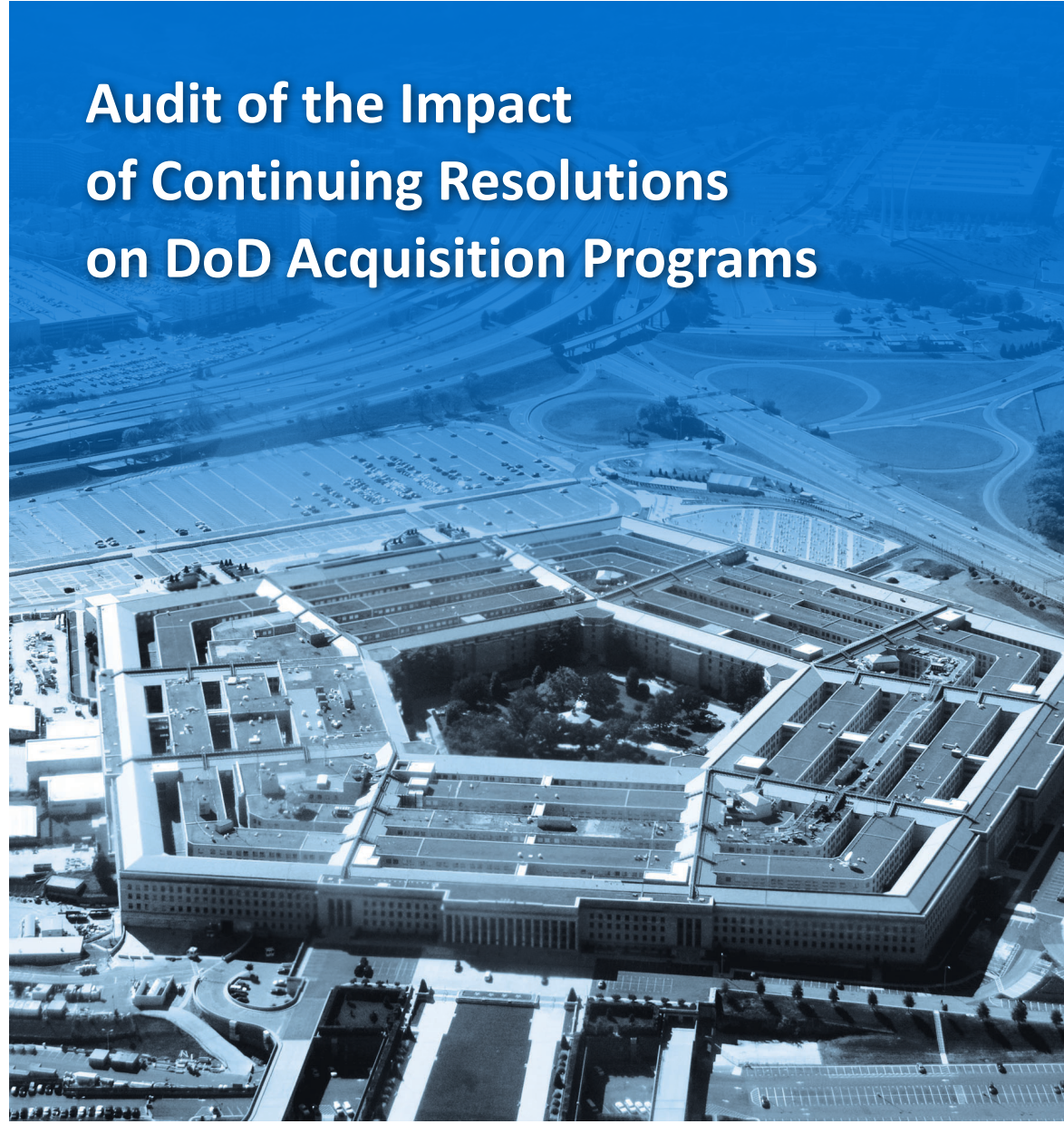




INSPECTOR GENERAL

U.S. Department of Defense

JULY 30, 2025



Audit of the Impact of Continuing Resolutions on DoD Acquisition Programs

INDEPENDENCE ★ INTEGRITY ★ EXCELLENCE ★ TRANSPARENCY





Results in Brief

Audit of the Impact of Continuing Resolutions on DoD Acquisition Programs

July 30, 2025

Objective

The objective of this audit was to determine the DoD's ability to effectively manage the constraints of continuing resolutions on acquisition programs.

Background

A continuing resolution (CR) provides temporary funding that allows the Government to continue operations when final appropriations have not been approved by Congress and the President. The DoD has operated under a CR in 9 of the last 10 fiscal years. CRs placed constraints on DoD acquisition programs by preventing new starts, production rate increases, and funding rate increases. DoD officials can request anomalies, which are legislative provisions in a CR that provide relief from these constraints.

Finding

The DoD has been unable to effectively manage the constraints of CRs on acquisition programs. In addition, the following DoD processes and procedures were inefficient and did not support programs preparing for and operating under CRs.

- DoD Components spent time developing dozens of anomaly requests, although only a few anomalies were approved. For example, in FY 2024, the Services submitted 87 acquisition-related anomaly requests, and only 1 was ultimately approved by Congress. This occurred because the DoD did not provide guidance that established parameters on the number of anomaly requests for each Service.

Finding (cont'd)

- Program officials were confused about whether existing programs experiencing an administrative change were considered a new start. This occurred because the DoD's CR guidance did not clarify how the new start constraint applied to existing acquisition programs.
- The DoD's budget execution review process negatively impacted some DoD acquisition programs affected by CR constraints. This occurred because the DoD's budget execution reviews did not account for the limited or delayed funding under CRs, but rather judged programs against their expected appropriation.

According to program officials, CRs ultimately delayed capabilities, which could negatively impact national security. Program officials also stated that CRs negatively impacted the Defense Industrial Base, created administrative burden, and resulted in cost inefficiencies. However, the DoD did not track or communicate the actual impacts the CRs had on its acquisition programs. Consequently, understanding the impact that CR constraints had on national security, the Defense Industrial Base, time, and costs across the DoD was not possible.

Recommendations

We made several recommendations to the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, such as establishing parameters to limit the number of anomaly requests, clarifying the applicability of the new start constraint, assessing the budget execution review process, and developing a process to track actual CR impacts on acquisition programs.

Management Comments and Our Response

The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, did not respond to the recommendations in the report. Therefore, the recommendations are unresolved. We request that the Under Secretary provide comments in response to this report. Please see the Recommendations Table on the next page.

Recommendations Table

Management	Recommendations Unresolved	Recommendations Resolved	Recommendations Closed
Under Secretary of Defense (Comptroller)/ Chief Financial Officer, DoD	1.a.1, 1.a.2, 1.b.1, and 1.b.2		

Please provide Management Comments by August 29, 2025.

Note: The following categories are used to describe agency management’s comments to individual recommendations.

- **Unresolved** – Management has not agreed to implement the recommendation or has not proposed actions that will address the recommendation.
- **Resolved** – Management agreed to implement the recommendation or has proposed actions that will address the underlying finding that generated the recommendation.
- **Closed** – The DoD OIG verified that the agreed upon corrective actions were implemented.



OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
4800 MARK CENTER DRIVE
ALEXANDRIA, VIRGINIA 22350-1500

July 30, 2025

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (COMPTROLLER)/CHIEF
FINANCIAL OFFICER, DOD

SUBJECT: Audit of the Impact of Continuing Resolutions on DoD Acquisition Programs
(Report No. DODIG-2025-132)

This final report provides the results of the DoD Office of Inspector General's audit. We previously provided copies of the draft report and requested written comments on the recommendations. This report contains recommendations that are considered unresolved because the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, did not provide a response to the report. Therefore, the recommendations remain open. We will track these recommendations until management has agreed to take actions that we determine to be sufficient to meet the intent of the recommendations and management officials submit adequate documentation showing that all agreed-upon actions are completed.

DoD Instruction 7650.03 requires that recommendations be resolved promptly. Therefore, please provide us within 30 days your response concerning specific actions in process or alternative corrective actions proposed on the recommendations. Send your response to either [REDACTED] if unclassified or [REDACTED] if classified SECRET.

If you have any questions, please contact me at [REDACTED]

A handwritten signature in black ink, reading "Carmen J. Malone", is positioned above the printed name.

Carmen J. Malone
Assistant Inspector General for Audit
Acquisition, Contracting, and Sustainment

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Introduction

Objective

The objective of this audit was to determine the DoD's ability to effectively manage the constraints of continuing resolutions on acquisition programs.

Background

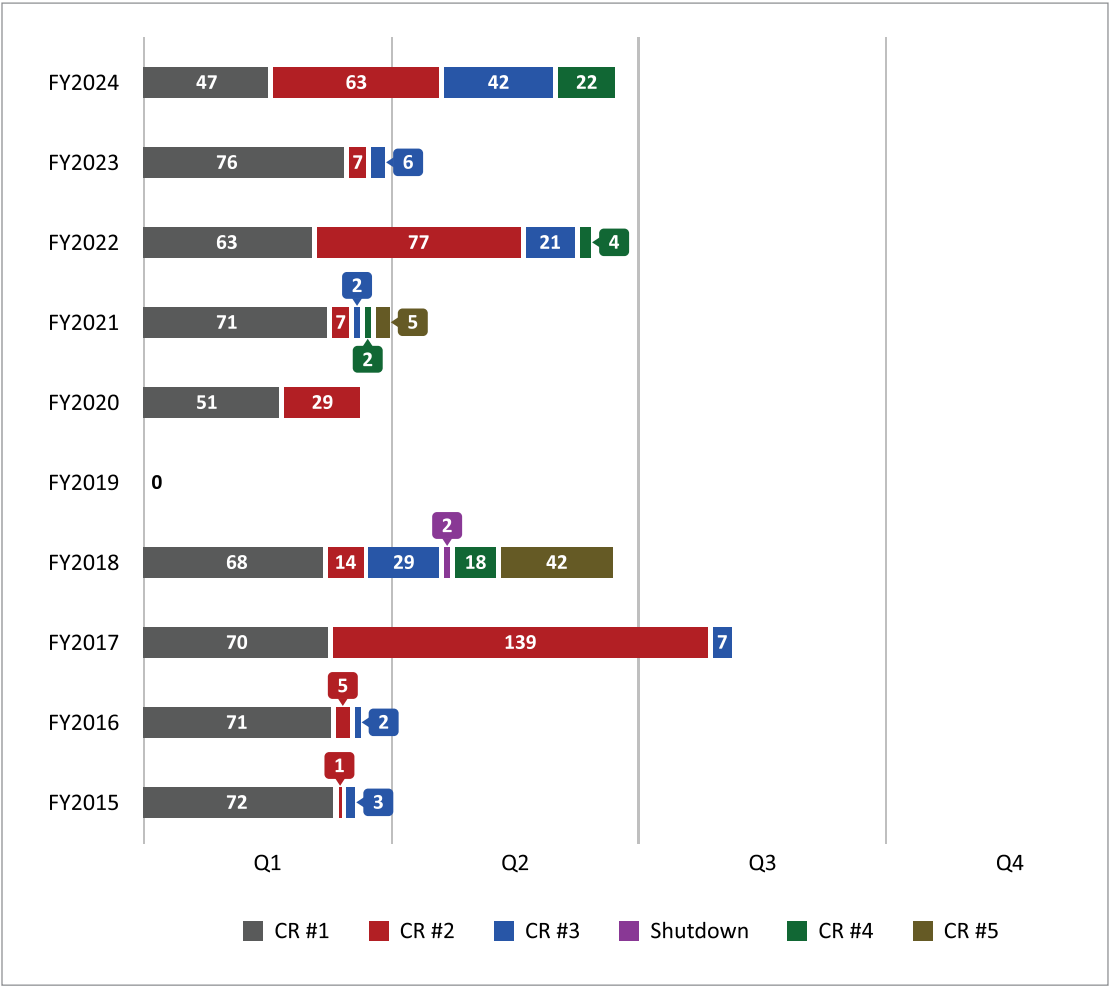
A continuing resolution (CR) provides temporary funding that allows the Government to continue operations when final appropriations have not been approved by Congress and the President. Generally, a CR is enacted when Congress has not yet passed a new appropriations bill by the first of October or when the President has vetoed congressionally passed appropriations bills. In the absence of an appropriations act, a CR can prevent a Government shutdown.¹ CRs provide funding for certain activities that are typically based on the prior fiscal year's funding.

The DoD has operated under a CR in 9 of the last 10 fiscal years.² During each of those 9 fiscal years, the DoD operated under a CR, ranging from as low as 76 days in FY 2015 to as high as 216 days in FY 2017, before a final appropriation was passed. In that time, Congress enacted 32 separate short-term CRs for a total of 1,136 days, equivalent to more than 3 years. As it relates to the time frame of our audit, there were four CRs in FY 2024. Figure 1 shows the number and duration of the CRs that affected the DoD from FY 2015 through FY 2024.

¹ Government shutdowns occur when there is a lack of appropriations to provide funding authorities, which requires Federal agencies to cease all operations and furlough employees not specifically excepted by law.

² In FY 2019, the DoD did not operate under a CR.

Figure 1. Number and Duration of CRs that Affected the DoD from FY 2015 Through FY 2024



Source: The DoD OIG.

DoD Acquisitions

The DoD spends billions of dollars each year to acquire equipment with advanced capabilities, such as ships, aircraft, and satellites. According to the DoD, acquisition funding is used to develop and buy new weapons systems and other major equipment; upgrade the capabilities or extend the service life of existing weapons systems; and support research on future technologies. Acquisition funding primarily includes appropriations for procurement and research, development, test, and evaluation (RDT&E). In FY 2024, the DoD received \$320.3 billion in acquisition appropriations, which accounted for 39 percent of the DoD’s total funding.³

³ According to the FY 2024 DoD Appropriations Bill Highlights, a total of \$824.5 billion was provided for the DoD, including \$172 billion in procurement and \$148.3 billion in RDT&E.

The DoD has program offices in each of the Services that are responsible for managing the cost, schedule, and performance of the Service's acquisition programs. In addition, DoD acquisitions are supported by the Defense Industrial Base (DIB). The DIB is the network of people, organizations, facilities, and resources that provides the DoD with defense-related materials, products, and services. The DIB consists of more than 100,000 commercial companies; not-for-profit research centers and university laboratories; and government-owned industrial facilities. Program offices generally contract with DIB entities to develop capabilities to meet the acquisition needs of DoD programs.

CR Constraints on DoD Acquisition Programs

CRs generally state that the DoD may only use funds for the same purposes and in the same manner provided in the previous fiscal year for the continuation of projects and activities. Therefore, CRs placed constraints on DoD acquisition programs by preventing new starts, production rate increases, and funding rate increases. DoD officials can request an anomaly to potentially avoid those constraints.⁴

CRs Prohibit New Starts

CRs consist of language that prohibits new starts, which is the initiation or resumption of any project or activity for which funds were not available in the previous fiscal year. The initial CR for FY 2024 stated that no appropriation or funds made available, or authority granted for the DoD, shall be used for:

- new production of items not found for production in FY 2023 or prior years; or
- the initiation, resumption, or continuation of any project, activity, operation, or organization—defined as any project, subproject, activity, budget activity, program element, and subprogram within a program element—and for any investment items for which appropriations, funds, or other authorities were not available during the prior fiscal year.⁵

An example of a program that was restricted by the new start constraint for the FY 2024 CR is the Army Tactical Missile System, which is a long-range, precision-guided missile system.

⁴ Anomalies are legislative provisions within a CR that provide relief from CR constraints.

⁵ Public Law 118-15, "Continuing Appropriations Act, 2024 and Other Extensions Act," September 30, 2023.

A program element is the primary data element in the Future Years Defense Program and is the program-specific allocation of resources in the budget.

CRs Prohibit Production Increases

CRs consist of language that prohibits acquisition programs from increasing production quantities beyond previous fiscal year production quantities. The initial CR for FY 2024 stated that no DoD appropriations or funds made available shall be used to increase production rates above those sustained with FY 2023 funds. An example of a production increase that was prohibited under the FY 2024 CR is the National Security Space Launch (NSSL) program.⁶ Although the NSSL program had planned to procure 10 launches for FY 2024, it was limited to the 3 launches it procured in FY 2023.

CRs Prohibit Funding Rate Increases

CRs consist of language that generally prohibits funding rate increases and instead provides funding at a particular rate of operations, which is often based on the budget authority that was available under specified appropriations acts from the previous fiscal year. The initial CR for FY 2024 provided funds for the DoD at a rate for operations as provided in the FY 2023 DoD Appropriations Act. An example of a program that had funding restricted under the FY 2024 CR is the Space Data Fusion program.⁷ Although the Space Data Fusion program was budgeted to receive \$205 million for FY 2024, it was only funded with the \$58 million it received in FY 2023.

Anomaly Requests

CRs can include anomalies, which are legislative provisions for certain accounts or activities that provide exceptions to the duration, amount, or purposes for which funds may be used. Specifically, anomalies provide relief from CR constraints by allowing a new start program to proceed or by permitting production rate or funding rate increases for a specific acquisition program. Prior to the start of an upcoming fiscal year, the Office of Management and Budget (OMB) solicits anomaly requests that agencies believe would be necessary for a CR lasting through at least December. DoD officials submit anomaly requests to the OMB for specific programs that they believe will be significantly impacted by the CR. The OMB submits anomaly requests to Congress, and Congress then determines whether or not to include the anomalies in the CR.

⁶ The NSSL program provides the United States assured access to space with three families of launch vehicles that provide critical space-lift capabilities to support the DoD and other National Security missions.

⁷ The Space Data Fusion project develops and upgrades Space Domain Awareness data access and data exploitation capabilities. Specifically, the program's focus is in three major areas: data exposure through sensor communications upgrades; communications modernization for Space Force Networks to enhance connection; and machine-to-machine autonomy.

Budget Execution Reviews

As part of the Planning, Programming, Budgeting, and Execution (PPBE) process, personnel from the Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD (OUSD[C]/CFO), perform budget execution reviews to evaluate how well appropriations are being obligated and expended.⁸ Each Service also conducts internal budget execution reviews. These budget execution reviews may lead to recommendations to adjust resources or restructure programs to achieve desired performance goals.

One of the budget execution reviews is the midyear review that OUSD(C)/CFO analysts conduct to show how execution occurs within the appropriation accounts and to identify under-executing programs. The OUSD(C)/CFO FY 2024 Midyear Execution Review memorandum outlined guidance for the review.⁹ The memorandum stated that the reviews would assess a program's obligation data against OUSD(C)/CFO benchmarks.¹⁰ The guidance stipulated that poor performance cannot be attributed to CRs.

Recommendations from Other Process Reviews That Address CR Constraints

Multiple groups of acquisition and budgeting experts—specifically the Advisory Panel on Streamlining and Codifying Acquisition Regulations (Section 809 Panel) and the Commission on Planning, Programming, Budgeting, and Execution Reform (PPBE Commission)—have made recommendations in prior reports that addressed how Congress and the DoD could alleviate acquisition constraints from CRs.¹¹ From August 2016 to its conclusion in July 2019, the Section 809 Panel made 98 recommendations for changing the Defense Acquisition System. In March 2024, the PPBE Commission released its final report with 28 recommendations (with 35 distinct initiatives) for reforming the DoD's resourcing processes to meet the demands of the current security environment. These reports included several recommendations that were intended to mitigate the constraints of a CR. Figure 2 includes the most relevant recommendations.

⁸ An obligation is a binding agreement, such as a contract, that results in outlays, immediately or in the future. An expenditure is the actual disbursement of funds.

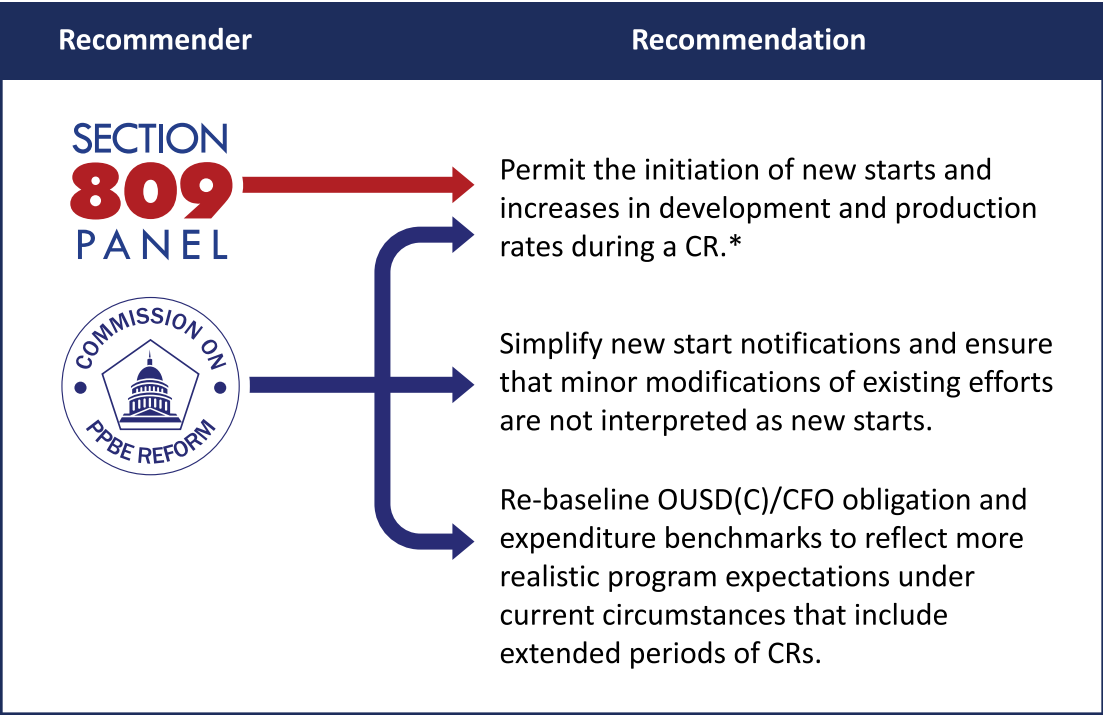
⁹ OUSD(C)/CFO memorandum for the Under Secretaries of Defense, "Fiscal Year 2024 Midyear Execution Review," April 11, 2024.

¹⁰ Benchmarks are goals to obligate and expend percentages of a program's funding by certain dates.

¹¹ The Section 809 Panel, created in Public Law 114-92, "The FY 2016 National Defense Authorization Act," section 809, consisted of 16 acquisition and procurement experts that were charged to deliver recommendations that could transform the Defense Acquisition System.

The PPBE Commission, created in Public Law 117-81, "The FY 2022 National Defense Authorization Act," section 1004, consisted of a commission of congressional, defense, budgeting, acquisition, and innovation experts that were charged with finding ways to reform or improve the PPBE process.

Figure 2. CR-Related Recommendations from the Section 809 Panel and PPBE Commission



* Both groups caveated this recommendation. Specifically, the Section 809 Panel stated that the recommendation was contingent on Congress already appropriating sufficient funding. The PPBE Commission stated that the recommendation should be limited to when the program is included in the President’s budget request and funding is approved in the House and Senate.

Source: The DoD OIG.

The DoD has begun to implement some of the recommendations from the PPBE Commission noted in Figure 2. Specifically, in August 2024, the DoD partially endorsed the recommendation related to allowing new starts and production rate increases; fully endorsed the recommendation related to new start notifications; and did not endorse the recommendation related to benchmark reviews. The USD(C)/CFO was designated as the lead for the PPBE reform initiatives. The USD(C)/CFO established the PPBE Reform Implementation Team (Implementation Team) in August 2024. The DoD issued its PPBE Reform Implementation Plan in January 2025, which provided information about the status of the recommendations that the Deputy Secretary endorsed.

Finding

The DoD Has Opportunities to Gain Efficiencies Under CRs

The DoD has been unable to effectively manage the constraints of CRs on acquisition programs. In addition, the following DoD processes and procedures were inefficient and did not support programs preparing for and operating under CRs.

- DoD Components spent time each year developing dozens of anomaly requests, although only a few anomalies were approved. For example, in FY 2024, the Services developed justifications for and submitted 87 acquisition-related anomaly requests to the OUSD(C)/CFO, but only 46 requests were approved within the DoD for submission to the OMB, and only 1 was ultimately approved by Congress.¹² This occurred because the DoD did not provide guidance that established parameters on the number of anomaly requests developed and submitted by the Services.
- Program officials were confused about whether existing programs experiencing an administrative change were considered a new start. This occurred because the DoD's CR guidance did not clarify how the new start constraint applied to existing acquisition programs undergoing administrative changes.
- The DoD's budget execution review process negatively impacted some DoD acquisition programs affected by CR constraints. This occurred because the DoD's budget execution reviews did not account for the limited or delayed funding under CRs, but rather judged programs against their expected appropriation.

According to program officials, CRs ultimately delayed capabilities, which could negatively impact national security. Program officials also stated that CRs negatively impacted the DIB, increased administrative burden, and resulted in cost inefficiencies. However, the DoD did not track or communicate the actual impacts the CRs had on its acquisition programs. Consequently, understanding the impact that CR constraints had on national security, the DIB, time, or costs across the DoD was not possible.

¹² We reviewed appropriation anomalies submitted and approved for the first CR in FY 2024.

Despite Preparation, the DoD Has Been Unable to Manage CR Constraints

DoD officials that we interviewed during the audit—from each of the Services, the Office of the Under Secretary of Defense for Acquisition and Sustainment, and the OUSD(C)/CFO—stated that they expect to be under a CR each year. Therefore, they consistently planned and prepared to execute under a CR, which included submitting anomaly requests before the next fiscal year. Despite this preparation, the DoD has not been able to effectively manage the constraints of CRs on acquisition programs.

The DoD's inability to effectively manage the constraints on its acquisition programs is primarily because Congress specifically restricted new starts, production quantity increases, and funding rate increases in the CR language. As noted in the Background section of our report, CRs generally have specific language that prohibits these three activities, which significantly restricts how the DoD manages acquisition programs.

DoD Processes and Procedures Were Inefficient and Did Not Support Programs

The DoD's processes and procedures were inefficient and did not support programs preparing for and operating under CRs. Specifically, we identified opportunities for improvement related to the anomaly submission process, clarification on new start constraints, and budget execution reviews.

The DoD's Anomaly Process Was Inefficient

DoD Components spent time each year developing dozens of anomaly requests, although only a few anomalies were approved. Significant time was spent developing anomalies with little return on the time invested because the DoD did not provide guidance that established parameters on the number of anomaly requests developed and submitted by each Service.

Process for Submitting Anomaly Requests

The USD(C)/CFO issues a memorandum before the beginning of each fiscal year that requests each Service provide a list of legislative anomalies it would like the USD(C)/CFO to consider submitting to the OMB for the CR. For example, in May 2023, the USD(C)/CFO issued a memorandum that requested each Service identify programs with lapses in legal authorities, new starts, and production rate increases in the event of a CR in FY 2024.¹³ The USD(C)/CFO memorandum

¹³ OUSD(C)/CFO memorandum, "Submission of Proposed Continuing Resolution (CR) Anomalies and CR Impact Statements for Fiscal Year 2024," May 8, 2023.

provided guidance to the Services on the information they were required to submit, instructions on how to submit the anomaly requests to the OUSD(C)/CFO, helpful hints, and things to consider when requesting and prioritizing anomalies in the submissions. The USD(C)/CFO memorandum also provided advice on explaining how a CR's impact on an acquisition program would negatively affect ongoing operations and the execution of the National Defense Strategy.

In preparation for a potential CR, each Service submits its anomaly request to the OUSD(C)/CFO. These submissions include the listing of acquisition programs for which the Service is requesting an anomaly; narrative statements that outline the CR's potential impact on the program and justify the need for an anomaly; and the Service's prioritization of its anomaly requests, by ranking its requests from the highest to lowest priority. The OUSD(C)/CFO collects and reviews each Service's anomaly requests and submits a consolidated list of anomaly requests to the OMB. The OMB reviews, consolidates, and submits the anomaly requests to Congress. Congress then reviews the anomaly requests provided by the OMB, determines which programs it will approve as an anomaly, and includes the approved anomalies in the CR.

For example, in anticipation of a CR in FY 2024, the U.S. Navy submitted an anomaly request for a production rate increase for the *Columbia*-class nuclear ballistic submarine program and ranked the request as its highest priority. The anomaly requested \$621 million to support the second hull, the USS *Wisconsin*. The Navy's impact statement asserted that a CR would result in day-for-day delays to construction start and delivery, impeding the Navy's ability to replace the retiring *Ohio*-class nuclear ballistic missile submarine. The anomaly was approved by Congress, and the funds for the additional hull were explicitly authorized in the first FY 2024 CR.

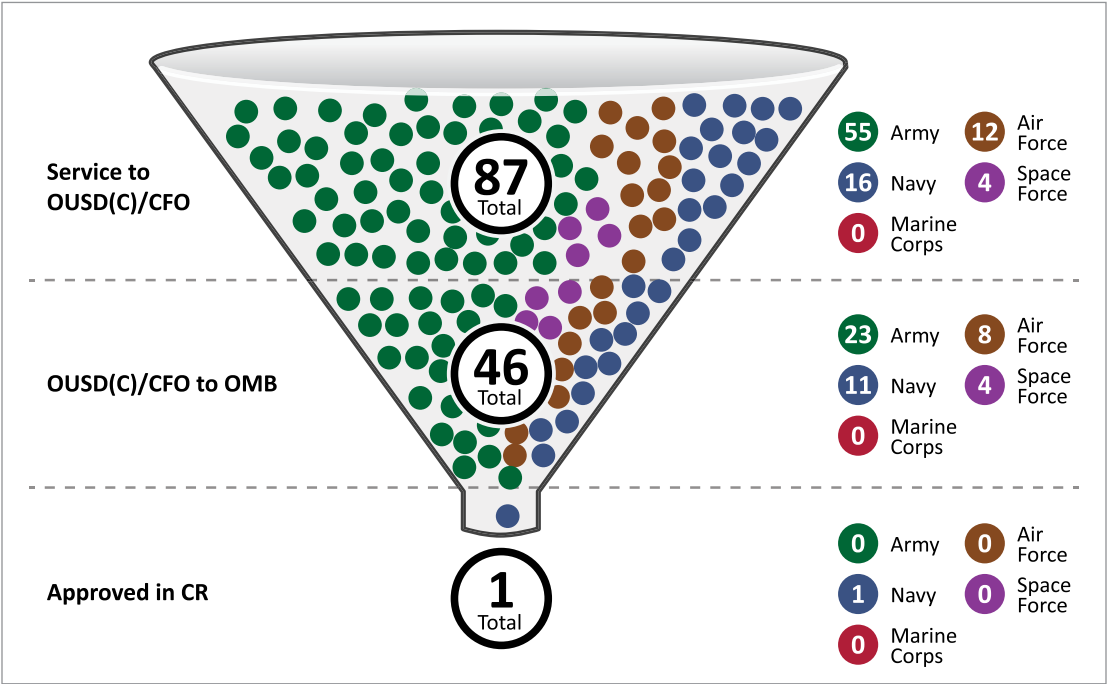
Anomalies Were Rarely Approved

Although the *Columbia*-class submarine program is an example of a program that received an anomaly in the FY 2024 CR, the data shows that this was an exception. Specifically, despite the DoD's efforts to submit anomaly requests with justifications that described the potential impact on the program and national security if the anomaly was not approved, very few anomaly requests have made it through the approval process and been included in the applicable CR's language.

In FY 2024, the Services submitted 87 acquisition-related anomaly requests to the OUSD(C)/CFO—48 for new starts, 8 for production rate increases, 27 for funding issues, and 4 for other issues. Of the 87 anomalies requested by the Services, the OUSD(C)/CFO submitted 46 to the OMB—40 for new starts and 6 for production rate increases. Of those anomaly requests, Congress approved only one anomaly

request in the FY 2024 CR for a production rate increase for the *Columbia*-class submarine.¹⁴ Figure 3 illustrates the number of anomaly requests submitted by the Services to the OUSD(C)/CFO, the number from the OUSD(C)/CFO to the OMB, and ultimately what was approved by Congress in the first FY 2024 CR.

Figure 3. Anomaly Requests Submitted and Approved in the First FY 2024 CR



Source: The DoD OIG.

As a result, most of the acquisition programs that requested anomalies for FY 2024 were restricted by the constraints until March 23, 2024, when Congress passed FY 2024 appropriations for the DoD.¹⁵ Specifically, program officials for the 86 acquisition programs that did not receive anomalies in the CR were unable to start new programs, increase their production quantities, or address funding issues for nearly 6 months after the start of the fiscal year. Therefore, despite requesting anomalies each year, the DoD has been unable to effectively manage the constraints of CRs on acquisition programs.

The DoD Did Not Establish Parameters for Anomaly Submissions

The DoD did not establish parameters on the number of anomalies that Services should submit each year. Program offices submitted anomaly requests for consideration to receive funding under a CR for new starts or to increase production quantities

¹⁴ We reviewed appropriation anomalies submitted and approved for the first CR in FY 2024.

¹⁵ Public Law 118-47, “Further Consolidated Appropriations Act, 2024,” March 23, 2024.

beyond the prior fiscal year's quantities. The OUSD(C)/CFO provides guidance to the Services for the anomaly request submissions, but this guidance did not address the number of anomalies each Service should submit. OUSD(C)/CFO officials stated that they did not want to be too restrictive or give detailed guidance to limit submissions. However, based on the number of FY 2024 acquisition-related anomaly requests submitted (87 programs) versus approved in the first CR (1 program), there are opportunities to create efficiencies by reducing the number of submissions. Because Congress only approves a small number of anomalies each year, the DoD could reduce the time invested in developing and submitting significantly more anomaly requests than will likely be approved. The USD(C)/CFO should update the anomaly guidance to establish parameters to limit the number of anomaly requests developed and submitted by each Service. This would help the Services better prioritize their programs in need of an anomaly and only dedicate time to the programs that have a chance of being approved.

Confusion with New Start Constraints on Existing Programs

Program officials shared confusion about whether existing programs experiencing an administrative change were considered a new start because the DoD's CR guidance did not clarify the applicability of the new start constraint. An example of a DoD acquisition program that experienced confusion regarding the new start constraint is the Future Long Range Assault Aircraft (FLRAA) program.¹⁶

The FLRAA program was transitioning to the engineering and manufacturing development phase and was realigned under a new FY 2025 program element. CR language restricts funding for program elements that did not receive funding during the prior fiscal year. Therefore, Army officials believed the FLRAA program fell under the CR's new start constraint, and they developed and submitted an anomaly request. However, on July 30, 2024, a DoD Office of General Counsel official determined that the CR new start limitations did not apply to the FLRAA program because the administrative re-labeling of a program element would not subject a program to new start constraints. According to program officials, under the first FY 2025 CR, the FLRAA program received funding through its FY 2024 program element. Figure 4 shows the future design of the FLRAA with rotor blades tilted forward.

¹⁶ The FLRAA was designed to be a medium-lift, tilt-rotor aircraft that will augment or replace a portion of the UH-60 Black Hawk fleet and was initiated in 2019 as part of the Army's Future Vertical Lift initiative.



Figure 4. V-280 FLRAA with Rotor Blades Tilted Forward
Source: The U.S. Army.

After the initial confusion, the FLRAA program was not considered a new start for FY 2025. It is possible that the DoD Office of General Counsel official's determination on the applicability of new start constraints may be relevant to other programs. Although the OUSD(C)/CFO guidance for CRs and anomaly submissions used the term "new start," the guidance did not clarify how the new start constraint applied to existing acquisition programs undergoing administrative changes. This lack of clarification can lead to inefficiencies if officials submit anomaly requests for programs they believe to be new starts, but the programs are only undergoing administrative changes and would be eligible to receive funding during a CR under existing program elements.

As shown in Figure 2, the PPBE Commission's report included a recommendation to simplify new start notifications and ensure that minor modifications of existing efforts are not interpreted as new starts. The DoD endorsed this recommendation, and the January 2025 PPBE Reform Implementation Plan stated that the DoD will review and potentially redefine what a new start is for each appropriation title. To build upon these actions, the USD(C)/CFO should update the anomaly guidance to clarify how the new start constraint applies to existing programs undergoing administrative changes. This would help officials understand if the new start constraint applies to a program and reduce unnecessary anomaly requests.

The DoD's Budget Execution Reviews Do Not Account for CRs

The DoD's budget execution review process negatively impacted some DoD acquisition programs affected by CR constraints because the reviews did not account for the limited or delayed funding under CRs, but rather judged programs against their expected appropriation. For example, in FY 2024, OUSD(C)/CFO guidance required the Military Departments to provide summary-level midyear review briefings for procurement and RDT&E appropriations to the OUSD(C)/CFO.¹⁷ The guidance required the briefings to compare obligations and expenditures against benchmarks and to explain poor performance and associated recovery plans. The Military Departments performed budget execution reviews in preparation for OUSD(C)/CFO midyear reviews and were able to use information from their internal reviews to support the OUSD(C)/CFO midyear review. OUSD(C)/CFO officials stated that they consider the length of CRs during midyear budget execution reviews; however, the guidance specifically stipulates that poor program performance cannot be attributed to CRs. OUSD(C)/CFO officials stated that despite ongoing CRs, they must assess programs to support reprogramming of funds.¹⁸

Program officials expressed frustration with the DoD's budget execution review process and stated that they felt like their programs were at risk of getting funding pulled by the Service, the OUSD(C)/CFO, or Congress. Despite being limited to FY 2023 funding levels until March 23, 2024, officials stated that the midyear reviews judged their execution against FY 2024 expected funding before receiving those funds. Program officials stated that the issue was more pronounced for programs that were expected to receive significant funding increases from the previous fiscal year, as this made it more difficult or impossible to execute to the established benchmarks. However, in alignment with budget execution review policies, program officials stated that they were not allowed to attribute under-execution to CRs despite this being the primary cause for their under-execution. Examples of programs for which program officials cited budget execution reviews as impacting their programs were the Navy's Tactical Auxiliary General Ocean Surveillance (T-AGOS) program and the Space Force's Space Data Fusion program.

¹⁷ OUSD(C)/CFO memorandum for the Under Secretaries of Defense, "Fiscal Year 2024 Midyear Execution Review," April 11, 2024. The Department of the Navy includes the Navy and Marine Corps. The Department of the Air Force includes the Air Force and Space Force.

¹⁸ Reprogramming is the realignment or transfer of funds from one congressionally approved program to another.

T-AGOS

T-AGOS was a new program in FY 2018 for which funding delays in the first year led to under-execution spanning 5 years.¹⁹ T-AGOS RDT&E funding was considered a new start program in FY 2018, and due to CR constraints, the Navy was unable to receive any funding until an appropriation was enacted on March 23, 2018. Due to the delays inherent in the budgetary process, the program did not receive its allocated funding until May 11, 2018, 7 ½ months after the start of the fiscal year. Program officials stated that the delayed start led to the program quickly falling behind the OUSD(C)/CFO budget execution benchmarks.

This under-execution led to an internal Navy budget reallocation that reduced the program's FY 2018 funding from \$12 million to \$7 million. Program officials stated that this significantly limited the scope of the work that could be accomplished and exacerbated existing schedule slippage. Program officials stated that this cascading effect led to an additional \$1.8 million reduction for FY 2021. In addition, program officials said that the initial delay also had long-term repercussions, and the program fell behind OUSD(C)/CFO benchmarks every year until FY 2023.

The initial funding delay in FY 2018 caused delays throughout the program's design and development phases and contributed to the program being almost 2 years behind schedule as of March 2023, which ultimately delayed critical upgrades to the Navy's anti-submarine warfare mission. Figure 5 shows the T-AGOS-23, the USNS *Impeccable*, at sea.



Figure 5. T-AGOS-23 at Sea
Source: The U.S. Navy.

¹⁹ The T-AGOS ships gather underwater acoustical data and provide anti-submarine acoustic passive and active surveillance. Navy program officials explained that it is common for new ship construction programs to receive 5 years of preliminary design RDT&E funding prior to the Detail Design and Construction award. Program officials explained that any delay in RDT&E funding can cause delays in the Detail Design and Construction award.

Space Data Fusion

The Space Data Fusion program was an existing program identified as under executing in a year that it had a significant funding increase. The Space Data Fusion program experienced an increase of nearly four times the funding, from \$58 million in FY 2023 to \$205 million in FY 2024. Although limited to the FY 2023 levels—28 percent of FY 2024 funding—until the FY 2024 DoD appropriation was enacted, program officials stated that the program was measured against its expected FY 2024 funding levels during the Air Force’s budget execution review.

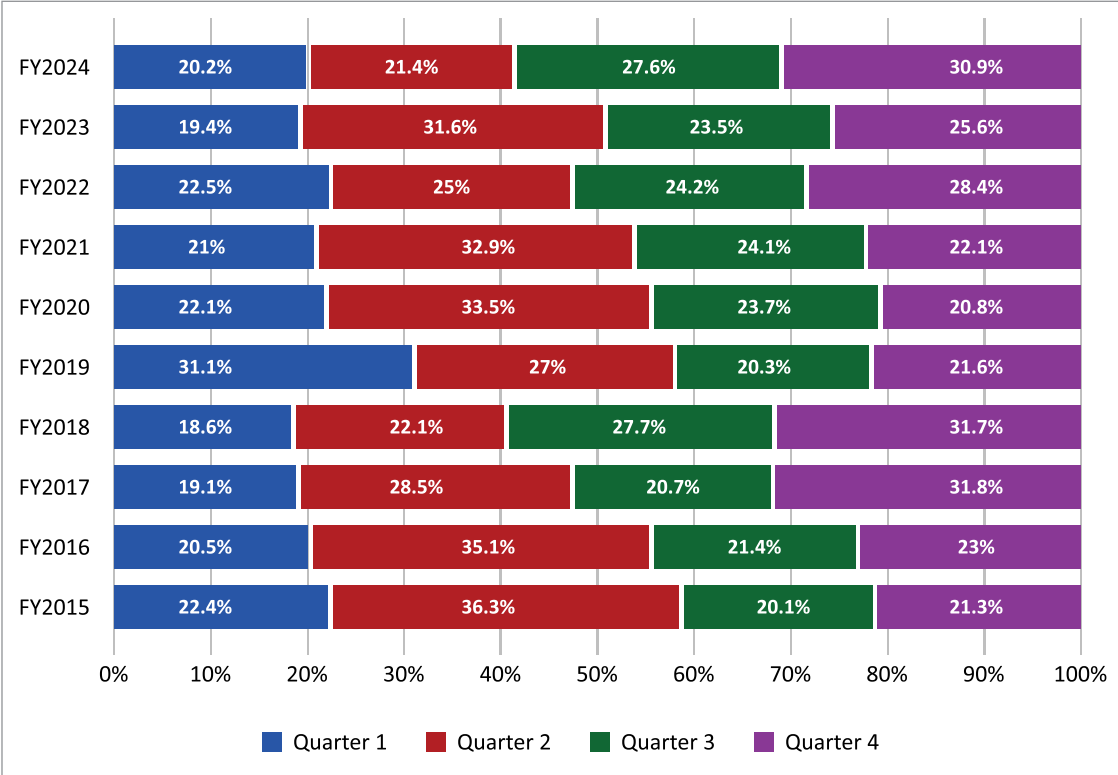
As a result, despite never having the opportunity to execute to its FY 2024 funding, program officials stated that the Air Force reduced the Space Data Fusion program budget by \$15 million due to under-execution. Space Force officials stated that the funding reductions may result in the Space Domain Awareness sensor upgrades being delayed or canceled.

CRs Cause Program Officials to Delay Obligations

Over the past 10 years, DoD acquisition programs obligated most of their funding later in the fiscal year. Specifically, some DoD program officials stated that they planned to execute contract actions later in the fiscal year, such as the second or third quarter, when a full appropriation is more likely to be enacted, and funds will be available to obligate.

Figure 6 illustrates RDT&E and procurement obligation data by quarter from FY 2015 through FY 2024. This figure further supports the statements from program officials that they plan for contract actions later in the year when they are more likely to have funds.

Figure 6. DoD Acquisition Obligations by Quarter, from FY 2015 Through FY 2024



Note: The obligation rate for each fiscal year was calculated by dividing the obligated amount per quarter by the total amount obligated in that fiscal year. The total may not add up to 100 percent due to rounding.

Source: The DoD OIG.

The DoD Should Review Its Budget Execution Review Process

As previously discussed in the Background section, the DoD did not endorse the PPBE Commission’s recommendation regarding changes to the budget execution review process and benchmarks. The DoD’s budget execution reviews judge programs against their expected appropriation instead of the rate funded by the CR. However, with the DoD obligating most of its funding later in the fiscal year due to CRs, this may not be the most effective way to perform its reviews. Therefore, the USD(C)/CFO should direct the PPBE Reform Implementation Team to coordinate with the Services, including officials from the program offices, on the current budget execution review process and provide a formal assessment on whether the obligation and expenditure benchmarks should be re-baselined to account for appropriation levels under a CR.

CR Constraints Negatively Impacted the DoD, but the DoD Did Not Track CR Impacts

According to program officials, CRs ultimately delayed capabilities, which could negatively impact national security. Program officials also stated that CRs negatively impacted the DIB, increased administrative burden, and resulted in cost inefficiencies. However, the DoD did not track or communicate the actual impacts the CRs had on its acquisition programs. Consequently, understanding the impact that CR constraints had on national security, the DIB, time, or costs across the DoD was not possible.

CRs Delayed Critical Capabilities

Program officials stated that by deferring new starts and production quantity increases, CRs delayed or impeded the DoD's ability to field critical capabilities to the force. For example, the Services submitted 87 anomaly requests for acquisition programs for FY 2024, but only 1 anomaly request for a production rate increase was approved by Congress in the first CR. Therefore, regardless of the urgency of the program or how important the Service thought it was for execution of the National Defense Strategy, nearly all programs that requested anomalies were restricted by CR constraints for almost 6 months, until the FY 2024 DoD appropriation was enacted. Program officials stated that this delayed capability development, which could negatively impact national security.

The Space Force's NSSL program is an example of an acquisition program that was impacted by the FY 2024 CR's limit on production rate increases. In FY 2024, the Space Force planned to procure 10 launch missions, which was 7 more than the 3 launch missions procured in FY 2023. Knowing that a CR in FY 2024 would limit the program to FY 2023 procured launch mission quantities, the NSSL program officials submitted an anomaly request for a production rate increase to procure the planned 10 launch missions. However, the OUSD(C)/CFO's FY 2024 anomaly request submission to the OMB did not include the NSSL program, and the anomaly was not included in the CR. Space Force officials stated that, as a result, the NSSL program could only procure 3 launch missions during the FY 2024 CR and waited until an appropriations act was approved in March 2024 to procure the remaining 7 launch missions.²⁰

NSSL program officials stated that launch missions will continue to increase moving forward. The increase in the number of launch missions planned to be procured in future years will create a tighter schedule with less flexibility to mitigate CR impacts. Finally, NSSL program officials added that in the era for

²⁰ Public Law 118-42, "Consolidated Appropriations Act, 2024," March 9, 2024.

Great Power Competition, it is vitally important to get space capability on orbit as fast as possible, and any delay in a launch will negatively impact support to the warfighter. Figure 7 shows the NSSL program's Atlas V rocket lifting off and carrying the DoD Space Test Program mission into space.



Figure 7. NSSL Launch of the Atlas V Rocket
Source: The U.S. Space Force.

DoD leaders have provided warnings of these negative impacts numerous times over the last 10 years. Specifically, there are various testimonies and statements that DoD officials have provided to Congress on the impact that CRs have on national security. Figure 8 provides a few of these examples.

Figure 8. Testimonies and Statements from DoD Officials on CR Impacts to National Security



Source: The DoD OIG.

Many of the DoD officials that we interviewed also highlighted the same sentiments, while also expressing that the true impact of CRs is often felt downstream and may not be known for several years.

CRs Impacted the Defense Industrial Base

CRs also impacted the DIB, which is critically important to DoD readiness and modernization. According to the DoD's 2023 National Defense Industrial Strategy, funding uncertainty and constraints were identified as challenges to the DIB, as they adversely impacted the DoD's ability to ramp up traditional DIB capabilities to provide an extra margin of production capacity to modernize and replenish inventories in a timely manner.²¹ Small businesses are most directly affected by CRs because they require more stable cash flow to provide continued support to DoD acquisition programs.

The DoD Small Business Strategy states that small businesses spur innovation, represent most new entrants into the DIB, and represent the next generation of suppliers with increasingly diverse capabilities.²² According to the DoD Small Business Strategy, small businesses account for 43 percent of all high-tech jobs in the United States and generate 16 times more patents than large firms.

²¹ DoD, "National Defense Industrial Strategy," November 16, 2023.

²² DoD, "Small Business Strategy," January 2023.

The National Defense Industrial Association has highlighted the harmful impacts that CRs have had on the DIB. In its January 2022 white paper on CRs, it noted that the:

- number of companies in the DIB and the number of companies that enter the DIB each year is decreasing;
- uncertainty about whether or when a program will start may force companies to delay key internal investments in plant, equipment, and workforce training; and
- commercial sector, which is the primary driver of development in space and artificial intelligence, finds the Government hard to work with and a questionable investment at times.

Program officials we interviewed also expressed concern over how CRs impact the DIB that support their programs. Specifically, they indicated that because of CR restrictions on funding, they may have to issue a stop-work order on contracts or coordinate with the contractor to slow down work until an appropriation is passed.²³ Slowing down or stopping work would impact a company's cash flow and operations.

CRs Resulted in Administrative Burden

CRs result in an administrative burden on DoD officials performing the tasks to prepare for and respond to CRs. For example, OUSD(C)/CFO officials stated that it takes approximately 1 month to process and distribute funds under a CR, and that this process must be repeated for each CR. In addition, program officials we interviewed also expressed frustration with the administrative burden caused by CRs.

The exact amount of administrative burden varies from program to program, and many program officials stated that it was hard to quantify the time and resources spent on CR-related tasks; however, program officials expressed a common sentiment that these tasks required program time and resources to accomplish. For example, program officials stated that they issued incremental funding actions and contract modifications that were only needed because of CR restrictions. Program officials stated that multiple CRs of short duration create a greater administrative burden than a single CR of the same total duration. For instance, Program Executive Office (PEO) Missile and Space officials described that three CRs that last 1 month each are worse than one CR that lasts 3 months, because the administrative effort to keep contracts going may be tripled.

²³ A stop-work order requires the contractor to stop all, or any part, of the work called for by a contract.

In addition, program officials we interviewed stated that they were disappointed by the time and effort they dedicated to developing various anomaly submissions, when so few were approved each year. Furthermore, the FY 2024 anomaly process spanned 5 months, May through September, which included multiple levels of review throughout the submission process and resulted in only 1 of 87 acquisition-related anomaly requests approved in the first FY 2024 CR.

In addition, program officials stated that they consistently planned and worked to find solutions to CR-created scenarios that could have negative impacts on their programs. Program officials referred to these efforts as “diving saves.” The Army provided an example of a diving save in the Stinger Missile program, which experienced production quantity limitations under the FY 2024 CR. Army program officials combined their requirements with other entities to establish a more efficient buying power that allowed the Army to purchase the missiles at a reasonable price. However, to accomplish this diving save, officials spent a significant amount of time planning and coordinating that would not have been necessary if the program received its full budget at the beginning of the fiscal year. Figure 9 shows a U.S. Marine launching a Stinger missile.



Figure 9. A U.S. Marine Launching a Stinger Missile
Source: The U.S. Marine Corps.

CRs Resulted in Cost Inefficiencies

Program officials stated that CR restrictions on production quantity increases resulted in cost inefficiencies. Specifically, many contracts price items based on the number of items purchased, with higher quantities costing less per item than lower quantities. Therefore, structuring a contract with multiple smaller purchases throughout the year, instead of one bulk purchase, results in increased prices and lost buying power.

An example of a program with a quantifiable cost inefficiency resulting from a CR is the Space Force's Global Positioning System (GPS) IIF space vehicle program. Specifically, GPS IIF was budgeted to purchase two space vehicles in FY 2021, but under the CR, was limited to purchasing the prior year's quantity of one space vehicle. Due to the contract pricing structure for the GPS IIF program, the purchase of one space vehicle instead of two in FY 2021 resulted in the DoD paying \$10.4 million more per space vehicle.

Other program officials stated that CRs resulted in cost increases but could not quantify the increased costs. For example, officials from the Marine Corps PEO Land Systems stated that because they anticipated a CR in FY 2024 that would limit production quantities, the contract for the Amphibious Combat Vehicle program was designed to support two purchases of 40 vehicles instead of one purchase for the entire quantity of 80 vehicles. PEO Land Systems officials stated that the unit cost would have been lower if they contracted for all 80 vehicles in a single purchase but could not identify the cost difference because they never negotiated for a fully funded program.

Additionally, program officials stated that delays in appropriations lead to increased costs due to inflation. For example, officials from the Navy's DDG-51 *Arleigh Burke*-Class Destroyer Program Office stated that they have adjusted the language in ship construction contracts to account for the uncertainty of appropriation enactments. The DDG-51 FY 2023 through FY 2027 contract language was revised to shift a required funding date from March to the end of June each year.²⁴ For FY 2026, program officials projected that delaying the funding for the DDG-51 program until June would add up to 9 months of inflation escalation—approximately \$80 million dollars—which could be avoided if the budget was approved on time.²⁵ Figure 10 shows the *Arleigh Burke*-class destroyer, the USS *McFaul*, returning to its homeport at Naval Station Norfolk.

²⁴ A required funding date refers to the specific date by which funds must be available to cover the contract's obligations. Previous DDG-51 contracts accounted for the uncertainty of appropriations enactments by creating a 6-month buffer between the beginning of the fiscal year in October and the required funding date in March. Increased uncertainty necessitated a longer buffer built into the recent contracts; up to 9 months between the beginning of the fiscal year (October) and the required funding date (June).

²⁵ The fiscal year begins in October; therefore, the length of time between October and June is 9 months.



Figure 10. An Arleigh Burke-Class Destroyer, the USS McFaul
Source: The U.S. Navy.

The DoD Should Track and Communicate the Actual Impacts of CRs

The DoD has not tracked or communicated the actual impact that CRs have on its acquisition programs. Specifically, DoD officials report CR impact information each fiscal year to Congress, such as the number of planned new starts and expected increases in production quantities. However, many of the impacts communicated are theoretical, and the DoD does not track the actual CR impacts to its acquisition programs. In addition, many officials we spoke to said that CRs negatively impacted their programs, but they were unable to provide details or support for actual impacts.

Consequently, understanding the actual impact that CR constraints have had on national security, the DIB, time, or costs across the DoD was not possible. Better processes for tracking the actual impacts will help the DoD to communicate the consequences of the CR constraints to Congress. Therefore, the USD(C)/CFO should direct the PPBE Reform Implementation Team to develop a process for the DoD to track and communicate to Congress the actual impacts that CRs have on acquisition programs.

Recommendations, Management Comments, and Our Response

Recommendation 1

We recommend that the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD:

- a. Update the anomaly guidance to:**
 - 1. Establish parameters to limit the number of anomaly requests developed and submitted by each Service.**
 - 2. Clarify how the new start constraint applies to existing programs undergoing administrative changes.**
- b. Direct the Planning, Programming, Budgeting, and Execution Reform implementation Team to:**
 - 1. Coordinate with the Services, including officials from the program offices, on the current budget execution review process and provide a formal assessment on whether the obligation and expenditure benchmarks should be re-baselined to account for appropriation levels under a continuing resolution.**
 - 2. Develop a process for the Department of Defense to track and communicate to Congress the actual impacts that continuing resolutions have on acquisition programs.**

Management Comments Required

The Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD, did not respond to the recommendations in the report. Therefore, the recommendations are unresolved. We request that the Under Secretary provide comments on the final report.

Appendix

Scope and Methodology

We conducted this performance audit from April 2024 through June 2025 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Review of Documentation and Interviews

We collected and reviewed documents relating to CRs from FY 2015 through FY 2025. We reviewed CR documentation from the OUSD(C)/CFO, the OMB, the Military Departments, and DoD Service PEOs, including anomaly request submissions, CR impact statements, and acquisition program information. Additionally, we collected and reviewed quarterly obligation rates from the Military Departments for procurement and RDT&E funds for FY 2015 through FY 2024. Furthermore, we reviewed recommendations made by the Commission on Planning, Programming, Budgeting, and Execution Reform and the Section 809 Advisory Panel on Streamlining and Codifying Acquisition Regulations.

We reviewed public laws related to DoD appropriations and CRs from FY 2015 through FY 2025. We reviewed the following policies and guidance.

- Office of Management and Budget (OMB) Circular No. A-11, "Preparation, Submission, and Execution of the Budget," August 2023
- DoD 7000.14-R, "DoD Financial Management Regulation," volume 2B, chapter 5, "Research, Development, Test, and Evaluation Appropriations"
- DoD 7000.14-R, "DoD Financial Management Regulation," volume 3, chapter 6, "Reprogramming of DoD Appropriated Funds"
- Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD memorandum, "Submission of Proposed Continuing Resolution (CR) Anomalies and CR Impact Statements for Fiscal Year 2024," May 8, 2023
- Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD memorandum, "Fiscal Year 2024 Midyear Execution Review," April 11, 2024
- Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD memorandum, "Submission of Proposed Continuing Resolution Anomalies and Impact Statements for Fiscal Year 2025," May 7, 2024

To understand how the DoD effectively managed the constraints of a CR on acquisitions programs, we interviewed officials from the following offices.

- Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD
- Office of the Under Secretary of Defense for Acquisition and Sustainment
- Office of the Under Secretary of Defense for Policy
- Assistant Secretary of the Army (Acquisition, Logistics, and Technology)
- Assistant Secretary of the Navy (Research, Development, and Acquisition)
- Assistant Secretary of the Air Force (Acquisition, Technology, and Logistics)
- Assistant Secretary of the Air Force (Space Acquisition and Integration)

Based on interviews conducted with officials from the Military Departments, we received suggestions for acquisition programs to review with significant CR impact. We reviewed DoD acquisition programs and identified examples that generally fit into specific categories, such as impacts to national security, the Defense Industrial Base, cost inefficiencies, and administrative burden. See the Table for a list of the PEO locations we visited and the respective acquisition programs used as examples in the report.

Table. Acquisition Programs Under Program Executive Offices Within the DoD Services

DoD Service	Program Executive Office	Acquisition Program Name
Army	PEO Aviation at Redstone Arsenal Army Base, Huntsville, Alabama	Future Long Range Assault Aircraft
Army	PEO Missiles and Space at Redstone Arsenal Army Base, Huntsville, Alabama	Stinger Missile
Army	PEO Missiles and Space at Redstone Arsenal Army Base, Huntsville, Alabama	Tactical Missile System
Navy	PEO Ships at the Navy Yard, Washington D.C.	Tactical Auxiliary General Ocean Surveillance (T-AGOS)
Navy	PEO Ships at the Navy Yard, Washington D.C.	DDG-51 <i>Arleigh Burke</i> -class Destroyer
Marine Corps	PEO Land Systems at Marine Corps Base Quantico, Quantico, Virginia	Amphibious Combat Vehicle
Air Force	PEO Bombers at Wright-Patterson Air Force Base, Dayton, Ohio	No program selected

Table. Acquisition Programs Under Program Executive Offices Within the DoD Services (cont'd)

DoD Service	Program Executive Office	Acquisition Program Name
Space Force	PEO Assured Access to Space at Los Angeles Air Force Base, El Segundo, California	National Security Space Launch
Space Force	PEO Space Domain Awareness and Combat Power at Los Angeles Air Force Base, El Segundo, California	Space Data Fusion
Space Force	PEO Military Communications and Positioning, Navigation, and Timing at Los Angeles Air Force Base, El Segundo, California	Global Positioning System (GPS) IIRF

Source: The DoD OIG.

Internal Control Assessment and Compliance

We assessed internal controls and compliance with laws and regulations necessary to satisfy the audit objective. In particular, we assessed the internal control components, including control activities and underlying principles related to information and communication on the DoD's ability to manage the constraints of DoD acquisition programs during a CR. The assessment included the internal communications significant to the anomaly submission process. However, because our review was limited to these internal control components and underlying principles, the review may not have disclosed all internal control deficiencies that may have existed at the time of this audit.

Use of Computer-Processed Data

We obtained computer-processed data from the Defense Finance and Accounting Service in the form of DoD Accounting Reporting monthly reports to assess the Army, Navy, and Air Force obligation rates for FY 2015 through FY 2024. Defense Finance and Accounting Services officials provided data contained in ADVANA and reconciled to the Defense Departmental Reporting System-Budgetary.

ADVANA is the DoD multi-domain, enterprise-wide data, analytics, and artificial intelligence platform that provides access to enterprise data and structured analytics. Furthermore, the Defense Departmental Reporting System-Budgetary is a DoD budgetary reporting system that standardizes the DoD departmental reporting processes.

Defense Finance and Accounting Service officials conducted a combination of random sampling of individual obligation data and total quarterly data records found in ADVANA and the Defense Departmental Reporting System-Budgetary to determine reliability of the provided data. Specifically, Defense Finance and Accounting Service results indicated that obligation data found in both databases matched and provided assurance of data reliability of the ADVANA data provided to the DoD OIG. Therefore, we relied on the Defense Finance and Accounting Service's results that validated that the data was reasonably accurate.

Prior Coverage

During the last 10 years, the Government Accountability Office (GAO), Congressional Research Service, PPBE Commission, and Section 809 Panel issued seven reports discussing CRs and the CR challenges within the DoD. Unrestricted GAO reports can be accessed at <http://www.gao.gov>.

GAO

Report No. GAO-21-541, "DoD Has Adopted Practices to Manage within the Constraints of Continuing Resolutions," September 2021

The GAO found that the DoD and the Military Services' obligations and acquisitions are limited during a CR, but they have some practices in place to minimize the effects. Specifically, the GAO found that for selected appropriations' accounts for FYs 2017 through 2020, the Military Services tended to obligate a lower percentage of their total annual obligations in the first quarter of the fiscal year—when the DoD is most likely to be operating under a CR—as compared with the other quarters. This report also states that preparing for CRs has become routine in nature for the DoD, and three specific activities the DoD does to prepare for CRs are developing legislative anomaly proposals, creating spending plans, and adjusting contracts.

Report No. GAO-22-104701, "Selected Agencies and Programs Used Strategies to Manage Constraints of Continuing Resolutions," June 2022

The GAO reviewed three selected agencies and programs (one each from the Department of Agriculture, Education, and Health and Human Services), and these agencies reported that they have experienced administrative inefficiencies and limited management options in areas such as hiring during CRs, and that CRs can create funding uncertainty and administrative burdens. However, the three selected agencies and programs and their recipients have strategies to mitigate possible disruptions, such as receiving exceptions to funding rather than the standard funding apportioned during CRs and access to state funding to keep stable funding and budgetary flexibilities for the program.

Report No. GAO-18-368T, “Continuing Resolutions and Other Budget Uncertainties Present Management Challenges,” February 2018

The GAO report stated that CRs and lapses in appropriations leading to government shutdowns create inefficiencies and other management challenges for agencies. Previously, the GAO identified instances of reduced government services and productivity and increased costs resulting from CRs and shutdowns, including delayed contracts and grants, delayed hiring, and additional work. The GAO’s statements and observations in this report were based primarily on the GAO’s prior reports. Certain legislative authorities and agency actions may mitigate challenges associated with managing during CRs.

Congressional Research Service

Congressional Research Service R46595, “Continuing Resolutions: Overview of Components and Practices,” May 2023

The Congressional Research Service provided an overview of CRs, including the main features of CRs, which are coverage, duration, funding rate, limitation on new activities, anomalies, and legislative provisions.

Congressional Research Service R45870, “Defense Spending Under an Interim Continuing Resolution: In Brief,” August 2019

The Congressional Research Service provided a basic overview of interim CRs and highlighted some specific issues pertaining to operations of the DoD under a CR. The Congressional Research Service stated that the DoD experiences limitations in procurement funds, delays in weapons system, and restrictions on production quantity. Additionally, the report stated that CRs limited the efficiencies of bulk buys and multiyear contracts and instead fostered inefficiencies by causing multiple short-term contracts. DoD officials have stated that the DoD depends on stable but flexible funding patterns and new start activities to maintain a modernized force ready to meet future threats. However, the report also included that there was little evidence of whether CRs affect military effectiveness or not.

Commission on Planning, Programming, Budgeting, and Execution Reform

Commission on Planning, Programming, Budgeting, and Execution (PPBE) Reform, “Defense Resourcing for the Future, Final Report,” March 2024

Section 1004 of the National Defense Authorization Act for FY 2022 established and directed a commission to conduct an examination of the DoD’s PPBE process to examine its effectiveness, consider potential alternatives, and

provide recommendations to improve the process. The PPBE Commission reported that CRs pose a critical challenge to resource allocation because CRs prohibit new start activities, create funding uncertainty that may cause delays to the warfighter, and cause funding to be spent on low priority programs when funding finally is allocated so future funding will not be lost. The report includes two recommendations to mitigate problems caused by CRs. The commission recommended permitting select new starts under a CR under limited circumstances and allowing increased program quantities and development ramps under the same specific limited circumstances. However, these recommendations were not solely recommended for the DoD to implement.

Section 809 Advisory Panel on Streamlining and Codifying Acquisition Regulations

“Report of the Advisory Panel on Streamlining and Codifying Acquisition Regulations,” Volume 3 of 3, January 2019

The Section 809 Advisory Panel reported on how to change defense acquisition to a more streamlined, agile system able to evolve with more innovative technology. The report intends to allow the DoD to make purchases and acquisitions in a manner similar to the way private sector businesses do and includes recommendations that would reduce the barriers that deny the DoD timely access to innovative technology and creative solutions. The Section 809 Panel issued the following five recommendations related to the DoD and CRs.

- Enact regular appropriations on time.
- Mitigate the negative effect of continuing resolutions by allowing congressional regular appropriations to remain available for a standardized duration from date of enactment.
- Permit the initiation of all new starts, provided Congress has appropriated sufficient funding.
- Permit the initiation of all production rate increases, provided Congress has appropriated sufficient funding.
- Permit the initiation of multiyear procurements under a CR.

Acronyms and Abbreviations

CR	Continuing Resolution
DIB	Defense Industrial Base
FLRAA	Future Long Range Assault Aircraft
GPS	Global Positioning System
NSSL	National Security Space Launch
OMB	Office of Management and Budget
OUSDC(C)/CFO	Office of the Under Secretary of Defense (Comptroller)/Chief Financial Officer, DoD
PEO	Program Executive Office
PPBE	Planning, Programming, Budgeting, and Execution
RDT&E	Research, Development, Test, and Evaluation
T-AGOS	Tactical Auxiliary General Ocean Surveillance



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