

[H.A.S.C. No. 118-42]

**AN UPDATE ON UNACCOMPANIED
MILITARY HOUSING AND THE MILITARY
HOUSING PRIVATIZATION INITIATIVE**

HEARING

BEFORE THE

QUALITY OF LIFE PANEL

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTEENTH CONGRESS

FIRST SESSION

HEARING HELD
SEPTEMBER 27, 2023



U.S. GOVERNMENT PUBLISHING OFFICE

55-808

WASHINGTON : 2024

QUALITY OF LIFE PANEL

DON BACON, Nebraska, *Chairman*

NANCY MACE, South Carolina
MORGAN LUTTRELL, Texas
JENNIFER A. KIGGANS, Virginia
JAMES C. MOYLAN, Guam
MARK ALFORD, Missouri
JIM BANKS, Indiana, *Ex Officio*

CHRISSY HOULAHAN, Pennsylvania
VERONICA ESCOBAR, Texas
SARA JACOBS, California
MARILYN STRICKLAND, Washington
DONALD G. DAVIS, North Carolina
ANDY KIM, New Jersey, *Ex Officio*

ELLIE BENDER, *Professional Staff Member*
ILKA REGINO, *Professional Staff Member*
ALEXANDRIA EVERS, *Research Assistant*

CONTENTS

	Page
STATEMENTS PRESENTED BY MEMBERS OF CONGRESS	
Bacon, Hon. Don, a Representative from Nebraska, Chairman, Quality of Life Panel	1
Escobar, Hon. Veronica, a Representative from Texas, Quality of Life Panel ...	3
WITNESSES	
Coulson, Carla, Deputy Assistant Secretary of the Army for Installations, Housing, and Partnerships, Department of the Army	16
Field, Elizabeth A., Director, Defense Capabilities and Management, U.S. Government Accountability Office	3
Moriarty, Robert E., Deputy Assistant Secretary of the Air Force for Installations, Department of the Air Force	18
Thompson, Robert E., Principal Deputy Assistant Secretary of the Navy for Energy, Installations, and Environment, Department of the Navy	17
APPENDIX	
PREPARED STATEMENTS:	
Bacon, Hon. Don	35
Coulson, Carla	59
Field, Elizabeth A.	39
Houlahan, Hon. Chrissy, a Representative from Pennsylvania, Ranking Member, Quality of Life Panel	37
Moriarty, Robert E.	86
Thompson, Robert E.	78
DOCUMENTS SUBMITTED FOR THE RECORD:	
[Documents submitted are retained in the committee files.]	
WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:	
[There were no Questions submitted during the hearing.]	
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:	
Mr. Bacon	97
Ms. Houlahan	98
Ms. Jacobs	107
Ms. Strickland	114

**AN UPDATE ON UNACCOMPANIED MILITARY
HOUSING AND THE MILITARY HOUSING
PRIVATIZATION INITIATIVE**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
QUALITY OF LIFE PANEL,

Washington, DC, Wednesday, September 27, 2023.

The panel met, pursuant to call, at 10:03 a.m., in room 2118, Rayburn House Office Building, Hon. Don Bacon (chairman of the panel) presiding.

OPENING STATEMENT OF HON. DON BACON, A REPRESENTATIVE FROM NEBRASKA, CHAIRMAN, QUALITY OF LIFE PANEL

Mr. BACON. The hearing will now come to order. I ask unanimous consent that the Chair be authorized to declare a recess at any time. I do not think we have votes scheduled during this. So that is good. So without objection, so ordered.

I want to welcome everyone to this hearing of the Quality of Life Panel. Today's hearing is an update on unaccompanied housing and we are going to focus on that in the first panel. And then we are going to talk more about Military Housing Privatization Initiative with our second panel.

I want to thank our witnesses for being with us today. I hope this hearing provides an opportunity for our members to have a productive exchange with our witnesses and provide answers to their questions.

Today, we are addressing an issue that is critical to the quality of life for service members and their families: the state of military housing. This is an issue that goes beyond party lines and demands our attention and action. Our men and women in uniform have put their life on the line to protect our freedom. They and their families make countless sacrifices for our Nation. We owe it to these individuals to ensure they have access to safe, comfortable, and affordable housing.

Unfortunately, the reality of military housing is often far from that. And that is our focus for today.

Last week, the Government Accountability Office published a report detailing deplorable and frankly inexcusable conditions of our unaccompanied housing for junior service members. Sewage overflow, water quality issues, rodent infestations, mold, broken air-conditioning units in sweltering heat, and others all have been found in these facilities, facilities that service members are expected and required to live in. I just want to say I was a base com-

mander at Ramstein and at Offutt Air Force Base. If I would have had these conditions in any of our barracks, I would have got fired.

One of the things that we want to know today, where is the accountability at with these barracks? Has anybody been held accountable? And what are we going to do to get this right and get it fixed? I don't recall the standards being this way when I got out in 2014. Something has happened. We need to put our finger on it and get it fixed.

So we cannot allow this situation to persist. It is an issue not only of justice and dignity, but also of military readiness. When our service members are preoccupied with their health and safety, they cannot focus on their mission.

A few years ago, we saw similar conditions in private family military housing. Families dealt with long delays in repair and maintenance requests or requests that were not responded to at all. Children were getting sick from mold and lead paint, and members feared retribution from private companies if they complained to their command. This situation required extensive congressional action to make improvements to these conditions.

The Department [of Defense] and individual services have continued to neglect the oversight and management these projects require. They have failed to provide the housing that service members need and deserve. I believe what we are going to hear next will prove this. This matter must be addressed. We must demand greater accountability from the Department of Defense [DOD].

Today, we will hear from two panels. The first panel is an expert from GAO [U.S. Government Accountability Office] that will share the results of a recent audit of unaccompanied housing facilities, including issues related to funding and oversight.

In the second panel, we will hear from DOD officials responsible for housing policy. They will describe the current status of privatized military housing. Additionally, they will address the implementation of statutorily required provisions ensuring the quality of this housing.

I would now like to welcome our witnesses for the first panel. We have Elizabeth Field. She is the director of GAO's Defense Capabilities and Management Team. Before doing so, I want to yield to Ms. Escobar who is filling in for our ranking member.

Before I do, this is so important, just to go off script a little bit. We have a recruiting and retention problem in our military right now. The quality of life isn't the only factors. There are other factors, but quality of life is one. When you talk to parents with an 18-year-old son or daughter and you ask them do you want their son or daughter to serve, when they hear stuff like these barracks, it inhibits folks from wanting their 18-year-old sons or daughters to join. If you're an 18-year-old, you see this. It is an inhibitor. We have got to get this right.

And with that, I yield to Ms. Escobar.

[The prepared statement of Mr. Bacon can be found in the Appendix on page 35.]

**STATEMENT OF HON. VERONICA ESCOBAR, A
REPRESENTATIVE FROM TEXAS, QUALITY OF LIFE PANEL**

Ms. ESCOBAR. Thank you so much, Mr. Chairman. And I would like to thank you for your focus on this issue at the hearing today. And I would like to associate myself with your remarks on just how unacceptable the current situation remains.

We know that especially for young families, this is a critical component of their quality of life. We also know that part of our recruitment challenge is the fact that it is not just the service member who serves, but the entire family. And so we have to make sure that we are upholding our commitment to the highest potential standard of quality of life and this discussion is a critical component to that.

I have the incredible privilege of serving on behalf of my community, El Paso, Texas, home to Fort Bliss, a critical, key, amazing asset for our national defense. And I have had some of these same concerns for some time now. Unfortunately, I was not surprised by the GAO report issued this month on military housing. And so our responsiveness is going to be key to continuing to see improvements. And I know that there are many, not just here on this dais, not just in Congress, not just Active Duty service members, but I know there are members of the administration who also find this absolutely unacceptable. And I look forward to a path forward and I am eager to get into these two panels.

Thank you, Mr. Chairman. I yield back.

Mr. BACON. Thank you, Ms. Escobar. Ms. Field, you will have the opportunity to present your testimony and each member will have an opportunity to question you for about 5 minutes. Your written comments and statements will be made part of the hearing record. And with that, Ms. Field, you may make your opening statement.

**STATEMENT OF ELIZABETH A. FIELD, DIRECTOR, DEFENSE
CAPABILITIES AND MANAGEMENT, U.S. GOVERNMENT AC-
COUNTABILITY OFFICE**

Ms. FIELD. Thank you, Chairman Bacon, Congresswoman Escobar, and members of the panel. It is an honor to be here today.

Since March of 2018, GAO has made more than 80 recommendations to the Defense Department to improve both privatized family housing and government-owned unaccompanied housing. The most recent of these recommendations come from a report that we issued just last week focusing on the condition of unaccompanied housing, which I will refer to as barracks.

As you know, military barracks are used to house our most junior enlisted service members, many of them teenagers fresh out of high school. Unfortunately, because of this, we found that many, although not all, Department officials have chosen not to obtain their input about the quality of their housing. According to these officials, this demographic group is so unreliable in terms of completing surveys or replying to email or telephone inquiries that it isn't worth trying to solicit their opinion. Other officials told us that the condition of barracks is not a key factor in military retention and therefore doesn't merit inclusion as a topic in already lengthy surveys.

What we learned, however, is that these service members have a lot to say and are eager for someone to listen. Over the course of 5 months, we visited 10 military installations where we held discussion groups with service members living in the barracks. We promised them that their input mattered, that we needed to hear from them because Congress wanted to hear from them.

So today, because this panel is all about quality of life, I would like to honor that commitment to them and share what we heard and saw about quality of life in the barracks. As I recount our discussions, I invite you to turn your attention to the slides projected which document some of the substandard conditions we observed.

[The slides referred to are retained in the committee files and can be viewed upon request.]

Ms. FIELD. One of the most common complaints we heard was about mold. There was a leak and black mold in the shower, one resident told us, and maintenance still won't fix it, no matter how often it is reported. Another resident said mold in the barracks makes you feel expendable, like we don't matter.

A number of the facilities we visited had broken HVAC [heating, ventilation, and air-conditioning] systems. One Marine said, I often wake up at night sweating from the heat, itching from bed bugs, and feeling like I am suffocating. And this from an airman: It can be really challenging to come in from a day of working where you may be exposed to the cold or to the heat all day and then get no relief from the temperatures when you return to your room.

Although DOD standards call for barracks rooms to have at least a kitchenette, we found that none of the military service standards reflects that requirement. Not surprisingly, therefore, we saw barracks where residents had access to only a small fridge and microwave or in one case only a small microwave. They told us it made it hard for them to follow a healthy diet. For example, one resident told us it is challenging to meet physical readiness requirements when the only options for meals are frozen food that can be microwaved and fast food.

Perhaps some of the most troubling statements we heard had to do with safety. It is difficult to feel safe in the barracks, one sailor told us. The doors don't work. Anyone can access our rooms, recounted a Marine. Sexual assault happens in the barracks more than people think, one service member said.

In every one of our discussion groups, the topic of mental health came up. These are just a few of the statements we heard. It is depressing to come home to a dark box after work. I feel cramped and like the walls are closing in and that causes me anxiety and stress. The barracks feel like living in a run-down motel or in a prison.

These problems are, unfortunately, not dissimilar from the ones we have observed and documented in privatized family housing. The only real difference is that the Defense Department has felt more pressure in recent years to fix the problems in family housing than it has to fix the problems with barracks. I appreciate that today's hearing should help rectify that.

History tells us though that ensuring better housing for our service members and their families will take sustained oversight and attention. Twenty years ago, GAO reported many similar problems with the condition of barracks. Ten years ago, in a report to Con-

gress, DOD lauded the progress it had made in modernizing its barracks program. It stated that by increasing military construction funding, introducing new designs offering more privacy and amenities, and directing more maintenance funding to barracks, it had brought the modernization program closer to completion. The Department also promised that military barracks would be adequately maintained over the long term. Obviously, that didn't happen.

We believe that the recommendations in our report, if fully implemented, will put the Department on a better footing to address this substantial challenge, but it will take years to reverse the chronic neglect and underfunding we uncovered.

I appreciate this panel's focus on the problem and hope that it is the beginning of many conversations about how the military can do better by its most junior Active Duty members.

Thank you again for this opportunity and I look forward to your questions.

[The prepared statement of Ms. Field can be found in the Appendix on page 39.]

Mr. BACON. Thank you, Ms. Field. When you see these pictures, it is disgusting, unacceptable, cannot go on. During your time, and during GAO's time investigating this, was there a sense of accountability in the services whether it is at the Pentagon level or the installation commanders? Does anybody take ownership of this?

Ms. FIELD. I think that changed to a certain extent over the course of our audit. As we began to do more interviews and site visits, I think people knew GAO was there and maybe they should start paying attention. But I will tell you what was one of most troubling things we observed during our audit was that the Office of the Secretary of Defense, which is supposed to oversee the barracks programs, give guidance to the military services, very much had a hands-off approach to this, to this topic. When we asked them some basic questions at the beginning of our audit about how many barracks there were, whether they were not complying with standards, how many service members lived there, they couldn't tell us. I think that is changing, but you are absolutely right that it has been an issue.

Mr. BACON. Was there at least a sense at the installation level, that the commander of that installation had ownership of this? Or was it "it's not my problem"?

Ms. FIELD. I think at the installation level, there was more of a sense of ownership. We spoke to a number of installation commanders who, frankly, told me, told us that they felt sick about the conditions that their junior enlisted service members were living in. They often recounted facing sort of impossible choices between where to put limited funding. So yes, at the installation level, I think there was more accountability.

Mr. BACON. So how would conditions in unaccompanied housing been able to deteriorate over time? And what has prevented the Department from paying adequate attention to this housing and making improvements? I note that for every Presidential budget on DOD, Congress has put more money in. So I don't see how we can blame it on funds. We have actually plussed-up DOD's Presidential requests. So I am curious, what is the story—how did this happen?

Ms. FIELD. Well, you are right that Congress has in many cases given funding to the services when they haven't asked for funding for barracks. It might not have been the entirety of what they needed though and that is because we found in our audit that a lot of times even though installations know they need funding for constructing new barracks, they don't feel comfortable requesting that funding because they know it won't compete well against other requirements. And so they don't put those requests forward.

It really is a matter though of chronic underfunding at the DOD level, not on Congress' part. So what happens is facilities need to be maintained, up-kept, as any facility does. But the Department, we have reported previously, tends to only fund to about 80 percent of sustainment needs. And the facilities that most often lose out are things like barracks. Eventually, if you don't fund sustainment enough, you are going to need to build an entirely new barracks. Which means you need new MILCON, military construction funding. And eventually, if you don't do that, you are going to have to spend money on basic allowance for housing to get service members to live in the economy because you just can't find a place for them to live. So I think it is a combination of that chronic underfunding and neglect, but also that lack of accountability.

And this is just the last point I will make, I know I am out of time. But I think it is important because it strikes to the heart of your question. I think there has been a cultural perspective within the Department that part of being in the military is toughing it out and this is just going to get them ready for the military. And unfortunately, I think that has gotten us in part to where we are today.

Mr. BACON. So what I am hearing to a degree is when you buy a new car, if you maintain it, do the oil changes, spend smaller amounts of money to maintain it, you keep the car for a longer time. If you don't, you have to pay a lot more money to replace it. And what I am hearing is we are not doing the normal maintenance to maintain these, and then we are having to put a lot more money in. It is penny-wise, pound foolish is what I am hearing. Am I hearing you right?

Ms. FIELD. Yes, you said it better than I did. Absolutely, that is right.

Mr. BACON. I am a farm kid. That's what we do. So if you had one or two key recommendations right now to make this better, what would you recommend?

Ms. FIELD. So, I think in a time of limited resources, what the Department needs to do is gather the information it needs to make more strategic decisions about where to put limited resources. That means knowing what condition the barracks are in. They don't know that right now. Knowing how much they are spending on things like basic allowance for housing so they can do a more informed cost-benefit analysis. It means reevaluating policies about who is required to live in the barracks and how you make exceptions to those policies. It means reconsidering the barracks manager position. So there is a lot.

Our hope is, and this is one of our final recommendations, that the Department develop a joint strategy so the services can learn from one another so that standards can be put in place that are consistent to try to behind this problem. But as you pointed out,

we have 31 recommendations so there is a lot the Department needs to do.

Mr. BACON. Thank you very much. With that, I recognize Ms. Escobar for 5 minutes.

Ms. ESCOBAR. Thank you, Mr. Chairman. And I would like to thank you so much for your work. And the component of the impact on mental health is something that really struck me. And it made me recall a hearing that we had last Congress on the Military Personnel Subcommittee about suicides, Active Duty member suicide and veteran suicide. And I will never forget one of our experts and I wish I could recall his name in his moment, but a psychiatrist who said you have got to think about this in a different way. Many of our service members, it is not that they come in suffering with chronic depression or even have had suicide ideation before, but so much of this is rooted in environment. And he said your job, Congress, is really to think about the environment and the impact it has on mental health. And it was just such a—I think a profound realization for me in terms of not just how much more significant our obligation is around environment, but the impact of chronic underfunding and these chronic issues can have on our service members.

And as an example, at Fort Bliss we have some transient barracks that honestly in comparison to what we saw, there is no comparison. However, the HVAC system was so outdated and in El Paso, we struck a record this year of about 3 months of 100-plus-degree temperatures which had never happened before in the history of our weather tracking. And our transient barracks just could not sustain that even under the best of conditions. And as we kind of pulled the thread on that, we learned that it was a priority, it is just in terms of the context of so many other priorities fell further down the list. And we ended up making the decision to fund this out of our community project funding requests which took a huge chunk of our funding for the community, but it was critical and important for the installation.

My question to you is, and thank you for the recommendations, aside from me, for example, as the Member of Congress who was frequently going on site visiting these barracks, wanting to keep direct eyes on it, if we could do one thing, the most important thing in our oversight function, would it be, for example, making easier surveys that are online through an app? Maybe you already do that. Or are there others—like is there one strategy for us to have better eyes on this?

Ms. FIELD. So, it is hard to pick because there are so many problems and this might sound like sort of a cop-out, but it is not. And that is, if we don't see the Department implement all 31 of our recommendations in a meaningful and timely manner, I would encourage you to consider putting those recommendations into legislation to make them statutorily required. That is something that has happened with privatized family housing and I think that has been effective. I will note that the Department concurred with most of our recommendations, but in some cases they were partial concurrences and statements that they have already implemented the recommendations and so they are good. They are not good. So focusing

on full and prompt implementation of our recommendations would be my recommendation.

Ms. ESCOBAR. That is excellent. Thank you so much. And then I do want to follow up on the surveys because it is a problem when the users of an asset don't participate in helping evaluate it and we only have, and we only have—we have less than a minute. What can we do to improve surveys, because those are critical?

Ms. FIELD. Well, the importance is to survey in the first place. So we found that only two of the services were even bothering to survey barracks residents about their satisfaction with housing, so the remaining two need to do it. We also found that none of the services routinely inquire and ask barracks residents how the barracks conditions impact their decision to reenlist, which is a DOD requirement. So we have recommendations for them to do that. I will note that I think it is the Navy and the Marine Corps—Navy and Marine Corps that are the ones that are surveying and they have developed a number of interesting ways to try to get their responses up. So I would encourage you to ask the next panel, particularly the Navy representative, how they have done that because they have been successful.

Ms. ESCOBAR. Thank you so much. Mr. Chairman, I yield back.

Mr. BACON. Thank you. I would like to recognize Ms. Strickland from Washington.

Ms. STRICKLAND. Thank you, Chairman. Ms. Field, thank you so much for your testimony. I do appreciate it. I represent Joint Base Lewis-McChord, one of the largest military installations on the west coast. The housing challenges of the barracks aren't as severe, but there are still challenges we have.

So much of our conversation today has been about resources, so I don't know if you all have had this discussion, but if we were to bring our barracks up to what I call safe, habitable, something that doesn't look run-down or uninhabitable like we saw on these slides, what would the price tag be for that?

Ms. FIELD. So that is a great question. It is one that we tried to answer through our audit. Bottom line is we don't know a total figure, in part, because the Department itself does not know how much it has been spending on barracks, whether it is—particularly if it is maintenance funding. But I can give you one statistic that might be helpful in terms of even getting a ballpark. In I think it was 2022 the Air Force did submit a report to Congress in which it stated that it estimated it had about a \$3.6 billion backlog just in terms of maintenance and upkeep of its existing barracks and it would cost about \$1 billion to newly construct some barracks that it needed. That is one service. It is not the biggest service, so that should give you some sense of scope here.

Ms. STRICKLAND. I know and I appreciate that. I know in this committee we often have conversations about chronic underfunding, but until we put a dollar amount to it, it doesn't have context. And I say that because as you know, in Congress there is often a push-pull between let's just arbitrarily cut defense by 10 percent and then there are people who want to plus it up more. So I think that having a specific dollar amount to talk about what it is going to take to bring our barracks up to par in addition to any

new capital investments we need, gives us a more realistic place to start.

I want to talk a bit about privatization. I know that with the family military housing, it did not turn out to be the silver bullet that we thought it would. Private developers have to make money and I know that the business model for them isn't panning out. So can you talk a bit about the challenges that the services have shared with you about initiatives to privatize the barracks?

Ms. FIELD. So privatization is a tricky question because I think one of the things we have learned from this audit is whether it is government-owned or privatized, if you don't pay attention, if you don't fund, you are going to end up with poor living conditions. We did tour some privatized barracks, particularly in San Diego, and I have to be honest, they were in amazing condition. They were way ahead of some of the government-owned barracks. Privatization though is not a silver bullet and that is because particularly for the population living in the barracks, it is not as easy as it was for family housing. For example, OMB [Office of Management and Budget] scoring can be an issue because it essentially commits the government to a financial obligation and so scoring can be problematic. This is a population that moves around more often than families and so if you have barracks that are—you know, privatized barracks that might be left for months at a time if someone goes off on a training mission, that is a problem. There is also issues related to unit cohesion and the fact that this is a younger population who are new to the military. So there are a lot of things to work out, legal, legally related, funding-related. It could actually cost more. It is a difficult policy question.

Ms. STRICKLAND. All right, and I would say finally, can you talk about—well, you talked a bit about this, where do you think it makes more sense to privatize the barracks versus just having them government run? Because to your point, it is not necessarily a silver bullet. But I do think that we have to use every possible tool available to make sure we are doing this. And the comment I want to make is I think about how parents would feel if they went to dormitory to drop off their kids at the university and if some of those pictures existed, hell would be raised. And so I want to make sure that we are treating these barracks for the people who are serving the same way we would treat parents dropping their kids off at college.

Ms. FIELD. Well, I agree. As a mother of a 17-year-old who is one year away from college, you are absolutely right. I think your question was where would privatization make sense? Two thoughts on that. One, the Department is on the hook to deliver a report to Congress on overall joint approach to privatization. That was due in July of this year. The Department has not delivered it. We could not get any clear information from the Department on when it will be delivered, so I think if this committee could push the Department to complete that report, that would be helpful.

The other note I will make is that I think some installations have been successful with privatization for some of the slightly more senior service members, so E-5s, E-6, maybe E-4, that might make more sense.

Ms. STRICKLAND. All right, thank you very much. And as we talked earlier, we have a challenge with recruiting. Word of mouth is very, very strong, so if you want to address some of these quality of life issues, housing is a basic need and it cannot be substandard. But I think solving the problem means coming up with a dollar amount and not being afraid to say it is a lot of money. Thank you. I yield back.

Mr. BACON. Thank you, Ms. Strickland. I read that we had—let me get the number here, that we had \$137 billion in maintenance backlog. Does that jive with the number you have?

Ms. FIELD. Yes, that is what we have reported. And I should note that is probably, likely an underestimate.

Mr. BACON. Thank you. With that, I will recognize Mrs. Kiggans from Virginia. She represents large naval installations.

Mrs. KIGGANS. Thank you, Mr. Chair. I represent Virginia's Second Congressional District, so Virginia Beach-Hampton Roads area, a large Navy and veteran population. I can't imagine how frustrating it was just to visit those barracks. I know on barracks tours in my district, I have left almost in tears. It is hard to watch. As a veteran, Navy spouse, Navy mom, I think of my kids and their friends, and I put my staff in my minivan the first weekend I could and drove them down to Hampton Roads and said look around and think about, you know, we talked about the college campuses, but think about the dorms there. And I have done lots of dorm tours with my high school kids. And then think about the conditions that we are asking these guys to live in. So I know we have mentioned recruitment, retention, but I mean this is absolutely directly correlated to those issues. It hurts my heart when I hear other Navy and military parents say I can't recommend this job to my kids for these reasons. So we have to do better.

I know that as a nurse practitioner, housing is certainly a component of healthcare. So when I think of nutrition, I think of I want troops that have good physical readiness, good mental health, all of the things we talk about routinely here in Congress, housing is certainly a component of that, so we have got to get it right. You said, chronic neglect and underfunding, I think that was kind of a perfect summary of what is wrong with this. And you talked about base leadership and how they—you know, the requests for money weren't there. I got so angry with our base leadership because they didn't put in the request. They are busy warfighting. They are busy training. I get it. But I think it is our job and we talked oversight a little bit, but to pester them, hey, what do you need? The deadline is coming up. What do you need? I want to put money in for you. We got zero dollars for NAS [Naval Air Station] Oceana this past year. And only 49 percent of our housing is livable, 49 percent. That means that 51 percent is not livable. And when I say livable, that is even questionable when we went and we saw the conditions that looked eerily similar to some of the pictures you posted. So we have to do better. I know our defense budget is limited. We just had a brief discussion on privatization. I have seen some of the good things we have done at Norfolk.

You talked about scoring. I mean we need to change that scoring, the way we are doing scoring so that we can allot for that housing money to be going towards privatization. We can't do it all on the

defense budget. I certainly want to prioritize warfighting, so we've got to think outside the box here. So you know—I know you said there were some things that you were—privatization, some concerns, but do you think that is a direction we should be pursuing? I personally think it is a direction we should be pursuing, but you are the expert.

Ms. FIELD. I have so many thoughts based on what you said. But GAO has in the past recommended that DOD explore and examine privatization more closely as a possible option. What came out of that were service-specific strategies that you really couldn't use them to inform policy decision making, which is why we are really looking forward to that DOD report which is overdue.

Certainly, I think that is an option that should be explored. I don't, from the GAO perspective, want to make a policy call, but absolutely, there are benefits to privatization, as well as there are cons. But, as I said, the facilities I toured that were privatized were really impressive.

Can I make one note about Oceana? Because I think it is important, and about Navy, in particular. And I'm sure you are aware of this. Condition score is zero to 100 for every facility or every barracks. The one in Oceana that we looked at has a score of 12 out of 100. That said, for 3 fiscal years in a row, the Navy requested zero dollars for new military construction for barracks.

In one installation, one other Navy installation, the installation did put forward a request for funding for new barracks for 10 years in a row and never got it funded. So, that is, I think, in part, why installation commanders are throwing up their hands and giving up.

Mrs. KIGGANS. Well, I think it is our job in Congress to educate them. I mean, they change every 2 to 3 years. They are focused on things that need to be focused on—getting that mission done. So, it is our job to say, hey, we want to get you money, help us with how to do that.

And the DOD accountability piece, I mean, I think Assistant Secretary Berger has been wonderful. She has come down a couple of times. So, I've really enjoyed working with her.

I don't know if we need to—you talked about the Department of Defense was kind of a little less clear. So, putting some just people in place to make sure there is that accountability, in addition to Members of Congress doing our job as well.

And then the only other comment I would have is that, you know, I think of other apartment complexes. Who is building these things initially? I know we have one at NAS, or Naval Station Norfolk, that \$80 million and it is less than 20 years old, covered in black mold. And it is on the demo list.

That is another thing; we need to increase funding for demolition. I'm sick of looking at these buildings that we are not going to be able to restore. But just making sure that we are building quality products. I think we are not building quality products, and that is leading to a lot of these issues.

And I'm out of time, or I would go on for about another hour. Thank you.

Mr. BACON. Thank you, Mrs. Kiggans. I would like to piggyback on something you said. Because there is a point you are making,

or we are making, that commanders at these installations worry about fighting wars and combat readiness, and all that. And that is so true. But as an installation commander, you have got folks that they are in charge of the installation, civil engineering and all these facilities, and then you also at the headquarters, you have two-stars and three-star level leadership that is supposed to be overseeing this.

I would just like to submit again, yes, we have got to win wars. We have got to make sure we are ready to fight and win. But it is also a responsibility to make sure these facilities are serving our men and women who are there.

And so, this goes back to a leadership issue in my view. I just wanted to add in because somebody took their eyes off the ball here, bottom line.

So, with that, Ms. Jacobs from California.

Ms. JACOBS. Thank you, Mr. Chair.

Ms. Field, great to see you. I first want to talk about this funding of barracks. As you mentioned, barracks are competing against other facilities funding. The fiscal year 2022 NDAA [National Defense Authorization Act] included a provision that required the military to make investments in the improvement of unaccompanied military housing using FSRM [facilities sustainment, restoration, and modernization] funds in an amount equal to 5 percent of the estimated replacement cost of the total inventory of unaccompanied housing under the jurisdiction of that Secretary. Is this 5 percent requirement being met?

Ms. FIELD. So, we don't know, in part, because the Department could not figure out how to do it. That is one of our recommendations, is that the Department track its funding, particularly FSRM funding, for barracks. So, we asked that question. We couldn't get an answer. In all likelihood, probably not. And I would encourage you to ask that at the second panel as well.

Ms. JACOBS. Okay. Good to know. And based on your research, I'm guessing you would say it would be helpful for Congress to require DOD to disaggregate the funds, so we can track this funding?

Ms. FIELD. That certainly would be one way to do it. We also encourage the Department to do it, even if there isn't a congressional requirement.

Ms. JACOBS. Thank you. I know you mentioned you visited the privatized barracks in San Diego. One of the things I hear from our—I represent San Diego—one of the things we hear from our folks there is that part of why they can be so much nicer is because they are doing the BAH [basic allowance for housing] replacement to the barracks. It is essentially fenced-off funding directly for the barracks that isn't actually competing with other funding.

Ms. FIELD. Right. Those barracks, I believe the Pacific Beacon you are talking about was created under a pilot that gave the Navy authority to do that, that full BAH for that specific project.

Ms. JACOBS. I also want to touch on aircraft carriers. Obviously, representing San Diego, we have a lot of those. And I know the report detailed why living on aircraft carriers can be difficult. Can you expand on what some of these difficulties are and how they compare to the living conditions for other junior enlisted sailors?

Ms. FIELD. Yeah. In fact, I had the opportunity with my team in San Diego to tour one of the carriers that was in port and where some service members were living.

It is, it is a rough life. It is extremely noisy because they are doing maintenance on the ship when it is in port. Oftentimes, they will not have running water. Oftentimes, there might not be heat or air-conditioning. We spoke with service members who were living on the ship, and they were pretty unhappy. We also toured a barge which was not much better.

Ms. JACOBS. Good to know regarding the barge because we pushed hard to try and get the barge to try and alleviate some of the carrier conditions, but it seems like that was not actually an improvement?

Ms. FIELD. When you are on it, you feel like you are back on the ship, to be honest, but it does have running water and heat and air-conditioning. So, it is an improvement, but it is not much better.

Ms. JACOBS. Got it. Well, that is helpful. One of the NDAA provisions that Chair Bacon and I were able to get in this year is to give commanding officers the ability to grant BAH to junior service members when they determine it is in the best interest of the member and the command. And so I'm hopeful we will get that all the way through and at least be able to give some of our commanders a little more flexibility for our junior enlisted to be able to get into community housing, when needed.

The last question I have is on this oversight question. You know, GAO found that, although each of the military departments is conducting inspections prior to resident occupancy, they have not developed clear or consistent inspection standards, and the military departments have not provided adequate inspector training.

I know that these were recommendations from a prior GAO report. Can you provide an update on whether these recommendations have been completed?

Ms. FIELD. To date, I do not believe they have been completed. We are expecting a letter from the Department in, I believe, early October that would provide us an update, but, thus far, no.

Ms. JACOBS. Okay. Thank you. Well, I will look forward to this panel working to make sure that we are getting DOD to both do the disaggregated funding and spend money on barracks, but also do some of these other recommendations and track the quality of facilities in a more coherent way.

So, thank you, Mr. Chair.

Mr. BACON. Thank you, Ms. Jacobs.

One of the goals in this committee is to write down recommendations to the HASC [House Armed Services Committee] that we can put in the next NDAA. So, we hope to have some strong recommendations for the committee as a whole to execute in the next defense authorization bill.

There is another Don in the room. I would like to recognize Mr. Davis from North Carolina.

[Laughter.]

Mr. DAVIS. Thanks so much, Mr. Chair.

And thank you, Director Field, for being here today. I want to start by saying I associate with earlier comments that we must be

focused on winning the fight, but as the Chair also indicated, leaders, if they are focused on winning the fight, understand you have to take care of your people. That is the bottom line. So, thank you, Mr. Chair.

And that leads me into just wanting to have a greater understanding of the comment that I heard earlier, when I believe I heard there was a lack of knowledge, of understanding of the conditions that was actually taking place on the barrack. Could you please shine some light on this?

Ms. FIELD. So, each facility is given a condition score between zero and 100, as I noted. What we found when we went out to installations is that those scores are really unreliable. So, for example, we went to a facility in the DC [District of Columbia] area that had a score of 86 out of 100, which sounds pretty good. That facility had a quarter of its air-conditioning broken. So, a quarter of residents had no air-conditioning, and yet it still had an 86.

And this happened again and again when we would go to installations and the scores just did not make sense. We tried to figure out what is going on; why is this a problem? And we identified a few issues.

One, the frequency of assessments was likely not enough. Right now, the DOD standard is every 5 years. Consistently, installation commanders told us 5 years is not frequent enough. In some cases, they weren't even doing them that frequently. So that is a problem.

Another one is the number of systems that they are assessing. There are 13 building systems that they are supposed to be assessing. In some cases, they don't always do that.

Another is the training of the inspectors. They may not have training. There is no standard right now. Some services, like the Air Force, do have standard. They hire personnel with expertise to do the inspections. Some services do not.

Some take a centralized model, where the same team will go out and inspect various barracks across the services; others have a decentralized model. So, we have a recommendation to DOD to reassess everything from requirements for frequency, to standards, to inspector training.

Mr. DAVIS. And I would follow up on that by simply saying, so even if we throw all the money at it, but we still never keep up; there is no consistency on how we are assessing the situation, how does that help us?

Ms. FIELD. That's right. That is why so many of our recommendations are toward getting greater consistency across the Department and better information. Because I think there always will be resource limitations, but if you have better information, you can make smarter, more targeted decisions.

Mr. DAVIS. Let me ask another question. We are talking about readiness. This has come up several times. And without any doubt in, I think, anyone's mind that's thinking about this, because this is so unacceptable, there must be an impact, but clearly, data is all over the place. But was there any data that exists whatsoever that would really help us understand how this is impacting us from a readiness perspective?

Ms. FIELD. Data, no. I wish there were. But, certainly, that is something that we heard about. I will just give you two examples.

We heard from residents of barracks that, because they are so uncomfortable in their barracks rooms, they have a hard time sleeping. They are tired on the job. They don't feel like they can perform and focus on the work that they have to do.

We also heard from first sergeants who are responsible for training these junior enlisted service members, and they say, they told us, specifically, that sometimes they take it easier on them in training. They will cut back the length of runs or the specific drills they are going to put their service members through because they know they are going home to the barracks at night. So, clear readiness implications there.

Mr. DAVIS. The last thing I would like to raise, which really resonated to me, because it is connected to readiness as well, is specifically talking about the concerns around nutrition. Could you address that just a little bit more? Because this is not just a matter of not having the access to certain accommodations in a room, but I think there is a broader readiness part of this. If you could speak towards this?

Ms. FIELD. Absolutely. And I should note we have an audit ongoing right now looking at food and nutrition more broadly, and that report will be coming out early next year.

In terms of the barracks, it was one of the most common complaints that we heard. It actually surprised us how often it came up. And service members do want to be able to cook for themselves. One first sergeant told us that when he moved out of the barracks and could finally cook for himself, he lost 20 pounds because he was able to cook for himself.

And access to the dining facilities is part of it. So, sometimes, if you are working a night shift, you don't have necessarily access to the DFAC [dining facility] when you need it, because you are sleeping during the day and it can be hard; walking distance to the DFAC can also be an issue, operating hours of a DFAC. So, a lot of issues there, and we look forward to reporting out on that.

Mr. BACON. Thank you, Mr. Davis.

Mr. DAVIS. Thank you. I yield back.

Mr. BACON. I want to take a moment to say thank you for your testimony today, but also the GAO for what they have done. I think you have highlighted something that this committee knows we have got to focus on. And I think the moms and dads all over this country appreciate this because it will make things better for their sons and daughters and those who defend our country.

And some of my key takeaways here is this isn't just a money problem, which it is and we need to know definitively what is it going to cost to get this right; but it is also policy, accountability. So, there is a whole, I guess, smorgasbord of stuff that we need to work on here, just not money.

So, thank you so much. We appreciate your time.

Ms. FIELD. Thank you.

Mr. BACON. With that, we are going to go into about a 2- or 3-minute recess. We are going to switch to panel two. And we will come back in about 2 or 3 minutes.

Thank you.

[Recess.]

Mr. BACON. Okay. I want to welcome our second panel and our witnesses. Thank you for being here.

We have Ms. Carla Coulson, Deputy Assistant Secretary of the Army for Installations, Housing, and Partnerships; Mr. Robert Thompson, Principal Deputy Assistant Secretary of the Navy for Energy, Installations, and Environment; and Mr. Robert Moriarty, Deputy Assistant Secretary of the Air Force for Installations, and somebody I served with back at Ramstein.

Each witness will have the opportunity to present his or her testimony, and each member will have an opportunity to question the witnesses for 5 minutes.

Your written comments and statements will be made part of the hearing record.

And with that, Ms. Coulson, you may make your opening statement.

STATEMENT OF CARLA COULSON, DEPUTY ASSISTANT SECRETARY OF THE ARMY FOR INSTALLATIONS, HOUSING, AND PARTNERSHIPS, DEPARTMENT OF THE ARMY

Ms. COULSON. Thank you, Chairman Bacon. I think Congresswoman Escobar isn't here, but thank you also to the distinguished members of the House Armed Services Committee Quality of Life Panel. Thank you for inviting us here today to testify on our, the Army's, unaccompanied and privatized family housing programs.

As the Army's Deputy Assistant Secretary for Installations, Housing, and Partnerships, I hope to have the opportunity to share with you the Army's progress, objectives, goals, challenges, and focus on these very essential programs.

Quality of life, and in particular the opportunity for all soldiers and their families to live in safe, adequate, quality housing, remains at the very top of the Army's senior leader priorities, as it has been for a number of years now. Army leadership remains steadfast and purposefully committed to improving the Army's housing posture, fully recognizing the linkage between the quality of our housing and our ability to recruit and retain a ready force.

Our commitment is evidenced by our continued, what we believe to be, high investments in unaccompanied housing and in the owned government Army housing inventory, which is mostly located overseas, as well as our continued focus on improving oversight of operation of our privatized housing portfolio.

Under the Army's leadership and direction, we have made great strides in executing privatized housing-related actions directed by several NDAA's, beginning with the Military Housing Privatization Reform of 2020. And we have also implemented dozens of recommendations made by the GAO, the DOD and Army Inspectors General, the Army Audit Agency, as well as an independent third-party auditor that we hire annually to review 20 percent of our privatized housing projects.

The Army is proud to fully implement the Tenant Bill of Rights in September of 2021. This was a foundational step towards reestablishing trust with our families.

And the Army has also included the provisions of the fiscal year 2020 NDAA reforms in our ground lease template. This template is the foundational legal document that governs our privatized

housing projects. All new or modified Army ground leases will contain statutory language that further helped to strengthen project-level oversight.

Although we have made great strides in improving the privatized housing program, we must build on our progress. We very much appreciate and have carefully considered the GAO's recent reports and have moved immediately to address the reports' recommendations. Our focus going forward is to continue to provide soldiers and their families with safe, quality, and habitable housing, while also continuing ever vigilant oversight of the privatized housing program through enforcing standards, holding providers accountable, and ensuring long-term project sustainability and financial viability.

The Army is also fully committed to improving soldier quality of life by addressing deferred maintenance and underinvestment in unaccompanied housing that was referred to in the previous panel. Even before GAO issued its initial report, and we had seen the draft earlier this year, in the fall of 2022 the Army took the unprecedented step of inspecting every room in every barracks building, of which there are over 6,700 buildings, to remedy life, health, and safety issues identified.

Going forward, we are committing to spending at least—at least—a billion dollars a year to improve barracks across the Army. We have also developed an in-depth barracks resourcing strategy that I think was the number one recommendation from Ms. Field. And this takes a holistic approach for improving single soldier living conditions.

Recommendations from the recently released GAO report on military barracks will assist us in further refining our focus as we continue to work initiatives to improve housing conditions for our single junior enlisted population.

We are also very conscious of the need to address the requirements of our Reserve Components. A primary concern for both the Army Guard and Reserve is their ability to replace poor and failing training barracks inventories, where the average age of this inventory is more than 50 years. Both components anticipate increasing barracks deficits, space deficits, as these older facilities become uninhabitable.

We look forward to working productively with this panel, with the Readiness Subcommittees of the Armed Services Committees, to improve the quality of life for our treasured soldiers and their families. And I look forward to your questions.

[The prepared statement of Ms. Coulson can be found in the Appendix on page 59.]

Mr. BACON. Thank you very much.

I now recognize Mr. Thompson.

STATEMENT OF ROBERT E. THOMPSON, PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY FOR ENERGY, INSTALLATIONS, AND ENVIRONMENT, DEPARTMENT OF THE NAVY

Mr. THOMPSON. Thank you, Chairman Bacon, distinguished members of the panel. Thanks for inviting me here today to testify on the Department of the Navy's unaccompanied housing and privatized family housing.

First, I would like to thank the Government Accountability Office for its attention and focus in these areas; for its recommendations on how we can improve the Department of the Navy's unaccompanied housing portfolio in this report; for their previous and continued work on military housing privatization; and for Ms. Field's testimony here today.

I'm proud to have served more than 20 years in the United States Navy, both enlisted and later as an officer. And I'm humbled to have the privilege to continue to serve sailors, Marines, and their families in my current capacity.

I have lived aboard ships, in berthing barges, in barracks, and in family housing. The quality of service, both the quality of work environment for our sailors and Marines and the quality of life that our service members deserve are a personal issue for me.

While the Department has made meaningful, tangible progress in improving the quality and livability in our privatized housing, thanks in part to GAO highlighting those issues years ago, it is clear today we have significant work ahead in our unaccompanied housing to provide safe, clean, reliable, comfortable, and dignified places for our sailors and Marines to call home. We would expect nothing less for ourselves, and I expect nothing less from myself.

I would like to thank Congress and each member of this panel for your resolute support of our service members, and I look forward to your questions.

[The prepared statement of Mr. Thompson can be found in the Appendix on page 78.]

Mr. BACON. Thank you, Mr. Thompson.

I now recognize Mr. Moriarty.

STATEMENT OF ROBERT E. MORIARTY, DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE FOR INSTALLATIONS, DEPARTMENT OF THE AIR FORCE

Mr. MORIARTY. Thank you, Chairman Bacon and distinguished members. Thank you for the opportunity to discuss the Department of the Air Force's Military Housing Privatization Initiative, or MHPI, program.

I lived in five different government-owned homes during my 28-year military career. All have been torn down and replaced. I left my family twice during deployments there. And so, I understand how important housing is for our members, especially when deployed and your loved ones are back home.

I came back to Federal service to serve our Nation and view my responsibility to take care of our members and their families as a sacred trust. Taking care of our airmen, guardians, and their families is a fundamental responsibility and commitment of the entire Department of the Air Force. Our ability to provide safe and habitable housing for our members is a critical component of their quality of life and greatly impacts our ability to recruit and retain the people we need to lead the Department and accelerate the transformation our Secretary has us on to meet our pacing challenge.

While we have made significant changes and improvements in our privatized housing, we continually evaluate the oversight and needs of our airmen, guardians, and their families to update our policies and take action accordingly.

We empower our tenants and commanders to address housing challenges at our installations when needed and take action to hold our privatized housing project owners accountable. Additionally, we exercise senior-level governance and program oversight to provide housing for our members—housing they deserve.

We continue our efforts to improve our privatized housing portfolio to implement the most recent actions, audit actions, that the GAO identified. And I, too, would like to thank the GAO for their continued partnership. I think, in MHPI, the improvements we made, in large part due to their first report; the second report, I'm glad to see they recognize some of the improvements, but that there is still work to do.

I also thank them for their recent report on the unaccompanied dormitories that we have and our training dorms, because that, too, is an area, as clearly dictated earlier, that we need to focus on.

Similarly, we thank the House Armed Services Committee for the MHPI reforms set forth in the 2020 through 2023 National Defense Authorization Act. We have made significant progress to implement reforms and enhance our oversight and hold our MHPI companies accountable. But as I have outlined in my written testimony, we still have more to do.

We continue to maintain resident councils to foster communication between residents, installation, and project owner leadership, and we use that feedback for action plans to improve resident experiences. Clearly, we can apply those same techniques to our dormitories and tech training dorms.

We also need to ensure that our projects remain financially viable. As was mentioned earlier by the GAO, that continues to be a concern.

And we also continue to work with communities. Eighty percent of our members live off the installations, thereabouts. And so, we need to continue to work with those communities to provide safe, affordable housing for our members.

In conclusion, I would like to communicate that the Department of the Air Force is committed to providing safe and habitable housing for our airmen, guardians, and their families, and our unaccompanied airmen living in our dorms. Our leaders are fully engaged, and only through partnership with our privatized owners, local communities, and installations can we effectively achieve that end.

I look forward to working with you on our mutual goal to address quality of life for our members, and look forward to your questions.

[The prepared statement of Mr. Moriarty can be found in the Appendix on page 86.]

Mr. BACON. Thank you very much.

I want to put a little more emphasis on military housing, but before I do that, I would like you to each maybe address the unaccompanied housing. The report from the GAO was appalling. How did we get there? Who is responsible? What happened?

I will start off with Ms. Coulson.

Ms. COULSON. Thank you for your question, Chairman Bacon. I have been working this portfolio for a very long period of time now. And I think it is through many years of not looking closely at the deferred maintenance, at investments. And so now, we are, in effect, playing catchup.

And this is not—the report, frankly, was not news to the Army. We are well aware, and our leadership—from our Secretary, our Chief of Staff, on down—are focusing very clearly on quality of life, and barracks is a piece of that. We have done a lot of work already.

And I know that you have probably heard the testimony previously. We have, over the last several years, committed more than a billion dollars a year. We have done a barracks resourcing strategy. So, we are looking at how do we spend our dollars in the most effective manner.

When you see our budget that comes over in February, I believe you will see a multiyear investment strategy that looks at providing additional sustainment dollars. As Ms. Field pointed out, we need to sustain the inventory we have.

Just as an example, we have got in the Army, through our modeling efforts, we can see that we have 300 permanent party barracks buildings that are in poor and failing shape. Across our fiscal year defense program, from 2024 to 2028, we can address 113 of those barracks buildings. But, at the same time, if we don't fully sustain, we will have 110 barracks, existing barracks buildings, that will move from good or adequate into the poor and failing category. So, we don't make much progress unless we can ensure that we are doing preventative maintenance and fully sustaining our inventory.

Mr. BACON. I will just point out, though, again, we have taken the services' budgets, we have added to it. So, there is a disconnect here between each service's budget request, and we are adding to it, and yet, it has not been enough. So, it doesn't add up, would be my point.

But, Mr. Thompson.

Mr. THOMPSON. Yeah. Thank you, Chairman. I will go back to Ms. Field's testimony. I can't speak to leadership decisions in the past. I have been blessed to be in this position for 9 months now in an acting, and now full-time capacity. So, I will go back to Ms. Field's comments.

I think there needs to be a realization that we are approaching kind of facility criticality maybe from the wrong angle in the Department. We have typically looked at mission-critical facilities, and in resource-constrained environments, the bias is to put resources towards the most critical installation facilities.

The reality is, the introduction of a single sailor, service member into a facility makes it, by definition, mission-critical. The fact that these are their homes makes it mission-critical.

So, in a resource-constrained environment, I think our overall approach to how to apply resources—those that we apply ourselves, those that the Congress, thankfully, has helped us with—there needs to be a clean-eyed look at that.

The second part is standards that Ms. Field hit on, yeah, there are 13 technical standards. Sometimes we use all 13; sometimes we use 10, 9, et cetera. This is a conversation we just started with OSD [Office of the Secretary of Defense] since the GAO report came out. You know, there needs to be a standard for livability, right? There needs to be a plain-eyed, clear-eyed view of what the standard is for this place to be dignified, safe, and comfortable.

So, I do think we have taken our expertise in facilities and just moved it right on over into, essentially, barracks, and then we expect that to serve us well there. And again, even if we trained everyone, even if we had consistency in application, I think we are still missing something there in terms of the fundamental, technical—

Mr. BACON. I have got about a minute left. I just want to let Mr. Moriarty also speak.

Mr. THOMPSON. Yes, sir.

Mr. BACON. And I will yield.

Mr. THOMPSON. Yes, Mr. Chairman.

Mr. MORIARTY. Chairman Bacon, I'll go quickly. I think the Air Force, we did lose the bubble. We used to have a dorm focus fund when you and I served in USAFE [U.S. Air Forces in Europe–Air Forces Africa]. We went away from that. And when we centralized a lot of our installation management, when we put all the money together, we went to a worst-first, or, then went to a condition-based thing and prioritized everything together, looking at the best.

We have gone back now, back to the past, and we now have a focus fund, if you will, where we set aside the amount of funds we think we need to keep the dorms good and accelerate that. So, they do compete within there from the top line, but then they compete amongst themselves. So we can target our investments at our worst dorms first and where it is needed in the portfolio.

So, I will keep it at that, Mr. Chair, and—

Mr. BACON. Yes, well, I just want to—when I was the commander at these two installations, I had four-stars walking around our dorms. If I would have had it that way, I would have got fired. I just don't understand what happened over 10 years, 12 years, where this fell off the radar. And we have got to put it back on the radar, and it is mission-critical and essential.

But, with that, recognizing Ms. Jacobs, who is serving as the ranking member.

Ms. JACOBS. Thank you, Mr. Chair. Thank you all for being here.

First, I wanted to actually follow up on a question I had asked Ms. Field. Why was GAO unable to find out if the services were meeting the 5 percent requirement of using FSRM for barracks?

Mr. THOMPSON. I will go. Yes, I took a note to myself. We definitively within the Department of the Navy know that we are meeting the 5 percent minimum investment floor of the plant replacement value for the facilities. I think, Navy and Marine Corps combined, that is a little over \$360 million, admittedly, modestly above the 5 percent floor. So, that information is available strictly from a restoration, modernization, and sustainment perspective. And so, how that wasn't made available through the Department and to Ms. Field, I take that for action.

Ms. COULSON. And I agree, we also have done our homework and our calculations. And I think there was between the military departments a little bit of a difference of opinion on how we define plant replacement value. I don't know that we ever came to any conclusion. But the Army feels, also, that we have met that requirement and have provided that information to OSD.

Thank you, Ms. Jacobs.

Ms. JACOBS. Okay. Thank you. And, you know, one of the things we hear is that part of the problem is that this funding is competing against other FSRM funding. Would it be helpful if Congress mandated this funding be fenced off only for barracks? Or, I guess, why has the Department been unable to actually just do that themselves?

Mr. MORIARTY. Yes, I would start with, for the Department of the Air Force, personally and professionally, I like the flexibility within the O&M [operations and maintenance] account to be able to lean into barracks when we want to. I don't think it would help us to put it in, like, say, the housing account, where that is also restricted and it is competing against housing.

I think leaving it where it is allows us the flexibility within the departments to do that. There may be difference of opinion in the Department, but I think for max flexibility for us, we like that.

And I would just like to say that we do know what our 5 percent floor is. We are meeting that within the Air Force.

Ms. JACOBS. Okay. Well, we all like flexibility, but I think we are, clearly, seeing that the barracks are not being invested in. So, maybe flexibility is not the only priority here.

Ms. COULSON. Thank you for that question. I do have a couple of comments.

As I allude to, we are looking at how we might fund sustainment in the future. Should we go to a higher percentage, we will definitely issue guidance to the field that tells them how to spend those dollars.

I also would like to say that, within our program, you might not see a lot of projects that are military construction projects for barracks. We primarily use MILCON [military construction] for deficit, for additional spaces that we need for things like stationing actions.

But I will say that about 75 percent of our restoration and modernization program is already dedicated to barracks. As a matter of fact, if you talk with the Army G-3 [Plans and Operations office], their concern would be more along the lines of having dollars available to take care of readiness facilities.

So, it is very much a balance and how we work within, in my case the Army, to ensure that we are able to balance quality-of-life requirements with those with modernization, as well as readiness. But we already have a significant contribution to quality of life for barracks.

Mr. THOMPSON. Yeah, Congresswoman, I will go quickly.

To your point, flexibility to do what, right? Flexibility to run barracks that result in what the GAO found.

So, I think the threshold or a floor that the Congress has put in place is helpful. My personal experience has been that absolute fencing can be problematic, not from a decision space perspective, but I think folks kind of back off of fenced accounts and don't challenge themselves or assumptions with what is in those appropriations.

And lastly, to the point about privatized barracks, you know, that essentially commits us to a "should fund" for what "right" looks like, and by definition, becomes a "must fund" in the MIL-

PERS [military personnel] accounts, which produces the outcomes that Ms. Field saw in the privatized barracks.

Ms. JACOBS. Thank you. And really quickly with my last 40 seconds, Mr. Thompson, I know the Navy has a process in which you issue letters of concern to housing partners. How many of these letters have been issued and have any of them resulted in cure notices or defaults?

And, Mr. Chair, I would like to enter into the record two articles about some of the issues we are having in San Diego following more than 50 lawsuits taken out by military families.

Mr. BACON. Without objection, so ordered.

[The information referred to is retained in the committee files and can be viewed upon request.]

Mr. THOMPSON. Yeah, Congressman, I will answer quickly.

To my knowledge, there has been one such letter of caution issued to date, and I am not aware of a removal action based on it.

Mr. BACON. Thank you, Ms. Jacobs.

I will recognize Mrs. Kiggans.

Mrs. KIGGANS. Thank you, Mr. Chair. I just wanted to ask a couple more questions about the privatized family housing. And just reading the GAO report, so we have 99 percent of our family housing is now privatized. So, we are almost all the way there. So, it has come a long way.

And what were the biggest challenges of implementation when we made that decision of we are going to go privatized? I think it has been a work in progress, and I have only been here a limited time really paying attention. But what did that look like, that transfer, that transformation?

Ms. COULSON. Well, I will jump in, Congresswoman, and go first.

This was a long time ago for the Army. Our projects are now approaching 20, 25, even 30 years, in length. And our oldest project is Fort Carson.

But the transition goes along the lines of moving an owned inventory to a privatized housing provider, putting in place a ground lease. Some of those original ground leases that we have still exist. So, we are just now in the process of looking at changing the ground leases to include the statutory guidance that was provided back in 2020, to include things like enforcement provisions, as well as things like the Davis-Bacon Act provisions.

So, we are looking now at strengthening these ground leases. We have learned a lot in the last 25 years. We have learned, for example, that perhaps we didn't get it right in the beginning with respect to the amount of equity that we put into these projects.

And our projects are structured all a little bit differently. Ours are more similar than the Air Force. But we did in the very beginning attempt to provide an inventory to that provider that was a healthy inventory. However, we have 19,000 legacy homes that are older, older housing stock that are still out there that we need to take a look at how we renovate, how we recapitalize.

I will turn this over to you.

Mr. THOMPSON. Yes, yes, I will go, I will go quickly.

I think, consistent with what Ms. Coulson said, I think the first period was marked with the actual effort of taking the government-

owned inventory, getting the land leases done; essentially, a significant recapitalization effort of those houses.

I will go back to the GAO reports. I think what we found was, once that effort was done and they were now in the hands of the private companies, there was almost a sentiment that they had been outsourced at that point, and hence, maybe the lack of oversight that was required. And again, GAO highlighted that several years ago, and I think we will talk today about much of the progress we have made since then.

I do just want to offer, as we talk about privatized housing, and then the possibility of privatized barracks, that we have learned lessons about not disconnecting and maintaining our oversight and accountability. I think we apply those today in the unaccompanied barracks, and I think the scale is a completely different issue as well—several tens of thousands of homes versus currently four buildings, and, ideally, a lot more.

Mrs. KIGGANS. Yes. Great. Thank you.

Mr. THOMPSON. Thank you, ma'am.

Mr. MORIARTY. Congresswoman, I would say that our later projects, we applied the lessons that we learned on our earlier ones. We did it over a decade span or so. And the problems that we are having now financially with our projects are the earlier projects, where they were just poorer deals for a bunch of reasons.

I think a lot of the lessons we learned could be applied to any future privatization. I would agree with him that, when you privatize, I think commanders took the eye off the ball. We have worked to strengthen our commander involvement. And to Chairman Bacon's point, we have a four-star, twice-a-year gathering where we look at or we have a housing council at the four-star level with them looking at it. We have a two-star level.

We also empower our installation commanders through training. We give them what we call an HP101 [Housing Plan 101] and we hold them accountable. I think, for the most part, commanders felt like it wasn't commanders' business anymore, and that was made clear in the 2018–2019 business.

So, what did we learn? We learned that, you know, by financially financing these things, doesn't mean you can walk away from the deals. You still have a part.

Mrs. KIGGANS. And also, reading the GAO report, there are 14 private housing companies, then, that provide this privatized family housing. Does that work okay? Is it disjointed at all? Is there enough standardization? Is that a good model, where we have lots of different companies doing different things?

Because I just want to take our lessons learned from this decade that we have learned good things and apply it to unaccompanied housing and how we can, you know, if we do go that route, implement it correctly.

Ms. COULSON. I think there is more standardization now than there was previously. There is an organization, the Military Housing Association, that tries to pull these providers together and get them to see things the same way.

We are working right now on a quality assurance/quality control plan—they are, with us—to use across our six. The Army has got six providers. So, we are looking.

It is important to standardize and we are looking to do that in a better way. And I think the legislation from 2020 on has helped.

Mrs. KIGGANS. Okay. My time has expired.

Mr. BACON. Thank you, Mrs. Kiggans.

I will recognize Ms. Strickland from Washington State.

Ms. STRICKLAND. Thank you. And Ms. Jacobs pointed out to me that our two Dons are Don Davis and Don Bacon, "Davis-Bacon."

[Laughter.]

Ms. STRICKLAND. So, thank you to our witnesses for being here today. And I especially want to thank Ms. Coulson. You have been so accessible with my office and my staff for the issues on JBLM [Joint Base Lewis-McChord]. So I want to commend you for your leadership and just always having an open door and being there for us.

So, I want to talk a bit about being creative in how we address the housing supply. So, regarding to solutions to addressing the housing backlog at Joint Base Lewis-McChord, I think that creativity is important here.

And one idea that I'm starting to hear about is the enhanced use lease [EUL]. So, if you could, number one, explain in layman's terms what that means? And then really answer the question, if the garrison identified some land for an enhanced use lease for housing development, is it required for the military housing provider to develop the project or can another private developer use that lease?

Ms. COULSON. Thank you for that question, Congresswoman Strickland. And I enjoy working with your staff as well very much.

I would like to talk about EULs. We have never used an enhanced use lease for housing.

Ms. STRICKLAND. Okay.

Ms. COULSON. But it is a real estate—the statute is 10 USC 2667—it is a real estate statute. We have—if we have got property that is not excess to a military department, to the Army, but we don't have necessarily immediate use for it, we can use that property for other purposes.

So, we have to take a look at that property. We have to understand the environmental condition of the property. We would have to do—we would have to comply with NEPA [National Environmental Policy Act], and then we would look at what we might be able to use that for.

It is not necessary that we would use the privatized housing provider that serves JBLM at this moment. We would compete. We would be able to compete for the use of that property. And then, we would receive in-kind consideration for the use, as part of an enhanced use lease. So that is the way it works.

We do have several. The Air Force has many and may be able to help inform this discussion.

But if you have got any other questions, I would be happy to sit down with your staff and run through this with them.

Ms. STRICKLAND. All right. Well, Mr. Moriarty, can you talk a bit about what the Air Force is doing and how that has worked out?

Mr. MORIARTY. Yes, ma'am. So, typically, you are right. Typically, our clauses say we don't compete with them. But in a market like that, it would work. We have enhanced use leases like down

at Eglin [Air Force Base], where we have mixed use. So, we might have apartments on top development.

We are working one right now in F.E. Warren [Air Force Base], it will be another mixed use. It is in the process of negotiations, but that would produce housing.

The win there is, while we are not involved in who gets assigned there and how it works, it would be a market-driven rent, right? But it helps in those communities, too, where, especially at F.E. Warren, where they lack available, affordable housing, it is a win/win for the community and it.

And so, I would be glad to share more information, as you would like, ma'am. But that is a possibility to increase housing availability where there is a developer that can do it.

Most of the time, what we found at Altus Air Force Base, is where the State and the city put money aside for developers, they have been able to create affordable housing that our airmen would want to live in, but they had to put money into it to make that development happen.

That wasn't on our land, but it is similar to what you are talking about. In most of these deals, we can offer land. We have to get fair market value.

Ms. STRICKLAND. Yes.

Mr. MORIARTY. And we have to compete it. But that is not a very high bar, quite frankly. A lot of our land where we are, unlike the Navy, is not what I would call expensive land in those areas comparatively. Over.

Ms. STRICKLAND. No, great, and I love—as a former mayor, I love the idea of a mixed use because you are often building housing and the new building amenities with it as well. So, it improves the quality of life. So, our office is definitely interested in learning more about that.

And thank you for your testimony.

I yield back, Mr. Chair.

Mr. BACON. Thank you, Ms. Strickland.

I recognize now Mr. Alford from Missouri.

Mr. ALFORD. Thank you, General Bacon. I just want to say, first off, how much I am honored to be on this panel. I just think this is long overdue. And I'm not a veteran, but I have been to Fort Leonard Wood. I have seen the barracks there. I have seen the issues. Ms. Coulson and I talked about this yesterday on the phone. We have got to get this right.

I don't know about you, General Bacon, but I have constituents calling me now. It is like we are heading towards a shutdown. Our military is not going to get paid, but we are still going to fund and pay the Ukrainian military.

And this report comes out of the GAO this week with these horrible pictures of living conditions that our service men and women are living in. It is just not right. And I am so glad that we are concentrating on bringing up this quality of life, so we can instill pride once again in our military and boost our recruitment numbers. So, thank you all for being here today.

I want to wrap my head around something, because I noticed the 2021 NDAA housing reform provisions, section 2818, requires the Department to expand the Uniform Code of Basic Standards for

privatized military housing. I am proud to say that we worked with Senator Hawley's office in getting \$50 million for Fort Leonard Wood for privatized housing.

There are some very big needs there. And as you know, that base trains 80,000 personnel a year. So, it is very important for these families to have some sense of pride in where they live. We are not building the Taj Mahal, but we are building a nice place where families can have each other over and invest in community with one another.

Is there not a standard for barracks right now, Ms. Coulson?

Ms. COULSON. We do have standards. All of us have standards. Our standards may be different, however.

Mr. ALFORD. Why? Why are there different standards?

Ms. COULSON. Well, I think, left to our own devices, Congressman Alford, we will do what we feel is best for our military department.

And I will give you an example. We have just established a new construction standard that is great. It is four bedrooms, two bathrooms, a full kitchen, a full living room.

I don't know what the construction standards are for the Air Force and the Navy, my counterparts. But this is a decision that Army leadership made, and we would like to be able to provide that level of standard to our soldiers, our single soldiers.

So, we all have standards. And we can sit down and talk about what our standards are. I think that there is—the HASC-R [House Armed Services Committee Readiness Subcommittee] is undertaking a look during this NDAA that is being discussed right now at asking us to standardize across the military departments. I am an advocate for that.

Mr. ALFORD. I would like to see that as well.

You say we need or you need a billion dollars a year to get this right. How many total buildings are we talking about? You said 6,700. Is that the total number of barracks there are in the DOD?

Ms. COULSON. So, for the Army—and I can only speak for the Army—it is a matter of scale. I think the memo that you received last night said there were 9,000 barracks buildings. The Army has 6,700 of them.

Mr. ALFORD. Okay.

Ms. COULSON. And 3,900 are training and the rest are permanent—

Mr. ALFORD. So, of those 6,700, what percentage is not up to a standard that you would want to live in?

Ms. COULSON. We consider 23 percent of that number to be in poor and failing condition.

Mr. ALFORD. And currently, there are service members living in 23 percent of the 6,700 barracks that are below standard or failing?

Ms. COULSON. I don't know—I don't know that they are livable or habitable, and many are collective training. The ones that—well, Representative Escobar is not here, but those that she talked about, for example, at Fort Bliss that are used by the Army Guard, the Army Reserve, during annual training.

So, for permanent party—permanent party, if I can just talk about that, the number is smaller. It is 18 percent of our permanent party barracks are in poor and failing—

Mr. ALFORD. So, at a billion dollars a year, if we came up with this money, how long would it take, considering the deferred maintenance on these other buildings we are going to dip down into the substandard category, how long will it take to right the ship?

Ms. COULSON. Well, we already spend over a billion dollars a year on our barracks. When we looked at—and this is data from modeling—when we looked at what it would cost to recapitalize our permanent party inventory that I just described, the bill for that inventory alone is \$6.5 billion, in addition to what we are already—

Mr. ALFORD. I am almost out of time.

At the rate, though, of a billion a year, how long would it take to right the ship, to get it right, no substandard housing?

Ms. COULSON. So, we look across the POM [Project Objective Memorandum] 2025–2029, it would take about an additional \$6.5 billion—and that is just from a modeled number—to be able to restore and modernize our inventory to 100 percent.

Mr. ALFORD. I have gone over. Thank you, Mr. Chairman. I yield back.

Mr. BACON. Thank you, Mr. Alford. We only have the room for about 5 more minutes. So, I will try to wrap up.

But I just saw the headline just came out from Stars and Stripes: “Sewage, Rats, and Crime: Our Service Members Deserve Better.” Not good. And I hope our service chiefs are taking this personally. They need to. To me, it is a leadership problem and a funding problem. I get that. We are part of the solution here. But it is unacceptable to have that kind of headline. That is what our people are reading today all over the country.

I have got a request, but not to be answered today. I would love to sit down with whoever the experts are to understand how do we determine housing allowance. I have had more feedback from people that it is a mystery. You know, it sounds like some people with “super calculators” behind a closed door. But it seems like it works in some of our areas, but other areas it appears to be woefully underestimated, like in Washington, DC, area, as an example. I have heard the same in Hawaii and San Diego.

So, I would love to just understand it better to see if we can put a better oversight on that or not. I just don’t know if there is an issue there.

And maybe one last question from me. How would each of you describe, if you do it briefly, characterize the financial health of your housing, military housing projects? How many of them you have had to refinance by bringing in additional funding? If you just give us a little sense how each service is doing there, I would be grateful.

Mr. THOMPSON. Yes, Chairman. For the Department of the Navy, I think our overall financial health across the partners is healthy. We do have a few challenge projects, particularly our Marine Corps projects down in the Carolinas, largely as a result of Hurricane Florence and some of the effect on the inventory there and occupancy. But the bottom line is we have had none that have gone to refinancing or restructuring.

Mr. BACON. Thank you.

Ms. COULSON. Just very quickly, I think we are happy with the short-term financial viability of our projects. It is the long term. It is, what do we do over the next 25 years to address the needed recapitalization of our privatized inventory that we struggle with?

Mr. BACON. We welcome your feedback in how we can assist there. That is another area that we have got to look at.

Mr. Moriarty.

Mr. MORIARTY. Sir, every year we do a financial check of our projects. Based on this year's, with the BAH rates and costs and all, 12 of our 31 projects are going to require some kind of restructuring.

We have put money in, starting in 2022, in our budgets to get after those, so that we can have good debt coverage, 100 percent sustainment, and at least 70 percent reinvestment. There are some things that cap us we would love to talk to you more about.

Scoring was mentioned earlier. There is also other restrictions in law that allow us to put even more money to fix those projects.

The last thing I would leave you with, Mr. Chairman, and for our distinguished Congressmen and women, is, you know, for the Air Force, none of our members should be living in a room that is substandard. We have a smaller problem. We only have about 700, 800 between our [inaudible] and our—our numbers are smaller, but none of our airmen or guardians should be living in a room. Every commander has the ability and responsibility to move that airman out of that room, or guardian, if it is a problem.

We have dorms that need work and need money, but there never is an excuse from the Air Force side. Our leadership from the Secretary to our two Chiefs would not, they would not allow that. So, our installation leadership should know that. I just want to leave that with you, that that has not changed in our Air Force.

Mr. BACON. Well, we appreciate you being here today and taking our questions and giving us feedback.

When we started this, my assumption was that we were going to hear primarily about the 15 percent or so of our military that could qualify for SNAP [Supplemental Nutrition Assistance Program], food insecure. So, when we were going to bases, I expected that to be where I would hear the most concerns.

And actually, it was about housing. I have heard more from our military members and spouses or, you know, the family members—it has been more about the housing, the quality of housing, the housing allowance if they are living off-base.

And so, I have surely have become educated and informed by the feedback of those on the ground and what they are going through. And it appears to me that Congress has an important role here. With the military housing, it was our injects that helped do a course correction here. I think we are going to have to do the same thing when it comes to our barracks.

So, we are going to put a lot of focus on this. We are going to put a spotlight on it. But the services have also got to tell us what they need. To underbudget and us put more in than requested, and still have a deficit, there is something not right there. It does not add up.

So there is an urgent need for DOD to implement oversight of our housing—right now, primarily our unaccompanied housing—

and continue steadfastly in their mission to ensure military families in privatized housing are taken care of.

So, with that, thank you for your time and thanks to our fellow members here.

With that, we will close the hearing. Thank you.

[Whereupon, at 11:33 a.m., the panel was adjourned.]

A P P E N D I X

SEPTEMBER 27, 2023

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

SEPTEMBER 27, 2023

**Statement of
Chairman Don Bacon
“An Update on Unaccompanied Housing and the Military Housing
Privatization Initiative”
Quality of Life Panel
September 27, 2023**

The hearing will now come to order.

I ask unanimous consent that the chair be authorized to declare a recess at any time.

Without objection, so ordered.

I want to welcome everyone to this hearing of the Quality of Life Panel. Today’s hearing is on “An Update on Unaccompanied Housing and the Military Housing Privatization Initiative.”

I want to thank our witnesses for being with us today. I hope this hearing provides an opportunity for our Members to have a productive exchange with our witnesses and provide answers to their questions.

Today, we are addressing an issue that is critical to the quality of life for our servicemembers and their families...the state of military housing. This is an issue that goes beyond party lines and demands our attention and action.

Our men and women in uniform have put their life on the line to protect our freedom, they and their families make countless sacrifices for our nation.

We owe it to these individuals to ensure they have access to safe, comfortable, and affordable housing. Unfortunately, the reality of military housing is often far from that.

Last week, the Government Accountability Office published a report detailing deplorable and frankly inexcusable conditions of unaccompanied housing for junior servicemembers. Sewage overflow, water quality issues, rodent infestations, mold, broken air condition units in sweltering heat, and other all have been found in these facilities... facilities that service members are expected and required to live in.

We cannot allow this situation to persist... it is an issue not only of justice and dignity, but also of military readiness. When our servicemembers are preoccupied with their health and safety, they cannot focus on their mission.

A few years ago, we saw similar conditions in private family military housing. Families dealt with long delays in repair and maintenance requests or requests that were not responded to at all, children were getting sick from mold and lead paint, and members feared retribution from private companies if they complained to their command. This situation required extensive Congressional action to make improvements to these conditions.

The Department and individual services have continued to neglect the oversight and management these projects require. They have failed to provide the housing that servicemembers need and deserve.

This matter must be addressed. We must demand greater accountability from the Department of Defense.

Today you will hear from two panels. The first panel is an expert from the GAO that will share the results of its recent audit of unaccompanied housing facilities, including issues related to funding and oversight.

In the second panel, we will hear from DOD officials responsible for housing policy. They will describe the current status of privatized military housing. Additionally, they will address the implementation of statutorily required provisions ensuring the quality of this housing.

I would now like to welcome our witness for the first panel.

Elizabeth Field

Director with GAO's Defense Capabilities and Management Team

Before hearing from our witness, let me offer Ranking Member Houlahan an opportunity to make any opening remarks.

**Representative Chrissy Houlahan Opening Statement
09.27 Quality of Life Panel Housing Hearing**

Thank you, Mr. Chair.

I want to welcome our witnesses today and thank them in advance for their testimonies. I also want to take a moment and acknowledge the historic nature of today – the first public hearing of the House Armed Services Committee Quality-of-Life Panel. I appreciate the partnership and manner with which we’ve progressed so far, so thank you again to my dear friend and fellow Air Force veteran, Rep. Don Bacon.

Today’s discussion is extremely timely given the release of last week’s GAO report on the state of base housing across military installations. To be frank, the details and pictures were difficult to stomach. Raw sewage, bed bugs, mold, and more... – it’s unacceptable.

I’m proud of the historically bipartisan nature of this panel, so I also would be remiss if I didn’t share the broad, bipartisan concerns about the negative impact of a potential government shutdown. We’ve said it before, but it bears repeating: a government shutdown has grave impacts on the quality of life for our service members and their families.

If we don’t pay our service members on time, we can’t be surprised when morale, recruitment, and retention suffer. I appreciate the efforts of my fellow Quality of Life Panel members to ensure our service members can continue to be paid.

While a government shutdown would have far-reaching implications, today, we are here to talk about military housing. As someone who was both a military child and later started my own family while serving in the Air Force, I’ve lived at dozens of military installations across the country and across the world.

As a young military child, I was focused on studying for school, making new friends, and spending time with my family. I didn’t think about the plumbing in my house, the water that I drank, or the possible dangers of sleeping at home.

And as an Air Force Captain, my focus was squarely on service to my country and on the well-being of my family.

That’s exactly what our service members should be focused on: their mission – not whether or not their homes are safe.

Today we’re here, many of us veterans ourselves, to discuss one of the most pressing issues facing our Defense Department and all-volunteer force.

Housing security and safety remain a top quality of life concern for our service members and thus, a top concern for our national security.

Heartbreaking personal testimony from one service member details the dire conditions of their military privatized housing experience: mold, broken A/C, water leaks, lack of communication, and dismissed concerns. They admitted that the only reason they continued to reside on base was not because they felt safe or valued by the housing management company but because they would be otherwise

unable to afford off-base housing given the current BAH based on their rank and dependents.

Each time a story like this is shared, the response seems to be “we experienced the same issue.” This comes from the same people we are asking to put their lives on the line for us.

To be sure, the report should reignite our efforts, but we have been working on this issue for years.

Over the last several years, our colleagues in the Readiness subcommittee have been heavily engaged in oversight of the privatized military family housing program. Through several formal committee events and numerous meetings with families, housing advocacy groups, private partners, and Department of Defense personnel, we have worked to improve the quality of housing provided to our service members and their families; however, I believe there’s still more work to be done.

Again, thank you to the witnesses and Mr. Bacon for this hearing. I yield the balance of my time.



United States Government Accountability Office

Testimony
Before the Quality of Life Panel,
Committee on Armed Services, House
of Representatives

For Release on Delivery
Expected at 10:00 a.m. ET
Wednesday, September 27,
2023

MILITARY HOUSING

Strengthened Oversight Needed to Make and Sustain Improvements to Living Conditions

Statement of Elizabeth A. Field, Director, Defense
Capabilities and Management

GAO Highlights

Highlights of GAO-23-107038, a testimony before the Quality of Life Panel, Committee on Armed Services, House of Representatives

Why GAO Did This Study

Poor living conditions in military housing decrease quality of life for service members and their families and can negatively affect military readiness. In recent years, reports of poor living conditions in government-owned barracks and military family housing owned and operated by private companies have raised questions about DOD's oversight of its military housing program.

This statement examines DOD's management of its housing programs, specifically the department's (1) military barracks program, and (2) privatized family housing program.

This statement is based on GAO's September 2023 report on military barracks conditions and its April 2023 report on privatized military family housing. To perform that work, GAO reviewed DOD documentation, analyzed data, interviewed DOD officials, and assessed DOD's efforts against relevant criteria. GAO also toured military housing and conducted discussion groups with housing residents during site visits to selected military installations.

What GAO Recommends

GAO made 31 recommendations in its September 2023 report and 19 recommendations in its April 2023 report. Regarding barracks, GAO recommended that DOD improve guidance and increase oversight. Regarding privatized family housing, GAO recommended DOD clarify guidance and training on efforts to increase assistance to residents and improve home inspection standards. DOD generally concurred with the recommendations and described ongoing actions.

View GAO-23-107038. For more information, contact Elizabeth A. Field at (202) 512-2775 or FieldE1@gao.gov.

September 27, 2023

MILITARY HOUSING

Strengthened Oversight Needed to Make and Sustain Improvements to Living Conditions

What GAO Found

Junior-enlisted service members without dependents (e.g., a spouse or child) typically live in military-managed barracks. GAO reported in September 2023 that some barracks pose serious health and safety risks. As part of site visits to selected installations, GAO observed a variety of living conditions that service members and unit leaders stated were negatively affecting their quality of life, such as sewage overflow, mold and mildew, and broken windows and locks.

Potentially Serious Health and Safety Risks at GAO Site Visit Locations



Source: Department of Defense (left); GAO (all others). | GAO-23-107038

GAO found numerous challenges in the Department of Defense's (DOD) approach to managing its barracks, including the following:

- DOD standards for health and safety in barracks were not well defined.
- Some barracks do not meet DOD standards for privacy and configuration, such as minimum number of bedrooms, in part because the military services' guidance for privacy and configuration do not reflect DOD standards.
- DOD does not provide sufficient oversight of housing programs for barracks, such as through appropriate guidance or direction to the military services on tracking, assessing, and remediating deficiencies in barracks conditions.

GAO's work similarly shows that DOD needs to continue to improve privatized military housing, which includes about 200,000 homes for service members and their families in the United States. Around 2018, reports of lead-based paint and other hazards, such as pest infestation, raised questions about DOD's management of privatized housing. In March 2020, GAO made several recommendations to improve DOD oversight, and DOD has taken steps to implement them. However, in April 2023, GAO reported that gaps remain in DOD's efforts. For example, GAO found that DOD had not (1) set clear and consistent inspection standards for homes undergoing change of occupancy or (2) provided adequate guidance or training to officials on assisting residents in using a new formal dispute resolution process.

Improved oversight and addressing GAO's recommendations would position DOD to improve the quality of living conditions for its service members.

United States Government Accountability Office

Chairman Bacon, Ranking Member Houlahan, and Members of the Panel,

Thank you for the opportunity to discuss our work on living conditions in military housing and the resulting effects on quality of life for service members and their families. In recent years, reports of health and safety hazards in military housing, such as lead-based paint and pest infestation, have raised questions about the Department of Defense's (DOD) management and oversight of housing and the resulting effects of substandard living conditions on service members' quality of life. Regardless of whether military housing is owned and operated by the government or by private housing companies, poor living conditions degrade quality of life and, consequently, can affect military readiness.

DOD military housing includes government-owned military barracks worldwide, as well as privatized military family housing in the United States.¹ Military barracks house hundreds of thousands of service members on U.S. military installations.² While housing varies by rank, location, and family situation, all enlisted service members start their military careers living in barracks. After initial training, each military service generally requires junior-enlisted service members without dependents (e.g., a spouse or child) to live in barracks. The military services manage nearly 9,000 barracks facilities worldwide; almost all are government-owned, operated, and maintained. In September 2023, we reported that barracks were in poor condition and DOD faced considerable challenges managing its barracks.³ We made 31 recommendations to improve military barracks housing programs. As discussed below, DOD concurred with 23 of the recommendations and partially concurred with 8, in some cases noting ongoing actions that would address them.

The vast majority of domestic military family housing is owned, operated, and maintained by private-sector developers and property management

¹DOD also owns and operates family housing overseas. We limited the scope of our recent work to privatized family housing within the United States.

²The military services use different terms, but in this statement, we use the term barracks to refer to unaccompanied housing across military services. Additionally, we limited the scope of our recent work to barracks that house junior-enlisted service members. For example, our scope did not include review of government-owned housing for other unaccompanied service members, such as senior-enlisted.

³GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, GAO-23-105797 (Washington, D.C.: Sept. 19, 2023).

companies (hereafter referred to as private housing companies). Congress enacted the Military Housing Privatization Initiative in 1996 to give the military departments various authorities to obtain private-sector financing and management to repair, renovate, construct, and operate military housing. Private housing companies are responsible for about 99 percent of domestic military family housing—more than 200,000 homes on and around military bases in the United States.⁴ At the end of fiscal year 2022, 14 private housing companies were responsible for 78 privatized housing projects.

Since March 2018, we have made over 50 recommendations to improve privatized family housing programs. DOD has taken a number of steps to address these recommendations and as of September 2023 has implemented 26. In April 2023 we reported that considerable challenges continue to confront the department in its efforts to improve privatized housing, including the inconsistent implementation of congressional requirements aimed at improving privatized housing.⁵ We include a list of related products regarding military housing at the end of this statement.

My testimony today summarizes our most recent reviews of DOD's management of its (1) barracks housing program and (2) privatized military family housing program. This statement is based primarily on our September 2023 report on military barracks conditions and our April 2023 report on DOD's privatized family housing program.⁶ To perform the work upon which this testimony is based, we reviewed DOD documentation, analyzed DOD data, interviewed DOD officials, and assessed DOD's efforts against relevant criteria. For both reviews, we toured military housing and conducted discussion groups with military housing residents during site visits to selected military installations within the United States.⁷ More detailed information on our objectives, scope, and methodology for

⁴National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, §§ 2801-2802 (1996), codified as amended at 10 U.S.C. §§ 2871-2894a.

⁵GAO, *Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program*, GAO-23-105377 (Washington, D.C.: Apr. 19, 2023).

⁶GAO-23-105797 and GAO-23-105377.

⁷Specifically, as part of our September 2023 report on military barracks, we visited a non-generalizable sample of 10 installations in the United States—selected to represent each of the military services—and facilitated 12 discussion groups. Similarly, for our April 2023 report on DOD's privatized family housing program, we conducted both in-person and virtual site visits at a non-generalizable sample of five installations and facilitated two discussion groups.

that work can be found in the issued reports listed at the end of this statement.

We conducted the work on which this testimony is based 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.

Poor Living Conditions in Military Barracks Undermine Quality of Life

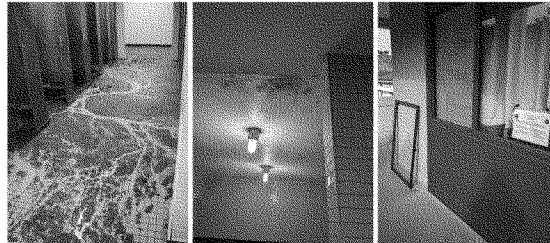
Some Living Conditions in Military Barracks Are Substandard

In September 2023 we reported that some barracks pose serious health and safety risks and do not meet DOD standards for privacy and configuration, such as number of bedrooms. DOD has set minimum standards for assignment or occupancy to barracks related to health and safety, as well as privacy and configuration. These requirements include how much square footage each service member should have for living space.⁸ However, we found that some barracks pose potentially serious risks to service members, and that barracks do not always meet privacy and configuration standards. According to service officials, thousands of service members may live in substandard barracks.

Health and safety risks exist for service members. Service members in all 12 discussion groups we conducted for our review and first sergeants at eight installations that we visited told us they had concerns about health, safety, or both in the barracks. We observed a variety of living conditions during site visits that service members and unit leaders told us were negatively affecting them, such as sewage overflow, mold and mildew, and broken windows and locks. See figure 1.

⁸Department of Defense Manual 4165.63, *DOD Housing Management* (Oct. 28, 2010) (Incorporating Change 2, Aug. 31, 2018).

Figure 1: Potentially Serious Health and Safety Risks at GAO Site Visit Locations



Source: Department of Defense (left), GAO (all others). | GAO-23-107038

We also observed or heard about issues with water quality, pests, exposure to methane gas, and extreme temperatures, among others. Service members in all 12 discussion groups told us that living conditions affected their mental health. For example, in one group, a service member told us about increased anxiety and panic attacks after living in the barracks.

We observed at multiple installations malfunctioning or broken fire safety systems, broken door locks and broken first-floor windows, insufficient lighting, evidence of squatters, and lack of functioning security cameras in barracks.⁹ First sergeants at one installation told us an ex-spouse broke in and physically assaulted a service member in the barracks. They also said that poorly lit hallways, blind spots in hallways and corridors, and lack of security cameras made barracks difficult to monitor. Service members at four installations reported concerns that these conditions contributed to an environment where theft, property damage, and sexual assault were more likely.

Some barracks do not meet minimum privacy and configuration standards. At six of 10 installations we visited, we identified barracks that

⁹During a tour of barracks at one installation, we observed a room occupied by an unauthorized person. Installation officials told us a service member who was no longer in the military had remained on the installation after being discharged and had been entering a barracks room through a broken first floor window and living in that room. During our tour, a barracks manager reported and resolved the issue with unit leadership.

did not meet the DOD standard that, for units without living rooms, each service member should have a private bedroom, and no more than two service members should share a bathroom.¹⁰ We also observed barracks at six of 10 installations that did not provide kitchenettes when they were supposed to, such as rooms that provided only a refrigerator and microwave.¹¹ See figure 2.

Figure 2: Barracks Rooms below Department of Defense (DOD) Minimum Standards for Privacy and Configuration; Observations during GAO Site Visits



Source: GAO. | GAO-23-107038

Service members in 10 of 12 discussion groups told us that lack of privacy and insufficient space contributed to poor mental health and affected sleep quality or work performance. For example, service members in one group said that lack of privacy in barracks increases stress and makes it difficult to relax at home. Similarly, service members in 10 of 12 discussion groups told us the lack of or limited access to

¹⁰DOD minimum standards for permanent party barracks for service members in ranks E1 to E4 offer two options, both of which require a barracks unit to have two rooms—either two private bedrooms or one shared bedroom and a living room—as well as a kitchen or kitchenette for preparing food.

¹¹Under DOD standards, permanent party barracks without living rooms must include a kitchenette. DOD Manual 4165.63, *DOD Housing Management* does not include a definition for kitchenettes. For the purposes of our analysis, we concluded a barracks room did not have a kitchenette if we did not observe in the barracks room at least one additional kitchen amenity beyond a refrigerator or microwave, such as a stovetop with one or more burners, cabinet storage, countertops, a sink outside the bathroom, or kitchen table. This definition is consistent with statements from a service housing official.

	<p>kitchens or kitchenettes in the barracks negatively affected them.¹² Service members told us that due to the lack of or limited access to kitchens or kitchenettes in the barracks, they generally rely on microwavable meals or fast food, leading to health problems.</p> <p>We determined that although DOD guidance indicates that barracks should be free of serious risks to health and safety, it lacks specific details on what constitutes such risks. Moreover, we found that service-specific standards for assignment to barracks do not meet DOD standards for privacy and configuration. We recommended that DOD clarify and update guidance on minimum standards as one key way to avoid the problem of service members living in substandard conditions with detrimental effects on quality of life. DOD generally concurred with our recommendations and identified steps to implement them. Updated guidance would help ensure service members are not assigned to live in uninhabitable or substandard barracks.</p>
<p>DOD Does Not Sufficiently Assess Barracks Conditions or Effects on Quality of Life</p>	<p>In September 2023, we reported that DOD does not reliably assess barracks living conditions or routinely monitor the effects of barracks conditions on service members' quality of life. Further, military services' methods for assessing the effects of barracks conditions are not consistent and do not fully align with DOD requirements.</p> <p>Condition assessments are not reliable. The military services calculate a condition score—a number from zero to 100—for each barracks facility based on inspections of building systems, such as electrical or plumbing, but we found that these scores have been unreliable. For example, at seven of 10 military installations we visited we observed barracks that appeared to require significant improvement, despite condition scores above 80. For example, we toured a barracks at one installation with a condition score of 86, where about 25 percent of rooms had broken air conditioning. Service members we met with at this installation described living in the barracks without air conditioning on hot days as continuous misery, especially after being outside all day for work or training.</p> <p>We identified multiple possible factors that may affect the reliability of condition scores, such as the frequency of assessments and the number of building systems assessed, which vary by military service. For</p>

¹²Of the two discussion groups that did not discuss negative effects due to limited kitchen access, one group lived in privatized barracks where the majority of service members we met with lived in units with kitchens. The second group lived in government-owned barracks with configurations that also included kitchens.

example, the frequency of condition assessments varies by service, with some services assessing barracks conditions as frequently as 3 years and others in 10-year intervals. Officials at all 10 installations we visited told us barracks are different from other facilities because they have high usage, high turnover, and experience significant wear and tear due to housing hundreds of enlisted service members. Further, officials from multiple services told us the current frequency of condition assessments, both stated in policy or conducted in practice, is not sufficient for barracks facilities.

We recommended that DOD examine key aspects of how the different services conduct condition assessments and provide guidance based on that review. DOD concurred with our recommendation. Without examining and providing guidance on how best to assess barracks conditions, DOD may not have reliable condition information to appropriately determine which barracks should be prioritized for funding.

The Office of the Secretary of Defense does not assess condition effects on quality of life. In previous years, the Office of the Under Secretary of Defense for Personnel and Readiness (hereafter referred to as Personnel and Readiness) collected information on service member satisfaction with barracks through the Status of Forces survey. Information from this survey would be useful for monitoring the morale and welfare aspects of barracks housing.¹³ According to 2019 Status of Forces survey results, service members living in unaccompanied housing, including barracks, were generally less satisfied than service members living in other types of military housing. However, the department removed housing satisfaction questions from the Status of Forces survey after 2019 to reduce survey length and because, according to officials, housing satisfaction was not a priority for assessing morale. Personnel and Readiness officials provided differing perspectives. Some indicated that while housing conditions touch on quality of life, they consider housing to be separate from quality of life, and so do not monitor the effects of barracks conditions. Other officials, however, disagreed and indicated that this does not reflect the position of Personnel and Readiness.

At the time of our review, officials told us there were no plans to reintroduce housing questions to the Status of Forces survey. Therefore,

¹³The Status of Forces survey assesses the attitudes and opinions of the DOD community on a range of personnel issues that affect service members, their careers, and their families, including questions on topics related to quality of life.

we recommended that Personnel and Readiness collect department-wide information on service members' satisfaction with their housing, including barracks. DOD partially concurred with this recommendation and described ongoing and planned actions. Department-wide information collection on housing satisfaction, such as through the Status of Forces survey, would help DOD gain insight into the effects of barracks conditions on service members' quality of life.

Military services do not consistently assess condition effects on quality of life. DOD guidance requires the military services to periodically evaluate service members' satisfaction with their housing, including barracks, using surveys. However, a 2020 Chief Housing Officer memorandum required the services to survey only residents of privatized housing and government-owned family housing, omitting government-owned barracks.¹⁴ As a result, the military services' approaches to surveying barracks residents on the effects of living conditions on quality of life have been inconsistent.

- The Navy and Marine Corps have used the same tenant satisfaction survey they use for privatized military family housing for residents of government-owned barracks. Both services have used survey results to identify steps to improve quality of life for service members.
- The Army and Air Force have not used the tenant satisfaction survey for barracks residents. They have relied instead on other methods to gather more limited information on effects of living conditions on quality of life, such as a one-time survey of barracks residents at selected installations and informal exit interviews.¹⁵

We recommended that DOD update guidance to require surveys of barracks residents—thousands of whom live in barracks because they are required to do so. Implementing our recommendation will ensure DOD is positioned to assess the effects of barracks conditions and

¹⁴Assistant Secretary of Defense for Sustainment Memorandum, *Tenant Satisfaction Survey Policy for DOD Privatized, Owned or Leased Housing* (Nov. 16, 2020). This memorandum implements a provision of the National Defense Authorization Act for Fiscal Year 2020, which required each military installation to administer the same tenant satisfaction survey for service members living in all military housing, Pub. L. No. 116-92, § 3058 (2019).

¹⁵The Army administered a one-time survey of barracks residents at five military installations in 2022. The Army plans to administer periodic surveys of barracks residents in the future.

DOD Does Not Conduct Sufficient Oversight of Barracks Housing Programs

identify potential improvements to quality of life for thousands of service members living in barracks. DOD concurred with this recommendation.

In September 2023 we reported that DOD does not provide sufficient oversight of housing programs for barracks. For example, the Office of the Secretary of Defense has not provided appropriate guidance or direction to the military services on tracking, assessing, and remediating deficiencies in barracks living conditions.¹⁶ Specifically, DOD does not have a structure in place to conduct sufficient oversight of barracks, such as monitoring substandard barracks, tracking budget information, or facilitating collaboration across military services.

DOD does not monitor substandard barracks. In general, we found that relevant officials from the Office of the Secretary of Defense were not paying sufficient attention to the military services' barracks programs. For example, we found that the services' privacy and configuration standards generally did not meet those prescribed in the DOD manual. However, housing officials from the Office of the Secretary of Defense were unaware of this. They said they do not monitor the number of substandard barracks across the services because they do not have a role in military service waivers of DOD minimum standards for barracks.¹⁷ They also emphasized that the services are meant to have flexibility in how they manage their barracks programs.

DOD does not comprehensively track barracks budget information. Annual programmatic reviews of barracks include only limited, incomplete budget information. This is in part because DOD does not track complete budget information on the full scope of barracks and barracks-related funding. DOD relies primarily on three sources of appropriated funds to maintain and improve barracks facilities or to house service members

¹⁶The Assistant Secretary of Defense for Energy, Installations and Environment is designated as the Chief Housing Officer for government-owned and privatized military housing. Specifically, the National Defense Authorization Act for Fiscal Year 2023 establishes the Assistant Secretary of Defense for Energy, Installations and Environment as the Chief Housing Officer responsible for overseeing military barracks. According to DOD documents, the Deputy Assistant Secretary of Defense for Housing supports the Chief Housing Officer in all statutorily defined duties.

¹⁷Officials from the Office of the Secretary of Defense also said they do not have sufficient staff to compare DOD minimum standards to the services'.

typically required to live in barracks.¹⁸ These funding sources include (1) Operation and Maintenance (O&M) funds to maintain and improve existing barracks, (2) Military Construction (MILCON) funds to significantly renovate old barracks or construct new ones, and (3) Military Personnel funds to house service members in private sector housing through the Basic Allowance for Housing due to space limitations in the barracks or other reasons. DOD officials told us that they do not have sufficient information to know whether budget materials reflect complete funding information or whether the services' budget requests for barracks-related funding fully and accurately reflect needs. We found budget materials used to support annual reviews do not identify:

- budget information related to Basic Allowance for Housing for service members in the United States who would be living in barracks if not for condition or space issues. This spending totaled over \$1.3 billion in fiscal year 2022, according to our analysis;¹⁹
- the portion of O&M funding specifically designated for barracks housing programs; and
- complete MILCON requirements information. When we requested budget information on barracks projects funded through MILCON from each of the services for fiscal years 2012 through 2022, the budget information provided to us listed zero for barracks MILCON requirements for multiple fiscal years for more than one military service. Officials at five of 10 installations we visited told us they have more barracks projects in need of funding than they include in their requirements submissions, or that barracks MILCON projects do not compete well against other needed MILCON projects when submitted for inclusion as part of the annual budget request.

DOD has not facilitated collaboration on barracks housing issues across the department. DOD has not facilitated collaboration across the military services, such as by establishing a joint strategy for the services

¹⁸Service policies have different rank requirements for living in barracks. For example, within the United States the Army and Marine Corps require unaccompanied service members in ranks E-1 to E-5 to live in barracks. The Air Force and Navy require service members in ranks E-1 to E-3—as well as some E-4s depending on several factors, such as years of service or available barracks space on an installation—to live in barracks. Both services allow E-5s to leave barracks. Across DOD, unaccompanied, enlisted service members are allowed to live outside of the barracks after being promoted to ranks E-4, E-5, or E-6, depending on the military service and other factors.

¹⁹We obtained and analyzed DOD data related to BAH for active-duty service members assigned to duty stations in the United States.

to coordinate on improving barracks conditions.²⁰ As a result, the services have pursued separate, individual strategies to improve barracks without the benefits of collaboration. For example, the services have pursued different approaches to assessing the feasibility of privatizing barracks, resulting in inconsistent information, conclusions, and actions. Officials from DOD and multiple services acknowledged that formalized, regular collaboration would be useful for improving barracks conditions across the military.

DOD housing officials acknowledged that they have not been as focused on strengthening oversight of barracks as they have privatized family housing due to limited staffing resources and DOD's focus on privatized housing in recent years as a result of congressional attention. These deficiencies in oversight limit DOD's ability to identify and address long-standing challenges in barracks conditions across the military services' housing programs. In our September 2023 report, we made recommendations to DOD to increase oversight and department-wide collaboration on barracks housings programs and to develop methods for tracking and reporting complete and accurate funding information.

DOD generally concurred with our recommendations, but partially concurred with our recommendation to develop a method to track and report complete funding information in a combined manner for barracks housing programs. DOD stated that Military Personnel funding will not be tracked or reported since DOD may not use Military Personnel funding to improve or maintain barracks housing. We recognize that Military Personnel funding is not used to directly improve or maintain barracks housing. However, tracking Military Personnel funding is important for managing DOD's barracks programs. Based on our analysis, DOD is spending significant amounts on the Basic Allowance for Housing as a consequence of insufficient or poor quality housing.

Without tracking and reporting this funding, it will be challenging for DOD to weigh different options for funding barracks and barracks-related needs. For example, it will be challenging for DOD to weigh the use of O&M, MILCON, or Military Personnel funding—specifically the Basic

²⁰As we have previously reported, collaboration can be broadly defined as any joint activity that is intended to produce more public value than could be produced when organizations act alone. Joint activities can range from occasional meetings between managers—such as periodic meetings with service housing directors—to more structured joint teams operating over a longer period. GAO, *Government Performance Management: Leading Practices to Enhance Interagency Collaboration and Address Crosscutting Challenges*, GAO-23-105520 (Washington, D.C.: May 24, 2023).

DOD Can Further Strengthen Oversight of Its Privatized Housing Program

Allowance for Housing—to meet housing needs for a given fiscal year. Moreover, Congress will have limited visibility into the full scope of funding requirements to house this service member population.

Robust oversight of privatized family housing is critical for ensuring service members and their families have access to high quality housing. In March 2020 we reported that DOD needed to strengthen oversight and clarify its role in the management of privatized housing, such as through reliable data collection on resident satisfaction and better monitoring of private partners.²¹ In response to that report, DOD took several actions to strengthen oversight. In addition, DOD took steps to implement statutory requirements from the National Defense Authorization Act for Fiscal Year 2020 (Fiscal Year 2020 NDAA) that were designed to ensure robust DOD oversight of the conditions in private housing units.²² However, we reported in April 2023 that gaps in implementation of statutory requirements remain and approaches to oversight are inconsistent.²³

Implementation gaps. The Fiscal Year 2020 NDAA required DOD to provide residents the right to enter into formal dispute resolution processes to resolve issues with private housing companies and required DOD to provide residents with access to a tenant advocate. The Office of the Secretary of Defense issued guidance in February 2021 establishing a formal dispute resolution process and directed the military departments to work with private housing companies to implement it.

However, we found that the guidance provided to residents on the process lacks detailed information, such as how and when they can file a formal dispute. We also found that military housing officials have not received adequate guidance or training for assisting residents in the process. While each military department has designated personnel to act as tenant advocates, we found that the military departments have not clearly identified the roles and responsibilities for these personnel. Further, the military departments have not communicated useful information to residents about how they can and cannot use the tenant advocates.

²¹GAO, *Military Housing: DOD Needs to Strengthen Oversight and Clarify Its Role in the Management of Privatized Housing*, GAO-20-281 (Washington, D.C.: Mar. 26, 2020).

²²Pub. L. No. 116-92 (2019).

²³GAO-23-105377.

Inconsistent oversight. The Fiscal Year 2020 NDAA required that DOD conduct inspections of privatized homes using a uniform checklist when a change of occupancy takes place. Although each of the military departments is conducting these inspections as required, DOD has not developed clear or consistent inspection standards and the military departments have not provided adequate inspector training. Military housing officials and private housing company officials we spoke with at five installations said that the absence of clearly defined standards had contributed to disagreements between the military housing offices and private housing companies.

To address these issues, we recommended that DOD clarify guidance to support implementation of the Fiscal Year 2020 NDAA requirements and improve oversight of privatized family housing. DOD generally concurred with our recommendations. By taking steps to further strengthen oversight, the Office of the Secretary of Defense and the military departments can be better positioned to understand and address any concerns about housing quality and enhance the housing experience for service members and their families.

Similarly, we reported in July 2023 that the Army could improve inspection oversight for certain privatized family housing projects.²⁴ Under its March 2021 agreement with the Army, the private housing company Lendlease is expected to renovate and build thousands of homes. However, three of the five installations that have begun implementing the agreed-to development plan have encountered some construction delays. Additionally, we found that reports Lendlease has provided to the Army lacked sufficient inspection detail. For example, none of these reports included the status of certain construction activity inspections, such as spot checks performed on minor and medium renovations and roof replacements. Without improvements, the Army may be limited in its ability to monitor construction for appropriate quality and safety standards. We recommended that Army and Lendlease improve inspection oversight, and DOD concurred with our recommendation.

In conclusion, military housing is central to quality of life for service members and their families. Our work shows that when significant management and oversight lapses in DOD housing programs occur, it can take years to address the types of problems that residents

²⁴GAO, *Military Housing: Army Should Improve Inspection Oversight and Long-Term Capital Investment Projections*, GAO-23-105983 (Washington, D.C.: July 27, 2023).

experience. These can include overcrowding, faulty construction, and unsafe living conditions. The recommendations we have made—some short-term, others longer-term—should help the department gain a better footing in ensuring that service members and their families have access to safe, clean, and comfortable housing. They should also help Congress make informed decisions about what to expect of DOD and where and when to provide funding and other forms of support that may be needed.

Chairman Bacon, Ranking Member Houlahan, and Members of the Panel, this completes my prepared statement. I would be pleased to respond to any questions you may have at this time.

GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Elizabeth A. Field, Director, Defense Capabilities and Management, at (202) 512-2775 or FieldE1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Suzanne Perkins (Assistant Director), Miranda Cohen (Analyst in Charge), Andrew Altobello, Vincent Buquicchio, David Jones, Tara Porter, Michael Shaughnessy, and Emily Wilson.

Related GAO Products

Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness, GAO-23-105797 (Washington, D.C.: September 19, 2023).

Military Housing: Army Should Improve Inspection Oversight and Long-Term Capital Investment Projections, GAO-23-105983 (Washington, D.C.: July 27, 2023).

Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program, GAO-23-105377 (Washington, D.C.: April 19, 2023).

Defense Infrastructure: DOD Should Better Manage Risks Posed by Deferred Facility Maintenance, GAO-22-104481 (Washington, D.C.: January 31, 2022).

Military Housing: DOD Needs to Strengthen Oversight and Clarify Its Role in the Management of Privatized Housing, GAO-20-281 (Washington, D.C.: March 26, 2020).

Military Housing Privatization: DOD Should Take Steps to Improve Monitoring, Reporting, and Risk Assessment, GAO-18-218 (Washington, D.C.: March 13, 2018).

Military Housing: Information on the Privatization of Unaccompanied Personnel Housing, GAO-14-313 (Washington D.C.: March 18, 2014).

Military Housing: Opportunities That Should Be Explored to Improve Housing and Reduce Costs for Unmarried Junior Servicemembers, GAO-03-602 (Washington, D.C.: June 10, 2003)

Defense Infrastructure: Most Recruit Training Barracks Have Significant Deficiencies, GAO-02-786 (Washington, D.C.: June 13, 2002)

GAO's Mission	The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.
Obtaining Copies of GAO Reports and Testimony	The fastest and easiest way to obtain copies of GAO documents at no cost is through our website. Each weekday afternoon, GAO posts on its website newly released reports, testimony, and correspondence. You can also subscribe to GAO's email updates to receive notification of newly posted products.
Order by Phone	<p>The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's website, https://www.gao.gov/ordering.htm.</p> <p>Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.</p> <p>Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.</p>
Connect with GAO	<p>Connect with GAO on Facebook, Flickr, Twitter, and YouTube.</p> <p>Subscribe to our RSS Feeds or Email Updates. Listen to our Podcasts.</p> <p>Visit GAO on the web at https://www.gao.gov.</p>
To Report Fraud, Waste, and Abuse in Federal Programs	<p>Contact FraudNet:</p> <p>Website: https://www.gao.gov/about/what-gao-does/fraudnet</p> <p>Automated answering system: (800) 424-5454 or (202) 512-7700</p>
Congressional Relations	A. Nicole Clowers, Managing Director, ClowersA@gao.gov , (202) 512-4400, U.S. Government Accountability Office, 441 G Street NW, Room 7125, Washington, DC 20548
Public Affairs	<p>Chuck Young, Managing Director, youngc1@gao.gov, (202) 512-4800</p> <p>U.S. Government Accountability Office, 441 G Street NW, Room 7149</p> <p>Washington, DC 20548</p>
Strategic Planning and External Liaison	<p>Stephen J. Sanford, Managing Director, spel@gao.gov, (202) 512-4707</p> <p>U.S. Government Accountability Office, 441 G Street NW, Room 7814,</p> <p>Washington, DC 20548</p>



Please Print on Recycled Paper.

Elizabeth Field is a Director with GAO's Defense Capabilities and Management Team, where she leads the team's work on Department of Defense enterprise management and business operations reform. Prior to joining GAO in September 2017, Ms. Field served as Chief of Staff and Senior Advisor to the Under Secretary of State for Civilian Security, Democracy, and Human Rights. During her tenure at the State Department, Ms. Field created and managed a new planning unit within the under secretariat to advance the capacity of bureaus and offices to make data-informed decisions, collaborate effectively, and effectively assess and demonstrate impact. Ms. Field also previously served as Assistant Inspector General for Audits and Inspections at the Office of the Special Inspector General for Afghanistan Reconstruction (SIGAR), which is charged by Congress with conducting audits and investigations to improve the effectiveness and efficiency of the Afghanistan reconstruction effort and to detect and deter waste, fraud, and abuse. Ms. Field began her career in government auditing at GAO, where she worked from 2002-2010, primarily as a Senior Analyst in the International Affairs and Trade team. From 2000-2001, she served as a Jacob K. Javits Fellow on the Public Health Subcommittee of the U.S. Senate Committee on Health, Education, Labor, and Pensions. Ms. Field holds a Master's Degree in Public Policy from Duke University and a Bachelor's Degree in History from Davidson College, where she graduated cum laude.

59

RECORD VERSION

STATEMENT BY

**MS. CARLA COULSON
DEPUTY ASSISTANT SECRETARY OF THE ARMY
(INSTALLATIONS, HOUSING AND PARTNERSHIPS)**

BEFORE THE

**QUALITY OF LIFE PANEL
HOUSE ARMED SERVICES COMMITTEE
UNITED STATES HOUSE OF REPRESENTATIVES**

FIRST SESSION, 118TH CONGRESS

**ON AN UPDATE ON UNACCOMPANIED MILITARY HOUSING AND THE MILITARY
HOUSING PRIVATIZATION INITIATIVE**

SEPTEMBER 27, 2023

**NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE**

I want to thank Chairman Bacon, Ranking Member Houlahan and the distinguished members of the House Armed Services Committee Quality of Life Panel for inviting me to provide testimony on the Army's Unaccompanied Housing (UH) and Military Housing Privatization Initiative (MHPI) programs. It is an honor to provide information in my capacity as the Deputy Assistant Secretary of the Army for Installations, Housing and Partnerships and share with you the Army's progress, objectives, goals, challenges, and keen focus on these two extremely important programs.

Quality of life, and in particular the opportunity for all soldiers and their families to live in safe, adequate, quality housing, remains at the very top of Army senior leader priorities. The Army leadership remains steadfast, and purposefully committed to improving the Army's housing posture, fully recognizing the linkage between the quality of our "housing" and the ability to recruit and retain a ready force. Our commitment is evidenced by our annual investment in UH, which now exceeds \$1.2 billion per year; our continued investments in the government-owned Army Family Housing inventory (mostly located overseas), 90 percent of which will be rated as GOOD (Q1)/ADEQUATE (Q2) by the end of Fiscal Year (FY) 2025, and our continued focus on improving MHPI oversight and program sustainability.

Under the Army's leadership and direction, we have made great strides in executing the MHPI-related actions directed by several National Defense Authorizations Acts (NDAA), beginning with the Military Housing Privatization Reform of 2020; and we have also implemented dozens of recommendations made by the U.S. Government Accountability Office (GAO), the Department of Defense (DoD) and Army Inspectors General, the Army Audit Agency and an independent third-party auditor. The Army is proud to have fully implemented the Tenant Bill of Rights (TBoR) in September of 2021, a foundational step towards re-establishing trust with our families. And, the Army has also included the provisions of the FY 2020 NDAA reforms in a MHPI ground lease, which is the foundational legal document that governs privatized housing projects. All new or modified Army ground leases will contain this language, which further strengthens project-level Army oversight.

Although we have made great strides in improving the MHPI program, we will continue to build on our progress. We very much appreciate and have carefully considered the GAO's recent reports on *Strengthening MHPI Oversight* and on *Improving Inspection Oversight and Long-Term Capital Investment Projections*, and we moved immediately to address the reports' recommendations. Our focus going forward is to continue to provide soldiers and their families with safe, quality, and habitable housing while also continuing ever-vigilant oversight of the MHPI program through enforcing standards, holding providers accountable, and ensuring long-term project sustainability and financial viability.

With respect to UH housing, the Army has increased its investments across all three components (Active, Guard and Reserve) from over \$1B/year to over \$1.2B/year on average across the Future Years Defense Program (FYDP). However, even with these increased investments, the Army cannot fully resource UH quality improvements and deficits through restoration and modernization (R&M) or military construction (MILCON). We currently have thousands of junior enlisted soldiers "doubling-up" in existing UH spaces or living off-post. Therefore, it is necessary to explore new ways to improve and better manage the permanent party UH inventory within the current FYDP.

Recommendations from the recent GAO Report - "*Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*" - will assist us in further refining our focus as we continue to work initiatives to improve housing conditions for our single junior enlisted population. We are also conscious of the need to address the requirements of our Reserve components. A primary concern for both the Army Guard and Reserve is their ability to replace poor and failing Collective Training (CT) inventories where the average age of the inventory is more than 50 years. Both components anticipate increasing barracks space deficits as older facilities become uninhabitable.

We look forward to working with this panel and the Readiness Subcommittees of the Armed Services Committees to improve the quality of life for our treasured soldiers and their families.

Military Housing Privatization Initiative (MHPI) Program

Implementation of Tenant Bill of Rights:

The Army has worked closely with Congress over the last several years to enact and implement a wide-ranging array of reforms intended to improve and restore confidence in our privatized housing programs and ensure project oversight. The FY 2020 NDAA included many reforms, the most prominent being the TBoR. The FY 2021 NDAA extended many of these reforms to government-owned housing. The FY 2022 NDAA refined both government and housing company responsibilities and reporting requirements. The recent FY 2023 NDAA required, among other things, Housing Requirements Market Analysis standardization, briefings and related notices to Congress for ground lease extensions, and mold inspections, and implementation of medical audits.

The Army is diligently working to implement the reform requirements enacted over the past four fiscal years. While we have made very significant progress, we should assess the success of current MHPI improvements before adding new legislative requirements beyond what is contained in the 2024 NDAA. Additionally, many of the GAO recommendations follow-up on earlier NDAA provisions. At this critical juncture, we need to ensure these improvements are fully in place and effectively implemented. Doing this takes organizational investments of resources and focused leadership attention as every level.

In 2021, the Army fully implemented the MHPI TBoR at each of its installations. The TBoR empowers soldiers and their families as residents in privatized housing. It also affords them a stronger position from which to negotiate with private housing providers by establishing a transparent, coherent, and predictable process for resolving disputes.

The dispute resolution process component of the TBoR provides residents an effective means of resolving lease disputes with private housing providers. To date, 51 disputes have been initiated under the dispute resolution provision and the Army has informally resolved 45 of those disputes. The remaining six cases were addressed using the formal dispute resolution process; five are completed and one is ongoing. Although it appears the Army's dispute resolution process is working as intended, concerns reported to the GAO from residents drives the need for a corrective action plan to update the "Plain Language Brief" for improved communication. This brief is required by law to be provided to residents before they sign a lease with a housing provider and again following lease signing. The brief outlines the rights and resources available to the resident, as well as points of contact for the Garrison's Army Housing Office (AHO) and private housing providers. The dispute resolution process gives residents a strong basis for negotiations with the private housing provider. Further, by clarifying the responsibilities of all involved, the new brief will reiterate the Army's role as resident advocate through on-the-ground support from the AHO.

To further strengthen the effectiveness of implementation of the TBoR, the Army has initiated a Housing Program Review program to assess: (1) the effectiveness of the dispute resolution program, (2) further training needs for housing personnel, (3) the effectiveness of mandatory briefings to tenants, and (4) gaps in oversight and areas for improvement within the Army's overall execution of its privatized housing program.

Other MHPI Reforms:

In addition to the TBoR, the Army is implementing many other reforms. To ensure we have the right number of people to implement these reforms, and the proper mix of skills, we are conducting manpower studies for headquarters and garrison staffs. These studies will be incorporated into a Report to Congress that will identify the number of additional personnel needed at each installation, as well as headquarters locations, to provide the appropriate level of housing oversight for privatized, owned, and leased inventories. Early in calendar year 2020, the Army added 116 personnel to its AHOs to

kick start reform processes at the installation level. Any further increases in manpower will be in addition to these hires.

Command engagement is critical to the effectiveness of the Army's oversight of the privatized housing portfolio. In 2020, the Army updated its Portfolio Asset Management Handbook, clarifying the roles and responsibilities of Installation Commanders, the Commanding Generals of the Army Materiel Command (AMC) and Army's Installation Management Command, as well as the Army staff and Secretariat, in the planning, execution and oversight of the privatized housing portfolio. The Army has clearly established the role of commanders as essential and critical to the success of this program. The Army also stood up a Housing Council during 2021, co-chaired by the Assistant Secretary of the Army (Installations, Energy and Environment) and the Commanding General of AMC. The Council convenes the private housing providers and senior Army leaders at least once a year to discuss the State of the Portfolio, issues, challenges, and potential solutions. It has proven to be an effective platform to share lessons learned and establish action plans for issues that need to be remedied and improved.

Other reforms implemented by the Army include: initiation of house-by-house inspections (applying the DoD's basic housing standards and code modeled off of the International Property Maintenance Code); comprehensive financial and operations reviews of each project on a 5-year recurring cycle; quarterly performance reviews with the Office of the Secretary of Defense; standardization of project-level Incentive Fee Performance Plans; and revision of language in underlying legal documents (ground leases) to include addition of statutory language from NDAA 2020, executive orders, enforcement provisions, and application of the Davis Bacon Act. The changes to project legal documents strengthen the Army's ability to hold private housing providers accountable.

Additionally, working with the Military Housing Association, the Army is establishing a standardized Quality Control/Quality Assurance (QA/QC) program to be applied by its

six private housing providers across its entire portfolio. Implementation of the QA/QC program will create a significant degree of certainty in applying best practices across all projects.

Program Sustainability:

- **Challenges**

As the MHPI program approaches its midpoint of the 50-year agreements, and initial development plans are completed, the challenge becomes one of program sustainment to ensure project viability. Projects are funded entirely through service member Basic Allowance for Housing (BAH) and rents collected from other eligible residents, such as affiliated civilians and retirees. Each month funds remaining after payment of operating expenses, debt service, insurance, utilities, etc., flow into project reinvestment accounts, which are used for recapitalization of assets. Due to a wide-ranging set of challenges, such as higher than expected operating expenses, lower than projected increases in BAH, dramatically increased insurance and utilities rates, inflation and the high cost of materials and labor, the projects are not able to fund their reinvestment accounts sufficiently to fully address redevelopment needs as envisioned at project establishment. This is consistent across most existing Army MHPI projects. Even with return of the 5% BAH reductions to projects and the ability of most private housing providers to move funds, as needed, between projects, based on financial forecasting models, the future accrual of cash flow into reinvestment accounts will not sufficiently meet the future sustainment needs and recapitalization of the housing inventory.

At the outset of the program, the Army utilized the private sector debt markets to invest significant funding into the inventory. However, this initial funding was not sufficient to improve the entire privatized housing inventory to a "new" or "like-new" condition. To date, private housing providers have built or replaced approximately 35,560 homes and completed significant renovations on another ~31,570 homes. This leaves about 19,000 homes, including historic housing, that have received limited or no renovation work since the program's inception.

The Commanding General of AMC recently led an analysis to determine the 10-year capital needs of the privatized housing inventory. The goal of the analysis was to assess the amount needed to ensure every home in the inventory will be either newly built or significantly renovated by 2033. The assessment projected a funding shortfall of approximately \$6.4B to achieve the stated goal. This analysis has become the Army's strategic blueprint for future sustainability. Given the shortfall in funds needed to address every home in the privatized housing portfolio, the Army is analyzing various methods to increase capital investment over the near term while attempting to reduce sustainment costs. The long-term financial viability and sustainability of the program must be addressed. We look forward to working with Congress to find solutions.

- **Potential Mitigations**

- 1) **Third-Party Investments with or without Ground Lease Extensions**

Among the ways to bring additional funds into a project is to refinance the existing project or portfolio debt, or to obtain additional capital investment. The Army evaluates the merit of acquiring new debt on a case-by-case basis. Some projects will require extension of existing ground leases to enable the generation of enough loan proceeds to fund adequate recapitalization. The Army's evaluation weighs the long-term cost and financial viability of a potential third-party investment against the near-term needs of the project or portfolio. For example, it may not make sense to execute a new loan that creates significant debt to the project if there is no immediate need for the cash flow to fund improvements that could otherwise be paid for out of the project's cash flow and existing reinvestment account balances.

In some cases, for example the recent third-party investment of \$1.1B in the Lendlease portfolio for recapitalization at Forts Cavazos, Texas; Fort Campbell, Kentucky; and Fort Knox, Kentucky, there were immediate needs at all three installations and ground lease extensions were not required. The Army is currently working closely with Balfour Beatty Communities (BBC) as it seeks to pay off the existing debt at Fort Carson, Colorado through a new loan and ground lease extension that will address the immediate needs at Fort Carson and potentially generate enough capital to move some millions of dollars

to other BBC projects that require attention. Currently, given the significant increase in interest rates, obtaining private sector investment through the utilization of debt may have long-term impacts to project financial health. The debt a project accumulates through these investments is paid off by the project and affects the amount of funds available for movement to the project's reinvestment account over the length of the loan.

2) Service Equity Contributions

Military Department equity contributions to a privatized housing project may, in some instances, be the best option to improve housing quality for service members. In the Army's case, the FY 2024 President Budget requests equity contributions of \$50M each to support housing recapitalization at Fort Gordon, Georgia and Fort Leonard Wood, Missouri. In the case of Fort Gordon, the installation has materially changed its mission from the home of the Army's Signal School to the Cyber Center of Excellence, thereby creating great demand for additional housing. At some installations there were minimal BAH increases over past years, despite rising increases in privatized housing operations expenses and utilities, depleting funding in reinvestment accounts to unacceptable levels. Limited funding in project reinvestment accounts makes it difficult for privatized housing companies to renovate or rebuild housing stock. It is important to point out that equity contributions flow directly to fund housing needs and not into the coffers of the provider. Equity contributions to address these immediate needs are more cost-effective when considering the cost of project debt accumulated through third-party investments.

3) Land Sales

Proceeds from the sale of land that is excess to the Army's needs may be used to fund privatized housing projects. This is an untapped source of funds across all Services and should be considered as we look seriously at how to best sustain this program. The Army is currently in the process of generating funds from a land sale at Fort Bliss, Texas. Proceeds from the sale will be used to address the immediate needs of the Fort

Leonard Wood privatized housing project. The Army will continue to look for land sale opportunities to generate resources for its privatized housing portfolio.

4) Changes to Standards

On average, the homes being constructed, as part of the Army's privatize housing portfolio, are not affordable based on the revenue they generate. Contributing factors over the past five years include inflation, supply chain and labor market problems associated with the pandemic, and overall macro-economic conditions. Based on a recent evaluation, the Army has determined there is a significant disconnect between how BAH is calculated and the cost of constructing or renovating a home, given the current profile of Army families. In many cases, a member may be assigned to housing of a type greater than the BAH rate is calculated to support. For example, BAH is calculated based on the rank of the soldier and tied to a specified housing profile or "anchor point" (e.g., 2-bedroom apartment for junior enlisted, 3-bedroom townhome/duplex for more senior non-commissioned officers, and 4-bedroom single-family dwellings for more senior officers, etc.). Thus, a junior enlisted member residing in privatized housing in a 3-bedroom townhome would still only receive the BAH for a 2-bedroom apartment. Furthermore, the Army's privatized housing portfolio currently contains 2,175 homes with 5-bedrooms, yet there is no corresponding BAH calculation for that home profile. This equates to a home that is constructed at a greater cost than the BAH will financially support.

An additional factor that drives up the cost of housing is required compliance with federal statute and regulations that are not applied in the private market in which the BAH is calculated. This results in a BAH amount that is based on a home with fewer regulatory requirements than what is being required or provided by the private housing providers.

To alleviate these problems, the Army is evaluating alternative construction methods, including prefabricated and modular homes, as well as new technologies, such as 3D-

printed homes. Most importantly, we are considering moving away from wholesale home replacement to focus on affordable renovations to the existing housing stock.

Good News on the MHPI Front:

As this portfolio provides an array of challenges that we are working through, there are many successes to share.

- **Small Installations Privatization Initiative (SIPI)**

On 1 August 2023, the Army acquired 51.7 acres of land in Doral, Florida, from the Federal Aviation Administration enabling the Army to plan a privatized housing community for unaccompanied soldiers and families assigned to the Miami, Florida area and U.S. Southern Command (USSOUTHCOM). The initiative is part of a new privatized housing project known as SIPI which leverages revenue from the existing inventories at six small Army installations to fund the construction of 75 family homes and 60 UH apartments adjacent to USSOUTHCOM Headquarters. This is the first new Army MHPI project in 13 years and will provide much needed housing for service members and family assigned to this high-cost area.

- **Investments in Energy Resilience**

The Army is collaborating with experts from the private sector to achieve near-term goals for reducing the agency's energy dependence and carbon footprint. MHPI providers continue exploring options for implementing sustainable and energy-efficient features in privatized housing. The Army has approved, and private housing providers have installed, solar energy projects for over 63 MW of electric generation on multiple Army installations. As an example, Corvias has installed solar panel systems at Fort Riley, Kansas, which provide a 40% offset of annual electricity consumed in housing. Corvias and the Army are currently completing due diligence to add additional solar panels at Fort Riley that would offset over 80% of required housing-related electric usage. Electric Vehicle Level 2 charging is incorporated into the construction plans for privatized housing in Miami. The Army recently approved a unique battery storage system in Hawaii which would offset up to 90% of the energy used in applicable homes.

Finally, all housing providers continue to increase sustainability of housing by installing LED lighting, high efficiency heating, ventilation and air conditioning systems, and other energy saving improvements.

- **Historic Housing**

An important milestone to improve the quality of historic housing and bring more efficiency to the renovation process was the Army's successful implementation of Program Comments to achieve compliance with the National Historic Preservation Act. Three Program Comments are in implementation, addressing homes from the Inter-War (1919-1940), Capehart and Wherry (1945-1962), and Vietnam War (1963-1975) eras, giving privatized housing companies the ability to demolish and/or renovate historic homes which were constructed during these periods and allowing the use of imitative materials rather than the more expensive original materials previously required. For example, at Fort Belvoir, the privatized housing project realized cost savings of \$5M by replacing historic windows with a modern substitute material and \$4.5M by using synthetic slate vice stone slate roofing on 76 homes. Work with the historic preservation community and the Advisory Council on Historic Preservation is ongoing to address pre-1919 historic housing to achieve similar results.

Single and Unaccompanied Soldier Housing (UH, Barracks)

Current UH Status:

The Army has three types of UH – permanent party (PP), institutional training (IT), and CT. There are currently 6,776 UH buildings comprising approximately 190,000 PP spaces, 110,000 IT spaces and 180,000 CT spaces. Collectively, 77% of these buildings are at or above a Facilities Condition Index of 80, or Q1/Q2, good and adequate condition, which leaves 23% of the Army's barracks spaces in poor and failing condition. In addition, the Army's UH deficit for junior enlisted PP UH stands at 25,000 K spaces, which is about 13% of the total PP UH requirement. As the Army moves and relocates formations to support Army readiness and modernization and as it makes improvements to PP UH construction standards and space allocations, the PP UH deficit is expected to grow. Five installations currently account for nearly half of the PP

UH shortfall: Fort Cavazos, Texas; Fort Stewart, Georgia; US Army Garrison Ansbach, Germany; Base Poznan, Poland and Fort Riley, Kansas.

Even though the Army has invested significantly in barracks, the sheer size of the existing inventory, along with deferred maintenance, insufficient recapitalization funding, the large PP UH deficit and poor management practices, such as assigning the management of barracks as an additional duty to Soldiers who are already very busy, have all contributed to the current barracks situation. Significant and sustained investment, as well as use of other management tools, are needed to improve the Army's current UH posture across all barracks types.

Understanding Resourcing Requirements:

Earlier in 2023, the Army took concrete steps to try to better understand how to resource PP UH requirements.

In June of 2023, the Assistant Secretary of the Army (Installations, Energy and Environment), the Deputy Chief of Staff, G-9, U.S. Army and the Sergeant Major of the Army issued the *Army PP Barracks Resourcing Strategy* (ABRS). The ABRS lays out a strategy and resourcing opportunities within the Army's Facilities Sustainment, Restoration and Modernization and MILCON programs to impactfully change the current state of Army PP UH. The strategy provides leaders with a prioritized "pick list" that recommends as the highest priority full sustainment of the PP barracks inventory. As a result, the Army has made the decision to attempt to fund sustainment for all types of barracks to 100% of the requirement in the FY 2025-2029 program. However, even when the inventory is fully sustained, about 20 PP UH buildings a year will move into the category of poor and failing as they approach the end of their useful lives. Continued and improved investment levels in R&M and MILCON are required under all scenarios.

In the ABRS, the Army defines the minimum conditions for "quality housing" in terms of safety, security, module configuration and condition as follows:

- Safe – No environmental safety hazards; must have operational fire detection and suppression systems and adequate egress.
- Secure – Lockable exterior and interior doors. Ability to secure belongings within the room.
- Module Features – For E1-E4, a private sleeping room with a net area of not less than 90 SF/soldier; no more than 2 soldiers sharing a bathroom; and a shared kitchenette with a cooktop and microwave oven. For E5-E6, the same, except a private sleeping room that must be at least 135 SF. For all, easily accessible communal laundry, functional furnishings and appliances, and internet ready.
- Condition – Building Facility Condition Index of 80 (equates to Q1/Q2) or higher; individual system (e.g., HVAC) condition index at 70 or higher; and functional utilities.

Importantly, the ABRS makes clear that Chain of Command must execute their responsibilities under the Army Barracks Management Program. Installation personnel are directed to prioritize Preventive Maintenance and Demand Maintenance work orders.

Army's Strategy to Provide "Quality Housing" to All Soldiers:

The most expeditious way to improve single and unaccompanied soldier housing is to increase funding to priority projects. The Army has recently increased its investment from an average of over \$1B to \$1.2B/year. However, even with this significant investment, we predict it will be difficult to maintain or improve the overall condition of the inventory. Also, the Army must address its growing barracks deficit numbers; deficits that are created through stationing actions and improvements in barracks standards which has the unintended consequence of reducing available bed spaces in the PP UH inventory. For example, we are now renovating some barracks to a new construction standard which increases floor area, but therefore decreases the number of available bedspaces. While this serves to improve housing quality and soldier experience, it also generates the need for more soldiers to reside off-post and/or in lesser quality housing. The solution to providing "quality housing" for all soldiers does not reside in a single

approach, but rather in the use of multiple approaches and tools, some of which are described below.

- **Prioritize Investments Differently**

Focused investment in barracks will ensure that “quality housing” is provided to populations and demographics that most need it. If the Army prioritizes fixing housing for junior enlisted population at installations where there are significant troop concentrations, it may be able to better reach the highest need. At installations with more senior populations, perhaps the solution is to allow off-post housing, thereby reducing overall UH requirements.

- **Use Under-utilized Privatized Family Housing**

Many of the Army’s privatized housing projects house members from the civilian population working on the installation, or military retirees. Instead, these homes could be used to house PP single and unaccompanied soldiers through a BAH funding stream. This could assist in decreasing overall PP UH requirements on the installation. The Commanding General of Fort Johnson, Louisiana, is currently housing single soldiers in privatized family housing while the installation’s PP UH are under renovation. There have been no issues with this arrangement to date.

- **Privatize Some UH**

Though the time is not ripe to consider privatizing UH in a wholesale manner, there are certain locations where privatized barracks may make sense. In fact, the Army has 5 privatized UH projects at Fort Stewart, Georgia; Fort Liberty, North Carolina; Fort Drum, New York; Fort Meade, Maryland, and Fort Irwin, California. These projects typically house more senior enlisted personnel and are not managed as PP UH would be. For example, unit integrity is not maintained in these projects. A sixth privatized UH project is being established to support the service member population in Miami as part of SIPI. The Army is currently evaluating the possibility of privatizing select additional UH projects. We believe privatization will likely be feasible only at certain locations.

Policy and Process Improvements:

As previously mentioned, recommendations from the pending GAO Report - *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness* - will assist the Army in improving living conditions for our single junior enlisted population. Lessons learned over the past year, and as described below, also serve to update policy and procedures to better address the management of our UH inventories.

Contained in the ABRS is a line of effort (LOE) to improve barracks' management. The LOE requires issuance of an updated Army Barracks Management Program (ABMP) with three initial tasks. First is the direction to establish installation Senior Commander-approved barracks policies which improve program oversight through clear unit responsibilities, metrics, scorecards, public health assessments and performance reviews. Second is the promulgation of Army guidance on increased flexibility in barracks assignments where necessary. And third is direction for the installation Senior Commander to conduct a periodic survey to assess soldier satisfaction with living conditions.

Much more work is needed to improve single and unaccompanied soldier housing. However, the Army is making great strides in fully understanding the depth and breadth of the issues. We will continue to work with you and our Oversight Committees to develop effective programs and policies to better manage our UH programs.

Conclusion

In closing, the Department of the Army recognizes the need to continue to improve the conditions of housing inventories and services— whether the property is Army-owned or owned and managed by private housing providers. We appreciate your continued interest, involvement and oversight, as well as that of the Armed Services Committees - Readiness Subcommittees, in matters pertaining to the Army's housing portfolio. Thank you for the opportunity to testify on these critical programs and to their importance to maintaining a ready Army. We look forward to working closely with the panel as we seek to ensure flexibility in authorities, timely and predictable Authorization

Acts and enabling legislation as required to significantly improve the Quality of Life for our soldiers and families.

Carla K. Coulson
Deputy Assistant Secretary of the Army
(Installations, Housing and Partnerships)

Ms. Carla K. Coulson was selected for the Senior Executive Service (SES) in June 2013. In her role as the Deputy Assistant Secretary of the Army for Installations, Housing and Partnerships, she develops and oversees Army-wide policies, programming guidance and strategies for a host of critical installation programs and services for Soldiers, Families, and Civilians, including but not limited to: Military Construction, Facilities Sustainment, Restoration and Modernization, Real Property Asset Management, Owned and Privatized Housing, Real Estate and Installation Planning and Management.

Ms. Coulson has over 42 years of experience in facilities engineering and installation management gained from a variety of assignments within the Departments of the Army and Defense, both in the United States and abroad. She served in command and supporting positions as an Army Engineer officer for over 28 of those 42 years, retiring in December of 2005 at the rank of Colonel.

In her 14 years as a Department of the Army Civilian she has served as the Acting Deputy, Office of the Assistant Chief of Staff for Installation Management (ACSIM, now G9); as the Director of Installations Services Directorate (G9), as the Director of the Defense Media Activity Transition in the Office of the Assistant Secretary of Defense for Public Affairs; as the Director, Installation Management for the Defense Logistics Agency and as the Army's Assistant for Construction in the Office of the Assistant Secretary of the Army for Installations, Energy and the Environment.

Career Chronology:

Oct 2020 – present: Deputy Assistant Secretary of the Army (Installations, Housing and Partnerships)
 Jan 2019- Jan 2020: Director, Installation Services, Deputy Chief of Staff G-9
 Jan 2017 – Jan 2019: Acting, Deputy Assistant Chief of Staff for Installation Management
 Jun 2013 – Jan 2017: Director, Installation Services, Officer of the Assistant Chief of Staff for Installation Management
 Nov 2011 – Jun 2013: Director, Installation Management, Defense Logistics Agency, Fort Belvoir, VA
 Dec 2008 - Nov 2011: Assistant for Construction, Offices of the Deputy Assistant Secretary of the Army (Installations, Housing and Partnerships) and the Assistant Secretary of the Army (Installations, Energy and the Environment), Headquarters, Department of the Army, Washington, D.C.
 Jun 2007 - Dec 2008: Director (term SES appointment), Defense Media Activity, Transition Team, Office of the Assistant Secretary of Defense for Public Affairs, Washington, D.C.
 Nov 2005 - Jun 2007: Assistant for Installation Planning, Offices of the Deputy Assistant Secretary of the Army (Installations and Housing) and the Assistant Secretary of the Army (Installations and Environment), Headquarters, Department of the Army, Washington, D.C.
 May 2003 - Oct 2005: Deputy Director, Headquarters and Support Activities Joint Cross Service Group for BRAC 2005, Army G-8, Washington, D.C.
 Jul 2001 - May 2003: Deputy Director, Facilities and Housing, Office of the Assistant Chief of Staff for Installation Management, Headquarters, Department of the Army, Washington, D.C.
 Aug 2000 - Jun 2001: Student, Canadian Forces College, Toronto, Ontario, Canada
 Oct 1999 - Aug 2000: Deputy Division Commander, Southwestern Division, Army Corps of Engineers, Dallas, TX
 Jul 1977 - Oct 1999: Served in a wide variety of other command and support positions as an Army Engineer Officer, retiring from the Army as a Colonel in Dec 2005

College:

Masters of Civil Engineering, North Carolina State University, Raleigh, NC, 1986
 Bachelor of Science (biology/chemistry)(Magna Cum Laude), Salem College, Salem WV, 1976

Significant Training:

National Security Studies course, Canadian Forces College (War College), Toronto, ON, 2001
Command and General Staff College, Fort Leavenworth, KS, 1992

Certifications:

Engineer-in-Training (EIT), North Carolina

Awards and Honors:

Silver De Fleury Medal (2019)
Civilian Meritorious Service Award (2011, 2019)
Defense Logistics Agency Superior Civilian Service Award (2013)
Defense Award for Exceptional Civilian Service (2008)
Defense Superior Service Medal (2005)
Legion of Merit (4 awards)
Meritorious Service Medal (6 awards)

Professional Memberships and Associations:

Army Engineer Association
AUSA

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE
QUALITY OF LIFE PANEL

STATEMENT OF
ROBERT E. THOMPSON
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF THE NAVY
(ENERGY, INSTALLATIONS, AND ENVIRONMENT)

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE
QUALITY OF LIFE PANEL

SEPTEMBER 27, 2023

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE
QUALITY OF LIFE PANEL

Introduction:

Chairman Bacon, Ranking Member Houlahan, and distinguished members of the panel, thank you for the opportunity to testify on the Department of the Navy's (DON) Military Housing Privatization Initiative (MHPI).

Thanks to Congress's unwavering support of our military families and its attentiveness to MHPI projects, since 2019 the DON has made steady improvements in oversight processes, customer service, staffing, operations and maintenance. Leaders at all levels of the Navy, Marine Corps, and the DON remain steadfast and focused on improving the MHPI housing experience for Sailors, Marines and their families. We are also closely monitoring the long-term financial viability of each agreement, which is especially important given the increasing operating costs in today's market.

I proudly served more than 20 years in the U.S Navy, both enlisted and later as an Officer. I have lived aboard ships, in dormitories, unaccompanied housing, austere overseas locations ashore, and in privatized military housing right here in the United States. I can personally attest to the importance of affordable, safe, and high-quality housing for our Service members and their families. Our Marines and Sailors are better fighters if they know that their families are living in safe, quality housing.

It is imperative that every single family in MHPI project housing is living in safe and healthy homes, is supported by their military leadership, and is afforded high-quality service throughout the entire residency process: from lease signing, to maintenance service requests, to the move-out process. The DON is continuing to focus on MHPI by providing rigorous oversight of the companies that provide privatized housing; implementing reforms; bolstering our installation housing offices; and ensuring that our leaders are advocates for Sailors, Marines and their families.

Privatized Family Housing Overview:

The DON MHPI inventory contains approximately 62,000 family housing units and 6,000 unaccompanied housing beds. The DON is currently engaged in business agreements with

seven parent companies comprising 15 PPV entities. In each agreement, the DON transferred ownership of our existing housing units to the MHPI Company and entered into a long-term lease for the underlying real property or constructed housing on privately owned land. While we have made significant changes and improvements to our privatized housing, the DON continuously assesses our oversight and the needs of our Sailors, Marines, and their families to update our policies and performance measures.

Leadership Focus:

DON leadership -- from the Secretary of the Navy to the installation commanding officer to senior unit noncommissioned officer -- are focused at ensuring quality of life is achieved for Sailors and Marines. The Navy's and Marine Corps' training courses for installation commanders now include more focused training on MHPI oversight. Installation commanders now receive detailed metrics on MHPI partner performance. Installation commanders are required to engage in resident issues and to provide input into the evaluation criteria used to incentivize our MHPI partners.

The DON has a team of auditors within the Naval Audit Service that is dedicated to the singular task of reviewing MHPI partner and project companies' performance. This team of government employees review current MHPI performance now and assess the long-term viability of our agreements. This audit team has already completed inspections and continues to work with the Navy and Marine Corps Housing Offices and MHPI partners to provide an independent assessment of MHPI performance.

In accordance with Section 3042 of the FY 2020 NDAA, the DON Housing Council has been established as a mechanism to ensure senior leadership is involved in identifying opportunities and resolving issues with DON privatized housing. I last convened this Council on August 30, 2023, and, moving forward, the DON will continue to leverage this governance structure to continuously improve and to raise and resolve issues.

MHPI Reforms:

The DON has successfully implemented the MHPI reforms set out in the FY 2020-2023

National Defense Authorization Acts (NDAA). We have made significant progress to enhance our oversight of privatized housing to hold MHPI companies accountable for providing safe, quality housing. Some examples of these congressionally mandated NDAA provisions that have been implemented throughout the DON include:

- Tenant Bill of Rights (FY 2020 NDAA Section 3011): All 18 rights contained in the Tenant Bill of Rights have been fully implemented at all MHPI DON installations and the Tenant Bill of Rights will be incorporated in MHPI landlord/tenant leases as part of the implementation of a common lease across the DON's portfolio.
- Additional Housing Staff (FY 2020 Section 3014): In response to many of the items included in section 3014 of NDAA 2020, the DON has an additional 293 housing staff which primarily include housing inspectors, and resident advocates providing additional oversight and communication with the tenants to ensure habitability during move-in, move-out, and throughout the service members and families' stay in privatized housing.
- Third-Party Assessments (FY 2020 NDAA Section 3051): The DON has aggressively moved out on this requirement. The Navy has completed all 3rd party inspections of its third-party homes and the Marine Corps is currently 60% complete and anticipates completion by the end of calendar year 2023. The DON is working through the initial findings to provide a summary to OSD however, initial inspection feedback indicates the homes are structurally fit with minimal identified life health safety concerns.
- Supplemental Government Payments. Using authority provided in the FY 2019 NDAA, and amended by subsequent NDAA's, the DON has established a process to the identify and submit to the DoD Chief Housing Officer our "underfunded" housing privatization projects that are eligible to receive supplemental Government funds (i.e., "Section 606(a)(2) payments"). These funds have successfully been used by MHPI project companies specifically and exclusively for the future sustainment, recapitalization, and financial sustainability of projects.

Increased Oversight & GAO Findings:

We appreciate the findings of the recent Government Accountability Office (GAO) audit recommendations regarding the strengthening oversight of the MHPI housing program. The DON, in collaboration with the other military departments, has clarified guidance for residents

to explain how and when they can use the formal dispute resolution process. Corrective actions are ongoing with creation of additional educational pieces to our existing material including to the Plain Language Brief all residents receive at lease signing. In collaboration with the other military departments, the DON has updated internal policy documents and brochures provided to residents to clearly articulate the roles and responsibilities of our resident advocates and housing professionals. We are also updating our educational materials for our families to explain the three-step resolution process. The housing professionals who work in our government Housing Service Centers are always available for residents. The Housing Service Center contacts new PPV residents at 15-days, and again at 60-days, after move-in to solicit any feedback from the resident and to answer questions.

The Navy Housing Learning Center has updated the training courses for our Navy and Marines Corps housing professionals. We have focused on bolstering the training in dispute resolution, resident communication, and the improvement and standardization of the home inspection process. In coordination with the other military departments and OSD, the DON established detailed training for MHPI housing inspectors based on the International Property Maintenance Code inspection standards. The inspection standards and other training aids can be found on the enterprise Military Housing, or eMH, which is the authoritative military housing database.

Military Housing Offices:

The DON remains dedicated to providing MHPI oversight, quality control, and support, and we are striving for continued improvement in the operation, maintenance, and customer service in privatized family housing. Today, the DON has 508 government personnel supporting MHPI, which includes with 293 of these government positions established by the FY2020 NDAA. This increased staff has allowed for increased communication with the residents, increased home inspections, and increased oversight of our MHPI partner. Our government MHPI staff are located throughout the headquarters, regional and installation levels but the vast majority are located at our installations, working closely with our Marines, Sailors and their families. At the installation level, we focus on ensuring that resident advocates are available, trained and empowered to serve as the frontline contact for residents to raise and resolve issues they have with their housing experience.

Our installation housing offices also administer regular feedback loops and structured assessments to ensure families have the opportunity to provide real-time feedback on their experience with MHPI. In addition to annual satisfaction surveys, the Navy and Marine Corps use point-of-contact surveys for families to evaluate MHPI performance. These surveys are utilized at key moments of tenant interaction including move-in readiness of the home and service request satisfaction. Combined, these tools allow the DON to provide real-time accountability, if necessary, work with the MHPI companies on corrective action plans.

The DON continues to self-evaluate for areas that we can improve and to identify opportunities for us to better serve our Sailors, Marines and families. Navy and Marine Corps Housing policies and procedures continue to evolve, and the DON recently published an MHPI Housing Handbook to provide a comprehensive tool for the oversight and management of our MHPI program.

Long-Term Sustainability:

We are also taking steps to ensure the long-term viability of our MHPI projects so quality homes are available to our families in the future. We have implemented improved processes for oversight and collaboration with MHPI companies to address life, health, safety issues, and improve marketability of homes. We have stood-up a dedicated MHPI quality assurance program to review the condition of homes. Finally, the DON monitors the financial health of each project through monthly financial reporting and a robust Annual Sustainment Plan review, which identifies near-term and long-term funding risks for work required to sustain the quality of homes through the term of the current ground lease. This formal plan review also ensures the DON is aligned with MHPI companies on the prioritization of work, especially when funding shortfalls are projected. In recent years, the DON has worked through many challenges, such as force restructurings and economic factors like rising insurance and labor costs.

The DON has developed a robust tool for assessing the health of the privatized housing portfolio ability to sustain itself in the future. While we anticipate many of the DON's MHPI

will be able to sustain themselves in the future, there are some projects that may require different paths forward to ensure long-term financial viability. In addition, the DON is looking to increase our privatized housing inventory in locations where we have seen requirement to house families continue to grow, to include remote locations like Naval Air Station Fallon, Nevada and Naval Air Weapons Station China Lake, California. By taking a long-range view, we are able to work through challenges and find solutions that will ensure our families will have safe, high-quality homes today and in the future.

Conclusion

I would like to thank Congress and this panel for your continued focus on MHPI and steadfast oversight of this program. We must continue to work together to ensure our Marines, Sailors and families have the safe, quality, and well-maintained housing they deserve.

Robert E. Thompson
Principal Deputy Assistant Secretary of the Navy
(Energy, Installations, and Environment)

Mr. Thompson is the Principal Deputy Assistant Secretary of the Navy for Energy, Installations, and Environment. He is the principal policy advisor to the Assistant Secretary of the Navy for Energy, Installations, and Environment for Navy and Marine Corps activities associated with infrastructure, facilities, energy, safety and environmental affairs.

Mr. Thompson was selected to the Senior Executive Service in March 2015 as Director, Strategy and Future Requirements for Commander, Navy Installations Command (CNIC) where he was the senior civilian responsible for business operations, installation investment strategies, contract administration oversight, integration of joint/future basing, strategic planning, future year resource requirements, performance management, readiness reporting, and business analytic tool development.

From January 2014 through March 2015, Mr. Thompson served as CNIC's Deputy Director of Operations (N3B) where was responsible for programs including air and port operations, security and force protection, safety and occupational health, emergency management, current operations and training exercises.

From May 2010 through 2014, Mr. Thompson served as the Installation Operation Branch Head in Shore Readiness Division (OPNAV N46) where he was responsible for strategy development, program proposals, and assessments supporting the Planning, Programming, Budgeting, and Execution System (PPBES) process for all matters related to the Navy's air and port operations, security and force protection, safety and occupational health, emergency management, current operations and training exercises, and quality of life programs.

Mr. Thompson, a native of Havre de Grace, Md., enlisted in the Navy in 1988, received his commission in 1998, and retired from Naval service in 2009. His sea tours included DDG-5, BB-61, DDG-46, CG-17, AOR-4, LHD-1, and DDG-77. His shore tours included Instructor, Newport, RI; Battle Watch, Joint Task Force – Horn of Africa, Djibouti; Recruit Training Command, Great Lakes, IL; and Security Officer, Guantanamo Bay, Cuba.

DEPARTMENT OF THE AIR FORCE PRESENTATION
TO THE HOUSE ARMED SERVICES COMMITTEE QUALITY OF LIFE PANEL
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MILITARY HOUSING PRIVATIZATION INITIATIVE WITNESS PANEL

STATEMENT OF:

MR ROBERT E. MORIARTY
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(INSTALLATIONS)
DEPARTMENT OF THE AIR FORCE

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON APPROPRIATIONS
UNITED STATES HOUSE OF REPRESENTATIVE

SEPTEMBER 27, 2023

Introduction

Chairman Bacon, Ranking Member Houlahan, and distinguished members, thank you for the opportunity to discuss Department of the Air Force (DAF) energy, installations, and environment programs.

Our installations remain the platforms from which we enable and project combat power in and through the air and space domain. Every DAF mission starts and ends on an installation. We train and equip for joint operations, generate readiness, test new weapon systems, control and sustain air and space weapon systems, and provide safe, healthy communities for our Airmen, Guardians, and their families at our Air and Space Force installations.

Taking care of our Airmen and Guardians and their families is a fundamental responsibility and commitment for the DAF. Our ability to provide safe and habitable housing for our members is a key part of their quality of life, fostering our ability to recruit and retain the people we need to lead the Department and accelerate the transformation from the force we have today to the one needed to meet our pacing challenge. This is commanders' business, and we have taken on this challenge to make meaningful, enduring changes to our privatized military housing program. We want to thank the members of this Committee for your continued leadership in supporting our Airmen, Guardians, and their families.

When I served as a DAF active-duty member, I lived in military housing and had the honor to serve in units and organizations responsible for managing dormitories and housing. I can personally attest to the vital impact housing can have on the quality of life for our service members and their families, and the peace of mind it can give a member to know their family and fellow unit members are taken care of when they are away. I am honored to lead the transformation and strengthen the oversight of our privatized housing to ensure our service members and families have safe and healthy housing.

Privatized Family Housing

The DAF Military Housing Privatization Initiative (MHPI) inventory contains over 52,000 privatized end state unit homes spanning 31 projects across 63 installations. Ensuring the health and safety of our Airmen, Guardians and their families living in privatized family housing is a leadership imperative for the DAF. While we have made significant changes and

improvements to our privatized housing, we continuously assess our oversight of the privatized housing and needs of our Airmen, Guardians, and their families to update our policies and actions. Specifically, this includes internal DAF auditing of the program, implementation of National Defense Authorization Act provisions, and implementation of Department of Defense Inspector General audit and Government Accountability Office recommendations, as appropriate. Furthermore, we continue to empower our tenants and commanders to address housing challenges at our installations, take action to hold privatized housing companies accountable, and provide senior level governance and oversight to MHPI projects to provide safe, quality, and well-maintained housing where service members and their families and caregivers will want and choose to live.

We continue our efforts to improve our privatized housing portfolio including implementing the most recent GAO audit recommendations regarding strengthening oversight of the MHPI housing program including:

- DAF, in collaboration with the other military departments, has clarified guidance for residents to explain how and when they can use the formal dispute resolution process.
 - Updated the New Resident brief and Dispute Resolution brochure providing residents information regarding the formal dispute process.
 - Provided training to housing professionals during the Global Housing Symposium in May 23. Training provided a focus on roles and responsibilities of key players, resolving disputes at the lowest level during the informal process, determining eligibility for formal disputes, and the formal dispute process and timeline.
- DAF, in collaboration with the other military departments, updated internal policy documents, as well as brochures provided to residents, to clearly identify the specific roles and responsibilities of designated Resident Advocates (RA).
 - Developed new and revised job aides that delineate the roles and responsibilities between the privatized housing RA and the Military Housing Office (MHO) manager to better serve our members.
 - Revising Department of the Air Force Instruction (DAFI) 32-6000, Housing Management, to ensure privatized housing RA roles and responsibilities are clearly identified and provided to military members leasing privatized housing.
 - Trained RAs during the Global Housing Symposium in May 23. Training included

roles, responsibilities, negotiation, and conflict resolution. DAF also provides training to Installation Commanders on the roles and responsibilities of the RA and the MHO.

- DAF assessed personnel needs and completed a needs-based workforce study related to the number of positions the DAF requires to oversee privatized military family housing.
- Published the Air Force Manpower Determinant (AFMD) for Housing Management on 27 Jul 23. The DAF is revising the report and assessing the manpower requirements.
- DAF, in coordination with the other military departments and OSD, established detailed training for MHO inspectors based on the International Property Maintenance Code (IPMC) inspection standards.

Similarly, we are addressing the remaining elements of the MHPI reforms set out in the FY 2020-23 National Defense Authorization Acts (NDAA). We made significant progress to implement reforms and enhance our oversight of privatized housing to hold MHPI companies accountable for providing safe, quality housing. Specifically, several congressionally mandated NDAA provisions were implemented throughout the DAF including:

- FY 2020 NDAA Section 3011: We collaborated with the private-sector MHPI companies to universally agree to adopt 18 rights set out in the MHPI Tenant Bill of Rights. All but one company has either implemented or agreed to implement all 18 of these rights. While the remaining company, located at Wright Patterson AFB, Ohio, does not yet provide the MHPI Tenant Rights to dispute resolution, or rent segregation, this project remains fully compliant with the legal requirements of their project agreements with the DAF. As Congress has recognized, applying many of the Tenant rights at existing MHPI housing projects requires voluntary agreement by the MHPI companies. The DAF continues to seek voluntary agreement of the remaining MHPI company by working to resolve their concerns and achieve full implementation of all 18 Tenant Rights at Wright Patterson AFB.
- FY 2020 NDAA Section 3036: We implemented the amended section 606 payments to MHPI Projects to focus on the most urgent needs of underfunded MHPI projects and ensure the projects invest these funds appropriately to safeguard long-term project

viability.

- FY 2022 NDAA Section 2813: We verified the appropriate application of Disability Laws and Collection of Modification Costs requirements are documented in existing MHPI projects' transaction documents. These requirements ensure the projects make reasonable accommodations for any resident or family member with a disability.
- FY 2020 NDAA Section 3051: We began the process to complete standardized privatized housing and government-owned housing inspections and assessments at all locations, using DoD's uniform housing standards. As of 31 Aug 23, DAF completed 35 of 63 MHPI third-party home inspections in accordance with FY 2020 NDAA Section 3051 and expect to complete the remaining 28 inspections in FY 2024. The inspections at those locations indicate the units are structurally sound and habitable with no significant concerns identified.
- Our Air Force Judge Advocate General's Corps created specific training for all installation legal assistance attorneys. This training focuses on the role of the legal assistance attorney in supporting tenants requesting disability accommodations as well as providing tenants with legal advice for both informal and formal dispute resolution.

We added 218 government positions across the privatized housing program at all levels, increased inspections, provided additional training to housing personnel, and revamped housing governance. We continue to maintain Resident Councils for two-way communication between the residents, installation and project owner leadership. We utilize feedback from the annual tenant satisfaction surveys to develop action plans for improving the residents' experiences and encourage our Airmen and Guardians, and their families to engage with Resident Advocates to help resolve any disputes and improve communications among all relevant DAF stakeholders. Finally, we continue to utilize a 1-800 call line as an alternate mechanism for residents to raise concerns.

We also expanded our metrics for assessing the health of the privatized housing portfolio, particularly with regards to resident satisfaction, maintenance quality and responsiveness, and property management operations. Most of our private project owners meet or exceed DAF standards as prescribed in our metrics. However, when we identify concerns with operational performance, we have placed a small number of project owners on

Community Action Plans, or if more systemic, on Performance Improvement Plans with milestones and schedules. The goal is to remedy deficiencies and ensure our military families receive quality service and safe housing. DAF's oversight also includes monitoring backlogged work orders, tenant complaints, and the thorough validation of earned performance incentive fees (PIF) before payment and investigation into anomalies. DAF renegotiated PIF agreements with six owners to hold owners accountable and give Commanders a greater voice in the process.

Some privatized housing projects require financial restructuring to remain financially stable and to provide market-comparable housing. Many factors can affect the financial stability of an MHPI project such as lower than projected occupancy driven by market and mission changes, increases in uncontrollable expenses (e.g., utilities, insurance, etc.) and Force Majeure / natural disaster events (e.g., Hurricane Michael impact at Tyndall AFB). Basic Allowance for Housing (BAH) can also be an important factor, as it is the sole source of funding coming into the project as rent. The 14th Quadrennial Review of Military Compensation is currently reviewing the BAH methodology with its report and recommendations expected in 2024. The restructure goals are to ensure the projects can fully fund operational expenses, debt servicing, and sustainment of the homes for the life of the lease as well as fund reinvestment needs during the mid-term reinvestment period, when possible. We are committed to working with the Department of Defense and OMB to optimize the effectiveness and efficiency of these programs while also protecting the interests of the taxpayer. The FY24 President's Budget includes \$220.0 million to financially restructure three MHPI projects, spanning 11 installations.

Conclusion

The DAF is committed to providing safe and habitable housing to our Airmen, Guardians, and their families. We have made significant progress over the past few years to improve privatized housing conditions, hold the project owners accountable, and increase the voice of residents and commanders. The DAF will continue to assess areas where we can strengthen our oversight of MHPI. Our leaders are fully engaged, and only through true partnership can we successfully compete, deter, and if necessary, win our One Fight against the pacing challenges and the acute threats we face as a nation. We look forward to working with you in our efforts to achieve sustained improvement aimed at addressing quality of life issues impacting our Airmen, Guardians, and their families and thank you for your continued support.

Robert E. Moriarty

Robert E. Moriarty, a member of the Senior Executive Service, is the Deputy Assistant Secretary of the Air Force for Installations, Headquarters Air Force, Pentagon, Washington,

D.C. Mr. Moriarty is responsible for the management, policy and oversight of Air Force installation programs. These include base realignments and closures, installations planning and strategy, strategic basing, the Air Force Environmental Impact Analysis Process, compatible and joint land use, encroachment management, public/private partnerships, the Readiness and Environmental Protection Integration program, housing, and real property transactions.

Prior to assuming his current position, Mr. Moriarty served as the Director, Installations Directorate, Air Force Civil Engineer Center, Joint Base San Antonio, Lackland, TX. He was responsible for the strategic acquisition, management and disposal of Air Force real property, and the execution of Air Force housing privatization, government-owned housing, dormitories, utilities privatization, and Enhanced Use Lease programs.

Prior to becoming a member of the Senior Executive Service, Mr. Moriarty began his career in 1983 after receiving his commission through the Air Force ROTC Program. He served in a variety of Air Force civil engineering positions at the squadron and headquarters levels before retiring from the Air Force in August 2011.

EDUCATION

1983 Bachelor of Science, Civil Engineering, University of Lowell, Lowell, Mass.
 1985 Squadron Officer School, Maxwell Air Force Base, Ala.
 1993 Master's degree, Management, Webster University, Mo.
 1997 Air Command and Staff College, Maxwell AFB, Ala.
 2005 Master's degree, Strategic Studies, Air University, Maxwell AFB, Ala.
 2005 Air War College, Maxwell AFB, Ala.

CAREER CHRONOLOGY

1983 - 1987, Contract Programmer, Civil Engineer, Chief of Readiness, Chief of Requirements, 347th Civil Engineering Squadron, Moody Air Force Base, Ga.
 1987 - 1990, Foreign Military Sales Program Manager, 2750th Air Base Wing, Hanscom AFB, Mass.
 1990 - 1992, Construction Program Manager, Engineering and Construction Division, Logistics Support Group, Riyadh, Saudi Arabia
 1992 - 1994, Deputy Chief, Environmental Compliance Division, Executive Officer to the Director, Air Force Center for Environmental Excellence, Brooks AFB, Texas
 1994 - 1996, Commander, Operations Flight, 27th Civil Engineer Squadron, Cannon AFB, N.M.
 1996 - 1997, Student, Air Command and Staff, Maxwell AFB, Ala.
 1997 - 1999, Real Property Maintenance Activities Program Manager, Office of the Civil Engineer, the Pentagon, Arlington, Va.
 1999 - 2000, Executive Assistant, Air Force Executive Review Secretariat, Headquarters U.S. Air Force, the Pentagon, Arlington, Va.
 2000 - 2002, Commander, 75th Civil Engineer Squadron, Hill AFB, Utah
 2002 - 2004, Commander, 314th Civil Engineer Squadron, Little Rock AFB, Ark.
 2004 - 2005, Student, Air War College, Maxwell AFB, Ala.
 2005 - 2007, Commander, 6th Mission Support Group, MacDill AFB, Fla.
 2007 - 2011, Deputy Director, Installations and Mission Support and USAFE Civil Engineer, Headquarters, U.S. Air Forces in Europe, Ramstein Air Base, Germany
 2011 - 2014, Lead Associate, Booz Allen Hamilton, San Antonio
 2014 - 2020, Director, Installations Directorate, Air Force Civil Engineer Center, Joint Base San Antonio, Lackland, TX
 2020 - Present, Deputy Assistant Secretary of the Air Force for Installations

AWARDS AND HONORS

Meritorious Civilian Service Medal
Exemplary Civilian Service Medal
Legion of Merit with oak leaf cluster
Bronze Star
Meritorious Service Medal with five oak leaf clusters
Joint Service Commendation Medal
Fellow, Society of American Military Engineers, 2010
Air Force Lance P. Sijan Leadership Award, Senior Officer, 2003
AETC Senior Civil Engineer Military Manager of the Year, 2003
Air Force Outstanding Senior Civil Engineer Military Manager of the Year, 2001

PROFESSIONAL MEMBERSHIPS

Member, Society of American Military Engineers

PROFESSIONAL CERTIFICATIONS

Professional Engineer registered in Virginia (Current as of August 2020)

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

SEPTEMBER 27, 2023

QUESTIONS SUBMITTED BY MR. BACON

Mr. BACON. As of October 1, 2023, how many unaccompanied housing facilities in your respective military department fail to meet service standards for health, safety, privacy, configuration and/or general suitability? How many personnel currently reside in these substandard facilities? What is the estimated cost to remediate these substandard facilities to bring them up to service standards? Of this total estimated cost, how much did your service request in the FY24 budget request to bring these facilities up to service standards?

Ms. COULSON. The Army has approximately 19% of the Army's permanent party barracks buildings (390 barracks) in poor (Q3) and failing (Q4) condition and a 15% shortfall (deficit) exists in available barracks bed spaces. The Army currently has an estimated modeled maintenance backlog of \$6.5B above the FYDP24-28 requirement for all Permanent Party barracks. The backlog of required work for Permanent Party barracks has increased resulting in a corresponding decrease in Facility Condition Indices. In PB24, the Army requested \$1.3B for Permanent Party Barracks Restoration, Modernization and Sustainment. A lack of reliable assignments' data does give us the ability to comment on how many soldiers are residing in the 19% of barracks buildings that are in poor or failing condition. A data call will need to be conducted to provide that information with any accuracy.

Mr. BACON. As of October 1, 2023, how many NEW unaccompanied housing facilities do you assess are needed by your respective military department to meet service mission requirements? How many personnel would be served (housed) by these NEW unaccompanied housing facilities? What is the total estimated cost to construct these NEW unaccompanied housing facilities? Of these NEW unaccompanied housing facilities required, how many projects, and for what amount, did your service request funding in the FY24 budget request?

Ms. COULSON. The Army is short about 25,000 permanent party barracks spaces. An additional \$4.3B is required (modeled number) to build out the deficit to meet 95% of the barracks space requirement. The Army MILCON requested in FY24 \$287.5M for 5 barracks projects to address deficit. These projects provide an additional 746 modern permanent party barracks rooms.

Mr. BACON. As of October 1, 2023, how many unaccompanied housing facilities in your respective military department fail to meet service standards for health, safety, privacy, configuration and/or general suitability? How many personnel currently reside in these substandard facilities? What is the estimated cost to remediate these substandard facilities to bring them up to service standards? Of this total estimated cost, how much did your service request in the FY24 budget request to bring these facilities up to service standards?

Mr. THOMPSON. NAVY: The number of personnel housed below DOD and Navy assignment standards for configuration/suitability fluctuates due to ship movement, unit deployments, and permanent change of station. There are roughly 5,000 Service Members living in approximately 500 UH facilities that do not meet DOD and Navy assignment standards. The estimated cost to improve and expand the current UH inventory to meet all existing standards exceed \$5B if the Navy solves the issue using standard new construction or renovation. The FY24 Facilities Sustainment Restoration and Modernization (FSRM) budget for UH is about \$165M, with no MILCON funding.

USMC: The Marine Corps currently operates 658 barracks buildings worldwide, with an average of 87,600 occupied bed spaces. Overall, 112 (17%) are assessed as being in poor/failing condition, but these are not all due to life, health, and safety (LHS) issues. As of 17 October 2023, Marine Corps conducted 2,089-bedroom inspections, of which 88 bedrooms (4%) failed due to LHS issues.

To bring facilities up to service standards across the enterprise, the Marine Corps' Barracks Recapitalization plan includes investing \$200M/year in restoration. In FY24, \$221M is planned for restoration and modernization projects.

Mr. BACON. As of October 1, 2023, how many NEW unaccompanied housing facilities do you assess are needed by your respective military department to meet service mission requirements? How many personnel would be served (housed) by these NEW unaccompanied housing facilities? What is the total estimated cost to con-

struct these NEW unaccompanied housing facilities? Of these NEW unaccompanied housing facilities required, how many projects, and for what amount, did your service request funding in the FY24 budget request?

Mr. THOMPSON. The Navy estimates the need for 14 new facilities, with an estimated \$5B MILCON requirement, to house approximately 13,500 enlisted Service Members. Due to higher mission priorities, the FY24 President's Budget request did not include additional MILCON funding for Unaccompanied Housing (UH).

The Marine Corps included one project in the FY24 President's Budget request for replacement barracks at Marine Barracks Washington (\$132M), which will house 258 personnel. Since FY18, the Marine Corps has committed \$1.452B to barracks MILCON worldwide. The Marine Corps is assessing its overall inventory to identify the right number of barracks needed, which will inform requirements for new construction, renovation, return-of-excess, and demolition plans.

Mr. BACON. As of October 1, 2023, how many unaccompanied housing facilities in your respective military department fail to meet service standards for health, safety, privacy, configuration and/or general suitability? How many personnel currently reside in these substandard facilities? What is the estimated cost to remediate these substandard facilities to bring them up to service standards? Of this total estimated cost, how much did your service request in the FY24 budget request to bring these facilities up to service standards?

Mr. MORIARTY. The DAF does not allow health, and safety waivers for airmen or guardians to reside in dorms. The DAF has one privacy waiver allowing two persons per room due to a renovation project scheduled through FY27 at McConnell AFB. Based on the current DOD Performance goal of 90% of permanent party bed spaces being in adequate condition (Facility Condition Index score of 80 or greater)—99% of the DAF permanent party dormitories assess as adequate. Additionally, 99% of technical training dormitories assess as adequate. No Airmen or Guardian should be living in dormitories that are substandard.

The DAF develops and utilizes an Air Force Dormitory Master Plan that provides a holistic look at how well a dorm functions and shows us where additional investment is required to keep dorms good by addressing systems and components that degrade over time. This plan evaluates bed space requirements as compared with current assets, assesses the condition of the facilities, and identifies project requirements for sustainment or new construction. This plan is accomplished every 4 years and investment needs are refreshed annually and informs the basis of our investment. DAF continues to program projects to sustain, replace and build new facilities for unaccompanied members to ensure unaccompanied housing is well maintained and free of health and safety concerns.

Facilities Sustainment, Restoration and Modernization (FSRM) funding is a lump sum appropriation used to fund various missions and operations for the DAF. The DAF is committed to complying with the FY22 NDAA, Sec. 2814 requirements for the FY22–26 FYDP. This equates to an investment of approximately \$1.1B on permanent party dorms. The DAF plans to invest \$230M for 33 projects in FY24.

Mr. BACON. As of October 1, 2023, how many NEW unaccompanied housing facilities do you assess are needed by your respective military department to meet service mission requirements? How many personnel would be served (housed) by these NEW unaccompanied housing facilities? What is the total estimated cost to construct these NEW unaccompanied housing facilities? Of these NEW unaccompanied housing facilities required, how many projects, and for what amount, did your service request funding in the FY24 budget request?

Mr. MORIARTY. Based on the current plan's military construction schedule for FY25–FY31, there is an approximate facility deficit of 23 facilities to support permanent party requirements for approximately 3,500 members. DAF estimates the cost for 23 facilities to be approximately \$1.4B.

In FY24, there is one MILCON dorm project at Royal Air Force Lakenheath for permanent party personnel. This project will construct a 144-bed enlisted dormitory for the influx of airmen due to arrive with a potential new mission and bed down of two F-35 squadrons. The working estimate is \$50 million.

QUESTIONS SUBMITTED BY MS. HOULAHAN

Ms. HOULAHAN. I understand that DOD policies allow for installations to obtain waivers to DOD health and safety standards for barracks, as well as privacy/configuration standards. What did you learn during the course of your review about how many waivers are in place?

Ms. FIELD. GAO was not able to determine precisely how many waivers are currently in place, in part because DOD guidance allowing the services to waive min-

imum standards for barracks does not stipulate any requirements for documenting and tracking waivers. Specifically, DOD guidance does not require the services to document the reasons for granting waivers or to track how many waivers are in place. In addition, it does not specify time limits for waivers approved by military department secretaries. We determined that, as a result of limited guidance, the services vary in, and have limited documentation of, their use of waivers.

For example, both the Army and the Marine Corps consider their own service-level standards, which are below DOD standards, to effectively waive their barracks from meeting DOD standards. Therefore, neither service issues waivers to exempt individual barracks from DOD standards. However, the Marine Corps does issue waivers when individual barracks do not meet its own standards, such as when three service members have to share a bedroom. The Navy issued a blanket waiver to DOD standards, which has remained in place since 2002, as a temporary solution to ensure service members assigned to ships could live in barracks while in port. Despite this blanket waiver, the Navy also issues waivers for individual barracks that do not meet minimum privacy standards, but not when barracks fail to meet configuration standards. Finally, Air Force officials told us all Air Force barracks at least meet DOD standards. We observed permanent party barracks at one installation that provided kitchenettes when they were supposed to, but these kitchenettes included minimal equipment for preparing and storing food. For example, they did not include stovetops for cooking, a common complaint from barracks residents. In March 2023, Air Force officials informed us that two installations had recently requested temporary waivers to privacy standards, indicating that the service may issue waivers in at least some instances when individual barracks do not meet DOD standards.

While it has been difficult to determine the specific number of waivers in place given limited documentation of waivers by the services, we did obtain information from Navy and Marine Corps officials indicating that about 5,000 sailors and 17,000 Marines lived in barracks that do not meet DOD minimum adequacy standards as of March 2023. However, as we noted in our September 2023 report, these figures are likely underestimated because these services only issue waivers in certain circumstances. Across the services, additional service members may be living in substandard barracks for which no waivers are currently in place.

By not setting clear requirements related to waivers, the Office of the Secretary of Defense (OSD) does not have full visibility into the extent to which service members are living in substandard barracks. This is why we recommended that the department set clearer waiver requirements, including specifying requirements for tracking and documenting waivers and time limits for waivers.¹ Implementing this recommendation, such as by establishing requirements to document the reason an installation needs a waiver, the number of barracks and service members, as well as the estimated cost for bringing barracks up to standards, could help both OSD and the services make risk-based decisions on where to prioritize resources. In addition, setting clear requirements regarding time limits for waivers would prevent the military services from establishing waivers in perpetuity, as has occurred, and encourage progress.

Ms. HOULAHAN. For years the military departments have chosen to take risk by underfunding facilities sustainment accounts and barracks have been hit particularly hard by this risk-taking. Given that this problem is years in the making, what are views on the best ways to make meaningful progress quickly to ensure that our service members are living in acceptable conditions in barracks?

Ms. FIELD. It will take years of sustained oversight and attention to reverse the neglected maintenance and chronic underfunding that have led to poor conditions in barracks. In January 2022, we reported that DOD had a backlog of at least \$137 billion in deferred maintenance costs as of fiscal year 2020, and that lower-priority facilities—such as barracks—are chronically neglected and experience increased deterioration.² We recommended that DOD improve its implementation of the Sustainment Management System to better deal with the sustainment backlog.³ Improving barracks conditions specifically and addressing the quality-of-life and morale issues associated with poor conditions will require DOD to take actions in mul-

¹GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, GAO-23-105797 (Washington, D.C.: Sept. 19, 2023).

²GAO, *Defense Infrastructure: DOD Should Better Manage Risks Posed by Deferred Facility Maintenance*, GAO22-104481 (Washington, D.C.: Jan. 31, 2022).

³GAO-22-104481.

multiple areas. We believe that fully implementing all 31 recommendations in our September 2023 report will position the department to better address these challenges.⁴

For example, we recommended that the department should clarify guidance related to minimum standards for barracks and how the services should conduct condition assessments of barracks facilities. It should also update guidance to require that OSD and the military services use regular surveys to collect information from service members on the effects of barracks conditions on their quality of life and readiness. In addition, the department and services should develop processes to track and report complete and reliable information on the funding they need and have used to improve barracks conditions. The services should also reevaluate policies related to barracks programs, such as policies that provide exemptions to typical requirements to live in barracks and those that define the personnel structures for barracks manager positions. Finally, OSD needs to increase oversight and facilitate collaboration across the services to improve barracks conditions.

Fully implementing all of our recommendations will enable the department to: 1) better identify substandard barracks and the effects they have on service members' quality of life and readiness; 2) make more informed and targeted budget and funding decisions to improve conditions; 3) improve readiness and morale by improving quality of life for those required to live in barracks; and 4) better identify and address long-standing challenges in barracks conditions across the services. DOD concurred with most of our recommendations, but they only partially concurred with 8 of our recommendations. As mentioned, these problems are many years in the making and addressing these challenges will take long-term commitment and effort of the department and the military services. Continued Congressional oversight and focus on the department's efforts will help ensure implementation of our recommendations and that all service members are living in acceptable barracks.

In the meantime, installation leaders can also work to identify critical service member needs and take immediate actions to improve day-to-day life in barracks at their installations. For example, at an Air Force installation we visited, a barracks manager administered an ad-hoc survey for residents in one barracks facility to gather the perspective of residents on needed improvements. Air Force officials took immediate steps to respond to service members concerns, such as adding personal storage lockers for pantry and kitchen items in the communal kitchen. At an Army installation, officials told us they invested in adding cooktops to barracks kitchenettes because service members had identified the need for better cooking facilities as a significant concern. Service members reported improvements in quality of life as a result of these efforts. Such actions alone will not rectify the poor conditions in barracks resulting from years of underfunding and neglected maintenance; however, they could help make targeted improvements to service members' morale and experiences in barracks while the department works to fully address all our recommendations.

Ms. HOULAHAN. What observations can you share with us about the level of oversight that OSD is providing to the military services when it comes to barracks?

Ms. FIELD. In September 2023, we reported that OSD does not provide sufficient oversight of housing programs for barracks.⁵ DOD guidance has not established an oversight structure that gives officials within OSD responsibility for creating and standardizing policies and processes regarding government-owned barracks. While OSD does conduct annual programmatic reviews of barracks, we found that these reviews are generally limited compared to OSD's quarterly programmatic reviews of privatized family housing. We identified a number of key areas in which OSD's oversight of barracks is limited.

First, OSD officials told us they were unaware of challenges related to substandard barracks and that OSD does not monitor the number of barracks in substandard conditions across services because OSD does not have a role in military service waivers of DOD minimum standards for barracks. Second, OSD does not track complete budget information on the full scope of barracks and barracks-related funding. For example, budget materials used to support OSD's annual reviews of barracks do not identify budget information related to Basic Allowance for Housing for service members in the United States who would be living in barracks if not for condition or space issues—an amount totaling \$1.3 billion in fiscal year 2022, according to our analysis. Third, OSD does not have complete information on the effects of barracks conditions on service members. For example, while the services are supposed to provide information to OSD on how they measure tenant satisfaction for barracks residents, OSD has not directed them to provide robust information on the results of those assessments—information without which OSD's ability to iden-

⁴ GAO-23-105797.

⁵ GAO-23-105797.

tify long-standing challenges in barracks conditions across the services is limited. In addition, OSD has not facilitated collaboration across military services to jointly improve barracks conditions.

OSD officials acknowledged that they have not been as focused on strengthening oversight of barracks as they have privatized family housing, in part because of limited staffing resources and congressional focus on privatized family housing in recent years. Service officials also told us that increased oversight from OSD could result in improvements to barracks conditions. As noted above, one of the recommendations from our September 2023 report related to strengthening oversight; we believe that implementing that recommendation will help the department address decades-long challenges with barracks conditions.

Ms. HOULAHAN. DOD officials insist that, despite the problems we've seen over the last few years, privatizing the military family housing program was the right thing to do because it allowed the government to improve the condition of the housing in less time and for less money than if DOD used the traditional military construction process. Has GAO ever validated that assertion?

Ms. FIELD. GAO's work in the early years of the Military Housing Privatization Initiative (MHPI) sought to assess the validity of the assumption that leveraging private sector financing would allow DOD to eliminate inadequate housing more economically and faster than could be achieved through traditional military construction financing. A number of complicating factors made doing so difficult. In 1996, for example, GAO reported that because DOD was using new construction standards to assess the condition of military-owned housing units, many housing units that DOD classified as inadequate were not dilapidated, but only lacked modern amenities, such as a separate utility room or a carport.⁶ In other words, there was no reliable baseline with which to compare the condition of the new, privatized housing to the old, government-owned housing. Further, in 2000, we reported that, because no projects under the program had been completed, there was little basis for evaluating the effectiveness of the program in eliminating inadequate housing more economically and faster than could be achieved through traditional military construction financing.⁷

However, we were able to evaluate DOD's estimated cost savings. When GAO analyzed the complete life-cycle cost estimates that DOD had prepared for individual projects, we found that, overall, the cost savings were likely to be more modest than predicted. For example, in a 1998 analysis of two privatized housing projects, GAO's review showed that although privatization was less costly for each project, the overall estimated cost savings to the government were considerably less than the military services' estimates—about \$54 million less, or about 7 percent, at one of the two installations, and \$15 million less, or about 10 percent, at the other. GAO also found in a subsequent review of 12 projects that privatization, on average, should cost the government about 11 percent less than military construction financing. For 10 of the projects, we calculated that the estimated savings ranged from 38 percent to 5 percent. For the remaining two projects, we estimated that privatization would cost more than military construction—about 9 percent and about 15 percent more, respectively.

In recent years, questions about whether privatization was the right policy choice have transitioned to questions about how privatization is working, including questions regarding the long-term cost effectiveness and condition of privatized housing. As such, GAO's work has focused on assessing the financial health of privatized housing projects and DOD's oversight of the condition of the housing. For example, in March 2018, we reported that DOD could improve its assessments of the long-term financial sustainability of privatized housing projects.⁸ In April 2023, we reported that OSD and the military departments could improve their oversight of the condition—and therefore quality—of privatized housing, such as by ensuring inspectors have the training necessary to assess the condition of these homes adequately and consistently.⁹

Ms. HOULAHAN. The 2020 NDAA created the Military Housing Privatization Tenant Bill of Rights and authorized every military installation a Privatized Housing Resident Advocate position to assist residents in the identification and resolution of

⁶ GAO, *Military Housing: Privatization Off to a Slow Start and Continued Management Attention Needed*, GAO/NSIAD-98-178 (Washington, D.C., July 17, 1998).

⁷ GAO, *Military Housing: Continued Concerns in Implementing the Privatization Initiative*, GAO/NSIAD-00-71 (Washington, D.C., Mar. 30, 2000).

⁸ GAO, *Military Housing Privatization: DOD Should Take Steps to Improve Monitoring, Reporting, and Risk Assessment*, GAO-18-218 (Washington, D.C., Mar. 13, 2018).

⁹ GAO, *Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program*, GAO-23-105377 (Washington, D.C., Apr. 19, 2023).

housing challenges. However, personal statements indicate that some installations are still without a Privatized Housing Resident Advocate, leaving them beholden to the privatized housing office without a voice. Can you provide metrics on your current resident advocate manning and provide insight on your plan to ensure each of these positions is filled as quickly as possible?

Ms. COULSON. The Army's privatized housing portfolio consists of 36 housing projects comprised of 51 installations. Each installation has an Army Housing Manager, which is the designated Housing Resident Advocate, as outlined in Pub Law 116-92 Sect 2894 (b)(4).

Fort Belvoir is the only Army privatized housing installation that has created a position that serves as an Ombudsman in addition to the Army Housing Manager. The Ombudsman serves as a Housing Management Specialist under the supervision of the Deputy Garrison Commander and advocates for service members and families mediating landlord/tenant disputes when requested by the resident.

The Army works at all echelons collaboratively to ensure that the installations have proper manning and that the key roles are filled.

Ms. HOULAHAN. GAO's latest report on MHPI states DOD has all of the authorities it needs to hold private housing companies accountable if they engage in misconduct, to include major fraud. And yet, DOD has never terminated a privatized housing project, even when one of the primary partners admitted to major fraud. Why? What would it take for you to decide that it was no longer in the government's best interest to continue a privatized housing project?

Ms. COULSON. Although the project legal documents provide mechanisms for terminating a privatized housing project, termination of a project is an extreme step that would be immensely disruptive and could, at least in the short term, adversely impact the Army's ability to ensure military members and their families are provided safe and habitable homes.

Without terminating a privatized housing project, the Army has the authority to compel termination of any privatized military company property management service provider that fails to properly maintain safe and habitable housing and fails to cure its deficient performance within a reasonable period-of-time. While there are housing issues that have not yet been resolved, the Army currently believes that all housing service providers are making substantial progress in resolving the issues that remain at their respective projects. As a result, there are currently no plans by the Army to compel termination of any privatized military housing property manager contract. Previously, however, the Army did take action resulting in the termination of a property management company servicing the Fort Belvoir, Benning, Irwin and Presidio of Monterey Projects; in that case, upper-level management of the company was directly implicated in fraudulent behavior.

In addition to compelling the termination of a property manager, the Army may terminate privatized housing projects when the project company has failed to comply with the terms of its lease with the Army. Grounds for termination include failure to provide safe and habitable housing, and failure to cure any non-compliance with the lease within a reasonable period-of-time. Upon termination of a project, the Army will own the project's housing and be immediately responsible for operating and maintaining it. As the Army is neither staffed nor funded to resume the operation of privatized housing, termination of a project could be difficult to smoothly execute in the short term.

Ms. HOULAHAN. In the GAO report released earlier this month, unacceptable health and safety conditions like mold, broken windows, sewage overflows, and others were mentioned across the board. How prevalent are these unacceptable conditions across your respective service and what are your plans to address the dire state of unaccompanied housing for our service members now and in the immediate future?

Ms. COULSON. These conditions are not prevalent in the Army. We remediate and/or mitigate unacceptable health and safety conditions, as described in the question, when they are identified. In FY23, the Army executed a deliberate and comprehensive inspection of all barracks to identify environmental, health, and safety conditions that would contribute to reduced quality of life for residents. All identified deficiencies were mitigated, remediated, or otherwise remedied. The Army also is using the Army Maintenance Application which enables service members to place and track service orders electronically. This gives better visibility to leaders and Directorates of Public Works of maintenance issues and their resolution.

The Army is investing more than \$1B/year across its Future Years Defense Program for the construction, renovation, modernization, and sustainment of barracks. In Fiscal Year 25, the Army will attempt to improve its posture for sustainment funding invested in all barracks types. Fully sustaining barracks is key to reducing degradation and ultimately maintenance backlog.

Ms. HOULAHAN. Can you tell me how many barracks facilities each of your services operate and maintain that have in place a waiver to DOD health and safety standards or privacy and configuration standards? How long have these waivers been in place? What are you going to do to bring those substandard barracks up to where they should be?

Ms. COULSON. No Army unaccompanied housing is under an active waiver to the DOD standards. A previous waiver was put in place in 2012, but that has long since expired.

The Army continues to dedicate significant resources of over \$1B/year to unaccompanied housing investments, in addition to looking closely at its policy and processes to improve management practices.

Ms. HOULAHAN. What can you share with us about the level of attention and direction you receive at the OSD level? Do you think OSD pays the same level of attention to barracks that it does to MHPI? Is there any type of support that you would find useful from OSD?

Ms. COULSON. The Army continues to have open dialogue with OSD on the unaccompanied housing program. OSD is very engaged in guiding and supporting the Army's program as it matures and evolves. The Army is appreciative of the interactive relationship and looks forward to shaping and implementing future OSD-established minimum standards on privacy, configuration and health and safety.

Ms. HOULAHAN. The 2020 NDAA created the Military Housing Privatization Tenant Bill of Rights and authorized every military installation a Privatized Housing Resident Advocate position to assist residents in the identification and resolution of housing challenges. However, personal statements indicate that some installations are still without a Privatized Housing Resident Advocate, leaving them beholden to the privatized housing office without a voice. Can you provide metrics on your current resident advocate manning and provide insight on your plan to ensure each of these positions is filled as quickly as possible?

Mr. THOMPSON. All Navy installations provide housing services to service members via our Navy Housing Service Centers (HSC). The HSCs provide advocacy services to accompanied and unaccompanied military members for a wide variety of housing issues. Resident advocacy has always been a core service at the HSCs. All residents have access to the HSC, and the HSC engages in continuous tenant outreach. In 2021, the Navy hired an additional 183 positions to conduct oversight and project management of the Military Housing Privatization Initiative (MHPI). These positions are responsible for various tasks including inspection of homes, follow up communication with residents after move-in and after maintenance work, liaison between the resident and the MHPI Project manager, and advocacy services.

The Marine Corps hired 113 personnel to supplement its Military Housing Office (MHO) staff. The Marine Corps also understands the importance of tenant advocacy and ensures military tenants are educated on their rights (e.g., Plain Language Briefing), understands the dispute resolution process (e.g., dispute resolution flyer), and is provided points of contact to for assistance. Each installation's MHO provides a Tenant Advocate/Mediator who is focused on tenant-landlord dispute mediation; ensuring PPV adherence to the Fair Housing Act; ensuring tenant's complaints are documented and processed; assessing satisfaction surveys and implementing corrective action; and mediating disputes between tenants.

Ms. HOULAHAN. GAO's latest report on MHPI states DOD has all of the authorities it needs to hold private housing companies accountable if they engage in misconduct, to include major fraud. And yet, DOD has never terminated a privatized housing project, even when one of the primary partners admitted to major fraud. Why? What would it take for you to decide that it was no longer in the government's best interest to continue a privatized housing project?

Mr. THOMPSON. The DON's ground leases and associated legal agreements that comprise the project deal structures include termination of the Managing Member (MM) for cause clauses that can be exercised in extreme cases.

In the major fraud case, the DON decided to focus on actions by the DON and Balfour Beatty Communities (BBC) to prevent future instances of fraud rather than exercising the right to terminate BBC. Following BBC's misconduct, they replaced all of the personnel responsible for the fraud. Additionally, BBC's settlement established a robust corporate compliance program under which BBC agreed to modify its existing compliance program, including internal controls, compliance policies, and procedures, in order to provide for effective detection and deterrence of violations of U.S. anti-fraud law. The DON conducted internal investigations with the Acquisition Integrity Office (AIO) and determined that appropriate DON work order oversight measures are in place to protect the DON's interests going forward.

The DON has increased MHPI company oversight and accountability by ensuring DON personnel have access to electronic maintenance records, hiring new quality

assurance personnel to monitor maintenance performance and data quality, and revising project performance incentive fee metrics and withholding of fees until the data is validated by the DON.

The DON has opted for the early termination and dissolution of MHPI projects in the past as a result of declining military housing requirements in the respective locations of the projects and low military occupancy.

Ms. HOULAHAN. In the GAO report released earlier this month, unacceptable health and safety conditions like mold, broken windows, sewage overflows, and others were mentioned across the board. How prevalent are these unacceptable conditions across your respective service and what are your plans to address the dire state of unaccompanied housing for our service members now and in the immediate future?

Mr. THOMPSON. The Navy acknowledges that unacceptable health and safety conditions exist in the total Unaccompanied Housing (UH) inventory. However, no Sailor is living in Navy UH that has life, safety, or health-related issues. The Navy takes buildings, or individual units, off line when a life, safety or health-related issue is identified until the health and safety condition is corrected. In addition, the Navy implemented a standardized inspection program across the enterprise to ensure UH assignment meets DOD and Navy health, safety, and configuration standards. As of the end of FY22, 60% of Navy Permanent Party UH bedrooms have a Condition Index (CI) of good or fair. The Navy is developing a 10-year investment plan to recapitalize and modernize our UH inventory.

The Marine Corps also acknowledges that unacceptable health and safety conditions exist in their UH inventory. The Marine Corps currently operates 658 barracks buildings world-wide, with an average of 87,600 occupied bed spaces. Overall, 112 facilities (17%) are assessed as being in poor/failing condition, but these conditions are not all attributable to life, health, and safety (LHS) issues.

In the near-term, the Marine Corps is taking action to improve the quality of life for Marines living in unaccompanied housing. In June 2023, the Marine Corps published its *Unaccompanied Housing Guarantees and Resident Responsibilities*, which ensures Marines receive safe, secure housing that meets health, environmental and safety standards; has functional fixtures, furnishings, appliances, and utilities; have access to common areas and amenities; and fast maintenance and repair when something breaks. Additionally, following complaints about the lack of air conditioning at Camp Pendleton barracks, the Marine Corps is developing a systematic plan for installing new air conditioning systems. Separately, there are 10 repair projects scheduled in FY23 and FY24 that will improve barracks in poor condition. Further, the Marine Corps has launched a pilot program to test a new phone application that will allow Marines to quickly and easily submit service requests for barracks issues and receive feedback automatically on their repair request. Finally, in August 2023, the Marine Corps started its Sergeant Without Dependents Basic Allowance for Housing Initiative, which provides highly deserving sergeants with the allowance at a rate for troops without dependents to live in homes outside of base.

For the long-term, the Marine Corps will institute a new approach to barracks management that directly addresses Recommendation 28 of the GAO-23-105797 report. This new model will replace Marines with civilian personnel to manage barracks. This new structure will professionalize the management workforce and address systemic backlog issues such as tracking inventory and maintenance. Additionally, the Marine Corps will target its resources to rightsize its barracks inventory, which requires the use of military construction, restoration, and demolition funding levers.

Ms. HOULAHAN. Can you tell me how many barracks facilities each of your services operate and maintain that have in place a waiver to DOD health and safety standards or privacy and configuration standards? How long have these waivers been in place? What are you going to do to bring those substandard barracks up to where they should be?

Mr. THOMPSON. The Navy has implemented a standardized inspection program to ensure UH assignment meets DOD and Navy health, safety and configuration standards. Since 2011, the Navy waived the DOD privacy and configuration standards to house E1-E3 personnel. Currently, approximately 200 UH facilities have assignment standards waivers. In order to support the Navy's Homeport Ashore Program (all shipboard Sailors live ashore when in homeport), an additional 300 UH facilities use an interim assignment policy (no more than 2 Sailors/room and 4 Sailors/bath) and, due to the interim nature, do not require a waiver. The Navy is developing a UH optimization plan that will address capacity shortfalls.

The Marine Corps has a waiver from the Assistant Secretary of the Navy (Energy, Installation and Environment) regarding Marine Corps Order 1100.22 and the maintenance of current Minimum Adequate Assignment Standards, which relate to

required barracks space considerations by paygrade. As of October 2023, there are 90 buildings, the vast majority of which were constructed prior to the institution of new minimum space considerations by paygrade. The waiver was first approved 22 Dec 2015 and is a permanent exception.

The Marine Corps' Barracks 2030 plan will improve barracks management and raise our facilities to current industry standards by focusing on:

1. Barracks Management. We will professionalize and streamline barracks management, improve responsiveness to resident's requests, and provide basic allowance for housing to well-deserving Sergeants.
2. Barracks Occupancy. We will repair rooms in-stride, reconfigure and right-size barracks footprint, re-capitalize barracks, and explore PublicPrivate Venture relationships to expand housing options.
3. Improve Furniture Recapitalization. We will decrease the average furniture replacement time to ensure adequate room amenities.
4. Indoor Air Quality. We will conduct a pilot program with air ionization systems to test its efficacy in barracks, and if successful, include the specifications in barracks design standardization.

Ms. HOULAHAN. What can you share with us about the level of attention and direction you receive at the OSD level? Do you think OSD pays the same level of attention to barracks that it does to MHPI? Is there any type of support that you would find useful from OSD?

Mr. THOMPSON. The DON appreciates OSD's attention and any direction from OSD for all housing types. The DON has worked closely in the past with OSD staff and leadership developing new initiatives and oversight practices in regards to MHPI housing and has seen increased focus on UH recently. The DON is prepared to continue utilizing this strong relationship as OSD continues to increase its staff, with the goal of quality of life for all service members and their families.

Ms. HOULAHAN. The 2020 NDAA created the Military Housing Privatization Tenant Bill of Rights and authorized every military installation a Privatized Housing Resident Advocate position to assist residents in the identification and resolution of housing challenges. However, personal statements indicate that some installations are still without a Privatized Housing Resident Advocate, leaving them beholden to the privatized housing office without a voice. Can you provide metrics on your current resident advocate manning and provide insight on your plan to ensure each of these positions is filled as quickly as possible?

Mr. MORIARTY. The Department of the Air Force (DAF) established 60 Privatized Housing Resident Advocate (RA) positions. Currently there are no vacant positions. Installations fill vacancies in accordance with established processes and authorities. The roles and responsibilities of the Privatized Housing Resident Advocate will continue to be performed during any position vacancy.

Ms. HOULAHAN. GAO's latest report on MHPI states DOD has all of the authorities it needs to hold private housing companies accountable if they engage in misconduct, to include major fraud. And yet, DOD has never terminated a privatized housing project, even when one of the primary partners admitted to major fraud. Why? What would it take for you to decide that it was no longer in the government's best interest to continue a privatized housing project?

Mr. MORIARTY. Up to this point in time, all the project owners have worked with DAF to resolve our major concerns. The respective project owners are working with DAF and have shown improvement. DAF will continue to address challenges and take corrective actions when we encounter project owner performance problems.

A decision to find the project in default is likely to result in unintended consequences unless DAF purchases the project and pays off any loans associated with the project. DAF would try to exhaust other remediate efforts, to include encouraging a sale of the project to a different owner prior to declaring default. Every DAF MHPI project has a commercial loan/bond issuance that is senior lienholder in our project, which could make decisions without DAF input. Generally, the senior lender assumes control of the project in the event of an uncured default, which would severely limit DAF options. The senior lender could name a project manager and would control project cash flow. With control of project cash flow, the senior lender might greatly constrain the availability of funds to remedy any issues with the homes and not have the same willingness to work with the DAF to develop long-term solutions.

The negative consequences, of declaring a default, particularly DAF's loss of control during foreclosure, would be carefully weighed against assumed advantages of finding an MHPI project owner in default. In the most extreme circumstance where a project owner refused to work with DAF to resolve serious health and safety issues, DAF would consider exercising more serious remedies that are available under the legal agreements, even if faced with the possibility of a senior lender tak-

ing control of the MHPI project. In those circumstances, the project owner could attempt to sell the MHPI project and would be required to work with DAF to find a qualified buyer to take over the MHPI project.

Ms. HOULAHAN. In the GAO report released earlier this month, unacceptable health and safety conditions like mold, broken windows, sewage overflows, and others were mentioned across the board. How prevalent are these unacceptable conditions across your respective service and what are your plans to address the dire state of unaccompanied housing for our service members now and in the immediate future?

Mr. MORIARTY. The Department remains committed to ensuring we provide safe and adequate dorms for our Airmen and Guardians and continues to invest in the repair and/or replacement of our dorms and their internal systems in accordance with asset management principles and our dormitory master plans. We have investment plans in place to ensure our dorms remain adequate for our members.

The DAF consider dormitories commander's business. Our full-time Airmen Dorm Leaders (ADLs) offer daily oversight in our dormitories. Commanders at all levels are expected to proactively address concerns in dormitories so they can be remedied. While construction projects are necessary, hands-on leaders' involvement is critical to our ability to ensure members are living in safe and healthy environments and when problems arise, they are promptly and properly dealt with. Specifically, based on the current DOD Performance goal of 90% of permanent party bed spaces being in adequate condition (Facility Condition Index score of 80 or greater)—99% of the DAF permanent party dormitories assess as adequate. Additionally, 99% of technical training dormitories assess as adequate. These efforts ensure that issues raised in the GAO report are not prevalent across the DAF portfolio.

For permanent party dorms, the FY22 NDAA, Sec. 2814, required the Services to invest no less than 5% of the remaining service potential over the FY22–26 FYDP. For the DAF this equates to approximately \$1.1B on permanent party dorms for FY22–26. We are focused on meeting the NDAA requirement. In FY23 DAF funded 36 projects at \$276M and plans to invest \$230M for 33 projects in FY24. Similar investments are in the planning stages to occur through FY26. The DAF will optimize investments and execute dorm projects aligned with the “Air Force Dormitory Master Plan” and established service priorities.

Ms. HOULAHAN. Can you tell me how many barracks facilities each of your services operate and maintain that have in place a waiver to DOD health and safety standards or privacy and configuration standards? How long have these waivers been in place? What are you going to do to bring those substandard barracks up to where they should be?

Mr. MORIARTY. The Department of the Air Force (DAF) does not provide waivers to health and safety standards. Installation Commanders actively utilize resources (First Sergeants, ADLs, residents, O&M funding) to source feedback and address health and safety standards.

Regarding waivers to privacy standards, the DAF assignment standard is one private room for each permanent party member, E-1 through E-3 and E-4 with less than 3 years of service. Based on the configuration of the unaccompanied housing (UH) facility, a member is provided a private bath or bath shared by not more than one other resident. These assignment adequacy standards may be temporarily waived when mission dictates; for example, accomplishing major maintenance and repair project, military necessity, shortfall of existing bed spaces, etc. DAF has one installation (McConnell AFB) with an approved privacy waiver (Aug 23) to house two persons per room with shared baths due to an on-going renovation project. The estimated renovation completion date is FY27.

The configuration of DAF dormitories and construction standards have evolved over 37+ years. The current UH inventory has several configurations used to support UH requirement; all configurations are considered adequate. DAF established policy related to minimum assignment standards based on configurations of existing inventory and focused on square footage, maximum number of service members per room and maximum number of members sharing bathrooms. Since the standards have evolved over 37+ years, not all dorm configurations have the availability of kitchens and kitchenettes, therefore the DAF does not consider this a reason to prohibit assignment of dormitory bed spaces. The DAF designs consider kitchen or kitchenettes to provide supplemental cooking/eating options for residents, but they are not intended to replace dining facilities. However, DAF's newest construction standard for replacement or new dormitory requirements provides for kitchenettes as defined by DAF standards.

Ms. HOULAHAN. What can you share with us about the level of attention and direction you receive at the OSD level? Do you think OSD pays the same level of at-

tention to barracks that it does to MHPI? Is there any type of support that you would find useful from OSD?

Mr. MORIARTY. OSD engages with Military Departments regarding all aspects of DOD housing programs to ensure service members are provided access to suitable housing on or off the installation. Specific to Unaccompanied Housing (UH) the Department of Defense (DOD) policy provides the responsibilities to the head of DOD Components to 1) Establish criteria to determine which Service members are required to live in military housing and which are authorized to receive a housing allowance and may choose where to live; and, 2) Establish adequacy and construction standards for DOD housing pursuant to law and based on guidance from OSD. While adequacy and construction standards for DOD family housing generally should be similar to private-sector housing, the Heads of the DOD Components have more flexibility to establish adequacy and construction standards for DOD unaccompanied housing (UH) (permanent party and trainees or students).

OSD provides the Services and Installation Commanders flexibility to administer and execute all aspects of housing within established policy. DAF has established housing policy and program with defined requirements, assignment standards and construction standards. DAF does not believe additional OSD guidance is required.

QUESTIONS SUBMITTED BY MS. JACOBS

Ms. JACOBS. Why is it that each of the services have come to different conclusions about the feasibility of privatized barracks? How have each of the services conducted these studies, and how have they used different methodologies that have led to inconsistent analysis?

Ms. FIELD. From 1997 to 2011, the military services conducted several analyses about the feasibility of privatized barracks. In our September 2023 report, we noted that these prior efforts to evaluate the feasibility of privatizing barracks did not constitute a comprehensive, department-wide analysis sufficient for decision making.¹⁰ As a result, each service used different methods, such as business-case and life-cycle cost analyses, and different assumptions about how repairs and upkeep for housing would be funded, resulting in different conclusions about the potential for cost savings from using either privatization or the traditional government-funding military construction approach. In summary, inconsistent methods resulted in varying conclusions and actions, specifically:

Army and Navy. From 2004 to 2011, the Army and the Navy conducted multiple analyses to assess the feasibility of privatizing barracks. For example, the Army conducted a study involving different assumptions about the number and pay grades of unaccompanied personnel housed on and off installations, as well as the amount of money spent by the Army to construct and sustain facilities. The Army also conducted a series of business-case analyses for privatized projects at six installations. The Navy conducted various analyses that considered multiple scenarios based on data collected from site visits at two Navy installations. The Army concluded that privatization is feasible but more costly in most cases, while the Navy concluded privatization would be feasible in certain locations. Both services moved forward with privatized barracks projects at that time. In September 2023, we reported that both services are considering additional privatized barracks projects.

Air Force and Marine Corps. From 1997 to 2002, the Air Force conducted a series of analyses, beginning with a feasibility study, including site visits at two installations selected in part because both had housing shortages. The study concluded that privatization would be less expensive than military construction at one installation, but not the other. Another analysis found that issues related to unit integrity, the scale of necessary government commitment of funds, and difficulty conducting inspections in buildings not solely government-owned would make privatization projects unfeasible. In 2008, the Marine Corps conducted a feasibility study, which included a life-cycle cost analysis, focused on one installation which lacked sufficient high quality unaccompanied housing. The analysis found that privatizing barracks would be more expensive than building new barracks through military construction. Therefore, both services concluded that privatization projects would generally not be feasible service wide. In September 2023, we reported that the Air Force is considering a privatized barracks project at one installation where unique market conditions may make privatized housing a successful business model. The Marine Corps is conducting a study to assess the feasibility of privatized barracks at two installations but have no plans to move forward with privatization.

¹⁰GAO-23-105797.

OSD and service officials told us the idea of privatizing barracks is appealing, but questions remain about the feasibility of doing so—questions related to cost effectiveness, mandatory assignment, complications due to deployments, and effects on unit cohesion. In an effort to improve living conditions, a congressional committee has encouraged DOD to look for innovative ways to improve barracks condition, including privatization. As you are aware, the Secretary of Defense was to provide a report to the House Armed Services Committee on the feasibility of privatizing barracks across all military services by July 2023.¹¹ Through a comprehensive, department-wide report on barracks privatization, the department could provide information that may help weigh the pros and cons of privatization. However, as we reported in September 2023, DOD did not provide this report to Congress by July 2023, and officials were unable to provide an updated timeframe for when they would do so.

Ms. JACOBS. Regarding privatizing unaccompanied housing, an earlier GAO from 2014 report states, “The Navy’s evaluation of the developer’s proposed budget for 2013 noted that although the overall occupancy rate for the San Diego project at the end of 2012 was about 96 percent, the revenues being received were insufficient to sustain the project over the long term.”

However, in a response to an RFI from our office to the DON on September 22, 2023, DON explained that PPV barrack projects were more cost effective for the following reason: “a. No competition for funding. MILCON and Restoration & Modernization Projects currently compete with other Navy projects for funding that may have higher priority. b. Life cycle analysis has consistently shown privatization to be less costly than military construction. c. Studies have revealed PPV as the most cost effective investment strategy for Homeport Ashore and Jr Permanent Party Sailors. d. Sustainment and maintenance funds—Degradation of government owned facilities outpace funding for sustainment and maintenance resulting in decreased life expectancy and condition of gov-operated unaccompanied housing. PPV relieves the DON of maintenance and sustainment responsibilities of the privatized assets.”

Does GAO still stand by its 2014 assessment? And how would GAO respond to the RFI cited above?

Ms. FIELD. Our 2014 report conveyed information provided to us by the Navy. Specifically, we reported that, according to Navy officials, the Navy’s San Diego project was intended to house mid-level unaccompanied personnel (with ranks E-4 to E-6),¹² but this target population was not realized because of a general desire by service members in this demographic not to return to on-base housing. As such, the Navy decided to temporarily expand the target demographic for the project to include more junior unaccompanied personnel and Homeport Ashore sailors.¹³ This shift increased occupancy rates, but strained revenues for the private developer, specifically because these more junior sailors’ partial basic allowance for housing (BAH) rates were below the market rent for the new buildings. The private developer’s financial projections were based on that market rent. Therefore, in September 2013, OSD approved a Navy request to increase the partial rate of BAH for junior unaccompanied personnel residing in the buildings.

We have not had the opportunity to review the Navy’s full response to the RFI. However, the Navy’s statements referenced in the question are consistent with statements made by department and military service officials during the course of our recent work, specifically that barracks projects do not compete well against other needed maintenance or construction projects. As such, several officials stated that “fenced funding” would be beneficial to ensuring barracks funding needs were met or that privatized barracks were appealing. However, our broader work on MHPI has found that DOD needed to improve its assessments of the long-term financial sustainability of privatized housing projects—including assessing any risks to privatized project revenues resulting from reductions in BAH.¹⁴ Further, as we recently reported, DOD and the military services should examine the full scope of funding requirements to house the barracks resident service member population.¹⁵

The Navy stated in the RFI that privatized barracks would relieve the Department of the Navy of maintenance and sustainment responsibilities of the privatized assets. However, as noted in our report, forgoing needed maintenance and construc-

¹¹ H.R. Rep. No. 117–397, at 377 (2022).

¹² GAO, *Military Housing: Information on the Privatization of Unaccompanied Personnel Housing*, GAO–14–313 (Washington, D.C.: Mar. 18, 2014).

¹³ Homeport Ashore is a Navy program created to improve the quality of life among ship-based junior sailors by moving them off ships and into unaccompanied housing on shore while their ships were docked in their homeport.

¹⁴ GAO–18–218.

¹⁵ GAO–23–105797.

tion may limit the use of maintenance and construction funding, but may increase the amount of military personnel funding—for BAH—needed to house service members typically required to live in government-owned barracks. As such, we reiterate our recommendation that DOD carefully track and report all barracks-related funding. Without doing so, it will continue to be challenging for DOD to weigh different options for funding barracks and barracks-related needs, such as weighing the use of O&M, MILCON, or Military Personnel—and specifically BAH—to meet housing needs. Moreover, Congress will have limited visibility into the full scope of funding requirements to house this service member population.

Ms. JACOBS. Can you please share the amount of investments your service has made to improve unaccompanied military housing using FSRM funds? Please include how this amount equals or surpasses the required five percent of the estimated replacement cost of the total inventory of unaccompanied housing.

Ms. COULSON. Army has requested \$0.8B in FY 24 to improve unaccompanied permanent party housing in FSRM funding. This includes a portion of sustainment funding aimed at replacing building components, whole building restoration & modernization projects, and military construction for new and replacement barracks. This significant investment is approximately 12% of the FY23 replacement cost defined as remaining service potential in Section 2814 of FY22 NDAA. Army has interpreted Net Book Value to provide the best correlation with that definition. Note, if investments were just limited to the FSRM portion, the investment would be 7.3%.

Ms. JACOBS. When your service places an MHPI housing partner on a “performance improvement plan,” is that public information?

Ms. COULSON. Any Performance improvement Plan (PIPs) issued by the Army to an MHPI housing company can be obtained by making a request for the plan pursuant to the Freedom of Information Act (FOIA). The plan is releasable under FOIA except for those portions that contain trade secrets, commercial or financial information that is confidential or privileged and any information protected by the Privacy Act. Outside of releasing pursuant to FOIA, the Army does not make PIPs available to the public.

Ms. JACOBS. What concerns are severe enough to warrant a housing partner be issued a “letter of concern” or be placed on a performance improvement plan?

Ms. COULSON. A letter of concern is issued for immediate, wide-spread, or systemic issues that violate the terms of a company’s lease or business agreements. Letters of concern are typically issued as the prelude to more formal notifications such as notices of non-compliance or default. Performance improvement plans are utilized when the issues of concern are not immediately resolved or the Army lacks confidence that the Project Company will comprehensively address the issues’ root causes.

Ms. JACOBS. How many and which housing partners have been issued a “letter of concern” or been placed on a performance improvement plan in the past 5 years? Please provide a complete list, and this can come back in CUI form if needed.

Ms. COULSON. Four formal letters of concern have been issued to Army privatized housing providers over the past five years and are summarized as follows:

July 2022—BBC—Fort Gordon (Eisenhower)—Notice of Non-Compliance with Condition 13a—Failure to maintain Lessee Owned Housing located within the leasehold in a safe condition.

April 2021—Corvias—Fort Liberty—Letter of Concern on doubts about the adequacy of oversight by Corvias, and particularly at those having a history of moisture-related issues.

June 2020—BBC—Fort Story—Letter of Concern regarding maintenance of the historic Cape Henry House and compliance with the Programmatic Agreement and VA (state) Historic Preservation Office for proper preservation or demolition of the structure.

May 2020—Lendlease—Fort Campbell—Letter of Concern regarding tenant complaints regarding potential LBP notices and LBP maintenance and renovations.

Additional items of concern have been included in other correspondence to housing providers regarding issues associated with survey results, comprehensive reviews, Ground Lease Compliance Inspections, site visits and project reviews by Army leadership.

Ms. JACOBS. How are your services disseminating information for new and existing residents in MHPI about their rights?

Ms. COULSON. The Army is committed to ensuring robust communication with service members and families who live in privatized Army housing. As part of these efforts, the Army provides a Plain Language Briefing (PLB) to residents 30 days prior to signing a lease to ensure service members and families understand all aspects of the lease and housing managers can respond to any questions. The briefing, which is required by the National Defense Authorization Act of 2020, provides the

resident a description of the rights and resources available to them under their lease and the Tenant Bill of Rights. It also provides points of contact for the Garrison's Army Housing Office as well as privatized housing providers.

The Army plans to update the PLB and issue Military Housing Privatization Initiative PLB Policy by 30 November 2023 and review annually thereafter. This policy will codify roles and responsibilities of the Army Housing Office with regards to providing the PLB and required check-ins, as well as timelines for the delivery of those touchpoints. This policy will require that Army Housing Offices check in with residents 15 and 60 days after moving into a new home. This requirement will also be part of the next update to the Army's privatized housing guide—the Portfolio and Asset Management Handbook—anticipated within the next six months. The Army will also issue implementation guidance to address the requirements associated with the Corrective Action Plan to resolve concerns identified in the GAO Audit 105377-Military Housing: DOD Can Further Strengthen Oversight of its Privatized Housing Program.

Ms. JACOBS. When issues in private military housing arise and residents need to go through the formal dispute resolution process, how are you tracking dispute resolutions and their outcomes? What are your services doing to ensure that residents know where to contact their tenant advocates?

Ms. COULSON. The Army's Installation Management Command tracks all dispute resolutions, both formal and informal, and their outcomes. To date, the Army has informally resolved 45 of the 52 disputes initiated across its privatized housing portfolio. The remaining seven cases were addressed using the formal dispute resolution process. Concerns reported to the GAO from residents on lack of information regarding the process has driven the need for a corrective action plan to update the Plain Language Brief (PLB), which is required by the FY 2020 NDAA, to be provided to residents before they sign a lease with a housing provider and again following lease signing. The briefing provides the rights and resources available to the resident, as well as points of contact for the Garrison's Army Housing Office (AHO) and privatized housing providers.

The dispute resolution process, as a component of the Tenant Bill of Rights (TBoR), gives residents a secure basis for negotiation with the private housing provider. Further, by clarifying the responsibilities of all involved, it reiterates the Army's role as an advocate for the resident through on-the-ground support from the AHO. This briefing includes information about the identity and contact details of the Army Housing Manager, who is the Military Tenant Advocate, ensuring that residents know where to reach out in case of disputes or concerns.

The Army will also be creating informational tools and produce handouts to offer residents additional material on TBoR, PLB, Dispute Resolution, and contact information for the Army Housing Manager.

Ms. JACOBS. Would you consider eliminating barracks management as a collateral duty? Additionally, would you consider an alternative plan of building management certifications as part of training courses?

Ms. COULSON. With the opportunity provided to the Army to improve its manpower posture within Permanent Party Unaccompanied Housing, we would staff the barracks management team with either dedicated full time military members or civilian managers. The Army is receptive to requiring building management certifications as part of the training courses.

Ms. JACOBS. Can you please share the amount of investments your service has made to improve unaccompanied military housing using FSRM funds? Please include how this amount equals or surpasses the required five percent of the estimated replacement cost of the total inventory of unaccompanied housing.

Mr. THOMPSON. NAVY: The Navy invested almost \$550M in FSRM funds in Unaccompanied Housing (UH) since 2019. The FY24 FSRM budget for UH is \$165M surpassing the 5% threshold. Navy UH minimum investment based on the FY22 NDAA SEC 2814 language is \$88M/year so the FY24 amount is nearly double the minimum requirements.

USMC: In FY24, \$221M is planned for restoration and modernization projects. This amount surpasses the 5% threshold which is calculated at \$213M per year. The Marine Corps exceeds this requirement with an average investment of \$218M per year in sustainment, and restoration and modernization projects

Ms. JACOBS. When your service places an MHPI housing partner on a "performance improvement plan," is that public information?

Mr. THOMPSON. The DON's MHPI business agreements do not provide for "performance improvement plans." Rather, when the Navy has concerns or is dissatisfied with MHPI Partner's performance under the governing business agreements, those agreements allow the DON to issue letters of concern or dissatisfaction. In those letters, the Navy asks for the Partner to provide a corrective action plan to

remedy issue(s). In the event the Partner does not correct the issue and their performance continues to fall short of requirements, the DON can issue a Cure Notice. If an issue is not cured, a Default can be initiated.

The DON cannot make any letters of dissatisfaction or cure notices public, as they are business proprietary information. Unless the MHPI Company approves it, the DON does not publicly release MHPI corporate structures and relationships, key personnel, performance, technical approaches, strategy, or financial and pricing data. Failure to control information in a DON MHPI business agreement or otherwise obtained from a MHPI PPV may violate the Trade Secrets Act (18 U.S.C. §§ 1905).

Ms. JACOBS. How is the Navy ensuring oversight of the project owners when it comes to privatized barracks?

Mr. THOMPSON. DON oversight processes for Privatized Family Housing and Privatized Barracks include similar robust oversight and leadership engagement processes that are in place with Family Housing. The Navy conducts various oversight activities of the privatized barracks project owners. Using a monthly Monitoring Matrix, the Navy ensures adherence to agreements. Examples include reviewing annual budgets and incentive fee requests, and conducting Site Assessments. In addition, Navy conducts tenant satisfaction surveys, reviews those results, and monitors action plans to address tenant concerns.

One unique aspect of the Navy's Unaccompanied Housing (UH) MHPI portfolio is that it consists of mid/high rise buildings which raise structural concerns that low rise buildings do not. As such, last year the Navy published guidance to the UH MHPI Companies to perform structural inspections, and associated maintenance plans, to assure the ongoing structural integrity and longevity of these facilities.

The Marine Corps does not have privatized barracks but is conducting a feasibility study at various locations.

Ms. JACOBS. What concerns are severe enough to warrant a housing partner be issued a "letter of concern" or be placed on a performance improvement plan?

Mr. THOMPSON. Letters of concern or dissatisfaction are issued when the Navy has other concerns or is dissatisfied with Partner's performance as defined in the business agreements. Performance issues are typically a result of persistent Asset Management or Property Management issues that the Managing Member fails to address. Some examples of issues that can prompt formal communication include failure to prepare units for incoming residents, poor maintenance request response/completion quality or timeliness, poor condition of homes, and poor reporting quality and/or timeliness.

Additionally, after the conclusion of our annual tenant satisfaction surveys, Property Managers who score below 70 must prepare an Action Plan and report back to the DON on their progress in remedying problem areas. Installation and Region DON housing oversight personnel spot check issues on site.

Ms. JACOBS. How many and which housing partners have been issued a "letter of concern" or been placed on a performance improvement plan in the past 5 years? Please provide a complete list, and this can come back in CUI form if needed.

Mr. THOMPSON. Below, please see the number of instances where Navy or USMC issued a Notice to Cure or a Letter of Dissatisfaction to each DON MHPI Partner in the past 5 years.

- Hunt—13
- Balfour Beatty—11
- Liberty Military Housing—9
- Lendlease—7
- Landmark—3
- Patrician—3
- Clark—1

Ms. JACOBS. How will the Navy enforce their Bill of Rights & Responsibilities for unaccompanied service members living in barracks? How will complaints and successes be tracked? What standards will be used for remediation?

Mr. THOMPSON. NAVY: The Unaccompanied Housing (UH) Bill of Rights and Responsibilities (BoR&R) is a covenant between the Navy and the UH resident. The resident acknowledges receipt of the BoR&R during check-in. Residents can elevate their concerns to UH management and/or the military chain of command for resolution without fear of retaliation.

The UH BoR&R is also a covenant between the UH resident and the Navy. The Navy relies on the military chain of command to ensure compliance with standards of cleanliness through the command inspection program. The Navy measures performance monthly by the reduction in number of complaints received and failed inspections. The Navy Housing Service Center provides standardized dispute resolution services if issues cannot be resolved by the Command or UH Management.

Ms. JACOBS. How are your services disseminating information for new and existing residents in MHPI about their rights?

Mr. THOMPSON. NAVY: The Navy Housing Service Center (HSC) has an active outreach program. When a Service Member contacts the HSC to apply for Public Private Venture (PPV) housing, the Tenant Bill of Rights and Responsibilities and the plain language brief are provided as part of the application process. The plain language brief provides standardized and installation-specific housing information. The Tenant Bill of Rights and Responsibilities is also provided to military tenants by the MHPI partners as part of the universal lease and is available on the CNIC Housing website. The plain language brief is provided again 30 days after move-in.

The HSC contacts new residents 15 and 60 days after move-in to discuss the move-in process, identify issues, and to educate the tenant on the various services available to them through the HSC. The HSC continues distributing information through public events such as town halls, community meetings, and events to increase awareness of the support provided by the installation and the HSC.

USMC: The Marine Corps, in conjunction with our PPV Partners, utilize multiple communication channels to provide information to tenants regarding their rights. Each resident receives the Plain Language Briefing, a straightforward explanation of the MHPI Tenant Bill of Rights, covering the entire leasing process, including lease signing, move in/move-out, maintenance, rights as a tenant, dispute resolution, local contact information, and more. Additionally, the Military Housing Office contacts 100% of new tenants within 30 days of move-in to verify satisfaction with the move-in process and ensure the Plain Language Briefing is received and understood per recent amendments to the MHPI. Finally, the Marine Corps provides and maintains a tenant portal web site, places posters around the neighborhoods regarding tenant rights under the MHPI, and conducts Resident Advisory Boards and Town Halls to keep tenants informed and up to date.

Ms. JACOBS. When issues in private military housing arise and residents need to go through the formal dispute resolution process, how are you tracking dispute resolutions and their outcomes? What are your services doing to ensure that residents know where to contact their tenant advocates?

Mr. THOMPSON. NAVY: Formal dispute resolutions and their outcomes are tracked in enterprise Military Housing (eMH), the DOD's authoritative data source for housing operations. The Navy uses an informal dispute resolution process and, if necessary, uses the prescribed Formal Dispute Resolution process.

The Navy HSCs at each installation are equipped to assist Military Members with their housing issues to include issues with privatized housing companies.

The Navy proactively provides information to tenants through installation websites, MWR websites, Fleet and Family Service Centers, and social media. The materials, such as flyers and social media postings/graphics, describe services available to Military Members at the HSCs. These materials are continuously updated. The HSCs communicate at key milestones throughout PPV tenancy.

USMC: Each Marine Corps Military Housing Office (MHO) tracks formal disputes through the enterprise Military Housing (eMH), which is the DOD enterprise information management system and authoritative data source for operations and inventory management of DOD housing. Recently, eMH built and implemented Dispute Resolution Process (DRP) data fields within the Complaints Module to assist in data collection and the formal tracking of disputes. Per DRP Policy Letter 2-22 and the DON PPV Handbook, the Marine Corps provides a report on dispute resolution findings to the Assistant Secretary of the Navy—Environment, Installations, and Energy (ASN(EI&E)) on a quarterly basis.

Additionally, residents receive a Plain Language Briefing (PLB) upon lease signing and 30 days after move-in to ensure they fully understand the MHPI Tenant Bill of Rights, which includes DRP information. The PLB lays out the informal and formal DRP and provides points of contact to assist in the process.

Finally, the Marine Corps developed DRP Training and held sessions on 2 and 9 November 2021 for over 150 MHO personnel. Roles and responsibilities were clearly identified within the training. Further, the Marine Corps is developing an MHO Job Aid to identify how the DRP works and to communicate to MHO personnel roles and responsibilities of the MHO during the process.

Ms. JACOBS. Would you consider eliminating barracks management as a collateral duty? Additionally, would you consider an alternative plan of building management certifications as part of training courses?

Mr. THOMPSON. NAVY UH, except at austere locations, is managed by a full-time civilian workforce. The Navy has an established training curriculum for UH management and staff with courses offered, in person or virtual, by the Navy Housing Learning Center in Jacksonville, FL. The Navy continuously reviews the training curriculum to improve performance. The Navy utilizes the Certified Defense Unac-

companied Housing Manager Courses provided by the Military Housing and Lodging Institute as part of our training curriculum.

The Marine Corps will institute a new approach to barracks management that directly addresses Recommendation 28 of the GAO-23-105797 report. This new model will replace Marines with civilians to professionalize the workforce and address systemic backlog issues such as tracking inventory and maintenance. A training framework for the civilian workforce will be developed and include building management as a core competency.

Ms. JACOBS. Can you please share the amount of investments your service has made to improve unaccompanied military housing using FSRM funds? Please include how this amount equals or surpasses the required five percent of the estimated replacement cost of the total inventory of unaccompanied housing.

Mr. MORIARTY. For permanent party dorms, the FY22 NDAA, Sec. 2814, required DAF to invest no less than 5% of the remaining service potential over the FY22-26 FYDP. This equates to approximately \$1.1B on permanent party dorms for FY22-26. We are focused on meeting the NDAA requirement. In FY23 DAF funded 36 projects at \$276M and plans to spend \$230M for 33 projects in FY24. Similar investments are in the planning stages to occur through FY26. The DAF believes this level of investment is adequate to keep our dormitories good as in accordance with the OSD standard.

Ms. JACOBS. When your service places an MHPI housing partner on a "performance improvement plan," is that public information?

Mr. MORIARTY. It is DAF's understanding that if a MHPI housing partner company is placed on a performance improvement plan (PIP), DAF can release the specific MHPI housing partner company name and their respective installations but cannot release the specific Lines of Efforts (LOEs) required to satisfy the PIP as they are considered commercial confidential material and therefore not releasable to the public.

Ms. JACOBS. What concerns are severe enough to warrant a housing partner be issued a "letter of concern" or be placed on a performance improvement plan?

Mr. MORIARTY. It is DAF's understanding that if a MHPI housing partner company is placed on a performance improvement plan (PIP), DAF can release the specific MHPI housing partner company name and their respective installations but cannot release the specific Lines of Efforts (LOEs) required to satisfy the PIP as they are considered commercial confidential material and therefore not releasable to the public.

Ms. JACOBS. How many and which housing partners have been issued a "letter of concern" or been placed on a performance improvement plan in the past 5 years? Please provide a complete list, and this can come back in CUI form if needed.

Mr. MORIARTY. Our transaction documents call for performance improvement plans when there are severe systemic concerns with the performance of a project owner. Since the inception of the MHPI program, DAF has placed two of our privatized project owners on a performance improvement plan. Those two project owners are Hunt Military Communities and Balfour Beatty Companies. Between the two project owners, they manage 19 of 31 DAF MHPI projects, representing 46 of 67 DAF Locations with privatized housing.

Both project owners were identified as requiring placement on a performance improvement plan due to systemic operational and resident satisfaction issues identified at multiple installations within their respective privatized housing portfolios.

Ms. JACOBS. How are your services disseminating information for new and existing residents in MHPI about their rights?

Mr. MORIARTY. Per Department of the Air Force Instruction (DAFI) requirements, Military Housing Offices (MHO) at each DAF MHPI project installation are required to provide each incoming prospective Service member tenant with an in-person new tenant briefing, including a plain-language overview of the tenant lease, prior to the Service member signing their MHPI housing lease agreement. The new tenant briefing includes a review of tenant's responsibilities regarding the assigned unit and surrounding common grounds, tenant liability and dispute resolution process information, disclosure of environmental and safety hazards, processes for reporting of maintenance and repair requirements, and details in preparation for lease termination. Oversight processes are in place to ensure no lease agreement is signed by Service members until the unit has been inspected and approved by the MHO for occupancy, and the incoming Service member tenant briefing is completed. In addition, all MHPI housing residents are invited to participate in town halls and resident councils led by installation commanders or their deputy. These forums allow residents to raise issues, request information on the Tenant bill of rights, learn about installation resources available to address issues with their housing unit, and understand actions underway within their MHPI communities.

Ms. JACOBS. When issues in private military housing arise and residents need to go through the formal dispute resolution process, how are you tracking dispute resolutions and their outcomes? What are your services doing to ensure that residents know where to contact their tenant advocates?

Mr. MORIARTY. Per Department of the Air Force Instruction (DAFI) requirements, Military Housing Offices (MHO) at each DAF MHPI project installation are required to track all disputes, both formal and informal within eMH (DAF housing system of record). On a quarterly basis, MHOs are also required to send consolidated dispute resolution statistics, to include resolutions and outcomes, through the Secretariat level to ensure all relevant stakeholders have adequate awareness.

The DAF MHO briefs residents regarding the dispute resolution process and provides them the Resident Advocate and legal assistance points of contact during the new resident move in brief. The MHO also provides the Tenant Bill of Rights and Dispute Resolution brochure to all new tenants. These rights are reinforced at Town Hall meetings and with other information tools such as refrigerator magnets and on-base signage. The DAF continues to incorporate lessons learned from past formal disputes to provide greater clarity.

Ms. Jacobs. Would you consider eliminating barracks management as a collateral duty? Additionally, would you consider an alternative plan of building management certifications as part of training courses?

Mr. MORIARTY. The Department of the Air Force (DAF) assigns Unaccompanied Housing (UH) Managers/Superintendents, and Airmen Dorm Leaders (ADLs) to manage daily operations of permanent party dorms as their assigned duty (it is not a collateral or additional duty). There are various courses these Airmen complete as an UH Manager/ADL.

ADLs are selected and assigned an Air Force Specialty Code of 8H000, per the Air Force Enlisted Classification. Military Housing Offices work in concert with Installation Command Chief Master Sergeants to ensure nominated members meet the quality force indicators and leadership traits required of an ADL.

Currently, all UH staff members must enroll in the Unaccompanied Housing Leadership (in-residence) course conducted by the Air Force Institute of Technology upon assignment selection for the UH position. In addition, these individuals complete the on-line Air Force Civil Engineer Center facility management course and attend the base-provided facility management course. To ensure consistency and completion of all DAF assigned duties, their roles and responsibilities are identified and recorded on AF Form 797, Job Qualification Standard." DAF will assess whether any further training or certification program is needed.

QUESTIONS SUBMITTED BY MS. STRICKLAND

Ms. STRICKLAND. There is a growing body of research that indicates a built environment can have physiological and psychological benefits. "An increasing amount of evidence shows that wood has beneficial effects in almost all parts of the indoor climate. It helps reduce stress, blood pressure and heart-rate as well as allowing for more creativity and productivity in the workplace. Wood is also an important part of what's called biophilic design; our desire to be connected with the natural environment." (https://mithun.com/wp-content/uploads/2021/12/MassTimberSchools_Report.pdf)

To what extent has the your service considered the Biophilic benefits of mass timber construction? Does the Department offer any contracting preferences for construction materials that offer these types of benefits that would therefore increase the quality of life of our servicemembers? If not, what would the Department need in order to include Biophilic benefits in contract consideration?

Ms. COULSON. The Army plans to pilot the use of mass timber in a single soldier housing (barracks) project at Joint Base Lewis McChord with the intent to use lessons learned from that project to expand use of mass timber if economical to do so.

We have surveyed academic research sources and have met with university researchers to identify actionable data on the biophilic benefits of wood in the indoor environment. This research is ongoing. These findings will be augmented with the occupant outcomes and user satisfaction data collected from our mass timber pilot project.

Based on the results of the pilot project and our ongoing research, the Army and the Corps of Engineers will seek to balance definable quality of life benefits with any added costs from mass timber construction premiums. One of the objectives of the pilot project is to provide this type of actionable data.

Ms. STRICKLAND. There is a growing body of research that indicates a built environment can have physiological and psychological benefits. "An increasing amount

of evidence shows that wood has beneficial effects in almost all parts of the indoor climate. It helps reduce stress, blood pressure and heart-rate as well as allowing for more creativity and productivity in the workplace. Wood is also an important part of what's called biophilic design; our desire to be connected with the natural environment." (https://mithun.com/wp-content/uploads/2021/12/MassTimberSchools_Report.pdf)

To what extent has the your service considered the Biophilic benefits of mass timber construction? Does the Department offer any contracting preferences for construction materials that offer these types of benefits that would therefore increase the quality of life of our servicemembers? If not, what would the Department need in order to include Biophilic benefits in contract consideration?

Mr. THOMPSON. The DON is currently investigating a range of innovative and sustainable building techniques to incorporate into future pilot projects to focus on keeping people comfortable, not the building itself. Features like passive mechanical systems, natural lighting, multi-zone heating and cooling, integrated designs, and natural features (green walls, roofs, etc) can increase comfort levels, as well as physical and emotional well-being, for personnel working and living inside our facilities, as well as making systems more efficient and easier to maintain.

In addition, in accordance with section 2861 of the FY22 NDAA, the DON is executing a Sustainable Building Material Pilot Project (Project P-1334, Child Development Center at Naval Support Activity Hampton Roads, VA) in FY24. While still in the initial phases of material selection and design, the DON is considering a wide range of sustainable materials such as mass timber, brick and phenolic siding, synthetic composite slate-like tile shingles, and fiberglass window frames. Lessons learned from this pilot project will be incorporated into future design criteria to ensure a more sustainable shore portfolio.

Ms. STRICKLAND. There is a growing body of research that indicates a built environment can have physiological and psychological benefits. "An increasing amount of evidence shows that wood has beneficial effects in almost all parts of the indoor climate. It helps reduce stress, blood pressure and heart-rate as well as allowing for more creativity and productivity in the workplace. Wood is also an important part of what's called biophilic design; our desire to be connected with the natural environment." (https://mithun.com/wp-content/uploads/2021/12/MassTimberSchools_Report.pdf)

To what extent has the your service considered the Biophilic benefits of mass timber construction? Does the Department offer any contracting preferences for construction materials that offer these types of benefits that would therefore increase the quality of life of our servicemembers? If not, what would the Department need in order to include Biophilic benefits in contract consideration?

Mr. MORIARTY. The DAF continually reviews the costs and benefits of material selection to balance health, energy, life-cycle costs, and mission effectiveness of its selections. The DAF has not considered or evaluated the Biophilic benefits of mass timber construction. However, the Air Force is currently evaluating projects as candidates for mass timber to meet the requirements highlighted in Section 2815 of S.2226 and anticipated in the final Fiscal Year 2024 National Defense Authorization Act. No decision has been made on which project(s) will be proposed.

Additionally, the DAF does not offer any contracting preferences for mass timber or similar construction materials. The DAF remains committed to allowing contractors to provide innovative solutions and concepts for consideration to meet our Military Construction requirements.

We promote the use of alternate material selections by allowing contractors to offer value engineering proposals in the design-build process. The use of timber has not made broad gains in areas such as dormitories, child-care centers and other QoL facilities due to its lower strength-to-weight ratio, higher flammability, and vulnerability to wood boring insects and rot. However, timber remains the most utilized resource for family housing construction.