Agency Performance Plan (APP)



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I. Introduction



In accordance with the Government Performance and Results Act (GPRA) of 1993, as amended by the GPRA Modernization Act of 2010, Public Law 111-352, the Department of War (DoW or "the Department") presents its Fiscal Year (FY) 2026 Agency Performance Plan (APP). This plan defines the performance goals for FY 2025 and 2026, demonstrating alignment with the President and Administration's policy priorities (executive orders, memoranda, and proclamations), congressional mandates, and DoW's top business operation goals. The APP identifies specific performance goals, measures, and targets to ensure successful implementation.

For the purposes of this APP, "business operations" refers to enterprise-wide activities that support multiple DoW components, rather than functions tied to a single military department or DoW component. These operations include business-support functions designated by the Secretary of War or the Deputy Secretary of War, such as financial management, healthcare, acquisition and procurement, supply chain and logistics, certain information technology, real property, and human resources operations.



II. Performance Goals

1.0.

Acquisition & Procurement

DoW will: accelerate defense procurement and revitalize the defense industrial base to restore peace through strength; revitalize and rebuild domestic maritime industries and workforce to promote national security and economic prosperity; and harness the increasing advantages afforded by artificial intelligence (AI).

1.0. Acquisition & Procurement			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
1.1. Plan to reform defense acquisition processes[1] (DoW A&S)	1.1.1. Status of Plan	Develop and submit reform plan to the President	Implement reform plan, as approved by the President
1.2. Establish a Configuration Steering Board to manage risk[2] (DoW A&S)	1.2.1. Status of Board	Establish Board	Number of risks managed by Board
1.3. Cancel major defense acquisition programs behind schedule, over cost, and unaligned to Secretary of War priorities[3] (DoW A&S)	1.3.1. Cancellation list	Submit potential cancellation list to OMB	Number of applicable programs canceled
1.4. Reform, right-size, and train the acquisition workforce[4] (DoW A&S)	1.4.1. Status of Plan	Develop and submit reform plan to the President	Implement reform plan, as approved by the President
1.5. Develop a proposal for improved acquisition strategies processes for United States Government vessels[5] (DoW A&S)	1.5.1. Status of Proposal	Develop and submit proposal to the President	Implement proposal, as approved by the President
1.6. Use the Office of Strategic Capital (OSC) loan program to improve critical mineral production,[6] the shipbuilding industrial base,[7] and domestic drone manufacturing[8] (DoW R&E)	1.6.1. Use OSC capital assistance to support critical mineral production and associated supply chain from mine to final product	Report loan amounts and provide description	Report loan amounts and provide description

[1] Executive Order 14265, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base."
[2] Executive Order 14265, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base."
[3] Executive Order 14265, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base."
[4] Executive Order 14265, "Modernizing Defense Acquisitions and Spurring Innovation in the Defense Industrial Base."
[5] Executive Order 14269, "Restoring America's Maritime Dominance."
[6] Executive Order 14241, "Immediate Measures to Increase American Mineral Production."
[7] Executive Order 14629, "Restoring America's Maritime Dominance."
[8] Executive Order 14307, "Unleashing American Drone Dominance."

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
	1.6.2. Use OSC capital assistance to support domestic shipbuilding and respective supply chain	Report loan amounts and provide description	Report loan amounts and provide description
	1.6.3. Use OSC capital assistance supports domestic drone manufacturing and respective supply chain	Report loan amounts and provide description	Report loan amounts and provide description
1.7. Evolve and Align Enterprise Acquisition Processes (DoW A&S)	1.7.1. Drive strategic alignment through Capability Portfolio Management (CPM) across planning, requirements, technology, acquisition, sustainment, programming, budgeting, and execution to optimize mission outcomes	Drive strategic alignment through CPM across planning, requirements, technology, acquisition, sustainment, programming, budgeting, and execution to optimize mission outcomes	Execute FY 2026 Integrated Acquisition Portfolio Reviews on schedule
		Conduct bi-weekly CPM working group meetings	Conduct bi-weekly CPM working group meetings
		Draft issuance (DoDI) providing policy, guidance, and procedures to implement DoDD 7045.20	Review and update DoDD 7045.20 CPM policy
		Publish FY 2026 Integrated Acquisition Portfolio Reviews (IAPR) schedule	Staff, issue an issuance (a DoDI) providing policy, guidance, and procedures to implement DoDD 7045.20
1.8. Increase fielding of innovative technologies (DoW R&E)	1.8.1. Percentage of Accelerate the Procurement and Fielding of Innovative Technologies (APFIT) projects that transition into a program of record	80 percent	80 percent

2.0.

Financial Management

To create a long-lasting culture of innovation, empowerment, and improvement, the Department is implementing reforms to optimize operations across the enterprise. By leveraging data as a strategic asset to expand analytic capabilities and by improving the quality of budgetary and financial information and processing systems, the Department will reduce the cost of doing business and strengthen business operations.

2.0. Financial Management			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
2.1. Increase the number of favorable (unmodified or qualified) DoW financial statement audit opinions (DoW C/CFO)	2.1.1. Number of favorable (unmodified or qualified) financial statement audit opinions	15	19
	2.1.2. Number of material weaknesses downgraded	34	41
2.2. Utilize Advana for Fund Balance with Treasury reconciliations (DoW C/CFO)	2.2.1. Percentage of entities utilizing Advana for Fund Balance with Treasury reconciliations	95 percent	95 percent
2.3. Foster a high integrity funds control environment that provides fiscal control over assets, including the dissemination of funds, tracking of budget execution, and realignment of funds (DoW C/CFO)	2.3.1. Percentage of spend plan variance	+ / - 3 percent	+ / - 3 percent
2.4. Increase visibility into execution against disaster and emergency response funding by implementing a capability to track rapid response (DoW C/CFO)	2.4.1. Percentage implementation of emergency funding tracking complete	75 percent	100 percent
2.5. Optimize and evolve financial management training solutions (DoW C/CFO)	2.5.1. Percentage of financial management workforce holding relevant financial management certifications	95 percent	95 percent

3.0.

Healthcare and Well-being

Force health protection supports the Department's full-dimensional force protection efforts. All members of the Active Component and the Selected Reserve will be physically and mentally fit to carry out their missions. [9]

[9] DoD Directive 6200.04, "Force Health Protection (FHP)," October 9, 2004.

3.0. Healthcare and Well-being			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
3.1. Access to medical care for service members and their families (DoW P&R	3.1.1. Access to acute care for active duty service members	1 day	1 day
	3.1.2. Access to routine care for active duty service members	7 days	7 days
	3.1.3. Access to specialty care for active duty service members	28 days	28 days
	3.1.4. Access to medical care following a Line of Duty determination for selected reserve service members	28 days	28 days
3.2. Health and deployability of the force (DoW P&R)	3.2.1. Individual Medical Readiness rates	90 percent total force medical readiness	90 percent total force medical readiness
	3.2.2. Completion rates of military-specific health assessments (Periodic Health Assessment, Deployment Related Health Assessment, and Mental Health Assessments)	95 percent	95 percent
	3.2.3. Total non-deployable service member rates	6 percent	5.8 percent
3.3. Increase enrollment rates and specialty care trends for the Military Health System at designated Military Medical Treatment Facilities (MTFs) (DoW P&R)	3.3.1. Increase military and civilian fill rates at designated MTFs (Core 15)	80 percent	85 percent
	3.3.2. Enrollment trends for TRICARE for Life (TFL) and targeted high-acuity TRICARE beneficiaries	Establish baseline and targets for high-acuity patient enrollment efforts at designated MTFs	Increase high-acuity patient enrollment from FY 2025 baseline at designated MTFs (Core 15 and satellites)

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
	3.3.3. Increase specialty care to TFL, Veterans Affairs (VA), and TRICARE high-acuity patients	Establish baseline and targets for complex specialty care efforts at designated MTFs	Increase complex specialty care from FY 2025 baseline
3.4. Funding for the Military Health System (DoW P&R)	3.4.1. Increase Revenue from third-party insurers and tort liabilities	Increase in comparison to prior FY	Increase in comparison to prior FY
	3.4.2. Achieve an unmodified (clean) opinion of Defense Health Program financial statements (direct care) by FY 2028	Increase number of remediated/closed audit findings from prior FY audit	Increase number of remediated/closed audit findings from prior FY audit
3.5. Define operational requirements for MHS support to Large Scale Combat Operations (LSCO) (DoW P&R)	3.5.1. Develop and exercise medical contingency support plans to USINDOPACOM OPLAN and USNORTHCOM CONPLAN	Establish medical contingency support plans with USINDOPACOM OPLAN and USNORTHCOM CONPLAN updates in 2025	Identify military medical force requirements and contingency resourcing shortfalls to expand capability up to 28 designated casualty and reception facilities globally
3.6. Increase providers' clinical skills for combat medicine by increasing volume and complexity at MTFs through MIL-CIV partnerships and DoD/VA collaboration sites (DoW P&R)	3.6.1. Increase CONUS and OCONUS locations, including Core 15 MTFs, providing effective clinical knowledge, skills, and abilities readiness to the MIL medical workforce	Establish baseline and targets for medical locations providing clinical skills readiness	Increase capacity for clinical skills readiness from FY 2025 with increased volume and complexity in MTFs, and rotations of the MIL medical force, as needed
3.7. Improve military medical education and training throughput (DoW P&R)	3.7.1. Officer and enlisted Medical Education Training Program capacity by Military Departments, Defense Health Agency, and Uniformed Services University of the Health Sciences	Above percent capacity in didactic program and increase capacity of MTF practical training by percent	Above percent capacity in didactic programs and increase capacity of MTF practical training by percent
3.8. Delivery and maintenance of pharmaceutical and medical supply logistics (DoW P&R)	3.8.1. Percentage of MTFs ordering pharmaceuticals and medical supplies through a Theater Lead Agent for Medical Material	90 percent	100 percent

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
	3.8.2. Percentage of MTFs with required pandemic and other public health commodities stockpiles on hand	90 percent	100 percent
3.9. Simplify and standardize acquisition of medical technology (DoW P&R)	3.9.1. Develop and implement a prioritized list of medical technology acquisition based on favorable Research, Development, Test, and Evaluation (RDT&E) assessments and requirements for future operating environment	Implement digital technology solutions to enhance access to care and readiness of the medical force	Implement medical technology solutions to fulfill medical requirements for future operating environment threats
3.10. Accelerate medical facility sustainment, restoration, and modernization (SRM) (DoW P&R)	3.10.1. Develop and implement a prioritized list of facility SRM based on designated MTFs to enhance access to care and readiness of the medical force to support LSCO	Commit resources to initiate over 33 percent of facility SRM prioritized list	Commit resource to initiate over 66 percent of facility SRM prioritized list

4.0.

Human Resources

American citizens deserve an excellent and efficient federal workforce that attracts the highest caliber of civil servants committed to achieving the freedom, prosperity, and democratic rule that our Constitution promotes.

4.0. Human Resources			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
4.1. Adopt and implement new OPM Senior Executive Service appraisal system, performance plan, and fiscal year rating cycle[10] (DoW P&R)	4.1.1. Percentage of implementation	100 percent	100 percent
4.2. Implement new OPM senior professional performance appraisal system and plan[11] (DoW P&R)	4.2.1. Percentage of implementation	100 percent	100 percent
4.3. Implement new OPM Federal employee performance management guidance[12] (DoW P&R)	4.3.1. Percentage of implementation	100 percent	100 percent
4.4. Implement May 29, 2025 OPM Merit Hiring Plan[13] (DoW P&R)	4.4.1. Percentage of implementation	75 percent	100 percent
	4.4.2. Reduce time to hire to 80 days	80 days	80 days
4.5. Electronic retirement applications[14] (DoW P&R)	4.5.1. Percentage of new retirement applications submitted electronically	100 percent	100 percent

[10] Presidential Memorandum, "Restoring Accountability for Career Senior Executives."
[11] Executive Order 14170, "Reforming The Federal Hiring Process And Restoring Merit To Government Service."
[12] OPM Memorandum, "Performance Management for Federal Employees," June 17, 2025.
[13] Executive Order 14170, "Reforming The Federal Hiring Process And Restoring Merit To Government Service," and OPM Memorandum, "Merit Hiring Plan," May 29, 2025.
[14] OPM Memorandum, "Implementing the President's Department of Government Efficiency (DOGE) Initiative for a Modernized, Efficient, and Expedient Retirement Process," May 7, 2025.

5.0.

Information Technology

DoW is modernizing its Defense Business Systems to meet the direction of the President and the Secretary of War and the increasing needs of the Department.

5.0. Information Technology			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
5.1. Transition to Electronic Funds Transfer (EFT) methods, including direct deposit, prepaid card accounts, and other digital payment options, and take all steps necessary to enroll recipients in EFT payments[15] (DoW C/CFO)	5.1.1. Percentage of recipients enrolled in EFT payments	75 percent	99 percent
5.2. Include in relevant system of records notices under the Privacy Act of 1974 a "routine use" allowing for disclosure of records to the Department of the Treasury for the purposes of identifying, preventing, or recouping fraud and improper payments, to the extent permissible by law[16] (DoW C/CFO)	5.2.1. Percentage of relevant systems with specified "routine use" notice included	75 percent	100 percent
5.3. Decommission all internal payment systems and use the Department of the Treasury's disbursement systems, except and to the extent authorized by the Department of the Treasury or otherwise required by applicable law[17] (DoW C/CFO)	5.3.1. Percentage of payments processed through Treasury Disbursement Office (TDO) using Department of Treasury systems	45 percent	55 percent

[15] Executive Order 14247, "Modernizing Payments To and From America's Bank Account."
[16] Executive Order 14249, "Protecting America's Bank Account Against Fraud, Waste, and Abuse."
[17] Executive Order 14249, "Protecting America's Bank Account Against Fraud, Waste, and Abuse."

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
5.4. Adopt and begin implementing the Council on Environmental Quality (CEQ) data and technology standard and minimum functional requirements referred to in the Permitting Technology Action Plan in new and existing agency environmental review and permitting systems to facilitate efficient environmental reviews[18] (DoW A&S)	5.4.1. Percentage adoption of the CEQ data and technology standard and minimum functional requirements	50 percent	80 percent
5.5. Incorporate management of AI software vulnerabilities and compromises into DoW's existing processes and interagency coordination mechanisms[19] (DoW CIO)	5.5.1. Percentage of DoW processes and interagency coordination mechanisms incorporating management of AI software vulnerabilities and compromises	50 percent	90 percent
5.6. Retire legacy and duplicative Defense Business Systems[20] (DoW CIO)	5.6.1. Percentage of Defense Business Systems retired per projected DoW Information Technology Portfolio Repository (DITPR) date(s)	80 percent	100 percent
5.7. Decrease the number of legacy, financial statement audit-relevant Defense Business Systems (DoW C/CFO)	5.7.1. Number of legacy Internal Control Over Reporting – Financial Reporting and Financial Systems (ICOR-FR&FS) DBSs retired	10	14

[18] Presidential Memorandum, "Updating Permitting Technology for the 21st Century," April 15, 2025.
[19] Executive Order 14306, "Sustaining Select Efforts to Strengthen the Nation's Cybersecurity and Amending Executive Order 13694 and Executive Order 14144."
[20] DoD CIO Memorandum, "Fiscal Year 2025 Defense Business System Retirements," January 21, 2025.

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
5.8. Optimize the Department's federated infrastructure to support scaling data, analytics, and AI adoption (DoW R&E)	5.8.1. Increase in total AI investments as defined in "Descriptions for Data, Analytics, and AI Activities"	$1.7646 billion	$1.7992 billion
5.9. Accelerate and enhance efficiency of fielding innovative IT capabilities (DoW CIO)	5.9.1. Number of DoD systems that have fully onboarded (i.e., Identity Provider, Automated Account Provisioning, Master User Record) to an approved Identity, Credential, and Access Management (ICAM) Service Provider	150 systems	1000 systems
	5.9.2. Percent of Mobile User Objective System (MUOS) Satellite Communications (SATCOM) user terminals fielded	60 percent	70 percent
	5.9.3. Number of platforms with hybrid SATCOM terminals deployed	313 SATCOM terminals deployed	367 SATCOM terminals deployed
	5.9.4. Percentage of DoW-approved ICAM service providers onboarded to the DoW ICAM Federation Hub	30 percent	70 percent
	5.9.5. Percentage of new custom software development systems using DevSecOps	60 percent	75 percent
	5.9.6. Percentage of all custom software development systems using DevSecOps	35 percent	40 percent
	5.9.7. Percentage of U.S. military installations with deployed 5G wireless broadband infrastructure	73 percent	80 percent

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
	5.9.8. Percentage of Enterprise SATCOM Management and Control (ESC-MC) IT services implemented	23 percent	36 percent
	5.9.9. Percentage of real-time spectrum sharing requirements demonstrated	100 percent	100 percent
5.10. Expand digital talent management of data analytics and AI work roles (DoW R&E)	5.10.1. Percentage of digital workforce coded in manpower systems (Spaces)	25 percent	50 percent
	5.10.2. Percentage of digital workforce coded in personnel systems (Faces)	25 percent	50 percent
	5.10.3. Number of general officer/flag officer/Senior Executive Service course attendance	320	600
5.11. Cyber workforce initiatives (DoW CIO)	5.11.1. Percentage of cyber coded vacant billets across the enterprise	15 percent	13 percent
	5.11.2. Time-to-hire for DoW cyber workforce occupations	80 days	70 days
5.12. Improve AI-enabled workflow productivity (DoW R&E)	5.12.1. Overall workflow productivity improvement within frontier AI pilot projects	20 percent	25 percent

6.0.

Real Property

As required by law, DoW will reduce its expenditures on leased property and increase its occupancy of all DoW-owned or occupied properties. DoW will also ensure safe, quality, and well-maintained on-base housing that provides a positive living experience for Service members and their families.

6.0. Real Property			
Performance Goal	**Performance Measure**	**Performance Target FY 2025**	**Performance Target FY 2026**
6.1. Reduce DoW expenditures on facilities leased by DoW[21] (DoW A&S)	6.1.1. Percentage of reduction in DoW expenditures	6 percent	6 percent
6.2. Maintain 60 percent annual average occupancy rate at DoW-owned or occupied administrative spaces[22] (DoW A&S)	6.2.1. Average annual percentage occupancy rate	60 percent	60 percent
6.3. Implement utilization monitoring at DoW-owned or occupied administrative spaces[23] (DoW A&S)	6.3.1. Percentage of DoW-owned or occupied spaces that have implemented utilization monitoring	75 percent	100 percent
6.4. Ensure safe, quality, and well-maintained on-base housing that provides a positive living experience for service members and their families (DoW A&S)	6.4.1. Government-owned and controlled - tenant satisfaction overall score	75 percent	80 percent
	6.4.2. Government-owned and controlled percentage of housing with a Building Conditions Index (BCI) of 80 percent or greater	90 percent	90 percent
	6.4.3. Government-owned and controlled percentage of unaccompanied housing that complies with published DoW privacy standards	75 percent	95 percent

[21] Section 2850 of the Servicemember Quality of Life Improvement and National Defense Authorization Act for Fiscal Year 2025 (Public Law 118-159).
[22] Section 2302 of the Thomas R. Carper Water Resources Act of 2024 (Public Law 118-272).
[23] OMB Memorandum M-25-25, "Implementation of the Utilizing Space Efficiently and Improving Technologies Act," April 21, 2025.

Performance Goal	Performance Measure	Performance Target FY 2025	Performance Target FY 2026
	6.4.4. Government-owned and controlled percentage of unaccompanied housing that complies with published DoW habitability standards	75 percent	95 percent
	6.4.5. Government-owned and controlled overall utilization rate of DoW family housing and unaccompanied housing as configured	90 percent	90 percent
	6.4.6. Military Housing Privatization Initiative (MHPI) - tenant satisfaction overall score	75 percent	80 percent
	6.4.7. Percentage of MHPI projects with trailing 12-month combined debt service coverage ratios >1.25	90 percent	90 percent
	6.4.8. MHPI - portfolio trailing 12-month overall occupancy	93 percent	95 percent
	6.4.9. Percentage of action plans executed for adverse unaccompanied housing conditions on select installations	50 percent	100 percent

III. Management Challenges



Interdependence.

Completion of DoW performance goals in some cases depends on prior actions by parties external to DoW. For example, performance goals 1.1, 1.4, and 1.5 require the approval of plans or proposals by the President; and performance goal 5.3 depends on the availability of Department of Treasury disbursement systems. DoW will work closely with external parties to address these interdependence challenges.

Availability of Resources.

Completion of DoW performance goals also depends on the availability of required resources. For instance, performance goal 6.1 requires space to relocate DoW activities currently in leased spaces. Performance goal 1.6 depends on the availability of loan funds. DoW will work closely with Congress to obtain necessary resources.

Countervailing Factors.

Completion of DoW performance goals may be affected by countervailing factors (i.e., factors that may counter DoW efforts to achieve a performance goal). For example, Congress can prohibit DoW from canceling major defense acquisition programs, which would prevent achievement of performance goal 1.3. DoW will work closely with Congress to mitigate countervailing factors.