



# **FY2025 NDAA: Summary of Proposed Funding Authorizations**

### Updated December 12, 2024

Of the \$895.2 billion requested in the FY2025 President's budget for discretionary activities within the national defense budget function, approximately \$883.7 billion fell within the scope of proposed versions of a National Defense Authorization Act for Fiscal Year 2025 (NDAA; H.R. 8070; S. 4638). While the NDAA by itself does not provide funding (i.e., *budget authority*), historically the legislation has served as an indicator of congressional views on funding for such activities.

During consideration of an FY2025 NDAA, Members of Congress have proposed authorizing more, the same, or less funding than the President requested for such activities. The House-passed H.R. 8070 would authorize the level of funding the President requested. The Senate Armed Services Committee (SASC)-reported S. 4638 would authorize approximately \$25.1 billion more than requested. A negotiated version of the legislation, a House amendment to a Senate amendment to H.R. 5009, would authorize the level of funding the President requested. See **Table 1** and **Figure 1**.

This Insight summarizes funding authorizations in proposed versions of an FY2025 NDAA for U.S. Department of Defense (DOD) activities, atomic energy defense programs, and certain other defense-related activities. To date, Congress has not enacted an FY2025 NDAA.

(in billions of current dollars of discretionary budget authority)								
Title or Division, and Subfunction	Enacted FY2024 NDAA (P.L. 118-31)	FY2025 President's budget request <sup>a</sup>	House-passed FY2025 NDAA (H.R. 8070)	SASC-reported FY2025 NDAA (S. 4638)	House-Senate Agreement (H.R. 5009)			
Procurement	\$169.17	\$166.38	\$163.59	\$176.37	\$167.85			
RDT&E	\$145.94	\$143.16	\$143.55	\$146.01	\$143.77			
O&M	\$288.82	\$296.33	\$295.00	\$305.24	\$294.46			
MILPERS	\$176.77	\$181.88	\$185.71	\$182.30	\$182.75			
Other Authorizations	\$42.52	\$44.22	\$44.45	\$44.45	\$43.50			

Table 1. Summary of Funding Authorizations in Proposed Versions of FY2025 NDAA

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Title or Division, and Subfunction	Enacted FY2024 NDAA (P.L. 118-31)	FY2025 President's budget requestª	House-passed FY2025 NDAA (H.R. 8070)	SASC-reported FY2025 NDAA (S. 4638)	House-Senate Agreement (H.R. 5009)
MILCON	\$18.17	\$17.55	\$17.55	\$20.66	\$17.55
Subtotal, DOD- Military (051)	\$841.4	\$849.5 <i>1</i>	\$849.84	\$875.03	\$849.87
Subtotal, Atomic Energy Defense Programs (053)	\$32.38	\$33.78	\$33.32	\$33.39	\$33.28
Subtotal, Defense-Related Activities (054)	\$0.44	\$0.38	\$0.5 <i>1</i>	<b>n/a</b> <sup>b</sup>	\$ <b>0.5</b> I
Total	\$874.21	\$883.67	\$883.67	<b>\$908.42</b> ⁵	\$883.67

**Sources:** U.S. Congress, Conference Committee, National Defense Authorization Act for Fiscal Year 2024, conference report to accompany H.R. 2670, 118<sup>th</sup> Cong., 1<sup>st</sup> sess., H.Rept. 118-301, December 6, 2023, pp. 1390-1395; U.S. Congress, House Committee on Armed Services, Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, report to accompany H.R. 8070, 118<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 118-529, May 31, 2024, pp. 402-407; and U.S. Congress, Senate Committee on Armed Services, National Defense Authorization Act for Fiscal Year 2025, report to accompany S. 4638, 118<sup>th</sup> Cong., 2<sup>nd</sup> sess., S.Rept. 118-188, July 8, 2024, pp. 418-422; explanatory statement to accompany House amendment to Senate amendment to H.R. 5009, pp. 498-501.

**Notes:** RDT&E is research, development, test, and evaluation; O&M is operation and maintenance; MILPERS is military personnel; and MILCON is military construction and family housing. Totals may not sum due to rounding. Dollars rounded to nearest hundredth.

- a. Amounts in this column reflect those in explanatory statement to accompany House amendment to Senate amendment to H.R. 5009.
- b. The SASC typically does not authorize appropriations for the Department of Transportation Maritime Administration Maritime Security Program and Tanker Security Program; the final version of the NDAA typically does.

# House-passed H.R. 8070

H.R. 8070, known as the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025, would authorize \$883.7 billion, as requested, according to the accompanying committee report, H.Rept. 118-529. Together with amounts for certain defense-related programs not within the legislation's purview or requiring additional authorization, the discretionary budget authority implication of the bill would total \$895.2 billion—consistent with the defense discretionary spending cap for FY2025 established in the Fiscal Responsibility Act of 2023 (P.L. 118-5).

During an April 30, 2024, hearing on the FY2025 DOD budget request, Representative Mike Rogers, Chair of the House Armed Services Committee (HASC), described the department's request as inadequate to restore deterrence. "But this is the hand dealt to us by the Fiscal Responsibility Act that we all have responsibility for enacting," he said. "As we move to mark up the FY2025 NDAA, we will play that hand that was dealt to us." In preparation for House consideration of the legislation, Representative Barbara Lee submitted an amendment that would have reduced the amount authorized by the bill by \$100 billion, excluding accounts related to the Defense Health Program, military personnel, and pay and benefits. The amendment was not considered for floor debate. A bipartisan amendment adopted as Section 1005 of the bill would reduce funding for a military department or defense agency by 0.5% upon failure to submit financial statements or achieve an independent audit opinion.

While the overall level of funding authorizations in H.R. 8070 would match the President's request, amounts authorized for certain types of accounts would differ from the request. For example, in terms of

DOD titles, the legislation would authorize \$3.8 billion more than requested for military personnel (MILPERS) appropriations, largely to support a 19.5% pay raise for certain junior enlisted servicemembers and an expanded housing allowance benefit as part of a package of "quality of life" initiatives. The legislation would authorize \$2.8 billion less than requested for procurement appropriations, including the Shipbuilding and Conversion, Navy account—with no funding authorized for the Navy to procure the seventh Constellation-class (FFG) frigate, a type of small surface combatant.

In a Statement of Administration Policy on H.R. 8070, the Biden Administration "strongly" opposed changing the basic pay schedule before the completion of the Fourteenth Quadrennial Review of Military Compensation (QRMC) and expressed disappointment at the level of shipbuilding funding, among other areas of disagreement.

## SASC-reported S. 4638

S. 4638 would authorize \$908.4 billion, \$25.1 billion more than requested to "accelerate equipment recapitalization, increase military construction, address the highest-priority unfunded requirements of the military services and combatant commanders, decrease the Department's facility maintenance backlog, and strengthen the defense industrial base."

During debate of the bill in a closed session, the SASC voted 16-9 on a motion "to include a provision that would increase the topline by \$25.0 billion." Senator Roger Wicker, Ranking Member of SASC, filed the motion following the release of a plan calling for a "generational investment" in the U.S. military— with proposed funding increases of \$55 billion in FY2025 and additional amounts to reach 5% of Gross Domestic Product in the future—to prevent conflict, recapitalize U.S. military equipment, and safeguard national security innovation. Senator Jack Reed, SASC Chair, said he voted against reporting the bill to the Senate because it included "a funding increase that cannot be appropriated without breaking lawful spending caps and causing unintended harm to our military. I appreciate the need for greater defense spending to ensure our national security, but I cannot support this approach."

S. 4638 would authorize more funding than requested across each DOD appropriation title, with \$10.0 billion more than requested for procurement accounts; \$2.9 billion more than requested for research, development, test, and evaluation (RDT&E) accounts; \$8.9 billion more than requested for operation and maintenance (O&M) accounts, and \$3.1 billion more than requested for military construction (MILCON) accounts.

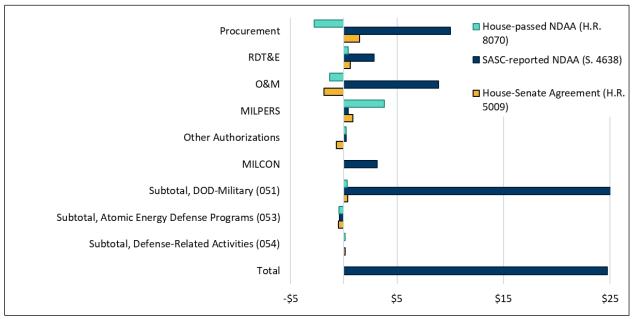
### House-Senate Agreement H.R. 5009

A negotiated version of the legislation, a House amendment to a Senate amendment to H.R. 5009, would authorize the level of funding the President requested consistent with the FY2025 defense spending cap under the FRA.

As amended, H.R. 5009 would authorize funding for certain DOD accounts that differ from the request. The agreement would authorize \$1.5 billion more than requested for procurement accounts (e.g., Air Force aircraft, Army missiles, and other equipment), \$0.9 billion more than requested for MILPERS accounts (e.g., 14.5% pay raise for enlisted personnel at the rank of E-4 and below), and \$0.6 billion more than requested for RDT&E accounts (e.g., Navy shipbuilding programs). The legislation would authorize the requested level of funding for MILCON accounts. It would authorize \$1.9 billion less funding than requested for the Defense Health Program.

A summary released by Representative Adam Smith, ranking member of HASC, stated the legislation adhered "to budget levels set by the Fiscal Responsibility Act." In a press release, Senator Wicker said, "the failure to include a topline increase is a tremendous loss for our national defense."

#### Figure 1. Congressional Changes to President's Requested Funding Authorizations in Proposed Versions of FY2025 NDAA



(in billions of current dollars of budget authority)

Source: See Table I. Note: See Table I.

#### **Author Information**

Brendan W. McGarry Specialist in U.S. Defense Budget

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