Armed Forces Retirement Home
Strategic Plan 2024-2026

August 2024

Agency Overview

Mission
To fulfill our Nation's commitment to its veterans by providing premier retirement communities with exceptional care and extensive services.

Vision
Retirement communities committed to excellence, fostering independence, vitality and wellness for veteran populations, making vibrant places in which to live, work and thrive.

Snapshot
The Armed Forces Retirement Home (AFRH) is an independent establishment in the Executive Branch of the Federal Government, the purpose of which is to provide residences and related services for certain former members of the Armed Forces. While today's organization was formed by Congress in 1991 as the only continuing care retirement community (CCRC) operated by the Federal Government, AFRH's mission began in the 19th century. The Armed Forces Retirement Home Act of 1991 merged two storied institutions under one corporate organization: the U.S. Soldier's and Airmen's Home in Washington, D.C. established in 1851, and the U.S. Naval Home in Gulfport, Mississippi, originally established in Philadelphia, Pennsylvania in 1834.

Currently AFRH can accommodate up to 1,100 veterans at its two locations. Veterans eligible to become residents include those who spent the majority of their military service in enlisted, warrant officer, or limited duty officer ranks. Other eligibility requirements as specified in law include a combination of service time, service-connected disability, and combat zone, women's component, and honorable service[1]. AFRH continues to evaluate eligibility requirements to better support the total enlisted military force, and recent changes in legislation have expanded eligibility to accompanying spouses and retired members of the National Guard and Reserves. Veterans enter AFRH in independent living with access to a continuum of care as their health needs increase: independent living plus, assisted living, long term care, and memory support. Residents are admitted regardless of their assets or income. Each resident pays a monthly fee determined annually based on a maximum amount for each level of care or a percentage of their gross income, whichever is less. Most residents pay significantly less than it costs AFRH to deliver all-inclusive services, including a private room and bath, meals, on-site wellness clinic with primary medical and dental care as well as certain specialty providers, a wealth of physical and social activities, local transportation, and many other amenities. Residents of the Washington campus enjoy hilltop views of the capital city on 272 acres of rolling landscape while Gulfport residents enjoy a 40-acre waterfront location with direct beach access on the Mississippi Sound.

Funding
AFRH was established to be self-sustaining and is financed through the Armed Forces Retirement Home Trust Fund within the U.S. Treasury. Amounts in the trust fund are available solely for the operations of AFRH and expenses are subject to annual Congressional review and approval through the appropriations process. Unspent funds do not expire and remain in the trust fund for later approved use. The trust fund receives dedicated income sources to include resident fees, monthly active-duty payroll deductions,

[1] Title 24, United States Code, section 413

disciplinary fines and forfeitures from active-duty personnel, investment income on trust fund balances, rental income from real property leases, and gifts and bequests.

In recent years, and on numerous occasions throughout its history, annual income from these sources was not sufficient to cover the Home's annual expenditures, forcing withdrawals from trust fund balances and appropriated support from the general fund of the treasury in fiscal years since 2016. This occurred due to AFRH's largest revenue stream—fines and forfeitures—declining 46 percent between fiscal years 2009 and 2016; active duty withholding declining 7 percent following reductions in active-duty forces; trust fund interest income declining over 90 percent; and facility construction expenses. While the trust fund balance has been increasing in recent years, AFRH and its stakeholders must focus on generating additional revenue and find new ways to do business to create a sustainable path for the future of the Home and the mission it serves.

Oversight and Organization

AFRH's oversight and organizational structure are unique in the Federal Government. The Armed Forces Retirement Home Act of 1991 as amended, codified in United States Code title 24 chapter 10, identifies AFRH as an independent agency within the executive branch. The uniqueness arises from the legislation's stipulation that the secretary of defense control and oversee AFRH's leadership and administration and that the deputy director of the Defense Health Agency serve as senior medical advisor to advise the home on medical care and coordination of services with the defense and veterans affairs departments. In addition, all services to residents are accredited by nationally recognized civilian organizations including The Joint Commission (TJC) and the Commission for Accreditation of Rehabilitation Facilities (CARF). Financial, systems, and acquisition activities are subject to independent annual audit, as well as Government Accountability Office and Office of Management and Budget compliance requirements.

The secretary of defense's oversight responsibilities are delegated to the director of administration and management and the director of Washington Headquarters Services, and are exercised on a day-by-day basis by the AFRH chief executive officer (CEO), a Department of Defense executive. The CEO appoints key AFRH officials including the chief operating officer (COO), who serves as the AFRH agency head, as well as the administrator and ombudsman for each campus. The COO is responsible for the overall direction, operation, and management of the AFRH as provided in the AFRH Act of 1991 as amended and otherwise by law and regulation.

The AFRH agency headquarters are located in Washington, D.C. and consist of a small corporate staff to manage common agency functions and services. Each of the two campuses has an identical departmental structure and similar staff profile, as illustrated in the organizational chart below.

Organizational Chart

◆Position appointed by the Secretary of Defense
Department of Defense employees in dark blue

Vision 2040

AFRH recognizes that leveraging our assets to best advance our mission is vital as we work to restore the trust fund's solvency and sustainability. Ability to continually invest in our facilities and programs, while maintaining our extensive historic property, are critical to AFRH's future. A long view is necessary, so AFRH is setting its sights on 2040 and beyond to address our aging infrastructure and accommodate shifting industry trends and generational life preferences. To that end, we believe the following elements should form the core of AFRH by 2040:

Multigenerational communities of veterans

Since its roots in the 19th century, AFRH has served veterans too injured or ill to live on their own, and we pride ourselves on providing best-in-class care to our residents for the rest of their lives. A central piece of AFRH's mission in the past was to provide support for veterans leaving the military or encountering difficulty thriving in civilian life. We believe the AFRH campuses of 2040 must be generationally diverse with a range of services and living environments attractive to veterans of all ages.

Dynamic living environments

Of primary focus for this long view is the 272-acre Washington, DC campus. While we continue to view the 80-acre zone slated for mixed use redevelopment effort as an opportunity to generate income and offer exciting new amenities, services, and open spaces to AFRH and DC residents alike, the remaining 192 acres must continue to serve our mission, add value to our services, and attract future residents. Many potential residents are deterred by the institutional look and feel of our facilities. This is not unique to AFRH, as private sector communities across the country have moved toward decentralized living units with the amenities of a campus or neighborhood setting. AFRH campuses offer a wealth of opportunity to experiment with new concepts and amenities, and we should leverage those opportunities to develop competitive offerings, particularly in:

Using leading asset management practices and standards-based data, AFRH will plan for facility improvements through creative land use, restoration of historic buildings, and new developmental ideas.

Realizing the vision

- Design and build one to three mid-rise buildings, each adding approximately 125 new residential units, as well as 24 townhouses as approved in the Washington campus master plan
- Renovate Washington campus cottages for multiple units
- Expand Gulfport capacity by adding a new mid-rise apartment building, townhomes, or cottages
- Introduce new food service options and self-catered independent living units
- Establish partnership programs for education and career transition of servicemembers and veterans to AFRH residents and staff
- Continually refresh amenities and programs to remain relevant, attractive, and inclusive of veterans with a variety of abilities and interests

Strategic Goals 2024-2026

This is a short-term three-year plan focused on actions to continue AFRH on course for a solid and sustainable future. It is not an agency strategic plan as defined by 5 USC 306 or OMB Circular A-11, which would encompass a four-year administration and include government-wide goals following prescribed formats and requirements.

Strategic goals are a framework for thinking about problems, setting priorities, and making decisions. They help answer the question: Where are we going? Objectives map how we get there. These goals and objectives are agency-wide priorities for the next three calendar years. Corporate and campus divisions will craft business plans that further define and add to these priorities within the context of their individual missions. A strategic plan should not be a self-fulfilling prophecy, but rather a living framework that adapts to evolving circumstances. To that end, AFRH leadership will revisit the plan each year to take stock and revise goals and objectives as appropriate.

Strategic Goal 1 – Quality Care First and Always

This goal affirms that AFRH's core mission is to care for veterans. It is our very reason for existence, and how we chart our future goals and objectives. It is the foundation to continue to build and refine the answers to fundamental questions about who we serve and what we have to offer.

Strategic Questions

- What needs are we filling?
- What adjustments, given the current climate, do we need to make in order to succeed in achieving this goal?

Goal 1 Objectives 2024-2026

1.1 Achieve an occupancy rate of 90 percent or better

Empty rooms are a wasted opportunity to serve veterans in need, lost revenue, and a sunk cost to maintain unused facilities. If AFRH is providing a valuable in-demand service then all rooms should be full. If they are not, eligibility criteria may be too limited, or our offerings or outreach needs to be improved. AFRH is a unique organization with a focused mission, but many of our services are comparable to private sector offerings. Therefore, in pursuing this objective we must be attuned to competitive market dynamics.

Initiatives

1.1.1 Broaden outreach to attract new residents

Currently 80 percent of AFRH residents are military retirees with over 20 years of service. The average age of residents is 82 years and 85 percent are male. Veterans eligible because of injury, disease, or disability are underrepresented because governing law had limited eligibility to economic factors. In late 2018, Congress changed the law to allow AFRH to admit spouses with eligible residents, eliminate economic factors as a sole determinant for admission, and create a pathway to admission for veterans with mental health and substance abuse issues. In late 2020 Congress again broadened eligibility to retired members of the National Guard and Reserves and eliminated the minimum age 60 requirement for active duty retirees. While the Coronavirus Pandemic closed admissions for much of 2020 into 2021, with these eligibility expansions and additional operational and capital funding, AFRH is working aggressively in 2024-2026 to expand outreach efforts and attract new residents, focusing on the Gulfport campus while the Washington campus embarks on a renovation of the independent and assisted living facility.

1.1.2 Attract couples

The AFRH mission has been and will continue to be serving enlisted veterans when they need our care. Most veterans enter AFRH at advanced ages and health conditions after a spouse has passed away. In 2018 Congress allowed spouses to be admitted with their eligible veteran and we are already seeing benefits at our communities. AFRH developed an initial fee structure and policies which it continues to test and revise, and will soon embark on a renovation at the Washington campus to enlarge and modernize rooms for all residents.

1.1.3 Modernize residential facilities

Over 80 percent of AFRH-Washington residents live in the Sheridan Building which was 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 of Continuing Care Retirement Communities Nationwide (in square feet)			
AFRH-W	**Lower Quartile**	**Median**	**Upper Quartile**
272	488	822	1,205

Source: Table 3.12, *The State of Seniors Housing, 2021*; American Seniors Housing Association

AFRH engaged an architecture and engineering firm to redesign the 75-room independent living floors of the Sheridan Building to modern standards and increase per-unit square footage by extending usable floor area to enclose the existing balconies which were damaged and unusable since a 2011 earthquake. Their proposed design would yield 50 rooms per floor averaging 561 square feet and ranging from 400 to 730 square feet, with capacity ranging from 50 single occupancy to 90 double occupancy to accommodate couples. The scope of work will include demolition and renovation, enclosure of the balconies, and modernized HVAC, mechanical, and electrical systems. Phased renovation while the building remains open and occupied is expected to take three to four years, with over one half of the building closing in late 2024 for the project's first phase starting early 2025. AFRH has signed an agreement with the General Services Administration to manage the project, which has contracted with a project management firm and is preparing to solicit for the construction contract. $77 million has already been provided by Congress, with an additional $31 million requested in the FY 2025 budget for estimated project completion, and approvals obtained from the DC Historic Preservation Office, Commission on Fine Arts, and National Capital Planning Commission. This project, together with the roof and elevator replacement projects already completed, will fully address an estimated $23 million in deferred maintenance for the Sheridan Building and provide a modernized facility attractive for current and future residents.

1.1.4 Ensure the admissions process is applicant-centered

AFRH has unique eligibility requirements and a duty to ensure laws are followed, new residents are set up for a successful experience, and our communities remain vibrant places to live. Veterans, before and after admission, come to AFRH with complex needs. The marketing and admissions process involves a considerable time investment from both the applicant and the AFRH staff. Our dedication to resident-centered care ensures that we must continually improve our admissions processes to make it applicant-focused by gearing the process to better understand the whole person and their particular needs, while eliminating the unnecessarily burdensome requirements and lengthy timelines. The Public Affairs Office has already made process changes reducing the application timeline from 90 days to less than 30, is updating admissions policies and procedures, and working to better implement technology throughout the process.

1.2 Organize healthcare services for optimum potential

Over one-third of AFRH expenses, approximately $24 million per year, fund healthcare services for our residents. Although all residents are eligible for health benefit programs including TRICARE, VA, Medicare, and Medicaid, as a federal agency AFRH cannot currently obtain payment from these programs for medical services performed on-site. DOD sponsored a legislative proposal for FY 2025 which would authorize funding from DOD healthcare programs, however at the time of publication Congress has not acted on the proposal. AFRH will continue to pursue changes necessary to receive program payments and will consider streamlining services to ensure a sustainable financial model, especially in light of increasing medical costs. AFRH will work to ensure residents will have the same experience and expectations regardless of what campus they choose.

Initiatives

1.2.1 Begin coding healthcare interactions

Private sector retirement communities and healthcare providers are intimately familiar with coding processes as these requirements are essential to obtain a significant portion of revenue from health benefit programs as well as monitor access and workload. Since AFRH is not currently eligible for these payments, our systems and processes are not geared to collect this data. Making the case for reimbursement, and actually obtaining funds if authorized, will require data on reimbursable services offered during resident interactions. AFRH will leverage resources and expertise with DOD and other federal partners to begin coding on-site wellness visits and analyzing data collected. Changes to information systems, staffing, and processes will be required as will resources to ensure the effort's success.

1.2.2 Improve technology to enhance healthcare delivery

AFRH's existing electronic health record system provides a full suite of tools to manage all aspects of our continuing care retirement community model. Staff and inspectors have recommended improvements in workflow, data capture, and analytic capabilities not present in the current system but now available in the marketplace. AFRH was recently awarded an investment from the federal-wide Technology Modernization Fund to implement systems improvements focused on improving resident care quality, from reducing data entry demands so providers can spend more time delivering care to coordinating care and record sharing with the providers our residents use at the VA and DOD.

1.2.3 Ensure staffing is right-sized, professionally diverse, and meets resident needs

AFRH competes for quality healthcare professionals, and healthcare services make up a significant portion of AFRH operations and are the key factor in our ability to remain accredited by third-parties. Aligning with health benefit programs means following stringent requirements on provider types and qualifications, patient-to-provider ratios, and many other factors so that services are allowable. AFRH does not currently have a skilled nursing facility or capacity to handle sub-acute care, representing a significant gap in our services which forces residents to leave our facilities when they need this care. Taking all these concerns into account, we must continually assess and modify our healthcare staffing, policies, and systems to ensure best-in-class healthcare services for our residents and efficient use of vital resources.

Strategic Goal 2 – Stewardship at Our Core

This goal reminds us that we are caretakers responsible for decisions now that will determine how AFRH will exist for veterans in the future. We are guardians for veterans who have come to AFRH as residents, made it their home, and whose health and welfare depends on us now and in the future. We are trustees for active-duty service members whose pay supports veterans in need today with the expectation that AFRH will be there for them if they need us later in life. We are custodians of a true national treasure, continuing to protect an illustrious history while preserving AFRH's legacy. We are stewards for taxpayers who come to our aid when we need it, with the promise their resources will be responsibly used because our mission is so vital.

Strategic Questions

- Are we making the best use of limited resources?
- Who and what are we investing in, and when?

Goal 2 Objectives 2024-2026

2.1 Manage assets productively

Underutilized real property incurs ongoing maintenance expenses without offsetting revenue. With 272 acres of prime real estate in the nation's capital and 40 acres of beachfront real estate in Gulfport, our campuses are extraordinary assets which will be the keystone in building AFRH's long-term fiscal solvency. These assets will require dedicated focus and ongoing financial resources, as well as long-term vision and planning to evolve them for future needs.

Initiatives

2.1.1 Develop a strategic asset management plan

A strategic asset management plan initiated in fiscal year 2023-2024 will be a planning tool to clarify intentions, priorities, and practices to be adopted. It will take a long-term view, considering our Vision 2040 outlined earlier, and the combination of organization needs, stakeholder expectations, and the realities of existing assets and asset management capabilities. It will guide and constrain AFRH's decisions pertaining to natural and built assets. We recently validated our inventory of structures on the Washington campus. The inventory prepares us for condition and historic preservation assessments; federal real property profile development; demolition, remediation, and stabilization estimation and execution of buildings in the development zone over the coming fiscal years; and preparation of a reserves study for the remaining infrastructure's ongoing maintenance. We anticipate doing similar inventory, assessment, and reserves study for AFRH-Gulfport in fiscal year 2026. These efforts will help us implement asset management practices consistent with the International Organization for Standardization ISO 55000 series. These standards align mission, leadership, organization, data, decisions, evaluation, and monitoring, all with the objective of maximizing asset value. Using ISO 55000 practices and standards-based data, the AFRH will plan for future capital needs to ensure our communities remain attractive and compelling.

2.1.2 Complete critical capital investment projects and continue to evolve capital investment planning

Outdated and deteriorating facilities have a negative effect on AFRH's ability to attract and retain residents and low occupancy levels exacerbate 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, and is expected to do so again for FY 2025. The balance sheet acquisition value of our property, plant, and equipment was $399 million at the end of FY 2019, minus $94 million accumulated amortization and depreciation. 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.[2] Applying that measure to AFRH would equal $9.5 million in annual capital expenditures.

In fiscal years 2020 through 2024, Congress authorized a combined $46 million for projects supporting mission-critical needs:

- 1950s-1960s electrical infrastructure
- 1930s-1950s water and sewer infrastructure
- Sheridan Building roof which supplies 89% of our resident room capacity
- Original 1960s elevators in the Sheridan and Sherman buildings and Stanley Chapel
- Gulfport campus generators and boilers

While the Washington campus requires the bulk of resources due to its age, after over 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 are priority projects during the FY 2022-2025 timeframe:

FY 2020-2025 PRIORITY MAINTENANCE PROJECTS (priority order)					
Campus	**Project Description**	**Estimate**	**Budgeted FY 2020-2024**	**FY 2025 Request**	**Status**
Washington	Replace 1950s-1960s electrical infrastructure	$7,500,000	$8,300,000	n/a	All electrical engineering designs and utility approvals complete. Major equipment purchased and deliveries scheduled through March 2024.
Washington	Chiller and water pump replacement	$1,500,000	$1,448,159	n/a	Partial installation complete. Unknown archeology discovered requiring investigation and unknown structural complications encountered when historic walls were opened for new piping. Archeology issues have been addressed and new structural designs are underway.
Washington	Replace 1920s-1960s water and sewer infrastructure	$6,500,000	$7,500,000	n/a	Phase 1 has been awarded. The main 12" water line loop through the campus is anticipated to be completed by the end of the year. Storm water designs are underway for Phase 2 and 3.
Washington	Replace 1950s-1970s elevators (Sheridan, Stanley, Quarters 1, Sherman)	$3,400,000	$2,766,331	n/a	7 of 9 elevators are complete. Anticipated construction to be completed on the remaining 2 by May 2024.
Gulfport	Replace primary and backup generators impacted by lightning, hurricane, and saltwater damage	$6,000,000	$6,000,000	n/a	Designs are complete, and installation package is being prepared for solicitation.
Gulfport	Replace boilers due to salt corrosion	$500,000	$500,000	n/a	Designs are complete, and installation package is being

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

					prepared for solicitation. An additional $500,000 is being utilized to procure special boiler equipment that resist the corrosive salt air from the Gulf of Mexico adjacent to the campus.
Both	Replace outdated and malfunctioning emergency alert system	$1,750,000	$1,750,000	$350,000	Attempting to procure a product that can utilize existing infrastructure as originally planned. Technology is changing.
Washington	Repair and replace slate roofs on historic buildings	$600,000	$600,000	n/a	Repairs have started. As old areas are repaired, new damage is being discovered.
Washington	Repair masonry on historic buildings causing water infiltration and energy loss	$4,000,000	$400,000	$540,000	Assessments complete on historic masonry repointing scope. Preparing solicitation package.
Washington	Repair masonry on historic buildings causing water infiltration and energy loss			$110,000	Additional design required to create acceptable historic windows replacements that meet new energy reductions requirement stipulated in the federal guidelines for federal buildings.
Washington	Modernize 1970s-1980s HVAC systems, reduce energy use	$2,850,000	$2,850,000	n/a	Designs to address several structural issues have been complete. Modifications and funding have been added to existing installation contracts. Additional contract is required to install some new design aspects.
Gulfport	Replace chiller due to reduced useful life, salt corrosion	$1,600,000	$1,600,000	n/a	Design is under way with anticipated completion of design by March 2024.
Washington	Repair buildings housing electrical converter and substation	$1,850,000	$1,850,000	n/a	Changes due to utility company approval are being added to existing designs and procured.
Washington	Replace 1950s-1970s fire pump and sprinkler systems to meet current volume and pressure standards	$2,000,000	$2,000,000	n/a	Procurement of Design is underway. Anticipated design completion by June 2024.
Both	Computer and network systems upgrades and replacements	$300,000	$300,000	n/a	Pending enactment of FY24 appropriation
Washington	Address emergency egress, ADA accessibility, lighting, plumbing, and mechanical systems of historic Rose and Stanley chapels	$2,400,000	$2,400,000	n/a	Pending enactment of FY24 appropriation
Both	Replace aging and problematic Gulfport keyless access system, integrate Washington onto same system	$2,000,000	$2,000,000	n/a	Solicitation on the market
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	n/a	Procurement package is being processed
Washington	National Monument Quarters 1 and 2 phase 2 repairs (stonework,	$940,000	$1,640,000	n/a	Procurement package is being processed

	basement plaster, fireplaces, tile, kitchen rehab, security system)				
	TOTAL	$52,050,000	$43,058,490	$1,000,000	

Beyond these critical investments, 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 over $500,000 in emergency repairs to the Gulfport facility following Hurricane Zeta and repairs to chillers at both campuses due to equipment failures. While two-year availability of operating funds was approved beginning in FY 2021, reserves will continue to be a vital source of funds to address urgent capital expenditures to sustain operations.

2.1.3 Determine way-ahead for the AFRH-Washington development zone

In October 2023, AFRH terminated the solicitation for the project to redevelop 80 acres of our Washington campus due to changes in the requirements since the request for proposals was published in 2018 and to challenging economic conditions affecting commercial real estate and development. Locally, the economic conditions increased the development zone's already-high infrastructure costs and decreased the likelihood of earning financial support from D.C.'s budget in the form of tax-increment and payment-in-lieu-of-taxes financing. We recognize that the challenges and costs associated with existing structures and limited infrastructure in the development zone, along with historic preservation and environmental limitations of this unique property, are a major obstacle to successfully generating revenue both for developers and AFRH. AFRH continues to assess the real estate and financial markets, looking for signs of improvement, and to identify potential development opportunities to generate additional revenue and support the Home's mission.

2.1.4 Improve the AFRH Zone

In line with Vision 2040 and overall asset management planning in initiative 2.1.1, AFRH will develop a plan for the AFRH Zone considering the newly renovated Sheridan facility, opportunities for additional residential growth, and restoration or replacement of other structures, in particular:

Golf course

AFRH and DOD have conducted several studies regarding the golf course which recommend substantial capital investment to improve the courses and make them marketable beyond AFRH's immediate use. We believe there is a market for a renovated course that can also serve the broader community and visitors to the area, particularly with partnerships focused on adaptive and therapeutic golf which would benefit AFRH residents. AFRH is working with the General Services Administration toward a solicitation for this type of plan.

Grant Building

This 176,000 square foot structure at the north end of campus was completed in 1912 and mothballed in 1998, following several attempts by the Home from the mid-1980s onward to assess uses, feasibility, and affordability. AFRH completed a feasibility study in 2021 based on existing conditions to inform potential use decisions and identify likely costs to renovate (exclusive of fixtures, furnishings, and equipment, as well as the underground parking required by the NCPC-approved master plan). The best use, from the AFRH's perspective, was as a new category of accommodations, intended to be elegant and spacious; attractive to younger, eligible retirees and couples; and secured with an upfront payment. Residents of these units would live independently but, as need required, would be eligible to move to the other levels of care at AFRH. Unfortunately, the study confirmed the conclusions of previous studies: the costs to renovate are prohibitive (at approximately $1,000 per square foot in 2021) and the building's original design and age limit its redesign, density, and uses. An added consideration, the outdated building's square footage counts against the total limit in the master plan. It might be possible to find a third-party use and to secure a lease for the Grant Building, however, doing so would reduce the availability of the underlying land for AFRH's mission in Washington, DC, for an extensive period and the prohibitive cost and challenges of the historic structure would remain. Despite the size of the AFRH-W campus, the acreage available for the home's mission is limited, so leasing to a non-home mission is not favored. Razing the Grant Building may be the best option for the future of the Home.

Additional residential buildings

The current master plan allows for the construction of one to three mid-rise buildings along North Capitol Street which could add approximately 125 new residential units each. Construction of these buildings would likely require demolition of the Grant Building to remain within the master plan's square footage cap, as well as underground parking since the sites are currently occupied by parking lots. The master plan also allows construction of 24 townhouses in the area beside Rose Chapel.

2.1.5 Improve underutilized buildings for rental income

There are twelve houses ("quarters") of various sizes and qualities on the Washington campus, some of which have been reserved for employees in key roles in resident support and management, which can otherwise be rented to employees, tenants, or offered to the public at prevailing market rates. Two houses are designated as part of the National Monument and require substantial renovation and repair to be fully habitable, estimated $2-2.5 million per house. AFRH does not expect any resulting lease revenue to provide a reasonable return on investment. Rather, AFRH must maintain these buildings in accordance with their status as national historic landmarks. A request for appropriated funds, with initial funds approved in the FY 2024 budget, makes sense in this case since funding would otherwise need to be drawn from the AFRH trust fund.

AFRH continues to generate significant revenue from the leases to the Creative Minds International Charter School and the AFRH parking rental agreements with the adjacent Department of Veterans Affairs and MedStar hospitals. These three leases alone generate nearly $3.0 million per year.

2.2 Improve financial and administrative management

AFRH invests significant resources into administrative services to handle routine functions common to any business: financial accounting and audit, purchasing and contracting, legal services, information technology, and a suite of human resource services including timekeeping and payroll, hiring, benefits administration and employee assistance, and labor relations. We also invest resources because of the many unique burdens of being a federal agency to comply with laws and regulations in all of these business areas as well as extensive reporting and oversight requirements by Congress, the Executive Branch, and DOD. Many of these are mandatory, so while we can seek relief from especially burdensome requirements, we must also streamline our workload and ensure that we are minimizing these costs wherever possible. Budget processes must align strategic goals and objectives through all levels of the organization, emphasizing accountability and data-driven resourcefulness to continually adapt the way we do business.

Initiatives

2.2.1 Empower operational-level budget and resource ownership

We will continue to reform budget formulation processes so managers have input, ownership, and accountability of their department budgets. Managers should have thorough understanding of their resource needs and empowered through an agency-wide ethos supporting experimentation and creativity in managing operations and resources.

2.2.2 Continually evaluate interagency service agreements

AFRH obtains various services support through interagency agreements with other federal agencies functioning as shared service providers. We will continually evaluate these agreements seeking the most cost-effective arrangements, as well as enhancements to current business models to gain efficiencies and cost savings where possible and to ensure compliance and accountability.

2.2.3 Improve policymaking processes

Directives, policies, and standard operating procedures formalize how we conduct day-to-day business but are not set in stone. Being agile requires flexibility to adapt to changing circumstances and priorities, and formal policies often trail how we are actually operating or unnecessarily restrict our decision-making. In 2024-2026 we will continue to ensure important policies are current and adaptable, and outdated or burdensome policies are streamlined or eliminated.

Strategic Goal 3 – Constantly Evolving

This goal is a challenge to honor and build on our traditions while always adapting to the changing world. We are always competing—for resources, talent, attention, and trust—and must be willing and ready to experiment and change. We can be fearless to take risks when appropriate to our mission. That means knowing where we fit and how we deliver service and value by always engaging with and opening ourselves to partners and critics alike.

Strategic Questions

Is what we are doing sustainable?
Have we grown too comfortable?

Goal 3 Objectives 2024-2026

3.1 Continue to reform leadership and succession planning

AFRH has experienced continuous leadership changes in recent years above and across the headquarters level, with new positions created, dormant positions filled, and normal transitions in individual roles. AFRH will continue to evaluate and revise its management structure to operate more effectively and drive improvement across the organization. In 2024-2026 we will focus on campus-level leadership to evaluate and reform structures as well as promote leadership development and succession planning.

Initiatives

3.1.1 Harness opportunities for leadership development

AFRH has myriad sources it can leverage to promote leadership development and professional excellence, from underutilized federal programs to private sector professional associations. Making better use of these resources will bring new ideas and partnerships to AFRH as well as make AFRH and our talented professionals better known to external audiences.

3.2 Improve staff recruitment, engagement, and retention

The vast majority of our federal employees and contract staff provide direct support to residents. They are essential to our operations and have the most direct influence on resident experience. Recruitment, training, management, and retention are arguably our most important investments since we could not continue to exist without a competent and well-functioning professional staff. We face strong and relentless competition to attract and keep the best people. Our commitment to conduct wage analysis to maintain competitive salaries within the local government agencies will prove valuable for retention and recruitment.

The revival of the preceptor program will ensure a more thorough onboarding by competent employees. The preceptor program will also help to retain employees by ensuring a smoother transition into the AFRH workforce.

Community engagement throughout all departments is paramount. We will focus efforts on formal arrangements with local colleges and universities as a clinical site to provide preceptor opportunities to AFRH employees and offer potential recruitment opportunities for the home.

Investing into the organization's leaders through a leadership development and mentorship program will enhance the effectiveness of leaders at AFRH, as well as help attract and retain competent, effective leaders.

Initiatives

3.2.1 Ensure effective recruitment and hiring processes

Staff vacancies force inefficient reallocation of workload and added stress, and recruitment processes that fail to bring highly qualified candidates who accept employment at AFRH result in wasted opportunity and limited resources. We must ensure position descriptions are current and accurate, applications are designed to attract qualified candidates, and selection processes result in successful hiring of individuals who will excel at AFRH.

AFRH will adapt the Office of Personnel Management's "End-to-End Roadmap" as a new approach to Federal hiring. This approach is considered best practice for attracting and recruiting qualified individuals by meeting their expectations for user-friendly application procedures, clear communication about the hiring process, timely decision making and an engaging orientation experience.

3.2.2 Evaluate competitiveness for retention

Hiring employees is expensive and involves many unknowns, but human capital investments continue well after the hiring process ends. AFRH must evaluate its competitiveness across all factors affecting retention to ensure we keep high-performing staff and maintain a high-functioning organization. Evaluate extending Title 38 market pay authorities to additional healthcare positions to improve recruitment and retention.

3.3 Better integrate technology throughout the organization

Limited funding due to solvency concerns led to resource starvation across AFRH. Insufficient investment in technology has become an increasingly evident concern, just as it has for insufficient capital maintenance. Staff rely on low-cost, outdated systems and equipment; training is limited; and opportunities are lost to improve the way we do business through data-driven analysis.

Initiatives

3.3.1 Reform business systems and usage

Business systems decisions that are driven by cost limitations first rather than usefulness cause untold damage to our effectiveness as an organization. Leaders lack information they need to make decisions, and staff waste time and energy feeding systems rather than the systems feeding staff needs. Inadequate training results in features that are paid for but unused. We will focus on reforming business systems, training, and usage, on those that have outsize impact on our operations: electronic health records, financial management, and timekeeping.

3.3.2 Prioritize technology investments

Capital infrastructure projects have been given principal focus in recent years due to their mission-critical nature and high cost. While underinvestment in technology may not lead to life-endangering failures like electrical or water systems might, nevertheless it drains resources in countless ways. Funds are used on increasingly expensive legacy systems, time is wasted on outdated hardware and software, and updates and network security become less reliable. We must make better plans for and allocate resources to technology investments that improve our business and enhance security. In early FY 2024 AFRH was granted a $6.1 million investment from the government-wide Technology Modernization Fund to update and integrate electronic health records to improve continuity of care, update associated business systems, and replace hardware. AFRH is now working with the joint DOD-VA Federal Electronic Health Record Modernization Office to evaluate moving AFRH to the MHS Genesis platform.

Summary List

Strategic Goal	Objective	Initiative
1.	Strategic Goal 1 – Quality Care First and Always	
1.1	Achieve an occupancy rate of 90 percent or better	
1.1.1	Broaden outreach to attract new residents	
1.1.2	Attract couples	
1.1.3	Modernize residential facilities	
1.1.4	Ensure the admissions process is applicant-centered	
1.2	Organize healthcare services for optimum potential	
1.2.1	Begin coding healthcare interactions	
1.2.2	Improve technology to enhance healthcare delivery	
1.2.3	Ensure staffing is right-sized, professionally diverse, and meets resident needs	
2.	Strategic Goal 2 – Stewardship at Our Core	
2.1	Manage assets productively	
2.1.1	Develop a strategic asset management plan	
2.1.2	Complete critical capital investment projects and continue to evolve capital investment planning	
2.1.3	Determine way-ahead for the AFRH-Washington development zone	
2.1.4	Improve the AFRH zone	
2.1.5	Improve underutilized assets for rental income	
2.2	Improve financial and administrative management	
2.2.1	Empower operational-level budget and resource ownership	
2.2.2	Continually evaluate interagency service agreements	
2.2.3	Improve policymaking processes	
3.	Strategic Goal 3 – Constantly Evolving	
3.1	Continue to reform leadership and succession planning	
3.1.1	Harness opportunities for leadership development	
3.2	Improve staff recruitment, engagement, and retention	
3.2.1	Ensure effective recruitment and hiring processes	
3.2.2	Evaluate competitiveness for retention	
3.3	Better integrate technology throughout the organization	
3.3.1	Reform business systems and usage	
3.3.2	Prioritize technology investments	

Key Metrics

These are key metrics AFRH management will use to measure progress toward our strategic goals and objectives, including baseline measures aligned to leadership changes in 2017, current results from fiscal year 2023, and targets to reach by the end of this three-year plan in 2026.

Metric	2017 Baseline	2023 Result	2026 Target
Core Metrics			
Trust fund balance	$50 million	$97 million	$100 million
Occupancy rate	76% (861/1133)	59% (665/1133) 80% (665/829)	66% (746/1133) 90% (746/829)
Revenue	$46 million	$51 million	$70 million
Spending authority	$64 million	$75 million	$80 million
Net property, equipment, and software	$327 million	$278 million	>$350 million
Supporting Metrics			
Lease revenue	$0.6 million	$3 million	$4 million
Resident fee revenue	$17 million	$15 million	$18 million
Military contributions revenue	$7 million	$7 million	$21 million
Healthcare revenue and offsets	$0	$0	$4 million
General funds for operations	$22 million	$25 million	$25 million
Capital expenditure/depreciation	10%	54%	>100%
Net occupancy change	-41	54	>27
Average age	83	83	78

Notes on the Metrics

Trust fund balance

The $50 million baseline is derived from the Fiscal Year 2017 Performance and Accountability Report balance sheet which we define as intragovernmental assets minus total liabilities. The balance at the end of FY 2023 was $97.0 million, which excludes the $77 million general fund transfer received in FY 2023 for renovation of the Sheridan Building. We expect flat to slightly positive net operating income, however authorized capital expenditures on critical maintenance projects will draw on the trust fund balance as expenses are incurred. Our goal is to maintain the balance at not less than one year’s total spending authority, both operating and capital.

Occupancy rate

The baseline occupancy was taken from the population of residents present just prior to fee structure changes announced in April 2018 and took effect in 2019, as well as the coronavirus pandemic which began in March 2020. Our goal is to increase occupancy to 90 percent or above, which our efforts to expand eligibility and marketing and improve the attractiveness of our facilities to potential residents are intended to achieve. Because the Sheridan Building will remain open during renovation, we estimate the short-term maximum number of available units will decline to a low-point of approximately 183 during the renovation. Therefore total capacity will be temporarily reduced to 829 during that time. Once the renovation is complete we estimate total unit count will be approximately 1,000 and total capacity 1,260. The difference between the 1,133 capacity shown here and the 1,144 shown in the Performance and Accountability Report reflects rooms held for short-term visitor accommodations at the Gulfport campus.

Revenue

Baseline revenue was $46 million received in fiscal year 2017 from the following sources: fines and forfeitures, resident fees, active duty withholding, investment interest, leases, gifts and donations. Transfers from the General Fund of the Treasury are not included. The 2026 goal of $70.0 million is a rounded assumption of the revenue goals as described in the supporting metrics.

Spending authority

Spending authority is determined annually by the Congressional appropriations process. In fiscal year 2017 spending authority was $64.3 million, including $63.3 million for operation and maintenance and $1.0 million for construction and renovation. Our goal by fiscal year 2026 is to increase the authorized amount to $80.0 million to support operational expenses of a return to full occupancy and additional capital investment to improve facilities and reduce our deferred maintenance backlog.

Net property, equipment, and software

This new metric replaces a prior metric on deferred maintenance which was based on a dated evaluation and no longer accurate given inflationary cost increases. A new supporting metric for the capital expenditure to depreciation ratio is also added. AFRH is working on updating property evaluations to better plan for future maintenance needs. The baseline $327,008,777 is found in Note 5 of the FY 2017 Performance and Accountability Report's Notes to the Financial Statements. The FY 2023 result of $278,156,807 indicates continued erosion of asset value on a depreciation basis. While depreciation charges are an accounting estimate that do not affect actual cash in a given year, they are a hidden expense as assets erode through use and age if they are not sustained by capital expenditures to maintain and replace them. Underspending on capital will affect the long term health of AFRH's physical assets and its ability to operate effectively and competitively. The Sheridan Building renovation planned to begin in FY 2025, as well as ongoing capital maintenance projects, will result in large increases to acquisition cost over the coming fiscal years as those investments are realized. With the initial $77 million investment in the first phase of the Sheridan Building renovation and continued execution of recent years' combined $46 million in capital spending authority, we expect net book value to exceed $350 million in FY 2026 or 2027 depending on project timelines and accounting realization.

Lease revenue

In fiscal year 2017 we earned $566,000 from leases and sales. In late 2023, due to economic factors AFRH terminated the solicitation for mixed-use development on 80 acres of the Washington campus. AFRH is reassessing its development strategy and, as described in this plan, inventorying physical assets and updating condition assessments. By the end of 2026 we aim to increase this revenue to $4 million primarily through existing leases and smaller initiatives. Any new large-scale development projects are not likely to generate significant revenue until after 2026.

Resident fee revenue

In fiscal year 2017 we earned $17 million from resident fees. The 2026 target of $18 million was derived using the population of residents present just prior to our 2018 fee restructure announcement and is based on multiple assumptions consistent with our goal to maintain 60 percent occupancy during the Washington campus Sheridan renovation project, continue increasing occupancy in Gulfport, and predictable increases in revenue through cost of living adjustments. The Sheridan renovation project will impact revenue potential, therefore we are now looking post-renovation at 2027 and beyond to achieve significant increases. By extending the average fee paid by current independent living residents to additional residents following the renovation, including a 2.8% annual cost of living increase, we estimate reaching 90% occupancy in independent living would yield nearly $9 million additional revenue.

Military contributions revenue

Active-duty enlisted members have contributed directly from their pay to support the AFRH since its founding in the 1850s. Warrant officers began contributing in the 1910s and limited duty officers in 1990. The contribution amount has been $0.50 per member per month since 1977. In 1994, Congress authorized an increase of this mandatory contribution up to $1.00, to be determined by the Secretary of Defense based on the financial needs of the AFRH. Numerous studies have recommended increasing the deduction since doing so would double the current contributions from approximately $7 million to $14 million annually, a significant portion of the current annual shortfall. However, despite numerous attempts, the Department has declined to increase the contribution amount despite AFRH financial solvency challenges, citing multiple concerns: (1) the AFRH's management and funding models; (2) the AFRH's limited capacity and geographic coverage compared to the overall population of servicemembers; and (3) directly taxing enlisted members—particularly those at lower ranks who are most burdened by cost of living while being least likely to eventually use the AFRH's services given that 82 percent of AFRH residents left the military ranked E-6 and above.

While these concerns are valid, the value of contributions has steadily eroded over time and affected the AFRH's ability to successfully execute its mission and remain financially solvent. Though military pay increased 51 percent in the 15 years from 2009 and 2024, the AFRH mandatory contribution has been level for almost fifty years, with $0.50 in March 1977 having the same buying power as $2.62 in March 2024.[3] Moreover, the mandatory contribution has not expanded to include the entire population now eligible for residence at AFRH, further exacerbating its solvency challenges and creating inequities among servicemembers. The National Defense Authorization Act for FY 2021 expanded eligibility to retired enlisted, warrant officer, and limited duty officer members of the National Guard and Reserve, but for procedural reasons did not extend the pay deduction to these components, which we estimate would add $4 million per year to the trust fund at the $0.50 level and $8 million at $1.00.

As an alternative to address these concerns, for FY 2025 DOD put forward a legislative proposal to grant the Secretary of Defense authority to direct transfers into the AFRH Trust Fund, based on financial need, from the unobligated balances in expired military personnel accounts. Using prior appropriations would be budget neutral, allowing DOD and AFRH to address solvency concerns while maintaining appropriate oversight and controls by DoD. And it would create a mechanism to ensure amounts keep pace with inflation, all while reducing the AFRH's reliance on direct Treasury General Fund transfers in accordance with congressional direction as well as numerous DoD studies, working groups, and audits, for actions to improve AFRH financial sustainability. At the time of publication, Congress has not acted on the proposal.

Healthcare revenue and offsets

AFRH does not currently earn revenue or reimbursements from healthcare services provided to residents, although residents are broadly eligible for veterans health, military health, and Medicare benefits. By the end of 2026 we aim to earn $4 million in revenue or reduce or offset our expenses, or a combination thereof. This amount was derived by assuming a 20% reimbursement of wellness center and clinical costs similar to TRICARE coverage.

General funds for operations

Congress provided $25 million in appropriated funds from the General Fund in fiscal year 2023 as reflected in the Fiscal Year 2023 Performance and Accountability Report statement of changes in net position. Through revenue increases and continued cost reductions, we aim to maintain current levels of

[3] https://data.bls.gov/cgi-bin/cpicalc.pl as of 7/2024

appropriated support for operations and to continue addressing long-standing deferred maintenance needs until we yield increased revenues from initiatives underway.

Capital expenditure/depreciation

As explained above, this is a new supporting metric to reflect capital investments in AFRH assets. The capital expenditure to depreciation ratio is determined by dividing the year-over-year change in acquisition cost divided by the year-over-year change in accumulated depreciation found in the property, equipment and software table (Note 5) of the Performance and Accountability Report. For the baseline, the FY 2017 PAR reported a $1,210,457 increase in acquisition cost from 2016 to 2017, from $538,167,306 to $539,377,763 and an $11,440,450 increase in accumulated depreciation, from $200,928,536 to $212,368,986. Dividing $1,210,457 by $11,440,450 provides a ratio of 10%. The FY 2023 PAR reported a $5,408,520 increase in acquisition cost from FY 2022 and a $10,022,345 increase in accumulated depreciation, for ratio of 54%. The Sheridan Building renovation planned to begin in FY 2025, as well as ongoing capital maintenance projects, will result in large increases to acquisition cost over the coming fiscal years as those investments are realized. Therefore we expect capital expenditures to exceed depreciation resulting in a ratio over 100% reflecting increased investment in AFRH's assets.

Net occupancy change

The net change in resident occupancy from year to year can be found in the resident profile section of the Performance and Accountability Reports, and is affected by the number of admissions, discharges, and deaths which occur over the course of the year. The 2017 baseline of -41 is derived from the difference between 923 residents reported in the 2016 PAR and 882 residents reported in the 2017 PAR. Reaching the goal of 90% renovation-adjusted occupancy by 2026 will require a net increase of at least 27 residents per year in 2024, 2025, and 2026.

Average age

The Fiscal Year 2017 Performance and Accountability Report resident profile reported an average age of 83 years. By 2027 we aim to reduce the average by 5 years to 78 through expanded eligibility and improvements in our facilities and services to increase occupancy.

Risk Factors

We are dependent on a few key officials for major decisions

Major decision-making authority is vested in a few key officials including the chief executive officer, chief operating officer, deputy chief operating officer, and facility administrators. If any of these key personnel were to become unavailable, there could be a material adverse effect on our operations.

We need qualified personnel to manage our operations

We need qualified and competent personnel to manage all aspects of our operations which maintain the health and welfare of our predominately elderly and high health risk resident population. The majority of employees are in our healthcare operations, where competition for talent both locally and nationally is high. The senior care industry faces growing challenges in attracting and retaining qualified staff. If AFRH cannot maintain a skilled and stable workforce, it could adversely affect care quality and operational efficiency.

Competition, demographics, and other market conditions may lower our occupancy rates and revenue, and increase our costs

Despite our attempts to expand eligibility criteria and marketing efforts and improve our facilities, our admissions and occupancy rates are highly dependent on external factors beyond our control including macroeconomic trends, market and technology changes which make our services less relevant or attractive, and our limited geographic service area may continue to erode our occupancy rates and adversely affect our operating results. Macroeconomic conditions including interest rates, inflation, retiree incomes, and employment affect not only occupancy, but our initiatives such as property redevelopment, capital improvements, and interest received from the trust fund balance. Economic downturns or unexpected financial crises could reduce these revenue streams, threatening the financial sustainability of the organization. Global and national supply chain disruptions, as seen during the COVID-19 pandemic, could impact the availability and cost of critical supplies, including medical equipment and construction materials for facility renovations. As the demographics of veterans change, there may be shifts in the types of services and facilities that are in demand. Failing to anticipate and adapt to these changes could lead to a mismatch between what AFRH offers and what future residents desire, impacting occupancy rates and resident satisfaction.

Disasters could hurt our operations

Both campuses are at risk for natural and manmade disasters which could impact our operations for an extended period. Long-term shifts in climate patterns could increase operational costs, for example, through the need for more frequent maintenance or higher utility costs. Both campuses have experienced substantial damage in the recent past by earthquake and hurricane activity which required rapid evacuation and relocation of vulnerable residents and long-term recovery and reconstruction efforts. Beginning in mid-fiscal year 2020 and continuing through fiscal year 2022, our operations were hampered significantly by the COVID-19 pandemic, resulting in reduced revenue, occupancy, staff retention, and progress on capital maintenance projects.

Legislative and regulatory oversight could limit our results

We are a federal government agency with funding and policy decisions made by legislation and operate highly regulated services, particularly in healthcare, and we are required by law to maintain accreditation for all our services. Changes to law, regulation, or nationally recognized practices may require us to expend considerable resources to comply and adversely impact our results. We may request changes to law or regulation to improve our results which may be modified, delayed, or denied. Despite our operating out of a federal trust fund, our ability to expend funds is determined annually by Congress. Continuing resolutions and lapsed appropriations affect our operations, financial results, and ability to attract and retain staff.

We rely on services provided by other agencies for key functions

As a small federal agency, we outsource complex functions and expertise to a limited number of larger agencies offering such services. These functions are critical to our management and operations, including financial management, procurement, human resources and employee relations, legal, information technology, and facilities and real property management. Service changes, reductions, elimination, or significant price increases by these agencies could cause substantial disruption to our ability to operate effectively or manage our administrative costs.

We are highly sensitive to cybersecurity threats and technological advances

We are heavily dependent on information technology for all aspects of our operations and manage highly sensitive and regulated personally identifiable information. A significant disruption, failure, theft, or corruption of our data or systems could severely affect our ability to operate, compromise confidential information, and damage our reputation and financial results. There is also an ongoing need to keep pace with technological advancements in healthcare and senior living. Failure to invest in and adopt new technologies could put AFRH at a competitive disadvantage and impact service quality.

We are or could be a party to legal proceedings

We are a party or could be a party to a variety of legal actions which may have a material impact on our operations and financial condition.

Conclusion

AFRH is a national treasure which exists to care for enlisted members of the military when they need care and support after hanging up their uniforms. This 2024-2026 plan builds on comprehensive initiatives which began in 2017 to lay the groundwork for success in the goals and objectives identified and will continue over the next three years. AFRH has built a strong leadership team. With support from the Department of Defense, we are building relationships with stakeholders to raise awareness of AFRH and its mission. We have worked with Congress to make legislative changes in line with our goals. We believe these goals are realistic and achievable steps toward long-term sustainability of AFRH for current and future generations of veterans. Over the next three years we will revisit this plan periodically to measure our progress.