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## Reconciliation Bill Shifts Priorities to Less Border Funding and More Munitions Investment

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A newly updated version of the defense section within the 2025 budget reconciliation package reduces funding for military border security by approximately \$2.3 billion compared to earlier Senate proposals, while significantly increasing investment in weapons production and defense industrial capacity.

The revised legislation allocates roughly \$25 billion to support the munitions sector, including expanding production lines, bolstering the defense industrial base, and enhancing efforts around critical minerals. This figure surpasses the previous Senate version by approximately \$2 billion and exceeds the original House proposal by \$4 billion.

Although overall defense spending benefits from a \$150 billion boost through the reconciliation package, this infusion does not amend the core Fiscal Year 2026 base budget. That budget, approved earlier, included notable cuts to acquisition and procurement. The reconciliation funds, therefore, function as a financial buffer to maintain key defense priorities.

Leaders from the Senate and House Armed Services Committees, working in coordination with the administration, crafted the updated proposal with the aim of modernizing the armed forces. The plan emphasizes accelerated shipbuilding, expansion of drone and missile capabilities, and enhancements to border logistics infrastructure. Senate Armed Services Committee Chairman Roger Wicker called the measure a “critical down payment” toward meeting evolving national security challenges.

However, the updated legislation trims border-operational funding from \$3.3 billion to just \$1 billion. Critics argue this reduction may limit support for military personnel currently engaged in immigration-related duties, particularly under Title 32 authority, which grants federal funding while allowing states to maintain operational control.

The reconciliation bill also allocates targeted funds to high-priority defense programs, such as the development of next-generation missile defense systems, including the “Golden Dome,” as well as unmanned

systems across land, sea, and air domains. Nuclear-capable platforms remain a central focus in this push for modernization.

Shipbuilding receives a modest increase, \$1 billion more than the Senate's earlier version, though it still falls slightly short of the \$34 billion requested in the initial House proposal.

To support service members and their families, approximately \$7.5 billion is dedicated to housing upgrades, healthcare, recruitment bonuses, and family services. However, the package offsets some of these gains by reducing funding for broader social safety-net programs that military families often depend on.

The reconciliation process enables the majority party to bypass the Senate filibuster and pass budget-related legislation with a simple majority, making it a pivotal tool for executing strategic defense and fiscal priorities in a closely divided Congress.

In sum, the updated bill reflects a deliberate shift in U.S. defense strategy, scaling back border spending in favor of ramping up munitions production and accelerating military modernization, while cautiously balancing troop welfare and fiscal discipline.