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Intelligence Spending: In Brief

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Summary

This report examines intelligence funding over the past several decades, with an emphasis on the period from 2007-2016—the period in which total national and military intelligence program spending dollars have been publicly disclosed on an annual basis.

Total intelligence spending is usually understood as the combination of (1) the National Intelligence Program (NIP), which covers the programs, projects, and activities of the intelligence community oriented towards the strategic needs of decision makers, and (2) the Military Intelligence Program (MIP), which funds defense intelligence activity intended to support tactical military operations and priorities.

Among the tables and graphs included in this report to illustrate trends in intelligence spending, **Figure 1** illustrates highs and lows in NIP spending between 1965 and 1994. **Table 1** and **Figures 2** and **3** illustrate that in comparison with national defense spending, intelligence-related spending has remained relatively constant over the past decade—representing roughly 10 to 11% of national defense spending. **Table 1** compares NIP and MIP spending to national defense spending from FY 2007 to FY 2016, reporting values in both nominal and constant dollars. **Figure 2** uses the data in Table 1 to provide an overview of total intelligence spending as a percentage of overall national defense spending. **Figure 3** provides a snapshot of NIP spending over the past two decades, and despite the lack of data between 1999 and 2004, the values that are present suggest constancy in NIP topline dollar appropriations.

Additional tables in Appendix A and B provide an overview of the IC budget programs. **Table A-1** identifies 4 defense NIP programs, 8 nondefense NIP programs, and 10 MIP programs. **Table B-1** illustrates that 6 IC components have both MIP and NIP funding sources.

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Introduction

Funding associated with the United States Intelligence Community (IC) intelligence is significant. In Fiscal Year (FY) 2015 alone, the aggregate amount (base and supplemental) appropriated totaled \$66.8 billion.¹ This report examines intelligence funding over the past several decades, with an emphasis on the period from 2007-2016—the period in which total national and military intelligence program spending dollars have been publicly disclosed on an annual basis. A table of topline budget figures and accompanying graphs illustrate that in comparison with national defense spending, intelligence-related spending has remained relatively constant over the past decade—representing roughly 10 to 11% of national defense spending.

Intelligence spending is usually understood as the sum of two separate budget programs: (1) the National Intelligence Program (the “NIP”), which covers the programs, projects, and activities of the intelligence community oriented towards the strategic needs of decision makers,² and (2) the Military Intelligence Program (the “MIP”), which funds defense intelligence activities intended to support tactical military operations and priorities.³ Nevertheless, the combined NIP and MIP budgets do not encompass the total of U.S. intelligence-related spending. Many departments have intelligence gathering entities that support a department-specific mission, are paid for with department funds, and do not fall within either the NIP or MIP. For example,

US Coast Guard Intelligence and the Office Intelligence and Analysis aside, the NIP does not fund the domestic intelligence related activities of the various components of the Department of Homeland Security. Nor, except for liaison personnel, does NIP fund the intelligence-like activities of state, local and tribal governments in the 72 domestic intelligence fusions centers or analogous functions in the private sector. Furthermore, the MIP does not include the E-3 Airborne Warning and Control System (AWACS) or the MQ-9 Reaper unmanned aerial vehicle (UAV) missile platform, even though those systems collect data that feed tactical intelligence systems.⁴

This report is designed to provide a brief introduction to NIP and MIP terminology and an overview of NIP and MIP spending.⁵ Intelligence-related spending that does not fall within the NIP and MIP is outside the scope of this report.

The IC is currently comprised of 17 component organizations spread across one independent agency and six separate departments of the Federal Government. (See textbox below.) NIP spending is spread across all 17 while MIP spending is confined to the DOD.⁶

¹ NIP \$50.3B, MIP \$16.5B. See Office of the DNI (ODNI), “DNI Releases Budget Figure for 2015 National Intelligence Program,” ODNI news release no. 24-15, October 30, 2015, at <http://www.dni.gov/index.php/newsroom/press-releases/210-press-releases-2015/1279-dni-releases-budget-figure-for-2015-national-intelligence-program>. See also Department of Defense, “DOD Releases Figure for 2015 Military Intelligence Program,” Release No: NR-416-15, October 30, 2015, at <http://www.defense.gov/News/News-Releases/News-Release-View/Article/626734/department-of-defense-releases-budget-figure-for-2015-military-intelligence-pro>.

² The ‘topline’ number for the NIP was classified until 2007—with two exceptions (October 1997 and March 1998). The exceptions are discussed later in this report. ‘Topline’ is a frequently used colloquial term referring to any aggregated budget total.

³ Dan Elkins, *Managing Intelligence Resources*, 4th Edition (Dewey, AZ: DWE Press, 2014): Chapter 4, p. 4-12.

⁴ Robert Mirabello, “Budget and Resource Management,” *Intelligencer: Journal of U.S. Intelligence Studies*, vol. 20, no. 2 (Fall/Winter 2013), p. 68. The Military Intelligence Program specifically excludes the inherent intelligence gathering capabilities of a weapons system whose primary mission is not intelligence.

⁵ For a more in-depth discussion of the NIP and the MIP, see Dan Elkins, *Managing Intelligence Resources*, 4th Edition (Dewey, AZ: DWE Press, 2014).

Elements of the U.S. Intelligence Community (2016)

8 Department of Defense (DOD) Elements:

1. Defense Intelligence Agency (DIA)
 2. National Geospatial-Intelligence Agency (NGA)
 3. National Reconnaissance Office (NRO)
 4. National Security Agency (NSA)
- Intelligence elements of the military services:*
5. U.S. Air Force Intelligence (USAF/IN)
 6. U.S. Army Intelligence (USA/IN)
 7. U.S. Marine Corps Intelligence (USMC/IN)
 8. U.S. Navy Intelligence (USN/IN)

9 Non-DOD Elements:

1. Office of the Director of National Intelligence (ODNI)
 2. Central Intelligence Agency (CIA)
- Department of Energy (DOE) intelligence element:*
3. Office of Intelligence and Counter-Intelligence (I&CI)
- Department of Homeland Security (DHS) intelligence elements:*
4. Office of Intelligence and Analysis (I&A)
 5. U.S. Coast Guard Intelligence (USCG/IN)
- Department of Justice (DOJ) intelligence elements:*
6. Drug Enforcement Agency's Office of National Security Intelligence (DEA/ONSI)
 7. Federal Bureau of Investigation's National Security Branch (FBI/NSB)
- Department of State (DOS) intelligence element:*
8. Bureau of Intelligence and Research (INR)
- Department of Treasury (Treasury) intelligence element:*
9. Office of Intelligence and Analysis (OIA)

The intelligence budget funds “intelligence and intelligence-related activities”—defined in this report to include:

- (A) the collection, analysis, production, dissemination, or use of information that relates to a foreign country, or a government, political group, party, military force, movement, or other association in a foreign country, and that relates to the defense, foreign policy, national security, or related policies of the United States and other activity in support of the collection, analysis, production, dissemination, or use of such information;
- (B) activities taken to counter similar activities directed against the United States;

(...continued)

⁶ See 50 USC §3003 for statutory definitions of the terms intelligence, foreign intelligence, counterintelligence, intelligence community, national intelligence, intelligence related to national security, and national intelligence program.

(C) covert or clandestine activities affecting the relations of the United States with a foreign government, political group, party, military force, movement, or other association;

(D) the collection, analysis, production, dissemination, or use of information about activities of persons within the United States, its territories and possessions, or nationals of the United States abroad whose political and related activities pose, or may be considered by a department, agency, bureau, office, division, instrumentality, or employee of the United States to pose, a threat to the internal security of the United States; and

(E) covert or clandestine activities directed against persons described in subdivision (D).⁷

The Intelligence Budget

Origins of an intelligence budget, separate and distinct from the defense budget, date back to reforms initiated in the 1970s to improve oversight and accountability of the IC.⁸ Presidents Ford, Carter and Reagan gradually centralized management and oversight over what was then known as the National Foreign Intelligence Program (NFIP)—consolidating the CIA budget with portions of the defense budget associated with national intelligence activities such as cryptologic and reconnaissance programs.⁹ The NFIP was originally managed by the Director of Central Intelligence (DCI), in consultation with the Secretary of Defense, and overseen by the National Security Council (NSC).¹⁰ The term “NIP” was created by the Intelligence Reform and Terrorism Prevention Act (IRTPA) of 2004 (P.L. 108-458 §1074). The IRTPA deleted “Foreign” from NFIP and also created the position of Director of National Intelligence (DNI). The DNI was given greater budgetary authorities in conjunction with the NIP than the DCI had in conjunction with the NFIP. Intelligence Community Directive (ICD) 104 provides overall policy to include a description of the DNI’s roles and responsibilities as program executive of the NIP.¹¹

Military specific “tactical” or operational intelligence activities were not included in the NFIP. They were referred to as Tactical Intelligence and Related Activities (TIARA) and were managed separately by the Secretary of Defense. TIARA referred to the intelligence activities “of a single service” that were considered “organic” (meaning “to belong to”) military units. In 1994, a new category was created called the Joint Military Intelligence Program (or JMIP) for defense-wide intelligence programs.¹² A DOD memorandum signed by the Secretary of Defense in 2005

⁷ U.S. Congress, Rules of the House of Representatives, 114th Cong., 1st sess., January 6, 2015, Rule X (11) (j) (1). The definition is included in the Rule pertaining to the Permanent Select Committee on Intelligence. The definition was first adopted in by the House in its “Resolution to amend the Rules of the House of Representatives and establish a Permanent Select Committee on Intelligence,” H.Res. 658, 95th Cong., 1st Sess. *Congressional Record—House*, July 14, 1977, pp. 22932-22934. A similar definition was included in Senate Resolution 400 §14 establishing the Senate Select Committee on Intelligence. However, S.Res 400 §14 contains an additional sentence at the end of the section which reads: “Such term does not include tactical foreign military intelligence serving no national policymaking function.”

⁸ Elkins, p. 4-3. There were a number of reforms, some directed at reforms of the entire congressional budget process and other directed at improved oversight of the IC.

⁹ See E.O. 11905 (1976), E.O. 12036 (1978), E.O. 12333 (1981).

¹⁰ Elkins, p. 4-3.

¹¹ ICD 104, “Budgeting for Intelligence Programs,” signed May 17, 2006, has been replaced by ICD 104, “National Intelligence Program (NIP) Budget Formulation and Justification, Execution, and Performance Evaluation,” April 30, 2013. The former is available at <https://www.hsdl.org/?view&did=469509>, the latter at <http://www.dni.gov/files/documents/ICD/ICD%20104.pdf>.

¹² Elkins, p. 4-13. See also DOD Directive 5205.9 “Joint Military Intelligence Program (JMIP),” April 7, 1995.

merged TIARA and JMIP to create the MIP.¹³ DOD Directive 5205.12, signed in November 2008, established policies and assigned responsibilities, to include the Under Secretary of Defense (Intelligence) USD(I)'s role as program executive of the MIP, acting on behalf of the Secretary of Defense.¹⁴

Thus, the NIP and MIP are managed and overseen separately, by the DNI and USD(I) respectively, under different authorities.¹⁵ The IC has established organizing principles it calls “Rules of the Road” to loosely explain what falls where.¹⁶ A program is primarily NIP if it funds an activity that supports more than one department or agency, or provides a service of common concern for the IC.¹⁷ The NIP funds the CIA and the strategic-level intelligence activities associated with the NSA, DIA and NGA. It also funds Secure Compartmented Intelligence Communications (SCI) throughout the IC. A program is primarily MIP if it funds an activity that addresses a unique DOD requirement. Additionally, MIP funds may be used to “sustain, enhance, or increase capacity/capability of NIP systems.”¹⁸ The DNI and USD(I) work together in a number of ways to facilitate the “seamless integration” of NIP and MIP intelligence efforts.¹⁹ Mutually beneficial programs may receive both NIP and MIP resources.²⁰

The NIP is often perceived as more complicated than the MIP because it is an aggregation of 14 programs that span the entire IC. NIP programs are capabilities based. Cryptology, reconnaissance, and signals collection, for example, are capabilities that span several IC components. **Table A-1** (in **Appendix A**) contains a description of each of the 14 NIP programs. Each program within the NIP is headed by its own Program Manager. These Program Managers

¹³ Janet McDonnell, “The Office of the Under Secretary of Defense for Intelligence: The First 10 Years,” *Studies in Intelligence*, vol. 58, no. 1 (Extracts, March 2014): 9-16, p. 13. McDonnell cites the memorandum creating the MIP as follows: Acting Deputy Secretary of Defense Gordon England, Memorandum to the Secretaries of Military Departments et al., Subj: Establishment of the Military Intelligence Program, September 1, 2005.

¹⁴ DOD Directive 5205.12, “Military Intelligence Program,” first signed November 14, 2008 (online version certified current through November 14, 2015), at http://www.dtic.mil/whs/directives/corres/pdf/520512_2008_certifiedcurrent.pdf.

¹⁵ The USD(I) position was created by Secretary of Defense Donald Rumsfeld in 2003, codified in the *National Defense Authorization Act for FY2003* (P.L. 107-314, §901). For more on the USD(I) position, see the McDonnell article cited in footnote 13.

¹⁶ Michael Vickers, “Defense Intelligence Resources,” PowerPoint Presentation to Armed Forces Communications and Electronics Association (AFCEA), March 13, 2014, Slide 37.

¹⁷ 50 U.S.C. Section 3003(6) defines the term “National Intelligence Program” as: [A]ll programs, projects, and activities of the IC, as well as any other programs of the IC designated jointly by the Director of National Intelligence and the head of a United States department or agency or by the President. Such term does not include programs, projects, or activities of the military departments to acquire intelligence solely for the planning and conduct of tactical military operations by United States Armed Forces.

¹⁸ Michael Vickers, “Defense Intelligence Resources,” PowerPoint Presentation to Armed Forces Communications and Electronics Association (AFCEA), March 13, 2014, Slide 37.

¹⁹ In May 2007, the Secretary of Defense and DNI formally agreed in a Memorandum of Agreement (MOA) that the USD(I) position would be “dual-hatted”—the incumbent acting as both the USD(I) within the Office of the Secretary of Defense (OSD) and Director of Defense Intelligence (DDI) within the ODNI in order to improve the integration of national and military intelligence. According to the MOA, when acting as DDI, the incumbent reports directly to the DNI and serves as his principal advisor regarding defense intelligence matters. See Michael McConnell, DNI and Robert Gates, Secretary of Defense, “Memorandum of Agreement,” May 2007, *news release* no. 637-07, May 24, 2007, “Under Secretary of Defense for Intelligence to be Dual-Hatted as Director of Defense Intelligence.” at <http://www.defense.gov/Releases/Release.aspx?ReleaseID=10918>.

²⁰ Michael Vickers, “Defense Intelligence Resources,” PowerPoint Presentation to Armed Forces Communications and Electronics Association (AFCEA), March 13, 2014, Slide 37.

exercise daily direct control over their NIP resources.²¹ The DNI acts as an intermediary in the budget process, between these managers, on the one side, and the President and Congress on the other.²² Both defense and nondefense NIP funds are determined and controlled by the DNI, from budget development through execution.

In contrast, the MIP is only those defense dollars associated with the operational and tactical-level intelligence activities of the military services.²³ According to the MIP charter directive:

The MIP consists of programs, projects, or activities that support the Secretary of Defense's intelligence, counterintelligence, and related intelligence responsibilities. This includes those intelligence and counterintelligence programs, projects, or activities that provide capabilities to meet warfighters' operational and tactical requirements more effectively. The term excludes capabilities associated with a weapons system whose primary mission is not intelligence.²⁴

Intelligence budget expert Robert Mirabello explains the MIP this way:

The MIP provides the 'take it with you' intelligence organic to the deployable units in all services at all echelons of command, for example, the Navy's anti-submarine ships with the Surveillance Towed Array Sensor System (SURTASS), the Air Force's RC-135 Rivet Joint signals intelligence aircraft, the Army's and Marine Corps' tactical signals intelligence capabilities, and the Defense Intelligence Agency's analysts assigned to the theater joint intelligence operations centers.²⁵

MIP dollars are managed within the budgets of DOD organizations by Component Managers—i.e., the senior leader for USAF/IN manages USAF MIP dollars, the senior leader for USMC/IN manages USMC MIP dollars—in accordance with USD(I) guidance and policy.²⁶ MIP components include the Office of the Secretary of Defense; the intelligence elements of the Military Departments; the intelligence element of U.S. Special Operations Command (USSOCOM/IN); and military intelligence activities associated with DIA, NGA, NRO, and the NSA.²⁷ **Table A-1** (in **Appendix A**) contains a description of each of the 10 MIP programs.

Some intelligence organizations have both NIP and MIP funds. The directors of DIA, NGA, NRO, and NSA serve as both Program Managers for their NIP funds and Component Managers for their MIP funds. **Table B-1** (in **Appendix B**) illustrates that six IC components have both MIP and NIP funding sources.

Secrecy vs. Transparency

Most intelligence dollars are embedded in the defense budget for security purposes. All but the topline budget numbers are classified. Disclosure of details associated with the intelligence budget has been debated for many years—proponents arguing for more accountability;²⁸ IC

²¹ See ICD-104 for the roles and responsibilities of NIP Program Managers.

²² Elkins, p. 4-5.

²³ Elkins, p. 4-11.

²⁴ DOD Directive 5205.12 (3) (a).

²⁵ Robert Mirabello, "Budget and Resource Management," *Intelligence: Journal of U.S. Intelligence Studies*, vol. 20, no. 2 (Fall/Winter 2013), p. 67. See also Elkins, p. 4-11.

²⁶ DOD Directive 5205.12 (3) (c).

²⁷ DOD Directive 5205.12 (3) (b).

²⁸ See for example, Cynthia Lummis and Peter Welch, "Intelligence Budget Should Not Be Secret," *CNN*, April 21, 2014, at <http://www.cnn.com/2014/04/21/opinion/lummis-welch-intelligence-budget/>. See also the discussion of the (continued...)

leadership arguing that disclosure could cause damage to national security. In 1999, George Tenet, then-Director of Central Intelligence, made a number of such arguments beginning with the following:

Disclosure of the budget request reasonably could be expected to provide foreign governments with the United States' own assessment of its intelligence capabilities and weaknesses. The difference between the appropriation for one year and the Administration's budget request for the next provides a measure of the Administration's unique, critical assessment of its own intelligence programs. A requested budget decrease reflects a decision that existing intelligence programs are more than adequate to meet the national security needs of the United States. A requested budget increase reflects a decision that existing intelligence programs are insufficient to meet our national security needs. A budget request with no change in spending reflects a decision that existing programs are just adequate to meet our needs.²⁹

The 9/11 Commission agreed with the critics who argued for more transparency but also agreed that disclosure of numbers below the topline could cause damage to national security. It recommended that the amount of money spent on national intelligence be released to the public:

[T]he top-line figure by itself provides little insight into U.S. intelligence sources and methods. The U.S. government readily provides copious information about spending on its military forces, including military intelligence. The intelligence community should not be subject to that much disclosure. But when even aggregate categorical numbers remain hidden, it is hard to judge priorities and foster accountability.³⁰

In response to the 9/11 Commission recommendations, P.L. 110-53 Section 601(a) directs the DNI to disclose the NIP topline number: "Not later than 30 days after the end of each fiscal year beginning with fiscal year 2007, the Director of National Intelligence shall disclose to the public the aggregate amount of funds appropriated by Congress for the National Intelligence Program for such fiscal year." Section 601(b) allows the President to "waive or postpone the disclosure" if the disclosure "would damage national security."³¹ The first such disclosure was made on October 30, 2007.³² The Intelligence Authorization Act (IAA) of 2010 (P.L. 111-259) further amended Section 601 to require the President to publicly disclose the amount requested for the NIP for the *next* fiscal year "at the time the President submits to Congress the budget."³³

At the present time only the NIP topline figure must be disclosed based on a directive in statute. The DNI is not required to disclose any other information concerning the NIP budget, whether the information concerns particular intelligence agencies or particular intelligence programs. In 2010, the Secretary of Defense began disclosing MIP appropriations figures on an annual basis and in

(...continued)

Intelligence Budget Transparency Act of 2015 in the final section of this report, "Issues for Congress."

²⁹ "Declaration of George Tenet," *Aftergood v. CIA*, U.S. District Court for the District of Columbia, Civ. No. 98-2107, April, 1999, at <http://fas.org/sgp/foia/tenet499.html>.

³⁰ National Commission on Terrorist Attacks upon the United States, *The 9/11 Commission Report, the Attack from Planning to Aftermath* (New York: W.W. Norton, 2011), p. 416.

³¹ P.L. 110-53, titled *The Implementing the Recommendations of the 9/11 Commission Act of 2007* and was enacted August 3, 2007.

³² ODNI, "DNI Releases Budget Figure for National Intelligence Program," *press release*, October 30, 2007, at http://www.dni.gov/files/documents/Newsroom/Press%20Releases/2007%20Press%20Releases/20071030_release.pdf.

³³ P.L. 111-259 §364. See for example, ODNI Releases Requested Budget Figure for FY2016 Appropriations for the National Intelligence Program," ODNI *news release* no. 24-15, February 2, 2015, at <http://www.dni.gov/index.php/newsroom/press-releases/210-press-releases-2015/1168-dni-releases-requested-budget-figure-for-fy-2016-appropriations>.

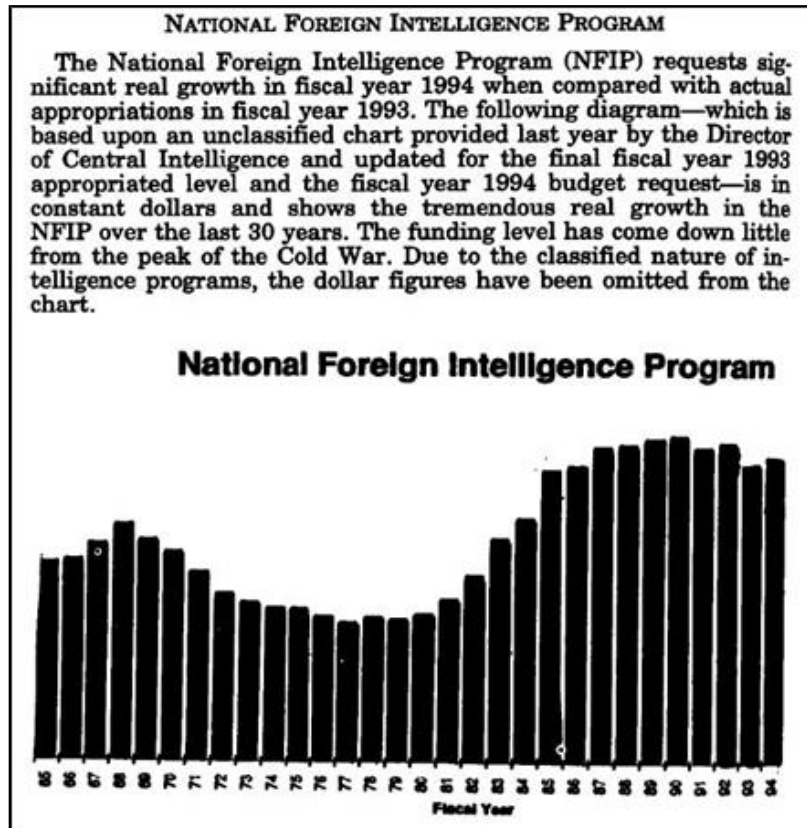
2011 disclosed those figures back to 2007.³⁴ These actions have provided public access to previously classified budget numbers for national and military intelligence activities.

Trends in Intelligence Spending

Historical Trends

Figure 1. Intelligence Spending 1965-1994

1994 Constant Dollars



Source: H.Rept. 103-254, *Department of Defense Appropriations Bill, 1994*, to accompany H.R. 3116, p. 14.

Figure 1 illustrates highs and lows in NIP spending between 1965 and 1994. Due to the classified nature of the intelligence budget at that time, the graphic does not include dollar figures.³⁵ **Figure 1** suggests that NIP spending declined steadily from about 1971 to 1980, climbed back to 1968 levels by about 1983, and steadied out to fairly constant levels between 1985 and 1994. The pattern of spending in **Figure 1** reflects world events. Analyses of defense spending over the past

³⁴ Department of Defense, “DOD Releases Military Intelligence Program Top Line Budget for Fiscal 2007, 2008, 2009,” *DOD news release* no. 199-11, March 11, 2011, available at <http://archive.defense.gov/Releases/Release.aspx?ReleaseID=14328>. The release of the MIP topline was not directed by statute. According to this news release, it was a decision made by the Secretary of Defense.

³⁵ U.S. Congress, House Appropriations Committee, Defense Subcommittee, *Department of Defense Appropriations Bill, 1994*, to accompany H.R. 3116, 103rd Cong., 1st sess., H. Rept. 103-254 (Washington D.C.: GPO, September 22, 1993), p. 14.

several decades usually attributes higher levels of defense spending in the 1960s to Vietnam War; lower levels of defense spending in the 1970s to the period of détente (lessening of tension) between the United States and the Soviet Union and to the economic recession; and higher levels of defense spending in the 1980s to the Reagan defense build-up.³⁶

Recent Trends

Table 1 compares NIP and MIP spending to national defense spending from FY 2007 to FY 2016, reporting values in both nominal and constant dollars.³⁷ Budget numbers appropriated for FY2013 show adjustments made in accordance with automatic spending cuts required under the Budget Control Act of 2011.³⁸ Topline numbers associated with national defense spending are reported in Table 1 and illustrated graphically in Figures 1 and 2.

Table 1. Intelligence Spending, Fiscal Years 2007-2016

Numbers in billions, rounded

		FY07	FY08	FY09	FY10	FY11	FY12	FY13 ^a	FY14	FY15	FY16 requested
NIP^b	Nominal	43.5	47.5	49.8	53.1	54.6	53.9	49.0 (52.7)	50.5	50.3	53.9
	Constant ^c	50.0	53.5	55.4	58.6	59.0	57.3	51.2 (55.1)	51.0	51.1	53.9
MIP^d	Nominal	20.0	22.9	26.4	27.0	24.0	21.5	18.6 (19.2)	17.4	16.5	17.9
	Constant	22.0	25.8	29.4	29.8	25.0	22.9	19.4 (20.1)	17.9	16.8	17.9
NIP MIP Total	Nominal	63.5	70.4	76.2	80.1	78.6	75.4	67.6 (71.9)	67.9	66.8	71.8
	Constant	72.0	79.3	84.8	88.4	84.0	80.2	70.6 (75.2)	68.9	67.9	71.8
National Defense^e	Nominal	626	696	698	721	717	681	610	622	597	621
	Constant	719	784	776	796	776	725	638	641	606	621

Source: CRS, using numbers available at www.dni.gov, www.defense.gov, and www.whitehouse.gov.

Notes:

- a. \$52.7B was reduced by amount sequestered to \$49.0B, DNI press release, October 30, 2013; \$19.2B was reduced via sequestration to \$18.6B, DOD press release, October 31, 2013. Automatic spending cuts were required under the Budget Control Act of 2011 (P.L. 112-25).

³⁶ For a more comprehensive graph of defense spending over time, see for example, Thaleigha Rampersad, “The History of Defense Spending in One Chart,” *The Daily Signal*, February 14, 2015, at <http://dailysignal.com/2015/02/14/history-defense-spending-one-chart/>.

³⁷ Nominal dollars (also referred to as current dollars) are dollars that are not adjusted for inflation. Constant dollars (also referred to as real dollars) have been adjusted for the effects of inflation and show real increases or decreases in purchasing power.

³⁸ P.L. 112-25.

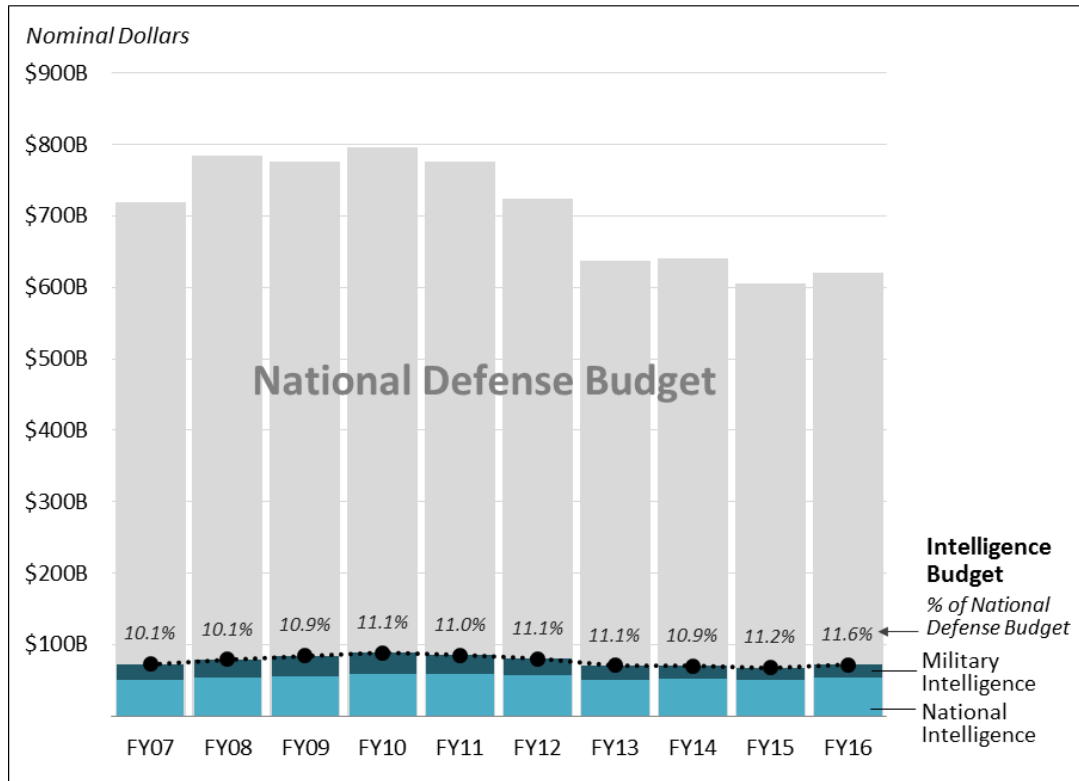
- b. National Intelligence Program (NIP) topline numbers are public in accordance with *Implementing Recommendations of the 9/11 Commission Act of 2007*, P.L. 110-53, §601. NIP numbers include base budget and supplemental spending dollars known as Overseas Contingency Operations (OCO) dollars.
- c. Constant figures are deflated using the GDP index. Table 5-1, “Department of Defense and Selected Economy-Wide Indices,” *National Defense Budget Estimates for FY2016* (Green Book), at <http://comptroller.defense.gov>, provides a GDP price index with 2016 as the base year.
- d. Military Intelligence Program (MIP) numbers include base budget and OCO dollars.
- e. National defense spending (using topline numbers associated with Function 50 “National Defense”) is included for comparative purposes. See Office of Management and Budget, *Historical Tables*, Table 5.1, “Budget Authority by Function and Subfunction: 1976-2020.”

The *nominal* dollars in **Table 1** suggest that the NIP topline steadily increased from FY 2007 to FY 2012. In FY 2013, the NIP topline decreased to the FY 2009 level and has remained near the FY 2009 level in the 2 years since. The MIP topline steadily increased from FY 2007 to FY 2010 but has decreased each year since FY 2010. These trends have changed the relative sizes of the NIP and MIP budgets. For example, of the \$63.5 billion appropriated in FY2007, the NIP portion (\$43.5 billion) was roughly twice the size of the MIP portion (\$20 billion). In contrast, of the \$66.8 billion appropriated in FY2015, the NIP portion (\$50.3 billion) is roughly 3 times larger than the MIP portion (\$16.5 billion).

The *constant* dollars in **Table 1** suggest that the NIP dollars appropriated in FY 2015 (\$51.1 billion) were roughly equal to the NIP dollars appropriated in FY 2007 (\$50.0 billion). The highest level of NIP spending, in constant dollars, was in FY 2011 (\$59 billion). In contrast, the MIP dollars appropriated in FY 2015 (\$17.9 billion) were significantly less than the MIP dollars appropriated in FY 2007 (\$22 billion). The highest level of MIP spending, in constant dollars, was in FY 2010 (\$29.8 billion).

Figure 2 uses the data in **Table 1** to provide an overview of total intelligence spending as a percentage of overall national defense spending. The almost flat percentage line suggests that intelligence spending has remained relatively constant over the past decade—consistently representing roughly 10 to 11% of national defense spending.

Figure 2. Intelligence Spending as a Percentage of the National Defense Budget: Fiscal Years 2007-2016



Source: CRS, using numbers available at www.dni.gov, www.defense.gov, and www.whitehouse.gov.

Notes: See **Table I**, Intelligence Spending, Fiscal Years 2007-2016, for the topline numbers used to produce this graph.

Figure 3 adds four additional NIP topline values—numbers available for FYs 1997, 1998, 2005 and 2006. The topline number for the NIP was classified until 2007, with two exceptions. In October 1997, the Director of Central Intelligence (DCI) George Tenet announced that the intelligence budget for FY1997 was \$26.6 billion,³⁹ and in March 1998, he announced that the budget for FY1998 was \$26.7 billion.⁴⁰ In addition, IC officials declassified NIP topline numbers for FY 2005 and 2006: \$39.8 billion⁴¹ and \$40.9 billion.⁴² Nevertheless, corresponding MIP topline dollars for 1997, 1998, 2005 and 2006 are not publicly available. **Figure 3** provides a snapshot of NIP spending over the past two decades, and despite the lack of data between 1999 and 2004, the values that are present suggest constancy in NIP topline dollar appropriations.

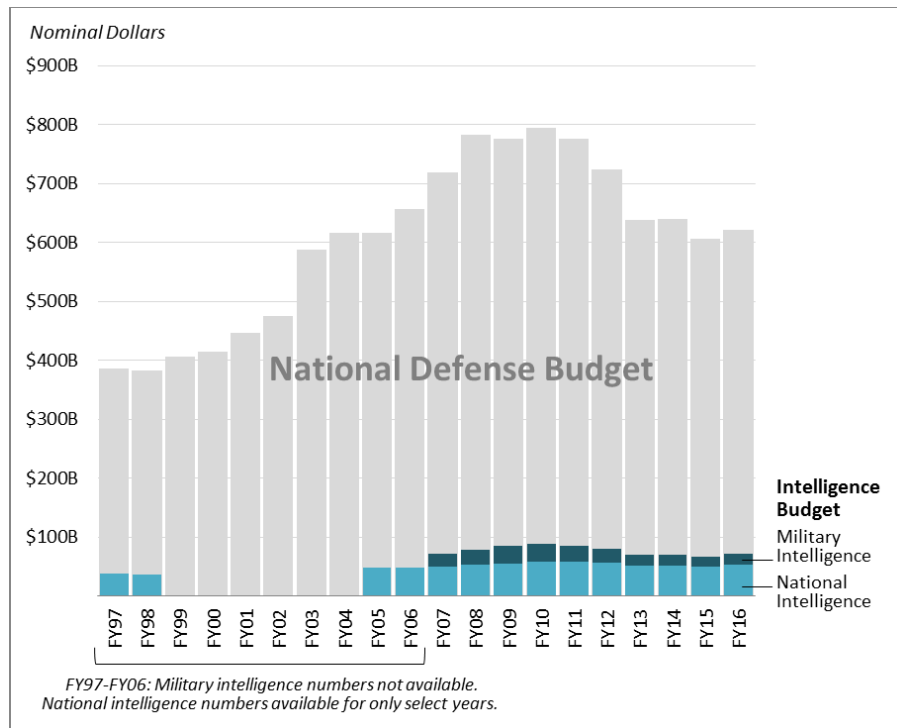
³⁹ CIA, “DCI Statement on FY97 Intelligence Budget,” *press release*, October 15, 1997, at <https://www.cia.gov/news-information/press-releases-statements/press-release-archive-1997-1/pr101597.html>.

⁴⁰ CIA, “Disclosure of the Aggregate Intelligence Budget for FY98,” *press release* March 20, 1998, at <https://www.cia.gov/news-information/press-releases-statements/press-release-archive-1998/ps032098.html>.

⁴¹ James Clapper, Director of National Intelligence, *Memorandum for the Record*, XX March 2015, attached to a cover letter to Mr. Steven Aftergood, May 20, 2015: “The aggregate amount appropriated to the National Foreign Intelligence Program (NFIP) for FY 2005 is \$39.8 billion, which includes funding to support Overseas Contingency Operations (OCO),” at <http://fas.org/irp/budget/fy2005.pdf>.

⁴² John Hackett, Director, Information Management Office, Office of the DNI, *Letter to Steven Aftergood*, October 28, 2010, in response to FOIA request from Steven Aftergood, March 24, 2009: “The aggregate amount appropriated to the NIP for fiscal year 2006 was \$40.9 Billion,” at <http://fas.org/irp/news/2010/10/fy06-intelbud.pdf>.

Figure 3. Intelligence Spending Based on Publicly Available Numbers: Fiscal Years 1997-2016



Source: CRS, using numbers available at www.cia.gov, www.dni.gov, www.defense.gov, www.whitehouse.gov, and www.fas.org.

Notes:

- FY1997: CIA, “DCI Statement on FY97 Intelligence Budget,” press release, October 15, 1997, \$26.6 B (\$38B in 2016 constant dollars).
- FY1998: CIA, “Disclosure of the Aggregate Intelligence Budget for FY98,” press release March 20, 1998, \$26.7 B (\$37.7B in 2016 constant dollars).
- FY2005: DNI, Memorandum for the Record, XX March 2015, in response to FOIA request from Steven Aftergood, May 20, 2015: \$39.8B (\$48.5B in 2016 constant dollars).
- FY2006: ODNI, Letter to Steven Aftergood, October 28, 2010, in response to FOIA request from Steven Aftergood, March 24, 2009, \$40.9B (\$48.3B in 2016 constant dollars).
- Table I**, Intelligence Spending, Fiscal Years 2007-2016, provides the other topline numbers used to produce this graph.

Issues for Congress

Congress’s and the American public’s ability to oversee and understand how intelligence dollars are spent is limited by the secrecy that surrounds the intelligence budget process. As this report has detailed, the level of secrecy has changed over the years. The DNI has stated his commitment to transparency and to classifying “only that information which, if disclosed without authorization, could be expected to cause identifiable or describable damage.”⁴³ Many dispute the

⁴³ DNI, “Principles of Transparency for the Intelligence Community,” at <http://www.dni.gov/index.php/intelligence-community/intelligence-transparency-principles>.

claim that any disclosure of intelligence-related spending other than the topline number could be expected to cause such harm.

In the 114th Congress, legislation has again been introduced to address the issue of transparency and secrecy in the intelligence budgets.⁴⁴ H.R. 2272, and an identical bill, S. 1307, both titled the “Intelligence Budget Transparency Act of 2015,” were introduced in the House and Senate respectively on May 12, 2015. Both bills require disclosure of:

[T]he total dollar amount proposed in the budget for intelligence or intelligence related activities of each element of the Government engaged in such activities in the fiscal year for which the budget is submitted and the estimated appropriation required for each of the ensuing four fiscal years.⁴⁵

The bills were referred to the House and Senate Committees on the Budget respectively. They present the 114th Congress with an opportunity to reexamine the arguments, directives, and statute that currently guides disclosure of numbers associated with intelligence spending.

⁴⁴ Such legislation is not new. For example, H.R. 3855, “The Intelligence Budget Transparency Act of 2014,” was introduced in the 113th Congress.

⁴⁵ H.R. 2272 §2.

Appendix A. National and Military Intelligence Programs (NIP and MIP)

Table A-1. National and Military Intelligence Programs (NIP and MIP)

National Intelligence Program	
Defense NIP	
Consolidated Cryptologic Program (CCP)	Funds the signals intelligence (SIGINT) mission throughout the IC.
General Defense Intelligence Program (GDIP)	Funds wide range of national-level operations and intelligence infrastructure throughout the IC. The Foreign Counterintelligence Program (FCIP) merged with GDIP in IAA for FY2014 (P.L. 113-126 §314)
National Geospatial-Intelligence Program (NGP)	Funds national-level geospatial-intelligence related activities throughout the IC.
National Reconnaissance Program (NRP)	Funds national-level satellite reconnaissance activities of the National Reconnaissance Office.
Nondefense NIP	
Central Intelligence Agency Program (CIAP)	Funds complete range of CIA activities.
CIA Retirement and Disability Program (CIARDs)	Funds pension benefits to a selected group of the CIA's workforce—particularly those whose identities must be protected. ^a
Community Management Account (CMA)	Funds the Office of the DNI. ^b
NIP Programs associated with Departments of Energy, Homeland Security (I&A, within USCG), Justice (within FBI and DEA), State and the Treasury	Funds intelligence integration/analysis offices in each department in support of the DNI and IC mission.
Military Intelligence Program	
DIA MIP	Tactical and joint general military intelligence and counter-intel activities of DIA, military services and Combat Commands not covered by GDIP.
NGA MIP	Tactical military geospatial intelligence related activities of the NGA, military services and Combat Commands not funded by the NGP.
NRO MIP	Tactical military air and space reconnaissance related activities of the NRO not funded by the NRP.
NSA/CSS MIP	Tactical military SIGINT related activities of the NSA and CSS not funded by the CCP.
OSD MIP	Office of the Secretary of Defense managed, defense-wide intelligence programs not covered by the GDIP or DIA MIP.
U.S. Special Operations Command (USSOCOM) MIP	Tactical military intelligence related activities and asset designed to support USSOCOM missions not funded by the NIP.

Service Specific MIP: USAF, USA, USN, USMC	Intelligence and related activities and assets of services “organic” to military combat units, or parts of joint/defense wide intelligence activities or programs in which they participate. These activities are generally within the scope of the Title 10 mission of the military departments to organize, train, and equip forces for combat application.
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Source: Dan Elkins, *Managing Intelligence Resources*, 4th Edition, (Dewey, AZ: DWE Press, 2014): Chapter 4 pp. 1-16.

Notes:

- a. CIARDS is a small fund that provides pension benefits to a selected group of the CIA’s workforce—particularly those whose identities must be protected. Section 202 of the IAA for FY2014 amends the Central Intelligence Agency Retirement Act to expand the definition of “qualifying service” for purposes of designating CIA employees to participate in a retirement system based on a period of service abroad that is hazardous to life or health, or that is determined to be specialized because of security requirements, to include the service of CIA employees on detail to another agency. Without this provision, such qualifying service had to be performed within the CIA. (The provision made such qualifying detail service applicable to retired or deceased CIA officers.)
- b. The Intelligence Community Management Account (CMA or ICMA), is an account name that refers back to the IC Community Management Staff (CMS). The CMS supported the Director of Central Intelligence in his role as community manager. When the position of DNI was established, much of the old CMS became the new ODNI.
- c. Elkins, p. 6-6. Of the 9 Combatant Commands (COCOMs) only USSOCOM has its own budget. The other COCOMs submit their budget requests through the military departments.

Appendix B. Intelligence Community Components: NIP and MIP Funding Sources

Six IC components have both MIP and NIP funding sources. The directors of DIA, NGA, NRO, and NSA serve as both Program Managers for their NIP funds and Component Managers for their MIP funds.

Table B-1. Intelligence Community Components: NIP and MIP Funding Sources

COMPONENT	MIP SOURCES	NIP SOURCES
CIA		CIAP
COCOMs (Except SOCOM)	DIA MIP	GDIP, NGP, CCP
DIA	DIA MIP	GDIP
DOE, DOJ, DOS, Treasury		Department Specific NIP
NGA	NGA MIP	NGP
NRO	NRO MIP	NRP
NSA	NSA MIP	CCP
ODNI		CMA
USDI	OSD MIP	
USSOCOM	USSOCOM MIP	GDIP, NGP, CCP

Source: Dan Elkins, *Managing Intelligence Resources*, 4th Edition, (Dewey, AZ: DWE Press, 2014): Chapter 4 pp. 1-16.

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