Dear Chairman Rogers and Ranking Member Smith:

Thank you for your support in standing up the Quality of Life Panel as part of the House Armed Services Committee. After months of hearings, briefings, roundtables, and oversight visits, the Panel consistently found recurring concerns related to pay and compensation; child care; housing; access to health care; and spouse support programs. Panel Members had an opportunity to meet with spouses, staff, advocates, and senior military officials and it is clear that we must address these issues if we are to sustain the All-Volunteer Force.

The enclosed report and accompanying recommendations are based on the Panel’s assessment of what must be done to further prevent any erosion of Quality of Life issues across the force.

We look forward to taking action on these recommendations in the upcoming Fiscal Year 2025 National Defense Authorization Act.

Sincerely,
Don Bacon
Chairman
Quality of Life Panel

Nancy Mace
Member of Congress

Morgan Luttrell
Member of Congress

Jennifer Kiggans
Member of Congress

James Moylan
Member of Congress

Mark Alford
Member of Congress

Jim Banks
Member of Congress

Chrissy Houlahan
Ranking Member
Quality of Life Panel

Veronica Escobar
Member of Congress

Sara Jacobs
Member of Congress

Marilyn Strickland
Member of Congress

Donald Davis
Member of Congress

Andy Kim
Member of Congress
Ex-Officio Member
Vision Statement

The Quality of Life Panel is united in our commitment to improving the Quality of Life for our service members and their families. Through bipartisan collaboration, we strive to create a future where military families thrive in support of our national security.

Fundamental to improving and sustaining an All-Volunteer Force, it is imperative we commit the right amount of resources to address quality of life concerns for service members and their families. To that end, this Panel is focused on ensuring appropriate pay and compensation; access to affordable child care; adequate and safe housing; access to quality medical care; and support programs for military spouses.

PAY AND COMPENSATION
The Panel believes that all service members are entitled to fair and competitive compensation commensurate with their training, education, and responsibilities.

CHILD CARE
The Panel is committed to ensuring military families have access to quality and affordable child care, which is necessary to supporting the military’s recruiting, retention, and readiness goals.

HOUSING
The Panel is committed to ensuring service members, single or with families, are provided housing that is affordable and safe, and maintained to the best possible living standards.

ACCESS TO MEDICAL CARE
The Panel believes timely and accessible health care is an imperative for maintaining a healthy and ready force.

SPOUSE SUPPORT
The Panel commends the contributions military spouses make, often at the expense of their own careers, and believes support programs should provide them with opportunities to excel in their personal and professional endeavors.
## Quality of Life Panel Members

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Mark Alford and Andy Kim are listed as Ex-Officio Members.
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PAY AND COMPENSATION

Junior Enlisted Pay Increase

The Panel recommends an increase of 15 percent to basic pay across the board for junior enlisted service members (E-1s to E-4s). This will restore real value to basic pay, given the increase in civilian earnings for those with high school diplomas and those with some college. Additionally, the Department of Defense should increase the Regular Military Compensation (RMC) benchmarks for enlisted and officer pay to the 80th percentile and the 75th percentile respectively, of comparable civilian compensation. They are both currently set at the 70th percentile.

Increase Basic Allowance for Housing (BAH)

The Panel recommends the Fiscal Year 2025 (FY25) National Defense Authorization Act (NDAA) require the Department of Defense to reverse the five percent reduction in BAH and ensure BAH covers 100 percent of the calculated rate for the military housing area (MHA). Additionally, the Department should enact the changes recommended in response to Section 662 of the FY23 NDAA entitled Report on Accuracy of Basic Allowance for Housing.

Improving Calculation Methods for Basic Allowance for Subsistence (BAS)

The Panel recommends the FY25 NDAA require the Department of Defense to evaluate the current calculation methods for BAS. Specifically, the Department should expand and include location and number of dependents in its calculation of BAS to make BAS a realistic allowance for service member household subsistence.

Improving Calculation Methods for Cost-of-Living Allowances (COLA)

The Panel recommends the FY25 NDAA require the Department of Defense to evaluate the current threshold for the payment of COLA percentage for sufficiency. As well as the calculation of the allowance amount that includes the appropriate average spendable income of service members and location-specific costs for items such as food, tolls, and other fees that may be charged in the continental United States (CONUS) and outside of the continental United States (OCONUS).

Increase Basic Needs Allowance (BNA) to 200 Percent of Federal Poverty Guidelines

The Panel recommends the FY25 NDAA mandate the threshold for BNA to 200 percent of federal poverty guidelines.
poverty guidelines. Currently, the BNA provides a supplemental monthly allowance for service members whose gross household income is below 150 percent of federal poverty guidelines. The Secretary of Defense has discretionary authority to grant BNA to families making up to 200 percent of those guidelines.

**Expansion of BAH Authority for Sailors on Sea Duty**

The Panel recommends the FY25 NDAA expand statutory authority to authorize the payment of BAH to a member of the uniformed services without dependents who is serving in a pay grade below E-4 and is assigned to sea duty.

**CHILD CARE**

**Standardized Benefits for Child Care Staff Across the Services**

The Panel recommends the FY25 NDAA require all military services cover 100 percent of child care fees for the first child of staff enrolled in a Department of Defense Child Development Program (CDP) and authorize the military services to cover up to 100 percent of child care fees for any additional child/children of such staff in order to incentivize and retain child care personnel.

**Competitive Pay for Department of Defense Child Care Personnel**

The Panel recommends amending 10 USC §1792 to require that employees directly involved in military installation CDPs are paid at rates of pay competitive with market rates for child care workers within the correlating Metropolitan or Non-Metropolitan Statistical Area, but not below the Department of Defense minimum compensation rates per pay band to acquire a stable and qualified civilian child care workforce. Careful consideration must be made to ensure that increased fees because of increased pay for these employees does not result in cost-prohibitive child care for qualifying families, nor reduced pay for child care staff.

**Elimination of Child Care Fee Assistance Wait Lists**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to fully fund child care fee assistance programs to prevent the use of fee assistance wait lists for eligible families who have identified a qualifying provider.

**Oversight of Child Development Programs Staffing Shortages and Facility Requirements**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to provide a brief on a quarterly basis regarding whether wait lists for the Department’s CDPs are related to facility requirements or staffing shortages as well as their plan to mitigate such challenges.

**Oversight of Community Child Care Partnerships**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to provide a report on partnerships and/or programs within their local civilian communities designed to increase child care availability for military members. The report should include the following: how long they have been in effect; the number of child care slots they made available; impacts on local Child Development Center (CDC) wait lists; and best practices and lessons learned from these efforts. The Department should also examine such programs and policies from FY22 to the present and assess any obstacles that may exist to expanding these efforts.

**Assessment of the “Come Grow with Us” Child Care Staff Recruitment Effort**

The Panel recommends the FY25 NDAA require an assessment of “Come Grow with Us,” a national child care staff recruitment effort launched in 2021, which established partnerships with local colleges and universities to recruit students and recent graduates for child care staff positions.
The assessment should include locations where implemented, number of staff hired and retained for more than one year, impact on capacity and wait lists at the location’s CDC, and if effective, considerations for expansion.

**Analysis of Hiring Authorities Available for Department of Defense Child Care Staff**

The Panel recommends the FY25 NDAA direct the Government Accountability Office (GAO) to conduct a study to determine the use and effectiveness of existing Non-Appropriated Fund (NAF) employee hiring and retention authorities currently available for child care workers.

**Analysis of Transferability of Benefits Between Child Care Centers**

The Panel recommends the FY25 NDAA require the Department of Defense to provide a briefing addressing the transferability of benefits provided to NAF staff between child care centers operated by the military services. The report should address if benefits of NAF employees are transferable between child care centers operated by the different services, the different benefits offered by the military services for child care employees, the ease of transferability as it pertains to NAF child care employees between the military services, and recommendations to improve the process.

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**HOUSING**

**Full Funding of Facilities Sustainment Restoration and Modernization (FSRM) Requirements for Unaccompanied Housing (UH)**

The Panel recommends the FY25 NDAA direct the military services to track and report the total FSRM funding requirement, particularly for UH facilities. The military services routinely request funding for FSRM accounts that does not meet 100 percent of their facility maintenance and modernization requirements. The services should include information on the total requirements with the President’s Budget for each fiscal year. If the budget request is not equal to the total requirement, each service should explain the impact of the decrement on their ability to sustain and modernize facilities.

**FSRM Funding Transparency**

The Panel recommends the FY25 NDAA direct the military services to develop and implement a system to track and provide detailed accounting of how FSRM funds are allocated at the installation level. The system should increase transparency within the military departments to account for decisions to defer maintenance at the facility level and potential impacts to long-term facility planning.

**Analysis of Costs for Unaccompanied Housing (UH) vs. Basic Allowance for Housing (BAH)**

The Panel recommends the FY25 NDAA direct the Department of Defense to conduct a study that examines the life-cycle costs of service member housing through the lens of barracks policies for each military service. This study should, at a minimum, compare the life-cycle cost of constructing and fully maintaining UH facilities as compared to the cost of BAH for service members currently required to live in the barracks.

**Explore Alternative Funding Mechanisms to Facilitate Privatized UH or Other UH Solutions**

The Panel recommends the FY25 NDAA explore utilization of expanded authorities for BAH or alternative payment models to facilitate new privatized UH projects. Current statutory authority allows for new or expanded projects, but budgetary concerns may limit feasibility in some locations. Additional authorities or new payment models could overcome the usual obstacles to UH privatization.
Report on Future UH Privatization Projects

The Panel recommends the FY25 NDAA direct the Department of Defense, in consultation with the military services, to provide a report regarding the privatization of UH. The report should detail lessons learned from previous privatized UH agreements, as well as prospective plans for future privatized UH projects. Specific details from previous contractual agreements on privatized UH projects should be examined such as performance metrics, compliance standards, duration, termination clauses, and any incentive or penalty structures. Further, the report should analyze factors associated with privatization of UH including budgetary considerations, unexpected financial challenges, and the comparative cost-effectiveness of privatized UH in relation to traditional military-owned barracks. Finally, statutory, policy, or budgetary barriers the Department may encounter in the process of expanding privatized UH availability should be examined and recommendations to overcome these challenges should be included in the report.

Evaluation of the Shortage of UH Oversight Staff

The Panel recommends the FY25 NDAA direct the Department of Defense, in coordination with the military services, to conduct a study to determine military personnel housing needs for UH oversight. The Department shall submit a report evaluating the shortage of personnel needs and proposed solutions.

Internet Connectivity in UH Facilities

The Panel recognizes the value in increased availability of wireless internet for junior enlisted service members and occupants of military UH facilities. Currently, the military services have different policies and programs in place for providing wireless internet in their UH facilities. The Panel recommends the FY25 NDAA require each military service to conduct a feasibility study for the provision of free wireless internet access to service member private living areas in all UH facilities. This study should provide a detailed overview of existing wireless internet services in UH facilities, investigate funding mechanisms or authorities capable of supporting service-wide implementation of free Wi-Fi, and examine potential alternatives to conventional wireless internet.

ACCESS TO HEALTH CARE

Evaluation of Access to Care Standards

The Panel recommends the FY25 NDAA direct the Director of the Defense Health Agency (DHA) to evaluate the effectiveness of current access standards to meet the health care needs of service members and their families. This evaluation should take into consideration the advent of telemedicine and the role technology plays in delivering health care.

Oversight of Access to Care Data Reporting

The Panel recommends the FY25 NDAA require the DHA to submit a report providing access to care data for all health care services available at each military treatment facility (MTF) with inpatient capabilities. Currently, assessments of access to care are based on the aggregate of all MTFs.

Establishing Access to Care Standards for Urgent Behavioral Health Appointments

The Panel recommends the FY25 NDAA direct the DHA to establish an access to care standard in policy for beneficiaries who receive urgent referrals for specialty behavioral health care appointments.

Increased Access to Specialty Providers

The Panel recommends the FY25 NDAA direct the DHA to expand direct access to military personnel without a referral for either in person or telemedicine appointments in the following...
specialties: physical therapy; nutrition; audiology; optometry; podiatry; and women’s health.

**Analysis of Hiring Authorities Available for Department of Defense Civilian Health Care Providers and Administrative Support Staff**

The Panel recommends the FY25 NDAA direct the GAO to evaluate the use and effectiveness of existing hiring and retention authorities available for civilian medical providers. In addition, GAO should review to what extent the productivity of providers would be improved by addressing the administrative staff shortages at MTFs around the globe.

**Combating Military Medical Provider Shortages**

The Panel recommends the FY25 NDAA direct the military services to conduct a survey of providers in critical wartime specialties, as well as specialties that are experiencing significant shortages, such as mental health, to determine the reasons why military providers choose to remain in service or separate.

**SPOUSE SUPPORT**

**Supporting Interstate Licensure Compacts**

The Panel recommends the FY25 NDAA grant the Department of Defense permanent authority to enter into a cooperative agreement with the Council of State Governments to develop interstate licensure compacts on licensed occupations for military spouses who relocate to a new state in connection with a permanent change of station.

**Evaluation of the Military Spouse Employment Partnership Program**

The Panel recommends the FY25 NDAA direct the Department of Defense to review the Military Spouse Employment Partnership Program (MSEP) to assess partner responsibilities and identify any obstacles to participation.

**Expansion of Child Care Access to Military Spouses Seeking Employment**

The Panel recommends the FY25 NDAA require the Department of Defense to expand eligibility for Department of Defense Child Development Programs—both on and off installation—for unemployed military spouses who are actively seeking employment from 90-days to 180-days.

**Expand the Military Spouse Career Accelerator Pilot Program and Strengthen Relationships with Chambers of Commerce**

The Panel recommends the FY25 NDAA permanently authorize the Military Spouse Career Accelerator Pilot (MSCAP), which launched in 2023 as a three-year pilot program. This program provides employment support to military spouses through paid fellowships with employers across various industries. MSCAP is facilitated by the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes program. The U.S. Chamber has broad reach and deep relationships in communities across the country.
Pillar 1: Pay and Compensation

BACKGROUND

The military compensation system is structured differently than the civilian sector. The basic compensation package provided to all service members may include basic pay, basic allowance for housing (BAH), basic allowance for subsistence (BAS), free medical and dental care for service members, free or low-cost medical and dental care for dependents, and paid annual leave, among other benefits. Service members may also be eligible for additional special and incentive pays based on their occupational specialty, duty assignment, and other factors.

Basic pay is one component of military compensation. While usually the largest component, other types of military pay dramatically increase the cash compensation a service member may receive each month. Regular Military Compensation (RMC) is statutorily defined as the cash or in-kind compensation elements that all service members receive every payday.\(^1\) It includes basic pay, BAH, BAS, and a federal tax advantage accruing to the allowances because such allowances are not subject to Federal Income Tax.\(^2\) RMC is widely used as a basic measure of military cash compensation levels and for comparison with civilian salary levels.\(^3\)

The Quality of Life Panel, hereinafter “the Panel,” highlighted four key issues with service member compensation: (1) adequacy of BAH, (2) food insecurity, (3) Cost of Living Allowance (COLA) calculation, and (4) basic pay for junior enlisted service members.

FINDINGS AND ANALYSIS

Basic Allowance for Housing (BAH)

Service members on active duty who are entitled to basic pay are authorized a housing allowance based on grade, rank, location, and whether the service member has any dependents.\(^4\) Approximately 58 percent of service members receive a tax-free housing allowance and obtain housing from the local housing market outside of their military installation.\(^5\) However, a housing allowance\(^6\) is not authorized for a service member who is assigned to appropriate and adequate Government quarters.\(^7\) The Department of Defense requires that “for family housing to be considered adequate overall, it must meet minimum standards for configuration, privacy, condition, health, and safety. Any housing unit requiring whole-house repair, improvement, or replacement, as identified by Military Service condition assessments, does not meet the minimum standards of adequacy...Military Service
condition assessments utilize private-sector housing industry and [Department of Defense] standards and/or codes as a basis for assessing inventory adequacy.²⁸

Basic Allowance for Housing “computation includes local price data for: median local rental housing costs, and average utility costs (including electricity, heating fuel, water, [and] sewer). Annually, [the Department] collects nationwide rental housing cost data for approximately 300 military housing areas (MHAs) across the United States, including Alaska and Hawaii, to ensure BAH reflects local market condition changes. Data collection in MHAs (which represent housing market surrounding major military installations or metropolitan areas and that typically house more than 100 active BAH recipients) occurs during peak [Permanent Change of Station] (PCS) season in the spring and summer when housing markets are most active. Rental costs are collected for different types of rental units (i.e., apartments, townhouses/duplexes, and single-family homes of varying bedroom sizes) called ‘housing profiles.’”³⁹ The Department of Defense aims to gather enough data to attain a 95 percent statistical confidence that the estimated median rent is within 10 percent of the true median rent in the local market.¹⁰

From 2005 until 2016, BAH covered 100 percent of estimated housing costs. In 2016, however, Congress authorized, but did not require, the Department of Defense to reduce BAH’s intended coverage to 95 percent of estimated housing costs.¹¹ Since 2019, BAH has been set by taking the estimated cost of local housing and reducing that by five percent of the national average monthly cost of adequate housing.¹² The remaining five percent of housing costs are expected to be covered out-of-pocket by the service member.¹³

Annual inflation and costs for housing, food, and other goods and services rose significantly over the course of the last three years, finally slowing in 2023.¹⁴ In 2021, the Department of Defense authorized an emergency temporary increase in BAH for service members residing in 56 locations.¹⁵ One year later Secretary of Defense Lloyd J. Austin III, in a September 22, 2022, memo, acknowledged that housing allowances were not keeping up with actual housing costs and directed an “automatic increase in BAH for active duty service members in the 28 Military Housing Areas that have experienced an average of more than 20 percent spike in rental housing costs this year above this year’s BAH rates.”¹⁶ Although helpful, the Panel found that more than temporary and emergency measures are needed to alleviate the soaring housing costs for service members.¹⁷

Throughout the course of the Panel, concerns regarding the affordability of housing were mentioned on several occasions, most prominently by the Senior Enlisted Leaders during a January 31, 2024, congressional hearing. During that hearing, Master Chief Petty Officer of the Navy James Honea reflected on his 34 years of service and his current observations: “Sailors today, service members today and their families that are stressed with their pay and compensation and their housing allowance, they are going to make decisions, and, oftentimes, the places they are going to take those cuts is going to be in their commissary bills.”¹⁸

Like the Senior Enlisted Leaders, housing costs are a top concern for service members and their families. The 2023 Military Family Life Survey, The Military Family Experience: A Signal in the Field, conducted by Blue Star Families in collaboration with Syracuse University, identified the top five concerns of military families.¹⁹ The top five concerns included BAH/off-base housing, with 40 percent of respondents identifying it as an issue.²⁰ The survey also found “Active-duty family respondents continue to pay well over the expected cost-share to secure housing .... [T]he increasing cost and limited availability in the civilian housing market created challenges for many military families in obtaining acceptable housing comparable to military-provided housing within their BAH allotment.”²¹
Not only do service members receive only 95 percent of their estimated housing costs, but the U.S. Government Accountability Office (GAO) also found the calculation was often incorrect. On January 25, 2021, GAO published a report: Military Housing: Actions Needed to Improve the Process for the Setting Allowances for Servicemembers and Calculating Payments for Privatized Housing Projects. The report found, “the Department of Defense has established a process to determine basic allowance for housing (BAH) rates, which help cover the cost of suitable housing in the private sector for service members. However, DOD has not always collected rental data on the minimum number of rental units needed to estimate the total housing cost for certain locations and housing types. GAO’s analysis found that 44 percent (788 of 1,806) of locations and housing types had fewer than the minimum sample-size target.” As a result, housing allowances may have been set inaccurately in nearly half of the locations, potentially resulting in hardship for service members. Although the Department concurred with GAO’s recommendations to improve their processes and data collection to ensure service members receive the appropriate housing allowance, the process remains ongoing. The calculation methodology has not been fixed.

**Food Insecurity**

Service members are either provided meals or an allowance to offset food costs. Junior enlisted members living in barracks are eligible to receive three meals a day at on-base Dining Facility Administration Centers (DFACs). All other service members receive a BAS, which is a monthly, flat rate allowance to supplement their personal food costs. In 2023, enlisted personnel received a BAS of $452.56 per month and officers received $311.68 per month. Neither the location nor the number of dependents is factored into the BAS calculation.

Despite these benefits, according to a 2023 RAND report, approximately 25 percent of service members are food insecure. The U.S. Department of Agriculture (USDA) defines food security as “access by all people at all times to enough food for an active, healthy life.” Members were classified as “food insecure” if they answered affirmatively to two or more of the six USDA food security questions on the 2016 and 2018 Department of Defense Status of Forces Surveys of Active-Duty Members.

According to the 2023 RAND report, “food-insecure members were more likely to be early- to mid-career enlisted personnel in grades E-4 to E-6, single with children, married without children, or a racial or ethnic minority.” The report also found, “They also were disproportionately in the Army and, to a lesser extent, the Navy.” According to the RAND report, food insecurity rates were higher among those who lived on post. In 2018, 30 percent of those who lived on post were food insecure versus 23 percent for those who lived off post. The RAND report also noted that service members living in barracks have access to DFACs, but there were difficulties accessing them and service members were less likely to use them. This may be attributed to an inability to access DFACs during traditional mealtimes since service members may work atypical hours or work far from a DFAC. Additionally, many service members living on base do not have a car, further exacerbating the problem.

The RAND report also noted several conundrums associated with these findings. Service members generally made more than their civilian
counterparts in total compensation and had emergency savings to fall back on.\textsuperscript{34} Additionally, the report noted “[69] percent of food-insecure members also reported that they had emergency savings and 29 percent reported being ‘very comfortable and secure’ or ‘able to make ends meet.’”\textsuperscript{35}

Regardless of the cause, food insecurity remains a top issue for military service members and families. The Blue Star Family 2023 \textit{Military Family Life Survey} of “active duty service members and family respondents” found food insecurity to be an ongoing concern.\textsuperscript{36} 16 percent reported experiencing low or very low food security levels in the 12 months preceding survey fielding, notably higher than the 10 percent of civilian families in the United States who experienced food insecurity in 2021. Additionally, a larger proportion of enlisted active-duty family respondents (26 percent) reported experiencing some level of food insecurity compared to officer active-duty family respondents (4 percent). The survey noted “Of active-duty family respondents who reported low or very low food security, 40 percent are unlikely to recommend military service to a young family member, compared to 26 percent of active-duty family respondents with moderate to high food security who responded similarly on whether they would recommend military service.”\textsuperscript{37}

The Spouse Roundtable on September 13, 2023, raised the issue of food insecurity, military spouses described the use of local food banks, the embarrassment of using government programs like the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at the commissary, and the challenges of living in high-cost areas like Virginia and California.\textsuperscript{38}

In Hampton Roads, Virginia, “Patriot’s Pantry” exclusively feeds military families in the Virginia Beach areas, operating mobile locations on Fort Eustis in Newport News and Langley Air Force Base in Hampton.\textsuperscript{39} The pantry is fully stocked and even provides frozen foods and meats for their all-military clientele.\textsuperscript{40} Across the country, in San Diego, California, the situation is similar, with the Camp Pendleton Mobile Food Pantry serving up to 5,000 service members and their families on the installation.\textsuperscript{41}

To address low food security among service members, the FY22 NDAA authorized the Basic Needs Allowance (BNA).\textsuperscript{42} The BNA is available to service members with dependents whose gross household income is less than 150 percent of the federal poverty guidelines.\textsuperscript{43} The Secretary of Defense was also provided authority to grant BNA to families making up to 200 percent of the federal poverty guidelines, if deemed appropriate.\textsuperscript{44} Currently though, despite expanded eligibility, only 0.8 percent of those who report food insecurity are eligible for BNA.\textsuperscript{45}

Certain installations and military services are working to combat these issues by expanding the availability of culinary outposts like food trucks and 24-hour self-service kiosks, as well as providing mass transit options to DFACs for those living in barracks. In particular, the Army plans to initiate a pilot at Fort Liberty, North Carolina, in the next fiscal year that will allow service members to use their meal cards across the installation, including at the commissary, restaurants, and dining facilities.\textsuperscript{46}

The Panel, however, remains concerned that the Department of Defense lacks a cohesive plan to combat the reported high rate of food insecurity across the force.\textsuperscript{47} The Deputy Secretary of Defense released a memorandum for “Resilient and Healthy Defense Communities,” on February 14, 2024, explicitly to “enhance the quality of life and readiness of our Service members…”\textsuperscript{48} The memo mentioned food security only in passing reference to the importance of installation design to ensure “our people…have access to resources such as food, recreation, and schools…”\textsuperscript{49}

\textbf{Cost of Living Allowance Calculation}

The Cost of Living Allowance (COLA) is calculated for the continental United States (CONUS) and
outside the continental United States (OCONUS). According to the Department of Defense, “The Cost of Living Allowance in [CONUS] is a taxable supplemental allowance designed to offset high prices in the highest cost locations that are at least eight percent more expensive than average CONUS locations. Rates can increase or decrease depending on the non-housing prices in a duty location as compared to non-housing prices in an average CONUS location. [It] is paid to over 5,000 members at a cost of $8 million annually.”

The CONUS COLA is calculated using contractor provided cost data from each military housing area (MHA) and non-MHA for: transportation, goods and services, income taxes, sales taxes, and miscellaneous expenses (long-term savings, investments, charitable contributions, life insurance). Then the “data is adjusted to account for [BAS], and for cost savings gained from shopping at commissaries and exchanges. This information is compared to the same data for average CONUS non-housing costs, which serves as a benchmark. The resulting ratio is called an index. By law, an index in excess of 108 percent qualifies for CONUS COLA (e.g., a location that is 10 percent more expensive than average CONUS non-housing costs qualifies for a 2 percent COLA index).” Additionally, CONUS COLA is adjusted once a year. Reportedly, in 2024, “about 17,000 service members will receive a total of about $26 million in CONUS COLA payments.”

During multiple Committee oversight visits throughout installations in Japan, Singapore, and Korea in calendar year 2023, service member focus groups revealed frustration with both the calculation and frequency of adjustments for OCONUS COLA. Military families across Germany reportedly, “struggled to make ends meet…after “massive hikes in their utility bills caused by the conflict in Ukraine as their Pentagon-provided [COLA] continued to decrease…” Similar issues were reported in Hawaii where military families struggled with the high cost of gas and groceries in the face of planned COLA reductions due to the way COLA is calculated, requiring senior leaders to step in and prevent it.

In the FY23 NDAA, Congress addressed the frequency of overseas COLA adjustments: “In accordance with the FY23 NDAA, [OCONUS] COLA decreases are implemented once every 6 months. All [overseas COLA] decreases over 2 points will be implemented in 50 percent increments on May 16 and November 16.” OCONUS COLA can also adjust based on currency fluctuations. The Department of Defense notes, “Changes in exchange rates (where appropriate) are applied to the portion of the OCONUS COLA index that reflects local currency purchases.”
To date, the COLA calculation remains unchanged, revealing additional problems with how OCONUS COLA is calculated and the assumptions made in the current formula, particularly the assumption that certain “expenses are typically paid in foreign currency.” During the Committees’ overseas oversight visits, there was repeated frustration that the OCONUS COLA was reduced to zero across Asia while service members still overwhelmingly shopped at the commissary where prices did not decrease, rather than in the local economy. This raises concerns that service members’ behavior and actions do not match the assumptions the Department makes in the calculation.

**Junior Enlisted Pay Tables**

Congress sets compensation levels for members of the Armed Forces through statutory authorizations and appropriations. All service members receive basic pay, typically accounting for about 60 percent of an individual’s RMC. U.S. law states, “Basic pay is the primary means of compensating members of the armed forces for their service to the country... Basic pay is paid to individual members on a regular basis; the amount of basic pay to which a particular member is entitled depends on the member’s pay grade and length of service.”

According to the Congressional Budget Office (CBO), “Cash compensation grew significantly during the past two decades, but that growth has slowed in recent years.” Between 2000 and 2020, basic pay rose approximately 70.7 percent while inflation rose 51.9 percent. The 2023 RAND report found “Congressional interest in sustaining the All-Volunteer Force during a time of sustained combat operations led to substantial increases in compensation in the decade following the attacks of September 11, 2001. Subsequently, in the earlier part of the 2010s, concerns over government spending generated congressional and executive branch interest in slowing the rate of growth in military compensation. Initiatives to slow compensation growth included presidentially directed increases in basic pay below the rate of increase for the Employment Cost Index (ECI) for 2014-2016.” Since 2020 and through 2024 (with a 5.2 percent pay raise in 2024), basic pay is projected to increase by 16.4 percent while inflation is projected to increase by 19.3 percent.

In order to determine the competitiveness of military compensation, the Department of Defense in coordination with RAND, sets benchmarks to compare service member RMC against civilian compensation of equivalent human capital (education, experience). The current RMC for both officers and enlisted exceeds the current benchmark of the 70th percentile. Nonetheless, the continued recruiting challenges and concerning reports of food insecurity and unaffordable housing costs, requires an increase in benchmarks for officers and enlisted.

The interim findings from RAND referenced throughout this report are a result of an FY23 NDAA requirement outlined in Section 661, which required the Department work with a Federally Funded Research and Development Center, in this case RAND, to conduct a study on basic pay. This effort will also support the Quadrennial Review of Military Compensation (QRMC). Every four years the President directs the QRMC, however, the elements of what is examined may vary. On January 31, 2023, The President, in accordance with 37 United States Code 1008(b), directed the 14th QRMC to conduct “a complete review of the principles and concepts of the compensation system for
members of the uniformed services.\textsuperscript{71} The President tasked the QRMC with the following:

1. Review military compensation and benefits, including special pay, to ensure the Department of Defense is appropriately compensating service members while remaining responsible stewards of the funds provided by American tax payers;

2. Review the military basic pay table to ensure it is structured to further strengthen service members' economic security and enhance the Department of Defense's ability to recruit and retain the Nation's finest;

3. Evaluate military compensation and its current benchmark to determine how a shift toward dual-income households and the unique factors affecting military household incomes might require structural changes, to include the development of a new benchmark for military compensation. This evaluation should include, but is not limited to, consideration of factors such as the challenge of military spouse unemployment, frequent military moves, periods of geographic separation between service members and their spouses (including dual military couples), and childcare access and cost;

4. Review the statutory requirements and current methodologies used to calculate housing, subsistence, and cost-of-living allowances, including the Basic Needs Allowance, to ensure service members are food secure and able to procure suitable housing; and

5. Review military compensation relative to anticipated future requirements in technology and other fields that are critical to the Department of Defense.\textsuperscript{72}

Although the QRMC is not complete, four recent trends relevant to junior enlisted pay are concerning: (1) the military services are struggling with recruiting; (2) about 25 percent of active duty service members are food insecure; (3) basic pay has lagged inflation since 2020; and (4) since 2020, civilian earnings of lower income earners have risen faster than higher-income earnings, disproportionately improving the civilian labor market for recruits.\textsuperscript{73} Further, since the start of the All-Volunteer Force, junior enlisted basic pay in the ranks of E-1 through E-4 declined relative to E-5 pay due to: No pay raise in July 2000, July 2001, and April 2007 and smaller pay raises than other enlisted in 1981, 1988, 2002, 2003, and 2004.\textsuperscript{74} During the Senior Enlisted Leaders Panel hearing earlier this year, each military service identified pay as the top issue affecting service members, in particular junior service members.\textsuperscript{75} Removing a pay rate of E-1 under four months and providing a targeted pay raise of 15 percent for junior enlisted in ranks of E-1 through E-4, results in the following enlisted pay table below for fiscal year 2025.\textsuperscript{76}

<table>
<thead>
<tr>
<th>Enlisted Member Pay with the Panel's Recommended 15% Pay Raise</th>
</tr>
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<tbody>
<tr>
<td><strong>Pay Grade</strong></td>
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<tr>
<td>---------------</td>
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<tr>
<td>E-7</td>
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<tr>
<td>E-6</td>
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<td>E-5</td>
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<td>E-4</td>
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<td>E-3</td>
</tr>
<tr>
<td>E-2</td>
</tr>
<tr>
<td>E-1</td>
</tr>
</tbody>
</table>
Of note, there is still an adequate pay raise between E-4 and E-5, providing incentive to remain in service and work towards promotion, while also providing a substantial pay raise to junior enlisted service members.

RECOMMENDATIONS

In order to address the identified issues with pay and compensation, the Panel recommends the following:

**Junior Enlisted Pay Increase**

The Panel recommends an increase of 15 percent to basic pay across the board for junior enlisted service members (E-1s to E-4s). This will restore real value to basic pay, given the increase in civilian earnings for those with high school diplomas and those with some college. Additionally, the Department of Defense should increase the Regular Military Compensation (RMC) benchmarks for enlisted and officer pay to the 80th percentile and the 75th percentile respectively, of comparable civilian compensation. They are both currently set at the 70th percentile.

**Increase Basic Allowance for Housing (BAH)**

The Panel recommends the FY25 NDAA require the Department of Defense to reverse the five percent reduction in BAH and ensure BAH covers 100 percent of the calculated rate for the military housing area (MHA). Additionally, the Department should enact the changes recommended in response to Section 662 of the FY23 NDAA entitled Report on Accuracy of Basic Allowance for Housing.

**Improving Calculation Methods for Basic Allowance for Subsistence (BAS)**

The Panel recommends the FY25 NDAA require the Department of Defense to evaluate the current calculation methods for BAS. Specifically, the Department should expand and include location and number of dependents in its calculation of BAS to make BAS a realistic allowance for service member household subsistence.

**Improving Calculation Methods for Cost-of-Living Allowances (COLA)**

The Panel recommends the FY25 NDAA require the Department of Defense to evaluate the current threshold for the payment of COLA percentage for sufficiency as well as the calculation of the allowance amount that includes the appropriate average spendable income of service members and location-specific costs for items such as food, tolls, and other fees that may be charged CONUS or OCONUS.

**Increase Basic Needs Allowance (BNA) to 200 Percent of Federal Poverty Guidelines**

The Panel recommends the FY25 NDAA mandate the threshold for BNA to 200 percent of federal poverty guidelines. Currently, the BNA provides a supplemental monthly allowance for service members whose gross household income is below 150 percent of federal poverty guidelines. The Secretary of Defense has discretionary authority to grant BNA to families making up to 200 percent of those guidelines.

**Expansion of BAH Authority for Sailors on Sea Duty**

The Panel recommends the FY25 NDAA expand statutory authority to authorize the payment of BAH to a member of the uniformed services without dependents who is serving in a pay grade below E-4 and is assigned to sea duty.
Pillar 2: Child Care

BACKGROUND

Overall, the satisfaction rate of military child care is high and it is generally considered high quality. However, accessibility due to long wait lists, particularly for infant care, persists as a significant challenge and source of frustration for service members and their families.

Child care plays a crucial role as a workforce enabler, significantly influencing the readiness, efficiency, and retention of the total force. According to the Congressional Research Service (CRS), "The Department of Defense operates the largest employer-sponsored child care program in the United States, serving approximately 200,000 children of uniformed service members and civilians, and employing over 23,000 child care workers, at an annual cost of over $1 billion." According to a 2023 Government Accountability Office (GAO) report, approximately 77,000 children were enrolled in the Department’s child development programs as of September 2021, and as of March 2022, more than 25,800 additional children of service members were receiving fee assistance. The Department’s child development programs (CDPs) include: accredited, installation-based, government run, full-time early care and education services for ages 6 weeks to 5 years in its Child Development Centers (CDCs); certified home-based child care services for infants and children up to 12 years of age through its Family Child Care (FCC) program; before and after school care and full day care for children and youth from 6 to 12 years of age through School Age Care; and supplemental child care programs and services that augment and support CDC and FCC programs to increase the availability of child care. Supplemental child care includes resource and referral services, fee assistance/subsidy programs, short-term/respite care, hourly child care at alternative locations, and interagency initiatives.

The Department uses three basic factors to determine who may access military child care programs and when they may access care: basic eligibility, priority, and participant age. Families are required to apply for and request military-operated child care through the Department’s centralized, web based system, MilitaryChildCare.com (MCC). Families create a profile and "select their sponsor type (e.g., Active Duty Military, [Department of Defense] Civilian) and spouse status (e.g., Active Duty, working, student, seeking employment)" and make updates as necessary. MCC uses this information to create a military family type for the household, each of which is associated with a Department priority. If the family is eligible for multiple services, the system assigns the family the highest
Department priority. The system then uses the assigned Department priority, along with the request for care date, to determine sequence on the wait list.

Through a fee assistance program managed independently by each military service, the Department subsidizes certain child care options such as FCC programs and private community-based child care. The fee assistance program also covers the Military Child Care in Your Neighborhood (MCCYN) program for eligible families who cannot access military-operated child care due to distance or wait lists, as well as the MCCYN-PLUS and Child Care in Your Home (CCYH) pilot programs. The CCYH pilot program is designed to support families with nontraditional work schedules and enables military families to use fee assistance for full-time in home child care providers and nannies.

**FINDINGS AND ANALYSIS**

**Wait Lists**

On November 29, 2023, the Panel hosted a child care briefing with service program managers. Throughout the briefing, excessive wait times for both on-installation child care and fee assistance programs were primary areas of concern—wait times for CDCs can reach six to seven months and service members may never gain access to fee assistance.

Key challenges in supplying sufficient child care at CDCs include staffing shortages and facilities requirements. Currently, a significant shortage of child care workers exists in the labor market at-large, causing staffing issues at CDCs.

Facility requirements impact the number of children a CDC facility can accept. The physical capacity of a facility is contingent upon facility design, usable square feet required for each child, and health and safety standards. These requirements change depending on the age group the space is serving. Additionally, the operational capacity may be limited due to the number of physical rooms a facility has compared to the staffing ratio requirements for various age groups.

To address concerns related to physical capacity of child care facilities, there have been significant investments in building new CDCs across military installations. Since 2019, 17 new CDC’s have been authorized with funds appropriated for construction. Many of these projects are not yet complete. The FY23 NDAA (Section 2871) requires the military services to invest in improving CDC infrastructure using funding from the Facilities, Sustainment, Restoration and Modernization (FSRM) accounts within the Operation and Maintenance title. For FY23, the minimum investment required for each service is to be one percent of the estimated total replacement cost of all CDC facilities across the service. These improvements are projected to substantially increase facility capacity for child care slots.

If on-installation child care is unavailable due to wait lists or geographic distance from a military installation, a family can receive fee assistance to cover a portion of the cost of private child care. A military family may receive up to $1,800 per month depending on total family income and the chosen provider’s monthly fee. The military services, however, lack uniformity regarding the fee assistance program. Certain services maintain a wait list for fee assistance while others do not. These wait lists are based on provider availability or shortfalls in the service’s established fee assistance budget.

The Department of Defense has implemented several programs to broaden the pool of child care providers eligible to receive fee assistance. In 2019, the Department launched the MCCYN-PLUS initiative, which recognizes state quality improvement efforts as an indicator of provider quality in lieu of national accreditation. In 2022, the Department also launched the CCYH pilot program which enables military families to use fee assistance for full-time in-home child care, such as nannies.
Additionally, the military services currently have cooperative agreements for child care services in certain locations. These agreements include securing child care space for military families within community-based child development centers and giving military children priority within private child development centers near military installations. Although agreements like these may not work in every location due to cost concerns and staffing issues, there may be certain locations that would benefit from such cooperative agreements.

**Child Care Employee Shortages**

Currently, there is a shortage of child care workers across the market at-large. While the Department of Defense CDP employee wages are competitive and the Department has made significant efforts to attract and retain child care workers, CDCs continue to have high staff vacancy rates.

| CDC Direct Care Vacancies vs. Total Number of CDC Direct Care Positions |
|---|---|---|
| Service | CDC Direct Care Staff Vacancies | Total CDC Direct Care Staff Positions |
| Army | 2,081 | 8,874 |
| Navy | 497 | 4,454 |
| Air Force/Space Force | 1,312 | 6,453 |
| Marine Corps | 462 | 2,205 |

During the Panel's child care briefing, program managers consistently mentioned that CDCs were often losing existing or potential child care workers to the retail industry, rather than other child care centers. According to the Department, "nation-wide hourly wages of nonsupervisory employees working in child care service occupations are comparable to the average wages of workers in the food services industries and below the average wages of workers in retail industries, despite child care workers often requiring advanced training..." While the Department consistently pays its child care workers in the 90th percentile of child care providers in the same geographic areas, it is not keeping pace with the challenges of the labor market.

The established wage guidelines are not directly responsive to the local market, but rather the installation. By law, “Competitive rates of pay for entry level CDP employees...shall be paid at equivalent rates of other entry-level employees at that installation who are drawn from the same labor pool with similar training, seniority, and experience.” As the law stands, should the local markets increase pay for child care workers, CDC child care workers may not see those same increases.

The Department and the military services have implemented several incentive programs to encourage individuals to work at CDCs. These programs include competitive compensation, benefits, and priority placement for children of CDC employees. Additionally, in 2021, the Department launched a national child care staff recruitment campaign called "Come Grow with Us" reaching out to colleges and universities near military bases to recruit students and recent graduates for child care positions.

The FY23 NDAA provided the Secretary of Defense authority to provide a reduced child care fee for the first child of a CDP direct-care worker to further support recruitment and retention initiatives. The Department of Defense standardized the reduced fee to a minimum 50 percent. Although services have the authority to provide up to a 100 percent discount without further directive from the Department, currently only the Air Force exceeds the 50 percent minimum.

All Department of Defense-operated CDPs are staffed with appropriated fund (APF) and/or non-appropriated fund (NAF) personnel. The
vast majority of military child care employees are NAF personnel. This provides the Department certain authorities, namely the authority to grant recruitment bonuses, relocation bonuses, and retention allowances.\textsuperscript{114} However, according to the Department of Defense Instruction 1400.25 Volume 1405, these bonuses are to be “used sparingly and only in very selective situations.”\textsuperscript{115} Given the persistent challenges to hire CDP personnel, it is important to ensure these authorities are being used appropriately.

**RECOMMENDATIONS**

*In order to address the identified issues with child care, the Panel recommends the following:*

**Standardized Benefits for Child Care Staff Across the Services**

The Panel recommends the FY25 NDAA require all military services cover 100 percent of child care fees for the first child of staff enrolled in a Department of Defense Child Development Program (CDP) and authorize the military services to cover up to 100 percent of child care fees for any additional child/children of such staff in order to incentivize and retain child care personnel.

**Competitive Pay for Department of Defense Child Care Personnel**

The Panel recommends amending 10 USC §1792 to require that employees directly involved in military installation CDPs are paid at rates of pay competitive with market rates for child care workers within the correlating Metropolitan or Non-Metropolitan Statistical Area, but not below the Department of Defense minimum compensation rates per pay band to acquire a stable and qualified civilian child care workforce. Careful consideration must be made to ensure that increased fees because of increased pay for these employees does not result in cost-prohibitive child care for qualifying families, nor reduced pay for child care staff.

**Elimination of Child Care Fee Assistance Wait Lists**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to fully fund child care fee assistance programs to prevent the use of fee assistance wait lists for eligible families who have identified a qualifying provider.

**Oversight of Child Development Programs Staffing Shortages and Facilities Requirements**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to provide a brief on a quarterly basis regarding whether wait lists for the Department’s CDPs are related to facility requirements or staffing shortages as well as their plan to mitigate such challenges.

**Oversight of Community Child Care Partnerships**

The Panel recommends the FY25 NDAA require the Department of Defense, in coordination with the military services, to provide a report on partnerships and/or programs within their local civilian communities designed to increase child care availability for military members. The report should include the following: how long they have been in effect; the number of child care slots they made available; impacts on local Child Development Center (CDC) wait lists; and best practices and lessons learned from these efforts. The Department should also examine such programs and policies from FY22 to the present and assess any obstacles that may exist to expanding these efforts.

**Assessment of the “Come Grow with Us” Child Care Staff Recruitment Effort**

The Panel recommends the FY25 NDAA require an assessment of “Come Grow with Us,” a national child care staff recruitment effort launched in 2021, which established partnerships with local colleges and universities to recruit students and
recent graduates for child care staff positions. The assessment should include locations where implemented, number of staff hired and retained for more than one year, impact on capacity and wait lists at the location’s CDC, and if effective, considerations for expansion.

**Analysis of Hiring Authorities Available for Department of Defense Child Care Staff**

The Panel recommends the FY25 NDAA direct the Government Accountability Office (GAO) to conduct a study to determine the use and effectiveness of existing Non-Appropriated Fund (NAF) employee hiring and retention authorities currently available for child care workers.

**Analysis of Transferability of Benefits Between Child Care Centers**

The Panel recommends the FY25 NDAA require the Department of Defense to provide a briefing addressing the transferability of benefits provided to NAF staff between child care centers operated by the military services. The report should address if benefits of NAF employees are transferable between child care centers operated by the different services, the different benefits offered by the military services for child care employees, the ease of transferability as it pertains to NAF child care employees between the military services, and recommendations to improve the process.
Pillar 3: Housing

BACKGROUND

Housing or tax-free compensation to defray the cost of housing is an element of every active-duty service member’s compensation. This compensation falls into three categories: government-owned housing (primarily unaccompanied housing such as barracks and dormitories but also includes some family housing, particularly at overseas installations); privatized military family housing (MHPI), the majority of the housing inventory domestically; and, the basic allowance for housing (BAH), which subsidizes the cost of housing for service members who rent or buy housing on the local economy.116

In August 2018, Reuters published the first in a series of articles chronicling health and safety issues experienced by military families living in MHPI.117 Families from all services, ranks, and paygrades reported health problems related to lead and mold exposure, rodent infestation, rude and dismissive housing management, and ineffective oversight of the program by the services. In response to these issues, substantial housing reforms were included in the FY20 and FY21 NDAAs including new oversight requirements and increased assistance to residents of MHPI. While significant progress has been made, continued vigilance is required to ensure that the housing reforms are implemented as Congress intended, and that Department of Defense leaders do not become complacent and allow back-sliding.

The Panel considered MHPI during a hearing on September 21, 2023 titled “An Update on Unaccompanied Housing and the Military Housing Privatization Initiative.” It was apparent progress had been made on the condition of privatized family housing, however the condition of unaccompanied housing echoed many of the same unacceptable issues privatized housing had prior to the FY20 NDAA. As a result, the recommendations of this report focus primarily on unaccompanied housing.

Unaccompanied housing includes barracks, dormitories, and short-term lodging for service members who are either transiting from one location to another, or at an installation for a brief period. Unaccompanied housing is the default living space for single service members of junior ranks. Though policies vary by military service, all enlisted service members below a specified rank that do not have dependents (e.g., a spouse or a child), are required to live in unaccompanied housing on military installations. The Army and Marine Corps require ranks E-1 to E-5 to live in unaccompanied housing, while the Air Force and Navy require ranks E-1 to E-3, with flexibility for E-4s depending on several factors, like years
of service and behavior. If there is insufficient capacity in the unaccompanied housing at a given installation, a service may elect to allow certain service members to receive BAH to find housing off installation or the service may waive the maximum occupancy requirements to allow more service members to stay on installation.\textsuperscript{118}

The military services manage nearly 9,000 unaccompanied housing facilities worldwide. Almost all these facilities are government-owned, operated, and maintained. New facilities are funded through military construction funds. Once completed, the military departments are responsible for day-to-day oversight, maintenance, and recapitalization of these facilities. This sustainment is funded through operations and maintenance funds. While the majority of unaccompanied housing is managed by the military departments, the Office of the Secretary of Defense (OSD) is responsible for promulgating guidance and minimum standards for safety, habitability, and quality of life for these facilities as well as big picture oversight of these programs.

The military services are responsible for managing their respective unaccompanied housing programs, including establishing criteria to determine which service members are required to live in unaccompanied housing, processes for waiving those requirements, establishing standards for this housing, and determining when habitability standards may be waived. Much of the day-to-day management of unaccompanied housing, including the allocation of sustainment funds is delegated down to individual installation commanders.

In managing their unaccompanied housing portfolios, the military departments are increasingly faced with how to maintain aging infrastructure that has been chronically undersustained due to a failure to compete favorably with other mission essential facilities for maintenance and construction funding.

\textbf{FINDINGS AND ANALYSIS}

\textbf{Facility Deficiencies}

The current status of unaccompanied housing facilities across the Department varies widely. The Government Accountability Office (GAO) found that the most seriously degraded facilities contained serious risks to the physical and mental health of service members. Mold, broken fire alarm systems, and extreme temperatures due to broken Heating/Ventilation/Air Conditioning (HVAC) systems have been found in numerous unaccompanied housing facilities across the military services. Service members also raised concerns regarding sewage pipes that routinely crack, unsafe water quality, and pest infestations. The Department of Defense’s guidance documents do not contain a meaningful minimum standard for health and safety. The FY24 NDAA requires the Department to promulgate such standards to include minimum requirements related to condition, habitability, health, environmental comfort, safety and security.\textsuperscript{119}

A recent GAO study found that some facilities also posed a risk to the physical safety of service members.\textsuperscript{120} Some facilities had broken windows and door locks, insufficient lighting, vacant units occupied by unauthorized personnel, and no existing or working security cameras. Service members interviewed by the GAO expressed concerns that these conditions contribute to an environment conducive to theft, property damage and even sexual assault.\textsuperscript{121}

Apart from health and safety risks, some unaccompanied housing facilities do not meet the minimum Department standards related to privacy and configuration for assignment or occupancy to unaccompanied housing. These standards require at least two separate rooms for two service members, even if sleeping quarters are shared, and limit the number of service members sharing a bathroom to two. According to a 2022 Army study, failure to adhere to these minimum standards can lead to increased rates of serious arguments and bullying and decreased unit cohesion and soldier resilience.\textsuperscript{122} In the
wake of GAO’s recent report, however, the military services have revisited their assumptions about unit cohesion, with an eye towards leadership measures that would mitigate these concerns.

Additionally, many unaccompanied housing units do not provide kitchenettes in barrack’s rooms. These facilities are required by the Department to promote nutrition and reduce reliance on fast food to improve readiness. In addition to the factors above, the wide unaccompanied housing variation, sometimes within a single installation, can further exacerbate housing-related morale erosion, with service members questioning the fairness of housing policies that leave them in a sub-par facility while a similar barracks down the road may be substantially better.

There have also been concerns about shortages of personnel responsible for overseeing military housing. Staffing shortages can contribute to challenges in effectively managing barracks policies and maintaining housing facilities impacting the quality of life for service members and their families. If the Military Departments and installation commands lack the necessary oversight personnel, efforts to address issues such as maintenance backlogs, safety concerns, and ensuring compliance with housing standards and regulations could be significantly hindered.

Funding

The Department acknowledges that they have accepted risk in the unaccompanied housing portfolio by deferring maintenance due to budget constraints or competing priorities. In addition, no service is currently funding facilities sustainment at 100 percent of the total required to maintain facilities. The goal in recent years has been to budget for 80 percent sustainment. Due to the significant maintenance backlog accumulated over years, it is unlikely that even 100 percent funding will arrest the decline of the facilities in poor or failing condition. However, continuing to underfund infrastructure will lead to more facilities in poor or failing condition.

Unaccompanied housing facilities are sustained through an Operations and Maintenance (O&M), account allocated for Facilities Sustainment, Restoration, and Modernization (FRSM). The services have broad discretion over how to allocate these funds, with operational and emergent requirements competing with unaccompanied housing for resources. FRSM supports maintenance and sustainment of existing facilities, from routine maintenance and repairs to full scale renovations and demolition. Across the Department, these accounts were underfunded and raided for decades for a variety of reasons including sequestration, budget pressure, and competing priorities. The result is a nearly $140 billion backlog in required maintenance across Department-owned infrastructure.

Further, because FRSM funds are sent to the installation, with significant discretion for their use delegated down to the installation commanders, the GAO found that senior leaders in the Pentagon and installation management commands often were unsure about how these funds were eventually allocated. This lack of transparency may be a contributing factor in the poor sustainment of quality-of-life facilities and certainly contributes to an inability to make data-driven decisions on budget requirements.
The majority of new unaccompanied housing facilities are funded via Military Construction (MILCON). Every major military construction project is line-item authorized and appropriated by both the authorization and appropriations committees of the House and Senate. Military construction is a relatively small budget area within the Department's annual budget request, and the competition for resources is fierce. Furthermore, the Department often prioritizes operational requirements requested by combatant commands, leaving quality of life infrastructure to the unfunded priorities lists.

Congressional frustration with chronically poor and failing quality of life infrastructure culminated in key provisions in the FY22 NDAA designed to raise the level of focus on this infrastructure. Section 2814 of the FY22 NDAA provided that, of the total appropriated FSRM budget, the Department must reserve an amount equal to five percent of the estimated replacement cost of the total inventory of barracks for the purpose of barracks improvement. Because this funding level represents a significant portion of each military department's annual FSRM allocation, they have struggled to implement this provision.

Throughout the course of the Panel, there was significant interest in privatizing unaccompanied housing. Currently, there are a total of seven privatized unaccompanied housing projects throughout the Department. Since Congress enacted the MHPI in 1996, the military services conducted several studies to determine whether to privatize unaccompanied housing. The Air Force and Marine Corps concluded privatization was not suitable for meeting any of their housing needs. This decision was based on (1) the limited availability of BAH for junior unaccompanied personnel, which may result in not having a dedicated stream of income to pay rent for privatized housing; (2) the frequency or duration of unit deployments, which could affect the occupancy rates of unaccompanied housing; and (3) uncertainty about the future size of the military and whether there would be sufficient demand for privatized housing.125

The Army and Navy implemented seven privatized unaccompanied personnel housing projects collectively. The Army has privatized unaccompanied housing projects at five locations. At each of these locations, sufficient, adequate, and affordable housing was not available in the surrounding community. These projects were primarily intended to house ranks E-6 and above who are eligible to receive BAH. One of the five Army projects was implemented to house E-5 and below that were receiving BAH due to a lack of unaccompanied housing availability. The Navy implemented two privatized unaccompanied housing projects in San Diego California, and Hampton Roads, Virgina. These locations were selected because both are fleet concentration areas, and the privatizing of these projects would minimize the number of sailors living aboard ship while docked in the ship's home port.126

According to Army and Navy officials, both services are currently considering additional privatized barracks projects. Air Force officials stated that although they have concerns regarding cost at most Air Force installations, the Department has submitted a request to Office of Management and Budget (OMB) for consultation regarding a proposal for a privatized unaccompanied housing project at one Air Force location. The Marine Corps is currently conducting a study to assess the feasibility of privatized unaccompanied housing at two locations.

**FISCAL YEAR 2024 LEGISLATIVE ACTION**

The Panel, in conjunction with the Readiness Subcommittee of the House Armed Services Committee, worked proactively to address the abhorrent conditions in unaccompanied housing and cover certain oversight gaps in MHPI. Due to this work, multiple provisions, including requirements for the Department to establish and enforce design and habitability standards, were included in the FY24 NDAA and signed into law. Those provisions are included below:
Section 2821, Establishment of the Military Family Readiness Working Group for Military Housing: Establishes the Military Family Readiness Working Group for Military Housing, which will review and make recommendations to the Secretary of Defense on policies for covered military housing including inspection practices and resident surveys. It will also make recommendations to improve awareness and promotion of accurate and timely information about covered military housing and accommodations available through the Exceptional Family Member Program. The Military Family Readiness Council will submit a report regarding these recommendations to the Secretary of Defense and congressional defense committees.

Section 2822, Improvements to Privatized Military Housing: Requires congressional notification about whether a privatized housing company is in compliance with the Military Housing Privatization Initiative (MHPI) Tenant Bill of Rights. This provision also restricts certain payments to privatized military housing unless the Department of Defense determines that the company is in compliance with the Tenant Bill of Rights.

Section 2823, Notification Relating to Legal Counsel for Non-Disclosure Agreements: Requires MHPI companies to notify tenants about a proposed nondisclosure agreement and provide a waiting period of 10 business days so tenants may seek legal counsel before being required to sign such an agreement.

Section 2824, Inclusion of Questions Regarding Military Housing for Members of the Armed Forces in Status of Forces Survey: Requires each status of force survey to include questions regarding overall satisfaction with current military housing, satisfaction with the physical condition of military housing, satisfaction with the affordability of military housing, and whether military housing has impacted a services member’s decision to reenlist in the Armed Forces.

Section 2825, Implementation of Comptroller General Recommendations Relating to Strengthening Oversight of Privatized Military Housing: Requires the Secretary of Defense to implement the recommendations made in an April 2023 GAO report titled DOD Can Further Strengthen Oversight of Its Privatized Housing Program.

Section 2831, Design Standards for Covered Military Unaccompanied Housing: Requires the Secretary of Defense to establish and enforce standards for unaccompanied housing facilities regarding design, floor space, and level of maintenance required. This provision requires the military departments to ensure, within two years of the law’s enactment, that all housing assigned to service members meet the new requirements.

Section 2832, Establishment of Standards for Habitability of Covered Military Unaccompanied Housing: Requires the Secretary of Defense to establish standards for unaccompanied housing facilities regarding condition, safety and security, and “habitability, health, and environmental comfort.”

Section 2833, Modification of Procedures for Issuance of Waivers of Covered Privacy and Configuration Standards: Modifies the procedures for a military department to waive requirements related to unaccompanied housing standards. This provision requires the Secretary of a military department to approve any such waivers and stipulates that the Secretary can do so only after exhausting options that include: a use of available privately-owned military housing; modifying the unit integrity policies that typically require service members from the same unit to live in the same housing facility; and authorizing service members to receive a BAH.

Section 2834, Certification of Habitability of Covered Military Unaccompanied Housing: Requires the Secretary of Defense to submit, in conjunction with the annual President’s Budget Request, certifications that the repairs and
improvements needed for unaccompanied housing facilities assigned to service members to not exceed 20 percent of the total replacement cost of such facilities, a standard set by current Department of Defense policy.

Section 2835, Pilot Program for Military Construction Projects to Replace Certain Covered Military Unaccompanied Housing Facilities: Authorizes a pilot program for the Secretaries of the military departments to replace substandard enlisted barracks using O&M or unspecified minor MILCON funding. The authority will expire five years after the enactment of the law.

Section 2836, Establishment of Civilian Employees for Oversight of Covered Military Unaccompanied Housing: Requires the Secretaries of the military departments to establish a civilian employee at the housing office at each military installation to oversee unaccompanied housing facilities and related issues.

Section 2837, Maintenance Work Order Management Process for Covered Military Unaccompanied Housing: Requires the Secretary of Defense to issue rules regarding the process for managing work orders related to maintenance work for unaccompanied housing facilities and to establish performance metrics to track the maintenance work performed.

Section 2838, Uniform Index for Evaluating the Condition of Covered Military Unaccompanied Housing Facilities: Requires the establishment of a Department-wide index for evaluating the condition of unaccompanied housing facilities.

Section 2839, Annual Reports on the Condition of Covered Military Unaccompanied Housing: Requires the Secretaries of the military departments to submit annual reports to Congress which include a list of the condition of each military unaccompanied housing facility located on each military installation, information on the facilities of poor or failing condition, information on good and fair condition, and any other information deemed appropriate.

Section 2840, Submission of Temporary Housing Support Certification to Members of Congress: Requires the Secretary of Defense to notify the Member of Congress for a particular district if the Secretary enters into any agreement that provides Department of Defense housing facilities for use by another federal agency in the members’ district.

Section 2841, Elimination of Flexibilities for Construction Standards for Covered Military Unaccompanied Housing: Requires the Department of Defense to eliminate the use of waivers for construction standards for new unaccompanied housing facilities.

RECOMMENDATIONS

In order to address the identified issues with housing, the Panel recommends the following:

Full Funding of Facilities Sustainment Restoration and Modernization (FSRM) Requirements for Unaccompanied Housing (UH)

The Panel recommends the FY25 NDAA direct the military services to track and report the total FSRM funding requirement, particularly for UH facilities. The military services routinely request funding for FSRM accounts that does not meet 100 percent of their facility maintenance and modernization requirements. The services should include information on the total requirements with the President’s Budget for each fiscal year. If the budget request is not equal to the total requirement, each service should explain the impact of the decrement on their ability to sustain and modernize facilities.

FSRM Funding Transparency

The Panel recommends the FY25 NDAA direct the military services to develop and implement a
system to track and provide detailed accounting of how FSRM funds are allocated at the installation level. The system should increase transparency within the military departments to account for decisions to defer maintenance at the facility level and potential impacts to long-term facility planning.

Analysis of Costs for Unaccompanied Housing (UH) vs. Basic Allowance for Housing (BAH)

The Panel recommends the FY25 NDAA direct the Department of Defense to conduct a study that examines the life-cycle costs of service member housing through the lens of barracks policies for each military service. This study should, at a minimum, compare the life-cycle cost of constructing and fully maintaining UH facilities as compared to the cost of BAH for service members currently required to live in the barracks.

Explore Alternative Funding Mechanisms to Facilitate Privatized UH or Other UH Solutions

The Panel recommends the FY25 NDAA explore utilization of expanded authorities for BAH or alternative payment models to facilitate new privatized UH projects. Current statutory authority allows for new or expanded projects, but budgetary concerns may limit feasibility in some locations. Additional authorities or new payment models could overcome the usual obstacles to UH privatization.

Report on Future UH Privatization Projects

The Panel recommends the FY25 NDAA direct the Department of Defense, in consultation with the military services, to provide a report regarding the privatization of UH. The report should detail lessons learned from previous privatized UH agreements, as well as prospective plans for future privatized UH projects. Specific details from previous contractual agreements on privatized UH projects should be examined such as performance metrics, compliance standards, duration, termination clauses, and any incentive or penalty structures. Further, the report should analyze factors associated with privatization of UH including budgetary considerations, unexpected financial challenges, and the comparative cost-effectiveness of privatized UH in relation to traditional military-owned barracks. Finally, statutory, policy, or budgetary barriers the Department may encounter in the process of expanding privatized UH availability should be examined and recommendations to overcome these challenges should be included in the report.

Evaluation of the Shortage of UH Oversight Staff

The Panel recommends the FY25 NDAA direct the Department of Defense, in coordination with the military services, to conduct a study to determine military personnel housing needs for UH oversight. The Department shall submit a report evaluating the shortage of personnel needs and proposed solutions.

Internet Connectivity in UH Facilities

The Panel recognizes the value in increased availability of wireless internet for junior enlisted service members and occupants of military UH facilities. Currently, the military services have different policies and programs in place for providing wireless internet in their UH facilities. The Panel recommends the FY25 NDAA require each military service to conduct a feasibility study for the provision of free wireless internet access to service member private living areas in all UH facilities. This study should provide a detailed overview of existing wireless internet services in UH facilities, investigate funding mechanisms or authorities capable of supporting service-wide implementation of free Wi-Fi, and examine potential alternatives to conventional wireless internet.
Pillar 4: Access to Health Care

BACKGROUND

The Military Health System (MHS) is one of the world's largest and most complex health institutions. Its primary missions include ensuring that all active-duty and reserve personnel are healthy to complete their national security missions, ensuring that all active-duty and reserve medical personnel are trained and ready to provide medical care in support of operational forces, and providing medical benefits to around 9.6 million active-duty personnel, retirees, and military families. In some instances, the MHS will also provide health care to Department of Defense contractors and civilians.

The MHS includes a direct care system (DCS) and a purchased care system (PCS). The DCS consists of over 700 military hospitals and clinics known as Military Treatment Facilities (MTFs). Military Treatment Facilities were previously managed by the Military Departments; however, following congressional action in the FY17 NDAA, as of February 2022, administration and control over these facilities is now executed by the Defense Health Agency (DHA). The PCS is executed by civilian health care facilities and providers procured through large regional Managed Care Support Contractors (MCSCs). This is all provided through TRICARE, the military's umbrella health insurance. The next generation of TRICARE contracts (referred to as “T-5”) are due to start on January 1, 2025.

Access to care standards in the MHS are established via federal regulations (Title 32 Code of Federal Regulations section 119.17) and are meant to ensure that patients receive an appointment with a provider within 24 hours for an urgent appointment, 7 days for a routine appointment, and 28 days for a specialty care appointment.

FINDINGS AND ANALYSIS

Access to Care Timelines

Timely access to quality care has been a long-standing problem. A 2018 report by the Department of Defense Inspector General (DODIG) found that the Department did not consistently meet access to care standards for urgent and routine appointments at select MTFs. A 2020 DODIG report found that a lack of access was more acute as it related to specialty care, particularly mental health. And a recently published Government Accountability Office (GAO) report indicated referrals to civilian network providers fell outside of time frame requirements for routine behavioral health appointments. For urgent behavioral health appointments, DHA has not established...
a specific time frame and wait times following these referrals ranged from over two weeks, to more than three weeks, depending on the region. Additionally, DHA has not monitored how long it takes to get appointments with civilian providers after an urgent referral.

Several recent reports also reveal that MTFs are not meeting access to care standards. A DODIG report titled, Management Advisory: Concerns with Access to Care and Staffing Shortages in the Mental Health System, published on November 29, 2023, noted that the MHS continues to struggle meeting access to care standards. This was particularly true for the Indo-Pacific Command (INDOPACOM) area of responsibility. In fact, “During visits to the INDOPACOM Area of Responsibility in May and June 2023 the [Department] Inspector General was repeatedly informed by senior military and civilian officials of challenges with accessing health care, including challenges with access to mental health care.”

Over the course of calendar year 2023, the DODIG “received at least seven hotline complaints…from MHS beneficiaries and MHS providers highlighting concerns with the ability to access care at MTFs, ability to access care in the TRICARE network, and staffing shortages at the MTFs.” Additionally, “The Service IGs provided correspondence, documentation, and information papers to the DoD OIG in April and May 2023, expressing concerns with the ability of beneficiaries to access health care services across the MHS. The Service IGs specifically highlighted concerns with: (1) the ability of government civilian and contractor employees to access health care services overseas, (2) access to care at smaller MTFs, (3) staffing shortages in CONUS and OCONUS MTFs, and (4) the impacts of DHA policies and processes on the ability of beneficiaries to access care.”

Access to care and wait time challenges are not limited to behavioral health or OCONUS locations; rather, the dissatisfaction with the MHS is widespread across CONUS and OCONUS.

The 2023 DODIG report noted, “The Naval IG conducted focus groups in 2023 at CONUS and OCONUS installations and consistently found medical care to be among the top reasons that service members are dissatisfied.” As an example, in December 2022, the DHA made changes to Space-Available care policies in Japan resulting in significant challenges for service members and civilians stationed there. In March 2023, the DHA adjusted its Space-Available policies for Japan, however, access to specialty care appointments, specifically to obstetrics and physical therapy, remains challenging.

### Provider Shortages

The three DODIG reports, as well as the GAO investigation mentioned above, largely blame provider shortages for access to care problems. The DHA Office of the Inspector General provided data on June 4, 2023, indicating that 2,107 MTF contractor full time equivalent positions across the MHS are unfilled, specifically for behavioral health providers. The CONUS and OCONUS MTFs with the most unfilled MTF personnel behavioral health contractor positions are:

<table>
<thead>
<tr>
<th>Location</th>
<th>Number unfilled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Naval Medical Center, Portsmouth, Virginia</td>
<td>357</td>
</tr>
<tr>
<td>Walter Reed National Military Medical Center, Maryland</td>
<td>193</td>
</tr>
<tr>
<td>David Grant Medical Center at Travis Air Force Base, California</td>
<td>117</td>
</tr>
<tr>
<td>Naval Medical Center Camp Lejeune, North Carolina</td>
<td>105</td>
</tr>
<tr>
<td>Naval Hospital Okinawa, Japan</td>
<td>20</td>
</tr>
<tr>
<td>Kadena Health Clinic Okinawa, Japan</td>
<td>14</td>
</tr>
</tbody>
</table>
The 2018 DODIG report also correlated DHA’s lack of standardization for patient provider ratios and the effects of collateral duties on a provider’s schedule capacity to falling short on access to care standards.

Additionally, in 2020, the DODIG report indicated the following factors resulted in increased wait times: a nationwide medical provider shortage; increased demand due to de-stigmatization of behavioral health; and low and delayed TRICARE reimbursement rates.

The 2023 DODIG report reinforced the concern that timely access to mental health care remains difficult due to behavioral health provider shortages. In the MHS, an analysis of FY19 direct care data revealed a shortage of 1,050 behavioral health providers (i.e., the number of providers versus the number authorized).\(^\text{137}\)

Although behavioral health provider shortages vary across the service branches, according to RAND, “35 percent of service members and their beneficiaries live in shortage areas and six percent live in areas with no access to psychiatric care.”\(^\text{138}\)

In 2022, the Department of Defense implemented a pilot program “to test a behavioral health staffing model that matches ‘supply with demand,’... Adding Psychiatric Physician’s Assistants, Licensed Mental Health Counselors, and Licensed Counselors and Marriage and Family Therapists.”\(^\text{139}\) Nonetheless, in 2023, GAO found “that service members with urgent referrals to civilian behavioral health care providers are waiting an average of more than 2-3 weeks for their first appointment.”\(^\text{140}\)

Unlike the MHS, which is centrally operated by the Department of Defense and managed by the DHA to serve the military population, the purchased care system is comprised of a diverse range of private entities that also serve the general population and are funded by various methods. Access to care standards in the MHS reflect a commitment to providing quality and timely medical care to active-duty military members, their families, and retirees. As such, standards such as these are subject to continuous review and adaptation based on changes in medical practices, technological advancements, legislative updates, and the evolving health care landscape.

Furthermore, because the Department currently evaluates access to care data aggregately and not by location or specialty, it could fail to identify problems within a specific network or detect shifting health care landscapes in a particular region, thereby exacerbating problems by not directing resources where they are needed.

### Average Days to Active-Duty Service Members’ Initial Specialty Behavioral Health Care Appointments, Fiscal Year 2022

<table>
<thead>
<tr>
<th></th>
<th>At Military Treatment Facilities</th>
<th>With Civilian Network Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>0.4 days</strong></td>
<td>Urgent appointments</td>
<td>17.0 days Urgent referrals, East Region</td>
</tr>
<tr>
<td><strong>15.6 days</strong></td>
<td>Routine appointments</td>
<td>23.4 days Urgent referrals, West Region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30.7 days Routine referrals, East Region</td>
</tr>
<tr>
<td></td>
<td></td>
<td>31.9 days Routine referrals, West Region</td>
</tr>
</tbody>
</table>

Source: GAO analysis of Defense Health Agency (DHA) and DHA Contactor data I GAO-24-106267
RECOMMENDATIONS

In order to address the identified issues with health care, the Panel recommends the following:

Evaluation of Access to Care Standards

The Panel recommends the FY25 NDAA direct the Director of the Defense Health Agency (DHA) to evaluate the effectiveness of current access standards to meet the health care needs of service members and their families. This evaluation should take into consideration the advent of telemedicine and the role technology plays in delivering health care.

Oversight of Access to Care Data Reporting

The Panel recommends the FY25 NDAA require the DHA to submit a report providing access to care data for all health care services available at each military treatment facility (MTF) with inpatient capabilities. Currently, assessments of access to care are based on the aggregate of all MTFs.

Establishing Access to Care Standards for Urgent Behavioral Health Appointments

The Panel recommends the FY25 NDAA direct the DHA to establish an access to care standard in policy for beneficiaries who receive urgent referrals for specialty behavioral health care appointments.

Increased Access to Specialty Providers

The Panel recommends the FY25 NDAA direct the DHA to expand direct access to military personnel without a referral for either in person or telemedicine appointments in the following specialties: physical therapy; nutrition; audiology; optometry; podiatry; and women’s health.

Analysis of Hiring Authorities Available for Department of Defense Civilian Health Care Providers and Administrative Support Staff

The Panel recommends the FY25 NDAA direct the GAO to evaluate the use and effectiveness of existing hiring and retention authorities available for civilian medical providers. In addition, GAO should review to what extent the productivity of providers would be improved by addressing the administrative staff shortages at MTFs around the globe.

Combating Military Medical Provider Shortages

The Panel recommends the FY25 NDAA direct the military services to conduct a survey of providers in critical wartime specialties, as well as specialties that are experiencing significant shortages, such as mental health, to determine the reasons why military providers choose to remain in service or separate.
Pillar 5: Spouse Support

BACKGROUND
The transient and unpredictable nature of a career in military service can impose unique burdens on military spouses, particularly as it relates to employment. A vital quality of life factor for military families is spouse employment, as it provides additional financial stability, community integration, and career fulfillment. Frequent and unpredictable moves, assignments to economically depressed locations, and service member deployment and atypical work hours, however, have contributed to an unemployment rate for military spouses consistently above 20 percent – one of the highest unemployment demographics in the U.S. For years, the unemployment rate of military spouses has hovered around 22 percent, although numbers vary widely by location. The rate is not officially tracked by the government like other sectors of the population, such as veterans.141

In addition to the high unemployment rate for military spouses, the Government Accountability Office (GAO) recently reported that of the estimated 270,000 employed military spouses, approximately 88,000 or a third (32 percent) worked in part-time positions that pay less and provide fewer benefits than full-time employment.142 Primary reasons for military spouses seeking part-time employment included the need for flexible jobs with reduced hours to accommodate child care responsibilities as well as the adverse effects that frequent military moves had on their employment opportunities.143 According to a 2024 GAO report, military spouses who worked part-time “reported various employment challenges, including being underpaid or overqualified for their job, lacking opportunities for career advancement, and not earning retirement benefits.”144 Despite these challenges, part-time employment may appear more advantageous to military spouses who frequently move every two years since part-time positions can be secured more quickly.145 Managing the difficulties of military life and limited or unsatisfactory employment options could create additional stress on military families and, in turn, impact whether service members remain in service.146

Congress, the White House, and certain federal agencies have instituted multiple programs aimed at increasing employment opportunities for military spouses, including: direct monetary or in-kind support from the Department; federal government hiring flexibilities; and outreach and partnerships with states and private businesses. Additionally, some states have entered into interstate compacts to address licensure and portability challenges faced by military spouses. Though there are numerous programs that may be helpful in accessing employment, many
spouses have not been made aware of these resources. Further, challenges in accessing child care, and ongoing obstacles related to licensure portability, continue to hinder military spouses’ ability to obtain and maintain employment.

**FINDINGS AND ANALYSIS**

The Department and outside interest groups including many Military Service Organizations (MSOs) as well as the White House initiative Joining Forces have invested much time, energy and resources into helping military spouses find fulfilling work. Unfortunately, due to regular moves and other circumstances, unemployment or underemployment for this population remains stubbornly high.

In preparation for roundtables, briefings, and hearings, the Panel consistently found recurring concerns. These concerns include that nearly one in five military families cite challenges with spouse employment as a reason when considering leaving active-duty service. 22 percent of military spouses are unemployed, making it one of the highest unemployment demographics in the U.S. Data shows that a military family move to a new duty location increases the odds of spouse unemployment and that it can take up to seven months or more for spouses to secure new employment.

The general authority for the Department to provide employment opportunities for military spouse employment is found at Title 10 U.S.C. §1784. The Spouse Education and Career Opportunities (SECO) Program is the Department’s umbrella program for several military spouse initiatives related to career exploration, education, training and licensing, employment readiness and career connections. SECO includes links to build resumes, search for jobs, research occupations, learn about career paths or pursue educational opportunities, including scholarships. Jobs listed by SECO vary widely and include hourly work, as well as professional opportunities. Since 2019, the Department has also offered LinkedIn Premium to military spouses at no cost to them. Other programs under the SECO umbrella are listed below:

**My Career Advancement Account (MyCAA) Scholarship Program**

The Department’s My Career Advancement Account (MyCAA) Scholarship Program is a workforce development program that provides up to $4,000 in non-taxable tuition benefits for eligible military spouses to obtain a degree, credential, education prerequisites, or professional license. Military spouses of active duty service members in the ranks of E-1 to E-6, W-1 to W-2, and O-1 to O-3 may use the scholarship at any approved institution. The Department of Defense expanded scholarship eligibility for military spouses of pay grades E-6 and O-3 in 2023 as part of its commitment to take care of service members and their families.

**Military Spouse Employment Partnership (MSEP)**

The Presidential Study Directive-9 Report, Strengthening Our Military Families: Meeting America’s Commitment, which was published in January of 2011, highlighted “the need for a unified Federal government approach to help develop career and education opportunities for military spouses.” Among the directive’s targeted activities was to increase opportunities for military spouses to obtain private sector careers. As a result, the Department of Defense launched the MSEP program in June of 2011 during a ceremony at the U.S. Chamber of Commerce. A web-based, targeted recruitment and employment solution, MSEP links military spouses with potential private sector and federal employers who have committed to recruit, hire, promote, and retain military spouses. With over 700 current partners, the MSEP program has successfully helped more than 275,000 military spouses secure employment to date. This effective program partnered with several additional executive agencies in the fall of 2023, including The Department of Justice, The Internal Revenue Service, The Department of...

Military Spouse Career Accelerator Pilot Program

The FY22 NDAA (P.L. 117-81 §564) required the Department to establish a three-year pilot program to provide employment fellowship opportunities for military spouses and authorized up to $5 million in total funding for the pilot. In January 2023, the Department announced the launch of the Military Spouse Career Accelerator Pilot, which connects talent acquisition specialists and hiring managers with career-ready military spouses for paid 12-week fellowships across various industries and locations throughout the United States.¹⁶¹ The program is facilitated through the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes program in coordination with a nationwide network of state and local chambers. Early indicators are that this program is showing success. In 2023, the program met and exceeded the one-year goal of 400 fellows, closing out the year with 422 fellows. Of these fellows, 85 percent were offered a permanent job with an average salary above $65,500. The 422 fellows were placed with 246 different employers. In January of 2024, an additional 100 spouses were placed in these fellowships. Of the 23 spouses that completed their fellowship, 100 percent were offered jobs.¹⁶² The Panel recognizes that expanded opportunities with local chambers of commerce could be mutually beneficial in a tough hiring environment and will recommend increasing these opportunities.

Professional License Portability Across Jurisdictions

For decades, military spouses have faced challenges in transferring their professional licenses when they make a military-required move with their service member spouse. Transferring a professional license is both expensive and time consuming and can cause significant impacts on a family’s income. According to the Department of Defense’s most recent Active Duty Spouse Survey, 31 percent of respondents reported needing a new professional license or credential to work at a new location following a move.¹⁶³ Relicensing can also cost thousands of dollars in classes, test, and application fees.¹⁶⁴

Recognizing these challenges and understanding that states are primarily responsible for these occupational licenses, the FY20 NDAA (P.L. 116-92 §575) included authorization for the Department to enter into a Cooperative Agreement with the Council of State Governments (CSG) to reduce relicensing burdens on military spouses and authorized up to $4 million per fiscal year for assistance in the development of interstate compacts with a limit of $1 million per compact. The Department is also required to submit an annual report to the congressional Armed Services Committees on the compacts successfully developed under this authority.

According to the Department, there are currently seven completed compacts pursuant to the Cooperative Agreement and are available for consideration by state legislatures in 2024: Interstate Teacher Mobility Compact; Massage Therapy Compact; Cosmetology Compact, Dentists and Dental Hygienists Compact; Social Work Compact; Dietitians Compact; and School Psychologists Compact. Nine additional compacts have been completed outside of the Cooperative Agreement.

A request for proposals (RFP) for additional compacts closed on January 31, 2024. Following the January 31, 2024, deadline, CSG will review each proposal and draft a business case including a recommendation for selection using the same criteria used in past RFPs. CSG will send the business cases to the Department of Defense for review and selection of new occupations for compact development activities. The Department’s authority to enter into a Cooperative Agreement with CSG under 10 USC § 1784 expires on September 30, 2024, and the
Panel recognizes the critical importance of this authority to mitigating spouse licensure barriers.

**Expansion of Child Care Access to Military Spouses Seeking Employment**

Under DoDI 6060.02, military spouses seeking employment are eligible for military child care programs as priority 1A patrons. These patrons must verify that they are seeking employment every 30 days once their child is enrolled. The child may be removed from care if the spouse does not gain employment after 90 days unless an extension is granted by the installation commander. Recognizing the tight job market in various locations and the length of time it takes for spouses to find new employment after a military move, the Panel believes that eligibility for military child care programs should be expanded to 180 days without the need to seek authorization from an installation commander.

**RECOMMENDATIONS**

*In order to address the identified issues with spouse support programs, the Panel recommends the following:*

**Expand the Military Spouse Career Accelerator Pilot Program and Strengthen Relationships with Chambers of Commerce**

The Panel recommends the FY25 NDAA permanently authorize the Military Spouse Career Accelerator Pilot (MSCAP), which launched in 2023 as a three-year pilot program. This program provides employment support to military spouses through a paid fellowship with employers across various industries. MSCAP is facilitated by the U.S. Chamber of Commerce Foundation’s Hiring Our Heroes program. The U.S. Chamber has broad reach and deep relationships in communities across the country.

**Supporting Interstate Licensure Compacts**

The Panel recommends the FY25 NDAA grant the Department of Defense permanent authority to enter into a cooperative agreement with the CSG to develop interstate licensure compacts on licensed occupations for military spouses who relocate to a new state in connection with a permanent change of station.

**Evaluation of the Military Spouse Employment Partnership Program**

The Panel recommends the FY25 NDAA direct the Department of Defense to review the Military Spouse Employment Partnership Program (MSEP) to assess partner responsibilities and identify any obstacles to participation.

**Expansion of Child Care Access to Military Spouses Seeking Employment**

The Panel recommends the FY25 NDAA require the Department of Defense to expand eligibility for Department of Defense Child Development Programs – both on and off installation – for unemployed military spouses who are actively seeking employment from 90-days to 180-days.
Activities

Engagement: Quality of Life Issues Discussion
JULY 18, 2023
PARTICIPANTS:
- The Honorable Kathleen Hicks
  Deputy Secretary of Defense
- The Honorable Ashish Vazirani
  Deputy Under Secretary, of Defense for Personnel and Readiness
- The Honorable Radha Plumb
  Deputy Under Secretary for Defense for Acquisition and Sustainment

Military Spouse Roundtable
SEPTEMBER 13, 2023
PARTICIPANTS:
- Ms. Alyssa M. Densham
  Army Spouse
- Ms. Nakita Fowler
  Navy Spouse
- Ms. Dorothy Vetterl
  Marine Corps Spouse
- Ms. Erica Beadling
  Air Force Spouse

Quality of Life Hearing: An Update on Unaccompanied Military Housing and the Military Housing Privatization Initiative
SEPTEMBER 27, 2023
WITNESSES:
- Ms. Elizabeth Field
  Director, Defense Capabilities and Management, Government Accountability Office
- Ms. Carla Coulson
  Deputy Assistant Secretary of the Army for Installations, Housing & Partnerships Department of the Army
- Mr. Robert E. Thompson
  Principle Deputy Assistant Secretary of the Navy for Energy, Installations, & Environment, Department of the Navy

Quadrennial Review of Military Compensation Briefing
OCTOBER 18, 2023
BRIEFERS:
- Ms. Stephanie Miller
  Deputy Assistant Secretary of Defense for Military Personnel Policy
- Mr. Thomas Emswiler
  Director, 14th Quadrennial Review of Military Compensation, Office of the Secretary of Defense
- Ms. Jerilyn Busch
  Director, Compensation Policy, Department of Defense

Child Care Briefing
NOVEMBER 29, 2023
BRIEFERS:
- Ms. Helen Roadaremel
  Program Manager, Child & Youth Services, Department of the Army
- Ms. Maryann Coutino
  Director, Child & Youth Program, Department of the Navy
- Ms. Kari A. Ratcliffe
  Program Manager, Family Care Branch, Child & Youth Programs, Department of the Navy, USMC
Access to Health Care Briefing
DECEMBER 5, 2023
BRIEFERS:
• Dr. Lester Martinez-Lopez
  Assistant Secretary of Defense for Health Affairs
• Lieutenant General
  Telita Crosland
  Director, Defense Health Agency

Quality of Life Hearing:
Quality of Life Review — Perspective from Senior Enlisted Leaders
JANUARY 31, 2024
WITNESSES:
• Sergeant Major Troy E. Black
  Senior Enlisted Advisor to the Chairman of the Joint Chiefs of Staff, Office of the Secretary of Defense
• Sergeant Major
  Michael R. Weimer
  Sergeant Major of the Army, Department of the Army

Member Recommendations Meeting
FEBRUARY 14, 2024
PARTICIPANTS:
• Mr. Dave Giachetti
  Professional Staff Member, Majority Staff Lead
• Ms. Ilka Regino
  Professional Staff Member, Minority Staff Lead
• Ms. Ellie Bender
  Professional Staff Member
• Ms. Hannah Kaufman
  Professional Staff Member
• Ms. Michaela Reardon
  Professional Staff Member
• Ms. AT Johnston
  Professional Staff Member
• Ms. Natalia Henriquez
  Professional Staff Member
• Ms. Alexandria Evers
  Research Assistant
• Ms. Jeanine Womble
  Professional Staff Member
• Ms. Sapna Sharma
  Professional Staff Member
• Mr. Kyle Noyes
  Professional Staff Member
• Mr. Dane Hughes
  Professional Staff Member
Acknowledgments

The Panel would like to express its thanks for the insights shared by the following:

- The Honorable Kathleen Hicks
  Deputy Secretary of Defense

- The Honorable Ashish Vazirani
  Deputy Under Secretary of Defense for Personnel and Readiness

- The Honorable Radha Plumb
  Deputy Under Secretary of Defense for Acquisition and Sustainment

- Ms. Kathy Roth-Douquet
  Chief Executive Officer, Blue Star Families

- Ms. Ellyn Dunford
  Board of Directors, Blue Star Families

- Ms. Shannon Raszadin
  President and Executive Director, Military Family Advisory Network

- Lieutenant General Brian T. Kelly (Ret)
  President and Chief Executive Officer, Military Officers Association of America

- Ms. Besa Pinchotti
  Chief Executive Officer, National Military Family Association

- Ms. Alyssa M. Densham
  Army Spouse

- Ms. Nakita Fowler
  Navy Spouse

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Endnotes

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Military Spouse Employment Partnership

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