force RDT&E rose by more than \$3 billion (growing from \$20.5 billion in FY 2017 to \$37.1 billion in FY 2021).<sup>19</sup> Funding for aircraft procurement was cut in FY 2022 to \$25.6 billion, a reduction of 9 percent before inflation.<sup>20</sup>

Meanwhile, the Navy is speeding up ship retirements while reducing the procurement of new vessels.<sup>21</sup> It is understandable that not every platform

is suited for great-power competition, however, capacity has an importance on its own. Regardless of how modern or how advanced a ship or a plane is, it can only be at one place at the same time—a point that is yearly assessed and stressed by The Heritage Foundation’s *Index of U.S. Military Strength*.<sup>22</sup> As it stands now, the Navy plans to decommission seven of its cruisers, equal to 9 percent of the Navy’s overall surface-ship fleet’s firepower. Additionally, reductions in shipbuilding postpone efforts to increase the Navy to face the Chinese fleet of 360 warships.

Congress should reverse these reductions in capacity and keep viable systems in the services’ inventories.

**Increase Shipbuilding.** In an era of great-power competition with a heavy emphasis on the Indo–Pacific region, there is little question of the need for a modern and properly sized naval fleet.<sup>23</sup> However, President Biden’s budget request reduces shipbuilding resources by \$2 billion and only procures 8 new ships in FY 2022, compared to the 10 procured in FY 2021.<sup>24</sup> Since 2017, Congress has clearly stated that the Navy needs to grow to 355 ships.<sup>25</sup>

The current trajectory of shipbuilding in the President’s budget will not enable the Navy to grow to the necessary size. Congress should procure 13 ships in FY 2022 as previously planned, including a second destroyer. Moreover, decommissioning the seven cruisers should be timed with the delivery of new equivalent firepower capacity, while providing additional funds the Navy may need to operate these older vessels.<sup>26</sup>

**Restructure the Pacific Deterrence Initiative (PDI).** The PDI was established by Congress to fund critical enablers in the Indo–Pacific that are not usually prioritized by the military departments.<sup>27</sup> The initiative was modeled after the European Deterrence Initiative, which was leveraged by the Army to increase its mobility and infrastructure within Europe.<sup>28</sup> However, the PDI submitted by the Biden Administration deviates substantially from congressional intent and from initial requirements submitted by the Indo–Pacific Command.<sup>29</sup> Ninety-six percent of the request submitted by President Biden is for increases in joint force lethality, a substantial portion of which is for a new destroyer.<sup>30</sup> This is a far departure from the initial PDI design, which prioritized force design, posture, logistics, and security enablers.

Congress should push to use the PDI for the purpose for which it was designed.

**Reverse the Proposed Army Readiness Decline.** Proposed FY 2022 budget cuts will impact the readiness of the Army as the budget requests a reduction of 30 percent of its training for brigade combat teams and a cut of nine combat training center rotations.<sup>31</sup>

Congress should reverse these.

**Heed the Unfunded Priorities Lists.** Congress requires each of the military services to submit a list with programs that could not be accommodated within the budget submission.<sup>32</sup> In this budget, these lists are especially important for Congress to understand and evaluate the trade-offs that each service has made in its budget submissions and the budget pressure each is experiencing.<sup>33</sup>

## Conclusion

When the United States began to re-emphasize great-power competition, there was a bipartisan understanding that it would require increased investments in the nation's military. This bipartisan understanding is reflected in the findings of the 2018 National Defense Strategy bipartisan commission, which recommended increasing the defense budget by 3 percent to 5 percent annually above inflation.<sup>34</sup> If we are indeed interested in deterring Russia and China, we need a military that has full-spectrum capabilities—from cyber to tanks—in sufficient quantity and state of readiness.

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