

BUDGET SAVINGS & REFORMS



The FY26 NDAA authorizes \$892.6 billion for national defense discretionary programs, matching President Trump’s budget request.

Account	FY26NDAA
Procurement	\$153 billion
Research, Development, Test, & Evaluation	\$142 billion
Operation & Maintenance	\$295 billion
Military Personnel & Health	\$235 billion
Military Construction & Family Housing	\$19 billion
Defense Nuclear Programs	\$34 billion
Total Defense Discretionary	\$892.6 billion

Cost Savings:

The FY26 NDAA saves taxpayers over \$20 billion, including \$15 billion in DOGE-initiated savings assumed in President Trump’s budget request. Savings include:

- ★ \$40.5 million from elimination of DEI activities
- ★ \$1.6 billion in cuts to climate change-related spending
- ★ \$1.2 billion from retiring obsolete weapons systems
- ★ \$6.8 billion from reductions in unnecessary Pentagon bureaucracy
- ★ \$5.5 billion in cuts to consulting and service contracts
- ★ \$5 billion in cuts to inefficient defense programs





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DoD Civilian Workforce Reforms:

The FY26 NDAA includes fundamental reforms of the DoD civilian workforce's hiring, management, and terminations practices to support President Trump's civil service reforms.

- ★ Authorizes DoD to fire, demote, reprimand, suspend, and reassign career Senior Executive Service employees for poor performance.
- ★ Reforms the hiring process to allow DoD to keep a pool of qualified candidates for at least a year without having to repost a job opening, and to use skills-based assessments to determine if candidates are qualified for open positions.
- ★ Authorizes DoD to disregard time-in-grade requirements so promotions can be based on demonstrated skill and performance.

Reduces Costs of Military Construction:

Military Construction (MILCON) costs 35% more than equivalent commercial construction. The FY26 NDAA includes important reforms to increase efficiencies and reduce costs to the taxpayer.

- ★ Grants military departments multiyear contracting authority to accelerate construction and reduce costs for construction projects.
- ★ Authorizes the use of the progressive design-build contracting method to cut costs and speed up MILCON projects.
- ★ Repeals outdated requirements that complicate construction planning and impose a cost premium on projects.
- ★ Authorizes the use of Other Transaction Authority (OTA) for construction projects, enabling DoD to avoid costly and time-consuming federal contracting regulatory burdens.
- ★ Eliminates mandates to use the Army Corps of Engineers and the Naval Facilities Engineering Command as DoD construction agents.
- ★ Requires an annual report detailing any remaining factors contributing to the cost premiums associated with construction of military facilities and recommendations to reduce costs.

Congressional Oversight of DoD Spending and Audit:

The FY26 NDAA continues strong oversight of DOD spending and its efforts to fully pass an audit.

- ★ Limits funds available for senior leader travel until DoD makes progress toward fully passing an audit.
- ★ Improves Congressional oversight of DoD audit results.
- ★ Fully funds DoD Inspector General audit activities.
- ★ Requires DoD to submit quarterly reports to Congress on the status of balances and activities carried out using funds provided by the One Big Beautiful Bill Act.

