



ARMED FORCES RETIREMENT HOME



CONGRESSIONAL BUDGET JUSTIFICATION FISCAL YEAR 2024



Submitted to the 118th 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

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CONTENTS

PROPOSED FISCAL YEAR 2024 APPROPRIATIONS LANGUAGE _____	3
FISCAL YEAR 2024 BUDGET REQUEST _____	4
SOLVENCY AND SUSTAINABILITY _____	5
BUDGET DETAIL _____	9
FUTURE BUDGETARY CONCERNS _____	11
APPENDIX 1: FUNDING HISTORY _____	134
APPENDIX 2: CURRENT / PROJECTED RESIDENTS _____	14
APPENDIX 3: AFRH ORGANIZATION _____	15
APPENDIX 4: ACRONYMS _____	16

PROPOSED FISCAL YEAR 2024 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, \$77,000,000, to remain available until September 30, 2025, of which \$8,940,000 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.

FISCAL YEAR 2024 BUDGET REQUEST

The Armed Forces Retirement Home (AFRH) fiscal year (FY) 2024 operating budget request is \$77,000,000 in total budget authority and 363 full-time equivalent (FTE) personnel, with \$68,060,000 requested for operating expenses and \$8,940,000 requested for capital maintenance and construction.

AFRH's operation and capital improvement expenditures are supported from funds appropriated by Congress and withdrawn from the AFRH Trust Fund. The FY 2024 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 deferred maintenance projects, which we began to address with Congressional support to fund the Agency's most needed projects in FYs 2021 to 2023 totaling \$25.3 million. The FY 2023 enacted budget provided \$9,000,000 for capital projects and the FY 2024 request is \$8,940,000.

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 2023, 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 2024 operating expenses. Therefore, in FY 2024 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.

PROLONGED IMPACTS OF THE COVID-19 PANDEMIC

AFRH is grateful for the tremendous support it received during the COVID-19 pandemic. Our Department of Defense leadership and partners including Washington Headquarters Services, Defense Health Agency, and Defense Logistics Agency helped AFRH obtain testing, vaccines, alternative sources for supplies and equipment, and extensive access to public health experts.

The pandemic forced us to largely close off our campuses, severely limit resident activities, and preclude 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 which 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. Since that time, both AFRH campuses have had to increase preventive measures and restrict operations for brief periods in response to increased regional community spread. Gulfport occupancy has increased seven percent since the pandemic low point while Washington campus occupancy has continued to decline. New variants of the virus, uncertainty about operational restrictions, and concerns about communal living environments continue to impact our ability to attract and retain residents and staff.

Revenue from resident fees, visitor meal purchases, and short-term rental accommodations fell 14 percent, from an average \$1.31 million per month in the first half of FY 2020 to \$1.13 million per month on average in FY 2021 and the first quarter of FY 2022. In January 2022, resident fee revenue increased to \$1.19 million average per month through the fourth quarter of FY 2022 reflecting the 5.9 percent increase in military retirement pay for calendar year 2022.

Due to economic uncertainty and reduced interest rates, investment income from trust fund balances declined 85 percent, from an average \$108,000 per month in the first half of FY 2020 to an average \$3,716 per month in FY 2021. Interest income began to improve along with broader interest rates, averaging \$55,884 per month during the second half 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 increased contributions from all AFRH stakeholders, continue to be necessary to create a sustainable path for the home and its mission. Provided below is a summary of three focus areas for reform and support. For further information on AFRH initiatives and performance, see the Performance and Accountability Report for Fiscal Year 2022 at <https://www.afrh.gov/sites/default/files/par/2022%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 the independent living and assisted living floors to modern standards and increase unit size by enclosing the existing balconies. Their proposed design would yield 50 rooms on independent living floors 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 assisted living floor design would consolidate that unit onto the ground floor, significantly improving safety and nurse staff coverage since it is currently split between the first and second floors, and yield 54 rooms averaging 526 square feet and ranging from 325 to 750 square feet.

The cost estimate of \$77 million includes design, demolition and renovation, enclosure of balconies as new interior space, 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 floor renovation phased over a 3- to 4-year period. The FY 2023 enactment budget provided \$77 million for the major capital project. Once procurement is secured, AFRH will re-evaluate economic conditions and labor and supply chain pressures to ensure the project has sufficient resources.

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. Additionally, it's estimated that the demolition of the Sheridan Building would 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 continues to believe extending the useful life of the Sheridan Building by at least two decades is the most prudent course of action. AFRH appreciates Congress supporting the renovation project through a General Fund transfer in the FY 2023 appropriation. Funding the project through a General Fund transfer was necessary as AFRH would otherwise have needed to draw the trust fund balance to unacceptably low levels. It was also consistent with historical practice of funding AFRH major construction projects from the General Fund.

SUPPORT BY CURRENT MILITARY MEMBERS

AFRH's 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. Given the increased reliance on Guard and Reserve components during recent conflicts, AFRH leadership supports Congress's FY 2021 extension of the benefits AFRH provides to retired enlisted members of all components, active and reserve. Unfortunately the eligibility expansion did not likewise extend pay deductions which currently apply only to active 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.

Additionally, pay deduction revenue would double if DOD increases the deduction amount from \$0.50 to \$1.00 per month as permitted under current statute. The \$0.50 level has been in place since 1977 and the \$1.00 authority since 1994. These fixed amounts have a structural flaw since inflation erodes purchasing power over time. The flaw could be fixed through a legislative change tying the deduction amount to increases in military pay.

Together these actions would expand veteran access while providing significant additional income and help 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 (NCP) 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 worked with NCP, DCOP, and the developers to amend the master plan which was approved by the NCP in June 2022. Currently AFRH continues to work with our development partners on master lease negotiations, anticipating lease execution by the first quarter of fiscal year 2024 due to current economic conditions affecting construction financing and other factors. Negotiations continue with the D.C. Government on zoning legislation and related affordable housing requirements, tax increment financing, and payment in lieu of taxes financing. AFRH expects to brief the National Capitol Planning Commission at their request in early calendar year 2023 on outreach to surrounding neighborhoods that desire public access to AFRH land not slated for development.

Addressing Critical Deferred Maintenance

Congressional authorizations in FYs 2020 through 2023 totaled \$37,300,000 for capital expenditures, which has allowed AFRH to address 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 have moved to aggressively execute these projects as procurement and supply chain disruptions ease.

Continuing capital investment is essential to prevent disruption to operations and safety and avoid more expensive replacements in future years. 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. The FY 2022 balance sheet acquisition cost of our property and equipment was \$407 million minus \$124 million accumulated amortization/depreciation including an \$11 million charge for the year. The \$7 million capital spending authorized in FY 2022 partly offset the depreciation charge and provided a capital expenditure rate of 2.5 percent or \$6,250 per available unit. By comparison, a recent senior living industry report showed nationwide average per unit capital expenditures of \$8,465 for continuing care retirement communities.¹

The FY 2024 request will support AFRH's continued focus on critical maintenance. While the Washington campus requires the bulk of resources due to its age, after over a decade in service the Gulfport facility

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

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 2020-2023 authorizations and those prioritized for funding in the FY 2024 request:

FY 2020-2024 PRIORITY MAINTENANCE PROJECTS (priority order)					
Campus	Project Description	Estimate	Budgeted FY 2020-2023	FY 2024 Request	Status
Washington	Replace 1950s-1960s electrical infrastructure	\$7,500,000	\$8,300,000	n/a	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	7,500,000	n/a	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	6,000,000	n/a	Fully funded
Gulfport	Replace boilers due to salt corrosion	500,000	500,000	n/a	Fully funded
Both	Replace outdated and malfunctioning emergency alert system	1,750,000	450,000	1,300,000	System is no longer supported and replacement parts are no longer manufactured.
Washington	Repair and replace slate roofs on historic buildings	600,000	300,000	300,000	Funded two buildings (\$300k)
Washington	Repair masonry on historic buildings causing water infiltration and energy loss	4,000,000	400,000		Funded historic chapel (\$400k)
Washington	Modernize 1970s-1980s HVAC systems, reduce energy use	2,850,000	1,950,000	900,000	Fully funded. 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	n/a	Fully funded
Washington	Repair buildings housing electrical converter and substation	1,850,000	1,850,000	n/a	Fully funded
Washington	Replace 1950s-1970s fire pump and sprinkler systems to meet current volume and pressure standards	2,000,000		2,000,000	

Both	Computer and network systems upgrades and replacements	300,000	300,000	n/a	
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		2,000,000	
Washington	National Monument Quarters 1 and 2 phase 1 repairs (roof, waterproofing, masonry, plaster, replace deteriorated components, remediate hazardous material, accessibility, HVAC, fire alarm system)	4,460,000		700,000	
Washington	National Monument Quarters 1 and 2 phase 2 repairs (stonework, basement plaster, fireplaces, tile, kitchen rehab, security system)	940,000		1,640,000	
TOTAL		\$52,050,000	\$34,218,490	\$8,840,000	

Beyond the \$8,840,000 in critical maintenance projects identified for the FY 2024 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. Additionally, we maintain a capital funding reserve set aside for emergency situations such as hurricane damage and equipment failures. Together these additional needs compose the balance of the \$8,940,000 in capital funding requested.

REVENUE PROJECTION INCLUDING SOLVENCY INITIATIVES

REVENUES (Dollars in Millions)				
	FY 2022 Estimate	FY 2023 Estimate	FY 2024 Projection	2023-2024 Increase / (Decrease)
General Fund transfers	\$ [25]	\$ 25	\$ 25	\$ 0
Fines and forfeitures	[20]	20	20	0
Resident fees	[15]	15	15	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	[71]	73	91	18

* Solvency Initiatives – Legislative Proposal Submitted

BUDGET DETAIL

SPENDING AUTHORITY BY ACTIVITY

SPENDING AUTHORITY BY ACTIVITY (Dollars in Thousands)
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Authority	FY 2022 Enacted	FY 2023 Request	FY 2023 Enacted	FY 2024 Request	2023-2024 Increase / (Decrease)
Operation and maintenance	\$ 68,000	\$ 68,060	\$ 68,060	\$ 68,060	\$ 0
Construction and renovation	\$ 7,300	\$ 7,300	\$ 7,300	\$ 8,940	\$ 1,640
Major construction	\$ 0	\$ 77,000	\$ 77,000	\$ 0	[\$ 77,000]
Total authority	\$ 75,300	\$ 152,360	\$ 152,360	\$ 77,000	[\$75,360]

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 2023 Enacted		FY 2024 Request	
Full Time Equivalents	Budget Authority	Full Time Equivalents	Budget Authority
363	\$32,000	363	\$32,000

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	32,000	363
2024 Request	32,000	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 2024 APPROPRIATIONS

INCREASES / DECREASES BY OBJECT CLASS

The table below describes the differences between the FY 2023 appropriation and the FY 2024 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 2022 Enacted	FY 2023 Request	FY 2023 Enacted	FY 2024 Request	2022-2023 Increase / (Decrease)
11	Personnel compensation	\$ 23	\$ 23	\$ 23	\$ 23	\$ 0
12	Personnel benefits	9	9	9	9	0
21	Travel & transportation of persons	1	0	0	0	0
23	Communications & utilities	3	4	4	4	0
25	Contractual services	31	31	31	31	0
26	Supplies & materials	1	1	1	1	0
30	Equipment, land & structures	7	84	84	9	[75]
TOTAL		\$ 75	\$ 152	\$152	\$ 77	[\$75]
Full time equivalents		285	363	363	363	363

- Equipment, land & structures: \$77 million decrease from one-time FY23 major construction project to design, plan, and renovate the Sheridan Building on the AFRH-Washington campus

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; and investing in capital maintenance and improvements. 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. Absent an appeal, AFRH will be liable for prospective sewer payments. 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	
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	²
2003	62,244	5,769	68,013		
2004	63,296	1,983	65,279		
2005	57,624	4,000	61,624	6,000	³
2006	57,033	1,248	58,281	65,800	⁴
				176,000	⁵
2007 ⁶	57,033	1,248	58,281		
2008	55,724		55,724	800	⁷
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	⁸
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	⁹
2017	63,300	1,000	64,300	22,000	⁹
2018	63,300	1,000	64,300	22,000	⁹
2019	63,300	1,000	64,300	22,000	⁹
2020	63,300	12,000	75,300	22,000	⁹
				2,800	¹⁰
2021	66,300	9,000	75,300	22,000	⁹
2022	68,000	7,300	75,300	25,000	⁹
2023	68,060	7,300	75,360	25,000	⁹
				77,000	¹¹

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

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

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

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

⁶ In 2007 the government operated under a series of Continuing Resolutions

⁷ \$800,000 General Fund payment available until expended

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

⁹ General Fund payments to support operations

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

¹¹ \$77,000,000 General Fund payment available until expended for AFRH-W Sheridan Building renovation

APPENDIX 2: CURRENT / PROJECTED RESIDENTS

CURRENT / PROJECTED RESIDENTS			
	ACTUAL FY 2022	ESTIMATED FY 2023	ESTIMATED FY 2024
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

Acronym	Definition
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