The President's FY2020 budget request includes $761.8 billion in budget authority for national defense, a major function of the federal budget that includes funding primarily for Department of Defense (DOD) programs but also for defense-related activities administered by other federal agencies, including the Department of Energy.

National defense is one of 20 major functions used by the Office of Management and Budget (OMB) to organize budget data—and the largest in terms of discretionary spending. The national defense budget function (identified by the numerical notation 050) comprises three subfunctions: DOD–Military (051); atomic energy defense activities primarily of the Department of Energy (053); and other defense-related activities (054), such as FBI counterintelligence activities.

National Defense Budget

The $761.8 billion national defense budget request includes $750 billion in discretionary budget authority and $11.8 billion in mandatory budget authority (see Figure 1), according to OMB.

The national defense budget request represents an increase of $35.6 billion (4.9%) in nominal dollars from the FY2019 amount of $726.2 billion, according to OMB. Adjusting for inflation, the overall request amounts to $746.6 billion in constant FY2019 dollars, representing a real increase of $20.4 billion (2.8%) from the FY2019 amount, according to a CRS analysis of OMB data.

The $750 billion requested for national defense discretionary spending breaks down as follows:

- $718.3 billion for DOD (95.8% of the total);
- $23.2 billion for atomic energy activities (3.1%); and
- $8.4 billion for other defense-related activities (1.1%).

Figure 1. FY2020 National Defense Budget Request

(in billions of dollars of budget authority)
Notes: Totals may not sum due to rounding.

Historical Perspectives

Since 9/11, outlays for defense discretionary programs in nominal dollars (not adjusted for inflation) more than doubled from $306.1 billion in FY2001 to $674.3 billion in FY2019, according to OMB.

The Congressional Budget Office (CBO) projects mandatory spending and net interest payments on the national debt increasing at faster rates than defense and nondefense discretionary spending over the next decade. CBO projects net interest payments on the national debt surpassing defense discretionary outlays in FY2025. (See Figure 2.)

Figure 2. Outlays by Budget Enforcement Category, FY2001-FY2029

(in trillions of dollars)
As a percentage of total federal outlays, discretionary defense outlays decreased from 49.3% in FY1962 to 14.9% in FY2019, according to OMB. As a share of discretionary spending only, defense outlays decreased from 73% in FY1962 to 49.6% in FY2019.

Over the same period, defense spending as a share of Gross Domestic Product (GDP) has decreased, according to OMB. For example, discretionary outlays for national defense declined from 9% of GDP in FY1962 to 3.2% of GDP in FY2019. OMB projects this share to decrease to 2.8% in FY2024. (See Figure 3.)

Figure 3. Defense Outlays as a Share of Discretionary Outlays and GDP, FY1962-FY2024

(in percentages)
Source: OMB Public Budget Database, Outlays XLS; for GDP, OMB Historical Tables, Table 10.1, Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2024.

Note: FY2019 through FY2024 reflect estimated amounts.

In Line with Budget Cap

The President's budget request conforms to the discretionary defense spending limits (or caps) established by the Budget Control Act of 2011 (BCA; P.L. 112-25), which amended the Balanced Budget and Emergency Deficit Control Act of 1985 (BBEDCA; P.L. 99-177). CBO has estimated these caps at $576 billion in FY2020 and $590 billion in FY2021.

The request for national defense discretionary spending includes approximately $576 billion in base budget spending, $165 billion in funding for Overseas Contingency Operations (OCO), and $9 billion for emergency requirements, according to OMB. Spending designated for OCO or emergency requirements is effectively exempt from the caps. (See Table 1.)

Table 1. BCA Limits on National Defense (050) Discretionary Base Budget Authority

(in billions of dollars)

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**Notes:** Bold and shaded figures indicate statutory changes. Figures do not include funding for Overseas Contingency Operations (OCO), emergencies, or disaster relief. The BCA as amended provided for "security" and "nonsecurity" categories in FY2012 and FY2013: italicized figures denote CRS estimates of budget authority for defense and nondefense categories in those years. Small changes in budget authority beginning in FY2016 are caused by adjustments in the annual proportional allocations of automatic enforcement measures as calculated by OMB: for more information on these adjustments, see CBO, *Estimated Impact of Automatic Budget Enforcement Procedures Specified in the Budget Control Act*, September 2011. This table is an abridged version of one that originally appeared in CRS Report R44874, *The Budget Control Act: Frequently Asked Questions*, by Grant A. Driessen and Megan S. Lynch.

**OCO Funding**

After 9/11, Congress appropriated supplemental and specially designated funding in addition to the base DOD budget—the latter of which comprises funding for planned or regularly occurring costs to man, train, and equip the military force. (See Figure 4.)

**Figure 4. DOD Budget Authority: A Historical Perspective**

(in billions of constant FY2019 dollars)
Source: CRS analysis of Department of Defense, Defense Budget Overview for FY2020, March 2019; DOD, National Defense Budget Estimates for FY2019: Table 6-8: DOD Budget Authority by Public Law Title (FY1948-FY2023), Table 2-1: Base Budget, War Funding and Suppleminals by Military Department, by P.L. Title (FY2001-FY2019), and Table 1-9: National Defense Budget Authority-Discretionary and Mandatory, April 2019; DOD, FAD-809 table, January 1978; Congressional Budget Office, Final Fiscal Year 2018 House Current Status of Discretionary Appropriations, as of September 30, 2018; Congressional Budget Office, Fiscal Year 2019 House Current Status of Discretionary Appropriations, as of October 5, 2018; Congressional Budget Office, Supplemental appropriations reports from the 1970s-2000s; Office of Management and Budget, Historical Tables, 10.1, and Analytical Perspectives, 29-1.

Notes: 1950-2017 nominal DOD funding from DOD Table 6-8; 2018, 2019, and 2020 nominal DOD funding from OMB Table 29-1 and DOD Defense Budget Overview; 1950-1977 nominal DOD non-base funding from DOD FAD-809 table; 1978-2000 nominal DOD non-base funding from CRS research; 2001-2017 nominal DOD non-base funding from DOD Table 2-1; 2018-2019 nominal DOD non-base funding from CBO Current Status of Discretionary Appropriations tables and DOD Table 1-9; 2020 nominal DOD non-base funding from DOD; nominal figures adjusted to constant FY2020 dollars using calculations based deflators in OMB Table 10.1.

OMB notes FY2020 and FY2021 OCO funding would support activities unrelated to contingency operations to avoid the BCA caps: "In order to fully resource national defense requirements, funding above the current law caps will also be necessary. The Budget therefore increases OCO amounts in 2020 and 2021 to nearly $165 billion and $156 billion, respectively. These amounts fund direct war costs, enduring in theater support, and certain base budget requirements" (emphasis added). After more than doubling OCO funding from $69 billion in FY2019 to $165 billion in FY2020 and to $156 billion in FY2021—the final two years of the BCA—OMB would reduce OCO funding to $20 billion in FY2022 and FY2023 and to $10 billion beginning in FY2024. (See Figure 5.)

Figure 5. Proposed Defense Discretionary Funding Levels in 2020 Budget
DOD breaks down the $164.6 billion OCO funding request as $66.7 billion (40.5% of the total OCO request) in the "Overseas Contingency Operations" category and $97.9 billion (59.5%) in the "OCO for base" category.

For the first time, DOD budget materials provide new categories that identify the portion of OCO intended to directly support combat operations.

- **Direct War Requirements**: Combat or combat support costs that are not likely to continue once contingency operations end, $25.4 billion (14.6% of the total OCO and emergency request);
- **OCO for Enduring Requirements**: Enduring costs in theater and the continental United States that will remain after combat operations end, $41.3 billion (23.8%);
- **OCO for Base Requirements**: Base budget requirements financed in the OCO budget "to comply with" the BCA, $97.9 billion (56.3%); and
- **Emergency Requirements**: Unspecified construction for emergencies, $9.2 billion (5.3%), including $7.2 billion intended for construction of southwest border wall and $2 billion in disaster relief to rebuild facilities damaged by Hurricanes Florence and Michael.

For more on this topic, see CRS Report R44519, *Overseas Contingency Operations Funding: Background and Status* and CRS In Focus IF10143, *Foreign Affairs Overseas Contingency Operations (OCO) Funding: Background and Current Status*. 

**Source:** Office of Management and Budget, Table S-7, Proposed Discretionary Funding Levels in 2020 Budget; Amounts adjusted for inflation using GDP (Chained) Price Index from OMB Historical Tables, Table 10.1, Gross Domestic Product and Deflators Used in the Historical Tables: 1940–2024.
Emergency Funding

As previously discussed, the DOD budget request includes $9.2 billion in emergency funding "for unspecified military construction to build border barriers, backfill funding reallocated in FY2019 to build border barriers and rebuild facilities damaged by Hurricanes Florence and Michael." The overview also notes, "This funding and the required transfer authority would be provided through a general provision."

A table in the appendix also references this emergency funding and notes the budget "requests funds in Military Construction, Army with transfer authority to address border security and hurricane recovery." An accompanying spreadsheet includes a line item for $9.2 billion in the Military Construction, Army account with the project title "unspecified worldwide construction."

OMB's Budget Fact Sheet on Border Security states the DOD budget "proposed $3.6 billion in new military construction resources for barriers to assist DHS in securing and managing the southern border."

For more on this topic, see CRS Insight IN11017, Military Construction Funding in the Event of a National Emergency, CRS Insight IN11052, The Defense Department and 10 U.S.C. 284: Legislative Origins and Funding Questions, and CRS Legal Sidebar LSB10242, Can the Department of Defense Build the Border Wall?