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## Don't Let the Budget Deal Kill Defense Reform

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The Bipartisan Budget Act of 2018, signed into law on February 9, is in many ways a victory for defense hawks in Congress and the administration. It increases defense funding by \$165 billion over the next two years—the most that anyone could have reasonably expected. But defense hawks shouldn't start popping the champagne corks just yet. While this deal may ease the budget pressures on the Department of Defense (DoD) for now, it comes with many risks—namely that policymakers will lose interest in much needed defense reforms and squander much of the additional funding.

While the budget caps imposed by the Budget Control Act (BCA) of 2011 were certainly disruptive and strategically uninformed, they provided a strong incentive to make many needed reforms. For example, Congress and DoD made significant progress in controlling the growth of military personnel costs after the BCA was enacted. Smart reforms in the military health care system in particular helped control cost growth without breaking faith with service members or retirees, and these reforms are now saving the department [an estimated \\$5.4 billion per year](#). Congress also made numerous reforms to the defense acquisition system, although it is too soon to know how effective these reforms will be.

Though the BCA provided a strong incentive to push through some difficult reforms, Congress and DoD failed to make progress in many other areas. Now that the spigot of spending is open wide again, the risk is that policymakers may lose interest in reform altogether. If that happens, this boost in funding could be wasted on ineffective and unneeded programs that do not improve national security. Moreover, it could saddle the next generation with a larger national debt and reduce the ability of the nation to “surge” defense funding in a crisis. To prevent that from happening, policymakers need to stay focused on three critical areas of reform: closing bases, modernizing the military personnel system, and retiring legacy weapon systems.

First, DoD still has too many bases and facilities across the United States. By its own estimates, which are arguably too low, the military has [19 percent excess capacity](#), mainly in the Air Force and Army. DoD has repeatedly asked Congress for permission to close bases and facilities it no longer needs, but year after year, Congress has failed to act. Even if the military grows by 10 or 15 percent over the coming years, it will still have more facilities than it needs. Keeping these facilities open is effectively pouring money down the drain. The FY 2019 budget request is silent on base closures—an early sign that the appetite for reform is fading fast.

A second key area for reform is the military personnel system. The current personnel system is failing the military because it is not competitive with the career tracks offered by private-sector companies. While a job in the military is certainly not like a job in the private sector, the military must nevertheless compete with the private sector for talent. More generous pay and benefits have been used to compensate for failures in the personnel system. But the military continues to have trouble retaining personnel with critical skills, even with [retention bonuses that can reach as much as \\$455,000](#). Throwing money at the problem doesn't address the root causes of dissatisfaction. The military personnel system is a one-size-fits-all approach that rewards time in service more than performance. It uses a checklist approach for career advancement, especially in the professional military education system, which was highlighted for reform in the [2018 National Defense Strategy](#). Moreover, the military continues to use an outdated up-or-out promotion system and a 20-year retirement pension that effectively pushes out some of the highly skilled and experienced personnel that are needed most.

The third and perhaps most difficult area for reform is rebalancing the military's forces and weapons to focus on the top strategic priorities. While everyone likes to talk about where DoD can invest more money in new technologies and weapons when the budget is growing, it is just as important to make smart cuts in legacy weapons the military no longer needs. These ["wasting assets"](#) act as an anchor on the military that slows its ability to adapt the way it organizes and fights in the future. When DoD tries to retire legacy weapon systems, Congress often intervenes to prevent it. Holding on to the weapons and forces from the past prevents the military from being ready to fight and deter the wars of the future.

It is always difficult for Congress and DoD to make desperately needed but politically unpopular reforms. It becomes nearly impossible to make these reforms when the budget is growing rapidly. Without reform,

however, DoD could squander this opportunity with unbalanced, inefficient, and unsustainable growth that does little to improve national security. Now is the time to close excess bases, reform the military personnel system, and retire legacy weapons the military no longer needs. If the nation cannot do these things now while the budget is growing, a larger budget will simply make the military fatter rather than stronger. To prevent that from happening, leaders in the military and the armed services committees in Congress must stay focused on reform now more than ever.

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