



Highlights of [GAO-04-583](#), a report to congressional committees

Why GAO Did This Study

The military services have owned and operated much housing on their installations but increasingly are privatizing housing, relying on the private sector to manage the renovation, construction, and maintenance of existing and new homes for military families. Funding to operate and maintain existing government-owned housing is provided through the family housing operation and maintenance (O&M) appropriations. The amount of funding required varies based on a number of factors, including how quickly privatization occurs to reduce requirements for government-owned housing. As requested, this report discusses the (1) services' assumptions and methods used to develop budget requests and how well their budget justifications explain the impact of privatization on family housing O&M funds and (2) the extent to which Congress has visibility over the services' reprogramming of family housing O&M funds.

What GAO Recommends

GAO is making several recommendations to better explain the budget requests for family housing O&M and increase visibility over service reprogramming of funds between the accounts and a matter for congressional consideration related to visibility of fund movements.

In written comments on a draft of this report, DOD agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-583.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-8412 or holmanb@gao.gov.

MILITARY HOUSING

Opportunities Exist to Better Explain Family Housing O&M Budget Requests and Increase Visibility Over Reprogramming of Funds

What GAO Found

Budget justification materials submitted to Congress for family housing O&M funding do not clearly and consistently explain funding requirements and how the housing privatization program impacts the services' budget requests, frustrating congressional oversight. Various factors have contributed to this situation. The services use similar assumptions and methods to develop budget requests for family housing O&M, but they often rely on assumptions established up to a year and a half before the budgets are executed. While the services have the ability to revise and update their budget requests, they typically choose not to because of the difficulty of doing so related in part to other competing defense priorities and the relatively small size of the family housing O&M budget. Given these considerations, defense officials said that they are more likely to make the needed funding adjustments through reprogrammings. In addition, changes in the pace of expected privatization can affect funding required for the nine family housing O&M accounts and subaccounts—although not uniformly—but the effects of these changes are not well explained in budget justifications submissions to Congress. Although, in many cases, the services may have data that could result in better informed decision making, they do not always include such information in budget justifications.

Congress has limited visibility of the services' reprogramming of family housing O&M funds. For example, Congress is not notified when reprogrammings are below 10 percent of the initial funding amount or result in a decrease. On the other hand, DOD provides congressional decision makers with more information on reprogrammings for other appropriations, such as regular O&M. In addition, compared with the other services, the Navy and the Marine Corps' reporting of reprogrammings provides even less visibility. For example, they did not report to Congress reprogrammings for the four subaccounts—management, services, furnishings, and miscellaneous—within the operations account. In addition, the Defense Finance and Accounting Service's obligation reports for the Navy and Marine Corps do not separate the four operations subaccounts, as they do for the other services. Navy and Marine Corps officials were not aware of the usefulness to separate the four operations subaccounts. Also, the Navy and the Marine Corps obligation data reflecting reprogramming actions do not always match comparable official obligation data produced by the Defense Finance and Accounting Service. Even though the two services have been working with the Defense Finance and Accounting Service, officials told GAO that this has been a long-standing issue and difficult to resolve. Collectively, this lack of visibility over the reprogramming of funds and data inconsistencies hinder the ability of congressional and DOD decision makers to evaluate family housing O&M budget requests and obligations.