

**RECORD VERSION**

**STATEMENT BY**

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**BEFORE THE**

**SUBCOMMITTEE ON MILITARY CONSTRUCTION, VETERANS AFFAIRS,  
AND RELATED AGENCIES  
COMMITTEE ON APPROPRIATIONS  
UNITED STATES SENATE**

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**FY2023 DEPARTMENT OF DEFENSE BUDGET  
REQUEST FOR MILITARY CONSTRUCTION AND FAMILY HOUSING**

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**NOT FOR PUBLICATION UNTIL RELEASED BY THE  
COMMITTEE ON APPROPRIATIONS**

Chairman Heinrich, Ranking Member Boozman, and members of the Subcommittee: on behalf of the soldiers, families, and civilians of the United States Army, thank you for allowing me the opportunity to present the Army's Fiscal Year (FY) 2023 budget request for installation infrastructure.

I would like to begin by thanking the members of this Subcommittee for your strong support of Army installations, soldiers, and families. Your support of the Army's FY 2023 Budget request allows us to move forward with essential projects such as improvements to barracks, family housing, and childcare facilities. These key projects will greatly assist the Army in addressing quality of life issues of concern to Congress and to Army leadership at every level.

Most importantly, your actions directly enable the Army's continued support of our soldiers, their families, and our civilian workforce. As Secretary Wormuth stated, people remain the Army's greatest strength and our most valuable asset. Our people live, train, and deploy from our installations. The Army is committed to ensuring that our installations provide the quality of life services that members of the Army family deserve, as well as modernized infrastructure and related services for training and readiness. Installations are the places where unit cultures, cohesive teams, and resilient soldiers are forged, improvements to Army installations and quality of life services directly support the Army's "people first" priority, while posturing the Army to recruit, train, and retain high-quality soldiers, prepared to win against any foe.

I look forward to sharing with you those components of our FY 2023 President's Budget Request that reflect the Army's need for developing modern, resilient, sustainable installations; enhancing strategic readiness to operate in a contested environment; and delivering quality facilities, services, and quality of life initiatives to support to our soldiers, their families, and our Army civilians.

# **THE ARMY INSTALLATIONS STRATEGY**

The *Army Installations Strategy* (AIS) sets the framework for how we prioritize our people through installation management. With a stated focus of taking care of people, strengthening readiness and resilience, modernizing and innovating, and promoting stewardship, the AIS represents a data-driven way of doing business that can adapt to changing circumstances.

## **Taking Care of People**

The AIS is the framework for how the Army keeps its promise to take care of our people. The investments we make to sustain and improve our installations directly support our people, prioritize critical quality of life programs, and provide soldiers, families, and civilians access to high-quality housing, healthcare, and childcare

### *Family Housing and Barracks*

We rely on our soldiers to keep this country safe, and in turn, it is our obligation to treat our soldiers and their families with dignity, by ensuring their access to safe, high quality on-base housing. We must not break trust with those who serve this great country so very well. The Army remains focused on improving our privatized housing portfolio and will continue to implement measures to increase the safety, quality, and habitability of privatized housing and to ensure the MHPI companies are held accountable for project performance.

The Army has made significant progress in taking actions to enhance our oversight of privatized housing and holding MHPI companies accountable for delivering housing and providing customer service that meets our high standards. For example, we have hired an additional 114 full-time professionals to oversee the Army's entire housing portfolio, whose responsibilities include advocating for and providing referral

services to military families needing housing. In addition, the Army conducts comprehensive housing quality assurance inspections at each change of occupancy and we are implementing third-party housing inspections of all Army privatized housing (and government-owned family housing) as required by the FY 2020 and FY 2021 NDAAAs. In 2021, the Army conducted a third party, pilot inspection of privatized housing units at Fort Belvoir, Virginia, allowing the Department to consider the results and feedback from this pilot inspection before finalizing the newly released DoD Uniform Housing Standard and inspection requirement. The pilot inspections, which cost about \$1,000 per home, were completed for 90 percent (1,879) of Fort Belvoir's 2,078 privatized family housing units; the inspections were not completed at homes where the residents refused access by the inspection team, typically due to health-related (e.g., COVID-19) concerns. The inspections found that the majority of MHPI housing units at Fort Belvoir are in good or excellent condition and identified no systemic issues impacting habitability. In December 2021, the Army initiated third-party inspections of all privatized housing at Fort Meade, Maryland, using the DoD Uniform Housing Standard, with funding for additional inspection requirements included in the Army's FY 2023 budget request.

In addition, the Army has fully implemented all eighteen of the MHPI Tenant Bill of Rights at all of our installations, thereby providing soldiers and their families negotiating power with the private companies, including a process for resolving disputes and gaining access to maintenance records. We continue to host weekly meetings with stakeholders and privatized housing companies to review the physical and financial condition of our MHPI housing stock, as well as the status of families displaced due to maintenance and repair actions. Furthermore, independent third-party experts are performing comprehensive audit reviews of the privatized housing companies' financial and business practices, with reviews completed at 14 MHPI projects and another seven reviews in progress. In accordance with the MHPI project legal agreements, the Army controls the payment of financial incentives to privatized housing companies as a means to encourage improved work order response times, achieve better quality work,

and increase resident satisfaction. Where the MHPI housing companies do not achieve desired performance, the Army will evaluate the appropriateness of such incentive payments and take action to encourage and hold the MHPI company accountable for project performance.

The Army has continued our collaboration with the MHPI companies to explore and execute opportunities within the MHPI housing project to improve the quality and safety of the homes by accelerating renovation or replacement, doing so in a manner that does not jeopardize the long-term financial viability of the MHPI project. The Army's privatized housing providers have committed to a \$3 billion investment in MHPI housing over the next 10 years to make or accelerate needed improvements across the portfolio. Half of that money will come from new private investments and half will come from funds accumulated in project reinvestment accounts.

Likewise, the Army has invested over \$900 million in the past three fiscal years (FY 2019-2021) on construction, improvements, and maintenance for Army-owned family housing. The Army's FY 2023 budget request includes \$605.7 million to fund construction, operation, and maintenance of government-owned and leased family housing worldwide to continue to provide quality family housing for soldiers and their families stationed overseas. In addition, we are addressing our unaccompanied housing (UH) challenges with Facilities Sustainment, Restoration, and Modernization funds, as well as Military Construction. The result has been a \$2.4 billion investment in barracks construction, restoration, and modernization over the last three fiscal years (FY 2019-2021), with billions more programmed for the future to ensure improved conditions in barracks. The Army is focused on modernizing barracks by providing each soldier his/her own room, enhancing security through the use of video cameras, and for new construction, updating suite amenities to commercial standards. To ensure we are able to address maintenance needs in a timely fashion, we have implemented the Army Maintenance Application, which allows soldiers to directly submit a maintenance claim without having to wait for their chain of command to input a work order. Finally, the

Army is evaluating opportunities to address UH requirements within a more holistic Army Barracks Strategy.

In sum, the Army's goal is to apply multiple solutions across our installations to ensure every soldier lives in a high quality, fully functional home environment that is conducive to military readiness and family safety. We will continue to engage with Congress at every step of the way as we implement necessary reforms to our housing program. We appreciate the Congress' past support of our investment in Army housing, and we ask for your continued funding support for the Army's operations and maintenance, and construction investment to ensure that our government-owned, leased, and privatized family and unaccompanied housing provides a high quality of life for U.S. military personnel and their families.

#### *Historic Housing Program*

Many of our soldiers and families live in historic housing on installations around the world; historic housing brings with it a unique set of modernization challenges for high quality living standards. The Army is facing the extraordinary challenge of managing the largest inventory of historic housing in the federal government. This requires the Army, and our privatized housing companies, to confront the high costs of historic renovation; mitigate hazards found in historic building materials such as lead-based paint and asbestos; and address the need for expanded living space and modernization, all while preserving the historic features of over 30,000 historic homes. Following the Army's September 2020 agreement with the National Council on Historic Preservation, the Army and our MHPI housing projects have more efficiently and cost effectively renovated more than 3,200 Inter-War Era homes. This has directly improved the living conditions and the quality of life, health, and safety for the thousands of Army family members who live in Inter-War Era housing, while ensuring the preservation of the historic and architectural character of this housing.

## *Child Care*

Another important component of taking care of our people is by providing quality childcare where availability of off-post care is limited. The Army is implementing strategies to improve access to the best childcare available. This includes funding seven new Child Development Centers by FY 2027, an estimated \$120 million investment, and hiring and retaining highly qualified childcare providers. We also continue to invest in the Army fee assistance program to buy down the cost of off-post services where on-post services are unavailable, with the goal of further alleviating this burden on our families. The Army knows that these services are critical to supporting the needs of our people, and we greatly appreciate recent actions by Congress in funding new facilities in Hawaii, Fort Wainwright, Fort Knox, and Fort Leavenworth. Recognizing that our installations are also hometowns, we can, and will do better at providing services to those children who accompany our Army across the country and globe.

### **Strengthen Readiness and Resilience**

Every operational deployment starts at an installation where our soldiers work, train, drill, and live. Given current threats, we must plan for any future deployments to be conducted from a contested homeland. Only a modern, resilient installation will give the Army the capability to project power effectively under any adverse condition. The Army must adapt its installations, acquisitions programs, and training programs to be able to operate in a changing environment.

## *Army Climate Strategy*

Our installations are the Army's front line, and we must be able to project installation power sources under any adverse condition, including those caused by a changing climate. Our installations, our soldiers and families are experiencing the direct

effects of climate change all too frequently, ranging from flash flooding at Fort Hood in 2016, to wildfires at Fort Hunter Liggett in 2019, and a significant ice storm at Fort Hood in 2021. The Army is regularly called upon to interrupt training and other mission-related activities to aid in civilian disaster response operations following climate change-induced weather events. In response to these realities, and recognizing the national security threat posed by climate change, in February 2022, the Army became the first service to release a comprehensive climate strategy. The *Army Climate Strategy (ACS)* directs actions to enable our force to operate in a changing environment, strengthens the resilience of our installations, and increases the capabilities of our force, while also reducing our own greenhouse gas emissions.

ACS establishes objectives which will enable our forces to operate more effectively in a climate-altered world through three lines of effort—installations, acquisition and logistics, and training. For example, to increase the resilience of our installations, the ACS targets carbon-free, installation-based energy generation, which, paired with battery storage and microgrids, will enable the Army to self-sustain our critical missions by making us less vulnerable to local power outages. On the operational side, greater fuel efficiency of our tactical vehicles will increase our capabilities by extending the range of our combat forces, while simultaneously reducing the vulnerability and burden of supply lines that often must move through contested areas. This will result in greater protections for our soldiers. Electric hybridization of our combat vehicles will allow for silent overwatch and will reduce the acoustic and thermal signature of our platforms, thereby greatly increasing the safety of our soldiers. In sum, the ACS not only reduces greenhouse gas emissions, it also enhances the capability of our fighting force and resilience of our installations.

### *Energy and Water Resilience*

The Army is the largest consumer of installation energy and water in the DoD, spending more than \$1 billion per year on these core commodities. With few exceptions,



our installations rely on commercial energy and water sources to accomplish critical missions. The vulnerabilities in the interdependent electric grids, natural gas pipelines, and water resources supporting our installations jeopardize mission infrastructure, installation security, and the Army's ability to project power and sustain global operations.

The *Army Installation Energy and Water Strategic Plan* establishes goals, strategic objectives, and measurable targets to achieve long-term infrastructure resilience and independence, while promoting efficiency and affordability. Building resilience enables Army readiness by insulating installations from disruptions in delivery of vital energy and water utility services.

By including measurable targets as part of the strategic plan, we are gathering critical data to inform future planning, such as energy and water usage and the condition of related infrastructure. Installation Energy and Water Plans (IEWPs) relying on this data are then developed to outline critical mission needs, characterize energy and water baseline conditions, and propose projects and operational activities to increase energy and water resilience. The Army has completed 61 IEWPs, with most installations scheduled to have these plans completed by the end of FY 2022.

The Army is also making use of Black Start Exercises (BSE) to assess capabilities and reveal energy resilience gaps, which are not always discoverable during tabletop exercises. These exercises have resulted in improved communication among the Army, local communities, and utility companies. We have conducted two BSEs in FY 2022 at Fort Hood, Texas, and Fort Leavenworth, Kansas, and another is scheduled for later this year at Rock Island Arsenal, Illinois. In compliance with the FY 2021 NDAA, we have five BSEs scheduled at Army installations in FY 2023 and each year thereafter.

The Army recognizes the importance of Energy Savings Performance Contracts (ESPC) and Utility Energy Service Contracts (UESC) to improve efficiency and

contribute to resilience. While these privately financed projects are targeted at reducing energy and water consumption, they also enable the Army to address maintenance and repair backlogs sooner than if we rely solely on appropriated funds. To date, we have awarded three ESPCs and one UESC in FY 2022 and anticipate awarding an additional eight contracts this fiscal year; providing a total estimated capital investment value of approximately \$400 million.

The Army also utilizes the DoD Energy Resilience and Conservation Investment Program (ERCIP) to reduce reliance on the grid and allow us to construct on-site power generation and associated infrastructure. The FY 2023 President's Budget includes \$119.1 million for five additional ERCIP projects at Army installations.

### *Safety and Occupational Health*

Ensuring our soldiers and civilians are ready to support the Army mission requires continual investments in proactive injury and illness prevention—both on the installations and during mission execution. The Army is transforming its traditional safety and occupational health program through the implementation of an integrated management systems approach, with the goal of reducing safety risks at all facility life cycle stages, from design and construction through disposal. To ensure these techniques are adequately implemented and evaluated, the Army continues to invest in the readiness of its safety and occupational health workforce through training, education, and partnerships.

### *Support and Resilience*

We continue to place special emphasis on installations with critical and unique needs such as U.S. Army Alaska, Fort Polk, LA, Fort Irwin, CA and Ft. Hood, TX, to review and integrate installation resources. Some examples include the Assignment Preference Pilot Program for U.S. Army Alaska, as well as Assignment Incentive Pay for

specific locations (e.g., Alaska and Fort Irwin), and improved health care provider staffing and behavioral services and working with the Office of the Secretary of Defense (OSD) to review military and family life counselor assignments to meet soldiers and family needs. There is also a joint Spiritual Readiness initiative between the Office of the Chief of Chaplains and the Office of the Surgeon General that connects Chaplains and behavioral health professionals with first-term soldiers. Moreover, we continue to work with local education authorities at those locations to support virtual education pilot programs and efforts. Along with promoting spiritual, financial, and medical readiness, we continue to promote quality of life through our Morale, Welfare, and Recreation programs as well as those programs and services offered through installation Army Community Service centers.

### **Modernize and Innovate**

Modernized installations enable a modernized force. The *Army Modernization Strategy* requires installations to modernize “at pace” with the rest of the Army to support a modernized Army by 2035. To do this, installations must provide facilities, ranges, airfields, and support infrastructure that possess the appropriate physical characteristics required by new Army weapons systems.

The Army is programming upgrades to maintenance facilities, motor pools, ranges, readiness centers, network infrastructure, administrative facilities, secure facilities, and utilities to facilitate a modern and ready Army. Force projection requires assessment of roads and highways, bridges, ramps, marshaling yards, ammunition supply points, railways, and airfields. Real property master plan processes will become more technically sophisticated, using data-informed analysis and modeling to integrate new specifications of modern equipment. We are also coordinating closely with the Assistant Secretary of the Army for Installations, Energy, and Environment, Deputy Chiefs of Staff for the G-3/5/7, Army Materiel Command, and Installation Management Command to sequence planning actions and to complete, in a timely manner, the

required environmental analyses under the National Environmental Policy Act (NEPA), as new weapon systems are fielded.

## **Promoting Stewardship**

The Army's mission is inseparable from the natural habitat that is critical to accomplishing that mission. Readiness training for multi-domain operations, high intensity conflict, and development, testing, and fielding for combat system modernization all require access to realistic natural landscapes, ecosystems, and environmental conditions. Conserving these assets in a sustainable manner is critical not only to Army readiness, but also to the well-being of the Total Army and those communities that surround and support Army installations.

### *Conserve Natural Resources*

The Army's focus on conserving its natural infrastructure ensures training and testing in realistic conditions, and makes certain these natural assets remain viable, accessible, and resilient into the future. Mission supporting capabilities of our training and testing sites are directly impacted by the loss or alteration of the natural infrastructure. Documented impacts to the mission include limitations on training and testing due to factors such as loss of range facilities and assets from wildfires and/or floods, and training restrictions due to endangered species and critical habitats. For example, the 226 threatened or endangered species found on 170 Army installations in the United States result in species-related training and testing restrictions on over two million acres of land. However, as the Army sustains and improves the natural infrastructure providing endangered species habitats on our installations, endangered species populations can recover over time, thereby reducing the restrictions necessary to protect those species.

### *Encroachment Mitigation*

Army installations are vulnerable to outside encroachment, incompatible development, and climate related threats to operations and readiness. The Readiness and Protection Integration Program (REPI) enables the Army to cooperatively address these impediments while providing the flexibility needed for training, testing, and modernization, including long-range testing and training land capability. The REPI program provides valuable tools for off-base conservation partnerships with states, Tribes, private landowners and other federal agencies. These measures support the readiness mission by providing buffers around installations as well as other natural resource protections. The REPI program can also assist with endangered species management by providing off-base mitigation habitat as necessary.

### *Environmental Compliance*

The Army's environmental compliance program encompasses a broad range of legal compliance and management efforts that support clean air and water, maintain natural and cultural resources, and sustain soldier training and readiness on the Army's 13.6 million acres of land. The compliance program includes actions to meet the requirements of the Clean Water Act, the Safe Drinking Water Act, the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Clean Air Act, the Resource Conservation and Recovery Act, the National Historic Preservation Act, as well as NEPA, among others. By way of example, the Army maintains 4,902 environmental permits.

The Army has an excellent environmental compliance record. The vast majority of legacy Army CERCLA sites have been remediated, and of 787 inspections on Army installations by environmental regulatory agencies in FY 2021, only 34 Enforcement Actions were issued.

## *Environmental Remediation*

The Army is also taking measures to address the presence of chemicals of emerging concern, including per and polyfluoroalkyl substances (PFAS). The Army has taken a three-pronged approach to PFAS, focusing on cleaning up past releases, testing drinking water, and phasing out the use of PFAS-containing aqueous film-forming foam (AFFF) in accordance with the deadlines established by Congress. As of March 31, 2022, the Army is conducting PFAS assessments at 337 installations. We continue to test Army-owned drinking water systems regularly and take immediate action if we find exceedances of EPA's lifetime Health Advisory level of 70 parts per trillion for PFAS. Finally, the Army only uses AFFF for fire emergencies and intends to phase out its use in accordance with NDAA requirements. The Army is committed to prioritizing cleanups at those sites where conditions warrant doing so. The Army will be fully transparent about our cleanup progress, and we will expand public outreach to neighboring communities. The Army's priority remains the health and safety of our Service members, their families, Army civilians, and the communities surrounding our installations.

## **FY 2023 BUDGET REQUEST FOR INSTALLATION INFRASTRUCTURE**

The Army's FY 2023 budget requests funding for near-term requirements to help modernize installations and make them multi-domain ready and resilient.

### **Military Construction**

*Army Military Construction and Family Housing.* The Army's FY 2023 military construction and Family Housing request for \$1.9 billion will improve installation readiness, industrial base readiness, and soldier quality of life. The quality of life investments consists of two new barracks projects for \$153 million and two family housing projects for \$169.3 million. The total request includes \$846 million for the

Active Component (AC), \$297 million for the Army National Guard (ARNG), \$100 million for the U.S. Army Reserve (USAR), and \$68 million in the Base Closure Account for environmental remediation, caretaker services, and program management costs at BRAC sites.

*Military Construction, Army (MCA)*. Inside the active Army's request there is \$409 million supporting installation and soldier readiness (\$74 million for training, \$64 million for operations, \$141 million for the industrial base and \$130 million in support of quality of life and community services) and \$153 million for barracks. The Active Component also has \$26 million for host nation support.

*Military Construction, Army Reserve (MCAR)*. The FY 2023 MCAR budget request supports two major construction projects: Army Reserve Center at Perrine, Florida, (\$46 million) and an Army Reserve Center at Fort Buchanan, Puerto Rico, (\$24 million).

*Military Construction, Army National Guard (MCNG)*. The National Guard's request supports readiness by funding \$160 million for nine readiness centers and \$59 million for four maintenance facilities.

*Minor Construction/Planning & Design*. All three components have funds planned for Unspecified Minor Construction and Planning and Design.

*Army Family Housing (AFH)*. The Army's request for \$169.3 million in construction funding supports two new/replacement projects providing 107 new homes in Vicenza, Italy; 64 new homes in Baumholder, Germany; and the necessary planning and design funds. The Army's request for \$436.4 million in Family Housing Operations funding provides for Army Family Housing operations, maintenance and repair, utilities, and management of the privatized housing Residential Communities Initiative.

Base Realignment and Closure (BRAC). The Army's request for \$67.7 million includes \$9.9 million for continuing caretaker and program management requirements at remaining BRAC installations closed or realigned under the five previous BRAC rounds (1988, 1991, 1993, 1995, and 2005) and \$57.8 million for environmental cleanup requirements. The Army continues to work with federal and state regulators to resolve complex environmental issues that exist on the Army's BRAC sites, and to allow each property to be conveyed and used for a beneficial non-military purpose.

### **Operation and Maintenance of Facilities**

Facilities Sustainment, Restoration, and Modernization (FSRM). The Army is requesting \$6.1 billion in FSRM to address our backlog of facilities maintenance, provide sustainment to slow degradation of facilities, and demolish facilities (\$80 million) that are no longer required. The Army is working with OSD to develop an asset management approach to optimizing sustainment, restoration, and modernization, demolition, and MILCON funding for facility requirements. The emphasis of the approach is to enhance the Army's building condition indices.

Army Sustainment. The Army's FY 2023 Facilities Sustainment request for \$4,008 million (Active \$3,006 million, USAR \$263 million, ARNG \$739 million) will provide 85% of the Facility Sustainment Model requirements for all components.

Restoration and Modernization (R&M), Active Army. The FY 2023 request for the AC is \$1,593 million, which will primarily fund restoration projects for quality of life facilities, including barracks and Child Development Centers, as well as readiness and power projection facilities including airfields and utilities at key installations.



Restoration and Modernization (R&M), Army Reserve. The FY 2023 request for the USAR is \$95 million. This funding will primarily fund restoration projects for barracks, maintenance activities, and reserve centers.

Restoration and Modernization (R&M), Army National Guard. The FY 2023 request for the ARNG is \$304 million, which will primarily fund restoration projects for collective training barracks, reserve component readiness facilities, and recapitalization of training facilities.

### **Beyond the Budget**

Leveraging Partnerships. The Army has a long history of leveraging public and private partnerships to optimize use of other than appropriated funds to improve Army readiness, create efficiencies, and address underfunded requirements. These agreements come in a variety of forms, but generally lead to increased investment on Army installations, enhanced provision of services, and modernized infrastructure. Many of these partnerships have tremendously improved the quality of life for Soldiers and their families. Through the powerful language that Congress enacted in 10 USC 2679, the Army has signed more than 100 Intergovernmental Support Agreements (IGSAs) that save \$28 million annually and have resulted in a \$42 million cost avoidance. These partnerships create efficiencies, enhance quality of life, build resiliency, and develop deeper bonds with the communities. Examples include improving the emergency response time at Fort Detrick, MD; creating utility resiliency at Fort Carson, CO; supporting environmental stewardship at Fort Benning, GA through Auburn University, and creating life skills programs at Fort Drum, NY through the State University of New York. The Army sincerely appreciates Congressional support for these authorities and will continue to actively engage with our local communities to make use of this program.

## **CONCLUSION**

Ready and resilient installations will ensure our soldiers are able to train properly and deploy globally to fight and win our Nation's wars. Modern installations enable a modern Army. Your continued support helps to ensure we retain the current force and recruit new soldiers by providing high-quality living conditions and quality of life services as key elements of the modern installation.

Thank you for the opportunity to present this testimony and for your continued support of our soldiers, families, and civilians.