What is the National Defense Authorization Act (NDAA)?

Center Forward Basics

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Overview

The National Defense Authorization Act (NDAA) is an annual package of legislation that authorizes the appropriation of funds to the United States Armed Forces, the Department of Defense (DOD), to nuclear programs within the Department of Energy (DOE), and to portions of the Department of State and the Department of Homeland Security. It serves as an annual policy framework for all activities related to defending the United States. It covers everything from healthcare benefits, military housing, and compensation increases, to the specific procurement of new aircraft, naval vessels, land vehicles, and missile defense systems. It lays out U.S. defense policy in specific regions worldwide and domestically. While the NDAA touches almost every corner of the United States defense apparatus, it does not directly appropriate any money. It only authorizes appropriations and establishes policy. Congress must pass appropriations bills separately to provide the authorized funds.

This Basic provides an overview of the NDAA's history from 1961 to the present, followed by a breakdown of what a typical NDAA contains. It will explain how an NDAA is structured and provide a roadmap for FY2027, highlighting overarching trends and specific changes for the United States' defense apparatus in 2027.

Historical Background and NDAA Process

Under Article 1, Section 9, Clause 7, of the U.S. Constitution, the **Appropriations Clause** grants the U.S. Congress sole authority over any funds being drawn from the United States Treasury. This "power of the purse" allows Congress to oversee the authorization of appropriations and the appropriations process itself for all matters related to defense expenditures. Regarding the NDAA specifically, Congress has exercised this power since it first authorized nearly $50 billion for defense spending in 1961 with the passage of the first NDAA. This amount has risen since, declining only slightly in the late 1990s and the mid-2010s. Most recently, in Fiscal Year 2026, Congress authorized $838.7 billion in discretionary defense spending. Funding ultimately reached over $1 trillion after an additional $150 billion was added as part of President Trump's "One Big Beautiful Bill." Congress is also considering an extra $80 billion in emergency funding for the war in Iran. NDAA FY 2027 is projected to authorize more than $1.15 trillion for national defense, the highest amount ever authorized for defense in U.S. history.

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Center Forward brings together members of Congress, not-for profits, academic experts, trade associations, corporations and unions to find common ground. Our mission: to give centrist allies the information they need to craft common sense solutions, and provide those allies the support they need to turn those ideas into results.

In order to meet our challenges we need to put aside the partisan bickering that has gridlocked Washington and come together to find common sense solutions.

For more information, please visit www.center-forward.org

Key Terms:

Appropriations Clause: *No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.* (Art. I, Section 9, Clause 7)

Conference Committee: A temporary joint committee of both chambers of Congress, meant to resolve disagreements or reconcile differences over two versions of the same bill passed by the two chambers.

Discretionary Spending: Federal spending provided through the annual appropriations process, as

Jurisdiction – Who writes the NDAA?

The NDAA process falls under the jurisdiction of the House Armed Services Committee (HASC) and the Senate Armed Services Committee (SASC). Each respective committee must pass an identical version of the NDAA for it to then be signed into law. The NDAA process begins with the President sending his budget request to Congress in the early months of the preceding year. This is followed by hearings and markups, during which Congress questions officials from various executive departments, senior military leaders, and staff from other departments about how the President's budget request would use the funds authorized for defense purposes. After these hearings, the House and Senate Armed Services Committees hold markups, where Members revise and review the President's budget request.

Once the House passes the NDAA after considering and voting on amendments on the House floor, it sends it to the Senate for consideration and revision. This process can happen in reverse, moving from the Senate to the House chamber, if the Senate passes its proposal first. In order for the final product, or a complete NDAA, to be brought before the President, both the House and the Senate chambers, not only the Armed Services Committees, must pass an identical version. If both chambers decide to do so, a **Conference Committee** may be convened to adopt one final bill text or NDAA proposal. When both chambers approve the same NDAA proposal, it becomes a complete NDAA proposal sent to the President to be signed into law.

distinguished from mandatory spending established by existing law.

Reconciliation Spending: A budget process for considering certain tax, spending, and debt-limit legislation under expedited procedures. Bills can pass in the Senate by a simple majority instead of a supermajority.

Next-Generation Technology: Cutting edge technology like artificial intelligence (AI), biotechnology, drones, and autonomous systems, as well as the latest airplanes, helicopters, and boats. This technology changes how wars are fought and safeguards the health of military personnel.

Contents and Breakdown – What is the NDAA?

The NDAA is broken down into Sections, Divisions, Titles, and Subtitles. It begins by establishing the bill's title and laying out a Table of Contents. This organizes the text into several main divisions. Division A: Department of Defense Authorizations, Division B: Military Construction Authorizations, Division C: Department of Energy National Security Authorizations and Other Authorizations, Division D: Funding Tables, and then various other Divisions in different orders across various Fiscal Years: the Department of State Authorization Act, Intelligence Authorization Act, and notably in 2026, the Coast Guard Authorization Act. The contents of each division are bulleted below:

- The Department of Defense Authorizations division typically addresses military personnel, procurement, research and development, operations, maintenance, acquisitions, and other various programs and topics.
- The Military Construction Division authorizes certain and specific construction projects, housing programs, etc.
- The Department of Energy Authorizations cover all activities related to nuclear weapons, nuclear reactors, and energy programs that fall under the jurisdiction of the Department of Energy but relate to U.S. defense.
- Funding tables lay out charts of the authorized dollar amounts for the various programs, sections, titles, etc.

A Look Ahead - FY 2027

The National Defense Authorization Act for Fiscal Year 2027 is expected to authorize a total of $1.15 trillion dollars in **discretionary spending**, plus an additional $350 billion in **reconciliation spending.** This is a 42%

increase from the previous year. Supporters of the House FY2027 NDAA describe rebuilding the defense industrial base, reforming defense acquisition, and modernizing military capabilities as central priorities. Additional major priorities of the proposed NDAA FY 2027 are to restock American munitions stockpiles, fund the creation of the Golden Dome missile defense system across the continental United States, create a new command overseeing drone warfare, establish a new role in the Department of Defense overseeing Cyber, Information, and Networks, and invest in **next-generation technology**. It lays out the United States's goals and funding amounts for the Indo-Pacific Region, Europe, the Middle East, the Western Hemisphere as a whole, and along the United States's Northern and Southern borders, among other regions and priorities.

In the Indo-Pacific, the House proposal supports the First Island Chain Security Cooperation Initiative**,** strengthens cooperation between the United States, Australia, and the United Kingdom through AUKUS, a trilateral security and trade partnership, and invests in deterrence capabilities in the South Pacific. As it relates to Europe, the House passed NDAA FY2027 emphasizes maintaining a strong U.S. and NATO defense posture, while encouraging NATO and European allies to increase their collective defense spending, responsibility, and overall defensive measures. It emphasizes Congressional support for NATO's eastern countries and Ukraine, as well as a sustained U.S. presence in Europe. In the Western Hemisphere, most notably along the Southern borders, the House passed NDAA FY2027 focuses on combating transnational criminal organizations, illegal migration, and drug trafficking. The House proposal also expands the Defense Department's role at the U.S.-Mexico border, including provisions related to transnational criminal organizations, drug trafficking, border security, and military support for border operations. The NDAA touches on virtually every major region across the globe, laying out congressional authorizations and policy for the Defense Department for the following year.

Conclusion

The NDAA is one of Congress's primary legislative tools for shaping United States national security policy. Its reach extends beyond the purchase of weapons and military equipment to personnel, next-generation technologies, nuclear security, defense infrastructure, defense industry regional strategy, and congressional oversight of the Department of Defense and the military. Understanding the difference between the authorizations and the appropriations process itself is integral to understanding the NDAA: the NDAA establishes policies and authorizes funding levels, while appropriations legislation separately provides the legal authority to spend federal dollars.

The House and Senate FY2027 proposals address a range of national security priorities, including missile defense, drones and autonomous systems, cybersecurity, munitions production, border security, and regional defense initiatives. The legislation's final provisions, details, and specific policies and funding tables may change as both chambers work to reconcile the differences between their respective versions.

Overall, the NDAA serves as the central mechanism for the United States Congress to direct and oversee U.S. defense policy by authorizing funding and establishing policy. The NDAA is also a forum in which Congress considers competing priorities involving defense spending, military readiness, modernization, domestic security, overseas commitments, and U.S. alliances.

Links to Other Resources

- Center for Arms Control and Non-Proliferation - Summary: Fiscal Year 2027 National Defense Authorization
- Congress.gov **-** Act (H.R. 8800) as passed by the House Committee on Armed Services
- Congress.gov - Authorizations and the Appropriations Process
- Congress.gov - Defense Primer: Navigating the NDAA

- Congress.gov - Defense Primer: The NDAA Process
- Congress.gov - H.R.5009 - Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025
- Congress.gov - H.R.8800 - National Defense Authorization Act for Fiscal Year 2027
- Congress.gov - S.1071 - National Defense Authorization Act for Fiscal Year 2026
- Constitution Annotated - ArtI.S9.C7.2 Historical Background on Appropriations Clause
- CSIS - Tracking FY 2027 Defense Appropriations, Reconciliation, and the Supplemental Request
- EANGUS - What is the NDAA?
- Federal News Network - 5 NDAA proposals that could impact DoD employees
- Federal News Network - House 2027 Defense Spending Bill Heads to the Full Chamber
- House Armed Services Committee - History of the NDAA
- NATO - Innovation and Technology Adoption
- NGAUS - President Proposes $1.5 Trillion Defense Budget
- United States Senate Committee on Armed Services - Fiscal Year 2027 National Defense Authorization Act