



OFFICE OF THE UNDER SECRETARY OF WAR
1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

JAN 23 2023

The Honorable John Carter
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The purpose of this letter is to request committee approval of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justifications for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	Sagamihara, Japan	Family Housing Improvements	2025	18,261,000
	<u>DoDEA</u>			
2	Camp Foster, Okinawa, JP	Kubasaki High School	2025	16,862,000
	<u>DSCA</u>			
3	Various Locations	Embassy Leased Housing	2026	8,545,000

Additionally, this letter serves as a funds transfer notification for the project and amount shown below. A detailed justification for the account transfer is enclosed.

A similar letter is being sent to the Chair of the Senate Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of Defense programs.

Sincerely,

Jules W. Hurst III
Performing the Duties of the Under Secretary of
War (Comptroller)/Chief Financial Officer

Enclosures: As stated

cc:

The Honorable Debbie Wasserman Schultz
Ranking Member



OFFICE OF THE UNDER SECRETARY OF WAR

1100 DEFENSE PENTAGON
WASHINGTON, DC 20301-1100

COMPTROLLER

JAN 23 2026

The Honorable John Boozman
Chairman
Subcommittee on Military Construction,
Veterans Affairs, and Related Agencies
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The purpose of this letter is to request committee approval of the proposed reprogramming of funds for the projects and amounts shown below. Detailed justifications for the projects are enclosed.

#	<u>Service/Agency/Installation</u>	<u>Project</u>	<u>Program</u>	<u>Request (\$)</u>
	<u>Army</u>			
1	Sagamihara, Japan	Family Housing Improvements	2025	18,261,000
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2	Camp Foster, Okinawa, JP	Kubasaki High School	2025	16,862,000

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	<u>DSCA</u>			
3	Various Locations	Embassy Leased Housing	2026	8,545,000

A similar letter is being sent to the Chair of the House Subcommittee on Military Construction, Veterans Affairs, and Related Agencies. Thank you for your continued support of Defense programs.

Sincerely,

Jules W. Hurst III

Performing the Duties of the Under Secretary of
War (Comptroller)/Chief Financial Officer

Enclosures: As stated

cc:

The Honorable Jon Ossoff
Ranking Member

Requested Date of Congressional Action: February 26, 2026

Family Housing Construction, Army

Reprogramming Request

Installation: Sagamihara, Japan

Project: Family Housing Improvements Construction

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2025,
Public Law (P.L.) 118-159

Estimated Cost (\$000):

Previously Appropriated	31,114
Previously Reprogrammed	5,999 ^{1/}
Requested Reprogramming	18,261
Total Estimated Cost	55,374

^{1/} A Below Threshold Reprogramming (BTR) in the amount of \$5,999 was approved on September 15, 2025.

Project Description: The project improves 35 Family Housing units at Sagamihara Family Housing Area and Camp Zama. Work will consist of interior and exterior repairs to deteriorated and aged building components, upgrades to utility systems, replacement of dated equipment as well as installation of new finishes.

Justification: The cost increase for the Sagamihara family housing improvements construction project is attributable to a convergence of global economic volatility and an intensely competitive local construction market in Japan. Rising material costs, global supply chain disruptions, and shipping delays have added cost and schedule risk. Simultaneously, the strong demand and better flexibility in Japan's private sector construction market has reduced contractor interest and further escalated bid prices.

A 10 U.S.C. §2853 cost variation notification dated November 19, 2025, was submitted to the congressional committees.

Source of Funds: Savings from the following projects will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Kwajalein Atoll, KW Family Housing Replacement Construction	2023	86,360 ^{1/}	49,822	18,261

^{1/} The Kwajalein Family Housing Replacement Construction PN65981 was enacted in FY 2018 at \$31,000, an above threshold reprogramming for \$8,300 was approved in FY 2021, and received FY 2023 Cost to Complete funds in the amount of \$47,060 via Section 124 of the FY 2023 Consolidated Appropriations Act.

Requested Date of Congressional Action: February 26, 2026

Military Construction, Defense-Wide

Department of Defense Education Activity (DoDEA)

Reprogramming Request

Installation: Camp Foster, Okinawa, Japan

Project: Kubasaki High School

Authorization: National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2025, Public Law (P.L.) 118-159

Estimated Cost (\$000):

Previously Appropriated	160,000
Previously Reprogrammed	0
Requested Reprogramming	16,862
Total Estimated Cost	176,862

Project Description: The project includes construction of a 158,700 SF high school for 680 students in grades 9-12 with improvements to the existing sports facilities. The new facility will meet DoDEA 21st Century School requirements.

Justification: An additional \$16.862 million is required to provide the full scope of the project. The cost increase is primarily attributed to substantial increase to construction labor costs in Okinawa Japan and a saturated construction market across the country.

U.S. Army Corps of Engineers (USACE) published the FY24 Construction Market Survey, which identified that the current construction labor costs are on average 34 percent higher per worker in Okinawa than the average construction labor cost in Japan.

Additionally, during Fiscal Year (FY) 2025, Japan experienced an increase in domestic construction projects. As a result, the Kubasaki High School project was in competition with a saturated construction market. Building construction costs per square meter in Okinawa were 23 percent higher than what was projected during project design.

A 10 U.S.C. §2853 cost variation notification is not required for this project.

Source of Funds: Savings from the following projects will fund this requirement:

(Dollars in Thousands)

<u>Location / Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Ramstein AB, Germany	2022	\$104,000	\$0	\$16,862
Ramstein Middle School ^{1/}				

^{1/} A 10 USC §2853 cancelation notification dated October 4, 2022, was submitted to the Congressional committees. The balance of the project funds will be used to support other DoDEA projects.

Requested Date of Congressional Action: February 26, 2026

Family Housing Operation & Maintenance, Defense-Wide (Defense Security Cooperation Agency)¹

Transfer Notification

Installation: Various Locations

Project: Embassy Leased Housing

Authorization: Continuing Appropriations, Agriculture, Legislative Branch, Military Construction And Veterans Affairs, and Extensions Act, 2026, Public Law 119-37, and 10 United States Code 2833, Family Housing Support

Estimated Cost (\$000):

Previously Appropriated	0
Current Transfer	8,545
Total Estimated Cost	8,545

Project Description: Provides embassy-leased housing for accompanied families of servicemembers who are stationed at US military groups (MILGPs) within embassies supporting the Defense Security Cooperation Service (DSCS). Accompanied MILGP servicemembers and their families must reside in embassy-leased housing when directed by the U.S. State Department to ensure their safety, security, and to avoid financial and legal risk in the absence of U.S. statutory protections associated with leasing housing in a foreign country.

Justification: The Defense Security Cooperation Agency (DSCA) participated with the Geographic Combatant Commands (GCCs), the Military Departments (MilDeps), and the Joint Staff on the transfer of manpower and resources in support of the congressionally directed establishment of DSCS in accordance with 10 U.S.C. § 384(c)(4). As part of the broader functional transfer from the MilDeps to DSCA to establish DSCS, embassy-leased housing costs associated with accompanied families of servicemembers for the GCCs transitioned from the MilDeps to DSCA.

The transfer of resources to DSCA resulted in a misalignment in the FY 2026 budget request, whereby embassy-leased housing requirements were budgeted within Operation and Maintenance, Defense-Wide (O&M, DW) instead of Family Housing Operation and Maintenance, Defense-Wide (FHO&M, DW). Accordingly, the Department is transferring Military Construction, Defense-Wide funds to FHO&M, DW to resource this FY 2026 requirement.

¹ In accordance with 31 U.S.C. § 1301, FHO&M is most specific appropriation for embassy-leased housing costs.

Source of Funds: Savings from the following account will fund this requirement:

(Dollars in Thousands)

<u>Location/Project</u>	<u>Fiscal Year</u>	<u>Amount Appropriated</u>	<u>Current Working Estimate</u>	<u>Proposed Reprogramming</u>
Unspecified Minor Construction, Worldwide Unspecified ¹	2023	28,000	19,455	8,545

¹Public Law 117-328 provides FY 2023 Military Construction, Defense-Wide funding, including transfer authority, for military construction or family housing to be merged with and to be available for the same purposes and for the same time period, as the appropriation or fund to which transferred.