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# ARMED FORCES RETIREMENT HOME

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## CONGRESSIONAL BUDGET JUSTIFICATION FISCAL YEAR 2023



Submitted to the 117<sup>th</sup> Congress of the United States

Senate Committee on Armed Services

House Committee on Armed Services

Senate Committee on Appropriations

Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

House Committee on Appropriations

Subcommittee on Military Construction, Veterans Affairs, and Related Agencies

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## **PROPOSED FISCAL YEAR 2023 APPROPRIATIONS LANGUAGE**

### **ARMED FORCES RETIREMENT HOME TRUST FUND**

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home—Washington, District of Columbia, and the Armed Forces Retirement Home—Gulfport, Mississippi, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, \$75,360,000, to remain available until September 30, 2024, of which \$7,300,000 shall remain available until expended for construction and renovation of the physical plants at the Armed Forces Retirement Home—Washington, District of Columbia, and the Armed Forces Retirement Home—Gulfport, Mississippi: *Provided*, That of the amounts made available under this heading from funds available in the Armed Forces Retirement Home Trust Fund, \$25,000,000 shall be paid from the general fund of the Treasury to the Trust Fund.

### **ARMED FORCES RETIREMENT HOME MAJOR CONSTRUCTION**

For an additional amount for necessary expenses related to design, planning, and construction for renovation of the Sheridan Building at the Armed Forces Retirement Home—Washington, an additional amount, \$77,000,000, shall be paid from the general fund of the Treasury to the Armed Forces Retirement Home Trust Fund, to remain available until expended.

## **FISCAL YEAR 2023 BUDGET REQUEST**

The Armed Forces Retirement Home (AFRH) fiscal year (FY) 2023 operating budget request is \$75,360,000 in total budget authority and 363 full-time equivalent (FTE) personnel, with \$68,060,000 requested for operating expenses and \$7,300,000 requested for capital maintenance and construction. An additional amount of \$77,000,000 is requested for design, planning, and construction phases for renovation of the Sheridan Building on the AFRH-Washington campus.

AFRH's operation and capital improvement expenditures are supported from funds appropriated by Congress and withdrawn from the AFRH Trust Fund. The FY 2023 operating budget request supports AFRH's mission to provide independent living and upper levels of care for certain retired and former enlisted, limited duty officers and warrant officers of the Armed Forces. Many residents are disabled and have lower incomes, services are mandated as defined under 24 USC 413, and residents are supported regardless of their ability to pay for the services they receive per 24 USC 414. In recent years AFRH has prioritized critical projects and deferred maintenance deficits, which we began to address with Congressional support to fund the Agency's most needed projects in FYs 2020 to 2022 totaling \$30,000,000. The FY 2022 enacted budget provided \$9,000,000 for capital projects.

## **REQUEST FOR GENERAL FUND SUPPORT**

Since FY 2015, AFRH has had to rely on transfers from the General Fund of the Treasury to fund operations due to substantial declines in fines and forfeitures revenue from active-duty military members. As directed by Congress, AFRH and DOD leaders have worked diligently to identify new opportunities for revenue and sought organizational efficiencies without disrupting services to residents. These efforts, combined with general fund support, are intended to re-build the trust fund balance. Despite general fund transfers in FYs 2016 through 2022, and improvement in the trust fund balance, dedicated income streams and initiatives to generate additional revenue and cut costs are not yet sufficient to support FY 2023 operating expenses. Therefore, in FY 2023 AFRH requests \$25,000,000 be transferred from the General Fund of the Treasury to the AFRH Trust Fund, without which the AFRH will not have sufficient income to offset non-discretionary outlays and will therefore need to draw on the trust fund balance to support operations.

The FY 2023 request also includes a separate general fund transfer request of \$77,000,000 to support design, planning, and construction phases for renovation of the Sheridan Building on the AFRH-Washington campus. The building, originally constructed in the 1960s, houses 80 percent of Washington campus residents and requires significant capital investment to modernize systems and residential accommodations to keep the building operational as well as attract new residents. Further detail on the proposed project is provided in a later section of this justification.

## **IMPACTS OF THE COVID-19 PANDEMIC**

AFRH is grateful for the tremendous support it received during the COVID-19 pandemic. This included \$2.8 million in supplemental funding from Congress as part of the CARES Act (Public Law 116-136) which helped us procure personal protective equipment, screening and disinfection equipment, specialized cleaning services, and other essential items. It also helped with increased overtime and staff expenses to conduct surveillance testing, establish quarantine units, and cover personnel shortages caused by absences and turnover. Our Department of Defense leadership and partners including Washington Headquarters Services, Defense Health Agency, and Defense Logistics Agency helped AFRH obtain over 38,000 polymerase chain reaction tests, priority for and assistance with administering vaccines leading to over 99 percent of residents being fully vaccinated, alternative sources for procuring equipment when supply chains became unpredictable, and extensive access to public health experts.

The pandemic forced us to largely close off our campuses, severely limited resident activities, and precluded admission of new residents between March 2020 and March 2021. While resident turnover was in line with normal averages of 20 percent per year, not being able to admit new residents caused total occupancy to fall 14 percent during that period.

In March 2021, AFRH began a phased reopening program to facilitate residents coming and going from campus, visitation from family and friends, and restored resident services and activities. The program depends on continuously assessing community prevalence and risk for the virus, both on our campuses and in the surrounding communities, and on everyone in the AFRH community adhering closely to preventive measures. While occupancy began to stabilize in Washington and increase slightly in Gulfport during the second half of FY 2021, the Delta and Omicron variants of the virus caused renewed concern among applicants around entering a communal living environment, and among residents and staff around the risks of the admissions process. Our highest priority has been and will continue to be the health and safety of our veteran residents and staff.

Revenue from resident fees, visitor meal purchases, and short-term rental accommodations fell 13 percent, from an average \$1.31 million per month in the first half of FY 2020 to \$1.15 million per month through the first quarter of FY 2022. Due to economic uncertainty and reduced interest rates, investment income from trust fund balances declined 96 percent, from an average \$108,000 per month in the first half of FY 2020 to an average \$4,500 per month through the first quarter of FY 2022.

The pandemic also inhibited the Agency's ability to make progress on plans to address critical capital maintenance projects due to restricted access to campuses, extended procurement timelines, and limited availability of contract labor and materials; and to lease a portion of our Washington, D.C. campus for mixed-use private development due to economic disruption and process delays.

## **SOLVENCY AND SUSTAINABILITY**

This section responds to congressional reporting requirements for proposals and updates on progress to stabilize the trust fund and ensure the long-term sustainability of AFRH:

- House Reports 115-673, 115-188, and 114-497
- Senate Reports 115-130 and 114-237
- The Joint Explanatory Statement accompanying H.R. 5325 (Public Law 114-223)

In July 2018, new AFRH leadership, with guidance and support from DOD, developed a strategy focused on stabilizing the organization and restoring the long-term sustainability of the trust fund. The previous financial model has been insufficient to cover AFRH annual expenditures, resulting in annual withdrawals from trust fund balances and appropriated support from the General Fund of the Treasury. This occurred due to AFRH's largest revenue stream, fines and forfeitures, declining 49 percent since FY 2009 and active duty withholding declining by 11 percent due to multiple factors. The trust fund balance had been depleted to the point where it could no longer support AFRH operations. Reforms over multiple years, with contributions from all AFRH stakeholders, are necessary to create a sustainable path for the future of the institution and the mission it serves. The strategy yielded key areas detailed below: attracting new residents, expanding eligibility, and leveraging property assets. The agency has made progress in each, but continued support from all stakeholders is necessary for sustained progress. For further information on AFRH initiatives and performance, see the Performance and Accountability Report for Fiscal Year 2021 at <https://www.afrh.gov/sites/default/files/2021%20AFRH%20PAR.pdf>.

## ATTRACTING NEW RESIDENTS

Long-term sustainability for AFRH must include evolving our facilities to meet the needs and desires of current and future generations of veterans. Our Gulfport campus continues to attract new residents with its modern facilities and amenities and beachfront location. Our Washington campus is significantly more challenging as over 80 percent of our residents live in the Sheridan Building which was originally constructed in the 1960s, with the last significant facelift completed in the early 1990s. Rooms are designed for single occupants and are smaller than average rooms in the lowest quartile for retirement communities nationwide.

AVERAGE UNIT SIZE (PER SQUARE FOOT) OF CONTINUING CARE RETIREMENT COMMUNITIES			
AFRH Sheridan Building	National Lower Quartile	National Median	National Upper Quartile
272	434	750	1,439

Source: *The State of Seniors Housing, 2019*; American Seniors Housing Association

AFRH engaged an architecture and engineering firm to redesign a 75-room independent living floor of the building to modern standards and increase unit size by enclosing the existing balconies, which were damaged and unusable since a 2011 earthquake, as hallways. Their proposed design would yield 50 rooms averaging 561 square feet and ranging from 400 to 730 square feet, and capacity ranging from 50 single occupancy to 90 double occupancy to accommodate couples.

The cost estimate of \$77 million includes design, demolition and renovation, enclosure of balconies as new interior hallways, replacing the façade to improve energy efficiency, and modernized HVAC, mechanical, and electrical systems. The project, together with critical maintenance projects already funded, would address an estimated \$23 million in deferred maintenance for the Sheridan Building. Since Sheridan houses 80 percent of Washington campus residents, the building would need to remain open during renovation with the seven floors phased over a 3- to 4-year period.

AFRH leadership considered replacing the Sheridan Building since the Washington campus master plan permits construction of up three new buildings adjacent to North Capitol Street, and commissioned a feasibility study for these new buildings as well as renovation of the historic Grant and Security buildings which have each been closed for over 20 years. The study estimated that the three new buildings, which would modernize the Home’s domiciliary and address aging infrastructure issues, would cost approximately \$505 million, with additional costs for equipment and furnishings, and demolition of the Sheridan Building estimated to cost \$7 million. It also concluded that while the Grant Building is structurally sound, renovation would likely yield only 72 housing units for the estimated cost of \$130 million (\$1.8 million per unit). Alternatively, AFRH estimates \$4 to \$5 million in demolition costs for the Grant Building based on General Services Administration data, though reselling or recycling materials could offset some cost. Finally, the study estimated the cost of renovating the 8,000 square foot historic Security Building for use as a community facility at \$6 million, with additional build-out and furnishing costs depending on use.

Due to the expense and extended timeframe for new construction and historic renovation, and given that the Sheridan Building would still require interim updates and eventual demolition once new construction is complete, AFRH leadership believes extending the useful life of the Sheridan Building by at least two decades is the most prudent course of action.

Funding the project through a General Fund transfer is necessary as AFRH would otherwise need to draw the trust fund balance to unacceptably low levels. It would also be consistent with historical practice of funding AFRH major construction projects from the General Fund.

## **EXPANDING ELIGIBILITY**

Congressional action in the National Defense Authorization Act for Fiscal Year 2021 (Public Law 116-283) expanded resident eligibility to include retired members of the National Guard and Reserves. Given the increased reliance on these components during recent conflicts, AFRH leadership supports extending the benefits AFRH provides our enlisted veterans to all retired members. Our unique model whereby current members of the military invest in the facilities and care of those that served before them is one to be proud of, and expanding eligibility to all components should likewise also extend pay deductions to all components. In 2019 the Congressional Budget Office estimated \$4 million in annual revenue to AFRH if pay deductions are extended to reserve components, offsetting direct spending. Pay deduction revenue would double if DOD increases the deduction amount from \$0.50 to \$1.00 per month. Together these actions would expand eligibility and access while providing significant additional income, helping to ensure the long-term sustainability of this important legacy.

## **LEVERAGING ASSETS TO GENERATE LONG-TERM REVENUE**

### **Washington Campus Mixed-Use Development Project**

Since provisionally selecting a development team for its 80-acre mixed use redevelopment project on the Washington campus, AFRH negotiated a memorandum of understanding with the National Capital Planning Commission (NCPC) and the D.C. Office of Planning (DCOP) formalizing entitlements for the private development on federally-owned land within the District. This significant achievement paves the way for zoning and shifts building code jurisdiction to D.C., thereby removing concerns identified by potential lenders and equity partners. AFRH is working with NCPC, DCOP, and the developers to amend the master plan, addressing proposed variances, revised construction standards and market preferences, and other assumptions since the plan's original approval in 2008. AFRH is continuing to negotiate the master ground lease with the development team and anticipates executing the lease in FY 2022.

### **Addressing Critical Deferred Maintenance**

Outdated and deteriorating facilities have a negative effect on AFRH's ability to attract and retain residents, and low occupancy exacerbates AFRH's financial problems by reducing fee income and driving higher fixed costs per resident. Without continued investment, this backlog will threaten our operations and force more expensive replacements in future years.

Between FY 2015 and FY 2019, AFRH operated with a \$1 million annual budget for capital construction and renovation. The balance sheet acquisition value of our property, plant, and equipment was \$398 million at the end of FY 2020, minus \$104 million accumulated amortization/depreciation including a \$10 million charge in FY 2020. This equated to a capital expenditure ratio of only 0.25% and \$889 per available unit. By comparison, a 2019 senior living industry report showed nationwide average per unit capital expenditures of \$8,465 for continuing care retirement communities.<sup>1</sup>

Congressional authorizations in FYs 2020 through 2022 totaled \$30,000,000 for capital expenditures, which has allowed AFRH to begin addressing mission-critical capital maintenance on our Washington campus. As discussed in the section on COVID-19 impacts, the pandemic delayed progress on these projects due to campus access restrictions, extended procurement timelines, a shortage of qualified bidders, and limited availability of contract labor and materials. We are moving aggressively to execute these projects as procurement and supply chain disruptions ease.

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<sup>1</sup> "Actual vs. Budgeted Capital Expenditures Per Available Unit by Property Type", *State of Seniors Housing 2019*, American Seniors Housing Association.



The FY 2023 request will continue to support AFRH’s focus on critical maintenance investment. While the Washington campus requires the bulk of resources due to its age, after a decade in service the Gulfport facility will require increased investment in the coming years. Saltwater corrosion reduces the life expectancy of many systems, requiring more frequent maintenance and earlier replacement. The following tables summarize projects funded with FY 2020-2022 authorizations and those prioritized for funding in the FY 2023 request:

<b>FY 2020-2022 PRIORITY MAINTENANCE PROJECTS (Priority Order)</b>					
<b>Campus</b>	<b>Project Description</b>	<b>Estimate</b>	<b>Budgeted FY 2020-2022</b>	<b>FY 2023 Request</b>	<b>Status</b>
Washington	Replace 1950s-1960s electrical infrastructure	\$ 7,500,000	\$ 7,900,000	\$ 400,000	Phase 1 design complete, received single proposal, in negotiation. Equipment lead times 21-40 weeks. Phases 2 and 3 design in progress. Material and equipment costs higher than original estimate due to supply chain and inflation.
Washington	Replace original 1960 Sheridan Building roof and quarters building roofs	1,900,000	1,754,000	n/a	Complete
Washington	Chiller and water pump replacement	1,500,000	1,448,159	n/a	Equipment purchase complete, installation pending
Washington	Replace 1920s-1960s water and sewer infrastructure	6,500,000	7,000,000	500,000	Phase 1 design complete, limited bidder interest, expanding solicitation. Phases 2 and 3 design in progress, revealed underground stream shift and membrane damage, will require additional drainage mitigation and higher materials cost than original estimate
Washington	Replace 1950s-1970s elevators (Sheridan, Stanley, Quarters 1, Sherman)	3,400,000	2,766,331	n/a	Combined with above elevator project for efficiency; winning bidder proposed value engineering reusing some original components.
Gulfport	Replace primary and backup generators impacted by lightning, hurricane, and saltwater damage	6,000,000	3,500,000	\$ 2,500,000	Anticipate funding design and primary generator in FY22 (\$3.5m) and backup in FY23 (\$2.5m)
Gulfport	Replace boilers due to salt corrosion	500,000	500,000	n/a	Anticipate funding full project
Both	Replace outdated and malfunctioning emergency alert system	450,000	450,000	n/a	Anticipate funding full project
Washington	Repair and replace slate roofs on historic buildings	600,000	300,000	0	Anticipate funding two buildings (\$300k), remainder in when available
Washington	Repair masonry on historic buildings causing water infiltration and energy loss	4,000,000	400,000		Anticipate funding historic chapel (\$400k)
Washington	Modernize 1970s-1980s HVAC systems, reduce energy use	1,950,000	2,150,000	n/a	Anticipate funding full project. Cost higher than

					original estimate due to bidder-recommended replacement of existing structural supports due to larger, heavier modern energy-efficient equipment
Gulfport	Replace chiller due to reduced useful life, salt corrosion	1,600,000		1,600,000	Full funding requested for FY23
Washington	Repair buildings housing electrical converter and substation	1,850,000		1,850,000	Full funding requested for FY23
Washington	Replace 1950s-1970s fire pump and sprinkler systems to meet current volume and pressure standards	2,000,000			
Both	Computer and network systems upgrades and replacements	300,000		300,000	
Washington	Address emergency egress, ADA accessibility, lighting, plumbing, and mechanical systems of historic Rose and Stanley chapels	2,400,000			
Both	Replace aging and problematic Gulfport keyless access system, integrate Washington onto same system	2,000,000			
TOTAL		\$ 44,450,000		\$ 28,168,490	\$ 6,850,000

Beyond the \$6,850,000 in critical maintenance projects identified for the FY 2023 request in the above table, AFRH also incurs ongoing expenses for master plan development project support, routine equipment and furniture replacements, and contingency repair and replacement needs as they occur. We aim to keep \$750,000 to \$1 million in capital funding set aside for emergency reserves. This level of reserves was critical in FY 2021 to fund emergency repairs to the Gulfport facility following Hurricane Zeta and repairs to chillers at both campuses due to equipment failures. These reduced emergency reserves from \$750,000 at the beginning of FY 2021 to \$155,000 in the third quarter of FY 2021. Together these additional needs compose the balance of the \$7,300,000 in capital funding requested for FY 2023.

### REVENUE PROJECTION INCLUDING SOLVENCY INITIATIVES

REVENUES (Dollars in Millions)				
	FY 2021 Actual	FY 2022 Estimate	FY 2023 Projection	2022-2023 Increase / (Decrease)
General Fund transfers	\$ 25	\$ 25	\$ 25	\$ 0
Fines and forfeitures	20	20	20	0
Resident fees	14	16	17	1
Military pay deductions	7	7	7	0
Guard and Reserve deductions			4	4
Increase deductions to \$1			11	11
Leases and property sales	3	5	6	1
Trust fund interest	0	0	1	1
Donations & Bequests	1	0	0	0
TOTAL	70	73	91	18

## BUDGET DETAIL

### SPENDING AUTHORITY BY ACTIVITY

SPENDING AUTHORITY BY ACTIVITY (Dollars in Thousands)					
Authority	FY 2021 Enacted	FY 2022 Request	FY 2022 Enacted	FY 2023 Request	2022-2023 Increase / (Decrease)
Operation and maintenance	\$ 66,300	\$ 68,000	\$ 68,000	\$ 68,060	\$ 60
Construction and renovation	9,000	7,300	9,000	7,300	(1,700)
Major construction	0	0	0	77,000	77,000
Total authority	\$ 75,300	\$ 75,300	\$ 77,000	\$ 152,360	\$ 75,360
Full-time equivalent personnel	363	363	363	363	0

### SALARIES & RELATED EXPENSES

AFRH's FY 2023 budget request for salaries and related expenses fully supports the agency's mission requirements while providing flexibility to insource where labor cost efficiency can be yielded.

SALARIES & RELATED EXPENSES (Dollars in Thousands)			
FY 2022 Enacted		FY 2023 Request	
Full Time Equivalents	Budget Authority	Full Time Equivalents	Budget Authority
363	32,000	363	\$33,000

STAFFING HISTORY (Dollars in Thousands)		
Fiscal Year	Salaries & Benefits Request	Full Time Equivalents
2007	\$ 22,460	288
2008	24,043	283
2009	21,120	268
2010	21,589	252
2011*	25,019	280
2012	23,876	278
2013**	23,910	278
2014	22,976	275
2015	23,427	269
2016	24,820	293
2017	28,170	285
2018	28,695	336
2019	29,956	336
2020	28,000	363
2021	31,000	363
2022	32,000	363
2023	33,000	363

FOOTNOTES:

\* Reopening of AFRH-G Facility after Hurricane Katrina destruction in 2005 and reshaping of AFRH-W workforce.

\*\*Additional FTE requested to implement HHS recommended 4.1 hours per day for upper-level care residents.

## CHANGES ANTICIPATED FOR FY 2023 APPROPRIATIONS

### INCREASES / DECREASES BY OBJECT CLASS

The table below describes the differences between the FY 2022 appropriation and the FY 2023 request. This budget request will allow AFRH to continue providing residency and support services to achieve the Administration's government-wide management initiatives within agency operations, as well as manage to staffing costs and inflationary impact in cost of care.

BUDGET BY OBJECT CLASS						
(Dollars in Millions)						
Major Object Class		FY 2021 Actual	FY 2022 Request	FY 2022 Enacted	FY 2023 Request	2022-2023 Increase / (Decrease)
11	Personnel compensation	\$ 21	\$ 23	\$ 23	\$ 23	\$ 0
12	Personnel benefits	8	9	9	9	0
21	Travel & transportation of persons	0	1	1	0	-1
23	Communications & utilities	3	3	3	4	1
25	Contractual services	28	31	31	31	0
26	Supplies & materials	1	1	1	1	0
30	Equipment, land & structures	0	7	9	84	75
TOTAL		\$ 61	\$ 75	\$77	\$ 152	\$75
Full time equivalents		285	363	363	363	0

- Travel & transportation of persons: Decrease of \$1 million for permanent reduction in travel and vehicle pool planned expenses.
- Communications & utilities: Increase of \$1 million for anticipated water and sewer charges resulting from legal dispute resolution.
- Equipment, land & structures: Net increase of \$75 million including \$77 million increase for major construction project to design, plan, and renovate the Sheridan Building on the AFRH-Washington campus and \$1.7 million decrease in capital maintenance project requests.

## FUTURE BUDGETARY CONCERNS

### TRUST FUND SOLVENCY

Congress has supported elements of AFRH's strategic plan to reach long term solvency by expanding eligibility categories to attract residents, including retired members of the National Guard and Reserves and spouses; facilitating new income from underutilized property by clarifying leasing authority; investing in capital maintenance and improvements; and facilitating solicitation of gifts. Many of these strategic goal elements will require near-term and ongoing investments of funds and resources to generate long-term results, statutory and administrative changes outside AFRH's control, and access to and flexibility of funds to reach long-term solvency.

### AFRH – DC 1938 WATER AGREEMENT

On January 9, 2018, DC Water filed a lawsuit in the United States District Court for the District of Columbia which was subsequently transferred to U.S. Court of Federal Claims on September 12, 2018. The lawsuit alleges non-payment for sewer services that DC Water provides to the buildings on AFRH-W's grounds. DC Water alleges that the fair market value of the services provided to AFRH since January

22, 2010 thru 2018 is \$12,000,000. DC Water has also requested charges from 2019 thru the present year. Both DOD and AFRH believe the 1938 agreement is valid. On September 10, 2021 the court ruled that AFRH is required to pay FY2021 sewer charge (\$1,747,090.49 estimate) and future charges should DC Water bill AFRH correctly in accordance with the DC Public Works Act of 1954, Pub. L. No. 83-364, 68 Stat. 101, 83rd Cong. (1954). AFRH disputes the FY2021 sewer estimate submitted for payment and is litigating the issue to arrive at the correct amount to be charged. The Court also determined that sections 106 (water) & 212(sewer) of the D.C. Public Works Act of 1954 are money mandating provisions and threaten the 1938 Agreement without a specific exemption clause for AFRH. Notable sections for exemption are 1954 Act., Pub. L. No. 83-364, 68 Stat. 101, §§ 106, 206, 212(a); Pub. L. No. 91-650, 84 Stat. 1931, § 105(b).

## APPENDIX 1: FUNDING HISTORY

APPROPRIATED FUNDING 1992 TO PRESENT					
(Dollars in Thousands)					
Fiscal Year	Operate and Maintain	Construction and Renovation	Total Regular Appropriations	Special Appropriations	
1992	\$ 51,407	\$ 5,473	\$ 56,880		
1993	53,319	6,477	59,796		
1994	53,914	5,403	59,317		
1995	56,411	2,906	59,317		
1996	54,017	1,954	55,971		
1997	55,772	432	56,204		
1998	55,452	13,217	68,669		
1999	55,028	15,717	70,745		
2000	55,599	12,696	68,295		
2001	60,000	9,832	69,832		
2002	61,628	9,812	71,440	\$ 5,200	<sup>2</sup>
2003	62,244	5,769	68,013		
2004	63,296	1,983	65,279		
2005	57,624	4,000	61,624	6,000	<sup>3</sup>
2006	57,033	1,248	58,281	65,800	<sup>4</sup>
				176,000	<sup>5</sup>
2007 <sup>6</sup>	57,033	1,248	58,281		
2008	55,724		55,724	800	<sup>7</sup>
2009	54,985	8,025	63,010		
2010	62,000	72,000	134,000		
2011	69,200	2,000	71,200		
2012	65,700	2,000	67,700	14,630	<sup>8</sup>
2013	65,590	2,000	67,590		
2014	66,800	1,000	67,800		
2015	63,400	1,000	64,400		
2016	63,300	1,000	64,300	20,000	<sup>9</sup>
2017	63,300	1,000	64,300	22,000	<sup>9</sup>
2018	63,300	1,000	64,300	22,000	<sup>9</sup>
2019	63,300	1,000	64,300	22,000	<sup>9</sup>
2020	63,300	12,000	75,300	22,000	<sup>9</sup>
				2,800	<sup>10</sup>
2021	66,300	9,000	75,300	22,000	<sup>9</sup>
2022	68,000	9,000	77,000	25,000	<sup>9</sup>

<sup>2</sup> \$5,200,000 grant from DOD available until September 30, 2002 for 9/11 recovery

<sup>3</sup> \$6,000,000 transfer from DOD Operation and Maintenance Defense-Wide for Hurricane Katrina recovery

<sup>4</sup> \$65,800,000 General Fund payment available until expended for Hurricane Katrina recovery

<sup>5</sup> \$176,000,000 General Fund payment available until expended for AFRH-Gulfport replacement

<sup>6</sup> In 2007 the government operated under a series of Continuing Resolutions

<sup>7</sup> \$800,000 General Fund payment available until expended

<sup>8</sup> \$14,630,000 General Fund payment available until expended for earthquake recovery

<sup>9</sup> General Fund payments to support operations

<sup>10</sup> \$2,800,000 CARES Act General Fund payment available through FY21 for COVID-19 response

## APPENDIX 2: CURRENT / PROJECTED RESIDENTS

<b>CURRENT / PROJECTED RESIDENTS</b>			
	<b>ACTUAL FY 2021</b>	<b>ESTIMATED FY 2022</b>	<b>ESTIMATED FY 2023</b>
Domiciliary Care	495	545	598
Healthcare	120	132	145
Total Residents	615	677	743

### APPENDIX 3: AFRH ORGANIZATION

AFRH is an independent establishment in the Federal Executive Branch established under Title 24 U.S.C. Chapter 10. The agency encompasses two Continuing Care Retirement Communities (CCRC) offering increased levels of care as resident need additional services. As required by law, AFRH facilities provide on-site medical care services and transportation of residents to DOD and Veterans Affairs health facilities near each campus. Though an independent establishment, AFRH is under the control and administration of the Secretary of Defense.

AFRH has two locations—Gulfport, MS (AFRH-G) and Washington, DC (AFRH-W). Both facilities are modern offering full services and a small house concept in upper levels of care. The upper-level of care small house concept contributes to AFRH’s vision of Person-centered Care by meeting individual resident’s needs in a home-like setting at a reasonable cost.

#### AFRH-G (GULFPORT, MS)

The AFRH-G facility is located on approximately 40 acres of land on the Mississippi Sound. The resort towns of Gulfport and Biloxi as well as Keesler Air Force Base and other government facilities are in close proximity. The Gulfport community has been home to former enlisted, limited duty officer and warrant officer service members since 1976 when the Naval Home relocated to Gulfport from Philadelphia, Pennsylvania.

#### AFRH-W (WASHINGTON, DC)

The AFRH-W facility is located on 272 acres in the heart of the Nation’s capital. The campus has been home to thousands of former enlisted, warrant officer and limited duty officer service members since 1851. The campus is also home to President Lincoln’s Cottage at the Soldiers’ Home and Creative Minds International Public Charter School.

#### ORGANIZATIONAL CHART





◆ Denotes Secretary of Defense appointed position  
Department of Defense employees in dark blue

## **APPENDIX 4: ACRONYMS**

<b>Acronym</b>	<b>Definition</b>
AFRH	Armed Forces Retirement Home
AFRH-G	Armed Forces Retirement Home-Gulfport
AFRH-W	Armed Forces Retirement Home-Washington
CEO	Chief Executive Officer, AFRH
COO	Chief Operating Officer, AFRH
DCOP	District of Columbia Office of Planning
DOD	Department of Defense
FTE	Full Time Equivalent
FY	Fiscal Year
NCPC	National Capital Planning Commission