

Trump requests a 13 percent boost to DOD budget, despite contract terminations and staff cuts

BY ROSMERY IZAGUIRRE | 10/15/2025

President Donald Trump's administration has reduced the Defense Department's workforce and canceled numerous contracts, even as the administration proposes an overall funding increase for the department. Cuts have targeted the civilian workforce and contracts with consulting firms, with specific attention on diversity, equity and inclusion and Covid-19 initiatives. In a September meeting with military officials, Trump and Defense Secretary Pete Hegseth emphasized the administration's priorities for ending diversity programs.

Despite these reductions, the administration has released an ambitious budget for fiscal 2026. The request includes \$962 billion for defense spending, including funding from the One Big Beautiful Bill Act and the regular appropriations process.

Megabill provided \$153B for defense projects while DOGE cut contracts

The Defense Department has seen significant funding changes under Trump. In April, Hegseth announced the administration would cancel over \$5 billion in defense contracts, including 14 contracts focused on Covid-19 and DEI. Hegseth also highlighted the termination of several IT consulting contracts the administration claimed were duplicative of department services.

A POLITICO analysis of contract cancellations published by DOGE shows at least 624 Defense Department contracts have been terminated. DOGE has claimed \$20.2 billion in savings from those defense contracts, although this estimate is likely heavily inflated, POLITICO reporting shows. A majority of those contracts focused on telecommunications services. DOGE also claimed large amounts in savings from canceled IT and consulting contracts.

The megabill passed in July included \$153.4 billion for defense, including shipbuilding and the Golden Dome missile defense system favored by Trump.

Megabill directs more than \$50B to shipbuilding and weapons development

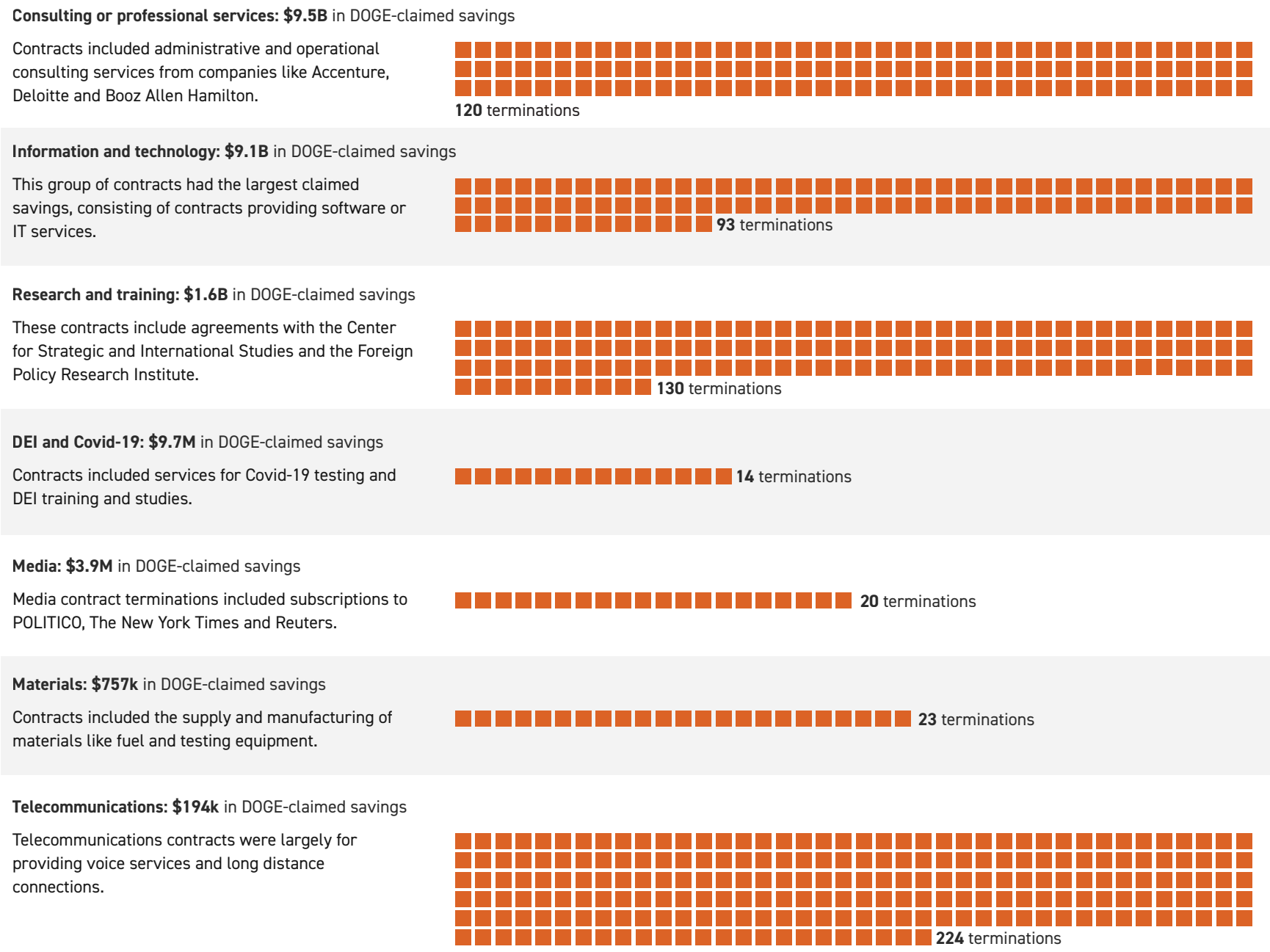
Budget authority through 2035 for defense and national security programs in the One Big Beautiful Bill Act



DOGE has claimed over \$20B in savings from defense contract terminations

Terminated defense department contracts and contract vehicles

■ = 1 DOGE termination



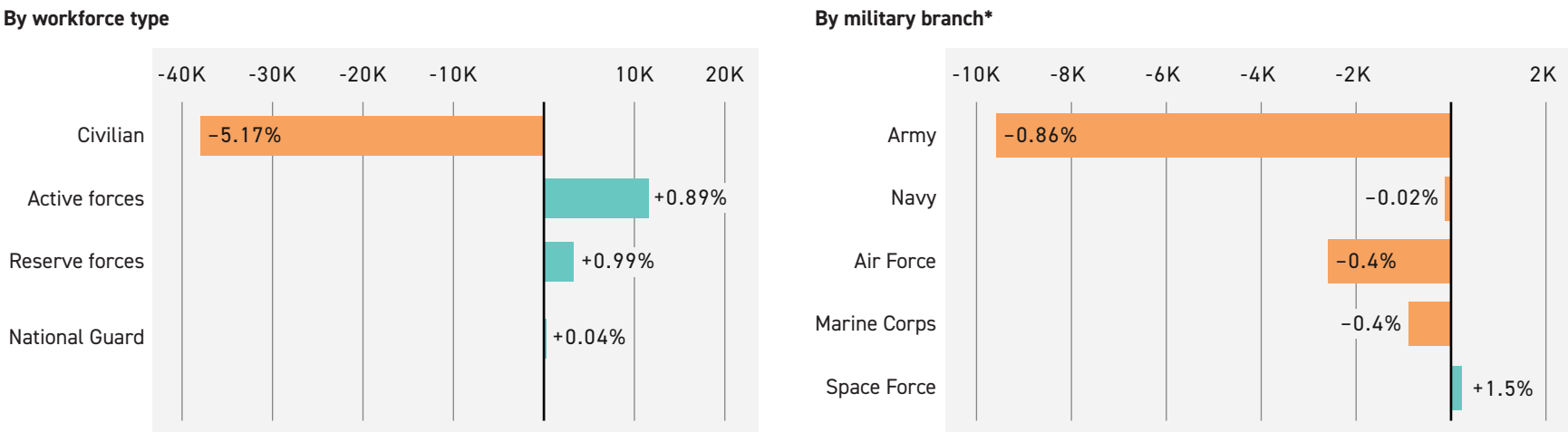
Note: Contract terminations are as of Sept. 15.

Civilian workforce sees large cuts while military personnel grows

In March, Hegseth announced a goal to cut the Pentagon's civilian workforce by up to 60,000 jobs and also announced cuts to high-ranking military personnel, including 20 percent of four-star generals and admirals, followed by a 10 percent cut of all general officer and admiral ranks. The department can reduce the civilian workforce by firing probationary workers, offering deferred resignation and early retirement programs and implementing a hiring freeze.

Trump's budget would cut 5 percent of the Pentagon's civilian workforce

Proposed staffing level changes for fiscal 2026, by workforce type and military branch



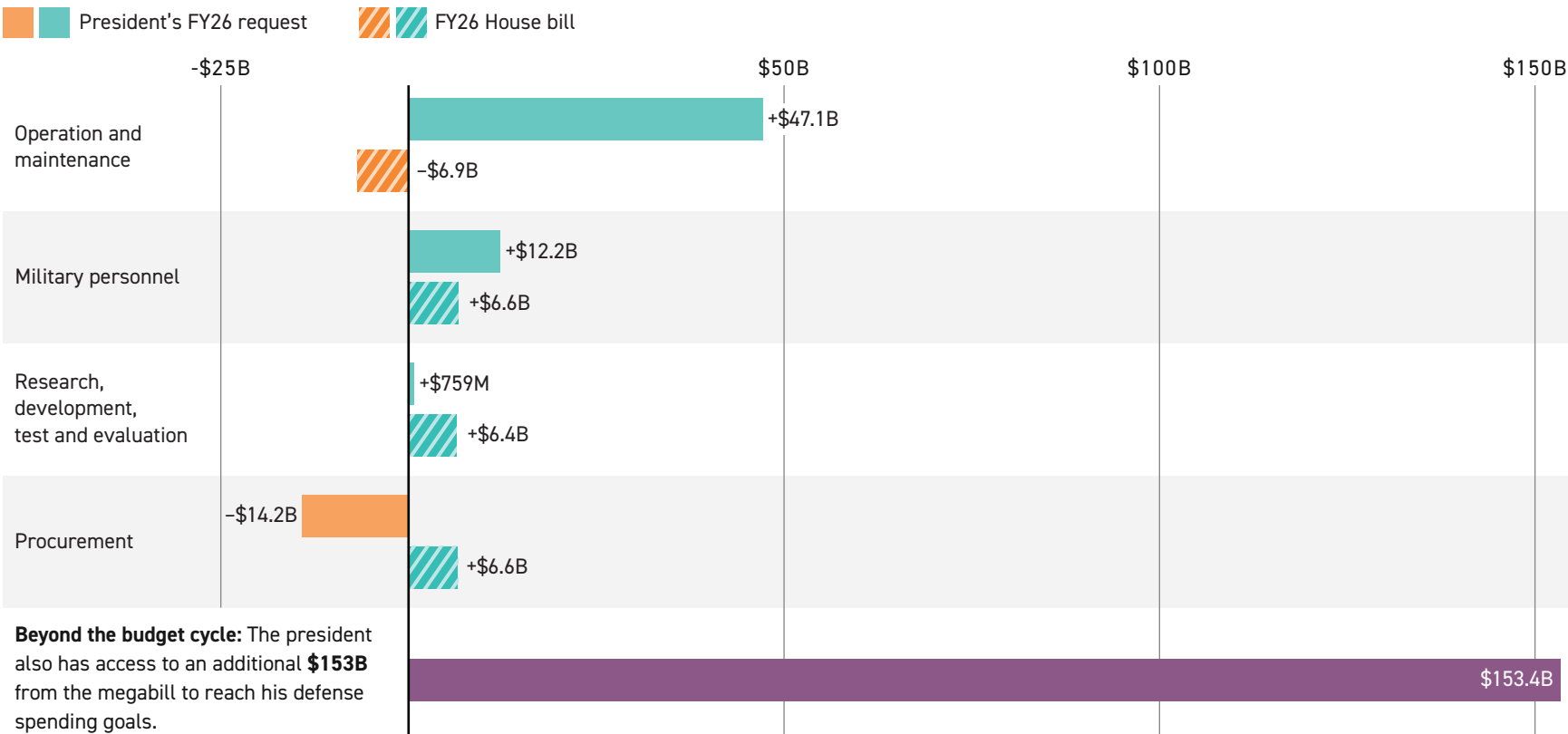
*Excludes Defense Department employees not under a specific branch of the military

House proposes lower funding than Trump for personnel and operations

The House passed its version of the defense appropriations bill for fiscal 2026 in July, approving \$832 billion for defense spending. While the topline amount aligns with the president's budget request, the administration released a statement expressing concerns over differences in funding of operations and maintenance and military personnel.

The president and the House propose different priorities for defense spending in fiscal 2026

Differences from FY 2025 enacted defense funding for key appropriations titles compared to:



Source: The White House, DOGE, House Appropriations Committee, Congressional Budget Office