

The House's FY 2025 NDAA: Summary

THE ISSUE

The House version of the National Defense Authorization Act (NDAA) for fiscal year (FY) 2025 contains many important provisions that will strengthen the military. It could also do more to fund core components of the military at a higher level. The direction of the bill is largely correct, with provisions to strengthen the Armed Forces and deter China. However, the bill does not fully align funding with strategy because it does not focus on the ships, planes, and munitions that will be needed this decade to deter conflict in the Indo-Pacific region.

The bill sticks to the congressionally mandated defense cap from last year's Fiscal Responsibility Act, increasing the defense budget by only 1 percent from the previous year. The Heritage Foundation has argued that this is insufficient and instead called for a 3 percent increase to account for inflation during this Administration and to ensure a real increase in military capacity.

THE GOOD

On the positive side, the House version of the FY 2025 NDAA:

- **Reinserts** funding for a second *Virginia*-class submarine, supporting the Navy's mission in the Indo-Pacific and reassuring Australia of the viability of the planned future sale of *Virginia*-class submarines as part of the trilateral security partnership among Australia, the U.K., and the U.S. (AUKUS);
- **Blocks** the Navy from retiring two guided-missile cruisers, the USS *Shiloh* and the USS *Lake Erie*;

- **Funds** significant investments in the strategic arsenal;
- **Includes** significant quality-of-life improvements for service members, including a pay increase and improvements to housing and health care;
- **Bans** the use of race, ethnicity, and political favoritism as criteria for recruitment, accessions, and promotions in the military, including banning affirmative action at military academies; and
- **Contains** certain necessary measures to safeguard U.S. interests from Chinese malign foreign influence.

THE BAD

On the negative side, the House version of the FY 2025 NDAA:

- **Zeroes out** funding for the Navy's *Constellation*-class frigate, potentially putting the entire program at risk;
- **Fails to** address the significant shortages in precision-guided munitions needed for a contingency in the Indo-Pacific;
- **Cuts** Procurement to fund Procurement, nonsensically, instead of increasing Procurement reallocations from other buckets of spending, such as Research, Development, Test, and Evaluation (RDT&E);
- **Contains** an unfunded coverage mandate for universal in vitro fertilization (IVF)

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for service members and their dependents, estimated to cost approximately \$1 billion annually. Due to the fixed amount of funding for defense health care programs, this provision would either force reductions to military medical readiness or lead to reimbursement cuts to medical providers who participate in the TRICARE military health care network (under current law and policy, assisted reproductive technology (ART), including IVF, is already provided at no cost to eligible military service members with service-connected illness or injuries); and

- **Lacks** key language that was included in the House-passed FY 2024 NDAA that would repeal the Defense Department (DOD) memo illegally allowing special travel and paid leave for elective abortions.

FUNDING PROCUREMENT THROUGH CUTS TO PROCUREMENT

Ships, aircraft, and munitions are the basis of real military capacity that potential adversaries are prioritizing and need to be similarly prioritized within the U.S. defense budget. Procurement of critical capabilities, such as ships and aircraft, should be the last place the DOD chooses to cut when faced with budget constraints, particularly under current circumstances. Lawmakers should look especially hard for bloat, waste, and non-military spending within the larger defense budget to pay for increased procurement.

The Heritage Foundation's Conservative Defense Budget for Fiscal Year 2025 called for a shift in funding from RDT&E to procurement. In FY 2023, the DOD was authorized to spend \$140 billion for RDT&E and \$167 billion for Procurement, making RDT&E equal to about 84 percent of Procurement. From FY 2022 to FY 2023, RDT&E's combined budget authority increased by \$21 billion, and procurement spending increased by about \$13.5 billion. From FY 2021 to FY 2022, spending on RDT&E increased by \$13

billion, and spending on procurement increased by \$4.7 billion. These numbers are imbalanced. It is important to invest in the future of the force, but not at so high a level that it detracts from the military's ability to field equipment and munitions that already exist for the security needs of the present. The DOD must shift funding from RDT&E accounts into Procurement and Operation and Maintenance (O&M).

OTHER NOTABLE PROVISIONS

The following provisions are also included in the House FY 2025 NDAA.

“Quality of Live Improvement” for Service Members. The bill:

- **Boosts** compensations, **improves** housing, **expands** access to medical care, **increases** access to childcare, and **provides** support for the spouses of service members;
- **Provides** a 20 percent pay raise to junior enlisted service members;
- **Provides** a 15 percent pay hike (in addition to the White House's 4.5 percent increase) to junior troops, some of whom make less than \$25,000 in basic pay;
- **Restores** coverage of basic allowance for housing from 95 percent of calculated costs back to 100 percent; **raises** the threshold for basic need allowance to 200 percent of the federal poverty level;
- **Provides** \$17.5 billion for investments in military construction projects, including \$1.15 billion to improve housing conditions;
- **Requires** each military department to implement an electronic management system to track how funds are spent and keep up-to-date records of facility conditions;

- **Authorizes** a fellowship program for military spouses searching for employment and the expansion of access to specialty health care providers; **fully funds** a child-care-fee-assistance program to eliminate the fee-assistance waitlist;
- **Prohibits** use of cannabis testing for enlistment or commission in certain military departments;
- **Establishes** professional recruitment warrant officers who specialize in talent acquisition (Chief Talent Management Officers);
- **Creates** a pilot program to provide graduate education opportunities for enlisted members of the Army and Navy; **creates** a pilot program of transition assistance with the Department of Labor employment navigator and service members; and
- **Expands** the Wounded Warrior Service Dog Program.

Measures to Deter and Confront China. The bill:

- **Prohibits** contracts with covered entities that contract with lobbyists for Chinese military companies;
- **Requires** the DOD and U.S. defense contractors to buy any material that is relevant to national security from U.S. sources;
- **Authorizes** study and report on implementation of U.S. naval blockades of shipments of fossil fuels to China in the event of armed conflict;
- **Authorizes** tabletop exercise on extreme weather events in the Indo-Pacific (evaluating resilience of U.S. weapons systems, posture, command and control, logistics, resistance to coercion by an aggressor, and support from allies);
- **Authorizes** a pilot program for forward advanced manufacturing (specifically for submarine and ship-building manufacturing for the area of responsibility of the U.S. Indo-Pacific Command);
- **Establishes** an Indo-Pacific medical readiness program;
- **Offers** the consideration of Taiwan for enhanced defense industrial base cooperation; and
- **Prohibits** the use of funds to support entertainment entities that produce Chinese propaganda. The DOD would be required to issue a policy within 180 days of the bill's passage describing how it would comply with this provision.

The Strategic Arsenal. The bill:

- **Prohibits** the DOD from reducing the quantity of intercontinental ballistic missiles (ICBMs) or from reducing the responsiveness or alert levels of U.S. ICBMs;
- **Requires** a joint congressional briefing from the Office of the Secretary of Defense's (OSD's) Acquisition and Sustainment department, OSD's Policy department, and the Vice Chairman of the Joint Chiefs of Staff on the impacts of modernization delays;
- **Limits** the use of funds to dismantle the B83 nuclear bomb (the largest nuclear weapon in the U.S. stockpile);
- **Prohibits** the use of funds to reduce the number of ICBMs below 400;
- **States** the sense of Congress that there should be a third missile defense site in the U.S.;

- **Allocates** \$90 million for the W80 nuclear sea-launched cruise missile (SLCM-N) warhead; and
- **Permits** the Government Accountability Office to audit and exert federal oversight over the DOD’s Nunn–McCurdy Review of the Sentinel ICBM (evaluating the Minuteman III fleet).

The Army. The bill:

- **Mandates** the creation of a drone corps (a separate drone branch)—consisting of a chief and commissioned and non-commissioned officers—with responsibility for unmanned aerial systems (UAS) and counter unmanned aerial systems (C-UAS);
- **Cuts** the procurement of the Next Generation Squad Weapon by 15 percent; and
- **Increases** the funding for the Army’s new 6.8 mm ammunition by 15 percent.

The Navy. The bill:

- **Allocates** \$1 billion to restore funding for a second *Virginia*-class submarine;
- **Cuts** funding for the *Constellation*-class frigate, citing a program delay; and
- **Blocks** the Navy from retiring two guided-missile cruisers, the USS *Shiloh* and the USS *Lake Erie*.

The Air Force. The bill:

- **Cuts** 10 F-35s from the Pentagon’s requested 68 (about a \$1 billion cut) and directs such funds back to the Joint Strike Fighter enterprise whose stealth jets are experiencing delays in upgrades;
- **Continues** to maintain 32 F-22 fighter jets;
- **Bars** the Air Force from divesting any F-15E aircraft until the Secretary of Defense delivers a report on how many fighter jets the Air Force determines it needs; **blocks** the Air Force’s divestment of 16 KC-135 Stratotankers;
- **Permits** 250 of the Air Force’s requested divestments—including the 56 A-10 Warthogs; and
- **Funds** the procurement of 24 F-15EXs, which would be acquired in FY 2026.

The Space Force. The bill:

- **Directs** the Space Force “to continue to budget and plan for the integration of cutting-edge commercial systems” including a Commercial Augmentation Space Reserve (CASR) program that compensates commercial space firms that promise to support the U.S. military in wartime if attacked; and
- **Directs** the Chief of Space Operations to submit a comprehensive plan to modernize the Satellite Control Network that manages day-to-day operations of many service satellites.