CENTER FOR SPACE POLICY AND STRATEGY

BUDGET BRIEF | AUGUST 2025

FY 2026 DEFENSE SPACE BUDGET: EMERGENCE OF GOLDEN DOME

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The fiscal year (FY) 2026 budget process reveals large-scale changes in the top-line budget and priorities for defense space activities.[1] In June 2025, the new Trump administration released its FY 2026 budget submission, requesting $26.3 billion for the United States Space Force. Separate from the appropriations process, Congress passed a reconciliation act that contains $21.6 billion for space-focused projects within the Department of Defense (DOD), including $13.8 billion that the administration has designated as FY 2026 spending for the Space Force. Collectively, the reconciliation act and president's budget request would amount to a nearly 40 percent increase for the Space Force from the FY 2025 enacted budget. Driving these changes is the emergence of the missile defense-focused Golden Dome initiative, a core national security priority for the administration.

Introduction

Within one week of taking office, the Trump administration issued an executive order titled, "The Iron Dome for America."[2] Likening the effort to former President Ronald Reagan's Strategic Defense Initiative, the order directs the Department of Defense (DOD) to submit a plan for developing the "next-generation missile defense shield."[3] The project, the name of which later changed to *Golden Dome*, would be a program of programs, comprising multiple terrestrial and space capabilities. On May 19, 2025, President Donald Trump held a press conference about Golden Dome, during which he announced the selection of a design to include "state-of-the-art systems that will deploy next-generation technologies across the land, sea, and space, including space-based sensors and interceptors."[4]

The introduction of Golden Dome is arguably the most important development affecting the defense space budget since the inception of the Space Force. The project's primacy within the administration, anticipated scale, and heavy focus on space all suggest that it will considerably alter the level of resources allocated for defense space activities. General Michael A. Guetlein, the Space Force vice chief of space operations, will serve as the "direct reporting program manager" for Golden Dome, emphasizing the space-centric nature of the initiative.[5]

The reconciliation law passed in July 2025, titled the "One Big Beautiful Bill Act," contains the initial budget for Golden Dome, authorizing funding for $15.7 billion in space-focused Golden Dome projects.[6] This money is

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distinct from the appropriations process, for which the administration submitted its FY 2026 budget request in June 2025.[7] In addition to including some of the first details on Golden Dome, the budget request and reconciliation act offer insights into the administration's plans for acquiring moving-target-indication spacecraft, proliferated networks of communications satellites, and commercial services. Collectively, these efforts are not only central developments for space but could also play a pivotal role in the administration's broader approach to security and defense.

Budget at a Glance

Two parallel legislative processes are shaping U.S. defense space spending for FY 2026—one is the annual *appropriations process.* In June 2025, the administration released its presidential budget submission, requesting $26.3 billion for the Space Force.[8] The request would represent a 9 percent (or $2.6 billion) reduction from the enacted amount in the FY 2025 appropriations ($28.9 billion), which was the first budget enacted for the Space Force that fell from the prior year.[9] This is the sixth budget submission since the establishment of the Space Force; as shown in Figure 1, the service's appropriations rose consistently from FY 2021 to FY 2024 and have flattened since.[10]

Figure 1 also reflects the other legislative process affecting Space Force spending—*reconciliation*.[11] In April 2025, Congress passed a budget resolution that instructed congressional committees to write reconciliation legislation.[12] Reconciliation is an expedited legislative process to modify spending, revenue, and debt limits that is sometimes used to advance a new administration's priorities.[13] Unlike appropriations bills, which require 60 votes to pass in the Senate, a reconciliation bill needs only a majority in the Senate and House to pass. On July 4, 2025, the process culminated in the signing and passage of the reconciliation legislation known as the One Big Beautiful Bill Act.[14] The act authorizes $153.4 billion in national security funding from FY 2025 through FY 2029, about 14 percent of which ($21.6 billion) is for the Space Force and other DOD space activities.[15]

Although the reconciliation funding is not limited to a specific year, the administration has indicated it is planning to spend most of it in FY 2026. Of the $153.4 billion authorized for national security funding, the

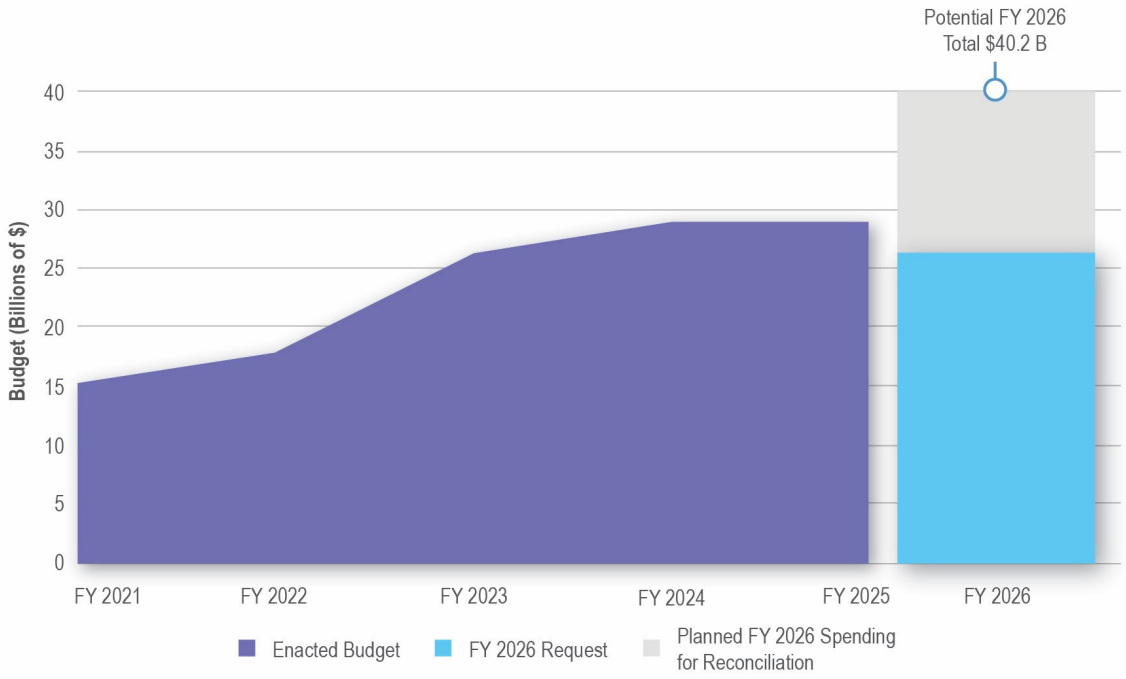

Figure 1. Space Force enacted and proposed budget, FY 2021 through FY 2026.

budget request notes that the administration assumes it will spend $113.3 billion in FY 2026 for the DOD (however, some experts have pointed out that spending such a large quantity so quickly may be overly ambitious).[16] Within the $113.3 billion, the administration has designated $13.8 billion as planned Space Force spending for FY 2026.[17] This $13.8 billion in reconciliation funds, combined with the $26.3 billion requested as part of the appropriations process, would total $40.2 billion for FY 2026.[18] Using the total from the budget request and reconciliation act, Figure 2 shows the budget distribution for the Space Force by capability area, comparing the levels under the FY 2025 appropriations with the potential FY 2026 totals.

In addition to the $13.8 billion in spending planned for FY 2026, the reconciliation act includes $7.7 billion in additional defense space funding authorized from FY 2025 through FY 2029. Collectively, this $21.6 billion mostly falls into two categories. About one-fourth of the defense space funding is labeled as projects that will improve the capabilities of U.S. Indo-Pacific Command. These include added investments for the development and protection of U.S. military satellites, the X-37b orbital test vehicle, and space situational awareness programs.[19] About three-fourths is for "integrated air and missile defense," which the administration and the armed services committees have specified is in support of Golden Dome.[20] Figure 3 breaks out the space funding as part of the national security portion of the reconciliation act.

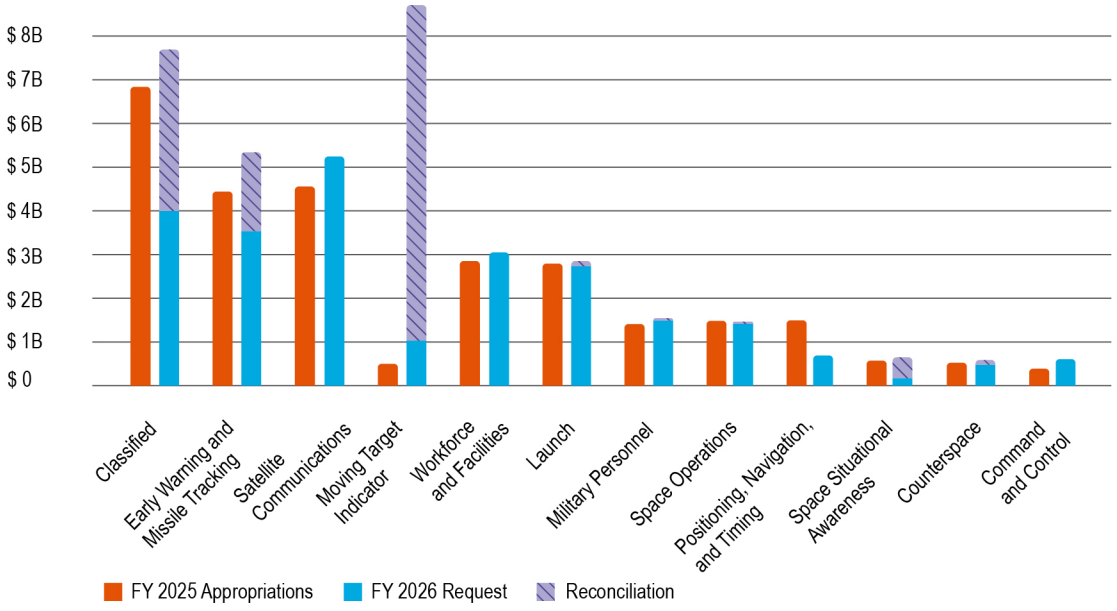

Figure 2. Budget distribution by capability, comparing FY 2025 appropriations with potential FY 2026 totals.

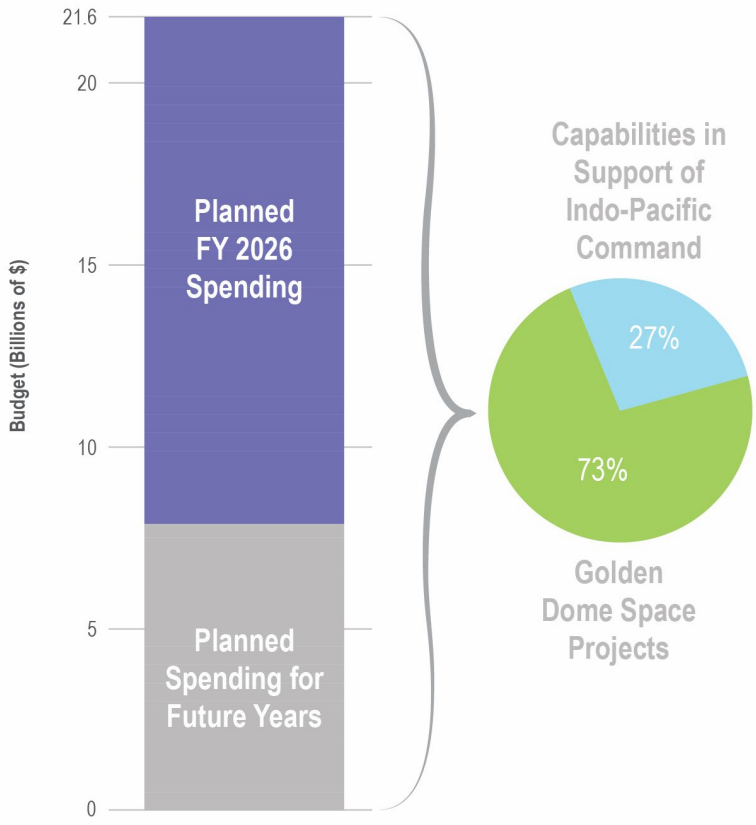

Figure 3. Reconciliation funding for defense space projects, FY 2025–FY 2029.

Golden Dome

Although many of the details of Golden Dome have not been publicly disclosed, the executive order, reconciliation act, press conference, and the budget request offer some indications of the anticipated scale and intent of the project. The administration and the congressional armed services committees have referenced $24.4 billion in the reconciliation act as funding for Golden Dome. Secretary of Defense Pete Hegseth has said that some components of the system are already in place and that it will be fielded in phases, "prioritizing defense where the threat is greatest."[21] Figure 4 shows the Golden Dome funding as a share of the national security portion of the reconciliation act, divided into the following three space-focused categories and one non-space focused category:

- **Tracking threats from space, before and after launch.** Totaling $9.2 billion, this category comprises spending for military space-based sensors and moving-target-indicator satellites. These funds support efforts to track (1) potential threats before they have been launched and (2) an adversary's weapons after they have launched. As identified in the budget request and executive order, some of this funding would go toward existing programs, such as polar and low Earth orbit (LEO) missile warning and tracking satellites, and some would support new programs, such as air-moving-target-indicator satellites.

- **Space-based missile interceptors.** The reconciliation act contains $5.6 billion for space-based interceptors. As discussed in the executive order and press conference, these capabilities would aim to shoot down adversarial missiles during the initial phase of a missile's launch.[22] Although the department deploys theater and national-level ground-based interceptors—and has tested air-based boost-phase interceptors—it has not had a public program dedicated to space-based interceptors since former President Reagan's Strategic Defense Initiative.[23] President Trump said in his press conference that the United States would be "completing the job that President Reagan started

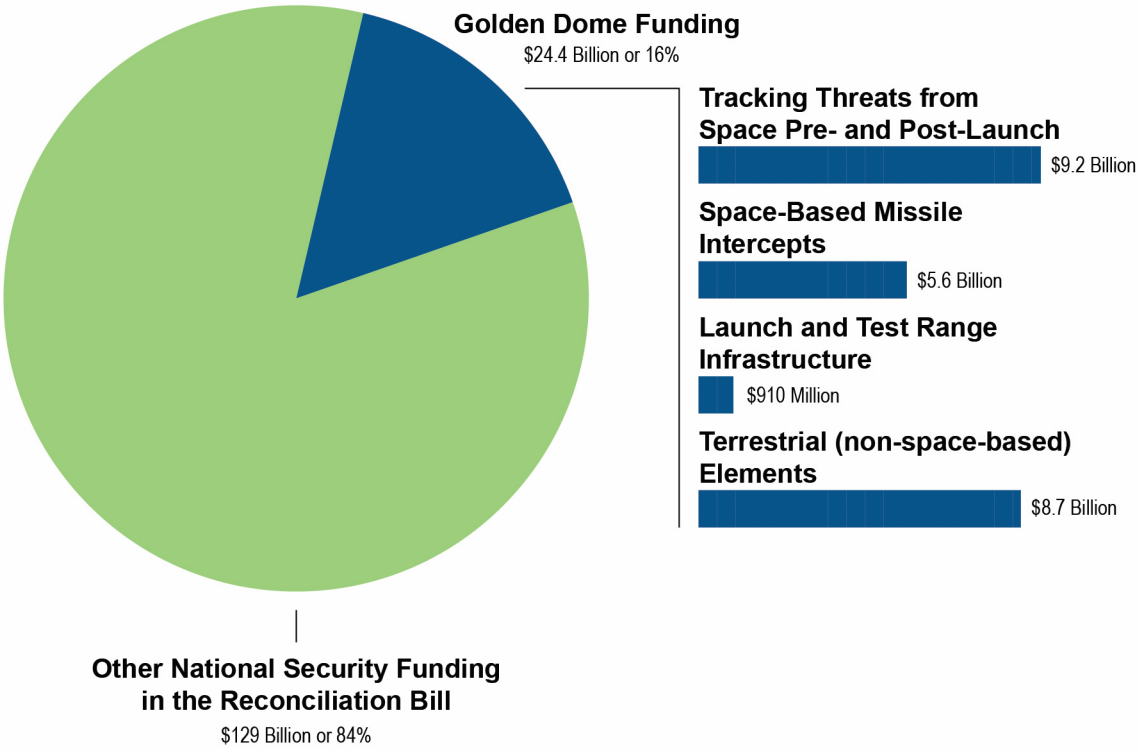

Figure 4. Golden Dome funding as a share of the national security portion of the reconciliation bill, divided into four categories.

40 years ago, forever ending the missile threat to the American homeland."[24]

- **Launch and test range infrastructure.** Covering approximately $910 million, this category includes new and existing efforts that support launch and test range infrastructure, including added resources for the national security space launch program.

- **Terrestrial (non-space-based) elements.** The remaining Golden Dome items in the reconciliation bill are not space-based elements, even if they are integrated with space capabilities. These include hypersonic and intercontinental ballistic missile defense systems and ground-based missile defense radars.

As noted, Golden Dome looks set to dramatically affect the budget for defense space activities. In his press conference, President Trump stated that the project would cost about $175 billion and would initially be fielded in around three years.[25] However, he did not clarify how much of that amount would be part of already-planned spending, such as for existing missile warning and tracking programs, and how much would be allocated to new spending. Prior to the press conference, the Congressional Budget Office (CBO) released updated cost projections of space-based interceptors that reflect today's lower space-launch costs, estimating 20-year costs ranging from $161 billion to $542 billion based on constellations sized to counter one or two intercontinental ballistic missiles fired by a regional adversary, such as North Korea.[26] The executive order notes that Golden Dome will defend against "peer, near-peer, and rogue adversaries," indicating that the administration's constellation of space-based interceptors would have to be much larger than the constellations used in the CBO's estimate.[27] As a historical example, from FY 1986 through FY 1990, the Strategic Defense Initiative made up about 1.3 percent of the DOD's total appropriations. For context, the *entire* Space Force appropriations in FY 2025 amounted to about 3.4 percent of the DOD's total.[28]

Moving-Target-Indicator Programs

One of the biggest Golden Dome-related adds in the reconciliation act was for space-based moving-target-indicator programs. As shown in Figure 2, this category of programs would grow from $500 million in FY 2025 to $8.8 billion, based on the requested and planned totals for FY 2026.[29] Collectively, the reconciliation act and budget request identify two moving-target-indication capabilities. One is ground-moving-target-indicator satellites. First appearing in the FY 2024 Space Force budget request, the ground-moving-target-indicator satellite program aims to provide "actionable intelligence on adversary surface targets," a mission that E-8C Joint Surveillance Target Attack Radar Systems (JSTARS) aircraft had performed from 1991 to 2023.[30] The budget documents notes that the space capability "will be critical to tracking surface targets…which will be accomplished from space, instead of from JSTARS aircraft which will not be capable of operating in a contested/non-permissive environment."[31]

The other capability is air-moving-target-indicator satellites. Similar to ground-moving-target indication, this is a mission that has been carried out in the air domain: since the 1970s, the Air Force has used crewed E-3 Sentry aircraft to identify, detect, and track airborne and maritime threats.[32] These aircraft were to be replaced with the E-7 Wedgetail aircraft; however, the FY 2026 request cancelled the E-7 program.[33] The department's background briefing on the budget request says the program cancellation is due to "significant delays," "cost increases," and "survivability concerns in a contested environment," adding that the department is "investing in alternate solutions, including space-based capabilities."[34]

The transfer of these airborne missions (or at least portions of them) to outer space has generated mixed reactions from the congressional defense committees. The FY 2025 National Defense Authorization Act directed the Air Force to appoint a program executive officer for the "acquisition of space-based ground- and air-moving-target-indication systems," reflecting some support for these programs.[35] However, the FY 2026 House Appropriations Committee report and the FY 2026 House and Senate Armed Services Committee reports propose reinstating the E-7 program, which suggests that the committees do not yet want to rely entirely on spacecraft for the mission.[36]

Proliferation and Commercial Services

Over the last several years, the central story of the defense space budget has been the transition to proliferated sets of spacecraft and ground infrastructure for missions that had previously been carried out with a small number of expensive, exquisite satellites. For example, the Space Development Agency, charged with developing "layers" of proliferated satellites in LEO, was established in 2019 and now comprises about one-fifth of the service's procurement and research, development, testing and evaluation spending.[37] Not simply a budgetary trend, the push toward proliferated assets for space has been emphasized in Space Force strategic documents and in talking points among Space Force leadership.[38]

The transition away from traditional satellite programs continues with this year's request, but it takes a different form. As well as acquiring proliferated sets of spacecraft and ground infrastructure for certain missions, such as missile warning and tracking, the budget request proposes increased funding for commercial services. This year's request contains new budget lines for commercial spending, including $190 million for proliferated LEO satellite communications, which the Space Force would be providing for the rest of the military.[39] Outside of launch, this would be the largest commercial space services program in the budget. The growing emphasis on commercial space capabilities aligns with broader acquisition reforms the administration has been pursuing to favor nontraditional defense firms, as indicated in the administration's executive order titled, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base."[40] Similarly, recent legislative proposals from both the House and Senate Armed Services Committees seek to drive better adherence to the existing statutory requirement to prefer commercial goods and services in federal procurement.[41]

As the department proposes increasing the budget for *commercially owned* proliferated LEO satellite communications, it is also proposing decreasing the budget for *DOD-owned* proliferated LEO satellite communications. Specifically, the FY 2026 request would cut the Space Development Agency's transport layer by 20 percent (or $340 million) from the FY 2025

appropriations.[42] Envisioned as the lead proliferated constellation with 300 to 500 data transport satellites in LEO, the transport layer has been described in the budget documents as providing the "space-based connectivity backbone" for Joint All Domain Command and Control.[43]

Since its inception, the transport layer has benefited from bicameral and bipartisan congressional support.[44] In fact, from FY 2022 through FY 2025, Congress has, in total, appropriated more for the transport layer than the department has requested. For FY 2026, in contrast with the request, the House Appropriations Committee report funds the transport layer at the same level as in FY 2025.[45] Although not an appropriator, the Senate Armed Services Committee report also restores most of the cut funding ($280 million) for the transport layer, which was the Senate report's single-biggest add for the Space Force.[46] The House Armed Services Committee, however, retains the cut proposed in the request.[47] Table 1 compares these different proposed funding amounts. The eventual appropriations will be telling for how this program, emblematic of the transition toward proliferated constellations, will look in the years to come.

Table 1: Transport Layer Proposed Funding for FY 2025 and FY 2026

FY 2025 Enacted Budget	FY 2026 Request	House Appropriations Committee	House Armed Services Committee	Senate Armed Services Committee
$1.6 Billion	$1.3 Billion (-$300 Million)	$1.6 Billion	$1.3 Billion (-$300 Million)	$1.6 Billion

Conclusion

This year's budget process is particularly complex, with important implications for the Space Force. Although the president's budget request would signify a 9 percent cut from the FY 2025 appropriations for the service, the amount in the request plus the reconciliation funding would result in a nearly 40 percent increase, albeit after the only flat budget year in the nearly six-year history of the Space Force. The reconciliation act has significant bearing for defense space activities given the relatively high percentage of space spending (14 percent) in the national security portion of the law compared to the relatively low percentage of defense space funding (less than 4 percent) in the budget request.

The reconciliation act and budget request reveal some of the trades the administration and Congress will weigh regarding the transition from traditional space programs and the shift to projects that support Golden Dome. They also offer insight into foundational changes for U.S. national security investments and acquisitions. The increased use of commercial space capabilities could serve as a forerunner for defense acquisition reforms and greater use of nontraditional defense providers; Golden Dome appears to be a signature program not just for outer space but for the new administration's broader approach to national security. Since the beginning of President Trump's second term, no other military capability has been the subject of both a presidential press conference and executive order. The defense space budget materials, both in the request and the reconciliation act, provide some of the first details of these efforts that will likely be central to the administration's defense and security policy.

Acknowledgments

Thank you to Russell Rumbaugh, Steve Jordan Tomaszewski, and Adina Wadsworth for their review of and comments on earlier drafts.

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