Guiding Growth in a Shifting Landscape

GOVERNMENT IT SALES SUMMIT
NOVEMBER 20, 2025 | RESTON, VA
10 ANNIVERSARY

Unlocking the Power of Market Intelligence in Defense Agencies

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Unlocking the Power of Market Intelligence in Defense Agencies

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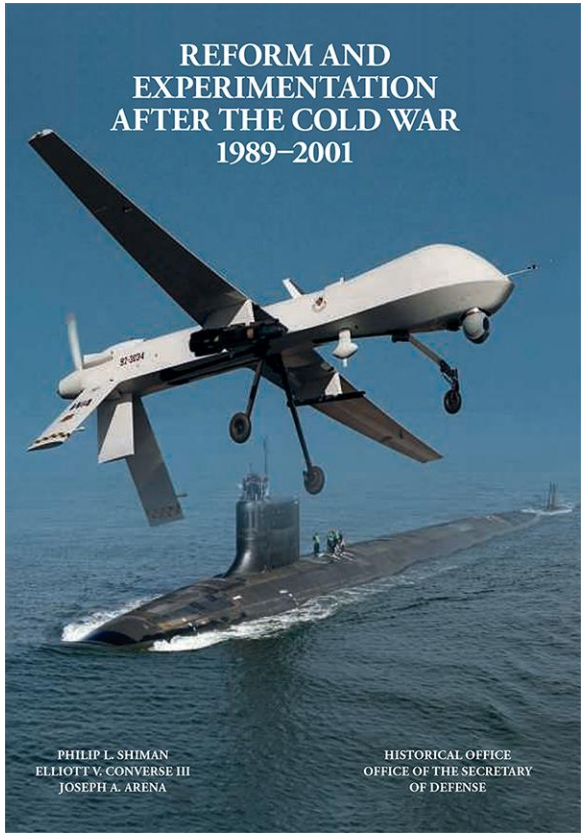
We've been here before



"Acquisition reform and experimentation… promised cost savings and other efficiencies that would make it possible for the nation to maintain its edge in weapons technology"

History of Acquisition in the Department of Defense
Volume V, Reform and Experimentation After the Cold War

Acquisition Trends
DOGE Impacts & Recent Acquisition Changes

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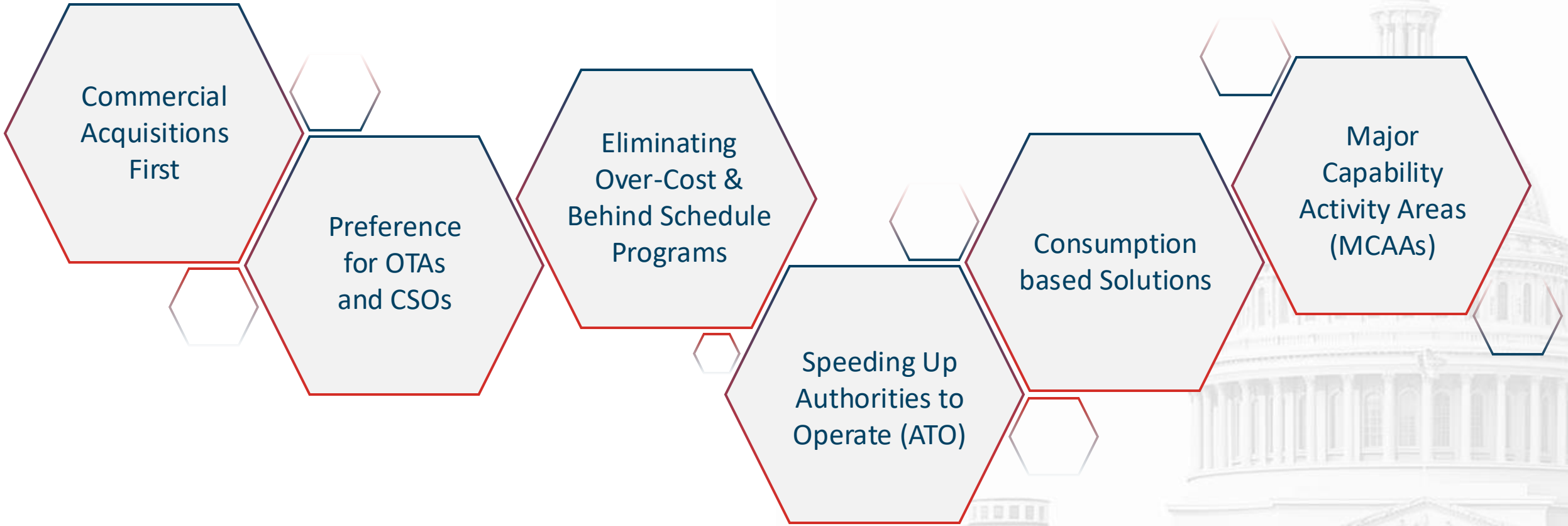
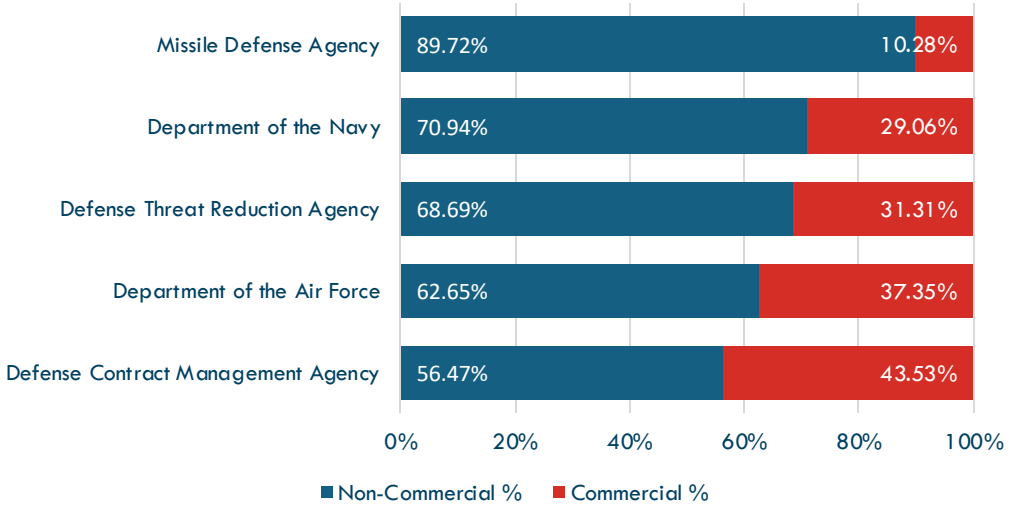
Major Acquisition Changes Being Made



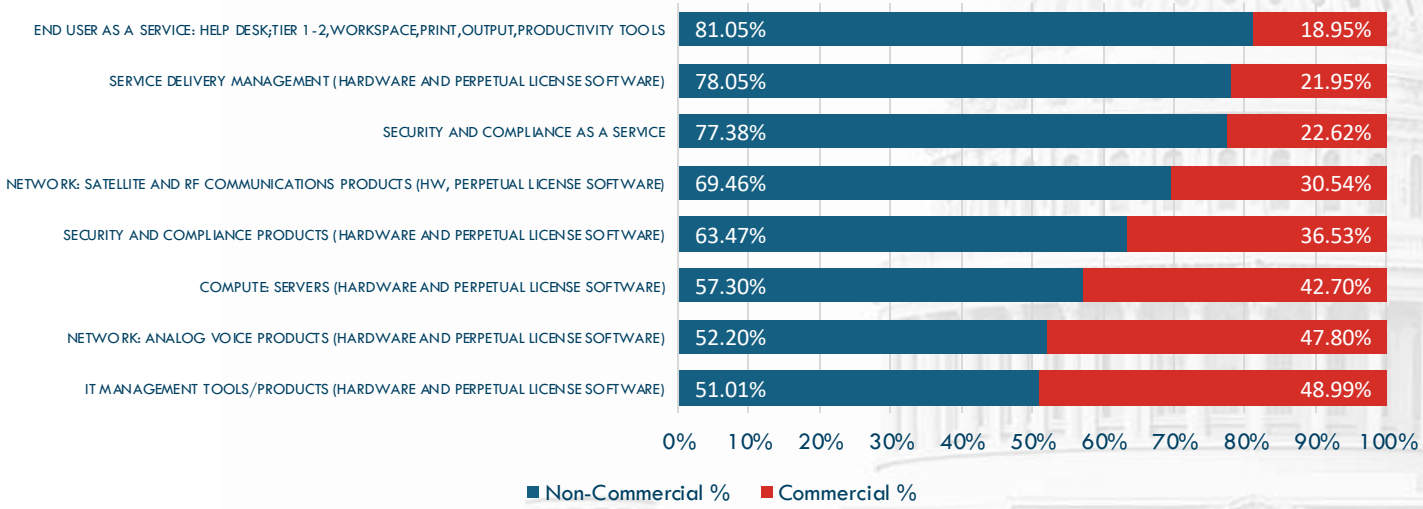
Commercial Acquisitions First

The DoD is doubling-down on a preference for commercial solutions and establishing new procedures for non-commercial acquisitions.

Non-Commercial Procurements as % of Total IT Purchases, FY24 (Over 50%)

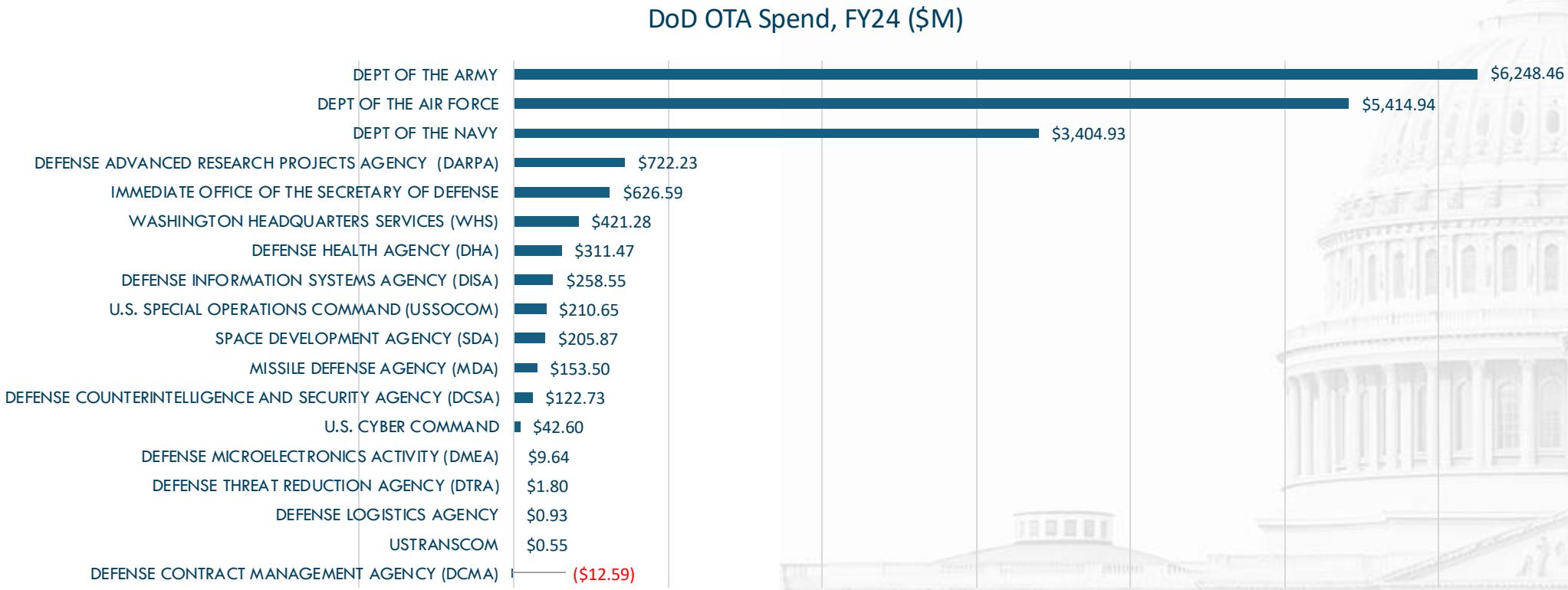


Top Product and Service Codes by % of Non-Commercial Spend, FY24 [Non-Labor] (Over 50%)



Preference for OTAs and CSOs

Recent and proposed policies have instituted a preference for Other Transaction Authorities (OTAs) and Commercial Solutions Openings (CSOs) across the DoD. Additionally, proposed changes would remove the requirement that a non-traditional defense contractor be involved in Other Transactions.



Eliminating Over-Cost & Behind-Schedule Programs

Executive Order 14265 of April 9, 2025

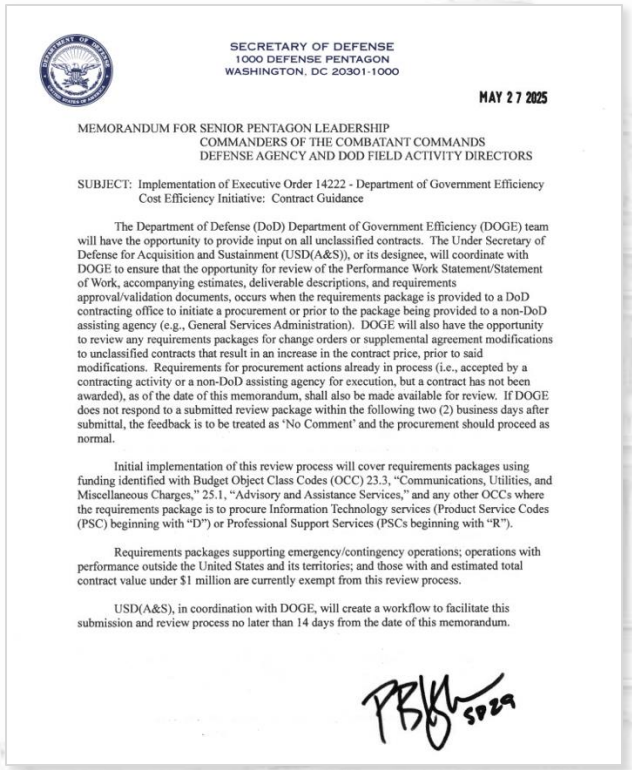
Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base

Executive Order 14265 initiated a
Review of Major Defense Acquisition Programs (MDAPs)

Ordering any Program

15% BEHIND SCHEDULE **OR** **15%** OVER COST → CONSIDERED FOR CANCELLATION

Additionally, DOGE will review future DoD IT contracts over $1M



SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

MAY 27 2025

MEMORANDUM FOR SENIOR PENTAGON LEADERSHIP
COMMANDERS OF THE COMBATANT COMMANDS
DEFENSE AGENCY AND DOD FIELD ACTIVITY DIRECTORS

SUBJECT: Implementation of Executive Order 14222 - Department of Government Efficiency Cost Efficiency Initiative: Contract Guidance

The Department of Defense (DoD) Department of Government Efficiency (DOGE) team will have the opportunity to provide input on all unclassified contracts. The Under Secretary of Defense for Acquisition and Sustainment (USD(A&S)), or its designee, will coordinate with DOGE to ensure that the opportunity for review of the Performance Work Statement/Statement of Work, accompanying estimates, deliverable descriptions, and requirements approval/validation documents, occurs when the requirements package is provided to a DoD contracting office to initiate a procurement or prior to the package being provided to a non-DoD assisting agency (e.g., General Services Administration). DOGE will also have the opportunity to review any requirements packages for change orders or supplemental agreement modifications to unclassified contracts that result in an increase in the contract price, prior to said modifications. Requirements for procurement actions already in process (i.e., accepted by a contracting activity or a non-DoD assisting agency for execution, but a contract has not been awarded), as of the date of this memorandum, shall also be made available for review. If DOGE does not respond to a submitted review package within the following two (2) business days after submittal, the feedback is to be treated as 'No Comment' and the procurement should proceed as normal.

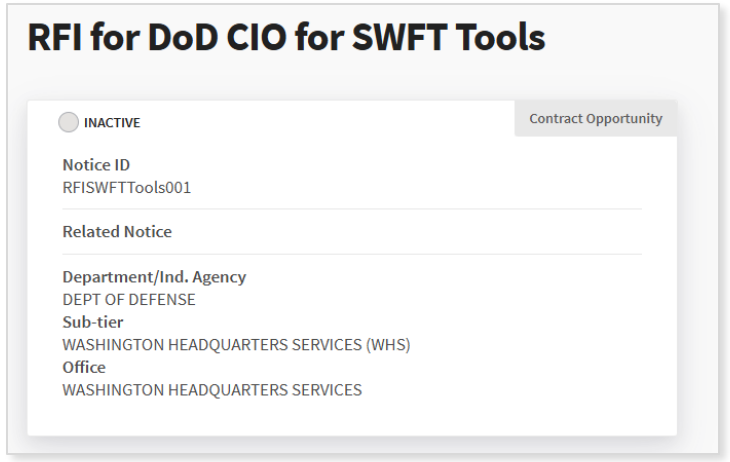
Initial implementation of this review process will cover requirements packages using funding identified with Budget Object Class Codes (OCC) 23.3, "Communications, Utilities, and Miscellaneous Charges," 25.1, "Advisory and Assistance Services," and any other OCCs where the requirements package is to procure Information Technology services (Product Service Codes (PSC) beginning with "D") or Professional Support Services (PSCs beginning with "R").

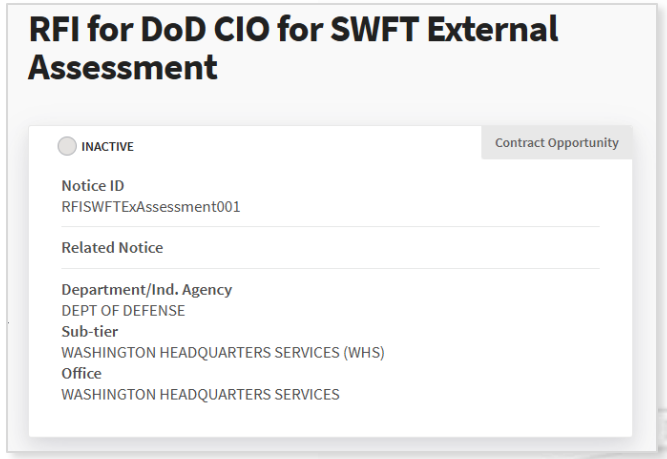
Requirements packages supporting emergency/contingency operations; operations with performance outside the United States and its territories; and those with and estimated total contract value under $1 million are currently exempt from this review process.

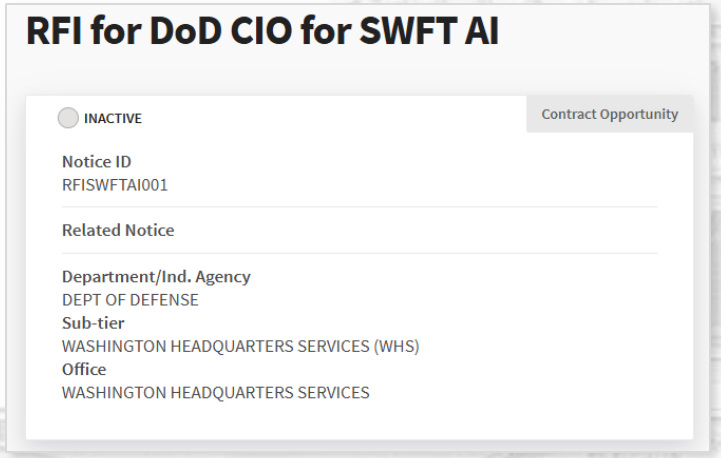
USD(A&S), in coordination with DOGE, will create a workflow to facilitate this submission and review process no later than 14 days from the date of this memorandum.

Speeding Up Authorities to Operate (ATO)

- The Software Fast-Track (SWFT) Initiative aims to reform the traditional authority-to-operate (ATO) process and begin continuous authorities-to-operate (cATO).
- This includes extensive reviews of software supply chains, open-source software, security requirements, and information sharing mechanisms. Companies will need to have their Software Bill of Materials (SBOM) undergo a third-party assessment that will review multiple factors including the company cybersecurity posture and overall financial health.
- Following the assessment, the certified documentation will be uploaded to eMASS and analyzed using AI tools to grant an ATO.







Consumption-based Solutions

XaaS

Both House and Senate versions of the proposed NDAA would permit the DoD to acquire solutions such as cloud and artificial intelligence via a consumption-based model.

2024 NDAA Section 809 – Pilot Program for Anything-as-a-Service

Section 809 directs the Secretary of Defense to establish a pilot program to explore the use of consumption-based solutions to address DoD needs. In particular, the pilot program is to result in contracts and other agreements for "anything-as-a-service," which is defined as a model under which a technology-supported capability is provided using any combination of software, hardware or equipment, data, and labor services. Importantly, under this pilot program, the "anything-as-a-service" capability provided to DoD must be metered and billed based on actual usage of fixed-price units. Additionally, no later than June 30, 2024, the Secretary of Defense must provide a briefing to the congressional defense committees on the implementation of the pilot program. As Congress's Joint Explanatory Statement emphasizes, this pilot program is another effort to promote continuous competition and better business practices at the DoD.

Major Capability Activity Areas (MCAAs)

Recently released and proposed policies would reform how DoD programs and budgets are structured, shifting away from a "program-centric" model to a "capability-centric"one. These changes would place programs under "Major Capability Activity Areas (MCAAs)" with focuses such as UAS, Counter-UAS, Electronic Warfare and others.

Programs within an MCAA would be granted modified transfer authority of up to 40% of the total MCAA appropriation without requiring congressional approval. While it is a possibility, Congress is unlikely to give away their authority over this, however, this may turn into specialized temporary pools of money for modernization.

Before

- NDAA authorizes funding levels for individual programs.
- Programs draw funding from the DoD's appropriation accounts (O&M, Procurement, RDT&E, etc.)
- Programs require several approvals, including by OMB and Congressional committees, to transfer funds across program line items which may take months to approve.
- Ex: The MQ-9 UAV program is authorized by the NDAA and pulls funding from the RDT&E appropriation. The PEO identifies that the MQ-9 needs additional funding for a new, innovative capability, but must wait on congressional approval to authorize a transfer or acquire additional funding in the next NDAA.

After

- NDAA authorizes funding levels for MCAAs.
- MCAAs draw funding from the DoD's appropriation accounts (O&M, Procurement, RDT&E, etc.)
- Programs draw funding from MCAAs, and funding can shift agilely between programs in an MCAA portfolio. Modified transfer authority allows transfers under 40% of the MCAA authorization across programs in the portfolio without triggering reprogramming requirements.
- Ex: The UAS MCAA is authorized by the NDAA. The MQ-9 UAV program pulls RDT&E funding from the UAS MCAA. The PEO identifies that the MQ-9 program needs additional funding for a new, innovative capability and authorizes a transfer from another program within the UAS MCAA.

Language to Use When Selling to DoD

Emphasize Efficiency & Cost-Savings

- Mission is still critical across the DoD, but agencies and DOGE reviews will be looking at how solutions can have a dual purpose of increasing efficiency and helping accomplish the mission.
- Pitches and responses should highlight how your solution can cut government waste, cut costs, and speed up timelines.

Discuss a Solution's Use Department wide

- The DoD is prioritizing solutions that can be used across the entire Department and not just one service or agency.
- Pitches and responses should highlight a solution's applicability across the entire department with examples of how it could be used in a different service or agency.

Highlight Past Commercial Successes Department-wide

- The DoD is doubling down on "dual-use technologies" and is looking to cut non-commercial solutions from its portfolio.
- Pitches and responses should highlight the past commercial successes of a solution and discuss how organizations with similar missions have leveraged your technology in the past.

One Big Beautiful Bill Act IT-related Funding

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Executive Summary

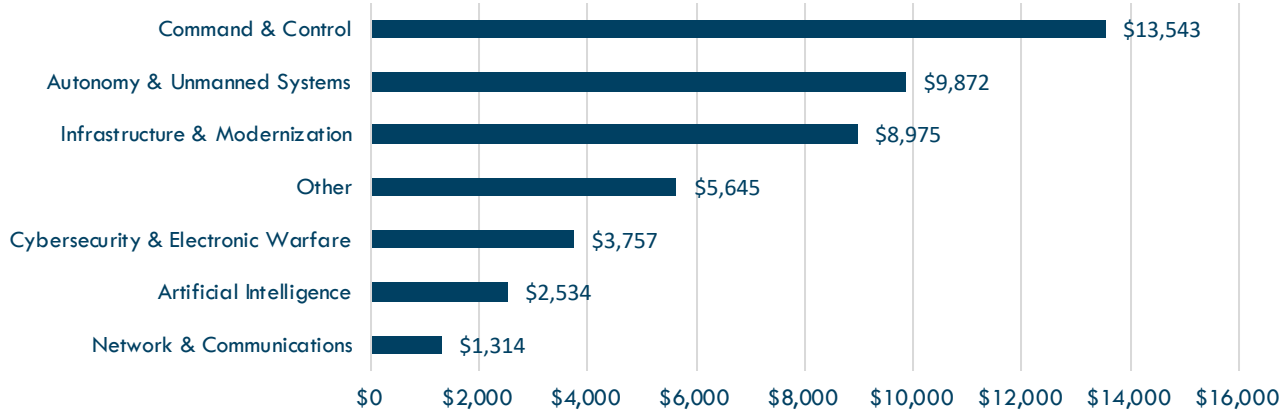
The One Big Beautiful Bill Act funds about $143.3B to the DoD across 10 use areas. About $45.6B of that is dedicated to IT-related spend.

The largest investments are in command & control systems for air and missile defense to begin funding Golden Dome efforts.

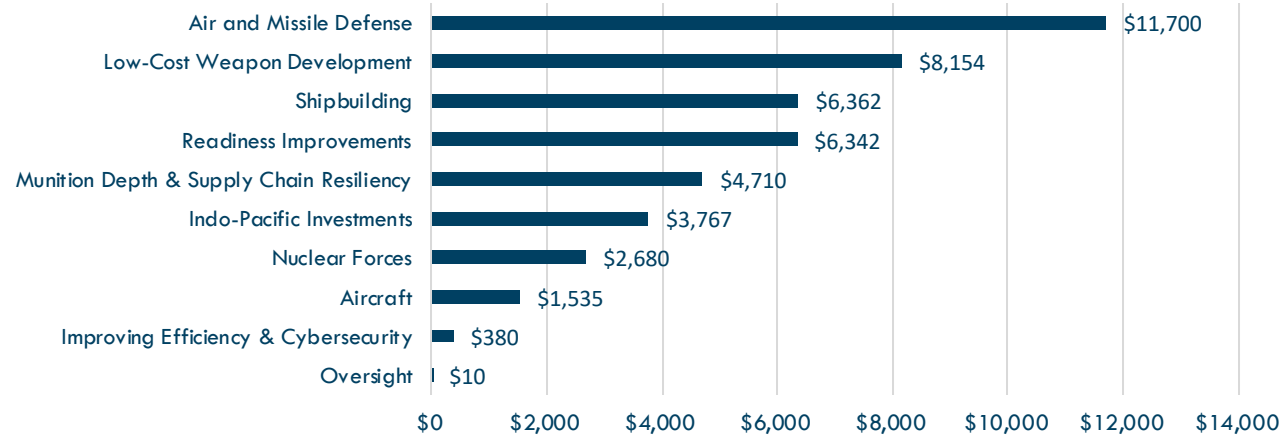
The bill also includes over $9.8B for the development of autonomous and unmanned systems across the DoD.

There is a major technology focus on the development of low-cost weapons from unmanned systems, AI-enabled analytics, and cyber and electronic warfare.

OBBB DoD IT-related Provisions by Technology ($M)



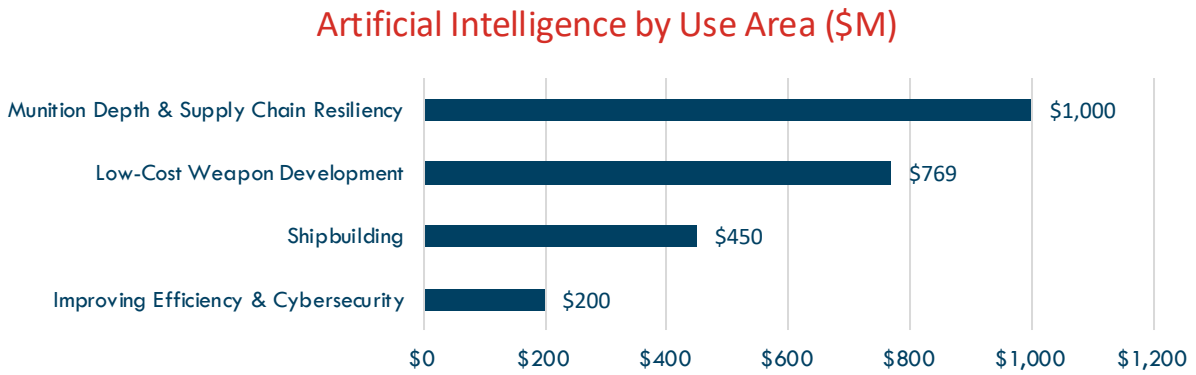
OBBB DoD IT-related Provisions by Use Area ($M)



Artificial Intelligence

The One Big Beautiful Bill Act funds about $2.5B for artificial intelligence.

The largest funding is $1B to improve Munition Depth & Supply Chain Resiliency through the creation of next-generation automated munitions production factories.

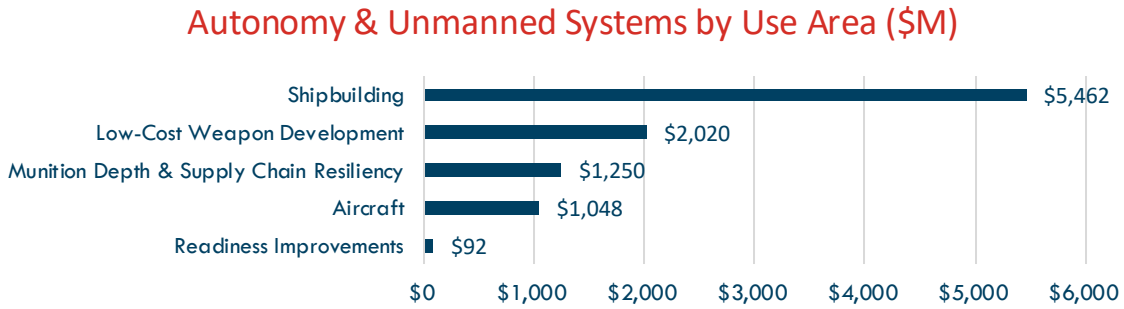


Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Munition Depth & Supply Chain Resiliency	$1,000	Creation of next-generation automated munitions production factories	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S))
Shipbuilding	$450	Application of autonomy and artificial intelligence to naval shipbuilding	Naval Sea Systems Command (NAVSEA) or Program Executive Office (PEO) Ships / PEO Submarines / PEO Unmanned and Small Combatants
Low-Cost Weapon Development	$250	Advancement of the artificial intelligence ecosystem	Chief Digital and Artificial Intelligence Office (CDAO)
Low-Cost Weapon Development	$250	Expansion of Cyber Command artificial intelligence lines of effort	U.S. Cyber Command (USCYBERCOM)
Improving Efficiency & Cybersecurity	$200	Deployment of automation and artificial intelligence to accelerate the audits of the financial statements of the Department of Defense	Office of the Under Secretary of Defense (Comptroller) or Defense Finance and Accounting Service (DFAS) or DoD Inspector General (DoD IG)
Low-Cost Weapon Development	$145	Development of artificial intelligence to enable one-way attack unmanned aerial systems and naval systems	Air Force Research Laboratory (AFRL) or Naval Air Systems Command (NAVAIR)
Low-Cost Weapon Development	$124	Improvements to Test Resource Management Center artificial intelligence capabilities	Test Resource Management Center (TRMC)
Nuclear Forces	$115	Accelerating nuclear national security missions through artificial intelligence	National Nuclear Security Administration (NNSA)

Autonomy & Unmanned Systems

The One Big Beautiful Bill Act funds about $9.8B for Autonomy & Unmanned Systems.

The largest funding is $5.1B to enhance Shipbuilding through the expansion of the unmanned vessels fleet.

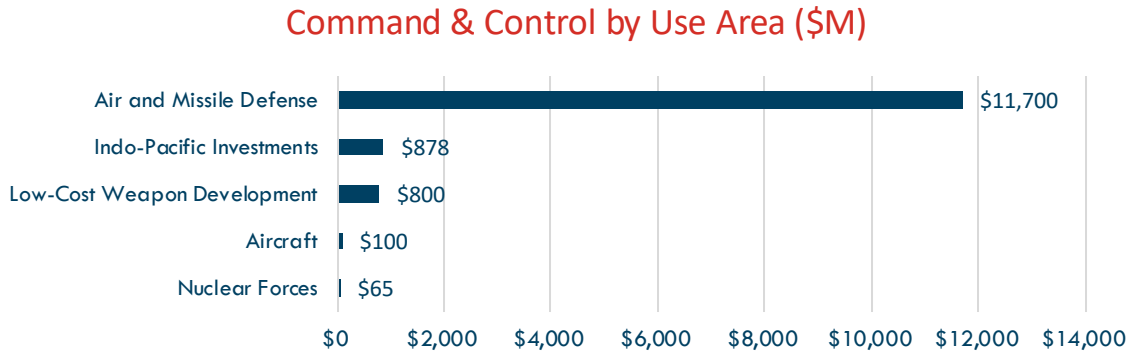


Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Shipbuilding	$5,100	Expansion of the unmanned vessels fleet	Naval Sea Systems Command (NAVSEA) or PEO Unmanned and Small Combatants
Low-Cost Weapon Development	$1,400	Expansion of the small unmanned aerial system industrial base	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S))
Munition Depth & Supply Chain Resiliency	$1,000	Expansion of the one-way attack unmanned aerial systems industrial base	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S))
Aircraft	$678	Accelerate the Collaborative Combat Aircraft program	Air Force PEO Fighters & Advanced Aircraft
Low-Cost Weapon Development	$500	Prevent delays in delivery of attritable autonomous military capabilities	Under Secretary of Defense for Research and Engineering (OUSD(R&E))
Aircraft	$270	Development, procurement, and integration of Marine Corps unmanned combat aircraft	Navy PEO Unmanned Aviation & Strike Weapons (PEO UW)
Munition Depth & Supply Chain Resiliency	$200	Development, procurement, and integration of mass-producible autonomous underwater munitions	PEO Undersea Warfare Systems (PEO UWS) or PEO Unmanned and Small Combatants
Shipbuilding	$188	Development and testing of maritime robotic autonomous systems and enabling technologies	Naval Sea Systems Command (NAVSEA) or PEO Unmanned and Small Combatants
Shipbuilding	$174	Development of a Test Resource Management Center robotic autonomous systems proving ground	Test Resource Management Center (TRMC)
Low-Cost Weapon Development	$120	Development, procurement, and integration of long-endurance unmanned aerial systems for surveillance	Air Force Research Laboratory (AFRL) or Naval Air Systems Command (NAVAIR)
Aircraft	$100	Accelerate production of MQ-25 aircraft	Navy PEO Unmanned Aviation & Strike Weapons (PEO UW)
Readiness Improvements	$92	Completion of Robotic Combat Vehicle prototyping	Army PEO Ground Combat Systems (PEO GCS)
Munition Depth & Supply Chain Resiliency	$50	Acceleration of one-way attack unmanned aerial systems with advanced autonomy	Air Force Research Laboratory (AFRL) or Naval Air Systems Command (NAVAIR) or Army PEO Aviation

Command & Control

The One Big Beautiful Bill Act funds about $13.5B for Command & Control.

The largest funding is $7.2B to Air and Missile Defense for the development, procurement, and integration of military space-based sensors.

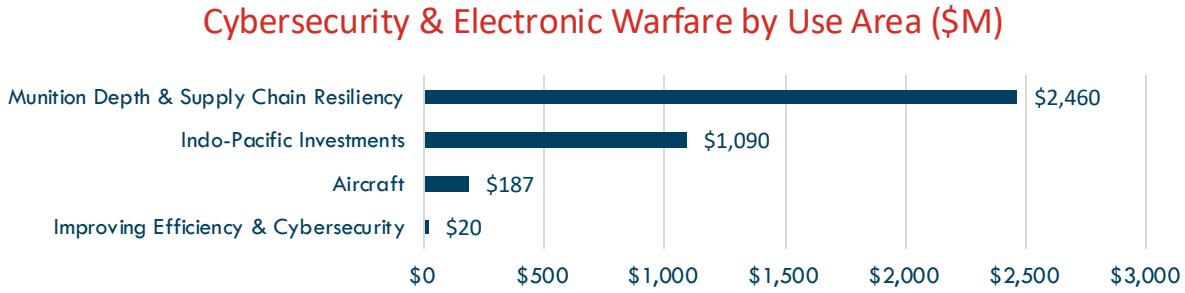


Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Air and Missile Defense	$7,200	Development, procurement, and integration of military space-based sensors	Space Systems Command (SSC)
Air and Missile Defense	$2,000	Air moving target indicator military satellites	Space Systems Command (SSC) or Space Development Agency (SDA)
Air and Missile Defense	$2,000	Improved ground-based missile defense radars	Missile Defense Agency (MDA) or U.S. Army Space and Missile Defense Command (SMDC)
Indo-Pacific Investments	$528	DARC and SILENTBARKER military space situational awareness programs	Space Systems Command (SSC) or National Reconnaissance Office (NRO)
Air and Missile Defense	$500	National security space launch infrastructure	Space Systems Command (SSC) Launch Enterprise Directorate
Low-Cost Weapon Development	$400	Development and deployment of the Joint Fires Network and associated joint battle management capabilities	Joint Staff J6 or Chief Digital and Artificial Intelligence Office (CDAO) or Army Program Executive Office Command, Control, Communications, and Network (PEO-C3N)
Low-Cost Weapon Development	$400	Expansion of advanced command-and-control tools to combatant commands and military departments	Chief Digital and Artificial Intelligence Office (CDAO) or DoD CIO
Indo-Pacific Investments	$350	Development, procurement, and integration of military space command and control systems	Space Systems Command (SSC) or Combined Space Operations Center (CSpOC) and National Space Defense Center (NSDC) under USSPACECOM
Aircraft	$100	Production of Advanced Aerial Sensors	Navy Program Executive Office for Tactical Aircraft (PEO-T)
Nuclear Forces	$65	Modernization of nuclear command, control, and communications	U.S. Strategic Command (USSTRATCOM) or Secretary of the Air Force for NC3 Integration (SAF/NC3I)

Cybersecurity & Electronic Warfare

The One Big Beautiful Bill Act funds about $3.7B for Cybersecurity & Electronic Warfare.

The largest funding is $1.6B to improve Munition Depth & Supply Chain Resiliency through military cryptographic modernization activities.

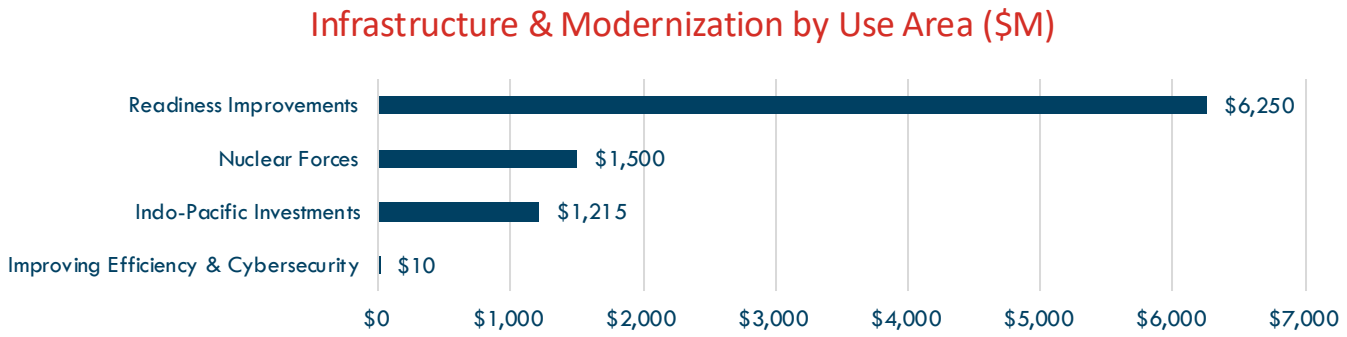


Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Munition Depth & Supply Chain Resiliency	$1,600	Military cryptographic modernization activities	National Security Agency (NSA) Cybersecurity Directorate (CSD)
Indo-Pacific Investments	$1,000	Offensive cyber operations	U.S. Cyber Command (USCYBERCOM) Cyber National Mission Force (CNMF)
Munition Depth & Supply Chain Resiliency	$350	Development, production, and integration of non-kinetic counter-unmanned aerial systems programs	Joint Counter–Small Unmanned Aircraft Systems Office (JCO)
Munition Depth & Supply Chain Resiliency	$250	Acceleration of the Quantum Benchmarking Initiative	Office of the Under Secretary of Defense for Research & Engineering (OUSD(R&E)) or Defense Advanced Research Projects Agency (DARPA)
Aircraft	$187	Accelerate installation of F-16 electronic warfare capability	U.S. Air Force Life Cycle Management Center (AFLCMC) Fighter/Bomber Directorate and the F-16 System Program Office (SPO)
Munition Depth & Supply Chain Resiliency	$170	Development of advanced radar depot for repair, testing, and production of radar and electronic warfare systems	Air Force Sustainment Center (AFSC) or Army Communications-Electronics Command (CECOM) or Navy Fleet Readiness Centers (FRCs)
Munition Depth & Supply Chain Resiliency	$90	APEX Accelerators, the Mentor-Protege Program, and cybersecurity support to small non-traditional contractors	Office of Small Business Programs (OSBP) or Defense Contract Management Agency (DCMA)
Indo-Pacific Investments	$90	Accelerated development of non-kinetic capabilities	Office of the Under Secretary of Defense for Research & Engineering (OUSD(R&E)) or Air Force Research Laboratory (AFRL) or Army Research Laboratory (ARL) or Naval Research Laboratory (NRL)
Improving Efficiency & Cybersecurity	$20	Defense cybersecurity programs of the Defense Advanced Research Projects Agency	Defense Advanced Research Projects Agency (DARPA)

Infrastructure & Modernization

The One Big Beautiful Bill Act funds about $8.9B for Infrastructure & Modernization.

The largest funding is $2.5B for Readiness Improvements through Air Force facilities sustainment, restoration, and modernization.

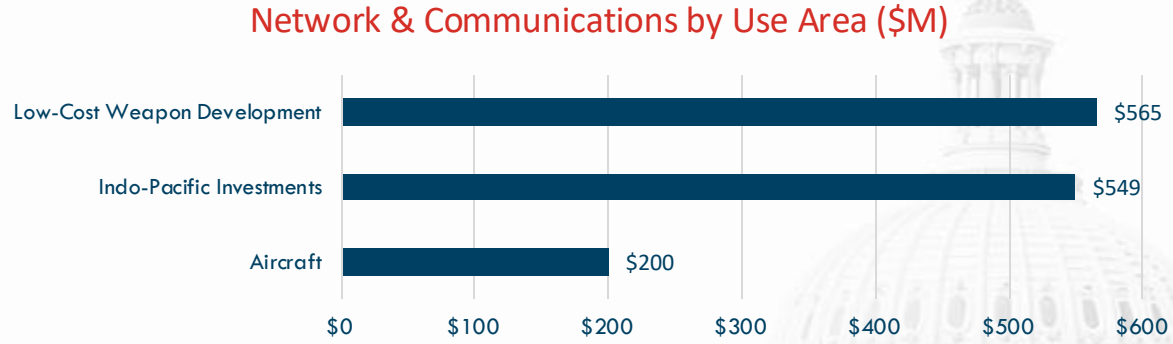


Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Readiness Improvements	$2,500	Air Force facilities sustainment, restoration, and modernization	Air Force Deputy Assistant Secretary for Installations (SAF/IEI) or Air Force Installation and Mission Support Center (AFIMSC) or Air Force Materiel Command (AFMC)
Readiness Improvements	$2,000	Navy depot and shipyard modernization and capacity enhancement	Naval Sea Systems Command (NAVSEA) or Commander, Naval Installations Command (CNIC) or Naval Facilities Engineering Systems Command (NAVFAC)
Readiness Improvements	$1,500	Army depot modernization and capacity enhancement	U.S. Army Materiel Command (AMC)
Indo-Pacific Investments	$1,100	Development of infrastructure within the area of operations of United States Indo-Pacific Command	U.S. Indo-Pacific Command (USINDOPACOM) or U.S. Army Corps of Engineers (USACE), Pacific Ocean Division
Nuclear Forces	$750	Accelerate primary capability modernization	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) or Office of the Under Secretary of Defense for Research and Engineering (OUSD(R&E))
Nuclear Forces	$750	Accelerate secondary capability modernization	Office of the Under Secretary of Defense for Acquisition and Sustainment (OUSD(A&S)) or Office of the Under Secretary of Defense for Research and Engineering (OUSD(R&E))
Readiness Improvements	$250	Air Force depot modernization and capacity enhancement	Air Force Deputy Assistant Secretary for Installations (SAF/IEI) or Air Force Installation and Mission Support Center (AFIMSC) or Air Force Materiel Command (AFMC)
Indo-Pacific Investments	$115	Exploration and development of existing Arctic infrastructure	U.S. Northern Command (USNORTHCOM)
Improving Efficiency & Cybersecurity	$10	Improvement of the budgetary and programmatic infrastructure of the Office of the Secretary of Defense	Director of Administration and Management (DA&M) or Under Secretary of Defense (Comptroller) [USD(C)]

Network & Communications

The One Big Beautiful Bill Act funds about $1.3B for Network & Communications.

The largest funding is $500M for Low-Cost Weapon Development through the accelerated development and integration of advanced 5G/6G technologies for military use.



Area of Use	FY25-29 ($M)	Description	Likely Agency Involved
Low-Cost Weapon Development	$500	Accelerated development and integration of advanced 5G/6G technologies for military use	Office of the Under Secretary of Defense for Research & Engineering (OUSD(R&E)) FutureG Office
Indo-Pacific Investments	$300	Procurement of mesh network communications capabilities for Special Operations Command Pacific	U.S. Special Operations Command (USSOCOM) Program Executive Office for Command, Control, Communications, and Computers (PEO-C4)
Indo-Pacific Investments	$125	Development, procurement, and integration of military space communications	Space Systems Command (SSC) Military Satellite Communications (MILSATCOM) and Tactical SATCOM Directorates
Indo-Pacific Investments	$124	Mission networks for United States Indo-Pacific Command	U.S. Indo-Pacific Command (USINDOPACOM) or Defense Information Systems Agency (DISA)
Aircraft	$116	C-17A Mobility Aircraft Connectivity	Air Force Life Cycle Management Center (AFLCMC) Mobility and Training Aircraft Directorate C-17 System Program Office
Aircraft	$84	KC-135 Mobility Aircraft Connectivity	Air Force Life Cycle Management Center (AFLCMC) Tanker Directorate KC-135 System Program Office
Low-Cost Weapon Development	$40	Development, procurement, and integration of alternative positioning and navigation technology to enable military operations in contested electromagnetic environments	Office of the Under Secretary of Defense for Research & Engineering (OUSD(R&E))
Low-Cost Weapon Development	$25	Testing of simultaneous transmit and receive technology for military spectrum agility	Office of the Under Secretary of Defense for Research & Engineering (OUSD(R&E)) Electromagnetic Spectrum Superiority (EMSS) Cross-Functional Team and the 5G/6G & Advanced Wireless Office

FY26 DoD IT Budget Request

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Executive Summary

The DoD's Total IT Budget request for FY26 is $66.1B, a $1.8B increase from FY25.

The IT budget includes $14.3B dedicated to Cyberspace Activities (a $967M increase from FY25) and $51.8B dedicated to Non-Cyber Information Technology (an $837M increase from FY25).

The largest increases in IT spending includes:

- **$1,532M (+6.7%)** increase for IT infrastructure
- **$396M (+22%)** increase for Financial Management
- **$305M (+55.4%)** increase for Centrally Managed Enterprise Software Licenses

The largest decreases in IT spending includes:

- **$446M (-13.9%)** decrease for Command & Control
- **$426M (-52.1%)** decrease for Battlespace Awareness Environment
- **$320M (-10.1%)** decrease for Logistics

Agency	Artificial Intelligence ($M)*	Cyberspace Activities ($M)	Cloud ($M)	Defense Business Systems ($M)	Total FY26 IT Budget ($M)
Defense-Wide	$6,971	$7,251	$852	$3,783	$24,244
Army	$1,831	$1,861	$396	$1,758	$16,777
Navy	$1,666	$2,049	$871	$2,505	$13,273
Air Force	$2,326	$3,161	$611	$1,477	$11,816
Total**	$12,794	$14,322	$2,730	$9,523	$66,110

IT Tower	FY26 Budget ($M)	Change from FY25 ($)	Change from FY25 (%)
Application	$14,268	$8	0.06%
Compute	$1,155	$109	10.42%
Data Center	$3,125	$33	1.07%
Delivery	$1,937	($139)	-6.70%
End User	$6,917	($21)	-0.30%
IT Management	$7,585	($504)	-6.23%
Network	$10,649	$1,237	13.14%
Output	$192	$55	40.15%
Platform	$1,100	($304)	-21.65%
Security & Compliance	$1,158	($58)	-4.77%
Storage	$1,118	$259	30.15%

Figures are programs that include references to AI in the DoD's budget justification, all funds may not be dedicated entirely to AI
**Figures come from varying sources and show a small crosscut of the budget, they may not add up to the entirety of the requested IT budget*

Army

The Army requested a total IT budget of $16.7B in FY26.
This is a decrease of $431M (-2.5%) from FY25.

The largest IT spending increases for the Army are:

- **$507M (+38.3%)** increase for Artificial Intelligence
- **$443M (+820.4%)** increase for Force Protection
- **$135M (+435.5%)** increase for DoD Enterprise Services

The largest IT spending reductions for the Army are:

- **$613M (-11.7%)** decrease for Non-Core Network Infrastructure
- **$550M (-32.1%)** decrease for Force Training
- **$323M (-15.5%)** decrease for Defense Business Systems

Category	FY26 Budget ($M)	Change from FY25 ($M)	Change from FY25 (%)
Artificial Intelligence*	$1,831	$507	38.3%
Cloud	$396	-$20	-4.8%
Cyberspace Activities	$1,861	-$47	-2.5%
Defense Business Systems	$1,758	-$323	-15.5%
Total IT Budget	**$16,777**	**-$431**	**-2.5%**

**Figures are programs that include references to AI in the DoD's budget justification, all funds may not be dedicated entirely to AI*

Navy

The Navy requested a total IT budget of $13.3B in FY26.
This is an increase of $343M (+2.7%) from FY25.

The largest IT spending increases for the Navy are:

- **$493M (+25.7%)** increase for Non-Core Network Infrastructure
- **$308M (+22.7%)** increase for Artificial Intelligence
- **$251M (+14.0%)** increase for Cyberspace Activities

The largest IT spending reductions for the Navy are:

- **$583M (-56.4%)** decrease for IT Management
- **$223M (-31.4%)** decrease for Human Resources Management
- **$219M (-8.0%)** decrease for Defense Business Systems

Category	FY26 Budget ($M)	Change from FY25 ($M)	Change from FY25 (%)
Artificial Intelligence*	$1,666	$308	22.7%
Cloud	$871	$59	7.3%
Cyberspace Activities	$2,049	$251	14.0%
Defense Business Systems	$2,505	-$219	-8.0%
Total IT Budget	**$13,273**	**$343**	**2.7%**

**Figures are programs that include references to AI in the DoD's budget justification, all funds may not be dedicated entirely to AI*

Air Force

The Air Force requested a total IT budget of $11.8B in FY26. This is a decrease of $477M (-3.9%) from FY25.

The largest IT spending increases for Air Force are:

- **$415M (+21.7%)** increase for Artificial Intelligence
- **$405M (+14.7%)** increase for Cyberspace Activities
- **$230M (+143.8%)** increase for Force Application

The largest IT spending decreases for Air Force are:

- **$276M (-31.1%)** decrease for Cloud
- **$169M (-10.0%)** decrease for Core Network Infrastructure
- **$157M (-9.6%)** decrease for Defense Business Systems

Category	FY26 Budget ($M)	Change from FY25 ($M)	Change from FY25 (%)
Artificial Intelligence*	$2,326	$415	21.7%
Cloud	$611	-$276	-31.1%
Cyberspace Activities	$3,161	$405	14.7%
Defense Business Systems	$1,477	-$157	-9.6%
Total IT Budget	$11,816	-$477	-3.9%

**Figures are programs that include references to AI in the DoD's budget justification, all funds may not be dedicated entirely to AI*

Defense-Wide

The Defense-Wide total IT budget request is $24.2B for FY26. This is a $2.3B (+10.8%) increase from FY25.

The largest Defense-Wide IT spending increases are:

- **$1,488M (+27.1%)** increase for Artificial Intelligence
- **$1,313M (+30.4%)** increase for Core Network Infrastructure
- **$360M (+5.2%)** increase for Cyberspace Activities

The largest Defense-Wide IT spending decreases are:

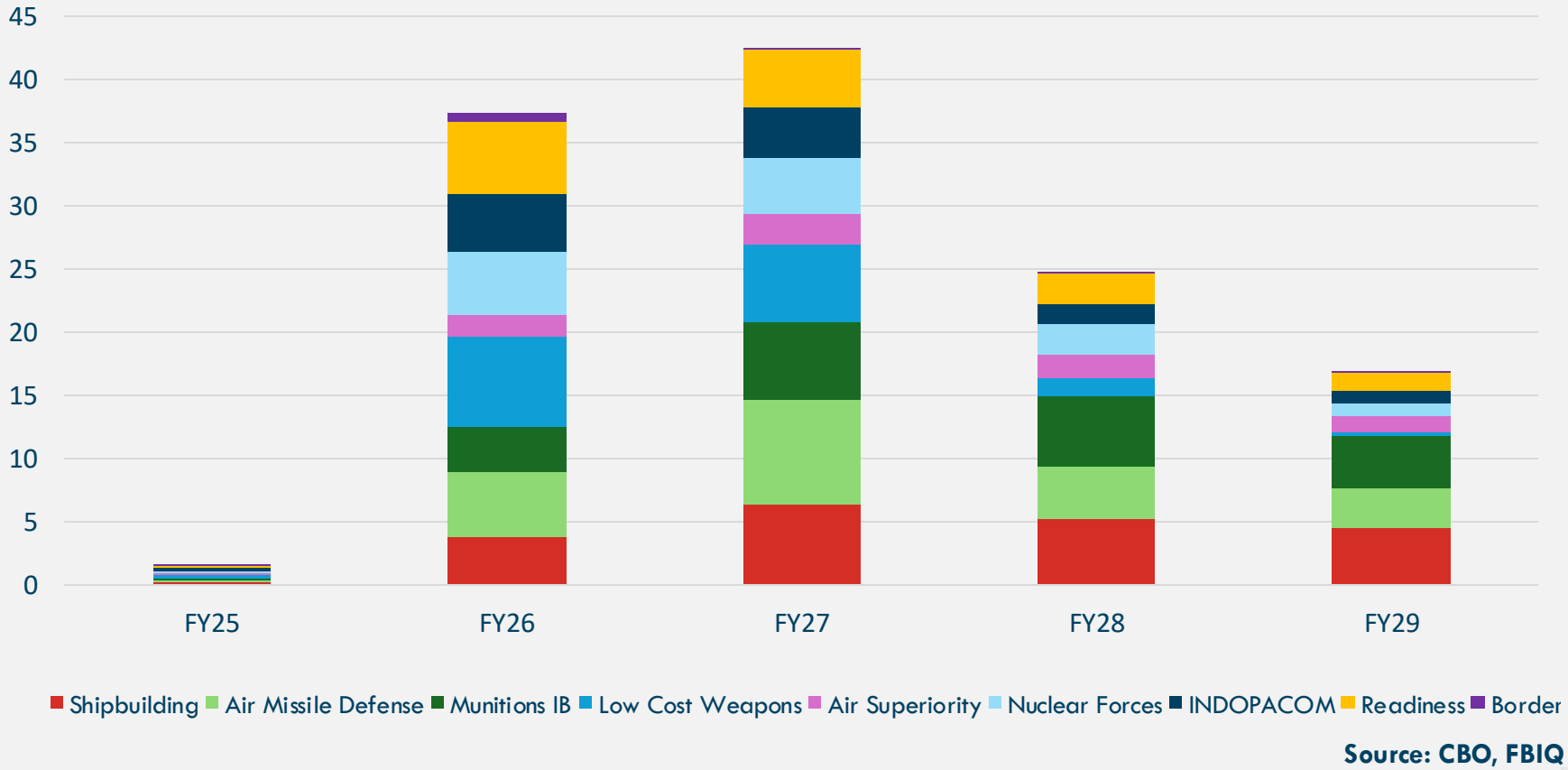
- **$197M (-21.8%)** decrease for Battlespace Networks
- **$166M (-12.2%)** decrease for Defense Health
- **$25M (-2.8%)** decrease for Cloud

Category	FY26 Budget ($M)	Change from FY25 ($M)	Change from FY25 (%)
Artificial Intelligence*	$6,971	$1,488	27.1%
Cloud	$852	-$25	-2.8%
Cyberspace Activities	$7,251	$360	5.2%
Defense Business Systems	$3,783	$80	2.2%
Total IT Budget	**$24,244**	**$2,372**	**10.8%**

**Figures are programs that include references to AI in the DoD's budget justification, all funds may not be dedicated entirely to AI*

DoD OBBBA Market Reality Check

DoD - OBBBA Market Reality Check



The "One Big Beautiful Bill Act" (OBBBA) creates: $156.2B in BA for DOD.

- $2.0 billion in FY25 outlays.
- $130 billion (85%) of the outlays occur by FY29

Forecast

This estimate represents worst-case scenario for FY26-7.

FEDERAL BUDGET IQ

GOVERNMENT IT SALES SUMMIT

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10 ANNIVERSARY

Thank You!

Reach out to MI@immixgroup.com
for any additional questions!

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