

Possible Options for Extending Army Operations in Advance of FY2008 Supplemental Appropriations*

Options	Potential Additional Funds/Reduction in Obligation of Funds	Potential Number of Weeks or Days Financed at Obligation Rate Assumed by Army	Date Funding Might Run Out if Options Are Cumulative and Fully Implemented	Precedents/Notes	Potential Consequences
DOD Plan: Use all funds in regular FY2008 Defense Appropriations Act and transfer \$3.3 billion from Navy and Air Force under General Transfer Authority and \$800 million of working capital fund cash balances (\$4.1 billion total) to Army operation & maintenance	\$27.4 billion for Army O&M in FY2008 Defense Appropriations Act; + \$4.1 billion transfer; = \$31.5 billion	21 weeks according to Army calculations (assumes \$1.5 billion obligations per week)	February 23, 2008 (current official Army estimate)	"Cash flowing" - i.e., moving funds from the end of the year to the beginning has been common in recent years. General Transfer Authority used in FY2007 was later restored by Congress. Requires approval of congressional defense committees.	Services have long complained that "cash flowing" such large amounts is disruptive. Would exhaust all \$3.7 billion in General Transfer Authority (transfer of \$0.4 billion remainder is requested for JIEDDO), unless and until Congress were to restore it.
Use all remaining excess cash balances in working capital funds	\$2.1 billion	10 days	March 3, 2008	Cash balances a common source of funding for O&M accounts. Requires approval of congressional defense committees.	Would reduce remaining DOD financial flexibility unless and until Congress were to restore transferred funds.
Slow obligations of funds through progressively more restrictive limits over three months, as the Army planned and began to implement in April 2007	\$3.6 billion over three months (Army estimate of April 2007)	17 days	March 20, 2008	In April, DOD achieved savings from delaying contracts and other belt tightening measures. Monthly obligations often fluctuate.	Proposed measures appeared likely to become increasingly disruptive to Army operations over time. CRS did not assess their impact or alternatives.
Defer depot maintenance of \$400 million per month	\$1.6 billion over 4 months, \$2.0 billion over 5 months	7 to 9 days	March 27-29, 2008	Reducing current 7 and 1/2 month backlog of depot orders may not delay repair deliveries.	Depots need some backlog for planning purposes.

Source: CRS calculations based on Army estimate of end date of February 23, 2008 and estimates of funding amounts from sources cited in CRS Report RL34275, *How Long Can the Defense Department Finance FY2008 Operations in Advance of Supplemental Appropriations?*, by Amy Belasco, Stephen Daggett, and Pat Towell.

***Note:** CRS strongly urges referring to the entire written report for a balanced discussion of the impact of these alternatives and of the context in which they might be considered.