



Highlights of [GAO-05-556](#), a report to the Subcommittee on Readiness, Committee on Armed Services, House of Representatives

Why GAO Did This Study

Concerns have surfaced in Congress and various media regarding the adequacy of funding for base operations support (BOS) functions of military installations as well as the quality and level of support being provided. As requested, this report addresses (1) the historical funding trends for BOS as contrasted with funding for facilities sustainment, restoration and modernization (S/RM); (2) how effectively the Department of Defense (DOD) and the military services have been able to forecast BOS requirements and funding needs; and (3) how the Army's and Navy's reorganizations for managing installations have affected support services, and whether the Air Force and Marine Corps could benefit from similar reorganizations.

What GAO Recommends

GAO is recommending that the Secretary of Defense revise the department's previously issued installations strategic plan to resolve long-standing inconsistencies among the military services' definitions of BOS functions and help expedite development and consistent application of an analytically sound model for determining BOS requirements.

DOD agreed with the recommendations and indicated that actions were under way or planned to implement them.

www.gao.gov/cgi-bin/getrpt?GAO-05-556.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Barry W. Holman at (202) 512-5581 or holmanb@gao.gov.

DEFENSE INFRASTRUCTURE

Issues Need to Be Addressed in Managing and Funding Base Operations and Facilities Support

What GAO Found

Congress has designated increased funding for BOS programs in recent years, sometimes more than requested, but because those amounts were often less than the cost of BOS services provided at installations, hundreds of millions of dollars designated for S/RM and other purposes were redesignated by the military services to pay for BOS. As GAO has previously reported, such funding movements while permissible are disruptive to the orderly provision of services, contribute to the degradation of many installation facilities, and can adversely affect the quality of life and morale of military personnel. The problem appears to be greatest in the Army. Further, in fiscal year 2004, U.S. military installations faced additional pressures in managing available BOS and S/RM funding as the services redesignated varying amounts of these funds to help pay for the Global War on Terrorism. Similar problems are reportedly occurring in fiscal year 2005. While difficult to quantify, installation officials at the locations GAO visited voiced concerns about the potential for these conditions to adversely affect operations and readiness in the future. Moreover, such movements of funds add considerable uncertainty regarding actual BOS requirements and the extent of underfunding.

The ability of DOD and its components to forecast BOS funding requirements has been hindered by the lack of a common terminology across the military services in defining BOS functions as well as the lack of a mature analytic process for developing credible and consistent requirements comparable to the model developed for facilities sustainment. The lack of common definitions among the services, particularly where one service resides as a tenant on an installation operated by another service, can lead to differing expectations for installation services, and it obscures a full understanding of the funding required for BOS services. Because the military services have often based future requirements estimates largely on prior expenditures, they do not necessarily know if BOS services were provided at appropriate levels. DOD and the military services have a strategic plan for installations and have multiple actions under way to address these problems, but they have not synchronized varying time frames for accomplishing related tasks. Until these problems are resolved, DOD will not have the management and oversight framework in place for identifying total BOS requirements, providing Congress with a clear basis for making funding decisions, and ensuring adequate delivery of services.

While the Army's and Navy's creation of centralized installation management agencies can potentially create efficiencies and improve the management of the facilities through streamlining and consolidation, implementation of these plans has so far met with mixed results in quality and level of support provided to activities and installations. Until more experience yields perspective on their efforts to address the issues identified in this report, GAO is not in a position to determine whether the approach should be adopted by the other services.