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Appropriations Update: House Appropriations Subcommittee Approves FY 2021 Defense Bill

Lewis-Burke Associates LLC – July 10, 2020

On July 8, the House Appropriations Subcommittee on Defense approved its fiscal year (FY) 2021 Department of Defense (DOD) appropriations bill. The bill would provide $626.1 billion in base funding and $68.4 billion for overseas contingency operations (OCO), totaling $694.6 billion, an increase of $1.3 billion above the FY 2020 enacted level and a decrease of $3.7 billion below the President's FY 2021 budget request. Like the House FY 2020 bill, the FY 2021 allocation further demonstrates House Democrats' rejection of President Trump's attempt to exceed statutory budget caps by utilizing the OCO account. The full House Appropriations Committee is expected to consider the bill on July 14.

The bill would provide $104.3 billion for research, development, test, and evaluation (RDT&E), less than a 1 percent decrease from the FY 2020 enacted level. Continuing the trend seen over recent years, Congress and the Administration have prioritized later-stage research and development programs, focusing on prototyping rather than basic research. The overall science and technology (S&T) budget (6.1-6.3 accounts) would be cut by 3.8 percent compared to FY 2020 appropriations. Funding details for the RDT&E and S&T accounts are in the chart below.

Despite the trend to cut basic research programs across the Department, the Committee would provide a 6.8 percent increase for the Defense-wide basic research account, which includes a $17 million increase for the Minerva Research Initiative, the DOD's signature social science research program, and a $15 million increase for the Defense Established Program to Stimulate Competitive Research (DEPSCoR). The Defense Advanced Research Projects Agency (DARPA), which is funded through the Defense-wide RDT&E account, would be funded at $3.5 billion, consistent with FY 2020 levels. Although basic research accounts within the military Services were cut across the board, appropriators prioritized programs such as the University Research Initiatives that provide funding for large-scale research and instrumentation grants with increases above the President's budget request.

Other programs that support universities and related basic and applied research include: hypersonics, advanced manufacturing, space operations and research, cyber, and artificial intelligence (AI). The Committee would allocate $90 million for the Joint Hypersonics Transition Office. The Committee included language noting the importance of higher education institutions in establishing high-quality test facilities and training the future workforce for hypersonics capabilities, and encouraged the Under Secretary of Defense for Research and Engineering (USD R&E) to partner with academia as key contributors in the research, testing, and evaluation of hypersonic vehicles. The bill would establish additional international AI partnerships, like the U.S.-Singapore effort to leverage AI for humanitarian disaster relief, with other countries, especially in the Middle East. Further, the bill would establish cyber education collaboratives between the Department and colleges and universities to augment the cyber workforce through internships, fellowships, and collaborative work experiences. In addition, the Committee would direct DOD to partner with the U.S. Department of Agriculture (USDA) to research U.S. reliance on foreign food supplies and ways of measuring and mitigating threats to food security.

The Committee would allocate $10.2 billion for Space Force RDT&E, 3 percent less than the President's budget request, and include $160.9 million for space technology applied research. This amount is $30 million above the request and would support additional investment in space solar power, solar arrays, photovoltaic materials, hybrid space architectures, and the Link-16 communications experiment. In the report, the Committee cited interest in directing attention and resources to developing the weather satellite program and the future strategic satellite communications program. Further, the Committee noted concern that only 16 percent of the Space Force budget is for operations and the Air Force lacks civilian leadership to oversee acquisitions, budget, and planning, which is necessary for success.

Defense health research and development would be funded at $1.08 billion, a 53 percent decrease compared to FY 2020. Traditionally, the House bill does not include the Peer Reviewed Medical Research Program (PRMRP), which is reflected in the seemingly large decrease. As in the past, the PRMRP is expected to be included in the Senate's bill. Otherwise, the House bill would continue funding most of the FY 2020 Congressionally Directed Medical Research Program's (CDMRP) research topics but would not include the following FY 2020 topics: epilepsy, orthotics and prosthetics outcomes, and chronic pain management. Related to cancer, the House would continue funding work related to breast cancer, prostate cancer, ovarian cancer, and include increases for rare cancer, lung cancer, and pancreatic cancer, and kidney cancer research. The Peer Reviewed Cancer Research Program would also add a multitude of new topics, including cancers associated with the use of beryllium, endometrial cancer, germ cell cancers, lymphoma, melanoma and other skin cancers, sarcoma, thyroid cancer, and the link between scleroderma and cancer.

Of note, the House bill would direct the Assistant Secretary of Defense (Health Affairs) to brief the House and Senate Appropriations Committees on military behavioral health services, given the shortage of mental healthcare professionals for servicemembers and their families. The bill would also direct the Secretary of Defense to brief the Committees on global health security preparedness to better prepare for and respond to the next infectious disease outbreak.

Regarding the COVID-19 pandemic, the Committee would provide additional funding for DOD response and future preparedness efforts including $150 million for the Defense Health Program; and $758 million in procurement for second, third, and fourth tier suppliers; and $450 million in operations and maintenance for COVID-19 recovery and resupply. Further, in response to supply chain management and resiliency, the Committee would encourage the Secretary of Defense, the Director of the Defense Advanced Research Projects Agency (DARPA), and the Director of the Biomedical Advanced Research and Development Authority (BARDA) "to cooperatively research areas of mutual interest to address public health vulnerabilities, secure a national stockpile of lifesaving drugs, and address vulnerable points for the military."

Sources and Additional Information:

- The draft bill text is available at https://appropriations.house.gov/sites/democrats.appropriations.house.gov/files/Defense%20Approps.pdf
- The Committee report is available at https://www.lewis-burke.com/sites/default/files/fy_21_hac_def_report_.pdf
- The press release for the FY 2021 House defense appropriations bill can be found at https://appropriations.house.gov/news/press-releases/appropriations-committee-releases-fiscal-year-2021-defense-funding-bill.

Department of Defense

As reported by the House Appropriations Committee on July 8, 2020
(in thousands of $)

	FY 2020 Enacted	FY 2021 Request	FY 2021 House	FY 2021 House vs. FY 2020 Enacted	FY 2021 House vs. FY 2021 Request
RDT&E, total	**104,431,232**	**106,224,793**	**104,348,089**	**-83,143 (0.1%)**	**-1,876,704 (1.8%)**
S&T, Total	**16,073,879**	**14,041,605**	**15,459,390**	**-617,489 (3.8%)**	**1,417,785 (10.1%)**
6.1, Total	2,603,345	2,319,126	2,621,477	18,132 (0.7%)	302,351 (13.0%)
6.2, Total	6,069,767	5,391,069	5,760,141	-309,626 (5.1%)	369,072 (6.8%)
6.3, Total	7,312,097	6,331,410	7,077,772	-234,325 (3.2%)	746,362 (11.8%)
Army RDT&E	**12,543,435**	**12,587,343**	**13,126,499**	**583,064 (4.6%)**	**539,156 (4.3%)**
Army 6.1	574,484	463,359	570,559	-3,925 (0.7%)	107,200 (23.1%)
Army 6.2	1,259,374	920,881	1,234,591	-24,783 (2.0%)	313,710 (34.1%)
Army 6.3	1,531,516	1,203,590	1,574,325	42,809 (2.8%)	370,735 (30.8%)
Navy RDT&E	**20,155,115**	**21,427,048**	**20,165,874**	**10,759 (0.1%)**	**-1,261,174 (5.9%)**
Navy 6.1	650,800	603,087	638,913	-11,887 (1.8%)	35,826 (5.9%)
Navy 6.2	1,159,739	953,175	1,041,798	-117,941 (10.2%)	88,623 (9.3%)
Navy 6.3	807,280	760,396	771,286	-35,994 (4.5%)	10,890 (1.4%)
Air Force RDT&E	**45,566,955**	**37,391,826**	**36,040,609**	**-9,526,346 (20.9%)**	**-1,351,217 (3.6%)**
Air Force 6.1	549,761	492,294	527,294	-22,467 (4.1%)	35,000 (7.1%)
Air Force 6.2	1,656,126	1,409,749	1,529,249	-126,877 (7.7%)	119,500 (8.5%)

Air Force 6.3	1,066,453	778,548	926,548	-139,905 (13.1%)	148,000 (19.0%)
Space Force RDTE*	**N/A**	**10,327,595**	**10,187,840**	**--**	**-139,755 (3.3%)**
*Space Force 6.2**	N/A	130,874	160,874	--	30,000 (22.9%)
Defense Wide RDT&E	**25,938,027**	**24,280,891**	**24,617,177**	**-1,320,850 (5.1%)**	**336,286 (1.4%)**
Defense Wide 6.1	828,300	760,386	884,711	56,411 (6.8%)	124,325 (16.4%)
Defense Wide 6.2	1,994,528	1,976,390	1,954,503	-40,025 (2.0%)	-21,887 (1.1%)
Defense Wide 6.3	3,906,848	3,588,876	3,805,613	-101,235 (2.6%)	216,737 (6.0%)
Defense Health R&D	**2,306,095**	**562,465**	**1,642,225**	-664,870 (28.8%)	**1,079,760 (192.0%)**

**The Space Force RDT&E and 6.2 lines are not new efforts initiated in FY 2021, but rather space-related efforts within the Air Force that have been transitioned to the newly established Space Force.*