

A report to congressional committees.

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What GAO Found

The U.S. military conducts operations around the globe while staying ready to immediately respond to new and emerging security threats. In all but 12 of the last 49 fiscal years, the Department of Defense (DOD) has had to carry out its critical national security mission while operating under temporary appropriations in the form of continuing resolutions (CR). Under CRs, there is uncertainty for agencies about when they will receive their final appropriation and what amount of funding will be available for a fiscal year that has already begun. In addition, CRs include constraints that, among other things, place limits on starting new programs or increasing production of weapon systems and munitions.

DOD officials have stated publicly in recent years that CRs hamper the military services' ability to accomplish their missions and carry out management functions. DOD has made adjustments to continue to meet mission needs under the constraints of CRs. Available data do not allow for a precise measure of the extent of the effects of CRs on DOD operations in many cases. However, officials from the selected activities and programs that GAO reviewed reported facing delays, increased costs, operational challenges, spending challenges, and administrative burdens as a result of CRs.

Effects of Continuing Resolutions on DOD



Delays



Increased costs



Operational challenges



Spending challenges



Administrative burdens

Source: GAO analysis of Department of Defense (DOD) documents and interviews with DOD and military service officials; GAO (icons). | GAO-26-107065

Delays. About half (36 of 74) of acquisition programs GAO surveyed reported experiencing schedule effects, such as delays in awarding contracts or in the delivery and fielding of equipment, as a result of CRs. For example, five of nine Air Force aircraft acquisition programs reported experiencing effects such as delayed program activities and contracts. In one instance, officials reported that due to CR constraints in fiscal year 2022, the F-15 Eagle Passive Active Warning Survivability System modification program—which is modernizing the electronic warfare system on the F-15—delayed the award of a contract for hardware kits, resulting in likely parts shortages for the aircraft.

Increased costs. Some activities and programs have experienced increased costs because of delays from CRs, according to officials. For example, Joint Base San Antonio officials told GAO that the cost of a facilities sustainment contract more than doubled after CR-related delays in fiscal year 2024. The original contract was estimated at a cost of \$579,000, but according to officials, the contract was delayed due to limited funding available while operating under a CR. After a final appropriation was passed, the quoted price had increased to \$1,445,000. In addition, officials from the Marine Corps Amphibious Combat Vehicle program reported that they incurred an additional cost of \$17.7 million

Why GAO Did This Study

A CR is a type of temporary appropriation act that provides budget authority to keep federal agencies or specific activities in operation when a regular appropriation act has not been enacted by the beginning of the fiscal year.

Senate Report 118-58 includes a provision for GAO to review how CRs affect specific DOD operation and maintenance activities and acquisition programs. This report describes the effects of CRs on selected DOD activities and programs.

GAO reviewed a nongeneralizable sample of operation and maintenance activities (including facilities sustainment, joint exercises, and unit training) and acquisition programs (including Air Force aircraft, Army ammunition, and Space Force and Navy missile defense systems). This sample provides illustrative examples of how DOD was affected by CRs in meeting its critical national security mission since fiscal year 2022. GAO interviewed and obtained information on the effects of CRs from DOD and military service officials, and conducted site visits to selected military installations. These included Joint Base San Antonio, Hill Air Force Base, Corpus Christi Army Depot, and Tooele Army Depot. GAO also analyzed DOD monthly obligation data while under a CR from fiscal years 2013 through 2023; and reviewed information on the effects of CRs from fiscal years 2022 through 2024 collected through a survey of acquisition programs.

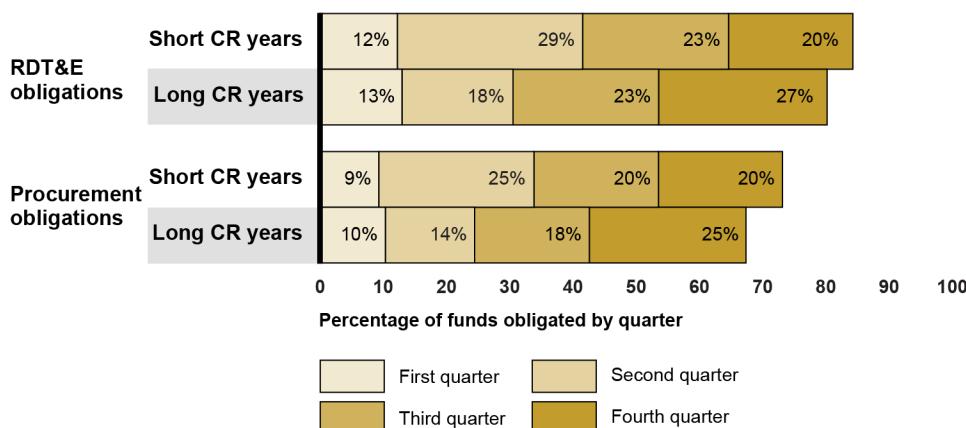
from fiscal year 2022 through fiscal year 2024 as a result of CRs. This increase was due to shifts in the timing of orders and associated changes in foreign exchange rates.

Operational challenges. Officials stated that CRs have affected the availability of equipment, logistics, and other supports for training and exercises, limiting the quality of the training and unit readiness. For example, according to a U.S. Indo-Pacific Command official, CRs during fiscal year 2024 led to the command not having funding to send targets to the Philippines for Exercise Balikatan. As a result, one of the exercise's training events for the U.S. and partner nations was canceled.

Spending challenges. CRs can lead to uneven spending over the course of the fiscal year. GAO's analysis of DOD obligations (i.e., spending commitments) in selected appropriation accounts from fiscal year 2013 through fiscal year 2023 shows the spending-related effects of operating under a CR. As shown in the graphic below, longer CR periods—those that last more than 3 months of the fiscal year—have led to slower obligation rates early in the fiscal year, particularly for research, development, test, and evaluation accounts and procurement accounts, with faster obligation rates later in the fiscal year.

Activities and programs have faced difficulties executing full-year appropriations because there is limited time left in the fiscal year to obligate funds, especially in years with longer CR periods. In particular, according to military service officials, activities and programs can face bottlenecks, such as with the capacity of contracting offices to solicit and issue contracts or the ability of vendors to complete projects.

DOD Obligations in Selected Appropriation Accounts in First Year of Availability, Fiscal Years 2013–2023



CR = Continuing resolution

RDT&E = Research, development, test, and evaluation

Source: GAO analysis of Department of Defense budget execution data. | GAO-26-107065

Note: Obligations represent the percentage of total obligations for an appropriation in the first year of availability; RDT&E and procurement obligations add up to less than 100 percent because those appropriations are available for multiple years. Short CR years are those fiscal years with CR periods lasting 3 months or less and long CR years are those fiscal years with CR periods lasting more than 3 months. This analysis excludes fiscal year 2014, due to CRs affecting only certain DOD programs and a lapse in other DOD appropriations during that year, as well as fiscal year 2019, when full-year Defense appropriations were enacted prior to the start of the fiscal year.

Administrative burdens. CRs have created additional administrative burdens and inefficiencies for DOD personnel who must prepare additional contracting actions and spending plans. For example, F-35 program officials GAO surveyed stated that they constantly replan their budget during a CR and estimate that 20 percent of their financial management staff's time is spent adjusting their budget to manage through CR constraints.