



OST GLOBAL SOLUTIONS

Decoding Federal Budgets H. Con. Res. 14 FY25 Budget

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About OST



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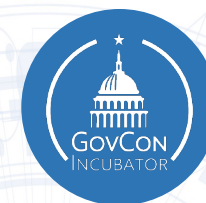
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**SBIR/STTR Proposal Lab for
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Recent History & Environment



Why This Matters Now

- **Living in last year's budget.** The Full-Year Continuing Appropriations & Extensions Act, 2025 (H.R. 1968) — signed 15 Mar 2025 — keeps most accounts locked at FY 24 budget levels through 30 Sep 2025.
- **Only a handful of anomalies got extra dollars** (Disaster Relief Fund, VA medical care, selected DoD munitions buys); everything else is effectively “flat-lined.”
- **Pipeline Drag – New Start Prohibition.** Without explicit anomaly or re-programming authority, agencies can't launch new programs, so they are leaning on recompetes, option-year mods, and existing IDIQs to meet mission gaps.
- **Inflation is a stealth cut.** CPI inflation at ~3-4 % means real buying power is sliding coupled with contractor escalation is squeezing agencies at both ends.
- **House blueprint vs. CR.** On 10 Apr the House adopted H. Con. Res. 14 (the FY 2025 budget resolution), but until the 12 appropriations bills (or a new omnibus) clear the Senate, the CR levels rule.
- **Congress is on the clock.** There are 117 days left to reconcile the budget bills before the next shutdown deadline.
- The window to align capture plans with both the CR reality and the pending FY 25 reshuffle is now.

Agency/Program	% Change
Commerce, Justice, Science: Sec 510	40.43%
Commerce, Justice, Science: Sec 521(a)(1)	(14.29%)
Commerce, Justice, Science: Sec 521(a)(4)	(23.15%)
Commerce, Justice, Science: Sec 521(b)(3)	200%
Commerce, Justice, Science: Sec 521(b)(4)	4.2%
Commerce, Justice, Science: Sec 521(b)(5)	33.33%
Commerce, Justice, Science: Sec 521(c)(1)	128%
Commerce, Justice, Science: Sec 521(c)(2)	(50%)
Financial Services: Sec 635	3.23%
Financial Services: DC Defender Services	(52%)
Labor, HHS, Education: Sec 240	17.68%
Labor, HHS, Education: Sec 528	(8.19%)
Labor, HHS, Education: Sec 529	(96.29%)
Food and Nutrition Service—Special Supplemental Nutrition	7.05%
Shipbuilding and Conversion, Navy	5.37%
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	7.05%

% Changes from FY24 budget to CR that is currently funding the Gov't.



Pipeline Drag from the CR Environment

- **New-start prohibition.** CRs generally bar agencies from obligating funds for programs that didn't exist in the previous fiscal year—unless Congress inserts a specific “anomaly.”
- **Resource re-allocation crises.** Program offices shuffle their FY 24-level dollars to cover must-fund items, pushing discretionary IT, R&D, and services work to the right.
- **Knock-on schedule impacts.** Delayed pre-solicitations delays draft RFPs, which delays the final RFP, which pushes award compounding through your pipeline like traffic backing up on a freeway.
- **Hyper-competition for the few deals that do move.** More bidders pile onto recompetes and IDIQ task orders, diluting individual PWin and potentially extending the protest cycle.

What Pipeline Drag Means for BD Execs

Concept	Practical Effect
Pipeline: The queue of opportunities moving from lead to capture to proposal to award.	Your forecasted dollar value by stage may need to be adjusted (\$600 M in Gate 2 pursuits)
Drag: resistance that slows that flow.	Fewer RFPs drop, decision dates slip, win-rates fall, and revenue conversions miss their quarter.

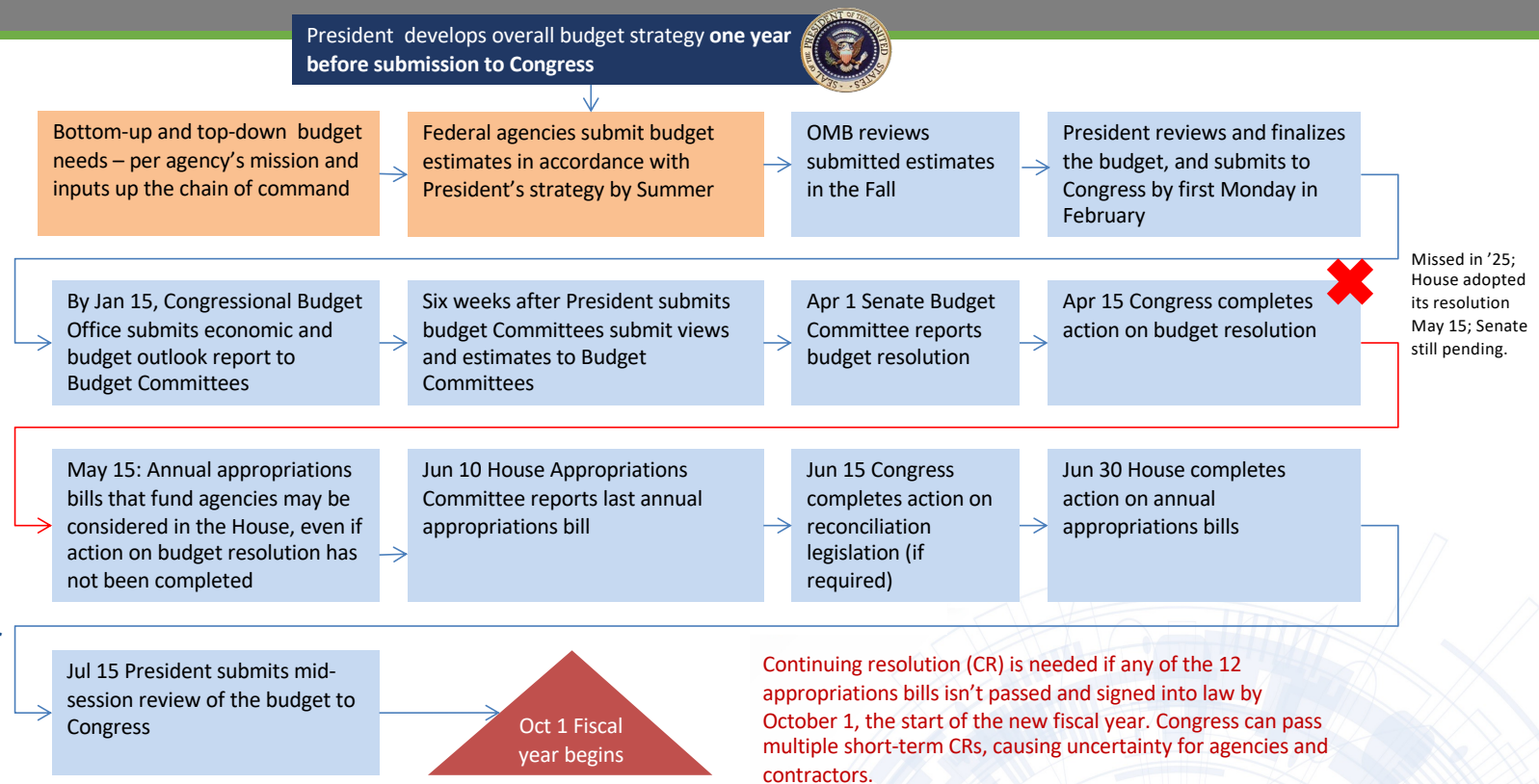
“Our capture velocity is dropping because the CR is adding **pipeline drag**—fewer opportunities are entering the funnel and those already in motion are slowing down.”



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Appropriated Funds: Budgetary Cycle

- President's Budget is good information even if it's early in the cycle
- FY25 Statutory deadlines already missed (operating under FY24 CR until 30 September)
- Budget line items are important for Price to Win analysis
- Plan captures on a 2-year time horizon (FY25 reshuffle + FY 26 request)
- DOD budgeting is a 7-year process for the 5-year Defense plan
- Government shutdown is painful to government contractors



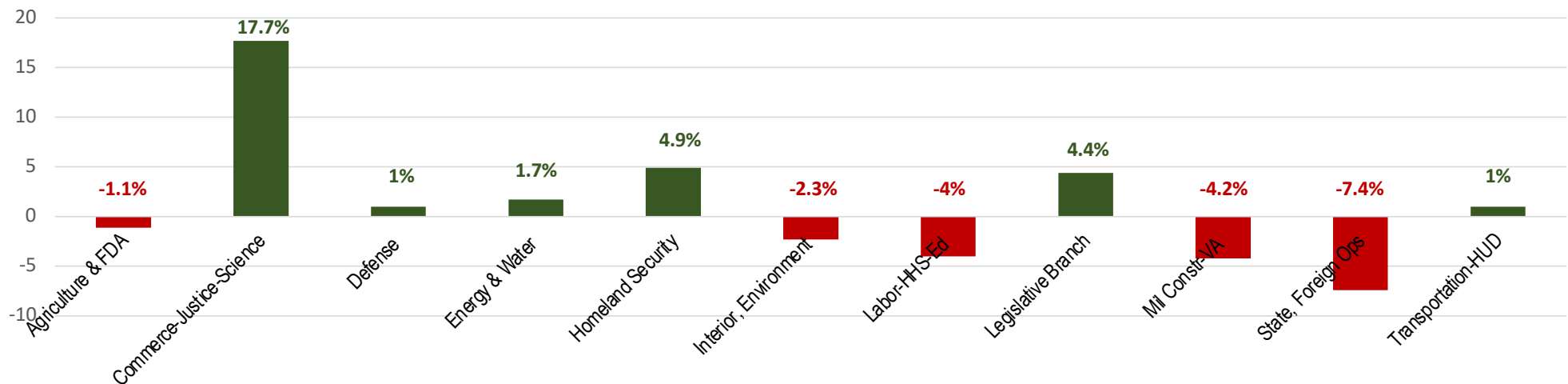
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Budget Top-Line Changes

Percentage Change From FY24 Budget



*Numbers shown are House FY 25 302(b) discretionary allocations—the pot agencies will use for most competed contracting. They exclude big mandatory and supplemental dollars, which is why these numbers are smaller than the ‘headline’ budgets commonly advertised.

Lead Agencies	FY24 (\$B)	FY25 (\$B)	% Δ	Lead Agencies	FY24 (\$B)	FY25 (\$B)	% Δ	Lead Agencies	FY24 (\$B)	FY25 (\$B)	% Δ
Agriculture & FDA	26.2	25.9	-1.1 %	Fin Svcs & GenGov (Treasury, GSA, IRS)	13.7	23.6	+72.3%	Legislative Branch	6.8	7.1	+4.4%
CJS (DoC, DoJ, NASA, NSF)	66.5	78.3	+17.7%	Homeland Security (DHS, FEMA)	61.8	64.8	+4.9%	Mil Constr-VA (MilCon, VA medical)	153.9	147.5	-4.2%
Defense (DoD, intel pass through)	824.5	833.1	+1%	Interior, Environment (DOI, EPA, NOAA Coastal)	38.6	37.7	-2.3%	State, Foreign Ops	55.8	51.7	-7.4%
Energy & Water (DOE, Corps, Bureau of Reclamation)	58.2	59.2	+1.7%	Labor-HHS-Ed (NIH, CDC, Ed)	194.4	186.6	-4%	Transportation-HUD	89.5	90.4	+1%



Political Budget Fights

- **Senate GOP fiscal-hawk blockade**
 - Rand Paul (KY) & Ron Johnson (WI) warn they'll vote no unless the bill shaves far more off the debt; Johnson calls the House plan "so far off the mark ... grotesque."
 - Sens. Rick Scott (FL) & Mike Lee (UT) privately lobbying colleagues for parallel amendments that would cap new borrowing and force deeper agency rescissions.
- **Senate centrist & social-safety-net anxiety**
 - Susan Collins (ME) signals discomfort with Medicaid cuts; Josh Hawley (MO) calls slashing working-class benefits "morally wrong and politically suicidal."
 - GOP leadership must now balance fiscal hawks vs program protectors.
- **Defense hawks vs. missing budget book**
 - Bipartisan Armed Services members fume that the administration has asked for a 13 % defense hike—topping \$1 T—without delivering a full budget or 10-year plan.
 - Quote from recent hearing: "We need to see your math," Chair Mike Rogers told Army leaders. Senators on appropriations say they'll withhold plus-ups until the plan arrives.
- **Trump's July 4 deadline vs. Senate reluctance**
 - The White House insists on final passage "by Independence Day."
 - Senior Republicans (including Paul & Johnson) say that timetable is "unrealistic unless the bill is rewritten."
- **House GOP second-guessing their own vote**
 - After squeaking the bill through 215-214, some conservatives are already in open revolt: Rep. Thomas Massie (KY) urges Elon Musk to fund primary challengers against colleagues who supported the package, calling it a "pork-filled, disgusting abomination."
 - Freedom Caucus members signal they'll oppose the Senate version unless it comes back with steeper cuts and border/security sweeteners.

Key Sticking Points in the Senate

Flashpoint	Senators	What they want
Debt-limit of \$4 trillion+	Paul, Johnson, Scott	Strip or shrink the increase
Medicaid/SNAP trims	Collins, Hawley	Soften or drop health-care cuts
Border budget offsets	Scott, Cruz	Redirect foreign-aid recissions to DHS
Defense topline transparency	Graham, Wicker	Full 25-29 program list before vote

GOP can only lose 3 votes—so every flashpoint can swing the numbers. Treat the House topline as provisional ranges, not final figures, until reconciliation is done.



Pipeline Consideration s



Develop Pipeline of IDIQs/GWACs; Update GSA Schedules (EO 14240)



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- **Defense (+1% | \$833b)**
 - Plus-up: \$4 B missile & precision-munitions surge; 4.5 % pay raise for all troops (+15 % for junior enlisted).
 - Hot sub-accounts: INDOPACOM posture, long-range fires, Guam missile defense, AI/ML R&D inside DARPA.
 - Contract avenues: AMCOM Express re-compete (Q1FY26), ASTRO (on-ramp expected FY26), Seaport-NxG rolling admissions.
- **Infrastructure (THUD) (1% | \$90.4b)**
 - Modest uptick in discretionary dollars, but IJIA/BIL formula & grant flows (~\$70 B/yr) continue on top.
 - Hot programs: Federal-Aid Highways obligation authority, FRA grade-crossing safety, FAA NextGen tower upgrades.
 - Contract avenues: DOT IDIQ Design & Engineering Support Services V (DESS-5) (Q1 FY 26; FAA eFAST (PoP through 2027; FAA considering re-compete strategy).
- **Healthcare / VA (-4 % | \$147.5b)**
 - Headline cut driven by MilCon trims, but advance-appropriated VA medical care stays fully funded (FY 26: \$131 B).
 - Hot sub-accounts: EHR Modernization sustainment, Community Care network, VA construction backlog (medical centers).
 - Contract avenues: VA T4NG2 (awaiting protest decision); DHA MHS GENESIS sustainment task orders; HHS CIO-SP4 award & on-ramps.
- **Tech / Cyber (CJS + cross-agency) (+17.7 % | \$78.3b)**
 - Biggest percentage gainer—House adds >\$11 B to NASA & NSF to back CHIPS & Science Act, Artemis, AI/quantum R&D.
 - Hot sub-accounts: NSF TIP Directorate (+5 %), NASA Space Tech (+2 %), NIST quantum labs (+1 %).
 - Contract avenues: NASA SEWP VI (awards expected Q4FY25); GSA Alliant 3 (awards expected Q1FY26); Polaris (Notice to Process once protests are resolved) DHS FirstSource III (GAO/COFC rulings expected mid-CY2025).
- **Border Security (DHS) (+4.9 % | \$64.8b)**
 - House boost funds CBP & ICE for surveillance towers, autonomous ground sensors, migrant-processing facilities.
 - Contract avenues: CBP Regional Multi-Domain Awareness Capability (RMAC) IDIQ (Draft SOW on sam.gov), DHS P25 Land-Mobile Radio Services BPA, DIU Border Tech OTA (next call expected Jul 25).

MDA's Scalable Homeland Innovative Enterprise Layered Defense (SHIELD) IDIQ

Full and open competition that will be award to all qualified, technically acceptable offeror.

Scope includes:

- Advanced R&D and S&T services
- Prototyping, testing, and integration
- Modeling, simulation, and mission analysis
- Cybersecurity and mission IT
- Artificial intelligence, machine learning, and digital engineering
- Agile and model-based acquisition support

\$151b ceiling with a 10-year PoP. Draft RFP expected in June of 2025.

*Not to be confused with the Strategic Homeland Intervention, Enforcement, and Logistics Division.

Practical Recommendations for BD Leaders



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- **Increase the number of opportunities in your pipeline:** traditional wisdom has been total pipeline of 2-3x your growth goals; consider increasing to 3-4x growth goals to counter “pipeline drag”.
- **Shift capacity toward recompetes and quick-turn task orders** on vehicles you already hold.
- **Plan for increased competition** by conducting enhanced competitive analysis and price-to-win scenarios.
- **Expand searches to include:** Other Transaction Authority (OTA) and Small Business Innovation Research (SBIR) calls, which can bypass CR limits.
- **Diversify agencies:** start looking into agencies who are getting budget increases to see what past performance/capabilities can be marketed.
- **Re-baseline forecasts by adding a “CR drag factor”** to stage-gate modeling so revenue targets remain realistic.

Pipeline Management Considerations

- Weekly pipeline meetings
- Reevaluate your IDIQ/GWAC pipeline
- Consider new pipeline metrics:
 - Drag Index: # of active pursuits / # forecasted 6 months ago (target greater than 80%)
 - Diversity Ratio: revenue forecast outside top-3 agencies (goal greater than 35%)
- Reevaluate Pwin and consider impact from increase competition on forecasts



Next Steps & Resources





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Next Steps & Resources

- We provide market analysis, BD strategy, pipeline management, opportunity qualification, and other capture support.
- We are happy to schedule time to discuss your business development needs:
 - <https://calendly.com/ostglobalsolutions/bdconsulting?month=2023-09>
- We have a subcontractor portal where you can upload your capabilities for opportunities:
 - <https://www.ostglobalsolutions.com/teaming-partner-match-portal/>
- We regularly publish updates to major contracts through our newsletter and blog:
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