



Insight

Six Differences between the NDAA and the President's Budget

RACHEL HOFF | MAY 1, 2015

Just before 5 A.M. yesterday morning, the House Armed Services Committee (HASC) passed the [Fiscal Year 2016 National Defense Authorization Act](#) (NDAA) after 19 hours of debate. The bill provides for the same overall level of defense spending as the president's budget request while keeping in place the Budget Control Act (BCA) caps, which the administration [proposed lifting](#). To get there, lawmakers did not match the base Pentagon budget request but increased funding for Overseas Contingency Operations (OCO), an account intended for war-fighting expenditures that can be exempt from the BCA cap. This move, while consistent with the [budget resolutions](#) that the House and Senate passed last month, is not without controversy and may not garner the necessary support either in Congress or from the administration.

The NDAA authorizes a total of \$612 billion for defense, which matches the president's total defense budget request. The bill includes \$496 billion in base funding for the Department of Defense (DOD) and \$89 billion in OCO funding (in addition to other defense-related funding for different agencies). Since the president requested just \$51 billion for OCO, lawmakers authorized the additional \$38 billion of OCO funding for Operations and Maintenance, which is normally supported by the Pentagon's base budget.

While the numbers in the NDAA and the president's budget add up to an equivalent bottom line for defense, there are significantly different budgetary line items that reflect divergent priorities between the Congress and the president. Here are six of the main differences:

1. The NDAA provides additional funding for several weapons programs above the administration's request: \$1.15 billion for 12 additional F/A-18 Super Hornets; \$1 billion for six F-35 Joint Strike Fighters; and \$682.7 million for the A-10 Warthogs, a close air support attack jet that the Pentagon wanted to retire.
2. The NDAA places restrictions on the administration's ability to release or transfer detainees from Guantanamo Bay, including rescinding presidential authority to unilaterally make those decisions.
3. The NDAA rejects the DOD's proposal for a new round of base closures under the Base Realignment and Closure Commission (BRAC) process due to concerns that any assets lost are expensive or impossible to regain should national security threats require them.
4. The NDAA authorizes a 2.3 percent pay raise for service members—one percent more than the president's proposal of a 1.3 percent raise.
5. The NDAA offers a plan to overhaul the military retirement system starting in 2017. Currently, only those who serve for 20 years or more benefit from military retirement. Under the new plan, service members would be able to contribute to a Thrift Savings Plan with matching contributions from the DOD.
6. The NDAA outlines a process to reform the Pentagon's broken acquisition system. The bill includes many provisions of the proposal House Armed Services Committee Chairman Mac Thornberry recently introduced, which focuses on simplifying and streamlining the acquisition system and bringing greater

flexibility and accountability to the process.

It is important to note that the NDAA authorizations assume that the congressional attempt to use OCO funding as a way to boost defense spending without lifting the BCA cap will survive the lengthy budget and appropriations process. The administration has asked Congress to lift the BCA caps and threatened to veto spending legislation that does not fix sequestration or increases funding for defense but not domestic spending. And congressional leaders may have trouble closer to home as well. While HASC members debated the NDAA Wednesday night, House leadership pulled the first spending bill from the floor due to concern that a [bipartisan amendment](#) to strip down the \$38 billion in OCO funding may actually pass.