



BUDGET SAVINGS & REFORMS

The FY26 NDAA authorizes \$901 billion for national defense discretionary programs:

Account	FY26 NDAA
Procurement	\$162 billion
Research, Development, Test, & Evaluation	\$146 billion
Operation & Maintenance	\$291 billion
Military Personnel & Health	\$234 billion
Military Construction & Family Housing	\$20 billion
Defense Nuclear Programs	\$34 billion
Total Defense Discretionary	\$900.6 billion

Cost Savings

The FY26 NDAA saves taxpayers nearly \$20 billion. Savings include:

- \$40.5 million from eliminating DEI activities
- \$1.6 billion in cuts to climate change-related spending
- \$1.2 billion from retiring obsolete aircraft and ships
- \$6.8 billion from reductions in unnecessary Pentagon bureaucracy
- \$5.5 billion in cuts to consulting and service contracts
- \$3.7 billion in cuts to inefficient defense programs

DOW Civilian Workforce Reforms

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

- Authorizes DoW to disregard time-in-grade requirements so promotions can be based on demonstrated skill and performance.
- Reforms the hiring process to allow DoW to use skills-based assessments to determine if candidates are qualified for open positions.

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Military Construction Reforms

Military Construction (MILCON) costs 35% more on average than equivalent commercial construction. The FY26 NDAA includes important reforms to increase efficiency and reduce costs for taxpayers.

- Accelerates construction and reduces costs for construction projects by granting military departments multiyear contracting authority.
- Authorizes the use of the accelerated design-build and progressive design-build contracting methods to cut costs and speed up military construction 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- Repeals outdated requirements that complicate construction planning and impose a cost premium on projects.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 DoW to avoid costly and time-consuming federal contracting regulatory burdens.
- Eliminates the mandate to use the Army Corps of Engineers and the Naval Facilities Engineering Systems Command as DoW construction agents.
- Provides the Navy with enhanced contracting flexibility to manage complex shipyard construction projects more efficiently and cost-effectively.
- Requires an annual report detailing any remaining factors contributing to the cost premium associated with the construction of military facilities, as well as recommendations to reduce costs.

Congressional Oversight Of DoW Spending And Audit

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

- Improves Congressional oversight of DoW audit results.
- Fully funds DoW Inspector General audit activities.
- Requires DoW 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.

