

RECORD VERSION

STATEMENT BY

**LIEUTENANT GENERAL MICHELLE K. DONAHUE
DEPUTY CHIEF OF STAFF, G-4
UNITED STATES ARMY**

BEFORE THE

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

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**A REVIEW OF THE FISCAL YEAR 2027 BUDGET REQUEST FOR MILITARY
CONSTRUCTION AND FAMILY HOUSING**

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NOT FOR PUBLICATION UNTIL RELEASED BY THE COMMITTEE

Introduction

Chairman Boozman, Ranking Member Ossoff, and distinguished members of the subcommittee, thank you for this opportunity to discuss the Army's Fiscal Year 2027 (FY27) budget request for military construction and family housing.

Our installations form the bedrock of the Army's mission. From our installations, our warfighters train and deploy to fight and win our nation's wars. Predictable facility investment remains critical to success to enable readiness across the Army's military construction and housing portfolio. The Army remains fully committed to delivering high-quality and safe environments for our Soldiers and their families to live and work. To deliver on President Trump's and Secretary Hegseth's promise to achieve peace through strength, the Army is taking a holistic approach to installation investment and management. Our installations are much more than where our Soldiers and their families live. The historic investments in our FY27 budget request for installation housing, facilities, and energy capabilities will increase our warfighters' lethality for years to come.

Over the last year, the Army has worked quickly to deliver real change that our warfighters deserve. From eliminating unnecessary bureaucracy that drove up military construction costs, to the Department of War Barracks Task Force that made critical health and safety investments in our barracks, the Army has taken concrete action to improve the quality of life and the critical infrastructure required to enable lethality. We look forward to our continued partnership with this committee to identify additional authorities that can further enhance the Army's ability to invest in our warfighters' readiness.

Military Construction Budget Request Summary

The Army is requesting \$4.2 billion (B) for military construction in FY27 including \$1.9B for the Active Component, \$359 million (M) for the Army National Guard, \$210M for the Army Reserve, \$586M for Family Housing Construction, \$985M for Family Housing Operations, and \$151M for Base Realignment and Closure (BRAC).

The Active Component military construction request funds 19 projects across seven states, one U.S. territory, and three countries outside the U.S. facility types include barracks, command and control facilities, vehicle and aircraft maintenance bays, access control points, fire stations, weapons qualification ranges, missile defense facilities, and potable water infrastructure.

The Army National Guard request funds seven military construction projects across seven states composed of readiness centers, a training range, a mission training complex, a dining facility, and an aircraft maintenance bay. The Army Reserve requests three projects across three states consisting of an Army Reserve Center, and two vehicle maintenance facilities.

Specific to Army Family Housing Construction, the budget request funds five projects across domestic and overseas installations. Three housing projects are replacement

construction, two are improvement construction and one is a cost to complete for a prior year replacement construction project. Most of the Family Housing Operations request funds maintenance and repair of existing homes with the balance going towards operations, utilities, leasing, and privatized housing portfolio management. The BRAC budget request supports continuing caretaker, program management and environmental cleanup at 36 installations in 19 states, closed or realigned under the five previous BRAC rounds.

Military Construction Reform

The current Military Construction process is lengthy, and insufficient investments often arrive too late to meet Army structure growth, equipment modernization, and National Defense Strategy stationing requirements. A recent U.S. Army Corps of Engineers (USACE) study estimated that barracks construction costs are up to 65 percent more than private barracks-like construction. Some of the cost drivers are within the Army's control, The Army is appreciative of Congress' leadership to reduce requirements, where possible, as demonstrated in the FY26 National Defense Authorization Act (NDAA). For our part, the Army has acted as we have identified opportunities for increased efficiency.

Late last year, the Army discontinued the requirement that buildings be Leadership in Energy and Environmental Design (LEED) Silver Certified and adopted the Guiding Principles for Sustainable Federal Buildings. By no longer paying a third-party organization, such as the U.S. Green Building Council, for outside certification, the Army reduced bureaucratic requirements in the design of facilities like barracks, motor pools, and child development centers, and estimates a savings of up to six percent on MILCON projects, without sacrificing facility performance. The Army agrees with the congressional intent to consider the full life cycle cost of our facilities. Using the Guiding Principles as the standard enables the Army to achieve this objective and eliminates additional layers of review that increase costs and delays in delivering critical facilities to our warfighters.

In addition, the Army is reviewing the published collection of Unified Facility Criteria to identify any areas where policy and governing construction criteria can be streamlined for further efficiencies. The Army is also exploring innovative construction technologies, contracting strategies, and administrative processes.

At Fort Bliss, Texas (and soon at Fort Polk, Louisiana), we partnered with private industry to build ten of the Department's first 3D-printed barracks. Using massive 3D printers, these 5,700-square-foot transient barracks can house up to 56 Soldiers each. These barracks are energy-efficient, resilient, comply with existing building codes and life safety requirements and can be printed in a fraction of the time of traditional construction. Standard construction techniques would have taken over 24 months to design and construct these barracks. Using 3D printing, the barracks will be designed and constructed in less than nine months. The Army is also exploring the use of tensioned fabric structures for facilities such as aircraft maintenance hangars and Soldier performance readiness centers as a potentially quicker and less expensive

alternative to conventional structures. Further, the Army is partnering with the Air Force on industrialized construction for barracks. We have an ongoing request for proposal that we hope to award soon to utilize this construction technique at Joint Base San Antonio, Texas for the Joint Medical Education Training Campus.

Thanks to the funding provided by the One Big Beautiful Bill, Army Materiel Command (AMC) has taken on the challenge to design and construct four industrial facilities at Anniston Army Depot, Alabama, taking a holistic systems engineering approach to develop both the production lines and the supporting facility. In efforts to reduce acquisition lead time, AMC coordinated with the Mission and Installation Contracting Command (MICC) to establish a new Architect-Engineer (A-E) Enterprise Contract. These contracts provide ready access to a wide range of services, from engineering design to environmental analysis, with an ordering period of ten years and a ceiling of \$249.5 million per region. Furthermore, AMC leveraged one of their subordinate commands to develop an artificial intelligence (AI) agent to streamline the creation of DD Form 1391 packages. Their AI-powered agent cuts the package cycle time by 60-75 percent, saving an estimated 42 hours per package. For FY27, this tool is projected to save our garrisons over 3,100 man-hours.

Lastly, the Army is exploring potential opportunities to work with private industry partners to deliver construction projects faster, cheaper, and of higher quality for our warfighters. Here, too, we have identified areas where we can work with this committee to enhance the Army's ability to deliver for our warfighters, such as expanding the use of Other Transaction Authorities (OTA) for military construction.

Army Training Lands

Critical to the Army's success is the ability of our Soldiers to train in sufficient and realistic maneuver space. At our training ranges in Hawai'i, the Army hosts several joint and combined exercises, which provide geostrategic deterrence to our adversaries in the Indo-Pacific region. Some of these training lands are leased from the State of Hawai'i, which the leases expire in 2029. In the continental United States, the Army continues to adapt to evolving training and testing needs. We look forward to working with this committee, as well as the other congressional committees of jurisdiction, to address these emerging needs.

Enhanced Use Leasing

The Army is also working with private industry to deliver real impacts on mission readiness through leveraging our Enhanced Use Leasing (EUL) authority. This authority allows us to obtain value from underutilized real estate and fulfills this Administration's mandate of unlocking potential on federal lands. Our reinvigorated Enhanced Use Leasing program pursues a new generation of leasing agreements that will unleash innovative agreements with industry, while strengthening our installations and benefiting our communities outside the gate.

In January 2026, the Army conditionally awarded an Enhanced Use Lease at Pine Bluff Arsenal, Arkansas, to Hanwha Defense USA. Hanwha plans to invest approximately

\$1.3B to build a state-of-the-art munitions manufacturing facility to produce critical energetics. Once finalized, this lease agreement will directly support our Army industrial base modernization efforts and ensure our Soldiers have a decisive edge. The Pine Bluff Arsenal, Arkansas manufacturing facility lease is the first of many. We have several ongoing actions, including the conditional award in March 2026 for two data centers at Fort Bliss, Texas and Dugway Proving Ground, Utah. These efforts support multiple Executive Orders to unlock the potential on our federal lands.

Facility Investment

For many years, the Army has had to decide between long-term investments in our facilities and funding more immediate operational needs. Both the Army and Congress have recognized the shortcomings of those tradeoffs, and we look forward to working with Congress to properly resource our facility investments going forward.

To prioritize the Army's military construction and other facility investments (to include demolition), we use a deliberate process to develop infrastructure requirements. This prioritization considers several factors, including the relative importance of various facility types, the installation's power projection capabilities, and the installation's primary mission. Our deliberate process is used to inform the Army's annual budget request.

The Army continues to evaluate if the current Facility Sustainment, Restoration, and Modernization (FSRM) minimum investment required by law is the best metric for evaluating the sufficiency of our facility investments. With more facilities than any other agency in the government, the Army has a particularly acute challenge with achieving the mandated FSRM investment in the out-years. The FY27 President's Budget Request exceeds the congressional requirement for the Army to invest 1.75 percent plant replacement value (PRV). The estimated PRV of Army real property assets maintained by the Operation and Maintenance, Army (OMA) account is approximately \$700B. To meet 1.75 percent and address other facilities requirements, the Army needed a significant increase in our overall FY27 budget top-line. The Army is requesting a total of \$18.7B in FSRM to meet the target and buy down a large portion of the maintenance and modernization backlog while still sustaining all our facilities, an investment that will not be possible without including \$11.8B of mandatory reconciliation appropriations. The Army appreciates continuing to work with Congress on this provision of the law, as well as the clarification provided in the FY26 NDAA.

As part of the FSRM increase, while the Army continues to work on minimizing excess infrastructure, not all excess spaces are contiguous and can be easily demolished. For those facilities that can be demolished, the Army is working to resource those demolition projects to remove them from the PRV calculations. Lastly, the Army is working diligently to ensure that our installations have the contracting capacity to execute this increased level of facility investment. Here, too, we have identified opportunities to work with this committee to improve our installation's ability to surge contracting and project management capacity and leverage private sector expertise to accomplish the work.

Unaccompanied Housing - Barracks

Our first and highest priority is to take care of our warfighters. To do that, we must ensure they have proper facilities in which to live, work, and training. The challenge we face is a substantial backlog of deferred maintenance that has built up over time. The Army, with the support of Congress, has significantly increased its annual investment over the last few years to address this backlog.

The Army will continue to invest each year in 100 percent of our modeled sustainment requirements for permanent party barracks to prevent degradation of these facilities. The Army is grateful to this committee and Congress for the investment in our barracks from last year's reconciliation bill. Leveraging this funding, the Department of War has made significant investments as recommended by the Barracks Task Force to ensure quality housing for our Unaccompanied Soldiers. For the Army's part, we have obligated \$520M across all components for barracks improvements. Of note, \$405M was allotted to large-scale FSRM projects, including repair-by-replacement barracks at Fort Hood, Texas; Fort Benning, Georgia; Fort Stewart, Georgia; Fort Devens, Massachusetts, and installations in Hawai'i. \$115M was distributed to senior installation mission commanders to support improvements such as water line replacement, new furnishings, smoke detectors, and purchasing new fans, dehumidifiers, and mattresses. For example, the 10th Mountain Division at Fort Drum, New York, invested \$3M to replace critical water main lines and failing water distribution systems for several barracks.

This \$520M reconciliation funding was just a down payment to address the urgent health and safety concerns within our barracks. In our request, which includes both mandatory and discretionary funding, we are seeking over \$7B to renovate our Army barracks, bringing all rooms to new, mandatory barracks standards. We are also requesting the second increment needed to build new barracks at Fort Wainwright, Alaska to support the 11th Airborne Division, as well as at Joint Base San Antonio, Texas to house our Army Medical Advanced Individual Training (AIT) Soldiers.

While these structural investments require time, we have explicitly empowered our Commanders to take immediate action when necessary. If the living conditions are unacceptable, Garrison Commanders can move Soldiers into appropriate housing—on or off post. To ensure our barracks are up to standard, the Army has completed 100 percent of its inspections of all occupied barracks rooms to ensure they are clean, comfortable, and safe. These inspections successfully identified where immediate resourcing requirements and corrective action were needed.

In addition, the Army expanded our annual Tenant Satisfaction Survey (TSS) to include Soldiers living in our barracks to help assess whether investments in our barracks are improving our Soldiers' quality of life. The FY25 TSS results showed an overall portfolio score of 68.1 percent and an 11.1 percent participation rate. While participation rates for surveys in general have historically been low, the data we recently gathered will provide a critical baseline. The results highlighted key areas for improvement, including living conditions (cleanliness, size, age, appliances, utilities), maintenance services (quality of

work, response time), and health (mold) and/or safety issues (security, sidewalks, lighting). FY26 will be the second year that the TSS is open to Soldiers in our barracks. Our unprecedented investments in Army privatized housing are designed to significantly improve the resident experience.

The Army also continues to look for new and innovative ways to maximize our facility investments to improve barracks quality and lower military construction costs. For example, the Army is pursuing privatization where life-cycle cost analyses show it is cost-effective to have a private company build and manage the housing for our enlisted Soldiers. Last year, the Army initiated a second privatized apartment project for enlisted Soldiers at Fort Irwin, California. The Army currently has five locations (Fort Bragg, North Carolina; Fort Stewart, Georgia; Fort Drum, New York; Fort Meade, Maryland; Fort Irwin, California) with privatized apartment living options for enlisted Soldiers, with another location under construction (U.S. Army Garrison-Miami, Florida).

Army Family Housing

Taking care of our warfighters is also about taking care of their families. The Army takes care of our families whether their warfighter is at home or deployed. The Army continues to make significant progress in providing high-quality family housing—both government-owned and privatized.

The Army has made significant global investments in overseas family housing, which is mostly government-owned housing. In FY25, the Army executed \$580M and we are on track for FY26 to execute \$617M for operations, maintenance, leasing, oversight, and construction of Army family housing.

In addition to providing high-quality government-controlled housing, the Army is working to ensure our Soldiers have the high-quality privatized housing they deserve. Over the next three years, privatized housing providers will invest over \$2.5B for the new construction of 2,900 homes, the renovation of 24,000 homes, and other construction including playgrounds and community projects.

Over the last two years, the Army has strengthened the oversight and accountability of its privatized housing providers to ensure they maintain the high-quality privatized housing our Soldiers deserve. These oversight and accountability reform efforts have included strengthening and clarifying enforcement language in ground leases, conducting house-by-house inspections, implementing quality assurance of construction and renovation projects, and developing a standardized quality assurance maintenance program that is now applicable to all privatized housing companies doing business with the Army.

The Army also conducts the annual Tenant Satisfaction Survey (TSS) to assess military families' satisfaction with their homes and hold housing providers accountable for maintaining those homes. The FY25 TSS results showed an overall portfolio score of 76 percent satisfaction. The major concerns for government-owned/or controlled family housing included maintenance service responsiveness. For privatized housing, the

major concerns were maintenance follow-up, outdated appliances, and exterior features. While this marked an increase from the FY24 results, the Army realizes we have significant room for improvement. We hope that the historic investments we are making in our Army privatized housing communities will result in a noticeable increase in tenant satisfaction.

By the end of FY26, the Army will complete its third-party inspections of all our family housing inventory. When our inspections reveal maintenance deficiencies, the Army privatized housing provider or the installation Director of Public Works reacts quickly to rectify the situation.

In FY27, the Army has requested \$586M for design and construction of Army family housing in domestic and overseas installations. The Army has also requested \$42M for 157 Department of the Army Civilians to perform privatized housing oversight and workforce training. The requested funding will support civilian pay, travel, Basic Allowance for Housing (BAH) reinvestment oversight, ground lease compliance and supplemental agreement processing requirements, environmental and real estate assessments, training on inspections, lead-based paint remediation, dispute resolution, financial consultant services, and IT privatization modules within our Enterprise Military Housing systems. The Army thanks Congress for its assistance in streamlining the management of our remaining historic housing inventory, while still ensuring proper stewardship of the homes and compliance with the National Historic Preservation Act.

Conclusion

Providing safe, reliable, and high-quality installations for Soldiers, families, civilians, and our defense communities is critical to ensure the Army can remain ready to meet our mission requirements around the world. To maximize installation support, we must continually evolve our facility investments to support efficient and modern installation management. This requires the Army to continue investing in quality-of-life initiatives to ensure the resilience of our installations and to meet the Army's global requirements.