Why GAO Did This Study
In 2015, the Acting Assistant Secretary of Defense for Energy, Installations, and Environment testified that DOD was accepting significant risk in its budget request for sustaining and recapitalizing facilities needing such work from among its nearly 562,000 facilities, whose plant replacement value DOD estimates as $880 billion.

House Report 114-102 included a provision for GAO to review DOD’s facility sustainment and recapitalization efforts. This report: (1) evaluates the extent to which the services have made—and DOD can monitor—progress in meeting facility policy requirements; (2) identifies how much the services have spent for sustainment, restoration, and modernization, and have reported in deferred maintenance and repairs since fiscal year 2009; and (3) describes personnel’s perspectives on the effect of facility conditions on installation missions and quality of life.

GAO reviewed policies; analyzed condition ratings, budget documents, and financial reports; interviewed installation officials; and held 16 focus groups at a non-generalizable sample of eight U.S. installations selected based on plant replacement value and other factors.

What GAO Recommends
GAO recommends that DOD revise its guidance to clarify how the services are to indicate when a facility condition rating recorded in DOD’s Real Property Assets Database is based on the standardized process. DOD partially concurred, stating that it is taking other actions. GAO continues to believe, as discussed in the report, that the recommendation is valid.

What GAO Found
The military services have reported differing levels of progress in meeting Department of Defense (DOD) facility policy requirements, including implementing a standardized process for assessing facility conditions and recording condition ratings based on this process. The services are to implement the standardized process in part by assessing the condition of buildings, pavement, and rail using the same set of software tools. The Navy, Air Force, and Marine Corps have incorporated the standardized process into their procedures for assessing facility conditions across their installations, while the Army has piloted the standardized process at a limited number of installations. However, DOD cannot fully monitor the services’ implementation progress due to a lack of clarity in its guidance. For example, DOD guidance directs the services to assign a specific code in the department’s Real Property Assets Database to each facility with a condition rating based on the standardized process, but a separate database dictionary shows that this same code is to be used for a different purpose. As a result, DOD lacks assurance that facilities assigned this code have been assessed and rated based on the standardized process. Without revised guidance, DOD will be unable to fully monitor progress made in standardizing facility condition assessments and ratings.

According to DOD, for fiscal years 2009 through 2014 the services annually spent about $40 billion of the estimated $51 billion (80 percent) needed to meet estimated facilities sustainment requirements; spent about $3 billion on facilities restoration and modernization; and reported about $100 billion in deferred maintenance and repairs. DOD has established a goal for the services to submit annual budget requests for at least 90 percent of the funds needed to meet estimated facilities sustainment requirements. However, the services’ operation and maintenance budget requests did not meet that goal in fiscal years 2014 through 2016. DOD officials stated that the services were granted permission in the past few years to submit budget requests that did not meet the 90 percent budgeting goal in order to fund other priorities, but that continuing not to meet the goal increases the risk of facility deterioration in the future.

Public works personnel at the eight installations GAO visited stated that they prioritize maintenance and repairs for facilities that most directly relate to their installations’ missions, but also gave examples of facility conditions that are negatively affecting the ability of some installations to efficiently conduct operations. For example, officials at one installation showed GAO a shooting range that was closed due to its exhaust system not working properly, resulting in additional costs to transport personnel to another location for training. Focus group participants and public works personnel at these eight installations also reported that facility conditions affect the quality of life, or overall satisfaction, of installation personnel. Participants reported experiencing problems with facilities’ heating and cooling systems, leaking roofs and windows, and mold and mildew.

This is a public version of a sensitive report GAO issued previously. It excludes sensitive information on the relationship between recorded facility condition ratings and reported installation readiness levels.