



Highlights of [GAO-07-1040](#), a report to congressional addressees

## Why GAO Did This Study

The Army is implementing 44 base realignment and closure (BRAC) recommendations to construct 125 new Armed Forces Reserve Centers (AFRC) and close 387 existing reserve components facilities. The Department of Defense (DOD) expects the new AFRCs to increase recruiting and retention and create greater efficiencies by fostering jointness and consolidating functions. GAO (1) assessed the extent DOD's cost and savings estimates to implement the recommendations have changed from BRAC Commission projections and (2) determined the extent the Army has identified potential challenges that could affect BRAC implementation and has developed a plan to address these challenges.

GAO analyzed DOD's publicly available BRAC budget data and interviewed officials at Army offices, including Reserve Command, National Guard Bureau, and the National Guard in five states. This report, prepared under the Comptroller General's authority to initiate evaluations, is one of a series related to the BRAC 2005 round.

## What GAO Recommends

GAO is recommending that the Secretary of Defense direct the Army to develop a plan for bringing together various stakeholders to monitor and address potential challenges. DOD partially concurred with GAO's recommendation.

[www.gao.gov/cgi-bin/getrpt?GAO-07-1040](http://www.gao.gov/cgi-bin/getrpt?GAO-07-1040).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Brian Lepore at (202) 512-4523 or [leporeb@gao.gov](mailto:leporeb@gao.gov).

# MILITARY BASE REALIGNMENTS AND CLOSURES

## Plan Needed to Monitor Challenges for Completing More Than 100 Armed Forces Reserve Centers

### What GAO Found

Since the BRAC Commission issued its projections in 2005, DOD's cost estimates for implementing the reserve component recommendations have increased at the same time savings estimates have decreased. Implementation cost estimates increased from \$2.9 billion to \$3.2 billion—a 13 percent or \$363 million increase in constant dollars—mostly due to higher military construction cost estimates. Annual recurring savings estimates decreased from \$323 million to \$288 million—an 11 percent decrease in constant dollars. However, GAO analysis suggests that these savings could be significantly less than currently estimated because over 90 percent of these savings are associated with eliminating positions currently held by military personnel without corresponding decreases in end strength in the force structure. GAO and the BRAC Commission have previously reported that military personnel eliminations are not a true source of savings because DOD does not expect to reduce end strength correspondingly but rather intends to reassign or shift these personnel to vacant positions in other areas. Although GAO agrees that transferring personnel to vacant positions may enhance capabilities and allows DOD to redirect freed-up resources to another area of need, GAO does not believe that such transfers produce a tangible dollar savings that DOD can apply to fund other defense priorities outside the military personnel accounts because these personnel will remain in the end strength—continuing to receive salaries and benefits. However, DOD's treatment of military personnel savings represents a long-standing difference of opinion between DOD and GAO.

The Army has identified several potential challenges in implementing the 44 reserve component recommendations. These include completing many construction projects in a compressed time frame, realizing efficiencies based on limited testing of new military construction processes, potential increasing land and supporting infrastructure costs, and changing force structure and mission requirements that may affect facility capacity. The Army has started construction on 5 of the 125 AFRC projects, and the extent these challenges might occur remains uncertain until the Army receives and evaluates more AFRC construction proposals and more AFRCs are built. However, because the Army does not have a plan to routinely bring together the various key stakeholders involved in the construction of these facilities, including the state Army National Guard when appropriate, the extent the Army is able to monitor and quickly address potential challenges is unclear. Best practices suggest that involving stakeholders in planning can help create a clearer understanding among the stakeholders of competing demands, the limited resources available, and how those demands and resources require continuous balancing. Without a plan that brings together key stakeholders, it could be more difficult for the Army to monitor for implementation challenges and work through alternatives to mitigate them in a timely manner.