



February 12, 2015

The President's FY2016 Military Construction Budget Request

President Barack Obama submitted his FY2016 budget request to Congress in early February, 2015. As part of that submission, the President has requested \$8.4 billion in funding for domestic and overseas military construction.

Military Construction Defined

Military construction is the creation, by the Department of Defense (on behalf of the defense agencies and Special Operations Command) or the Departments of the Army, Navy, or Air Force, of real property (that which cannot be moved). 10 U.S.C. §2802 defines military construction projects as “surveys and site preparation; acquisition, conversion, rehabilitation, and installation of facilities; acquisition and installation of equipment and appurtenances integral to the project; acquisition and installation of supporting facilities (including utilities) and appurtenances incident to the project; and planning, supervision, administration, and overhead incident to the project.”

The military construction appropriation funds the construction and operation of military family housing. It also supports the Military Housing Privatization Initiative, includes the U.S. contribution to the NATO Security Infrastructure Program, and provides assistance to some DOD homeowners forced to sell private residences in depressed markets. Furthermore, since 1988, the military construction appropriation has constituted the sole funding source for the Base Realignment and Closure (BRAC) process.

Authorization of Appropriations and Appropriations

Funding for military construction projects must be both authorized and appropriated for by Congress.

Authorization of Appropriations

For the 114th Congress, the authorization of military construction appropriations lies within the jurisdictions of the Committees on Armed Services in the House of Representatives and the Senate. Within the House committee, the responsibility for drafting authorizing legislation and general oversight of military construction activities lies with the Subcommittee on Readiness. Within the Senate committee, those responsibilities have been assigned to the Subcommittee on Readiness and Management Support. Those subcommittees review the annual request for military construction appropriations and draft a military construction authorization bill that is customarily incorporated into the annual National Defense Authorization Act (NDAA) as one of its divisions since the mid-1980s.

Authorization legislation deals with more than just construction projects. A typical Military Construction Authorization Act will also authorize DOD to acquire real property, establish policy regarding the relocation of forces, permit the conveyance of title for real property from the federal government and between federal agencies, and deal with related matters.

Appropriations

Drafting legislation appropriating funds to support military construction is the responsibility of the Committees on Appropriations of the two chambers. Once a stand-alone bill, the appropriation of military construction funds was joined with funding for veterans affairs and several smaller agencies (the American Battle Monuments Commission, the U.S. Court of Appeals for Veterans Claims, Armed Forces Retirement Homes, and Arlington National Cemetery) at the beginning of the 108th Congress. The Subcommittees on Military Construction, Veterans Affairs, and Related Agencies have been entrusted with the drafting of the appropriations bill since the 109th Congress.

Historical Trends in Military Construction Appropriations

Since 1948, the median (half above and half below) annual combined military construction and family housing appropriation is calculated at \$11.9 billion, as measured in constant FY2015 dollars. During February 2015, President Barack Obama forwarded to Congress a request for \$8.4 million in military construction appropriations for FY2016.

As illustrated in **Figure 1**, trends in military construction funding appear to fall within several distinct time periods.

Post-World War II Construction

The end of World War II in 1945 left the Department of War and the Department of the Navy (predecessors of DOD) with massive, relatively new, infrastructure inventories supporting a rapidly demobilizing military force. A total of more than 16 million U.S. men and women served in uniform during the war, and more than 12 million were on active duty in September of 1945. By mid-1947, at the time that DOD was created out of the two military departments, that number had shrunk to less than 2 million. Construction requirements, therefore, were minimal between the end of World War II and the outbreak of hostilities on the Korean Peninsula in 1950.

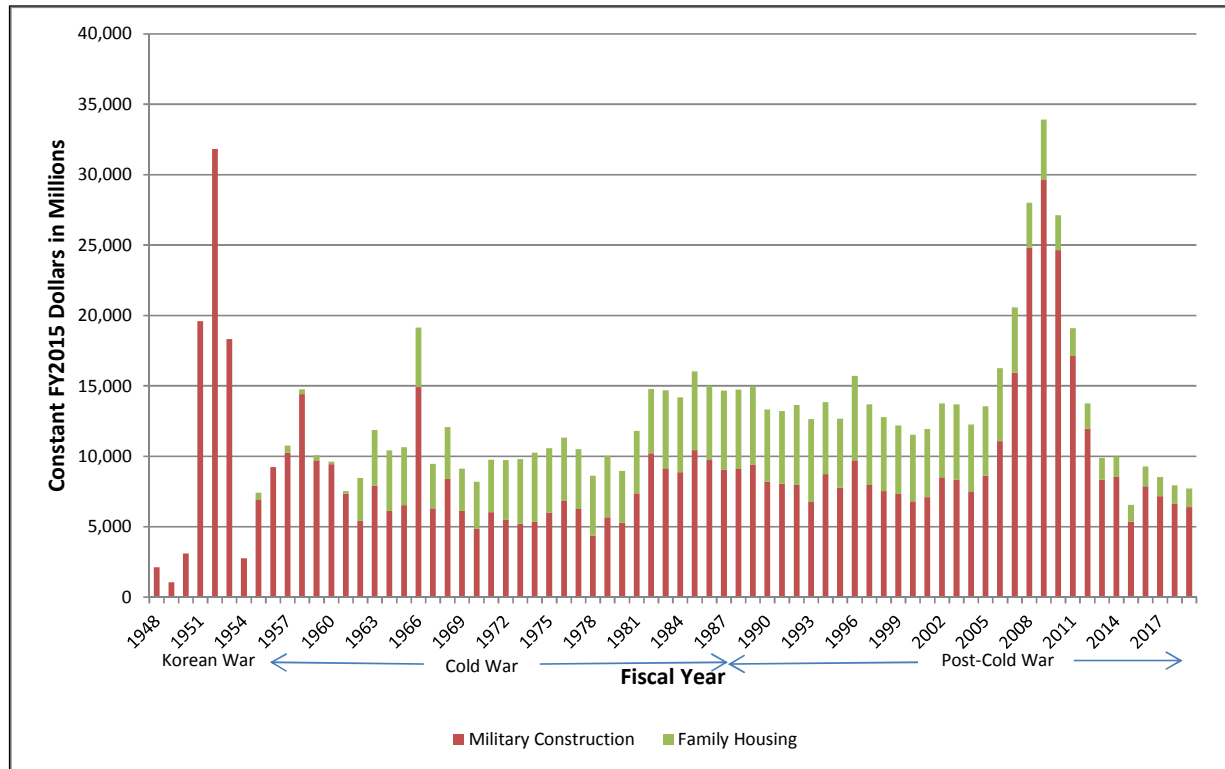
The Cold War

The Cold War's onset required a significant reorientation of U.S. national strategy. Long-range Soviet bomber fleets and

a large ground army concentrated in central Europe posed significant threats. During the 1950s and early 1960s, the U.S. constructed early warning radar facilities, missile defense sites, and strategic bomber bases along its northern tier and established large garrisons near the border between West and East Germany.

Construction continued apace as U.S. combat troops became engaged in Vietnam during the late 1960s. The need for new construction slowed somewhat as the United States disengaged from Vietnam in the mid-1970s, but picked up again during the military buildup of the Reagan Administration in the 1980s.

Figure 1. Military Construction Appropriations, Fiscal Year 1948 through Fiscal Year 2019
Constant FY2015 Dollars in Millions



Source: [National Defense Budget Estimates for FY2015](#) (the Green Book); [DOD Budget Request for FY2016](#)

Notes: Amounts for FY1948 through FY2015 reflect actual appropriations, FY2016 is the President's request, and FY2017 through FY2019 indicate planned appropriations requests as laid out in the DOD Future Years Defense Plan (FYDP).

Post-Cold War and BRAC

Tensions of the Cold War eased during the last years of the 1980s, presaging the collapse of the Soviet Union in 1991. By then, budgetary pressures, the lack of a clearly defined adversary, and underutilized infrastructure offered an opportunity to significantly reduce DOD's "footprint." This led the Secretary of Defense in 1988 to negotiate an agreement with Congress that created a special Base Realignment and Closure (BRAC) process. Under BRAC, DOD and an independent commission have drawn up lists of recommendations in 1988, 1991, 1993, 1995, and 2005 that closed or adjusted the missions and garrisons of installations around the nation. The recommendations for each round have been implemented over the course of the six subsequent years, and the sole source of funding for that implementation has been the military construction appropriation. Authority to conduct BRAC expired in 2006.

BRAC implementation is one reason that military construction appropriations between Fiscal Year (FY)1989 and FY2011, the last year of BRAC implementation, may not have dropped to levels expected at the end of the Cold War. The 2005 BRAC round, implemented between FY2006 and FY2011, required a large commitment of funding largely due to three reasons unique to that round: (1) its primary goal was not cost savings, but rather support for the "transformation" of U.S. military forces a light "expeditionary" post-Cold War organization; (2) operations in Iraq and Afghanistan prompted an increase in ground forces ("Grow the Force") requiring the construction of new troop facilities; and (3) the redeployment of overseas units to U.S. garrisons, all funded through the BRAC account.

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