DEFENSE, 2027

The Defense bill for Fiscal Year 2027 provides nearly $1.1 trillion in discretionary funding for the Department of Defense and U.S. Intelligence Community. The bill provides critical support to address growing threats from increasingly aligned adversaries and makes significant investments in munitions production, drone and counter-drone technology, air and missile defense, next-generation weapons platforms, space-based capabilities, strategic force modernization, shipbuilding, readiness, and alliances and partnerships.

Of this $1.1 trillion, nearly $69 billion, that was initially requested as one-time mandatory spending by the Administration, is provided as discretionary funds in order to provide stable, sustainable, and predictable funding for critical capabilities across the Joint Force.

Bill Highlights

Service Members: $202.9 billion for the pay and benefits of service members and families, which fully funds the 3.6 percent pay raise for all service members, consistent with the National Defense Authorization Act of 2027 (S. 4784).

Munitions: $47.2 billion for additional munitions procurement and acceleration investments across the Department, including moving multiyear procurement contracts that should be funded on an annual basis into the base appropriations bill and increasing procurement for other important and new munitions:

- **Multiyear munitions:** $40.6 billion to fund new multiyear procurement contracts needed to dramatically increase production of 9 munitions: Advanced Medium-Range Air to Air Missile (AMRAAM); Guided Multiple Launch Rocket Systems (GMLRs); PATRIOT Advanced Capability-3 Missile Segment Enhancement (PAC-3 MSE); Precision Strike Missile Increment 1 (PRSM Inc-1); Standard Missile-3 Block 1B; Standard Missile-3 Block IIA; Standard Missile-6; Terminal High Altitude Area Defense missiles (THAAD); and Tomahawk Cruise Missile Systems. The bill also provides $1.5 billion to fund additional quantities under existing multiyear procurement for Long Range Anti-Ship Missiles (LRASM) and Joint Air-Surface Standoff Missile–Extended Range (JASSM-ER).
- **Additional quantities and new entrants:** $1 billion for additional quantities of Joint Advanced Tactical Missile; $1.9 billion for the procurement of new entrant munitions such as Blackbeard Ground Launch, Multi-mission Affordable Capacity Effector (MACE), Family of Affordable Mass Missile (FAMM), low-cost cruise missiles, and low-cost containerized munitions; $1.4 billion to replenish

inventories of munitions across the services such as Joint Air-to-Ground missiles, Evolved Sea Sparrow Missile, Advanced Precision Kill Weapon System (APKWS), 30mm proximity ammunition, Joint Direct Attack Munitions (JDAM), and general purpose bombs.
- **Acceleration efforts:** $118 million to support the continued development of the Army's Blackbeard program to include integration on the Army's High Mobility Artillery Rocket System (HIMARS).

Air and Missile Defense and Golden Dome: $35.6 billion for investments in air and missile defense capabilities, including $812 million for two additional THAAD radars; $32 billion for additional defensive interceptors; and an additional $170 million for Air and Missile Defense software development and integration. The bill also provides $9.4 billion in discretionary funds for Golden Dome initiatives that the Administration requested as mandatory spending. This investment will advance the defense of critical infrastructure in the United States and its territories against complex ballistic, hypersonic, and cruise missiles, and other advanced aerial threats.

Joint Strike Fighter: $11.1 billion for the procurement of aircraft, modifications, and sustainment and $2.9 billion for research, development, test and evaluation. These investments include $5.7 billion that had been requested as mandatory spending, but due to the need for recurring, annual investment in this program these funds have been built into the base discretionary appropriations bill.
- Increase of $223.7 million for operation and maintenance for F-35 sustainment;
- Increase of $2.4 billion for an additional 15 F-35Cs, $1 billion for an additional 5 F-35Bs, and $704 million for an additional 5 F-35As;
- Increase of $205 million of other government furnished equipment to fully fund Lot 6 of the APG-85 radar with discretionary funds;
- Increase of $300 million for F-35 spares and repair parts;
- Increase of $243.8 million to fully fund the Engine Core Upgrade with discretionary funds;
- Increase of $89.8 million to fully fund the Power Thermal Management Upgrade with discretionary funds; and
- Increase of $500 million to fully fund Air Vehicle Block 4 efforts.

Drone and Counter Drone: $6.2 billion to support continued research, development, and procurement of drone and counter-drone systems. This includes additional discretionary funding of $3 billion for the Defense Autonomous Working Group (DAWG) to build more of these necessary drone efforts into the base budget, and an additional $2 billion to support the Joint Interagency Task Force-401 (JIATF-401) and their work to defend against drones. These funds have been spread across the

military services to ensure drone and counter-drone adaptation remains a Joint Force priority.

Shipbuilding: $42 billion for shipbuilding, including $1.9 billion in additional funding for a second DDG 51 destroyer. The bill also includes $390 million for three used sealift vessels for moving forces and cargo by sea, $200 million for economic order quantity purchasing for the Ship to Shore Connector program, and $162 million for Yard, Repair, Berthing, and Messing barges that provide floating housing, dining, and maintenance support. The bill provides $329 million for the Submarine Industrial Base and $595 million for the Surface Ship Industrial Base programs to improve supply chain resilience, support the Navy's distributed manufacturing initiative, and make investments for efficiencies in production and manufacturing. The bill provides incremental funding for one Columbia Class submarine, two Virginia Class submarines, one Carrier Refueling and Complex Overhaul, one FF(X)-Frigate, one LPD (Flight II) Amphibious Transport Dock, and one LHA Replacement ship for more effective use of funds for multiyear munitions and other higher priority investments in fiscal year 2027.

Military Readiness: $6.1 billion in readiness enhancements to address near-term operational requirements, improve infrastructure sustainment, and strengthen force protection across the military departments. Recognizing continued pressure from sustained operational tempo, rising fuel costs, aging infrastructure, and evolving threats, the Committee prioritized investments that preserve current readiness while providing the Department with greater flexibility to execute critical facilities, sustainment, restoration, and modernization requirements.

The bill provides $1.7 billion to mitigate the Department's projected FY2027 fuel shortfall, $1.9 billion in flexible readiness funding to address emerging and unfunded requirements, approximately $2 billion in two-year Facilities Sustainment, Restoration, and Modernization (FSRM) funding to improve execution of installation maintenance and infrastructure projects, and $500 million to strengthen the kinds of passive defenses against drones the Committee encouraged the Department to pursue in the FY2026 bill to enhance installation protection and force survivability.

The bill fully funds military department equipment maintenance accounts, recognizing that sustained high operational tempo has contributed to a growing backlog of deferred maintenance and increasing long-term readiness risk.

Security Cooperation: $5.4 billion to strengthen security cooperation programs, including $1 billion for the First Island Chain Security Cooperation Initiative to enhance security partnerships with Taiwan and the Philippines, $750 million for the Ukraine

Security Assistance Initiative, $175 million for the Baltic Security Initiative, and increased funding for security cooperation with Bahrain and Jordan.

Procurement and Research and Development (R&D): $285.6 billion for the procurement of weapon systems and $203 billion for research, development, and testing of platforms.

Army: $61.3 billion for procurement and $19.4 billion in R&D, including:

- An increase of $360M to procure additional CH-47 aircraft;
- An increase of $185M for continuation of the Improved Turbine Engine Program.
- An increase of $170 million for Air and Missile Defense software development and integration; and
- An increase of $150M for additional quantities of Coyote Block 2 (kinetic) and Block 3 (non-kinetic) unmanned aircraft systems.
- Supports the President's Budget Request for the continued modernization of the Future Long-Range Assault Aircraft (FLRAA) at $2.1 billion.

Navy: $113.4 billion for procurement and $29.9 billion in R&D, including:

- An increase of $250 million for the Sea-Launched Cruise Missile-Nuclear;
- An increase of $78.5 million for ship missile defense systems and close-in weapon systems;
- An increase of $70 million for additional quantities of Coyote Block 2;
- An increase of $75 million of 40-foot patrol boats; and
- An increase of $350 million for the procurement of sonobuoys.

Air Force: $78.9 billion in procurement and $67.4 billion in R&D, including:

- An increase of $1.4B for eight C-130J aircraft for the Air National Guard;
- An increase of $48 million for F-16 Blackbeard integration;
- An increase of $245 million for F-15EX advanced procurement:
- An increase of $89.4 million for additional MH-139A Grey Wolf helicopters;
- An increase of $150 million for F-15EX engine enhancement;
- An increase of $150 million for Next Generation Adaptive Propulsion; and
- Supports the President's Budget Request for the Sentinel ICBM Program at $4.5 billion.

Space Force: $13.8 billion for procurement and $32.3 billion for R&D to address a wide range of space capabilities, including:

- An increase of $2 billion for the continued development of space-based airborne moving target indicator capability (AMTI);
- An increase of $3.3 billion for the continued deployment of the space data network (SDN);

- An increase of $520 million to continue development of the Next-Generation Overhead Persistent Infrared Polar Program;
- Provides $7.1 billion for 54 National Security Space Launch launches; and
- An increase of $88M to continue the space-based Commercial ISR focused on Responsive Combatant Command tasking.

National Guard: $1 billion for the National Guard and Reserve Equipment Account to support modernization and to address capability gaps and equipment shortfalls and provides $50 million for the state partnership program.

U.S.-Israeli Missile Defense Cooperation: $500 million for Israel Cooperative Programs including Iron Dome, David's Sling, and Arrow missile defense. The bill also includes $100 million for counter-drone cooperation, $50M for emerging technology cooperation, and $100 million for subterranean operations with the State of Israel.

Medical Research: $1.9 billion for medical research, of which $842 million is for the Congressionally Directed Medical Research Programs (CDMRP).

General Provisions and Policy Rider Highlights:

- $1.7 billion in funding, under Section 8131, to address the Department's projected FY27 fuel shortfall.
- $1.9 billion in funding, under Section 8132, as a general readiness increase to address unfunded readiness requirements across the Department.
- $2 billion in funding, under Section 8133, for Facilities Sustainment, Restoration, and Modernization (FSRM) with two-year availability across the Services to improve execution of critical installation maintenance and infrastructure projects.
- $500 million in funding, under Section 8134, to strengthen passive counter-drone capabilities, improving installation protection and force survivability against the growing threat posed by unmanned aerial systems.