

President Trump's FY 2027 Defense Budget Request: A Generational Investment

Wilson Beaver, Robert Peters, Brent D. Sadler, and Mike Jernigan

KEY TAKEAWAYS

The President's FY 2027 defense budget request supercharges the defense industrial base and provides much-needed improvements to quality of life for the troops.

The request rightly focuses on procurement of ships, planes, and munitions to rebuild the military and prepare it for great power competition in the Indo-Pacific.

America's long-neglected strategic deterrent is also finally getting the funding required to deter aggression against the homeland.

The President's defense budget request for fiscal year (FY) 2027 requests from Congress a \$1.45 trillion budget, broken down into \$1.1 trillion in base discretionary budget authority and an additional \$350 billion in mandatory spending to address shortfalls in munitions and critical minerals, supercharging the defense industrial base, and providing much-needed improvements to quality of life for the troops that have been neglected or deferred in previous years.¹

The FY 2027 defense budget request demonstrates an admirable effort to align defense budget resources with defense strategy, a core concept of defense spending that was lacking during the Biden Administration and that should be foundational to how defense budgets are designed. The FY 2027 request rightly focuses on procurement of ships, planes, and munitions to rebuild the military and prepare it for

This paper, in its entirety, can be found at <https://report.heritage.org/bg3964>

The Heritage Foundation | 214 Massachusetts Avenue, NE | Washington, DC 20002 | (202) 546-4400 | heritage.org

Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

great power competition and deterrence in the Indo–Pacific against the ever-expanding armed forces of the People’s Republic of China (PRC). It also supercharges America’s defense industrial base first and foremost by sending a massive, long-term demand signal to industry that stimulates investment in expanded labor and infrastructure for production and encourages and incentivizes the private sector to accelerate innovation in next-generation technologies.

The Department of War’s efforts at reform and optimization continue, with reforms intended to streamline acquisition and reduce associated costs and to trim unnecessary fat from the budget. Critically, the FY 2027 defense budget request also aims to restore a warrior ethos in the U.S. military, including through major improvements to quality of life for the troops, with major investments in training, housing, quality of life, and pay.

The requests by the Department of the Air Force and Department of the Army are largely on track with requirements and need only modest adjustments to meet the necessities of the joint force. The primary deficiency for the operational needs of both the Air Force and the Army is the flat procurement spending on airlift aircraft in the Air Force budget, which decreased slightly from the FY 2026 request. The Army needs Air Force airlift to get to the fight, and for both its own needs and the needs of the joint force, the Air Force should significantly expand procurement orders of the C-130J.

The Department of the Army

The Department of the Army is requesting a total budget of \$252.4 billion for FY 2027, a \$48.6 billion increase from the \$203.8 billion enacted in FY 2026, with the largest sum of new funding in procurement.² The Army’s substantial funding request represents a much-needed shot in the arm after years of the Army’s budget remaining relatively stagnant.³ The Army has demonstrated its adaptability and centrality to the changing needs of the battlefield and its critical role in deterring China in the Indo–Pacific. The Army budget also emphasizes the role the Army plays in defending the homeland, with \$1.1 billion spent on the border defense mission.

Specific allocations highlighted include:

- Key capabilities, such as the MV-75 Future Long-Range Assault Aircraft (\$2.1 billion), the Counter-Small Unmanned Aerial System (C-sUAS) (\$1.9 billion), the Armored Multi-purpose Vehicle (\$1.2 billion), the XM30 Mechanized Infantry Combat Vehicle (\$547 million), and Abrams M1E3 (\$474 million);

- Unmanned aerial system (UAS) innovation and industrial support for the vision to create a sustainable path toward U.S. military drone dominance;
- \$1.2 billion to increase the Army's focus on warfighting formations, such as Mobile Brigade Combat Teams (MBCTs), Multi-Domain Commands, High Mobility Artillery Rocket System (HIMARS) units, and Indirect Fire Protection Capability (IFPC) batteries; and
- An emphasis on the role the Army plays in defending the homeland, with \$1.1 billion spent on the border defense mission.

To support the mission of the Army and reverse the decline of the Biden years, the Army is requesting an active-duty end strength increase by 15,000 to a new target of 469,000, with the growth concentrated in multi-domain operational and fires-based capabilities like air defense, field artillery, cyber operations, and counter-UAS capabilities.

The Army's two main roles in the Indo-Pacific are to provide logistics and air defense for forward airfields (a familiar role) and to provide shore-based anti-access capabilities (a relatively new role).⁴ Army artillerymen have recently demonstrated the relevance of the Army's new capabilities to the littoral environments of the Indo-Pacific by sinking Iranian ships, including a submarine, using Army Tactical Missile Systems (ATACMS) and by launching Precision Strike Missiles (PrSMs) deep into Iranian territory.⁵

These proven capabilities will not be able to reach the fight, however, without additional investments by the Navy and Air Force in sealift and airlift. The Army needs to push its sister services hard to expand orders of logistical ships and aircraft needed for the joint force.⁶

The Army continues with its efforts in the Army Transformation Initiative (ATI) to optimize the force and engage in continuous transformation, learning lessons from the battlefield in Ukraine and adopting new technologies quickly. As part of the ATI, excess ground vehicles more relevant to counterinsurgency operations are being eliminated and planned procurement of obsolete systems, such as the Gray Eagle, is being canceled. At the same time, systems identified as relevant to future Army operations, including long-range missiles, modernized UAS, the M1E3 tank, the Future Long-Range Assault Aircraft, and a wide range of counter-UAS (C-UAS) capabilities, are being prioritized. Implementation of new methods of agile funding, shifting from program-centric

to capability-based portfolios in an effort to field equipment faster and keep up with the pace of innovation, is especially relevant for UAS and C-UAS procurement.⁷

At the same time, the Army must not forget that the fundamentals of warfare have not changed and that, in pursuing innovation, it must avoid throwing out the proverbial baby with the bathwater. Drones have clear and proven combat and intelligence, surveillance, and reconnaissance (ISR) capabilities that need to be developed and integrated, as seen in Russia's continuing war with Ukraine. However, traditional infantry, armor, and artillery units have been just as instrumental in the conduct of the war, and the U.S. Army must remain at the forefront of these warfighting branches even while pursuing UAS and C-UAS dominance. To this end, continued armor modernization and an eventual replacement for the Army's existing self-propelled howitzer system are needed.

The Department of the Navy

The Department of the Navy encompasses the Navy and the Marine Corps.

The Navy. The Navy's FY 2027 budget request is an improvement over past years, but limited details provided point to only modest infrastructure investment for implementing the national defense strategy. For example, the Navy's request has no mention of additional public shipyards, which are necessary to sustain the existing and larger planned nuclear fleet of submarines, aircraft carriers, and proposed battleships. This omission was repeated in the Navy's May 11, 2026, long-range shipbuilding plan.⁸ That said, the significant order for warships and logistic ships sends a needed demand signal, however imperfect.

The Heritage Foundation's "Conservative Defense Budget for Fiscal Year 2025"⁹ and its *2026 Index of U.S. Military Strength*¹⁰ both called for generational investments in the ships, planes, and munitions needed for great power competition, especially through block buys of precision-guided munitions and ships and a focus on expanded capacity. The FY 2027 defense budget request agrees with this focus in most respects, especially through the block buys of precision-guided munitions for which it deserves exceptional praise. There are aspects that could be improved through the National Defense Authorization Act (NDAA) process in Congress, as laid out below, but overall, the FY 2027 request strikes an impressive balance between meeting the needs of the current and future force, and will result in a far stronger and more capable U.S. military.

The Department of the Navy is requesting a budget of \$377.5 billion for FY 2027, a \$73.9 billion increase from the \$303.6 billion enacted in FY 2026.¹¹ The FY 2027 defense budget request continues an admirable and correct focus on naval shipbuilding. However, results in actual increased production and delivery rates from shipyards remain elusive. This is a function of slow returns on investment typical of any industrial recapitalization program but also a failure in leadership.

Specific allocations highlighted include:

- A shipbuilding budget of \$65.8 billion (including \$5.6 billion mandatory) for 18 battle force ships, 16 other construction ships, and funding for cost-to-complete for prior year shipbuilding across multiple programs. The budget funds the remainder of incremental funding for the FY 2026 *Columbia*-class nuclear-powered ballistic missile submarine, full funding for one FY 2027 submarine, and advance procurement for eight future ships.
- Funding for the submarine industrial base, including full funding for two *Virginia*-class submarines, advance procurement for four future *Virginia*-class submarines, a portion of the submarine industrial base, nuclear-shipbuilder productivity enhancements, and submarine capacity and long-term expansion.
- One DDG-51 destroyer, one FF(X) light frigate using the *National Security Cutter*-class design, two AS(X) submarine tender replacements, one *Explorer*-class ocean surveillance ship (T-AGOS), two *John Lewis Fleet Oiler*-class ships, one landing platform dock (LPD) Flight II ship, one *America*-class landing helicopter assault (LHA) ship, six medium landing ships, and industrial base funding.
- Non-battle force ships include one strategic sealift, four ship-to-shore connectors, one special mission ship, one bulk fuel vessel, one hospital ship, five fireboats, two landing craft, air cushion (LCAC) Service Life Extension Program (SLEP) ships, and one used sealift vessel.
- Aircraft procurement request at \$34.4 billion, a 101 percent increase compared to the FY 2026 request (including \$7.5 billion mandatory).

This Navy budget includes three priorities: (1) investing in health, welfare, and training; (2) driving an adaptive, accountable, and innovative

warfighting culture; and (3) critically, strengthening the shipbuilding and maritime industrial base. Without forceful leadership and absent tangible successes, the necessary rallying of the wider Department of the Navy to revive a naval shipbuilding program has not matured 15 months into the current Administration.¹² This challenge has now fallen to the newly acting Secretary of the Navy, Hung Cao.

All told, the recently announced Golden Fleet plan makes long-overdue commitments to shipbuilding by embracing procurement policies intent on increasing industrial capacity. While welcome, key details necessary to assess as well as guide Congress have yet to be made public, even in the recently released shipbuilding plan, which breaks a lapse since the last 30-year shipbuilding plan released in March 2024 during the previous Administration. Moreover, there is little indication that this naval build program is coordinated with the U.S. Coast Guard and the Maritime Administration, both of which are embarking on significant shipbuilding that will either strain or accelerate the national maritime industrial revival.

Of the 34 ships requested in the Navy budget, 16 are support ships, such as consolidated cargo replenishment at sea (CONSOL) tankers modified to support naval vessels that are urgently needed. These orders critically include two oilers and two long-deferred submarine tenders. However, the budget's procurement periodicity for aircraft carriers risks the sustainability of this production line; the budget is also silent on orders for command ships that The Heritage Foundation has long identified as a critical need for the type of contested naval warfare expected in the Pacific. Moreover, this budget should be viewed as an initial down payment for the fleet of logistics ships required and will be targeted by China in a future war. The Heritage Foundation's *TIDALWAVE Special Report* recommends orders of 10 to 15 ammunition-capable transport ships (T-AKE) and 15 to 20 additional oilers.¹³ As such, sustained orders of the various class of logistics ships are required, for which a large block procurement would have made sense to achieve savings in economies of scale and predictability in orders for shipyards. Given the current fiscal environment willing to support such shipbuilding programs, the absence of such a procurement plan represents a missed opportunity. Of course, existing limited domestic shipyard capacity is assumed as informing this budget and does not appear to aggressively pursue partnering with allies overseas and attracting investment in the United States. This would be critical in the near term to increase shipbuilding capacity through orders of logistics ships appropriate for allied construction and new shipyard orders.

Additionally, the number of new battle force warship orders is historically high, but it obscures several key concerns. One, six of the battle force ships ordered are landing ships medium (LSMs), which are necessary for Indo-Pacific operations but operationally limited. Two, a reduction in destroyer orders, which is sustained for several years, is slowing down delivery of needed replacements of the aging *Ticonderoga*-class cruisers key for air and missile defense of the carrier strike group. Three, given the centrality of nuclear attack submarines in an Indo-Pacific conflict and a struggling submarine industrial base, the decision to not order a third *Virginia*-class submarine eases pressures to expand capacities and diversify supply base. Four, cancellation of the *Constellation*-class to shift frigate procurement to a repurposed National Security Cutter requires limited but not insignificant design modifications to be an operationally viable naval warship (such as larger fuel tanks for aviation fuel and storage for air-dropped torpedoes). However, most concerning is the potential loss of shipbuilding capacity in the transition between shipyards and designs.¹⁴ Sending and sustaining expanded ship orders, including of the manned warships that form the backbone of the fleet, is required to send a clear demand signal to shipbuilders, and potential new sector entrants, to invest in infrastructure and labor for expanded production.

Beyond shipbuilding, three primary issues are worth noting.¹⁵ One: Funding and direction is needed for a dedicated carrier-based fighter with long-range air-to-air missiles and sustained hypersonic speeds—the so-called F/A-XX, which has been on R&D life support. Also, congressional inquiry and focus should be added due to the anemic order rate for the unmanned MQ-25 amidst slipping delivery timelines. Given the mine threat being faced in the Strait of Hormuz, it is not clear how the Navy will increase its capacity to clear mines and reopen shipping lanes. While the U.S. Marine Corps continues to procure CH-53K heavy-transport helicopters, the Navy's minesweeping variant needs a replacement.

Two: With the unavoidable retirement of the *Avenger*-class, the Navy is now relying on mine counter-measure modules employed from littoral combat ships. These ships' minesweeping performance in the Persian Gulf will be a key metric in assessing this operational approach and the need for modifications to the current design or procurement of new dedicated minesweeping assets.

Three: After several years of intense combat for the Navy, procurement outlays in the current budget for munitions is insufficient. For example, at current rates, the 1,000 tomahawk cruise missiles fired against Iran in Operation Epic Fury will not be replenished until the next budget in FY

2028. Heavyweight torpedo orders for submarines, a key offensive platform effective against China, remain too low. The current order of 141 torpedoes would double last year's order, but if this represents maximum production capacity it is inadequate to meet the Navy's needs.

The Marine Corps. Funded within the Department of the Navy, several elements of necessary support to the Marine Corps are missing from the FY 2027 budget request.¹⁶ Several of these shortfalls are aviation-focused and center around aviation sustainment at sea. Specifically, no Aviation Logistics Support Ship (T-AVB) replacement or refurbishment corrective programs are included, repair and regeneration of aviation assets damaged in combat are left out, and separately, the Marine Corps needs to be compensated, not punished, for the prescient investment in one-way attack drones that were absorbed for joint force use in attacks in Iran.¹⁷

The Marine Corps has two T-AVBs tasked to support its afloat, in-combat requirements for aviation replenishment and repair. These are the *SS Wright* (T-AVB 3) and the *SS Curtiss* (T-AVB 4). Both are 50 years old, well past their 25-year expected service life, and the Marine Corps has expressed it will have a "critical shortfall" if they are not replaced. In short, the Marine Corps soon will lose—perhaps permanently—its ability to conduct afloat intermediate-level aviation maintenance capacity without these old ships or their replacement capability. The FY 2027 request does not correct this published deficiency, either in replacement capability or specific funding for—literally—keeping these ships floating and able to perform their assigned missions.

Similarly, while the FY 2027 request asks for more airframes in the F-35 and F-18 varieties for the Marine Corps, it neglects to identify funding to repair and regenerate combat-damaged aircraft. In April 2026, the nation was transfixed for days with the search and rescue of a downed American aircrew. Lost in the conversation of rescuing that crew was the damage to aircraft in that multiday recovery operation. Marine Corps F-35s and F-18s are high-performing war machines whose value has been recently proven over the skies of Iran, but Congress needs to fund battlefield restoration so the Marine Corps can continue its high level of performance in the near future, if needed.

Lastly, the Marine Corps was the first service to fund and adopt one-way attack drones. *The Wall Street Journal* reports that the Marine Corps ordered 6,000 of them, many of which were used by the joint force for attacks into Iran.¹⁸ The Marine Corps should not be penalized for productive foresight on investing in a capable weapon that others had not yet planned for. The 6,000 one-way attack drones were funded out of the

Marine Corps' budget, at the expense of other capabilities. Since the one-way attack drones were absorbed into the Department of War's joint efforts, Congress should restore that money spent so that the Marines can buy them again, for whatever original purposes they had been intended—likely Indo-Pacific planning.

The Department of the Air Force

The Department of the Air Force is requesting \$391.1 billion in FY 2027, a \$98.3 billion increase from the \$292.8 billion enacted in FY 2026.¹⁹ The Air Force's incredible performance over the skies of Venezuela and Iran serves as validation of American air superiority doctrine and the continued relevance of manned fighter and bomber aircraft. The Russian-sourced and Chinese-sourced air defense, drone, and cheap missile warfighting systems and concepts by Iran and other potential adversaries are a poor substitute for the combination of air superiority, airlift, domain awareness, and missile defense employed by the U.S. Air Force.

Specific allocations highlighted include:

- Accelerating the transition to a fifth-generation and sixth-generation force by fully funding F-35 Block 4 modernization and investing \$9 billion, a \$3.1 billion increase, in the F-47 family of systems, which is identified as the top priority.
- A \$2.7 billion investment in the Collaborative Combat Aircraft program, funding the first increment while beginning development on the second.
- \$413 million to sustain fourth-generation fighters with enhancements including the Integrated Viper Electronic Warfare Suite, an upgrade that enhances survivability in contested electromagnetic environments.
- A \$3 billion investment in the F-15EX, procuring 24 aircraft and upgrading sensors, range, and payload.
- \$4.4 billion to procure an additional 15 KC-46 tankers to buy down risk from the legacy fleet and provide the decision space to define the next-generation tanker. Also, an especially important 90 percent increase in KC-46 sustainment funding (\$455 million) will directly boost aircraft availability for daily operational missions.

The challenge the Air Force faces is in sustaining air superiority over time and at distance in a potential Indo–Pacific conflict in which the regional basing, logistical support, and available air defense are far less than that which is available for air operations in the Middle East.²⁰ The \$11.8 billion in power projection platforms like runways, hangars, and mission-critical infrastructure is a good recognition of this and needs to be focused on infrastructure in the Indo–Pacific needed for an Air Force capable of deterring Chinese aggression in the region. The procurement of 15 additional KC-46 tankers and 90 percent increase in sustainment funding for existing KC-46s are both solid strategic investments in Air Force power projection.²¹

The substantial increase in F-35 procurement and modest increase in F-15EX procurement are both sensible and commendable and demonstrate a recognition of the proven capabilities of these platforms and the need for more.

The Air Force does need, however, to invest more in airlift platforms currently in production, such as the C-130J, as well as to restart production for other airlift platforms, such as the C-17, as quickly as possible. Admiral Samuel Paparo made this point in testimony in 2025, stating that it took 73 flights by C-17s to move a single Patriot battalion from the Indo–Pacific to the Middle East.²² Given the far greater needs for air defense and for units like the Army’s Multi-Domain Task Force (MDTF) in the event of an Indo–Pacific conflict, far more airlift platforms are needed.

The Space Force

Funded within the Department of the Air Force, the FY 2027 Space Force budget request represents a strong investment in U.S. space capabilities, with an enormous funding increase to \$71.2 billion—an increase of \$39.4 billion over the previous year. The investments represent a shift in how the Space Force operates and a recognition of space as a warfighting domain.

The request allots \$21.6 billion for space control capabilities to invest in “proliferated constellations as well as defensive and offensive capabilities,” with additional substantial investments in faster and cheaper space launch. These investments are a recognition of the fact that the U.S. satellite constellation needs to be far more resilient and redundant to survive adversarial advances and intent with counter-satellite systems.²³

The request also dedicates an additional \$8.5 billion to Resilient Missile Warning Tracking to counter advances in hypersonic and hyper-glide missile threats being developed by adversaries.

Strategic Deterrent and Missile Defense

The President's budget request includes \$71.4 billion across the nuclear enterprise to sustain and modernize all three legs of the U.S. nuclear triad (submarines, bombers, and intercontinental ballistic missiles), plus an additional \$20.2 billion for nuclear command, control, and communications (NC3) architecture. This funding aims to ensure the continued effectiveness of the nuclear deterrent amid China's nuclear breakout, Russia's nuclear coercion, and North Korea's ever advancing nuclear program.

Specific allocations highlighted include:

- **\$16.2 billion** for the *Columbia*-class ballistic missile submarine program (including funding for one new hull and advanced procurement for additional hulls). This funding is critical if the United States intends to go beyond the planned 12 *Columbias* and order 15 instead.
- **\$6.1 billion** for the B-21 stealth bomber, which is supposed to be at a minimum 100 airframes, with some senior military officers calling for more than 200 airframes.
- **\$4.6 billion** for the *Sentinel* intercontinental ballistic missile (ICBM) program.
- **\$1.5 billion** for the long-range standoff (LRSO) nuclear cruise missile.²⁴

Complementary funding flows through the Department of Energy's National Nuclear Security Administration (NNSA), which receives a requested \$32.8 billion to maintain and build the nuclear warheads themselves. Of this, \$27.44 billion supports stockpile maintenance, warhead modernization and life extension, production infrastructure upgrades, and scientific tools. The budget stresses developing new warheads, extending existing ones, and modernizing facilities to provide the President with flexible nuclear deterrent capabilities.

Golden Dome is a layered homeland missile defense system designed to protect the United States against aerial and missile threats. Golden Dome will integrate existing ground-based and naval missile defense systems with a new layer of space-based interceptors. The President's proposal seeks roughly more than \$17 billion for the program to operationalize it, with the goal of significant progress toward deployment before the end of 2028.

This builds on more than \$23 billion spent in FY 2026. The budget positions Golden Dome within broader homeland security and missile defense, including expansions in sensing networks, next-generation interceptors, and enabling technologies. It aims for a multilayered approach while hiring additional personnel to accelerate development.

Munitions. The increased procurement numbers for munitions and additional steps to increase production of munitions is one of the most impressive and important aspects of the FY 2027 budget request. The establishment of the Munitions Acceleration Council (MAC) to coordinate and encourage increased munitions production has also proven an important step in the right direction. The Heritage Foundation has already argued that munitions procurement orders need to be increased several times over in order to send a demand signal to industry to make major investments in infrastructure and labor needed to dramatically expand production.²⁵ Congress has contributed as well, especially through the authorization of eight MAC munitions for multiyear procurement.

Critics, especially on the appropriations committees, have routinely argued against expanding munitions production beyond what they believe industry is currently optimized to produce, and have cut precision-guided munitions funding, arguing either against multiyear procurement from the perspective of an accountant (wanting all funding to be executed in a fiscal year) or arguing that industry “can’t handle” the increased order and that therefore it should not be ordered.²⁶

The FY 2027 request rightly pushes back against these arguments by tripling or quadrupling orders of the most important munitions, such as Standard Missile (SM) SM-6, Terminal High-Altitude Area Defense (THAAD), Tomahawks, Joint Air-to-Surface Standoff Missiles (JASSM), Advanced Medium-Range Air-to-Air Missiles (AMRAAM), and Precision Strike Missiles (PrSM).

It is widely agreed that stockpiles are too low, especially after supplemental packages for Ukraine and the high rate of missile expenditures during Operation Epic Fury in Iran. The stockpile shortages will never be reversed without multiyear procurement funding and orders well above what industry thinks it can handle. The most important short-term task of Congress regarding munitions will be preventing critics on the appropriations committees from cutting procurement of precision-guided munitions.

Savings and Acquisition Reform. The efforts to find savings and efficiencies continue across the Department of War, with an additional \$20 billion per year in savings identified for FY 2027 (or \$100 billion in savings over five years). These savings were achieved by efforts like streamlining

contract services, terminating underperforming programs, and re-baselining science and technology spending to cut underperforming and non-defense research.²⁷ Planning, Programming, Budgeting, and Execution (PPBE) reform continues to increase acquisition agility and with the goal of a clean audit by FY 2028.

These efforts are especially important because not all dollars in the defense budget have been properly allocated to building direct military capability in recent years. Policymakers should recognize that the Department of War is a warfighting organization, not a laboratory for social experimentation or an easy means to push through funding for other non-defense purposes. Given the urgent nature of the threat against critical U.S. national interests, Congress should prioritize the funding of direct military capability to make the American public safer and to ensure that their tax dollars are not being squandered.²⁸

Supercharging the Defense Industrial Base. In addition to the most important step of sending a demand signal through solid increases in procurement spending, the Department of War is taking several other steps to “supercharge” America’s defense industrial base.²⁹ Defense supply chains are a big focus, with investments and reforms looking to secure critical minerals and other early inputs in the supply chains of the Department of War from malign adversarial influence. Attracting private capital investors to invest alongside the Department of War is a welcome and much-needed focus as well, especially as certain aspects of defense procurement become more privatized. To augment private capital and the demand signal from procurement orders, significant federal sums are being spent on improving infrastructure at shipyards to expand capacity and optimize layout.³⁰

Many of these steps are commonsense economic policies that will also be helpful to the U.S. economy as a whole, the health of which is an essential part of national security. One cannot have a defense industrial base without an industrial base. To this end, the Trump Administration is rightfully looking to ameliorate long-term capacity issues with the defense industrial base by focusing on increasing capital flows to industry, reducing costs of production, expanding the available labor pool, and increasing and stabilizing demand.³¹

Quality of Life Improvements for the Troops. The 2027 budget request includes a significant and laudable pay raise for the troops, with junior enlisted seeing the biggest pay increase. The increase in basic pay for service members from grades E1 to E5 is 7 percent; from grades E6 to O3, 6 percent; and from O4 and above, 5 percent.³²

One especially important provision is an \$88.5 billion investment for improving facilities, with \$21.5 billion dedicated specifically to improving the quality of life of enlisted service members living on base by eliminating aging barracks. The 2027 request rightfully notes that “[m]odern, safe and functional housing is not a luxury; it is essential for rest, recovery, and morale that underpin combat effectiveness.”³³

Restoring the Warrior Ethos. Critically, the Department of War is turning away from the social experiments and non-defense initiatives of the Biden and Obama years, now centering the goal of restoring a warrior ethos across the joint force, with a “laser focus on warfighting, lethality, meritocracy, standards, and readiness.”³⁴ Physical fitness and training standards are emphasized by each service in the readiness goals. The purpose of the U.S. military is to defend the security and interests of the American people through applied violence when necessary and restoring a warrior ethos is thus essential.

Policy Recommendations for Congress

To build on the FY 2027 defense budget request, Congress should:

- **Prevent cuts to authorized orders of precision-guided munitions.** Given the shortages in precision-guided munitions exacerbated by the supplemental packages to Ukraine and the operational needs of Operation Epic Fury, big multiyear procurement orders of precision-guided munitions are needed, and anyone who claims that the defense industrial base cannot handle the order is missing the point—which is that expanded production can only come with expanded orders.
- **Push authorizing language and report language requiring munitions requests to be tied to warfighting requirements,** including a protracted conflict with China.
- **Order additional warships, including at the absolute minimum a second *Arleigh Burke*-class destroyer.** The Navy is decommissioning 11 battle force ships this year and is not planning to fully replace them. The Golden Fleet cannot wait until the 2030s, and more ship orders are needed now if it is to ever become a reality. Investment in unmanned systems cannot come at the expense of orders and funding for manned warships, including destroyers, frigates, submarines, and

carriers. Ideally, this increase in ships would include three *Virginia*-class submarines per year and at a minimum two *Arleigh Burke* destroyers, shipyard workforce/capital incentives, a modern naval act/block-buy concept, First Fleet re-establishment, fifth public shipyard planning, and a second *Constellation*-class frigate yard with reinstated orders of *Constellation*-class frigates.

- **Block buy of logistics ships for Indo-Pacific contingency planning and peacetime use.** The Heritage Foundation TIDALWAVE *Special Report* recommends orders of 10 to 15 ammunition-capable transport ships (T-AKEs), and 15 to 20 additional oilers.
- **Establish Air Force divestiture discipline.** Congress should push “no net aircraft loss” language: divestitures should not exceed procurements unless the Secretary of the Air Force certifies no degradation in warfighting capacity.
- **Push more Air Force investment in airlift aircraft.** The Army will not be able to get to the fight without airlift, and the Air Force needs to invest more in airlift platforms currently in production like the C-130J, as well as restart production for other airlift platforms like the C-17 as quickly as possible.
- **Eliminate non-defense research, development, test, and evaluation (RDT&E).** Congress should direct a Government Accountability Office-style review and transfer or cut authority for non-warfighting RDT&E, especially non-defense medical RDT&E better suited for civilian agencies.
- **Fund necessary investments in the Marine Corps.** Congress should fund a plan to maintain and continue operation of the Marine Corps’ two aged aviation logistics support ships (T-ALBs), while funding a program of record to replace the two T-ALBs with a like or enhanced capability, and restore the funding the Marine Corps invested in the purchase of one-way attack drones.
- **Accelerate procurement of kinetic C-UAS.** Congress should push acceleration of kinetic C-UAS, especially low-cost intercept options, rather than overreliance on immature directed-energy-only approaches.

- **Fully fund strategic deterrence, which includes nuclear deterrence and the nuclear-armed sea-launched cruise missile (SLCM-N).** Congress should push SLCM-N funding, B-21/*Sentinel* acceleration, W80 upload stopgap language, and funds to upload 400 additional ICBM warheads. The next NDAA, for FY 2027, should include funds for 400 additional ICBM warheads given China's nuclear breakout.
- **Invest in a second B-21 production facility.** B-21s are integral to American Indo-Pacific strategy and building more, sooner, requires a second production facility.
- **Require Army investment in next-generation artillery.** The Army has been looking at options for a new self-propelled howitzer for years and Congress should require an answer on what plans the Army has for one soon.

Conclusion

The Trump Administration has been clear that its national defense strategy is to defend the homeland and deter China, and the new funding made available in the FY 2027 defense budget request expanding capacity across the services, especially in airpower, is a generational investment in making that strategy possible. Large procurement orders for existing programs and investments in next-generation capabilities, such as the B-21 and F-47, coupled with the truly impressive block buys of precision-guided munitions, are necessary for securing U.S. national interests. America's long-neglected strategic deterrent is finally getting the funding required to protect the homeland, including necessary support for programs like the *Sentinel* missile and *Columbia*-class ballistic missile submarine. Changes or additions by Congress should focus on procurement—readying and equipping the U.S. military to deter China in the Indo-Pacific.

Wilson Beaver is Senior Policy Advisor for Defense Budgeting and NATO Policy in the Douglas and Sarah Allison Center for National Security at The Heritage Foundation.

Robert Peters is Senior Research Fellow in, and Assistant Director of, the Allison Center.

Brent D. Sadler is Senior Research Fellow for Naval Warfare and Advanced Technology in the Allison Center. **Mike Jernigan** is a Visiting Fellow in the Allison Center.

Endnotes

1. U.S. Department of War, Comptroller, *FY 2027 Department of War Budget Overview Book*, April 2026, pp. 1-1 and 1-2, https://comptroller.war.gov/Portals/45/Documents/defbudget/FY2027/FY2027_Budget_Request_Overview_Book.pdf (accessed May 13, 2026).
2. Major General Rebecca B. McElwain, Director of the Army Budget, "Army Fiscal Year Budget Overview 2027," U.S. Department of the Army, Office of the Assistant Secretary of the Army (Financial Management and Comptroller), April 21, 2026, slide 3, <https://www.asafm.army.mil/Portals/72/Documents/BudgetMaterial/2027/pbr/Army%20FY%202027%20Budget%20Overview.pdf> (accessed May 13, 2026).
3. Wilson Beaver, "U.S. Army," in Wilson Beaver, Daniel R. Green, and Robert Peters, eds., *2026 Index of U.S. Military Strength* (Washington, DC: The Heritage Foundation, 2026), pp. 352–354, https://static.heritage.org/2026/Military_Index/2026_IndexOfUSMilitaryStrength.pdf.
4. Wilson Beaver, "The Army's Role in the Indo-Pacific," Heritage Foundation *Issue Brief* No. 5346, March 12, 2024, pp. 1–4, <https://www.heritage.org/defense/report/the-armys-role-the-indo-pacific>.
5. Kelsey Baker, "Top US General Says American Troops Have Been Sinking Iranian Warships, Including a Submarine, with the ATACMS Ballistic Missile," *Business Insider*, March 13, 2026, <https://www.businessinsider.com/us-troops-used-atacms-to-sink-iranian-ships-submarine-2026-3> (accessed May 13, 2026).
6. Robert Greenway and Anna Gustafson, "TIDALWAVE: Strategic Exploitation and Sustainment in a U.S.–China Conflict," Heritage Foundation *Special Report* No. 324, January 16, 2026, pp. 262 and 263, https://static.heritage.org/-/2025/SR324_TIDALWAVE_REDACTED.pdf.
7. Beaver, "U.S. Army," in Beaver, Green, and Peters, eds., *2026 Index of U.S. Military Strength*, pp. 347–349.
8. U.S. Department of the Navy, "U.S. Navy Shipbuilding Plan," May 2026, <https://www.documentcloud.org/documents/28112692-navy-shipbuilding-plan-may-2026/> (accessed May 13, 2026).
9. Robert Greenway, Wilson Beaver, Robert Peters, Alexander Velez-Green, John Venable, Brent Sadler, and Jim Fein, "A Conservative Defense Budget for Fiscal Year 2025," Heritage Foundation *Special Report* No. 281, April 2, 2024, pp. 25–30, <https://www.heritage.org/defense/report/conservative-defense-budget-fiscal-year-2025>.
10. "An Assessment of U.S. Military Power," in Beaver, Green, and Peters, eds., *2026 Index of U.S. Military Strength* (Washington, DC: The Heritage Foundation, 2026), p. 339, https://static.heritage.org/2026/Military_Index/2026_IndexOfUSMilitaryStrength.pdf.
11. U.S. Department of the Navy, "Department of the Navy President's Budget (PB) 2027," April 28, 2026, slide 6, https://www.secnav.navy.mil/fmc/fmb/Documents/27pres/DON_Press_Brief.pdf (accessed May 13, 2026).
12. U.S. Department of the Navy, "The Bottom Line: Fiscal Year 2027 Department of the Navy Budget Submission," Office of the Assistant Secretary of the Navy (Financial Management and Comptroller), May 6, 2026, p. 1, https://www.secnav.navy.mil/fmc/fmb/Documents/27pres/The_Bottom_Line.pdf (accessed May 14, 2026).
13. Robert Greenway and Anna Gustafson, "TIDALWAVE: Strategic Exploitation and Sustainment in a U.S.–China Conflict," Heritage Foundation *Special Report* No. 324, January 16, 2026, pp. 262 and 263, https://static.heritage.org/-/2025/SR324_TIDALWAVE_REDACTED.pdf.
14. Brent D. Sadler, "To Build the Golden Fleet," Heritage Foundation *Special Report* No. 328, March 25, 2026, pp. 7–9, <https://www.heritage.org/sites/default/files/2026-03/SR328.pdf>.
15. Brent D. Sadler, "U.S. Navy," in Beaver, Green, and Peters, eds., *2026 Index of U.S. Military Strength*, pp. 371–407, https://www.heritage.org/sites/default/files/2026-03/2026_IndexOfUSMilitaryStrength_ASSESSMENT_POWER_NAVY.pdf.
16. U.S. Department of the Navy, "Highlights of the Department of the Navy FY 2027 Budget," 2026, <https://www.secnav.navy.mil/fmc/Pages/Fiscal-Year-2027.aspx> (accessed May 14, 2026).
17. Mike Jernigan, "U.S. Marine Corps," in Beaver, Green, and Peters, eds., *2026 Index of U.S. Military Strength*, pp. 433–453, https://www.heritage.org/sites/default/files/2026-03/2026_IndexOfUSMilitaryStrength_ASSESSMENT_POWER_USMC.pdf.
18. Laura Seligman, "What U.S. Marines Can Do to Help Reopen the Strait of Hormuz," *The Wall Street Journal*, March 18, 2026, <https://www.wsj.com/world/iran-war-us-marines-strait-of-hormuz-b1d7c249> (accessed May 14, 2026).
19. U.S. Department of the Air Force, *Fiscal Year 2027 Budget Overview*, Assistant Secretary of the Air Force (Financial Management & Comptroller), 2026, p. 10, <https://www.af.mil/Secretariat-of-the-Air-Force/Financial-Management-SAF-FM/#budget> (accessed May 14, 2026).
20. Jason Camilletti, "U.S. Air Force," in Beaver, Green, and Peters, eds., *2026 Index of U.S. Military Strength*, pp. 409–416, https://www.heritage.org/sites/default/files/2026-03/2026_IndexOfUSMilitaryStrength_ASSESSMENT_POWER_USAF.pdf.
21. U.S. Department of the Air Force, *Fiscal Year 2027 Budget Overview*, 2026, p. 10, <https://www.af.mil/Secretariat-of-the-Air-Force/Financial-Management-SAF-FM/#budget> (accessed May 14, 2026).
22. Jake Epstein, "US Military Planes Flew a Patriot Air Defense Battalion Out of the Pacific to the Middle East. It Took over 70 Flights, a Commander Says," *Business Insider*, April 10, 2025, <https://www.businessinsider.com/us-military-planes-flew-entire-patriot-battalion-pacific-middle-east-2025-4> (accessed May 14, 2026).

-
23. Robert Peters and Wilson Beaver, "America's Space Infrastructure: So Vulnerable It Destabilizes Geopolitics," *The American Conservative*, June 11, 2024, <https://www.theamericanconservative.com/americas-space-infrastructure-so-vulnerable-it-destabilizes-geopolitics/> (accessed May 14, 2026).
 24. U.S. Department of War, Comptroller, *FY 2027 Department of War Budget Overview Book*, pp. 1-4.
 25. See, for example, Greenway, Beaver, Peters, Velez-Green, Venable, Sadler, and Fein, "A Conservative Defense Budget for Fiscal Year 2025."
 26. John Venable and Maiya Clark, "Appropriators Lowered Priority for Critical Munitions in the Fiscal 2024 Defense Appropriations Bill," Heritage Foundation *Commentary*, July 21, 2023, <https://www.heritage.org/defense/commentary/appropriators-lowered-priority-critical-munitions-the-fiscal-2024-defense>.
 27. U.S. Department of War, Comptroller, *FY 2027 Department of War Budget Overview Book*, p. 5-4.
 28. Thomas Spoehr and Wilson Beaver, "Defense Dollars Saved Through Reforms Can Boost the Military's Lethality and Capacity," Heritage Foundation *Backgrounder* No. 3770, May 26, 2023, pp. 1 and 2, https://www.heritage.org/sites/default/files/2023-05/BG3770_0.pdf.
 29. Wilson Beaver, Robert Peters, John Venable, and James Di Pane, "Prioritizing Procurement over Research and Development," Heritage Foundation *Backgrounder* No. 3804, January 10, 2024, pp. 1-9, https://www.heritage.org/sites/default/files/2024-01/BG3804_0.pdf.
 30. U.S. Department of War, Comptroller, *FY 2027 Department of War Budget Overview Book*, p. 4-3.
 31. Robert Greenway, Jim Fein, Richard Stern, Wilson Beaver, Madison Doan, Rachel Greszler, Jordan Embree, and Robert Peters, "A Strategy to Revitalize the Defense Industrial Base for the 21st Century," Heritage Foundation *Special Report* No. 314, April 7, 2025, pp. 1 and 24, <https://www.heritage.org/sites/default/files/2025-04/SR314.pdf>.
 32. U.S. Department of War, Comptroller, *FY 2027 Department of War Budget Overview Book*, p. 4-11.
 33. *Ibid.*, p. 1-6.
 34. *Ibid.*