



Military Construction: A Snapshot of the President's FY2013 Appropriations Request

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On February 13, 2012, President Barack Obama forwarded his Fiscal Year (FY) 2013 budget request to Congress, including \$11.2 billion for military construction appropriations. The military construction appropriation, which since the 109th Congress has been combined with appropriations for the Department of Veterans Affairs and a number of small, related agencies, has funded the building of new infrastructure worldwide for the operational and training use active and reserve armed forces, the construction and operation of housing for service members and their families, and facilities for the demilitarization of obsolete chemical munitions, as required by international treaty obligations. It has also paid the U.S. contribution to the common infrastructure fund for the North Atlantic Treaty Organization (NATO) and the environmental remediation of defense real property declared surplus since 1988 under the various rounds of base closures and realignments, commonly referred to as BRAC.

The President's request reflects some marked changes from appropriations requested in recent years, likely reflecting decisions being made within the Pentagon on the shape and structure of the future military force. The Department of Defense (DOD) is undergoing a review of its strategy for national defense and plans to reduce force end strength over the next several years. Construction funding requested for active duty forces aggregates to \$7.7 billion, down from the \$10.9 billion requested for FY2012 and \$9.8 billion appropriated for that year. Reserve component construction (including the Army and Air National Guards) requested is reduced from \$1.2 billion for FY2012 to \$1.0 billion for FY2013. The request for military family housing remains steady at \$1.7 billion, and funding requested for BRAC has shrunk from \$582 million to \$476 million, reflecting the end of the implementation period for the 2005 BRAC round of base closures and realignments in September 2011.

The President's FY2013 Appropriations Request

Table 1. Military Construction Appropriations Accounts, FY2012-FY2013

Budget Authority in thousands of dollars

Account	FY2012 Request	FY2012 Enacted (P.L. 112-74, Div. H)	FY2013 Request
Military Construction, Army	3,235,991	3,006,491	1,923,323
Military Construction, Navy and Marine Corps	2,461,547	2,112,823	1,701,985
Military Construction, Air Force	1,364,858	1,227,058	388,200
Military Construction, Defense-wide	3,848,757	3,431,957	3,654,623
Total, Active Components	10,911,153	9,778,329	7,668,131
Military Construction, Army National Guard	773,592	773,592	613,799
Military Construction, Air National Guard	116,246	116,246	42,386
Military Construction, Army Reserve	280,549	280,549	305,846

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Account	FY2012 Request	FY2012 Enacted (P.L. 112-74, Div. H)	FY2013 Request
Military Construction, Navy Reserve	26,299	26,299	49,532
Military Construction, Air Force Reserve	33,620	33,620	10,979
Total, Reserve Components	1,230,306	1,230,306	1,022,542
Total, Military Construction	12,141,459	11,008,635	8,690,673
NATO Security Investment Program	272,611	247,611	254,163
Family Housing Construction, Army	186,897	176,897	4,641
Family Housing, Ops and Debt, Army	494,858	493,458	530,051
Family Housing Construction, Navy and Marine Corps	100,972	110,972	102,182
Family Housing, Ops and Debt, Navy and Marine Corps	367,863	367,863	378,230
Family Housing Construction, Air Force	84,804	60,042	83,824
Family Housing, Ops and Debt, Air Force	404,761	429,523	497,829
Family Housing Construction, Defense-wide	—	—	—
Family Housing, Ops and Debt, Defense-wide	50,723	50,723	52,238
DOD Family Housing Improvement Fund	2,184	2,184	1,786
Homeowners Assistance Fund	1,284	1,284	—
Total, Family Housing	1,694,346	1,682,946	1,650,781
Chemical Demilitarization Construction Defense-wide	75,312	75,312	151,000
Base Realignment and Closure			
BRAC 1990	323,543	323,543	349,396
BRAC 2005	258,776	258,776	126,697
Total, BRAC	582,319	582,319	476,093
Rescissions (Sec. 131)			

Account	FY2012 Request	FY2012 Enacted (P.L. 112-74, Div. H)	FY2013 Request
Military Construction, Army	—	-100,000	—
Military Construction, Navy and Marine Corps	—	-25,000	—
Military Construction, Air Force	—	-32,000	—
Military Construction, Defense-wide	—	-131,400	—
Rescissions (Sec. 132)			
Base Realignment and Closure, 2005	—	-258,776	—
Grand Total, Title I	14,766,047	13,049,647	11,222,710
(Appropriations)	14,766,047	13,596,823	11,222,710
(Rescissions)	—	-547,176	—

Sources: Presidential Budget Request, FY2012; H.R. 2055 (P.L. 112-74); Presidential Budget Request, FY2013.

Table 2. OCO Military Construction Appropriations Accounts, FY2012-FY2013
Budget Authority in thousands of dollars

Account	FY2012 Request	FY2012 Enacted (P.L. 112-74, Div. H)	FY2013 Request
Military Construction, Army	—	80,000	—
Military Construction, Navy and Marine Corps	—	189,703	—
Grand Total, Title IV	—	0	—
Rescission (P.L. 111-117)		-269,703	—
(Appropriations)	—	269,703	—
(Rescissions)	—	-269,703	—

Sources: Presidential Budget Request, FY2012; H.R. 2055 (P.L. 112-74); Presidential Budget Request, FY2013.

Notes: This construction in U.S. Central Command was initially requested by the President as part of his “base” budget (Title I of the appropriation bill), but was moved (into Title IV, the appropriations category dedicated to Overseas Contingency Operations) by congressional appropriators. The budget authority required was rescinded from P.L. 111-117, the Consolidated Appropriations Act, 2010, and applied here.

Military Construction Funding Trends, FY2011-2013

The reduction in military construction for the active duty forces reflected in the reduction of more than \$2.1 billion between the enacted appropriation for FY2012 and the request for FY2013 indicates a “pause,” as Air Force briefers have put it to congressional staff, while the outlines of

the future military force structure are being finalized. The changes in military construction for the active forces and their respective reserve components may indicate the extent of uncertainty or redirection of effort as the services reevaluate their roles, missions, and needed capabilities in light of the changes in military strategy being discussed by the Secretary of Defense.

Over the course of the past decade and a half, the military departments have awarded contracts for 103 military family housing privatization projects at installations across the country. These contracts transfer ownership of and responsibility for housing from the Department of Defense to private entities who then rent units to service members. The effect of this program has been to shift a significant portion of the cost of military family housing construction and operation from military construction to the military personnel account in the defense appropriation, where the Basic Allowance for Housing (BAH) is intended to cover the service member's housing cost. The appropriation requested for family housing construction, used to build new or replacement military family housing units on installations where it has not been privatized, fell dramatically between FY2012 and FY2013 for the Army, possibly reflecting anticipated drawdown in end strength of approximately 70,000 active duty soldiers over the next five years. This reduction overshadows the relatively modest increase in military family housing construction requested for the other three military services.

The Homeowners Assistance Fund (HAF) was created under Section 1013 of the Demonstration Cities and Metropolitan Development Act of 1966, (42 U.S.C. 3374), as a means to provide assistance to homeowners by mitigating losses incident to the disposal of a primary residence, usually forced by unplanned relocation associated with the closure of a military facility. In 2009, permanent eligibility was expanded to include some military members wounded in combat and subsequently separated from the service and some surviving spouses of those killed in action. Temporary eligibility was also afforded to some service members who were ordered to change duty stations during the period of severely depressed housing markets. More than \$323 million in no-year funding (which may be obligated until expended) funding was appropriated to the HAF for FY2010. That temporary eligibility was terminated as of September 30, 2010, and the \$1.3 million appropriated for FY2012 and no funding requested for FY2013 indicate that sufficient budget authority is currently available to satisfy requirements through the fiscal year.

Virtually all funding for base closures and realignments (BRAC) in both accounts (1990, which funds base closures mandated during the 1988, 1991, 1993, and 1995 BRAC rounds, and 2005, which funds the most recent round) is now dedicated to environmental cleanup of surplus real property in preparation for the transfer of titles to non-DOD entities.

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