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Defense Primer: Budgeting for National and Defense Intelligence

Introduction

Intelligence Community (IC) programs include the resources (i.e., money and personnel) to accomplish intelligence-related goals and responsibilities as defined in Title 50 of the *United States Code* (U.S.C.) and Executive Order 12333, *United States Intelligence Activities*. IC programs are funded through the (1) National Intelligence Program (NIP), which covers the programs, projects, and activities of the IC oriented toward the strategic requirements of policymakers; and (2) Military Intelligence Program (MIP), which funds defense intelligence activities intended to support tactical military requirements and operations. The Director of National Intelligence (DNI) and the Under Secretary of Defense for Intelligence and Security (USD(I&S)), who is using Under Secretary of War for Intelligence and Security as a “secondary title” under Executive Order 14347 dated September 5, 2025, manage the NIP and MIP, respectively, under different authorities.

NIP and MIP Funding

Title 50 U.S.C. §3306 requires that the President, as part of the annual budget submission to Congress, disclose the total amount of funding—called the *topline*—requested for the NIP. The DNI is not required to disclose any other information concerning the NIP budget, such as whether funds would be used for particular intelligence agencies or particular intelligence programs. Although not mandated by statute, the Secretary of Defense, who is using Secretary of War as a “secondary title” under Executive Order 14347 dated September 5, 2025, has disclosed annual MIP appropriations totals dating back to 2007. For FY2026, funding *requested* for the NIP and MIP totaled \$115.5 billion, including \$81.9 billion for NIP and \$33.6 billion for MIP. Compared to FY2025 *requested* amounts of \$73.4 billion for the NIP and \$28.2 billion for the MIP, the FY2026 budget requested \$8.5 billion and \$5.4 billion more, respectively. It also represents an increase of a total of \$9.2 billion more than the FY2024 *appropriated* totals (\$106.3 billion: \$76.5 billion for the NIP and \$29.8 billion for the MIP).

Background

National Intelligence Program (NIP)

The origins of the intelligence budget, separate and distinct from the defense budget, date to reforms initiated in the 1970s to improve oversight and accountability of the IC. At that time, the National Foreign Intelligence Program (NFIP) was managed by the Director of Central Intelligence (DCI), in consultation with the Secretary of Defense, and overseen by the National Security Council (NSC). Congress redesignated the NFIP as the NIP in the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA;

P.L. 108-458, §1074). The IRTPA also provided for additional IC reforms, including the position of DNI. The DNI was given more budgetary authority over the NIP than the DCI had over the NFIP. Intelligence Community Directive (ICD) 104 provides overall policy, including a description of the DNI’s roles and responsibilities as program executive of the NIP.

Military Intelligence Program (MIP)

Military-specific tactical and/or operational intelligence activities were not included in the NFIP. They were known as Tactical Intelligence and Related Activities (TIARA) and managed separately by the Secretary of Defense. TIARA referred to the intelligence programs, platforms, and capabilities supporting the units of a particular military service. In 1994, Congress created a new category called the Joint Military Intelligence Program (JMIP) for defense-wide intelligence programs, platforms, and capabilities. In 2005, the Secretary of Defense signed a memorandum that merged TIARA and JMIP to form the MIP. DOD Directive 5205.12, effective November 27, 2024, established policy and assigned responsibilities within the MIP, including the USD(I&S)’s role as program executive of the MIP.

A program is primarily NIP if it funds an activity that supports more than one department or agency (such as satellite imagery), or provides a service supporting multiple IC elements (such as secure communications). The NIP funds the Central Intelligence Agency (CIA) and the Office of the Director of National Intelligence (ODNI) in their entirety, and funds the strategic intelligence activities associated with IC components of United States government departments, such as DOD’s National Security Agency (NSA).

A program is primarily MIP if it funds an activity that addresses a unique DOD requirement. Additionally, MIP funds may be used to “sustain, enhance, or increase capacity/capability of NIP systems.” The DNI and USD(I&S) have worked together to facilitate the integration of NIP and MIP intelligence efforts. Mutually beneficial programs have received both NIP and MIP resources.

Two Budget Processes: IPPBE & PPBE

The IC’s Intelligence Planning, Programming, Budgeting and Evaluation (IPPBE) process allocates funding and personnel resources for IC-wide capabilities through the development and execution of the NIP and its associated budget. The NIP addresses priorities described in national security-related documents such as the National Intelligence Strategy. The IPPBE process has applied to all 18 components of the IC, as specified in 50 U.S.C. §3003(4). Program managers have controlled NIP resources aligned

with requirements for IC capabilities such as geospatial intelligence, signals intelligence, and human intelligence—capabilities that may span several IC components.

DOD’s Planning, Programming, Budgeting and Execution (PPBE) process has documented the funding for service intelligence components and DOD intelligence agencies (i.e., Defense Intelligence Agency, NSA, National Geospatial Intelligence Agency, and the National Reconnaissance Office) that organize, train and equip military forces for combat, and cover support missions. The senior leader for intelligence in each service—called the *Component Manager*—manages that service’s MIP resources in accordance with USD(I&S) guidance and policy.

Planning Phase

The IC’s Assistant DNI for Requirements, Cost, and Effectiveness (ADNI/RCE) and the DOD’s Under Secretary of Defense for Policy lead the IPPBE and PPBE planning phases, respectively. They have analyzed long-term trends, validated intelligence-related requirements, identified gaps and shortfalls, and prioritized needs as they relate to the DNI and USD(I&S) policy goals. Officials on the staffs of the ODNI and Office of the OUSD(I&S) oversee each phase of the IPPBE and PPBE processes, and work to synchronize their efforts.

Programming Phase

During the programming phase, the IPPBE lead is the ADNI/RCE while the PPBE lead is the Director of Cost and Program Evaluation (CAPE). The primary objective of this phase is to provide analytically based, fiscally constrained options to frame resource decisions. Programming has included the following primary activities:

- Conduct major issue studies to analyze high-impact, cross-IC issues, such as a common need for data-mining technology;
- Develop independent total life cycle cost estimates for major systems acquisitions and other programs of interest;
- Produce the final Consolidated Intelligence Guidance (CIG)—the joint DNI/USD(I&S) guidance used by NIP Program Managers and MIP Component Managers to finalize their program and budget submissions.

Budgeting (and Execution) Phase

In the IPPBE, budgeting and execution have comprised one phase led by the IC Chief Financial Officer (CFO). The PPBE has separated budgeting and execution into two phases. The CFO’s counterpart has been the USD Comptroller/Chief Financial Officer (USD(C)/CFO).

The CFO is responsible for producing the Congressional Budget Justification Books (CJBs) and the accompanying NIP Summary of Performance and Financial Information Report. Together, these classified documents have explained and justified details associated with each of the NIP programs to the House Permanent Select Committee on Intelligence and the Senate Select Committee on Intelligence. In contrast, the MIP programs have been justified using Congressional Justification Books (CJBs).

When Congress funds NIP and MIP, the respective CFOs manage the budget apportionment and reprogramming processes. Execution and performance reviews are undertaken to assess whether funds are obligated in accord with DNI, USD(I&S), and congressional intent. Midyear reviews may lead to decisions requiring a redistribution of funds.

Evaluation is a Process not a Phase

Evaluation is a continuous process with several periodic entry points throughout the IPPBE phases. Its primary objective has been to assess the effectiveness of NIP and MIP programs, activities, major initiatives, and investments. Evaluations inform current and future planning, programming, budgeting, and execution decisions. Executive branch and legislative branch entities have shared responsibility for evaluating intelligence-related activities and funding decisions. For example, DOD and the Assistant DNI for Policy and Strategy have conducted the program-level and strategic assessments to inform the planning phase. CFOs are responsible for budgeting and execution-related evaluations and performance measurement reports required for OMB and congressional authorizations and appropriations.

IPPBE and PPBE Budget Cycles

The IPPBE and PPBE have comprised at least four different fiscal year budget cycles running simultaneously at any given point in time. Numerous federal, departmental, and agency-specific timelines, missions, and priorities further complicate both cycles.

Relevant Statutes
Title 10, <i>U.S. Code</i> , Chapter 9 – Defense Budget Matters Title 50, <i>U.S. Code</i> , Chapter 44 – National Security
CRS Products
CRS In Focus IF10428, <i>Intelligence Planning, Programming, Budgeting, and Evaluation (IPPBE) Process</i> , by Michael E. DeVine CRS In Focus IF10429, <i>Defense Primer: Planning, Programming, Budgeting, and Execution (PPBE) Process</i> , by Brendan W. McGarry CRS In Focus IF10523, <i>Defense Primer: Under Secretary of Defense for Intelligence and Security</i> , by Michael E. DeVine CRS In Focus IF10525, <i>Defense Primer: National and Defense Intelligence</i> , by Michael E. DeVine CRS Report R44381, <i>Intelligence Community Spending Trends</i> , by Michael E. DeVine and Sofia Plagakis
Other Resources
DOD Directive 7045.14, <i>The Planning, Programming, Budgeting, and Execution (PPBE) Process</i> , August 29, 2017. IC Directive 116, <i>Intelligence Planning, Programming, Budgeting, and Evaluation System</i> , September 14, 2011.

Michael E. DeVine, Analyst in Intelligence and National Security

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