



June 26, 2019

FY2020 National Defense Authorization Act (H.R. 2500, S. 1790)

Of the \$750 billion requested by the Trump Administration for discretionary spending on National Defense-related activities in FY2020, approximately \$742 billion falls within the scope of the National Defense Authorization Act (NDAA). The request includes \$718.4 billion for operations of the Department of Defense (DOD) and \$23.2 billion for defense-related work by the Energy Department involving nuclear energy, mostly related to nuclear weapons and nuclear power plants for warships. Other funding for defense-related activities, such as counter-intelligence work of the Federal Bureau of Investigation (FBI), falls under the jurisdiction of other congressional committees.

Enacted to cover every defense budget since FY1962, the bill authorizes funding for DOD activities at the same level of detail at which budget authority is provided by the corresponding defense and military construction appropriations bills. See **Table 1**.

While the NDAA does not provide budget authority, historically it provided a fairly reliable indicator of congressional sentiment on funding for particular programs. The bill also incorporates provisions governing military compensation, the DOD acquisition process, and aspects of DOD policy toward other countries, among other subjects.

Table 1. FY2020 National Defense Authorization Act (H.R. 2500, S. 1790)
(amounts in billions of dollars of discretionary budget authority)

| Appropriation (Budget Function) | FY2019 Enacted (P.L. 115-232) | FY2020 Request^a | HASC-reported H.R. 2500 (H.Rept. 116-120) | SASC-reported S. 1790 (S.Rept. 116-48) |
|---|--|-----------------------------------|--|---|
| Procurement | 132.3 | 118.9 | 130.6 | 135.1 |
| Research and Development | 91.7 | 102.6 | 100.8 | 104.0 |
| Operation and Maintenance | 198.5 | 123.9 | 203.8 | 205.4 |
| Military Personnel | 147.1 | 151.3 | 150.1 | 150.4 |
| Defense Health and Other DOD Programs | 37.0 | 36.6 | 37.2 | 36.6 |
| Military Construction and Family Housing | 10.3 | 11.2 | 10.5 | 11.0 |
| Subtotal, DOD-Military (051) Base Budget | 616.9 | 544.6 | 633.0 | 642.5 |
| Department of Energy defense activities (053) | 21.9 | 23.2 | 22.7 | 23.2 |
| Other defense-related activities (054) | 0.3 | 0.3 | 0.3 | n/a |
| Total, National Defense base budget | 639.1 | 568.1 | 655.9 | 665.7 |
| Overseas Contingency Operations (OCO) and Emergency | 69.0 | 173.8 | 69.0 | 75.9 |
| Grand Total | 708.1 | 741.9 | 724.9 | 741.6 |

Sources: H.Rept. 115-874, conference report to accompany H.R. 5515 [FY2019 NDAA], H.Rept. 116-120, conference report to accompany H.R. 2500 [FY2020 NDAA as reported by HASC]; and S.Rept. 116-48, conference report to accompany S. 1790 [FY2020 NDAA as reported by SASC].

Notes: Totals may not sum due to rounding. HASC is House Armed Services Committee; SASC is Senate Armed Services Committee.

- a. Amounts in this column for DOD-Military Base Budget and OCO/Emergency reflect the Administration's request to use \$97.9 billion in OCO funding for base budget requirements, or "OCO for base," as SASC reported in S.Rept. 116-48; HASC redistributed the requested OCO-for-base funding in associated DOD base budget accounts, as reported H.Rept. 116-120.

The House Armed Services Committee (HASC) reported its version of the bill (H.R. 2500, H.Rept. 116-120) on June 19, 2019, with floor action anticipated in July. Also on June 19, the Senate began deliberations on taking up its version, S. 1790, which the Senate Armed Services Committee (SASC) reported on June 11, 2019.

OCO Funding and BCA Caps

The House and Senate Armed Services Committees, in drafting their respective versions of the FY2020 NDAA (and the House Appropriations Committee, in drafting its version of the FY2020 defense appropriations bill, Division C of H.R. 2740) did not adopt the Administration's request to designate Overseas Contingency Operations (OCO) funding for base budget purposes. The reported NDAA bills each exceed the spending cap set by the Budget Control Act of 2011 (BCA; P.L. 112-25). Negotiations between the Administration and Congress to raise the limit are underway.

The FY2020 NDAA request includes \$568.1 billion in base budget funding intended to man, train, and equip U.S. forces and \$173.8 billion in funding designated for OCO and emergency requirements. The latter figure—more than double the FY2019 OCO budget—includes \$66.7 billion intended to support military operations in Afghanistan, Iraq, Syria, and elsewhere; \$97.9 billion intended to provide base budget funding that would exceed the FY2020 defense spending cap currently in force; and \$9.2 billion for emergency requirements (see "Border Wall Funding" heading below).

Since enactment of the BCA, the OCO designation has taken on greater practical significance because the spending caps on discretionary appropriations for defense and non-defense programs effectively do not apply to funding designated both by the President and by Congress for OCO or emergency requirements. Compliance with the caps would require DOD to reduce its planned spending by tens of billions of dollars per year through FY2021. To avoid that, Congress has passed legislation to raise the limits for most years in which they have been in effect. Congress and both the Obama and Trump Administrations also have designated certain OCO funding for base budget purposes, a move some observers have viewed as a way to circumvent the caps.

Selected Issues

Low-Yield Nuclear Weapons

The HASC version of the bill includes a provision (Section 1646) that would bar the use of funds to deploy a "low-yield" version of the W76-2 nuclear warhead carried by the Trident II submarine-launched ballistic missile. The HASC bill also would authorize neither the \$10 million requested for Energy Department efforts to develop the new weapon nor the \$19.6 million requested to prepare for deploying them. The SASC version of the bill would approve the Administration's request for the low-yield warhead.

Space Force

Of the \$72.4 million requested in a new appropriation, "Operation and Maintenance, Space Force," to establish a U.S. Space Force headquarters, the HASC version of the bill would authorize \$15 million, while the SASC version of the bill would authorize the requested amount. SASC recommended "a series of provisions (Section 1601-1608) that would establish the U.S. Space Force (USSF) and make changes to the organization of, authorities of, and acquisition associated with space forces assigned to the Department of Defense (DOD)," according to its report accompanying the bill.

Border Wall Funding

The \$9.2 billion requested for emergency funding included \$7.2 billion for construction of southwest border barriers and \$2 billion in disaster relief to rebuild military facilities damaged by Hurricanes Florence and Michael. The \$7.2 billion included \$3.6 billion for "unspecified military construction to build border barriers" and another \$3.6 billion to backfill funding reallocated in FY2019 to build border barriers. The HASC and SASC versions of the bills did not accept the Administration's request to designate the funding for emergency requirements. HASC recommended "an authorization of \$2.3 billion related to additional disaster recovery and mitigation," but no authorization of appropriation for the effort, according to its report.

Transfer Authority

The HASC version of the bill includes a provision (Section 1001, "General Transfer Authority") that would limit the amounts authorized for the Secretary of Defense to transfer in Division A of the Act to \$1 billion, down from \$4.5 billion in FY2019. The HASC bill also includes a provision (Section 1512, "Special Transfer Authority") that would limit the OCO amounts authorized for the Secretary to transfer in Title XV to \$500 million, from \$3.5 billion in FY2019. The SASC version of the bill would decrease that general transfer authority limit to \$4 billion and that special transfer authority limit to \$2.5 billion.

Other CRS Products

CRS In Focus IF10515, *Defense Primer: The NDAA Process*, by Valerie Heitshusen and Brendan W. McGarry

CRS In Focus IF10516, *Defense Primer: Navigating the NDAA*, by Brendan W. McGarry and Valerie Heitshusen

CRS Insight INI 1083, *FY2020 Defense Budget Request: An Overview*, by Brendan W. McGarry and Christopher T. Mann

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