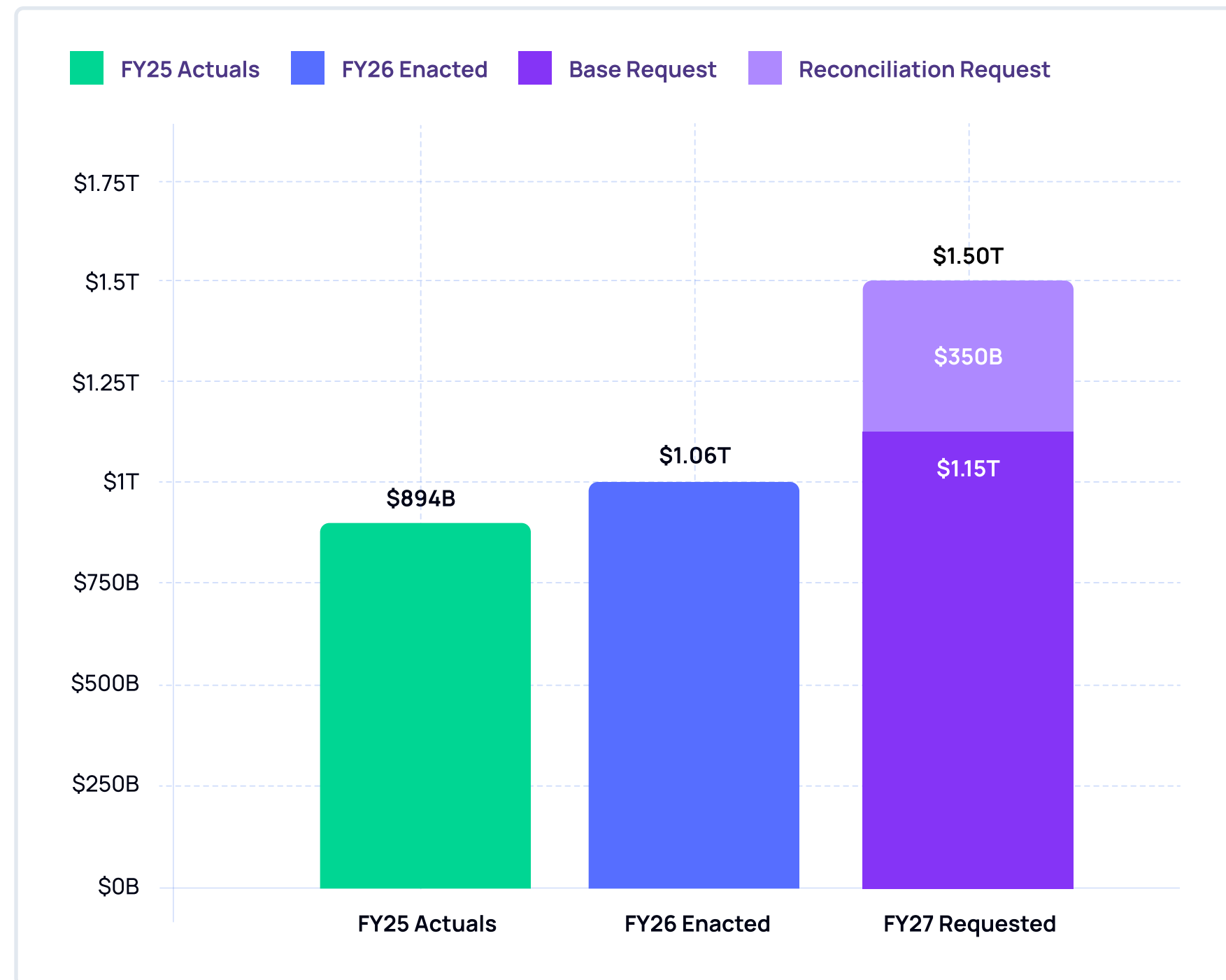


U.S. Defense Budget: FY25–FY27

Top Defense Priorities



F-47 NGAD

Continued robust funding for the F-47 Next Generation Air Dominance platform

Shipbuilding Expansion

\$65.8B to procure 18 battle force ships and 16 non-battle force vessels, part of a broader push to fund 123 ships and expand beyond traditional prime contractors

Drones & Emerging Tech

Targeted investments in drones, critical mineral supply chains, AI and autonomous systems

Golden Dome Missile Defense

Nearly all of the \$17.5B for Golden Dome funded via reconciliation, with ~\$400M in the base request

Military Compensation

Tiered pay raises of 5%-7% with additional investments in barracks, facility sustainment, and medical readiness

Munitions & Industrial Base

Funds all critical munitions framework deals; focused on expanding production capacity and private-sector capital investment

F-35 Procurement Surge

85 F-35s requested (38 A, 10 B, 37 C) – up from 47 in FY26 – with 53 funded via reconciliation as Block 4 upgrades come online

Shift to Modernization

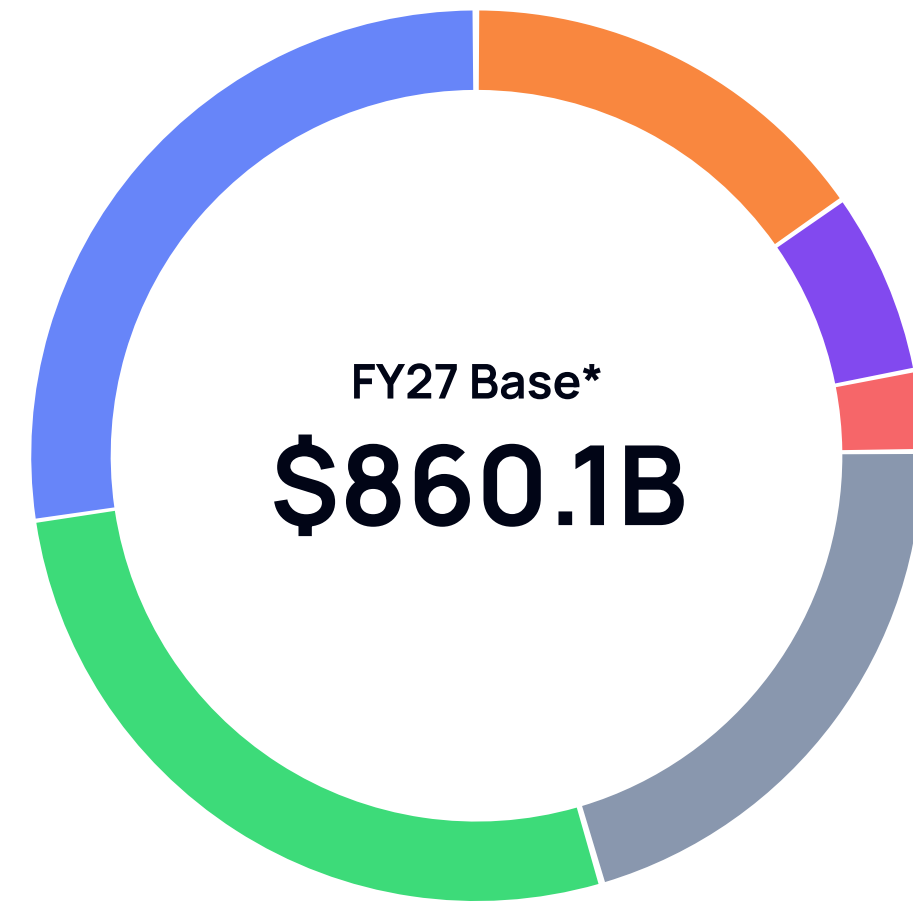
\$760B total across Procurement and RDT&E – \$260B base procurement, \$220B base RDT&E, plus \$280B via reconciliation

Key Takeaways

- **Historic Scale:** The FY27 defense budget request totals \$1.5 trillion – a 42% increase over current levels, with a stated goal of shifting the force from sustainment to industrial base expansion and new capability delivery.
- **Modernization Investment:** Combined procurement and RDT&E would reach ~\$760 billion, split between a ~\$260B base procurement account, ~\$220B for RDT&E and an additional ~\$280B sought through reconciliation.
- **Major Program Investments:** Shipbuilding (\$65.8B for 34 vessels), F-35 (85 aircraft, nearly double FY26's 47), Golden Dome missile defense (\$17.5B), and munitions industrial base expansion are all prominent features.
- **Industrial Base Emphasis:** The budget explicitly targets production capacity – munitions "framework" deals, shipbuilding beyond traditional primes, and investment in drones, critical minerals, AI, and autonomous systems.
- **Funding Structure:** The request pairs a \$1.15T discretionary base with \$350B in mandatory spending via a second reconciliation bill.

Note: Budget figures sourced from "Budget of the U.S. Government" summary report (Table S-2) released by the White House Office of Management & Budget on April 3, 2026. \$1.15T and \$1.5T toplines indicate the total Defense Function (050) request. Details on priorities are sourced from the summary report as well as from OMB comments to *InsideDefense* on April 2, 2026. These are subject to change as more budget materials are released.

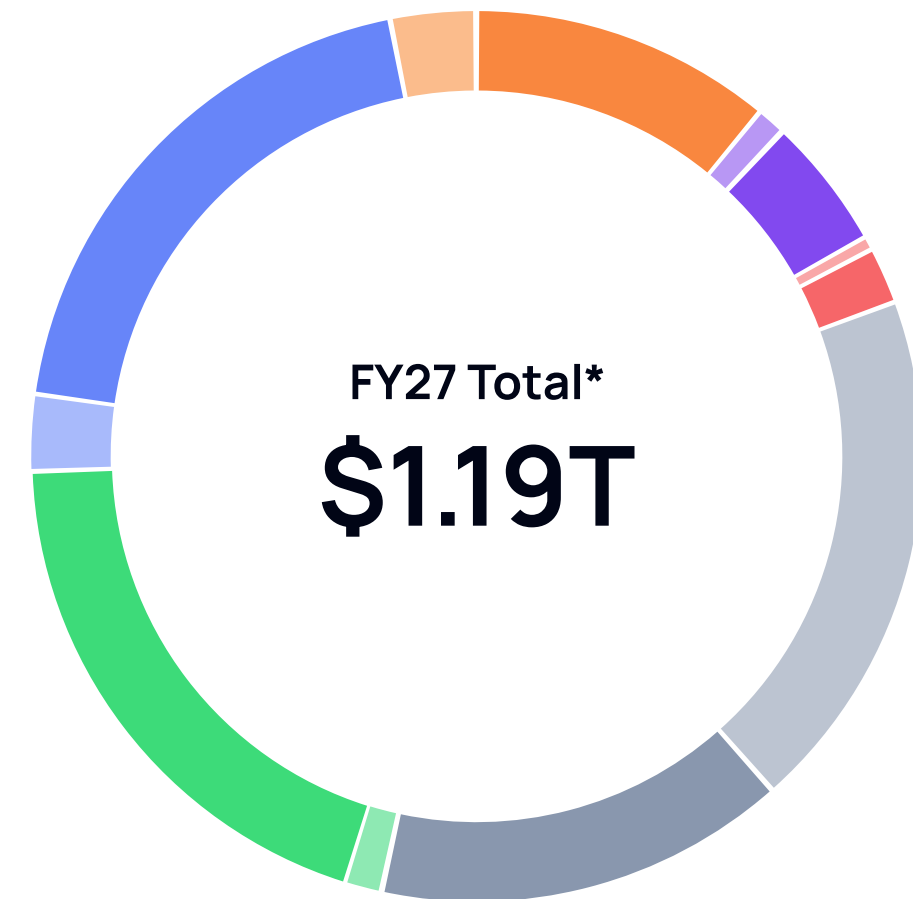
Service Breakdown - Base Budget



- Army: \$131.7B
- Navy: \$235.4B
- Air Force: \$234.7B
- Defense: \$177.2B
- Marines: \$23.8B
- Space Force: \$57.3B

*Procurement, RDT&E, and O&M only

Service Breakdown - Base + Reconciliation



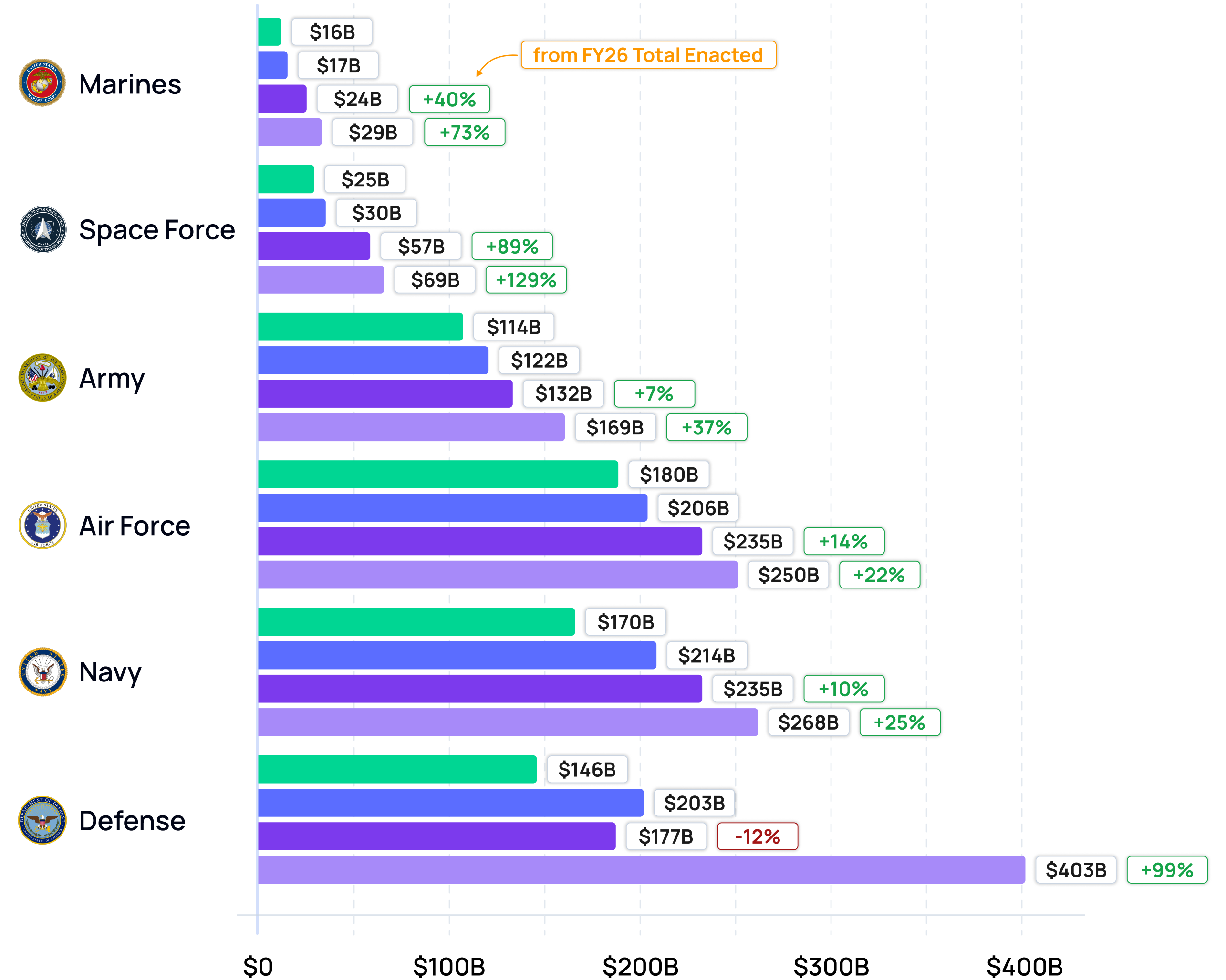
- Army: \$168.5B
- Navy: \$267.9B
- Air Force: \$250.1B
- Defense: \$403.3B
- Marines: \$29.4B
- Space Force: \$69.4B

*Procurement, RDT&E, and O&M only. Lighter color indicates reconciliation.

YoY Service Shifts* (FY26-FY27)



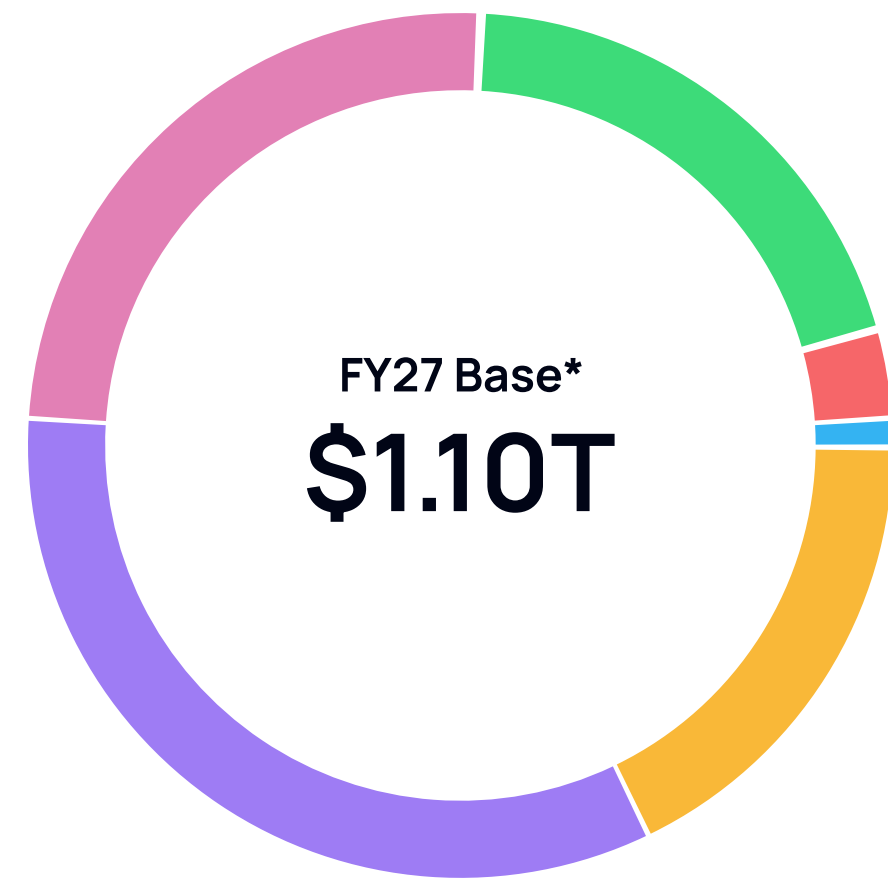
FY26 Base Enacted FY26 Total Enacted FY27 Base Request FY27 Total Requested



*Procurement, RDT&E, and O&M only

Note: Budget figures sourced from Department of War P-1, R-1, and O-1 Budget Exhibits. Not inclusive of Military Personnel, Military Construction or other appropriation types. These are subject to change as more budget materials are released.

Color of Money Breakdown - Base Budget



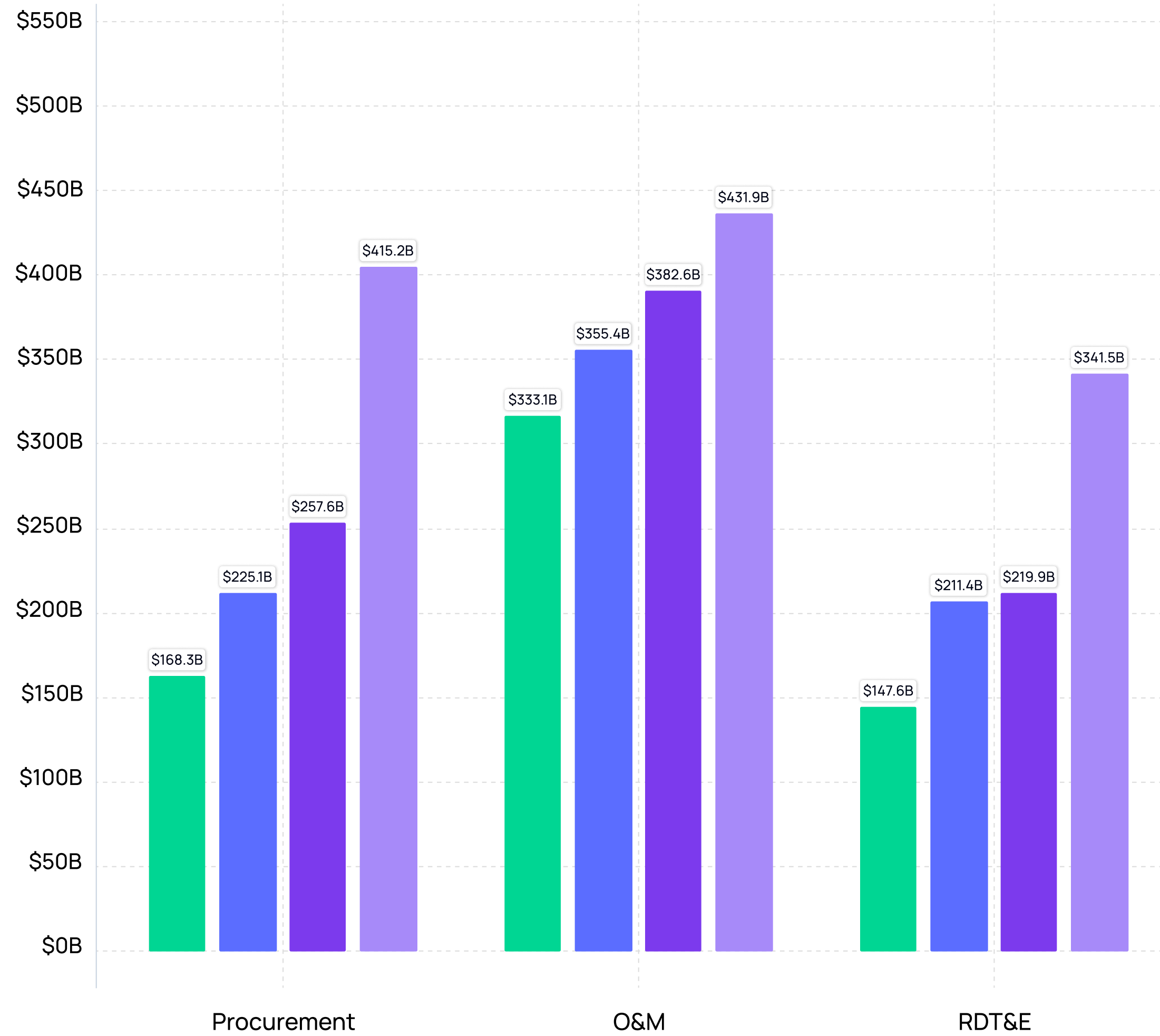
- O&M: \$382.6B
- Procurement: \$257.6B
- RDT&E: \$219.9B
- MILPERS: \$206.5B
- MILCON+: \$26.4B
- Revolving & Mgmt Fund: \$7.5B

*DoW budget excl. NNSA

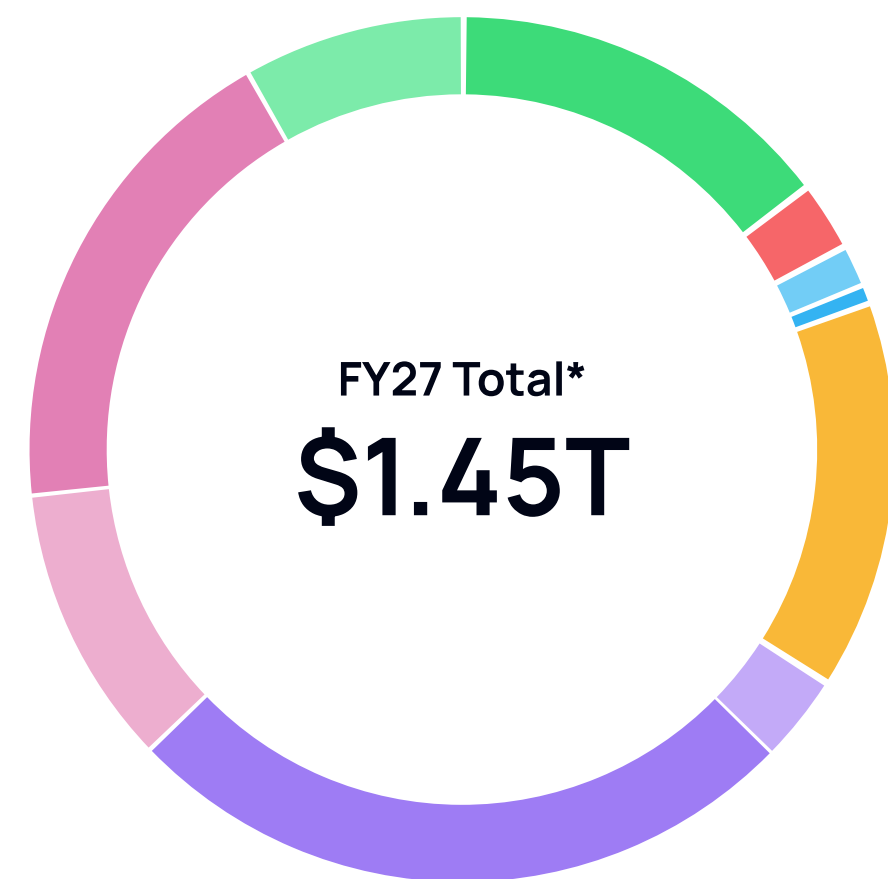
YoY Color of Money Shifts (FY26-FY27)



■ FY26 Base Enacted
 ■ FY26 Total Enacted
 ■ FY27 Base Request
 ■ FY27 Total Requested



Color of Money Breakdown - Base + Reconciliation



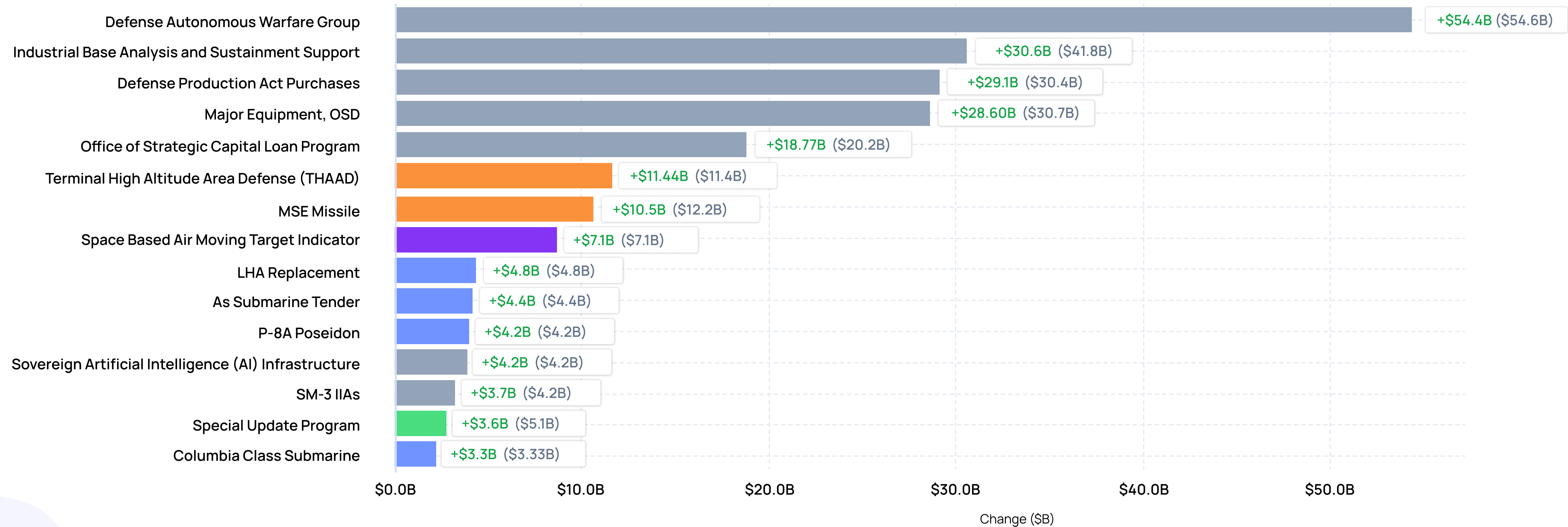
- Procurement: \$415.2B
- O&M: \$431.9B
- RDT&E: \$341.5B
- MILPERS: \$206.5B
- MILCON+: \$29.1B
- Revolving & Mgmt Fund: \$26.3B

*DoW budget excl. NNSA. Lighter color indicates reconciliation.

Top 15 Accelerating Program Elements (FY26-FY27)*



Defense Army Space Force Navy Air Force



Key Takeaways

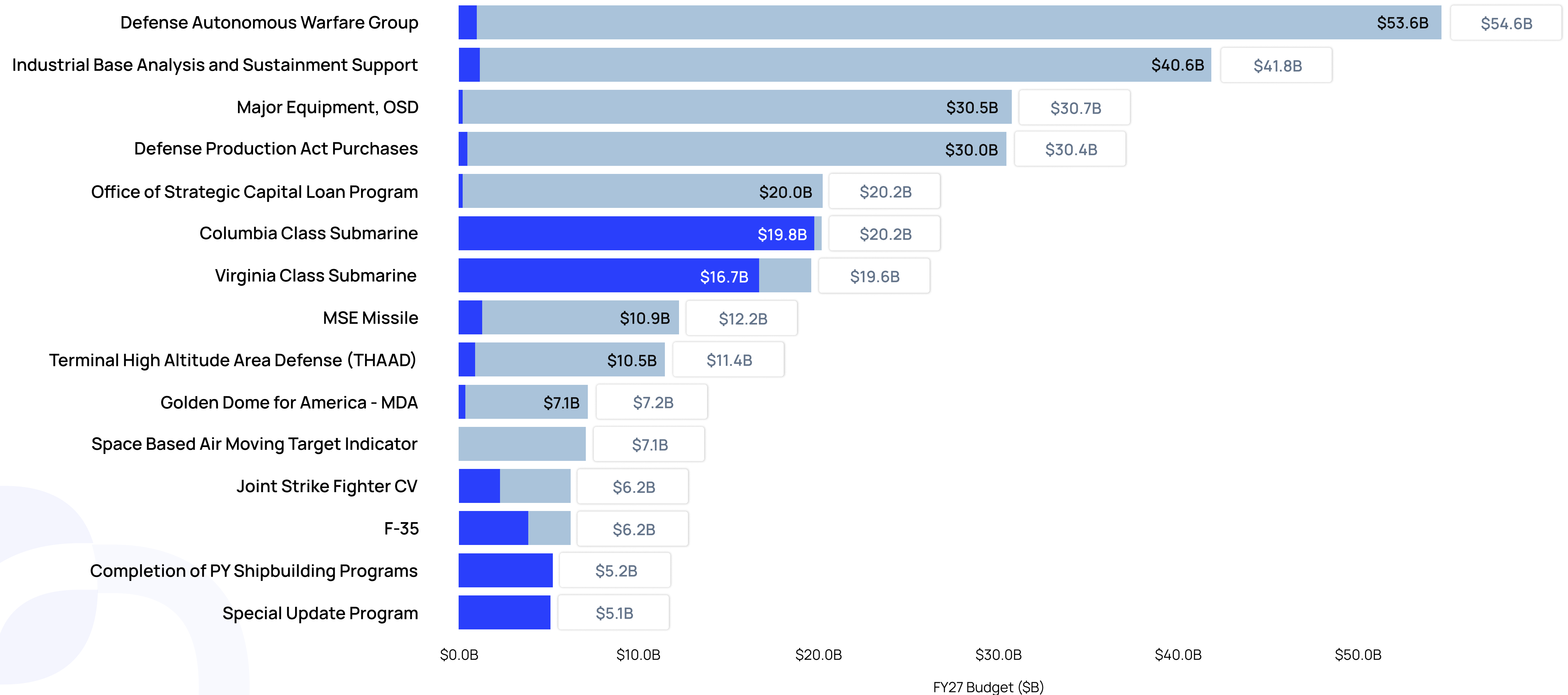
- **Massive \$54B increase for autonomous systems prototyping:** The Defense Autonomous Warfare Group (DAWG) received the largest line in the budget at \$54.6B, appearing to consolidate autonomous systems prototyping aimed at mass drone procurement. 98% of its funding is through reconciliation, signaling a multi-year spending timeline.
- **Industrial base commitments backed with serious funding:** The Pentagon is requesting a combined \$78.4B in increases – mostly through reconciliation – for IBAs, the OSC Loan Program, and Defense Production Act purchases, dramatically expanding its ability to invest across critical supply chains, particularly in critical minerals and munitions.
- **Large set-aside for non-trationals and cUAS:** The request includes \$30.7B for Major Equipment, OSD, funding efforts for small businesses, non-traditionals, and Counter-small UAS – signaling an acceleration of Pentagon efforts to procure innovative technologies from a broader array of firms, including new entrants.

Note: This chart display data for individual Program Elements sourced from the R-1 and P-1 budget exhibits, which do not represent total funding for a given weapon system or program. Classified Programs are removed for clarity. These are subject to change as more budget materials are released.

Top 15 Program Elements by FY27 Budget: Base vs Reconciliation*



■ Base Discretionary Request ■ Reconciliation / Mandatory



Note: This chart display data for individual Program Elements sourced from the R-1 and P-1 budget exhibits, which do not represent total funding for a given weapon system or program. Classified Programs are removed for clarity. These are subject to change as more budget materials are released.