

# FY2024 Defense Budget Request: Context and Selected Issues for Congress

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# FY2024 Defense Budget Request: Context and Selected Issues for Congress

This report provides an overview of the \$910.8 billion in total funding for national defense-related activities requested in the FY2024 President's budget, with a focus on the \$842.0 billion in discretionary funding requested for the U.S. Department of Defense (DOD). Most funding for national defense is subject to an annual defense authorization and appropriations process in Congress.

According to DOD, the department's portion of the FY2024 President's budget request was informed by the President's 2022 National Security Strategy (NSS) and the Secretary of Defense's 2022 National Defense Strategy (NDS). The 2022 NSS discussed U.S. worldwide interests, goals, and objectives considered vital to national security, and identified among its priorities "outcompeting" China and "constraining" Russia. In explaining how DOD plans to support U.S. objectives articulated in the NSS, the 2022 NDS identified the following objectives: defending the homeland (tied to the threat posed by the People's Republic of China or PRC); deterring strategic attacks against the United States, allies, and partners; deterring aggression, prioritizing the PRC, then Russia; and building a resilient Joint Force and defense ecosystem.

On March 9, 2023, President Joe Biden submitted to Congress a \$7 trillion budget request for FY2024. Of that amount, \$910.8 billion (13%) was for national defense-related activities, including \$886.4 billion for discretionary programs and \$24.4 billion for mandatory programs. The FY2024 President's budget requested \$863.5 billion for DOD-Military activities; \$35.1 billion for atomic energy defense activities; and \$12.1 billion for other defense-related activities. The \$863.5 billion requested for DOD-Military activities included \$842.0 billion in discretionary funding and \$21.5 billion in mandatory funding. In nominal terms (i.e., not adjusting for inflation), the \$842.0 billion requested for DOD activities in FY2024 is \$26.0 billion (3.2%) more than the \$816.0 billion enacted for such activities in FY2023, excluding supplemental funding for Ukraine and other purposes. In estimated real terms (i.e., adjusting for inflation), the FY2024 request is \$6.9 billion (0.8%) more than the amount enacted for such activities in FY2023, excluding supplemental funding for Ukraine and other purposes.

The FY2024 DOD budget requested funding for an end-strength of 2,074,000 military personnel in the active and reserve components—13,344 (0.6%) fewer personnel than the FY2023 authorized level. The request included funding for a basic pay raise of 5.2%, in line with the formula in current law. The DOD budget requested more funding than was enacted in FY2023 for the certain major weapon systems (e.g., Virginia-class submarine, F-35 fighter aircraft, and the Constellation-class frigate, among others). The request included less funding than was enacted in FY2023 for other major weapon systems (e.g., Ford-class aircraft carrier, San Antonio-class landing platform dock ship, C-130J cargo aircraft, among others). The request proposed \$3.8 billion in operating cost savings from divesting or discontinuing a limited number of existing weapons systems (e.g., A-10 attack aircraft, F-22 and F-15 fighter aircraft, and MQ-9 remotely piloted aircraft; Littoral Combat Ships, dock-landing ships, guided-missile cruisers; and missile detection systems, among others). The DOD budget requested \$20.9 billion for Operation Inherent Resolve, the U.S. military operation against the Islamic State in Iraq and Syria, and other requirements in the U.S. Central Command area of responsibility. The department also identified \$9 billion for the Pacific Deterrence Initiative to expand force posture in U.S. Indo-Pacific Command, and \$3.6 billion for the European Deterrence Initiative to expand force posture in U.S. European Command—excluding \$300 million for the Ukraine Security Assistance Initiative to provide direct assistance to the military and security forces of Ukraine. DOD has indicated it plans to request additional funding for Ukraine, if necessary, in supplemental appropriations.

The Congressional Budget Office (CBO) projects federal spending will continue to exceed revenues. This trend has raised questions about whether pressure to reduce the federal deficit may affect defense budget plans. In recent decades, during periods of widening gaps between revenues and outlays, Congress has sometimes enacted legislation intended to reduce the deficit in part by limiting defense spending. In considering FY2024 defense authorization and appropriations legislation, Congress may decide whether to authorize and appropriate lesser, the same, or greater amounts than those requested for these and other national defense-related activities; allocate funding for DOD shorter- vs. longer-term priorities (e.g., readiness, modernization, and force structure); and balance oversight with department budgetary flexibility.

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## Introduction

This report provides an overview of the \$910.8 billion in total funding for national defense-related activities in the FY2024 President's budget request, with a focus on the \$842.0 billion in discretionary funding for U.S. Department of Defense (DOD) programs, projects, and activities.<sup>1</sup> DOD is the largest U.S. government agency in terms of assets and personnel, with more than \$3.5 trillion in reported assets and nearly three million military and civilian personnel.<sup>2</sup> The department's 2.1 million military personnel and 795,000 civilian personnel work from more than 500 installations spanning 50 states, seven U.S. territories, and more than 40 countries.<sup>3</sup> In addition, approximately 60,000 companies provide contracted goods and services in support of military requirements.<sup>4</sup>

Most funding for national defense is subject to an annual defense authorization and appropriations process in Congress. This two-part process typically involves enactment of an authorization act to set policy and recommend funding levels for defense programs, projects, and activities; and appropriations acts to provide funding for such activities. A single bill, known as the National Defense Authorization Act (NDAA), authorizes most appropriations for national defense-related activities.<sup>5</sup> Several appropriations acts provide funding for such activities—the largest of which is the Department of Defense Appropriations Act.<sup>6</sup> In considering FY2024 defense authorization and appropriations legislation, Congress may decide whether to authorize and appropriate lesser, the same, or greater amounts than those requested for these and other national defense-related activities; how to prioritize funding for DOD readiness, modernization, and force structure; and how to balance congressional oversight with department budgetary flexibility.

<sup>1</sup> The U.S. Department of Defense's (DOD) budget request is delivered to the White House Office of Management and Budget (OMB) and submitted to Congress as part of the President's budget in accordance with 31 U.S.C. §1105 and 10 U.S.C. Ch. 9. In accordance with these laws, DOD sets procedures for displaying budget request information in DOD *Financial Management Regulation*, DOD 7000.14-R, Volumes 2a and 2b, "Budget Formulation and Presentation," at <https://comptroller.defense.gov/fmr/>.

<sup>2</sup> DOD, *United States Department of Defense Agency Financial Report: Fiscal Year 2022*, November 15, 2022, pp. 39, 41, at [https://comptroller.defense.gov/Portals/45/Documents/afr/fy2022/DoD\\_FY22\\_Agency\\_Financial\\_Report.pdf](https://comptroller.defense.gov/Portals/45/Documents/afr/fy2022/DoD_FY22_Agency_Financial_Report.pdf).

<sup>3</sup> *Ibid.*, p. 12. DOD, *Annual Energy Management and Resilience Report (AEMRR): Fiscal Year 2021*, October 2022, p. 5, at <https://www.acq.osd.mil/eie/Downloads/IE/FY%202021%20AEMRR.pdf>. See also 10 U.S.C. §123b. DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 4-7, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_Budget_Request_Overview_Book.pdf).

<sup>4</sup> National Defense Industrial Association, *Vital Signs 2023*, February 10, 2023, p. 13, at <https://www.ndia.org/policy/publications/vital-signs>. Approximately 7,200 of these companies are active prime contractors (i.e., companies contracting directly with DOD); the remaining companies are sub-contractors. See DOD, *Defense Manpower Profile Report: Fiscal Year 2023*, July 2022, p. 131, at <https://prhome.defense.gov/Portals/52/Documents/RFM/MPP/docs/Cleared%20FY23%20DMPR%20-%20Approved.pdf>.

<sup>5</sup> For overviews of the NDAA process and organization of the bill, see CRS In Focus IF10515, *Defense Primer: The NDAA Process*, by Valerie Heitshusen and Brendan W. McGarry and CRS In Focus IF10516, *Defense Primer: Navigating the NDAA*, by Brendan W. McGarry and Valerie Heitshusen.

<sup>6</sup> Funding for national defense-related activities typically appears in the Department of Defense Appropriations Act; Energy and Water Development and Related Agencies Appropriations Act; Military Construction, Veterans Affairs, and Related Agencies Appropriations Act; Commerce, Justice, Science, and Related Agencies Appropriations Act; Department of Homeland Security Appropriations Act; and Transportation, Housing and Urban Development, and Related Agencies Appropriations Act. For more information on the defense appropriations process, see CRS In Focus IF10514, *Defense Primer: Defense Appropriations Process*, by James V. Saturno and Brendan W. McGarry.

For more information on the FY2024 defense budget request, see CRS Video WVB00556, *FY2024 Defense Budget Request: Issues for Congress*. For brief overviews of various defense topics, see CRS Report R44757, *Defense Primer: A Guide for New Members*, by Bryce H. P. Mendez and Lawrence Kapp. For points of contact on certain defense topics, see CRS Report R47502, *Defense and Intelligence: CRS Experts and Points of Contact*, by Bryce H. P. Mendez.

## Background

### Strategic Context<sup>7</sup>

According to DOD, the President's National Security Strategy (NSS) and the Secretary of Defense's National Defense Strategy (NDS) informed the department's portion of the FY2024 President's budget request.<sup>8</sup> By law, the President is required to submit to Congress a National Security Strategy (NSS; 50 U.S.C. §3043) and the Secretary of Defense a National Defense Strategy (NDS; 10 U.S.C. §113).<sup>9</sup> The NSS is intended to discuss U.S. worldwide interests, goals, and objectives that are vital to national security. The NDS is intended to explain how DOD plans to support U.S. objectives articulated in the NSS.

On October 12, 2022, President Joe Biden released his Administration's 2022 *National Security Strategy*.<sup>10</sup> The document identified two overarching strategic challenges: (1) competition among major powers (e.g., the United States and China) to shape the international order following the end of the post-Cold War era; and (2) struggle among countries to cope with the effects of borderless threats (e.g., climate change, food insecurity, communicable diseases, terrorism, energy shortages, inflation).<sup>11</sup> The document identified three priorities: (1) "outcompeting" China and "constraining" Russia; (2) cooperating with allies and partners on shared challenges (e.g., climate and energy security, pandemics and biodefense, food insecurity, arms control and non-proliferation, and terrorism); and (3) shaping international rules in certain areas of dispute (e.g., technology, cyberspace, and trade and economics).<sup>12</sup>

On October 27, 2022, Secretary of Defense Lloyd J. Austin III released DOD's 2022 *National Defense Strategy*,<sup>13</sup> published simultaneously with the 2022 *Nuclear Posture Review* and the 2022 *Missile Defense Review*.<sup>14</sup> The 2022 NDS identified multiple strategic challenges facing the

<sup>7</sup> This section was coordinated with Nathan J. Lucas, Section Research Manager of the Defense Policy and Arms Control Section.

<sup>8</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 1-1.

<sup>9</sup> See 50 U.S.C. §3043.

<sup>10</sup> White House, "Fact Sheet: The Biden-Harris Administration's National Security Strategy," press release, October 12, 2022, at <https://www.whitehouse.gov/briefing-room/statements-releases/2022/10/12/fact-sheet-the-biden-harris-administrations-national-security-strategy/>.

<sup>11</sup> White House, *National Security Strategy*, October 12, 2022, p. 6, at <https://www.whitehouse.gov/wp-content/uploads/2022/11/8-November-Combined-PDF-for-Upload.pdf>. For more background and analysis on great power competition, see CRS Report R43838, *Great Power Competition: Implications for Defense—Issues for Congress*, by Ronald O'Rourke.

<sup>12</sup> *Ibid.*, p. 23.

<sup>13</sup> DOD, *2022 National Defense Strategy of the United States of America*, October 27, 2022, at <https://media.defense.gov/2022/Oct/27/2003103845/-1/-1/1/2022-NATIONAL-DEFENSE-STRATEGY-NPR-MDR.PDF>.

<sup>14</sup> For more information on the Nuclear Posture Review, see CRS In Focus IF12357, *2022 Nuclear Posture Review: Selected Programmatic Issues*, by Alexandra G. Neenan and CRS In Focus IF12266, *2022 Nuclear Posture Review*, by Paul K. Kerr.

United States in the international security environment, including China as the challenge against which to pace modernization of the armed forces and other activities of DOD; Russia as an “acute” threat; and North Korea, Iran, and violent extremist organizations (e.g., al-Qaeda and the Islamic State) as “persistent” threats.<sup>15</sup> The document also identified challenges posed by evolving technologies (e.g., hypersonic and counter-space weapons), competitors’ tactics in military confrontations short of conventional war (i.e., the so-called *gray zone*),<sup>16</sup> and climate change and other borderless threats (e.g., more frequent extreme weather conditions and pandemics).<sup>17</sup>

To address these challenges, the 2022 NDS identified the following priorities: defending the homeland, tied to the threat posed by the PRC; deterring strategic attacks against the United States, allies, and partners; deterring aggression, prioritizing PRC then Russia; and building a resilient Joint Force and defense ecosystem.<sup>18</sup> The document proposed an approach known as *integrated deterrence*, advancing these priorities by using tools of national power and those of allies and partners to deter potential adversaries, in part by the imposition of costs. The NDS also proposed better coordinating military exercises and activities to shape operational environments, an approach called *campaigning*. The document called for building enduring advantages in part by updating business management practices and making improved technological investments.<sup>19</sup> The 2022 NDS described sizing and shaping the armed forces “to simultaneously defend the homeland; maintain strategic deterrence; and deter and, if necessary, prevail in conflict.”<sup>20</sup> The document does not articulate numbers or types of forces.

Some Members of the 118<sup>th</sup> Congress have proposed increasing defense funding at a level that exceeds inflation, citing, in part, the need to prepare for long-term strategic competition with China and Russia.<sup>21</sup> Other Members have proposed limiting FY2024 discretionary funding to FY2022 levels as part of a potential deal to raise the debt limit.<sup>22</sup> Still other Members have proposed setting limits on FY2024 and FY2025 discretionary funding for defense and non-defense activities. The House-introduced Fiscal Responsibility Act of 2023 (H.R. 3746) would

<sup>15</sup> DOD, *2022 National Defense Strategy of the United States of America*, October 27, 2022, pp. III and 2.

<sup>16</sup> For discussion of the term gray zone, see, for example, James J. Wirtz, “Life in the ‘Gray Zone’: observations for contemporary strategists,” *Defense and Security Analysis*, vol. 33, no. 2, pp. 106-114, at <https://www.tandfonline.com/doi/pdf/10.1080/14751798.2017.1310702>.

<sup>17</sup> DOD, *2022 National Defense Strategy of the United States of America*, October 27, 2022, p. 6.

<sup>18</sup> *Ibid.*, p. 7.

<sup>19</sup> *Ibid.*, pp. 8-13, 19-21.

<sup>20</sup> *Ibid.*, p. 17.

<sup>21</sup> See, for example, Representative Dale Strong, remarks in U.S. Congress, House Committee on Armed Services, *Full Committee Hearing: “FY24 Defense Budget Request”*, hearings, 118<sup>th</sup> Cong., 1<sup>st</sup> sess., March 29, 2023, at <https://armedservices.house.gov/hearings/full-committee-hearig-fy24-defense-budget-request> [sic].

<sup>22</sup> See, for example, House Freedom Caucus, “Shrink Washington, Grow America,” press release, March, 10, 2023, published on the website of Representative Clay Higgins, at <https://clayhiggins.house.gov/sites/evo-subsites/clayhiggins.house.gov/files/evo-media-document/shrink-washington-grow-america-release.pdf>. The House-passed Limit, Save, Grow Act of 2023 (H.R. 2811) would limit discretionary spending to \$1.47 trillion for FY2024 (excluding emergency appropriations and other specially designated funding). That figure equals the FY2022 level and is \$131.3 billion (8%) less than the FY2023 level enacted to date. For the FY2022 level, see CBO, *Status of Discretionary Appropriations Report*, August 31, 2022, p. 2, at <https://www.cbo.gov/system/files?file=2022-08/FY2022-House-2022-07-28.pdf>. For the FY2023 level, see CBO, *Status of Discretionary Appropriations Report*, February 10, 2023, p. 2, at <https://www.cbo.gov/system/files?file=2023-02/FY2023-House-2022-12-23.pdf>. For a brief overview of the debt limit, see CRS In Focus IF10292, *The Debt Limit*, by Grant A. Driessen.

limit discretionary funding for national defense activities to \$886.3 billion in FY2024 and \$895.2 billion in FY2025.<sup>23</sup>

## Budgetary Context

National defense activities are supported with mostly *discretionary* funding but also some *mandatory* (sometimes referred to as *direct*) funding.<sup>24</sup> Congress provides discretionary funding by enacting appropriations legislation. Congress controls mandatory and other funding (for programs like Medicare, Medicaid, and Social Security) typically by defining eligibility criteria and setting benefit or payment rules in other laws.<sup>25</sup>

CBO projects federal spending will continue to exceed revenues (see **Figure 1**).<sup>26</sup> This projection raises questions about whether pressure to reduce the federal deficit may affect defense budget plans. In particular, CBO projected a federal budget deficit of \$1.4 trillion in 2023, or 5.4% of GDP.<sup>27</sup> CBO projected debt held by the public increasing to \$25.7 trillion in 2023, or 98% of GDP.<sup>28</sup> (The organization's 10-year forecast projected such debt increasing to 118% of GDP in 2033—which would mark the highest level ever recorded.<sup>29</sup>)

<sup>23</sup> H.R. 3746, §101; 2 U.S.C. 900(c)(4)(D) states, “The term ‘revised security category’ means discretionary appropriations in budget function 050.” For budget functions, see OMB, *The President’s Budget for Fiscal Year 2024*, Supplemental Materials, Public Budget Database, User’s Guide, Table 2, “Table 2. Listing of Functions and Subfunctions,” pp. 24-26, at [https://www.whitehouse.gov/wp-content/uploads/2023/03/db\\_guide\\_fy2024.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/03/db_guide_fy2024.pdf).

<sup>24</sup> In general, discretionary spending refers to outlays from budget authority provided in appropriations acts; mandatory, or direct, spending refers to outlays from budget authority provided in other laws. For more information, see Government Accountability Office (GAO), *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734, September 2005, pp. 46, 66, at <https://www.gao.gov/assets/gao-05-734sp.pdf>.

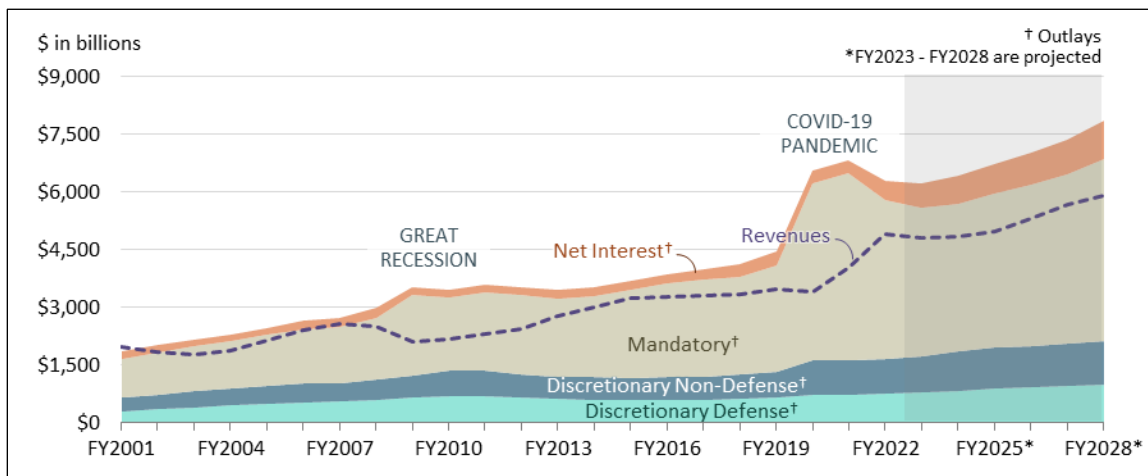
<sup>25</sup> For more information, see CRS Report R46468, *A Brief Overview of the Congressional Budget Process*, by James V. Saturno; and CRS In Focus IF12105, *Introduction to Budget Authority*, by James V. Saturno.

<sup>26</sup> OMB, Budget of the United States Government, Fiscal Year 2024, Historical Tables, Table 1.3, “Summary of Receipts, Outlays, and Surpluses or Deficits (-) in Current Dollars, Constant (FY 2012) Dollars, and as Percentages of GDP: 1940-2028,” March 13, 2023, at <https://www.govinfo.gov/content/pkg/BUDGET-2024-TAB/xls/BUDGET-2024-TAB-2-3.xlsx>; Table 8.1, “Outlays by Budget Enforcement Act Category: 1962-2028,” at <https://www.govinfo.gov/content/pkg/BUDGET-2024-TAB/xls/BUDGET-2024-TAB-9-1.xlsx>; and CBO, Budget and Economic Data, 10-Year Budget Projections, Table 1-1, “CBO’s Baseline Budget Projections, by Category,” February 2023, at <https://www.cbo.gov/data/budget-economic-data#3>, and Spending Projections, by Budget Account, “February 2023 Baseline,” at <https://www.cbo.gov/system/files/2023-02/51142-2023-02-Spending-Projections.xlsx>.

<sup>27</sup> Congressional Budget Office (CBO), *The Budget and Economic Outlook: 2023 to 2033*, February 2023, p. 5, at <https://www.cbo.gov/system/files/2023-02/58848-Outlook.pdf>.

<sup>28</sup> *Ibid.*, p. 6.

<sup>29</sup> *Ibid.*, “At a Glance.”

**Figure I. Outlays by Category and Revenues, FY2001-FY2028 (Projected)**

**Source:** Figure created by CRS using data from OMB, *Budget of the United States Government, Fiscal Year 2024*, Historical Tables, Table I.3 and Table 8.1, March 2023; and CBO, *Budget and Economic Data, 10-Year Budget Projections*, Table I-1, and *Spending Projections*, by Budget Account, February 2023.

**Notes:** Amounts are in nominal, or current, dollars (i.e., not adjusted for inflation). FY2001-FY2022 amounts from OMB; FY2023-FY2028 projections from CBO.

During periods of widening gaps between revenues and outlays, Congress has sometimes enacted legislation intended to reduce the deficit in part by limiting defense spending.<sup>30</sup> For example, after the deficit reached nearly 10% of GDP in 2009,<sup>31</sup> Congress enacted the Budget Control Act of 2011 (BCA; P.L. 112-25), which reinstated statutory limits, or caps, on discretionary spending from FY2012 to FY2021 and included separate annual limits for defense spending.

In December 2022, CBO identified options for reducing the deficit, such as by reducing DOD funding by more than \$1 trillion over a decade by changing military force structure.<sup>32</sup> Other options included smaller defense reductions, such as by capping increases in basic pay for military service members, replacing some military personnel with civilian employees, stopping building Ford-class aircraft carriers, reducing the size of the nuclear triad, canceling the Long-Range Standoff Weapon (LRSO), canceling the Army's Future Vertical Lift Aircraft program, deferring development of the B-21 bomber, reducing the size of the bomber force by retiring the B-1B, reducing the size of the fighter force by retiring the F-22, and reducing the Basic Allowance for Housing (BAH) to 80% of average housing costs.<sup>33</sup>

Adjusting for inflation, the level of defense spending projected for national defense in FY2024 is higher than during the Cold War-era military buildup of the 1980s and lower than during the

<sup>30</sup> For more information and analysis on the discretionary spending caps under the Budget Control Act, see CRS Insight IN12093, *Were the Discretionary Spending Caps Effective?*, by Megan S. Lynch; CRS Video WVB00305, *Budget Control Act: Overview*, by Megan S. Lynch and Grant A. Driessen; and CRS Report R44039, *The Defense Budget and the Budget Control Act: Frequently Asked Questions*, by Brendan W. McGarry.

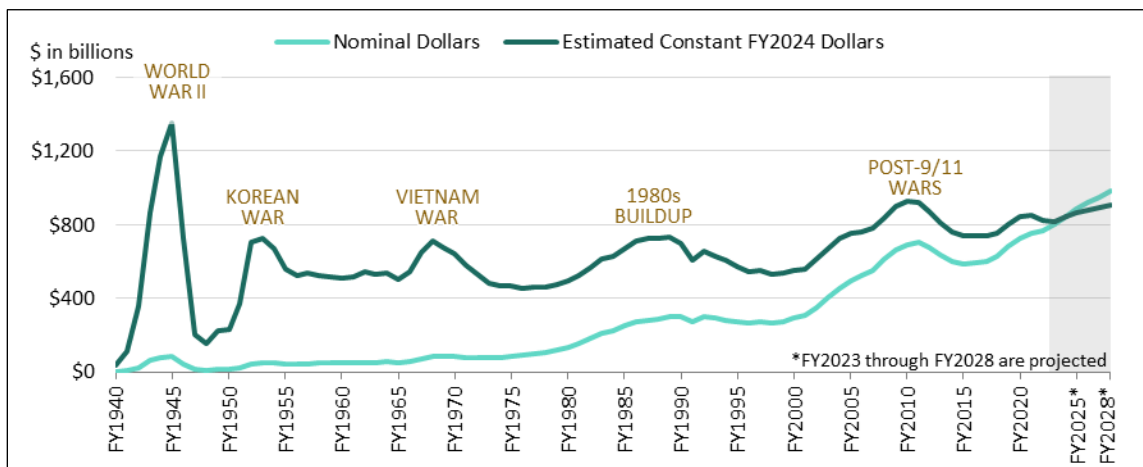
<sup>31</sup> OMB, Historical Tables, Table 1.2, "Summary of Receipts, Outlays, and Surpluses or Deficits (-) as percentages of GDP: 1930-2025," at <https://www.govinfo.gov/content/pkg/BUDGET-2024-TAB/xls/BUDGET-2024-TAB-2-2.xlsx>.

<sup>32</sup> CBO, *Options for Reducing the Deficit, 2023 to 2032—Volume I: Larger Reductions*, December 7, 2022, at <https://www.cbo.gov/system/files/2022-12/58164-budget-options-large-effects.pdf>.

<sup>33</sup> CBO, *Options for Reducing the Deficit, 2023 to 2032—Volume II: Smaller Reductions*, December 7, 2022, at <https://www.cbo.gov/system/files/2022-12/58163-budget-options-small-effects.pdf>.

height of post-9/11 operations in Iraq and Afghanistan. Defense spending is projected to increase 7% in real terms over the five-year period through FY2028 (see **Figure 2**).<sup>34</sup>

**Figure 2. National Defense Outlays, FY1940-FY2028 (Projected)**



**Source:** Figure created by CRS using data from OMB *Budget of the United States Government, Fiscal Year 2024*, Historical Tables, Table 3.1 and Table 10.1, March 2023; and CBO, *Budget and Economic Data, Spending Projections*, by Budget Account, February 2023.

**Notes:** Figures adjusted to estimated constant FY2024 dollars using “Total Defense” deflator in OMB Table 10.1. FY2021-FY2022 amounts from OMB; FY2023-FY2028 projections from CBO.

## FY2024 President’s Budget Request

On March 9, 2023, President Biden submitted to Congress a \$7 trillion budget request for FY2024.<sup>35</sup> Of that amount, \$910.8 billion (13%) was for national defense-related activities, including discretionary and mandatory programs.<sup>36</sup>

## National Defense

National defense is one of 20 major functions used by OMB to organize budget data, and is the largest in terms of discretionary funding. Identified by the label 050, the national defense budget function is the broadest measure by which the U.S. government categorizes defense funding. The function comprises the following subfunctions: DOD-Military (identified by the notation 051), including military and intelligence activities of DOD; Atomic energy defense activities (053), including nuclear weapons and reactor programs of the Department of Energy; and Defense-related activities (054), including national security activities of several other agencies, such as

<sup>34</sup> When making budgetary projections, CBO is required to adhere to rules specified in §257 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended (Title II of P.L. 99-177). For its projections of discretionary funding related to federal personnel, CBO is required to use the employment cost index for wages and salaries to adjust for inflation; for its projections of other types of discretionary funding, the agency is required to use the GDP price index. For more information, see CBO, *The Budget and Economic Outlook: 2023 to 2033*, February 2023, p. 73.

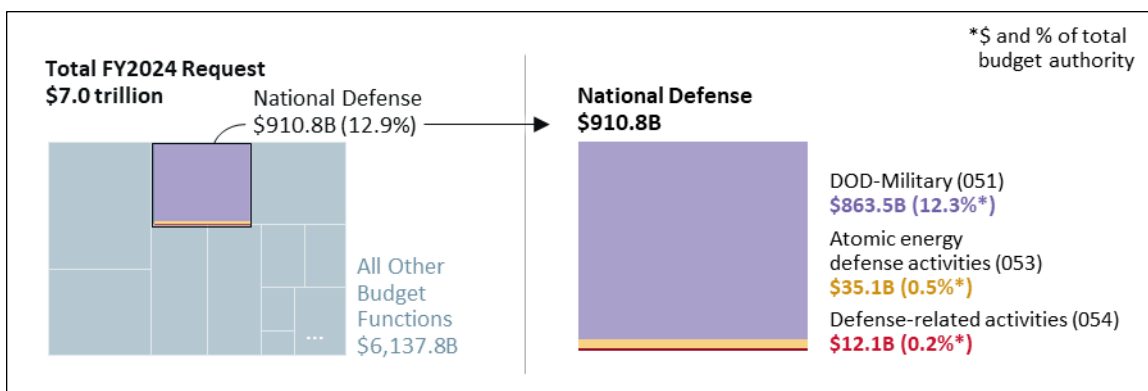
<sup>35</sup> OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1, “Budget Authority and Outlays by Function, Category, and Program,” March 13, 2023, at <https://www.govinfo.gov/content/pkg/BUDGET-2024-PER/pdf/BUDGET-2024-PER-6-1-1.pdf>.

<sup>36</sup> Ibid.

Federal Bureau of Investigation counterintelligence activities. Historically, DOD has received the vast majority of funding within the national defense budget function.

Of the \$910.8 billion (13%) requested for national defense-related activities in FY2024, \$863.5 billion was for DOD-Military (12.3% of the federal budget); \$35.1 billion was for atomic energy defense activities (0.5%); and \$12.1 billion was for defense-related activities (0.2%) (see **Figure 3**).

**Figure 3. FY2024 President’s Budget Request for National Defense Budget Function**



**Source:** Figure created by CRS using data from OMB, *Budget of the United States Government, Fiscal Year 2024*, Historical Tables, Table 5.1, March 2023.

**Notes:** Total budget authority includes funding for discretionary and mandatory programs. Amounts and percentages may not sum due to rounding.

In nominal terms (i.e., not adjusting for inflation), the \$910.8 billion requested for national defense-related activities in FY2024 is \$5.3 billion (0.6%) more than the \$905.5 billion enacted for such activities to date in FY2023, including supplemental funding for Ukraine and other purposes.<sup>37</sup> In estimated real terms (i.e., adjusting for inflation), the FY2024 request is \$15.9 billion (1.7%) less than the amount enacted for such activities to date in FY2023, including supplemental funding for Ukraine and other purposes (see **Table 1**).<sup>38</sup>

The FY2024 President’s budget request for national defense activities included a total of \$886.4 billion in discretionary funding and \$24.4 billion in mandatory funding. For DOD, funding for most discretionary programs is authorized and appropriated for accounts within major budgetary categories, or titles, such as operation and maintenance (O&M), military personnel (MILPERS), research, development, test, and evaluation (RDT&E), and procurement. For DOD, funding for mandatory programs mostly covers accrual payments for future *concurrent receipt* benefits, such as military retired pay from DOD and disability compensation from the Department of Veterans Affairs.<sup>39</sup>

<sup>37</sup> Ibid.

<sup>38</sup> CRS analysis of OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1, and Historical Tables, Table 10.1, “Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2028.”

<sup>39</sup> For more information on FY2024 mandatory funding for concurrent receipt, see the “Concurrent Receipt” section.

**Table I. Funding for National Defense by Budget Sub-function and Type, FY2023-FY2024 (Requested)**

(in billions of nominal and estimated constant FY2024 dollars of budget authority)

Budget Sub-function	FY23 Enacted	FY23 (in Constant FY24 \$)	FY24 Request	\$ Change	% Change	\$ Change (Real)	% Change (Real)
DOD-Military (051), Discretionary	\$848.81	\$868.67	\$842.01	-\$6.80	-0.8%	-\$26.66	-3.1%
DOD-Military (051), Mandatory	\$11.36	\$11.63	\$21.48	\$10.12	89.1%	\$9.85	84.7%
<b>Subtotal, DOD-Military (051)</b>	<b>\$860.18</b>	<b>\$880.30</b>	<b>\$863.49</b>	<b>\$3.32</b>	<b>0.4%</b>	<b>-\$16.81</b>	<b>-1.9%</b>
Atomic energy defense activities (053), Discretionary	\$31.56	\$32.30	\$32.85	\$1.29	4.1%	\$0.55	1.7%
Atomic energy defense activities, (053), Mandatory	\$2.17	\$2.22	\$2.30	\$0.13	6.0%	\$0.08	3.6%
<b>Subtotal, Atomic energy defense activities (053)</b>	<b>\$33.73</b>	<b>\$34.52</b>	<b>\$35.14</b>	<b>\$1.42</b>	<b>4.2%</b>	<b>\$0.63</b>	<b>1.8%</b>
Subtotal, Defense-related activities (054), Discretionary	\$10.99	\$11.25	\$11.52	\$0.53	4.8%	\$0.28	2.5%
Subtotal, Defense-related activities (054), Mandatory	\$0.56	\$0.58	\$0.59	\$0.03	5.3%	\$0.02	2.9%
<b>Subtotal, Defense-related activities (054)</b>	<b>\$11.55</b>	<b>\$11.82</b>	<b>\$12.12</b>	<b>\$0.56</b>	<b>4.9%</b>	<b>\$0.29</b>	<b>2.5%</b>
<b>Subtotal, 050, Discretionary</b>	<b>\$891.36</b>	<b>\$912.22</b>	<b>\$886.38</b>	<b>-\$4.99</b>	<b>-0.6%</b>	<b>-\$25.84</b>	<b>-2.8%</b>
<b>Subtotal, 050, Mandatory</b>	<b>\$14.10</b>	<b>\$14.42</b>	<b>\$24.37</b>	<b>\$10.28</b>	<b>72.9%</b>	<b>\$9.95</b>	<b>69.0%</b>
<b>Total, 050</b>	<b>\$905.46</b>	<b>\$926.64</b>	<b>\$910.75</b>	<b>\$5.29</b>	<b>0.6%</b>	<b>-\$15.89</b>	<b>-1.7%</b>

**Source:** CRS analysis of OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1, and Historical Tables, Table 10.1, "Gross Domestic Product and Deflators Used in the Historical Tables: 1940-2028."

**Notes:** Amounts include FY2023 supplemental funding. Figures adjusted to estimated constant FY2024 dollars using "Total Defense" deflator in OMB Table 10.1. Real changes are adjusted for inflation and based on the figures in column "FY23 (in Constant FY24 \$)". Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Department of Defense (DOD)-Military

### *Base Discretionary Funding for FY2024<sup>40</sup>*

In nominal terms (i.e., not adjusting for inflation), the \$842.0 billion requested in base discretionary funding for DOD-military activities in FY2024 is \$26.0 billion (3.2%) more than the \$816.0 billion enacted for such activities in FY2023, excluding supplemental funding for Ukraine and other purposes (see **Table 2**).<sup>41</sup> In estimated real terms (i.e., adjusting for inflation), the FY2024 request is \$6.9 billion (0.8%) more than the amount enacted for such activities in FY2023, excluding supplemental funding for Ukraine and other purposes.<sup>42</sup>

**Table 2. DOD Base Discretionary Funding by Major Appropriation Title, FY2023-FY2024 (Requested)**

(in billions of nominal and estimated constant FY2024 dollars of budget authority)

Title	FY2023 Enacted	FY2023 (in Constant FY2024 \$)	FY2024 Request	\$ Change	% Change	\$ Change (Real)	% Change (Real)
MILPERS	\$172.23	\$176.27	\$178.87	\$6.64	3.9%	\$2.61	1.5%
O&M	\$319.91	\$327.39	\$329.75	\$9.84	3.1%	\$2.34	0.7%
Proc.	\$163.74	\$167.57	\$170.05	\$6.31	3.9%	\$2.48	1.5%
RDT&E	\$139.40	\$142.67	\$144.98	\$5.58	4.0%	\$2.31	1.6%
Other	\$1.71	\$1.75	\$1.67	-\$0.03	-2.0%	-\$0.07	-4.2%
<b>Defense Bill<sup>a</sup></b>	<b>\$796.98</b>	<b>\$815.66</b>	<b>\$825.33</b>	<b>\$28.34</b>	<b>3.6%</b>	<b>\$9.67</b>	<b>1.2%</b>
MILCON	\$16.67	\$17.06	\$14.73	-\$1.94	-11.6%	-\$2.33	-13.7%
Family Housing	\$2.33	\$2.38	\$1.94	-\$0.39	-16.6%	-\$0.44	-18.5%
<b>MILCON Bill<sup>b</sup></b>	<b>\$19.00</b>	<b>\$19.45</b>	<b>\$16.68</b>	<b>-\$2.33</b>	<b>-12.2%</b>	<b>-\$2.77</b>	<b>-14.2%</b>
<b>Total</b>	<b>\$815.98</b>	<b>\$835.11</b>	<b>\$842.00</b>	<b>\$26.02</b>	<b>3.2%</b>	<b>\$6.93</b>	<b>0.8%</b>

**Source:** CRS analysis of DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, Table A-7.

**Notes:** Amounts exclude FY2023 supplemental funding. MILPERS is military personnel; O&M is operation and maintenance; Proc. is procurement; RDT&E is research, development, test, and evaluation; MILCON is military construction. Other includes revolving funds and offsetting receipts. Figures adjusted to estimated constant FY2024 dollars using “Total Defense” deflator in OMB Table 10.1. Real changes are adjusted for inflation and

<sup>40</sup> The DOD *base* budget generally refers to the regularly recurring costs to staff, train, and equip the armed services; it excludes supplemental or specially designated funding for emergencies or other purposes.

<sup>41</sup> CRS analysis of DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, Table A-7, “DoD Base Budget by Appropriation Title,” p. A-5, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024\\_Budget\\_Request\\_Overview\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_Budget_Request_Overview_Book.pdf); and OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1, and Table 10.1.

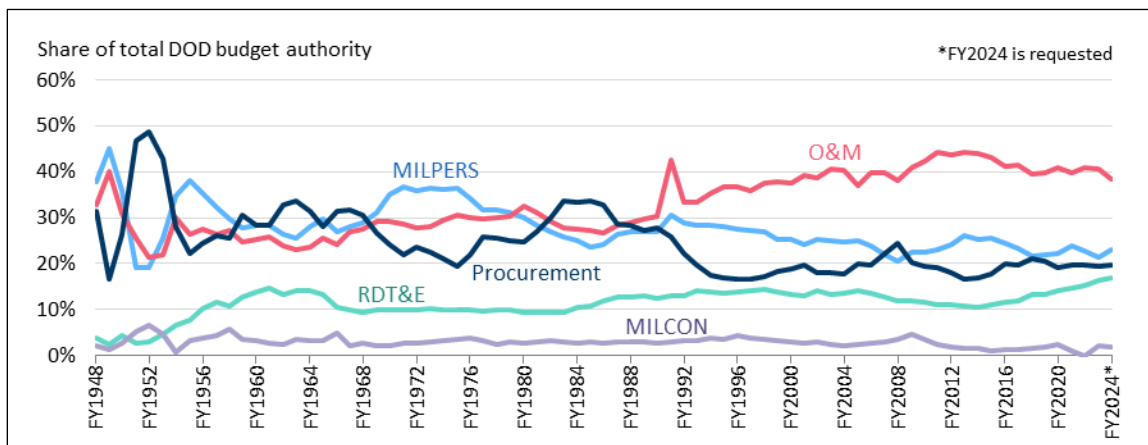
<sup>42</sup> Ibid.

based on the figures in column “FY2023 (in Constant FY24 \$).” Figures may not sum due to rounding. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

- Funding for these activities is typically provided in the annual Department of Defense Appropriations Act.
- Funding for these activities is typically provided in the annual Military Construction, Veterans Affairs, and Related Agencies Appropriations Act.

In terms of major DOD appropriation titles, the department requested the largest share of FY2024 discretionary funding, 39.2%, for Operation and Maintenance (or O&M) to cover the operating costs of the armed services; followed by 21.2% for Military Personnel (or MILPERS) to pay for service members; 20.2% for Procurement to buy weapons, equipment, and services; 17% for Research, Development, Test, and Evaluation (or RDT&E) to develop new technology; and 2% for military construction (or MILCON) and family housing.<sup>43</sup> Like the overall federal budget, the makeup of the DOD budget has changed over time. FY2024 requested funding for O&M and RDT&E, for example, constitute larger percentages, and for Procurement, MILPERS, and MILCON smaller percentages, of the DOD budget than their historical averages since FY1948, illustrating shifts in priorities relating to readiness, modernization, and force structure (see **Figure 4**).<sup>44</sup>

**Figure 4. DOD Budget Authority by Public Law Title, FY1948-FY2024 (Requested)**



**Source:** Figure created by CRS using data from DOD, Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2023*, Table 6-8, July 2022; and OMB, *Budget of the United States Government, Fiscal Year 2024*, Historical Tables, Table 5.1, March 2023.

**Notes:** MILPERS is military personnel; O&M is operation and maintenance; Proc. is procurement; RDT&E is research, development, test, and evaluation; MILCON is military construction and family housing. Percentages for other categories (i.e., Revolving and Management Funds; Trust, Receipts, and Other; and War Out-year Placeholder) are not shown. FY1948-FY2021 amounts from DOD; FY2022-FY2024 amounts from OMB.

### Supplemental Funding in FY2022 and FY2023 to Date

In addition to providing funding for planned or regularly occurring costs to staff, train, and equip the military, Congress sometimes provides funding for emergencies and unforeseen

<sup>43</sup> Ibid., p. A-2. For more background and analysis on the DOD budget, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>44</sup> Deputy Defense Secretary Kathleen H. Hicks has previously described balancing funding for readiness, investment (or modernization) and force structure as the “iron triangle of painful trade-offs.” See, for example, Kathleen Hicks, *Defense Strategy and the Iron Triangle of Painful Tradeoffs*, Center for Strategic and International Studies, June 21, 2017, at <https://defense360.csis.org/defense-strategy-and-the-iron-triangle-of-painful-tradeoffs/>.

contingencies. As one analyst has said of the challenge of allocating defense funding for strategic priorities, “reality gets a vote.”<sup>45</sup>

Congress has provided a combined total of \$70.2 billion in supplemental funding for DOD in FY2022 and FY2023 to date, mostly for the department’s response to Russia’s renewed and expanded invasion of Ukraine in February 2022.<sup>46</sup> In FY2022, Congress provided \$34.4 billion in supplemental funding for DOD (4.4% of total DOD discretionary funding), including \$26.6 billion for Ukraine, \$6.5 billion for the resettlement of Afghans in the United States and elsewhere, \$895 million for natural disaster relief, and \$350 million to address fuel tank leaks at the Red Hill Bulk Fuel Storage Facility in Hawaii.<sup>47</sup> In FY2023 to date, Congress has provided \$35.8 billion in supplemental funding for DOD, including \$35.7 billion for Ukraine and \$147 million for natural disaster relief (4.2% of total DOD discretionary funding).<sup>48</sup>

Congress may consider whether to provide DOD with additional supplemental funding for these or other activities in FY2023, or supplemental funding for these or other activities in FY2024.

### Inflation Assumptions and Effects<sup>49</sup>

The FY2024 President’s budget request, including the DOD portion of the request, assumed an inflation rate of 2.4% in FY2024, beginning October 1, 2023.<sup>50</sup> Congress has expressed interest in how relatively high levels of inflation have affected DOD programs, projects, and activities. For example, according to the Appropriations Committees, the Department of Defense Appropriations Act, 2023, provided nearly \$8 billion to address price increases caused by higher-than-projected inflation, including for assistance to military families, fuel and utilities, medical care, and procurement and R&D programs.<sup>51</sup> According to DOD, the department’s FY2024 budget request addresses “the recent inflationary impacts driven in part by the COVID-19 pandemic’s disruption of global supply chains and Russia’s unjustified and unprovoked invasion of Ukraine.”<sup>52</sup>

Differences between forecast and actual inflation have raised questions about the effectiveness of using *real growth* (i.e., the annual percentage increase after adjusting for inflation) as a standard

<sup>45</sup> Mackenzie Eaglen, “Hard Power, Hard Choices, and Cold, Hard Cash,” Horns of a Dilemma podcast, *War on the Rocks*, March 17, 2023, at <https://warontherocks.com/2023/03/hard-power-hard-choices-and-cold-hard-cash/>.

<sup>46</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. A-5. For more information on DOD supplemental funding for Ukraine, see CRS Insight IN12107, *Department of Defense Supplemental Funding for Ukraine: A Summary*, by Brendan W. McGarry.

<sup>47</sup> *Ibid.*, p. A-7.

<sup>48</sup> *Ibid.*

<sup>49</sup> According to the consumer price index (CPI), inflation stood at a seasonally adjusted 6.4% for the year ending in December, down from the June 2022 peak of 9.0%—but still well above the 2011-2020 average of 1.7%. For more information, see CRS Insight IN12091, *Will Inflation Continue to Fall?*, by Lida R. Weinstock and Marc Labonte.

<sup>50</sup> CRS analysis of OMB, *Budget of the United States Government, Fiscal Year 2024*, Historical Tables, Table 10.1, GDP (Chained) Price Index deflator; and DOD, “Comptroller Michael J. McCord and Vice Adm. Sara A. Joyner Hold a Press Briefing on President Biden’s Fiscal 2024 Defense Budget,” transcript, March 13, 2023, at <https://www.defense.gov/News/Transcripts/Transcript/Article/3327901/comptroller-michael-j-mccord-and-vice-adm-sara-a-joyner-hold-a-press-briefing-o/>.

<sup>51</sup> House Committee on Appropriations, “Fiscal Year 2023 Appropriations Bill Summary: Defense,” press release, December 23, 2022, at <https://democrats-appropriations.house.gov/sites/democrats-appropriations.house.gov/files/Defense%20FY23%20Summary.pdf>; and Senate Committee on Appropriations, “Summary, Subcommittee on Defense, Fiscal Year 2023 Appropriations Bill,” press release, December 19, 2022, at <https://www.appropriations.senate.gov/imo/media/doc/Defense%20FY%2023.pdf>.

<sup>52</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 4-1.

to evaluate the defense budget.<sup>53</sup> While DOD follows OMB assumptions for inflation in its overall budget request,<sup>54</sup> the department uses multiple price indices to estimate price changes in various types of activities.<sup>55</sup> In certain cases, FY2024 budget justification documents released by the individual military departments may not incorporate, or may only partially incorporate, the effects of inflation on estimated program costs.

Congress may choose to reevaluate inflation and other cost assumptions underlying DOD budget requests when considering FY2024 defense legislation, including how changes in such assumptions might affect estimated program costs in FY2024 and future years.<sup>56</sup> In the past, CBO identified options for adjusting appropriations when economic assumptions about inflation change, including: distinguish inflation costs from program costs; establish a special inflation fund; or fund inflation through supplemental appropriations.<sup>57</sup>

## Selected DOD Budget Issues for Congress

With DOD accounting for \$842.0 billion (95%) of the \$886.4 billion in discretionary funding requested for national defense in FY2024,<sup>58</sup> the annual budget process provides an opportunity for Congress to consider funding levels for various elements of the armed services. This section of the report discusses FY2024 funding requested for selected DOD matters.<sup>59</sup>

### Military Personnel (MILPERS)-Related Matters

The FY2024 DOD budget requested \$178.9 billion for military personnel (MILPERS) accounts—\$6.6 billion (4%) more than the FY2023 enacted level, excluding supplemental funding.<sup>60</sup>

MILPERS accounts typically fund cash compensation for military personnel, including basic pay, housing allowances, and special pays and bonuses for which some personnel are eligible.<sup>61</sup> MILPERS accounts also typically fund deferred (i.e., post-retirement) compensation—including military retired pay, Thrift Savings Plan retirement contributions, and the retiree health care plan

<sup>53</sup> See, for example, Travis Sharp, *How I Learned to Start Worrying and Hate Real Growth, Analysis of the 2023 Defense Budget Request*, Center for Strategic and Budgetary Assessments, July 18, 2022, at <https://csbaonline.org/research/publications/how-i-learned-to-start-worrying-and-hate-real-growth-analysis-of-the-2023-defense-budget-request>.

<sup>54</sup> DOD, *Department of Defense Inflation Handbook, 2<sup>nd</sup> Edition*, June 2011, p. 53, at <https://acqnotes.com/wp-content/uploads/2014/09/DoD-Inflation-Handbook-2nd-Edition.pdf>.

<sup>55</sup> See, for example, DOD, Office of the Under Secretary of Defense (Comptroller), *National Defense Budget Estimates for FY 2024*, Chapter 5, “Treatment of Inflation,” May 2023, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY24\\_Green\\_Book.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY24_Green_Book.pdf).

<sup>56</sup> The Department of Defense Appropriations Act, 2023 (Division C of P.L. 117-328) included inflation-related adjustments, including in DOD O&M accounts for utilities costs.

<sup>57</sup> CBO, *Budgeting for Defense Inflation*, January 1986, pp. 40-48, at <https://www.cbo.gov/sites/default/files/99th-congress-1985-1986/reports/86doc03b0.pdf>.

<sup>58</sup> OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1.

<sup>59</sup> CRS analysts identified the following topics based in part on interest and debate in the 118<sup>th</sup> Congress, 1<sup>st</sup> session.

<sup>60</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, Table A-7.

<sup>61</sup> For more background and analysis, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell, by Pat Towell.

known as TRICARE for Life—as well as permanent change of station travel and other expenses.<sup>62</sup>

### Military End-Strength<sup>63</sup>

The FY2024 DOD budget requested a military end-strength of 2,074,000 personnel, including 1,305,400 in the active components and 768,600 in the reserve components.<sup>64</sup> Compared to authorized end-strength levels from Section 401 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263), the FY2024 budget requested 11,544 fewer personnel in the active components, with most of the decrease requested for the Navy and Marine Corps.<sup>65</sup> The budget requested a reserve component end-strength of 768,600 personnel—1,800 fewer personnel than the FY2023 authorized level, with most of the decrease requested for the Army Reserve (see **Table 3**).<sup>66</sup> While the Army’s FY2024 active end-strength would remain unchanged in comparison to the FY2023 enacted end-strength, it reflects 33,000 fewer soldiers than the FY2022 enacted level—a decrease that has raised questions among experts about the effectiveness of recruiting and the proper size of ground forces.<sup>67</sup>

**Table 3. DOD Active and Reserve Component End-Strength,  
FY2023-FY2024 (Requested)**  
(in number of military personnel)

Service	FY2023 Enacted	FY2024 Request	# Change	% Change
Army	452,000	452,000	0	0.0%
Navy	354,000	347,000	-7,000	-2.0%
Marine Corps	177,000	172,300	-4,700	-2.7%
Air Force	325,344	324,700	-644	-0.2%
Space Force	8,600	9,400	800	9.3%
<b>Subtotal, Active Components</b>	<b>1,316,944</b>	<b>1,305,400</b>	<b>-11,544</b>	<b>-0.9%</b>
Army Reserve	177,000	174,800	-2,200	-1.2%
Navy Reserve	57,000	57,200	200	0.4%

<sup>62</sup> Ibid.

<sup>63</sup> For additional background and analysis on military end-strength, see CRS Report R43808, *Army Active Component (AC)/Reserve Component (RC) Force Mix: Considerations and Options for Congress*, by Andrew Feickert and Lawrence Kapp; CRS Report R44612, *How Big Should the Army Be? Considerations for Congress*, coordinated by Lawrence Kapp; and CRS Insight IN11994, *FY2023 NDAA: Active Component End-Strength*, by Lawrence Kapp.

<sup>64</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. A-4 to A-5.

<sup>65</sup> James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263, Div. A, Title IV, §§401, 411); DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. A-4. “End-strength” refers to a quantity of military personnel at the end of a fiscal year. “Actual strength” at the end of a fiscal year can be less than the authorized or enacted end-strength. DOD projects that it will end FY2023 with a total active duty actual strength about 21,000 less than authorized and enacted end-strength.

<sup>66</sup> Ibid., p. A-5.

<sup>67</sup> See, for example, Thomas Spoehr, *The Incredible Shrinking Army: NDAA End Strength Levels Are a Mistake*, The Heritage Foundation, January 4, 2023, at <https://www.heritage.org/defense/commentary/the-incredible-shrinking-army-ndaa-end-strength-levels-are-mistake>.

Service	FY2023 Enacted	FY2024 Request	# Change	% Change
Marine Corps Reserve	33,000	33,600	600	1.8%
Air Force Reserve	70,000	69,600	-400	-0.6%
Army National Guard	325,000	325,000	0	0.0%
Air National Guard	108,400	108,400	0	0.0%
<b>Subtotal, Reserve Components</b>	<b>770,400</b>	<b>768,600</b>	<b>-1,800</b>	<b>-0.2%</b>
<b>Total, Military Personnel</b>	<b>2,087,344</b>	<b>2,074,000</b>	<b>-13,344</b>	<b>-0.6%</b>

**Source:** CRS analysis of James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263, Div. A, Title IV, §§401, 411); DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. A-4 to A-5.

**Notes:** End-strength refers to quantities of military personnel at the end of a fiscal year. For information on DOD civilian personnel, see *ibid.*, p. 4-7. Percentages rounded to nearest tenth.

## Military Pay Raise<sup>68</sup>

The FY2024 DOD budget request includes funding for a basic pay raise of 5.2%, in line with the formula in current law.<sup>69</sup> Title 37, Section 1009 of the *U.S. Code* provides a permanent formula for an automatic annual adjustment of basic pay based on the Bureau of Labor Statistics Employment Cost Index (ECI), which measures changes in the wages and salaries of civilian, private industry, and state and local government workers. The FY2024 basic pay raise request of 5.2% is the largest since FY2002.<sup>70</sup>

## Concurrent Receipt<sup>71</sup>

In the military retirement context, *concurrent receipt* typically refers to provisions of law allowing certain retirees to receive two types of federal monetary benefits: military retired pay from DOD and disability compensation from the Department of Veterans Affairs (VA). The FY2024 President's budget request included \$20.7 billion in mandatory funding for accrual

<sup>68</sup> For additional background and analysis on the military pay raise, see CRS In Focus IF10260, *Defense Primer: Military Pay Raise*, by Lawrence Kapp; CRS Video WVB00429, *Pay and Allowances of the Armed Forces*, by Lawrence Kapp; and CRS Report RL33446, *Military Pay: Key Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.

<sup>69</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 4-1.

<sup>70</sup> P.L. 107-107, §601 waived the 37 U.S.C. §1009 adjustment in favor of basic pay raises, which varied between 5% and 10% depending on rank and years of service with a 6.9% average increase in basic pay for FY2002. In addition to basic pay, servicemembers receive other forms of military compensation including free government housing or housing allowance; subsistence allowance; subsidized child care for dependents; educational benefits; health care; as well as deferred compensation such as retirement benefits. For historical data on basic pay increases, see CRS Report RL33446, *Military Pay: Key Questions and Answers*, by Lawrence Kapp and Barbara Salazar Torreon.

<sup>71</sup> This section was coordinated with Kristy N. Kamarck, Specialist in Military Manpower. For an overview of concurrent receipt, see CRS In Focus IF10594, *Defense Primer: Concurrent Receipt of Military Retirement and VA Disability*, by Kristy N. Kamarck. For more background and analysis on concurrent receipt, see CRS Report R40589, *Concurrent Receipt of Military Retired Pay and Veteran Disability: Background and Issues for Congress*, by Kristy N. Kamarck and Mainon A. Schwartz.

payments for future concurrent receipt benefits—\$10.1 billion (95%) more than the \$10.6 billion budgeted for such payments in FY2023.<sup>72</sup> The increase followed updated assumptions of the DOD Board of Actuaries in 2022 to reflect higher Department of the Treasury costs for concurrent receipt accrual payments.<sup>73</sup> In particular, the normal cost percentage (NCP)—the share of a full-time servicemember’s basic pay used to determine an actuarial value of retirement benefits to fund each year—is 28.3% for the Treasury Department to pay concurrent receipt costs in FY2024, up from a previous estimate of 16.1%.<sup>74</sup> The board cited several factors as contributing to increasing concurrent receipt costs, including greater incentives among servicemembers to apply for the benefits, broader definitions of disability and higher disability ratings by the VA, and higher incidence of combat-related disability from recent conflicts.<sup>75</sup> The board recommended that Congress avoid understating DOD’s true costs associated with retirement benefits by amending or reinterpreting language in 10 U.S.C. §1465(c)(1) and (c)(4) so that DOD rather than Treasury funds at least a portion of the normal cost contributions to the Military Retirement Fund for concurrent receipt.<sup>76</sup>

## Operation and Maintenance (O&M)-Related Matters

The FY2024 DOD budget requested \$329.7 billion for operation and maintenance (O&M) accounts—\$9.8 billion (3%) more than the FY2023 enacted level, excluding supplemental funding.<sup>77</sup>

O&M accounts fund day-to-day requirements for military forces and operating bases, including food, clothing, and fuel; training and education of military personnel; civilian salaries; mission support to combatant commands; depot maintenance; spare parts; and certain activities of the Military Health System.<sup>78</sup> O&M accounts also fund various overseas activities, such as the Ukraine Security Assistance Initiative; the Counter-ISIS Train and Equipment Fund; Overseas Humanitarian, Disaster, and Civic Aid; environmental restoration activities; and the DOD Acquisition Workforce Development Fund; among other efforts.<sup>79</sup> DOD has identified certain O&M line items (also known as Sub-Activity Groups, or SAGs) as related to military readiness,

<sup>72</sup> OMB, *Budget of the United States Government, Fiscal Year 2024*, Analytical Perspectives, Table 24-1. These figures exclude additional concurrent receipt costs associated with unfunded liability payments.

<sup>73</sup> DOD, Board of Actuaries, *Minutes of the June 24, 2022, Meeting of the DoD Board of Actuaries*, July 29, 2022, p. 162 (of the PDF), at <https://actuary.defense.gov/Portals/15/2022%20DoD%20Board%20of%20Actuaries%20Meeting%20Minutes%20%28Final%29.pdf>. The board is an independent advisory committee under the Federal Advisory Committee Act (FACA; 5 U.S.C. Appendix) that approves the methods and assumptions used in calculating the normal cost percentages (NCP). With respect to concurrent receipt provisions, the DOD NCPs must be determined without regard to 10 U.S.C. §1413a or §1414.

<sup>74</sup> Ibid.

<sup>75</sup> Letter from DOD Board of Actuaries to Secretary of Defense Lloyd J. Austin III, “RE: Transferring the Cost of the Military Retirement Fund (MFR) from DoD to Treasury Due to Increasing Concurrent Receipt Benefits,” December 2, 2022, p. 2, on file with the authors.

<sup>76</sup> Ibid., p. 3.

<sup>77</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, Table A-7.

<sup>78</sup> For more background and analysis, see CRS Report R46965, *The Department of Defense (DOD) Budget: An Orientation*, by Pat Towell.

<sup>79</sup> Ibid. For more information on FY2024 funding requested for these and other overseas activities, see the “Other Selected Overseas Initiatives” section.

which DOD defines as “the ability of military forces to fight and meet the demands of assigned missions.”<sup>80</sup>

### Military Health System<sup>81</sup>

The FY2024 DOD budget requested \$58.7 billion for the Military Health System (MHS), which provides health care to approximately 9.5 million military personnel, retirees, and family members through military treatment facilities and certain civilian health care providers. Accounting for 7.0% of the FY2024 DOD budget request, MHS is \$0.3 billion more than the enacted FY2023 level. The MHS request includes \$38.4 billion for the Defense Health Program (a subset of O&M funding); \$9.2 billion for medical military personnel compensation; \$10.6 billion of contributions to a fund for future health care expenses of Medicare-eligible military retirees and families; and \$0.5 billion for medical military construction.<sup>82</sup> Congress may consider whether to seek additional information from DOD on plans for controlling long-term costs for overall health care, as private-sector care now accounts for approximately two-thirds of the total care delivered to beneficiaries; as well as on efforts to measure the efficiency and/or cost-effectiveness of certain MHS reforms.

### Ukraine Security Assistance Initiative (USAI)<sup>83</sup>

To date, Congress has provided \$113 billion in FY2022 and FY2023 supplemental funding in response to Russia’s renewed and expanded invasion of Ukraine in February 2022, including \$62 billion for DOD.<sup>84</sup> The FY2024 DOD budget requested \$300 million for the Ukraine Security Assistance Initiative (USAI) to provide direct security assistance to Ukraine’s military and security forces.<sup>85</sup> DOD has generally used USAI funding to procure weapons from defense contractors for Ukraine and Presidential Drawdown Authority (PDA) to transfer weapons from existing defense stocks to Ukraine.<sup>86</sup>

In previous fiscal year budget requests, DOD included USAI funding in a separate budget document (i.e., a budget display) for the European Deterrence Initiative (EDI). In the FY2024 budget request, DOD described separating USAI funds from EDI in part to distinguish funds directly supporting Ukraine from those aimed at reassuring allies and partner nations in the region. The department stated that the “EDI budget request continues to demonstrate the

<sup>80</sup> For additional background and analysis, see CRS Report R46559, *The Fundamentals of Military Readiness*.

<sup>81</sup> This section was coordinated with Bryce H.P. Mendez, Analyst in Defense Health Care Policy. For additional background and analysis on the Military Health System, see CRS In Focus IF12377, *FY2024 Budget Request for the Military Health System*; CRS In Focus IF10530, *Defense Primer: Military Health System*, by Bryce H. P. Mendez; CRS Insight IN11991, *FY2023 NDAA: TRICARE for Reservists*, by Bryce H. P. Mendez; CRS In Focus IF11109, *Defense Health Primer: Selected Contraceptive Services*, by Bryce H. P. Mendez.

<sup>82</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 4-7, 4-8.

<sup>83</sup> For more background and analysis on Russia’s full-scale invasion of Ukraine, see CRS Video WVB00566, *U.S. Assistance for Ukraine: Budget and Appropriations*, by Cory Welt et al.; and CRS Report R47054, *Russia’s 2022 Invasion of Ukraine: Related CRS Products*, by Zoe Danon and David A. Blum.

<sup>84</sup> For more information, see CRS Insight IN12107, *Department of Defense Supplemental Funding for Ukraine: A Summary*, by Brendan W. McGarry.

<sup>85</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 3-3.

<sup>86</sup> For more information on USAI, see CRS In Focus IF12040, *U.S. Security Assistance to Ukraine*, by Christina L. Arabia, Andrew S. Bowen, and Cory Welt.

Department's focus on providing the right capabilities throughout Europe to deter adversary threats."<sup>87</sup>

The FY2024 DOD budget request did not identify potential additional supplemental funding in FY2023 or FY2024 for Ukraine. In releasing the FY2024 DOD budget request, Under Secretary of Defense (Comptroller)/Chief Financial Officer Michael J. McCord said, "Ukraine support above the pre-conflict levels is not in this budget. The situation remains too fluid. The way we're handling this is the way we've handled every emerging operation in the last 50 years, and that is supplementals, so that is what we're doing in '23. That would be the plan for '24."<sup>88</sup>

### Other Selected Overseas Initiatives<sup>89</sup>

DOD summarizes funding for selected U.S. military operations and initiatives abroad in separate budget documents. For example, DOD publishes a budget document for the Pacific Deterrence Initiative, which is intended to expand U.S. force posture and presence in the Indo-Pacific region.<sup>90</sup> Similarly, the department publishes a budget document for the European Deterrence Initiative (EDI), which is intended to enhance U.S. force posture in the European theater following Russia's invasion and occupation of Ukraine's Crimea region.<sup>91</sup> **Table 4** lists funding for selected overseas activities by geographic combatant command.<sup>92</sup>

**Table 4. Funding for Selected Overseas Activities,  
by Geographic Combatant Command**  
(in billions of dollars of budget authority)

Activity (Relevant CRS Product)	FY2023 Enacted	FY2024 Request
<b>European Command (EUCOM)</b>		
European Deterrence Initiative (IFI0946)	\$4.3	\$3.6
DOD Contribution to NATO <sup>a</sup> (R45652)	\$0.8	\$0.9
Ukraine Security Assistance Initiative (IFI2040)	\$12.3	\$0.3
<b>Indo-Pacific Command (INDO-PACOM)</b>		
Pacific Deterrence Initiative (IFI2303)	\$6.1 (Requested)	\$9.1

<sup>87</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *European Deterrence Initiative: Department of Defense Fiscal Year (FY) 2024*, March 2023, p. 23, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024\\_EDI\\_JBook.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_EDI_JBook.pdf); and DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 3-3.

<sup>88</sup> DOD, "Comptroller Michael J. McCord and Vice Adm. Sara A. Joyner Hold a Press Briefing on President Biden's Fiscal 2024 Defense Budget," transcript, March 13, 2023, at <https://www.defense.gov/News/Transcripts/Transcript/Article/3327901/comptroller-michael-j-mccord-and-vice-adm-sara-a-joyner-hold-a-press-briefing-o/>.

<sup>89</sup> This section was coordinated with Paul Belkin, Analyst in European Affairs; Christina L. Arabia, Analyst in Security Assistance, Security Cooperation and the Global Arms Trade; and Luke A. Nicastro, Analyst in U.S. Defense Infrastructure Policy.

<sup>90</sup> P.L. 116-283, §1251(e); and 10 U.S.C. §113 note: Pacific Deterrence Initiative (see, in particular, paragraph f). Congress mandates a number of reporting requirements for the Pacific Deterrence Initiative in addition to the budget document.

<sup>91</sup> 10 U.S.C. §221 note: Inclusion of European Deterrence Initiative in Annual Budget Display Information (see, in particular, paragraph b).

<sup>92</sup> Amounts include funding in multiple appropriation titles.

Activity (Relevant CRS Product)	FY2023 Enacted	FY2024 Request
<b>Central Command (CENTCOM)</b>		
Operation Inherent Resolve (R44519)	\$5.5	\$6.2
Other Theater Requirements and Related Missions (R44519)	\$20.3	\$14.7

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 3-1 to 3-5.

**Notes:** Amounts include funding in multiple appropriation titles and do not reflect total funding for Combatant Command activities. For PDI, the budget overview does not state an FY2023 enacted amount. Other Theater Requirements and Related Missions includes Combined Joint Task Force (CJTF)-Horn of Africa and JTF-Guantanamo. For USAI, the FY2024 request reflects pre-conflict levels and excludes potential supplemental requests. Dollars rounded to the nearest tenth.

- a. Under current NATO cost-sharing arrangements, the United States pays an approximately 16% share of NATO's three so-called "common funds," the civil budget, the military budget, and the NATO Security and Investment Program. National contributions to the common funds pay for the day-to-day operations of NATO headquarters, as well as some collective NATO military assets and infrastructure. For more information, see NATO, "Funding NATO," updated regularly at [https://www.nato.int/cps/en/natohq/topics\\_67655.htm](https://www.nato.int/cps/en/natohq/topics_67655.htm).

## Research, Development, Test, and Evaluation (RDT&E) and Procurement-Related Matters

The budget requested \$145.0 billion for research, development, test, and evaluation (RDT&E) accounts—\$5.6 billion (4%) more than the FY2023 enacted level, excluding supplemental funding.<sup>93</sup> RDT&E accounts fund the development and application of scientific knowledge to generate and test prototypes of new military equipment, upgrades to existing equipment, military software and digital technology.

The FY2024 DOD budget requested \$170.0 billion for procurement accounts—\$6.3 billion (4%) more than the FY2023 enacted level, excluding supplemental funding.<sup>94</sup> Procurement accounts typically fund the purchase of new equipment and modifications to existing weapons, including ships, aircraft, military satellites, ground combat vehicles, munitions, and various other products and services.

In general, budgetary line items within the RDT&E and procurement accounts fund the acquisition of major defense acquisition programs. This section provides an overview of funding for selected major weapon systems, including precision-guided munitions, nuclear modernization programs, missile defense systems, shipbuilding programs, aircraft, space systems, ground systems, and related topics.<sup>95</sup>

<sup>93</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. A-5.

<sup>94</sup> Ibid.

<sup>95</sup> The items identified in the tables below reflect only a fraction of DOD funding requested for weapons systems, as smaller acquisition programs (in terms of dollar value) account for the majority of such expenditures.

## Precision-Guided Munitions and Multiyear Procurement (MYP) Authority

The FY2024 DOD budget requested \$30.6 billion for missiles and other precision-guided munitions—\$5.9 billion more (24%) more than the FY2023 requested amount.<sup>96</sup> Examples of such munitions include the Joint Air-to-Surface Standoff Missile (JASSM), an air-launched cruise missile designed to strike targets in heavily defended airspace; the Standard Missile-6 (SM-6), a sea-launched missile designed to provide ship- and area-defense; the Advanced Medium-Range Air-to-Air Missile (AMRAAM), an air-launched missile designed to strike low- and high-altitude targets beyond visual range; the Long-Range Anti-Ship Missile (LRASM), an air-launched cruise missile designed to target surface ships; the Guided Multiple Launch Rocket System (GMLRS), a ground-launched truck-mounted rocket system designed to target materiel and personnel; and the Naval Strike Missile, a sea-launched anti-ship cruise missile designed to fly close to the ocean surface to avoid radar detection (see **Table 5**). Amid Ukraine’s demand for U.S. and European weapons systems, particularly munitions, in response to Russia’s renewed and expanded invasion of the country, some Members of Congress have raised questions about how funding levels and contracting authorities may affect the ability of the U.S. industrial base to accelerate the manufacture of such systems.<sup>97</sup>

**Table 5. Funding for Selected Precision-Guided Munitions, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
Joint Air-to-Surface Standoff Missile (R45996)	\$0.90	550	\$1.82	550	\$0.92	101.6%
Standard Missile-6 (R45996)	\$0.80	125	\$1.62	125	\$0.82	102.1%
Advanced Medium Range Air-to-Air Missile	\$0.74	608	\$1.22	831	\$0.48	65.4%
Long-Range Anti-Ship Missile (R45996)	\$0.55	83	\$1.07	118	\$0.52	93.8%
Guided Multiple Launch Rocket System (R45996)	\$1.34	5,954	\$1.03	5,064	\$-0.31	-23.3%
Naval Strike Missile (R45996)	\$0.24	154	\$0.25	103	\$0.01	3.4%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. xv-xvi.

<sup>96</sup> Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. i, ix, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024\\_Weapons.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_Weapons.pdf)

<sup>97</sup> See, for example, Senator John Cornyn, “A Conversation with Sen. John Cornyn (R-TX): China, Russia, and America’s Military Readiness,” remarks at the American Enterprise Institute, January 23, 2023, at <https://www.aei.org/wp-content/uploads/2023/01/230123-Sen.-John-Cornyn-R-TX-on-China-Russia-and-Americas-Military-Readiness.pdf>.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Funding for the LGM-35A Sentinel intercontinental ballistic missile, Trident D5 missile modifications, and Long-Range Stand-Off cruise missile is listed in **Table 6**. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

### *Multiyear Procurement (MYP) Authority for Selected Precision-Guided Munitions*<sup>98</sup>

In describing munitions funding as an area of budgetary emphasis, DOD Comptroller McCord said, “Ukraine has really informed and highlighted the need to up our game here ... We are, for the first time ever, expanding the multiyear procurement authority which has been in law for decades beyond platforms like ships, airplanes and helicopters into the munitions and missile space.”<sup>99</sup> McCord also said, “It was often considered that you buy munitions in much higher quantities generally than airplanes and ships so that multi-years weren’t necessary and weren’t done. But we have still found the industrial base is not where it needs to be.”<sup>100</sup>

The FY2024 DOD budget requested authority for using multiyear procurement (MYP) contracts scheduled to begin in FY2024 for procuring the following precision-guided munitions:<sup>101</sup>

- At least 18,000 Guided Multiple Launch Rocket System (GMLRS) rockets for the Army over a four-year period through FY2027;<sup>102</sup>
- At least 516 Navy Strike Missiles (NSM) for the Navy over a five-year period through FY2028;<sup>103</sup>
- An unspecified number of Advanced Medium-Range Air-to-Air Missiles (AMRAAM) for the Air Force over an unspecified duration;<sup>104</sup>

<sup>98</sup> This section was coordinated with Ronald O’Rourke, Specialist in Naval Affairs. For more background and analysis on multi-year procurement authority, see CRS Report R41909, *Multiyear Procurement (MYP) and Block Buy Contracting in Defense Acquisition: Background and Issues for Congress*. For more background and analysis on certain types of munitions, see CRS Report R45996, *Precision-Guided Munitions: Background and Issues for Congress*.

<sup>99</sup> DOD, Under Secretary of Defense (Comptroller), “Briefing by the Under Secretary of Defense (Comptroller)/Chief Financial Officer Michael J. McCord and Vice Adm. Sara Joyner, director, Force Structure, Resources and Assessment, Joint Staff,” transcript, March 13, 2023, at <https://www.defense.gov/News/Transcripts/Transcript/Article/3327901/comptroller-michael-j-mccord-and-vice-adm-sara-a-joyner-hold-a-press-briefing-o/>.

<sup>100</sup> Ibid.

<sup>101</sup> In addition to the items in the bulleted list below, DOD requested authority for using an MYP contract for the Patriot Advanced Capability (PAC-3) Missile Segment Enhancement (MSE). For more information, see the “MYP Authority for Patriot Advanced Capability (PAC-3) Missile Segment Enhancement (MSE)” section.

<sup>102</sup> Ibid., *Guided MLRS Rocket (GMLRS)*, at [https://comptroller.defense.gov/Budget-Materials/#:~:text=Guided%20MLRS%20Rocket%20\(GMLRS\)](https://comptroller.defense.gov/Budget-Materials/#:~:text=Guided%20MLRS%20Rocket%20(GMLRS)). On May 9, 2023, the Biden Administration submitted a budget amendment with language for a general provision that would authorize DOD to use funds for MYP contracts for the Guided Multiple Launch Rocket System (GMLRS) and Patriot Advanced Capability (PAC)-3 Missile Segment Enhancement (MSE). For more information, see OMB, Supplementals, Amendments, and Releases, “Estimate #1 – FY 2024 Budget Amendments: Departments of Agriculture, Defense, Education, Homeland Security, Housing and Urban Development, and Transportation as well as the Environmental Protection Agency, for International Assistance Programs, the National Science Foundation, and the Legislative Branch,” May 9, 2023, p. 8, at [https://www.whitehouse.gov/wp-content/uploads/2023/05/FY\\_2024\\_Budget\\_Amendment\\_Corrections\\_5-9-23.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/05/FY_2024_Budget_Amendment_Corrections_5-9-23.pdf).

<sup>103</sup> Ibid., *Navy Strike Missile (NSM)*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/NSM\\_NAVY\\_MYP\\_1-3.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/NSM_NAVY_MYP_1-3.pdf).

<sup>104</sup> Ibid., *Advanced Medium-Range Air-to-Air Missile (AMRAAM)*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/AMRAAM\\_AIR\\_FORCE\\_MYP\\_1.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/AMRAAM_AIR_FORCE_MYP_1.pdf).

- An unspecified number of Joint Air-to-Surface Standoff Missiles (JASSM) for the Air Force over an unspecified duration;<sup>105</sup>
- At least 477 Long Range Anti-Ship Missiles (LRASM) for the Navy over a five-year period through FY2028 and an unspecified number for the Air Force over an unspecified duration;<sup>106</sup> and
- At least 825 Standard Missile (SM)-6 missiles for the Navy over a five-year period through FY2028.<sup>107</sup>

While DOD typically manages long-term contracts by extending one-year contract options, the department sometimes uses multiyear procurement (MYP) authority to purchase up to five years of requirements in a single contract action for programs meeting certain criteria (10 U.S.C. §3501).<sup>108</sup> Since multi-year-procurement (MYP) contracts involve a legal commitment to purchase goods using future appropriations in return for the potential of reduced costs, Congress has taken steps to exercise additional oversight of these programs.<sup>109</sup>

DOD also proposed to use what it refers to as Large Lot Procurement (LLP) for the new MYP contracts, except for Naval Strike Missiles. DOD described the approach as an innovation in MYP contracting in which multiple MYPs that cover concurrent or overlapping time frames. Large Lot Procurement is intended to take advantage of the use of common components in multiple missiles to increase economies of scale in the production of those components, thus realizing additional savings. Large Lot Procurement is intended to use such savings to purchase additional missiles while staying within estimated total procurement costs.

The FY2023 NDAA (P.L. 117-263) authorized MYP contracts for a number of programs, including the aforementioned precision-guided munitions, in response to Russia's renewed and expanded invasion of Ukraine.<sup>110</sup> The explanatory statement accompanying the legislation stated that the provision of MYP authority for certain munitions is essential to "increase and expand defense industrial capacity."<sup>111</sup> Some observers have said such authorities may also help to stabilize funding for the procurement of certain types of long-range precision-guided munitions

<sup>105</sup> Ibid., *Joint Air-to-Surface Standoff Missile (JASSM)*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/JASSM\\_AIR\\_FORCE\\_MYP\\_1.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/JASSM_AIR_FORCE_MYP_1.pdf).

<sup>106</sup> Ibid., *Long Range Anti-Ship Missiles (LRASM) Navy*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/LRASM\\_NAVY\\_MYP\\_1-4.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/LRASM_NAVY_MYP_1-4.pdf); and *Long Range Anti-Ship Missiles (LRASM) Air Force*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/LRASM\\_AIR\\_FORCE\\_MYP\\_1.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/LRASM_AIR_FORCE_MYP_1.pdf).

<sup>107</sup> Ibid., *Standard Missile [6]*, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/SM6\\_NAVY\\_MYP\\_1-4.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/SM6_NAVY_MYP_1-4.pdf).

<sup>108</sup> Congress has authorized MYP contracts since the 1980s for a limited number of programs, including ships and submarines, satellites, wheeled and tracked vehicles, helicopters, aircraft, and missiles. For more background and analysis, see CRS Report R41909, *Multiyear Procurement (MYP) and Block Buy Contracting in Defense Acquisition: Background and Issues for Congress*, by Ronald O'Rourke. See, in particular, Appendix B for a list of approved MYP programs since FY1990.

<sup>109</sup> For example, any MYP contract exceeding \$500 million must be "specifically authorized by law in an Act other than an appropriations Act" and "specifically provided in an appropriations Act." See 10 U.S.C. §3501 clauses (1)(3) and (i)(1), respectively.

<sup>110</sup> James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (P.L. 117-263, Div. A, Title XII, §1244(c)). Another provision of the FY2023 NDAA (P.L. 117-263, Div. A, Title I, §125) and a provision in the Department of Defense Appropriations Act, 2023 (P.L. 117-328, Div. C, Title VIII, §8010) authorized multi-year procurement for up to 15 Arleigh Burke-class guided missile destroyers.

<sup>111</sup> Explanatory statement to P.L. 117-263, as published in Part 2 of the House section of the *Congressional Record*, December 7, 2021, p. H9491.

needed to counter China in various operational scenarios, such as anti-ship and area-effects weapons.<sup>112</sup> For proposed MYP contracts that were authorized in the FY2023 NDAA, an issue for Congress for FY2024, and particularly for the appropriations committees, is whether to provide the additional approval in an appropriations act, such as the Department of Defense Appropriations Act, 2024.

In debating whether to approve proposed MYP contracts, Congress may consider:

- DOD’s estimates of the savings that would result from using MYP;
- The degree to which MYP contracts would act as an incentive for munitions makers to invest in the expansion of their production facilities;
- Other potential options (such as direct appropriations) for expanding their production facilities; and
- The reduction in executive branch and congressional flexibility for making changes to procurement programs in response to changing strategic or budgetary circumstances that would result from using MYP contracts.

## Nuclear Modernization Programs

The FY2024 DOD budget requested \$37.7 billion for certain programs to upgrade (or *modernize*) the U.S. nuclear triad for long-range weapon delivery.<sup>113</sup> Such programs include the LGM-35A Sentinel program (formerly known as the Ground-based Strategic Deterrent) to replace LGM-30G Minuteman III intercontinental ballistic missiles (ICBMs), the Columbia-class ballistic missile submarine (SSBN) program to replace the Ohio-class SSBNs, and the B-21 Raider stealth bomber to replace B-1 Lancer and B-2 Spirit bombers (see **Table 6**). Such programs also include the Long-Range Stand-Off nuclear cruise missile to replace the AGM-86 Air-Launched Cruise Missile used on strategic bombers and for the D5 program to extend the life of the Trident II submarine-launched ballistic missile.

**Table 6. Funding for Selected Nuclear Modernization Programs, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
LGM-35A Sentinel intercontinental ballistic missile (IFI1681)	\$3.62	-	\$4.28	-	\$0.66	18.3%
Columbia-Class Ballistic Missile Submarine (R41129)	\$6.27	-	\$6.21	1	-\$0.07	-1.1%
Trident D5 missile modifications	\$1.72	-	\$1.93	-	\$0.21	12.5%

<sup>112</sup> Stacie Pettyjohn and Hannah Dennis, *Precision and Posture: Defense Spending Trends and the FY23 Budget Request*, Center for a New American Security, November 17, 2022, at <https://www.cnas.org/publications/reports/precision-and-posture-defense-spending-tre>.

<sup>113</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Budget Briefing, *United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 7.

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
B-21 stealth bomber (R44463, IF12357)	\$4.80	-	\$5.32	-	\$0.52	10.7%
Long-Range Stand-Off cruise missile (IF10519, IF12357)	\$0.98	-	\$0.98	-	<\$-0.01	-0.3%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. xv-xvi.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Missile Defense Programs and MYP Authority

The FY2024 DOD budget requested \$14.8 billion for missile defense systems—\$2.5 billion more (20%) than the FY2023 enacted level.<sup>114</sup> Such systems include long-range interceptors designed to protect U.S. territory against ICBMs and shorter-range Terminal High Altitude Area Defense (THAAD) and Aegis systems designed to protect U.S. forces and allies abroad against shorter-range missiles (see **Table 7**).<sup>115</sup>

**Table 7. Funding for Selected Missile Defense Systems, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
Ground-Based Midcourse and Improved Homeland Defense/Next Generation Interceptors (IF10541)	\$2.62	-	\$3.08	-	\$0.46	17.5%
Terminal High Altitude Area Defense Ballistic Missile Defense (IF10541)	\$0.51	18	\$0.48	11	\$0.02	-4.0%
Sea-Based Aegis Ballistic Missile Defense System and Interceptors (RL33745)	\$1.92	77	\$1.72	48	\$-0.20	-10.4%
PATRIOT Advanced Capability (IF10541)	\$0.79	-	\$1.21	-	\$0.42	53.4%
PAC-3 Missile Segment Enhancement (IF10541)	\$1.04	252	\$1.21	230	\$0.18	16.9%

<sup>114</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. viii.

<sup>115</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Budget Briefing, *United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 7.

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. xv-xvi.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

### ***MYP Authority for Patriot Advanced Capability (PAC-3) Missile Segment Enhancement (MSE)***

The FY2024 DOD budget requested authority for using MYP contracts scheduled to begin in FY2024 to buy at least 693 of an upgraded surface-to-air missile known as the Patriot Advanced Capability (PAC-3) Missile Segment Enhancement (MSE). The contract would apply over a three-year period through FY2026, with an option for additional quantities.<sup>116</sup> The PAC-3 MSE, which is designed to counter short-range ballistic missiles, cruise missiles, and remotely piloted aircraft, incorporates into the PAC-3 interceptor a higher performance solid rocket motor, more responsive control surfaces, upgraded guidance software, and other improvements.<sup>117</sup>

### **Shipbuilding and Maritime Systems**

The FY2024 DOD budget requested \$48.1 billion for shipbuilding and maritime programs—\$7.3 billion more (2%) than the FY2023 enacted level.<sup>118</sup> Such systems include submarines, including Virginia-class nuclear-powered attack submarines (SSNs) that perform a variety of peacetime and wartime missions, and Columbia-class nuclear-powered ballistic missile submarines (SSBNs) that perform the mission of strategic nuclear deterrence; surface ships, including Ford-class nuclear-powered aircraft carriers (CVNs), Arleigh Burke-class destroyers (DDGs) that generally operate in higher-threat areas, and Constellation-class frigates (FFG-62) that generally operate in lower-threat areas; and support ships, including John Lewis-class oilers (TAO) that transfer fuel to surface ships at sea, and submarine tenders that supply subs (see **Table 8**).

**Table 8. Funding for Selected Shipbuilding Programs, FY2023-FY2024 (Requested)**  
(in billions of dollars of discretionary budget authority and quantities)

<b>Name (Relevant CRS Product)</b>	<b>FY2023 Enacted \$</b>	<b>FY2023 Enacted #</b>	<b>FY2024 Request \$</b>	<b>FY2024 Request #</b>	<b>Change \$</b>	<b>Change %</b>
Ford-Class Aircraft Carrier (RS20643)	\$3.73	-	\$2.70	-	-\$1.03	-27.6%
Virginia-Class Submarine (RL32418)	\$7.26	2	\$10.85	2	\$3.58	49.4%
Arleigh Burke-Class Destroyer (RL32109)	\$8.22	3	\$4.85	2	-\$3.37	-41.0%
Constellation-Class Frigate (R44972)	\$1.24	1	\$2.25	2	\$1.01	80.9%

<sup>116</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Defense Budget Materials - FY2024, Procurement Munitions Multi-Year Program (MYP) Exhibits, *PATRIOT Advanced Capability (PAC-3) Missile Segment Enhancement (MSE)*, March 2023, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP\\_Exhibits/PAC-3\\_MSE\\_ARMY\\_MYP\\_1-4.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/MYP_Exhibits/PAC-3_MSE_ARMY_MYP_1-4.pdf).

<sup>117</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. 4-6.

<sup>118</sup> *Ibid.*, p. x.

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
San Antonio-Class Landing Platform Dock Ship (R43543)	\$1.94	1	\$0.00	-	-\$1.94	-100.0%
American-Class Amphibious Assault Ship (R43543)	\$1.43	1	\$1.87	-	\$0.45	31.3%
John Lewis-Class Fleet Replenishment Oiler (R43546)	\$0.96	1	\$0.97	1	\$0.01	1.0%
Spearhead Class Expeditionary Fast Transport (RL32665)	\$0.65	2	\$0.00	-	-\$0.65	-100.0%
Unmanned Surface Vessels (USV) (R45757)	\$0.31	-	\$0.24	-	-\$0.07	-23.3%
Submarine Tender Replacement (RL32665)	\$0.02	-	\$1.74	1	\$1.73	11,150.3%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. xv-xvi.

**Notes:** Amounts include RDT&E and Procurement funding. Funding for the Columbia-class ballistic missile submarine is listed in **Table 6**. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Aircraft and Related Systems

The FY2024 DOD budget requested \$61.1 billion for aircraft and related systems—\$4.6 billion more (8%) than the FY2023 enacted level.<sup>119</sup> Such aircraft include the F-35, F-15EX, and F/A-18E/F fighter aircraft, KC-46 refueling tanker, and C-130 cargo aircraft; and such rotorcraft as the AH-64 attack helicopter, UH-60 utility helicopter; and the CH-53K cargo helicopter (see **Table 9**). The F-35 is DOD's largest acquisition program; the department requested \$13.6 billion to acquire a total of 83 in FY2024, including 48 F-35As for the Air Force and a total of 35 F-35Bs and F-35Cs for the Navy and Marine Corps. This category also includes funding for remotely piloted aircraft, reconnaissance platforms, and other aviation-related systems and support equipment.

**Table 9. Funding for Selected Aircraft and Rotorcraft, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
F-35 fighter aircraft (RL30563, IF12357)	\$11.94	77	\$13.59	83	\$1.65	13.9%
KC-46 refueling tanker (RL34398)	\$2.64	15	\$3.01	15	\$0.37	14.1%

<sup>119</sup> Ibid., p. v.

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
F/A-18E/F fighter aircraft (IFI0546)	\$2.10	8	\$1.83	-	-\$0.26	-12.6%
AH-64E attack helicopter (IFI0546)	\$0.80	33	\$0.95	43	\$0.15	18.4%
UH-60M/V utility helicopter (IFI0546)	\$1.17	63	\$0.92	50	-\$0.25	-21.8%
C-130J cargo aircraft (IFI0546)	\$2.93	21	\$0.82	2	-\$2.10	-71.9%
CH-53K cargo helicopter (Marine Corps)	\$2.48	12	\$2.42	15	-\$0.06	-2.4%
F-15EX fighter aircraft (IFI1521)	\$3.39	24	\$3.38	24	-\$0.01	-0.3%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Program Acquisition Cost by Weapon System, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. xv-xvi.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Funding for the B-21 stealth bomber is listed in **Table 6**. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Space Systems

The FY2024 DOD budget requested \$26.1 billion for space-based systems—\$4.4 billion more (20%) than the FY2023 enacted level.<sup>120</sup> Such systems include Overhead Persistent Infrared (OPIR) satellites to provide missile warning, tracking, and defense in the space domain; Global Positioning System (GPS) satellites that provide positioning, navigation, and timing information to military and civilian users; launch services as part of the National Security Space Launch program and Rocket System Launch Program (see **Table 10**), as well as command and control systems, and terrestrial satellite terminals and equipment.

**Table 10. Funding for Selected Space Systems, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
National Security Space Launch and Rocket System Launch Program (IFI1531)	\$2.21	10	\$3.00	15	\$0.79	36.4%
Global Positioning System Enterprise	\$1.71	2	\$1.26	-	-\$0.45	-23.5%
Space Based Overhead Persistent Infrared Systems	\$4.70	-	\$4.97	-	\$0.27	6.4%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Budget Briefing, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 25-27.

<sup>120</sup> Ibid., p. xi.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Ground Systems

The FY2024 DOD budget requested \$13.9 billion for ground systems—\$1.3 billion more (10%) than the FY2023 enacted level.<sup>121</sup> Such systems include the Joint Light Tactical Vehicle to replace a portion of the armed services’ fleets of High Mobility Multipurpose Wheeled Vehicle (HMMWV, known as “Humvee”); modifications and upgrades to the Army’s M-1 Abrams tank; the Marine Corps’ Amphibious Combat Vehicle to replace the Assault Amphibious Vehicle; and the Army’s Armored Multi-Purpose Vehicle to replace the M-113 armored personnel carrier (see Table 11).

**Table 11. Funding for Selected Ground Systems, FY2023-FY2024 (Requested)**

(in billions of dollars of discretionary budget authority and quantities)

Name (Relevant CRS Product)	FY2023 Enacted \$	FY2023 Enacted #	FY2024 Request \$	FY2024 Request #	Change \$	Change %
Joint Light Tactical Vehicle (IFI1729)	\$1.01	3,311	\$1.18	3,108	\$0.18	17.8%
M-1 Abrams Tank Modifications/ Upgrades	\$1.31	90	\$0.90	34	-\$0.41	-31.5%
Amphibious Combat Vehicle (IFI1755)	\$0.62	74	\$0.66	80	\$0.04	6.8%
Armored Multi-Purpose Vehicle (IFI1741)	\$0.38	43	\$0.55	91	\$0.17	45.7%

**Source:** DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, Budget Briefing, *United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 25-27.

**Notes:** Amounts include RDT&E and Procurement funding. The “#” symbol indicates quantities. Dollars rounded to nearest hundredth; percentages rounded to nearest tenth.

## Divestments

DOD’s FY2024 budget request contained plans to retire or decommission (i.e., *divest*) a number of certain types of aircraft, ships, ground vehicles, and other systems, in part to procure (i.e., *invest in*) emerging defense technologies.<sup>122</sup> The department asserted that adapting to a changing strategic environment requires divesting from systems that are vulnerable in certain conflict scenarios while developing or modernizing other systems to fill capability gaps in such

<sup>121</sup> Ibid., p. vii.

<sup>122</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview*, *United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 4-1, 4-28 to 4-31.

scenarios.<sup>123</sup> Of various initiatives estimated to yield a total of \$4.6 billion in operating cost savings, DOD identified \$3.8 billion as part of an initiative called Enabling Future Capabilities Transition (EFCT). The aim of EFCT is to divest “equipment, partial or entire weapon systems or discontinuing legacy acquisition programs and systems, in order to modernize and/or to fund purchases in support of the Department’s higher priorities.”<sup>124</sup>

Under EFCT, in FY2024 the Army would divest the Airborne Reconnaissance Low Enhanced (ARL-E) and Enhanced Medium Altitude Reconnaissance and Surveillance System (EMARSS) missile detection systems to support a follow-on platform known as the High-Accuracy Detection and Exploitation System (HADES).<sup>125</sup> Under EFCT, the Navy in FY2024 would divest two Littoral Combat Ships; three Dock-Landing Ships; three Guided-Missile Cruisers; and several non-ship systems (e.g., minesweeping capabilities of the MH-53E helicopter, scheduled to cease operations in FY2027).<sup>126</sup> Under EFCT, the Air Force in FY2024 would retire 42 A-10 ground-attack aircraft; 32 F-22 fifth-generation stealth fighter aircraft; 57 F-15C/D fourth-generation fighter aircraft; 48 MQ-9 remotely piloted aircraft; and certain other systems.<sup>127</sup>

Congress may evaluate DOD’s divestment strategies in the context of cost, industrial base strategy, and near-, mid-, and long-term military readiness. Divestment decisions can affect how DOD organizes military forces, training requirements, logistics, as well as RDT&E and procurement strategies.

## Military Construction (MILCON)-Related Matters<sup>128</sup>

The FY2024 DOD budget requested a total of \$16.7 billion in funding for Military Construction (MILCON) projects and related activities—\$2.3 billion (12%) less than the FY2023 enacted level, excluding supplemental funding.<sup>129</sup> DOD requested \$14.7 billion in MILCON accounts and \$1.9 billion in Family Housing accounts.<sup>130</sup> By location, DOD requested \$8.8 billion for use inside the United States (37 of 50 states), \$3.3 billion for use outside the United States, and \$4.5 billion for unspecified worldwide locations.<sup>131</sup>

<sup>123</sup> Ibid., p. 4-1.

<sup>124</sup> Ibid., p. 4-28.

<sup>125</sup> Ibid. p. 4-30.

<sup>126</sup> Ibid.

<sup>127</sup> Ibid., pp. 4-30 to 4-31.

<sup>128</sup> This section was coordinated with Andrew Tilghman, Analyst in U.S. Defense Infrastructure Policy. For more background and analysis on the military construction process, see CRS Report R44710, *Military Construction: Authorities and Processes*, by Andrew Tilghman.

<sup>129</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, p. A-5.

<sup>130</sup> Ibid.

<sup>131</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Construction Programs (C-1) Department of Defense Fiscal Year 2024*, March 2023, p. 56, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024\\_c1.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/FY2024_c1.pdf).

## **Climate-Related Activities**

The FY2024 DOD budget requested \$5.1 billion to mitigate climate-related risk by funding multiple activities to enhance operational capability, mission resilience, and readiness.<sup>132</sup> This request included \$3.7 billion for Installation Resilience and Adaptation to improve the ability of

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<sup>132</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Defense Budget Overview, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, pp. 4-31 to 4-32.

military installations to adapt to disruptions to public infrastructure; \$0.1 billion for Operational Energy improvements to improve energy efficiency of existing operational platforms, in part to reduce the energy supply needs of deployed forces; \$1.3 billion for Research, Development, Test and Evaluation (e.g., hybrid military vehicles and energy storage technology); and \$54.6 million for Contingency Preparedness to incorporate climate risks into war games, exercises, and other planning tools.<sup>133</sup> DOD released a 49-page budget document describing these efforts in more detail, including delineating the funding by military component, line of effort, appropriation category, and budgetary line item.<sup>134</sup>

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<sup>133</sup> Ibid.

<sup>134</sup> DOD, Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, *Enhancing Combat Capability-Mitigating Climate Risk, United States Department of Defense Fiscal Year 2024 Budget Request*, March 2023, at [https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/PB\\_FY2024\\_ECC-Mitigating\\_Combat\\_Capability.pdf](https://comptroller.defense.gov/Portals/45/Documents/defbudget/FY2024/PB_FY2024_ECC-Mitigating_Combat_Capability.pdf).