



OST GLOBAL SOLUTIONS

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Crystal Ball 2027

Decoding Federal Budgets Amid Fiscal Uncertainty

Where FY2027 dollars are trending — and how small and mid-size contractors get ahead of the shift instead of reacting to it.

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FOCUS

Where FY2027 stands today

The CR, the calendar, and why October 1 is not the deadline that matters.

What changed from FY2026

Toplines, reconciliation, the DOGE ledger, and the fiscal math underneath it all.

Who gains and who loses

Defense, border security, technology, healthcare and infrastructure — agency by agency.

The market, and your pipeline

What happened to opportunity volume, and how to build, measure and protect a pipeline through a CR.

OST: Who We Are and What We Do

HIGHLIGHTS

- Won \$27B+ for our clients in funded awards since 2005
- Nearly 20 years in GovCon BD: home of the GovCon Incubator
- AI in BD course (launched 2024) delivered to 112+ companies

Bid & Proposal Academy

- 18 Courses: Foundations through Advanced Capture and Proposal Management
- Customized Corporate Training
- DoL-certified Government BD Apprenticeship Program

GovCon Catalyst

- Pipeline services that deliver a full business development strategy backed by real human intel that results with winnable opportunities and measurable ROI.

Capture and Proposal Services

- A **Capture** process that includes customer engagement, intelligence gathering, win strategy development, competitive analysis, teaming, and solution development.
- Developing entire **Proposals** from start to finish, collaborating with SMEs, providing surge support, or offering targeted proposal guidance and color team reviews.

THE CURRENT LANDSCAPE

Where FY2027 Stands

Funded through Dec 11, 2026

- A CR was signed Sept 2nd **(1 month early)**
- **Senate 90-6, House 370-48.**

0 of 12 bills enacted

- Three FY2027 appropriations bills passed the House.
- None have been reported out of Senate Appropriations.

FY2027 starts on autopilot

- **October 1st opens at FY2026 spending levels.**
- **No new starts, no production-rate increases, no scope growth.**

The real date is after Nov 3

- **The CR deliberately pushes every funding decision past the midterm elections.**

\$1.5 trillion — with an asterisk

\$1.15T

Base discretionary

Goes through regular appropriations. Needs 60 votes in the Senate.

\$350B

Mandatory, via reconciliation

Needs a third reconciliation bill —budget resolution that has not passed the Senate.

+44%

Over FY2026

A \$445B jump. The highest single-year national defense figure since WWII.

Fiscal Uncertainty

WHEN	WHAT HAPPENED
July 4 th , 2025	One Big Beautiful Bill Act (OBBBA, P.L. 119-21): \$150B+ for defense, \$191B for DHS
February–April 2026	A 76-day DHS-only shutdown over ICE and border funding; FY2026 finally closed out April 30th
April 3 rd , 2026	FY2027 President’s Budget released — later than usual — asking \$1.5T for defense
June 2026	Reconciliation 2.0 (P.L. 119-98): \$70B more for ICE and CBP, (\$0 for defense)
July 4 th , 2026	DOGE reaches its statutory sunset and dissolves — with no final accounting
September 2 nd , 2026	CR signed: Additional funding through December 11th, 2026

FY2026 ENACTED — \$1.64T base discretionary



FY2027 REQUEST — \$1.81T base, plus \$350B sought through reconciliation



Good Intentions - Decisive Execution - Questionable Results

\$215B SAVINGS

Calculated on total potential contract value, not actual spend.

\$20B

Independently verified by March 2026

10,000+

Contracts cut or restructured, ~\$85B in value

Spending Rose

\$147 billion, or about 2.2%

386,000

Federal departures, Jan 2025–Jan 2026

–12%

Net workforce — smallest since 1966

A thinner acquisition workforce

Fewer contracting officers means longer evaluations, more bridge extensions, and forecasts that slip a quarter or two as a matter of routine.

And now, rehiring

More than 104,000 federal positions were posted in the first five months of 2026. Some agencies reinstated roles they had cut.

Consolidation into fewer, bigger buys

EO 14240 pushes common goods and services to GSA. Bigger awards, fewer vehicles, and set-asides under pressure.

THE RECONCILIATION PROCESS

REQUESTED BY THE WHITE HOUSE

\$350B

IN THE HOUSE BUDGET RESOLUTION (H.CON.RES. 113, JULY 2026)

\$60B — 83% below the ask

WHAT CHANGED (\$'s)	FY2026 ENACTED	FY2027 REQUEST	CHANGE
National Defense	\$903B	\$1,154B	+27.8%
Non-Defense	\$733B	\$660B	-\$73B / -10%
Defense via Reconciliation	\$150B+ enacted	\$350B asked	\$60B on the table
Federal Civilian IT	\$67.9B	\$75.7B	+\$7.8B
DoD RDT&E	\$144.9B	\$210.4B	+45%

Senate Appropriations leadership has said a third reconciliation bill is “not an option.”

Sen. Mitch McConnell: “I think it’s safe to conclude there will not be another reconciliation bill.”

Golden Dome, the munitions ramp, and autonomous-systems work were all placed inside the reconciliation pot.

DoD is now working with appropriators on a fallback that would defer other investment to FY2028.

The Numbers

AREA	DIRECTION
Defense	↑ UP a lot
Border security	✓ ALREADY PAID & UP a lot ↑
Technology & AI	↑ UP
Healthcare	↔ SPLIT
Infrastructure	⏸ ON HOLD

Chase money already committed

- Border security and military maintenance have cash in hand today.

Sell savings, not headcount

- Agencies lost roughly 250,000 people. Staffing is less important than reduced workload.

Be cautious on research and regulation

- Science, environment and foreign aid face the deepest proposed cuts.

Don't bank on new infrastructure grants

- New grant rounds wait on a law that has not passed.

What the big agencies are asking for

FY2027 REQUEST vs FY2026

Defense	\$1.15T	+27.8%
VA	\$144.5B	+0.1%
DHS	\$118.4B	+5.7%
HHS	\$111.1B	-12.5%
Justice	\$40.8B	+13.0%

Does a FY2027 budget resolution
clear the Senate?

No resolution means no reconciliation
bill, which means the \$350B defense
plan does not happen in FY2027.

Trending Upward: where the investment is being made

AGENCY	FY27 REQUEST	↑ AGENCIES WITH MORE MONEY
Department of Defense	\$1.15T, +27.8%	Munitions, shipbuilding and sustainment, autonomy and counter-drone, Golden Dome, software and AI. R&D rises to \$210.4B.
DHS	\$118B, +7%	Separate Request: An additional \$261B outside the annual budget (Detention and facilities, transport, medical services, case management, biometrics).
Veterans Affairs	\$144.5B, +8.4%	The largest technology request in government at \$12.2B, up 62%: health records, claims processing, veteran-facing services.
Department of Justice	\$40.8B, +13.0%	Immigration enforcement and prosecution, with technology up 40.5% to \$4.3B.
Department of Transportation	\$114.1B, +6%	+\$1.3B for infrastructure / \$481M more for FAA controller hiring and air traffic modernization.
Civilian Technology Overall	\$75.7B, +11.5%	Twelve of twenty-three major civilian agencies gain technology.

WHAT THE MARKET ACTUALLY LOOKS LIKE

Fewer shots on goal

SOLICITATIONS POSTED, JUL–AUG 2024

57,000

SOLICITATIONS POSTED, JUL–AUG 2025

under 15,000 — down 74%

Cancellations up 11% across the same stretch. Posted work was also being withdrawn.

~24,000 notices a month still post to SAM.gov across all types. Volume did not go to zero — it re-shaped.

Recompetes became the revenue. Incumbents hold 70–80% of them — and lose the rest to early capture.

RFI's BECAME THE NORM: Not just for shaping but to validate solicitation release!

Where the volume went, by type

NOTICE TYPE	FY2025	FY2026	CHANGE
Sources Sought / RFI	25,548	22,447	-3,101 (-12.1%)
Presolicitation	24,484	19,220	-5,264 (-21.5%)
Solicitation (RFP / RFQ / IFB)	38,911	36,949	-1,962 (-5.0%)
Special Notices (industry days)	16,378	15,257	-1,121 (-6.8%)
Award Notices	81,903	77,413	-4,490 (-5.5%)
TOTALS	187,224	171,286	- 15,938 (- 8.5%)

- FY2025 Oct. 1, 2024–Sept. 30, 2025
- FY2026 Oct. 1, 2025–Sept. 21, 2026

Trending Downward: where the investment is diminishing

AGENCY	FY27 REQUEST	↓ AGENCIES WITH LESS MONEY
National Science Foundation	-54.7%	Research grants and STEM education – the deepest cut in the budget.
EPA	-52.4%	Regulatory programs, enforcement and climate-related grant making.
State / foreign assistance	-30.4%	Foreign aid and contributions to international organizations.
Labor	-25.9%	
NASA (Science -46.3%)	-23%	Science missions and research grants.
Agriculture	-19%	
DOE Office of Science	-15%	
Treasury	-12%	IRS loses \$1.4B in enforcement and taxpayer services – though Treasury technology spending rises 48%.

A request is not a law

- Congress rejected nearly all last year's proposed NASA cuts.
- The FY2026 enacted NASA budget differed from the request by close to 30% – the widest gap since 1987.

Use it as a probability, not a verdict

- Deep proposed cuts mean delay, re-competition risk and smaller scopes even when funding survives.
- Discount the pursuit; don't necessarily drop it.



THE FEDERAL GOVERNMENT IS UNPREDICTABLE

What you *can* control is whether your pipeline is qualified, funded, and ready when the money moves.

Strategy

Baseline your growth goals and define the profile of an opportunity worth your time.

Identify

Market research that surfaces opportunities matched to your strengths — including work funded outside the annual cycle.

Qualify

Competitive intelligence and capture insight so a small team spends its B&P only where it can actually win.

Win

Capture and proposal support with expert coaching and strategic oversight — your billable people stay billable.

WHAT TO DO ABOUT IT • 1 OF 2

Build a pipeline that survives a CR

- 1 Raise your coverage ratio.** Traditional wisdom is a pipeline worth 2–3× your growth goal. In a CR year, consider **3–4×** to absorb pipeline drag.
- 2 Shift capacity to work you can already reach.** Recompetes and quick-turn task orders on vehicles you already hold. Revisit your whole IDIQ and GWAC pipeline.
- 3 Add the paths a CR doesn't govern.** Other Transaction Authority, Commercial Solutions Openings, and SBIR/STTR calls can move around CR limits.
- 4 Score by funding source, not by agency.** Appropriations, supplemental, reconciliation, or not yet funded. Four categories, one new column in your tracker.
- 5 Diversify, and fix teaming early.** Target agencies gaining budget. Build mentor-protégé, JV and teaming positions in October — not the week the RFP drops.

Measure it. Then protect it.

Measure it

Drag Index — active pursuits ÷ pursuits forecast six months ago. **Target above 80%.**

Diversity Ratio — forecast revenue outside your top three agencies. **Goal above 35%.**

CR drag factor — build slippage into stage-gate modeling so revenue targets stay honest.

Re-baseline P-win — competition is rising. Run fresh competitive analysis and price-to-win scenarios.

Protect it

Cash first. Contractors get no guaranteed back pay. Hold 60–90 days of payroll and confirm your credit line this week.

Re-read your own contracts. Limitation of funds and cost, stop-work, termination for convenience.

Assume no new starts before December 11. Re-forecast Q1 now rather than explaining a miss in January.

Watch four things: the Dec 11 package, agency operating plans, your own slippage rate, and obligations in SAM.gov.

Cadence: weekly pipeline meetings, monthly re-qualification. Budget documents tell you intent — obligation data tells you truth.

GovCon Catalyst

Monthly support that keeps your pipeline scored, sourced and current
— including by funding source, not just by agency

- **Strategy support** — baseline your growth goals and define the profile of an opportunity worth your time.
- **Market analysis** — the right agencies, contract vehicles, customer contacts, competitors and teaming partners.
- **Account planning** — an agency-specific playbook with an action plan to grow your footprint there.
- **Opportunity identification, monthly** — screened through Decision Gate 1: interest or no interest.
- **Opportunity qualification, monthly** — screened through Decision Gate 2: pursue or don't pursue.
- **Daily vehicle monitoring** — IDIQs and GSA Schedules, where a growing share of federal buying now runs.

Two decision gates are the whole idea: **fewer, better pursuits**. In a market where solicitations have thinned and recompetes carry the revenue, what you decline matters as much as what you bid.

Who we work with

- **120+ active clients, predominantly small businesses.**
- **350%+ growth over six years — built in exactly the kind of market we just described.**



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Questions

Three things to take with you:

- Federal contracting is still unpredictable and not at 2024 levels
- Track funding sources, not agencies
- Score reconciliation-funded pursuits as FY2028

Let's partner in winning business.

Talk to us

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BD Strategy Discussion

Let's meet to learn more about
our companies

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