



## Just Getting Started: House passes NDAA; Senate version awaits.

On July 14, the House passed H.R. 2810, the FY 18 National Defense Authorization Act (NDAA), by a vote of 344-81. The bill authorizes \$696 billion for defense-related programs and sets military policy for the next fiscal year. Specifically, H.R. 2810 provides \$592.8 billion for military programs, an increase of \$18 billion over the President's request. It also sets Overseas Contingency Operations (OCO) funding at \$74.6 billion, which is not subject to budget caps; however, \$10 billion of that amount goes to regular defense programs. The budget cap is for FY 18 is set at \$549 billion; therefore the bill exceeds the cap by \$43.8 billion (\$53.8 billion including OCO funding that should be under regular budget authority).

The bill provides several key investments in EW funding and some important legislative and report language as outlined in last week's E-Crow [here](#). Below is a breakdown by funding category:

Category (total in billions)	Base	OCO	Total
<b>Procurement</b>	<b>\$127.9</b>	<b>\$18</b>	<b>\$145.8</b>
Army	\$24.3	\$3.44	\$27.74
Navy	\$50.6	\$6.81	\$57.41
Air Force	\$45.5	\$5.93	\$51.43
Marine Corps	\$2.07	\$0.214	\$2.28
<b>RDT&amp;E</b>	<b>\$84.1</b>	<b>\$2.09</b>	<b>\$86.1</b>
Army	\$9.65	\$0.338	\$9.98
Navy/USMC	\$18	\$0.157	\$18.16
Air Force	\$35.2	\$0.340	\$35.54
Defense-Wide	\$21	\$1.19	\$22.19
OT&E	\$0.210	-	\$0.210
<b>Operations &amp; Maintenance</b>	<b>\$240.3</b>	<b>\$48</b>	<b>\$288.3</b>
Army	\$40.4	\$14.8	\$55.2
Navy	\$45.4	\$5.94	\$51.34
Air Force	\$40.4	\$10.02	\$50.42
Marine Corps	\$7.1	\$0.952	\$8.15
Defense-Wide	\$34.8	\$7.28	\$42.08



## ASSOCIATION OF OLD CROWS

Attention now turns to the Senate as the Senate Armed Services Committee (SASC) reported its version on June 30. The bill provides a base defense budget of \$632 billion for military programs and \$60 billion for OCO funding, bringing toppling funding to \$700 billion. No word yet on when the bill might come to the floor. AOC will provide more details about the Senate bill in the coming days.

### **Congress moves forward on Budget and Appropriations**

The authorization process is but one part of the annual congressional budget cycle. A budget resolution (non-binding but important for budget priority framework and future spending plans) and appropriations bills, including the FY 18 Defense Appropriations bill are also set to hit the House floor this month. The House Budget Committee will mark-up its version of the budget resolution on July 19, and it is expected to be on the House floor next week. Specifically, the draft budget resolution calls for \$621.5 billion in base funding for the national defense budget, \$75 billion to fight the global war on terrorism. These amounts reflect the House OCO funding level, but a split in the difference between House and Senate base funding for defense programs.

Finally, the House Appropriations Subcommittee on Defense (HAC-D) approved its FY 18 Defense Appropriations Act on June 29. The bill provides a total of \$658.1 billion, including \$584.2 in discretionary funding, \$68.1 billion increase over FY 2017, and \$73.9 billion for OCO. The defense bill is expected on the House floor in the coming weeks and then moves to the Senate where its outlook is much more uncertain. The increase in defense spending represented in the appropriations bill, and a top-line budget \$1.132 trillion, is where the budget caps truly come into play. Unless there is a bi-partisan agreement to raise the caps or the defense appropriations bill can garner 60 votes in the Senate, Congress is likely headed toward more stop-gap continuing resolutions or another omnibus appropriations bill. AOC will release more information on all the defense budget legislation in the coming weeks.

