

117TH CONGRESS
2D SESSION

H. R. 7574

To require an independent study and report on the effect of pass-through budgeting on the Department of the Air Force, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 26, 2022

Mr. BACON (for himself and Mr. KAHELE) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To require an independent study and report on the effect of pass-through budgeting on the Department of the Air Force, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Defense Budget Trans-
5 parency Act of 2022”.

6 **SEC. 2. STUDY AND REPORT ON PASS-THROUGH BUDG-**
7 **ETING.**

8 (a) STUDY REQUIRED.—The Secretary of Defense
9 shall seek to enter into an contract or other agreement
10 with an independent research organization pursuant to

1 which the organization will conduct a study on the effects
2 of pass-through budgeting on the Department of the Air
3 Force and other organizations and elements of the Depart-
4 ment of Defense.

5 (b) ELEMENTS.—The study under subsection (a)
6 shall include the following:

7 (1) For the period from fiscal year 2001
8 through fiscal year 2021—

9 (A) the total amount of funds requested by
10 each military department (as set forth in the
11 budget of the President for each such fiscal
12 year as submitted to Congress pursuant to sec-
13 tion 1105(a) of title 31, United States Code),
14 not including amounts subject to pass-through
15 budgeting; and

16 (B) the total amount of funds appropriated
17 to each military department, not including
18 amounts subject to pass-through budgeting.

19 (2) For the period covered by the most recent
20 future-years defense program submitted to Congress
21 under section 221 of title 10, United States Code,
22 an analysis of the positive and negative effects of
23 pass-through budgeting on—

24 (A) the budget of the Department of the
25 Air Force; and

1 (B) the budgets of other military depart-
2 ments, including the Armed Forces.

3 (3) A determination as to whether pass-through
4 budgeting creates an inaccurate impression among
5 members of the public, Congress, and policy makers
6 concerning—

7 (A) the actual level of funding allocated to
8 the Department of the Air Force over which it
9 has spending authority; and

10 (B) the actual level of funding allocated to
11 Defense-wide accounts.

12 (4) A determination as to whether any inac-
13 curate impressions identified under paragraph (2)
14 are detrimental to the mission of the Department of
15 the Air Force.

16 (5) A recommendation as to whether the funds
17 included in the budget of the Department of the Air
18 Force that are subject to pass-through budgeting
19 should instead be included in a separate accounting
20 line within that budget or allocated to another De-
21 fense-wide account.

22 (c) REPORT.—Not later than February 15, 2023, the
23 Secretary of Defense shall—

1 (1) submit to the congressional defense commit-
2 tees a report on the results of the study conducted
3 under subsection (a); and

4 (2) make such report available on a publicly ac-
5 cessible website of the Department of Defense.

6 (d) FORM OF REPORT.—The report required under
7 subsection (a) shall be submitted in unclassified form but
8 may include a classified annex. Any classified annex in-
9 cluded with such report shall not be subject to disclosure
10 under subsection (c)(2).

11 **SEC. 3. IDENTIFICATION OF FUNDS SUBJECT TO PASS-**
12 **THROUGH BUDGETING IN ANNUAL BUDGET**
13 **REQUESTS.**

14 Beginning with fiscal year 2024, in the budget jus-
15 tification materials submitted to Congress in support of
16 the Department of Defense budget for each fiscal year (as
17 submitted with the budget of the President under section
18 1105(a) of title 31), the amount requested for each mili-
19 tary department shall include a separate line item that
20 clearly identifies any amounts requested for such depart-
21 ment that are subject to pass-through budgeting.

22 **SEC. 4. DEFINITIONS.**

23 In this Act:

24 (1) The term “independent research organiza-
25 tion” means an organization outside the Federal

1 Government that is not a federally funded research
2 and development center.

3 (2) The term “pass-through budgeting” means
4 the practice by which certain funds allocated for a
5 military department are subject to the authority of
6 other departments and agencies of the Federal Gov-
7 ernment but are included in the overall budget of
8 the military department despite that department’s
9 lack of authority over such funds.

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