

**REPORT  
OF THE  
DEFENSE SCIENCE BOARD  
TASK FORCE  
ON  
QUALITY OF LIFE**



**Office of the Under Secretary of Defense for Acquisition  
and Technology**

**OCTOBER 1995**

This report is a product of a Task Force organized under the Defense Science Board (DSB). The DSB is a Federal Advisory Committee established to provide independent advice to the Secretary of Defense. Statements, opinions, conclusions and recommendations in this report do not necessarily represent the official position of the Department of Defense.



DEFENSE SCIENCE  
BOARD

OFFICE OF THE SECRETARY OF DEFENSE  
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19 OCT 1995

MEMORANDUM FOR SECRETARY OF DEFENSE  
DEPUTY SECRETARY OF DEFENSE  
THROUGH: UNDER SECRETARY OF DEFENSE (ACQUISITION  
& TECHNOLOGY  
CHAIRMAN, DEFENSE SCIENCE BOARD

SUBJECT: Report of the Task Force on Quality of Life

On behalf of the members of the Task Force on Quality of Life in the Armed Services, it is my pleasure to present this report. We thank you for the opportunity to contribute to your commitment to the quality of life for those who serve in all of our Armed Forces and their families, and we hope that the recommendations contained in the report will be helpful.

The Task Force is grateful to the leadership and staff of the Defense Science Board, and the Department of Defense Executive Committee on Quality of Life, for their whole-hearted support in this endeavor.

  
John O. Marsh, Jr.  
Chairman



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DEFENSE SCIENCE BOARD TASK FORCE ON

**QUALITY OF LIFE**

FINAL REPORT

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John O. Marsh, Jr.  
CHAIRMAN

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*The Quality of Life Task Force is deeply grateful to those distinguished Americans who served as Counselors to the Task Force. Although they did not actively participate in the deliberations leading to its recommendations, their service as Counselors indicates their awareness of the importance of Quality of Life issues to the readiness and well being of our Armed Forces. Their willingness to offer suggestions and advice on topics within their respective expertise was most helpful. The recommendations of the Report are those of the Quality of Life Task Force; and Counselors may, or may not, concur in whole or in part with them.*

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*The Task Force wishes to express its sincere thanks to Colonel Nida and the US Army Corps of Engineers Transatlantic Division for their superb support.*

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## ABOUT THIS REPORT

This *Report* provides the Secretary of Defense with recommendations regarding ways and means to improve Service quality of life. It is the product of a Task Force specifically chartered to study military housing, personnel tempo, and community and family services.

Conceptually, these areas represent three of the five elements that help define the quality of life package. The other two, service compensation and medical care, are under review by other organizations. As a result, these important issues are excluded from direct analysis and discussed only when they have a bearing on military housing, personnel tempo, or community and family services. Furthermore, our emphasis was on Active and Reserve forces, rather than the retired community.

Each section of this report is presented in a format that best suits the topic. Housing, for example, is a resource-driven concern and thus, lends itself most easily to a framework that highlights fiscal and other resource imperatives. Personnel tempo, on the other hand, is more policy driven and is best presented in a format designed to focus on matters of regulation, procedure, and guidance. Finally, community and family service concerns include a mixture of resource and policy driven initiatives, best presented by a mixed format. The result is three nearly stand-alone sections, linked by their individual contributions to Service quality of life.

In addition to extensive research conducted using the inputs of a variety of government and private organizations, numerous site visits, interviews and "town meetings" were completed. It was impossible to visit every installation and discuss every unique circumstance or environment. However, a concerted effort was made to visit a variety of locations that would ensure a thorough and complete cross-section of issues and opinions.

This Task Force brings to the quality of life issue, a varied and widely experienced group of professionals devoted to the task at hand. Chairman Marsh expresses his sincere thanks to all for a job well done.

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## CHAPTER 1 INTRODUCTION AND SUMMARY

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*[R]eadiness is associated most closely with the morale and esprit de corps of U.S. soldiers, sailors, airmen, and Marines. These intangibles are maintained by ensuring the best quality of life for people in uniform and their families. Quality of life falls into three general categories: standard of living; . . . demands made on personnel, especially time away from family; and other ways people are treated while in the Service."*

—WILLIAM J. PERRY, Secretary of Defense,  
1995 Annual Report to the Congress

The mission of the U.S. Armed Forces is to fight and win the Nation's wars. Although the Cold War is over, the world is still an uncertain place. New threats to U.S. interests can emerge anytime, anywhere. To defend the peace, the men and women of the Armed Forces must be able and ready at all times.

An "iron logic" connects the Armed Forces' readiness and their quality of life, according to Defense Secretary William J. Perry. This assertion is backed by the collective experience of senior members of the Defense Department and by empirical evidence. For example, quality of life, pay and housing topped a list of 53 reasons Army troops gave for leaving, in a comprehensive survey conducted in 1994 by the U.S. Army Research Institute for the Behavioral and Social Sciences. No American can afford to ignore this unbreakable link between readiness and quality of life.

For nearly a year, the Task Force on Quality of Life observed and discussed living and working conditions with Service men and women across the United States and abroad. In this *Report*, the Task Force presents its findings and recommendations for housing, personnel tempo and community and family services.

Without any legislative changes, the Defense Department and the Services can institute most recommendations. Others will need legislative action by the Congress. In both instances, *the Task Force finds* that the time to act is now. Service people need relief from inadequate housing, unsustainable personnel tempo and inadequate community and family support for the good of the All Volunteer Force system.

Overall re-enlistments (with differences between Services) are keeping the Armed Forces up to strength, but first-time enlistments have declined based on surveys reporting on the propensity to enlist. Task Force members do not think the current retention rate will hold, if the complaints heard in "town meetings" and conversations with Service people and their families are representative.

Task Force members agree unanimously that putting off action may increase the eventual costs of a recovery. Deputy Defense Secretary John White has observed, "Quality of life is like inflation—once you get behind it, it costs an enormous amount to get back on track; and it already carries some of our highest up-front costs."

As an aid to improving the quality of military life and encouraging enlistment and retention, *the Task Force finds* that the Department of Defense should develop and maintain a data base of reasons given for joining and leaving the Services. This data base would allow continuous



evaluation of the effectiveness of recommendations offered in this Report and provide the necessary statistical foundation for sound decision-making.

*The Task Force recognizes that spending to modernize force structure should be appropriately balanced against spending to enhance the quality of life in the military. Well-equipped forces have the instruments to win war and forces satisfied with their quality of life are motivated to fight—this is the "iron logic" of readiness. Quality of life is a means to this end, not the end in itself.*

## **THE CURRENT ENVIRONMENT**

The United States Constitution provides the framework for American military structure. Within this constitutional framework, the Department of Defense is responsible for maintaining an armed force to support and defend the country against all enemies, foreign and domestic.

### **Diverse Threats**

The clear focus of the Cold War has been replaced by diverse threats to U.S. interests worldwide. The President's most recent *National Security Strategy* delineates the concept of global engagement and enlargement and defines the military capabilities necessary to meet global challenges. This strategy depends on the maintenance of forces necessary to deter or defeat aggression in major regional conflicts, provide credible overseas presence, counter weapons of mass destruction, contribute to multilateral peace operations and support counter-terrorism and other national security objectives.

Soldiers, sailors, airmen and Marines are called upon to provide these capabilities in a complex and challenging environment. The success of the President's strategy of engagement and enlargement, in conditions of global turbulence, will require the maintenance of a strong professional military well into the future.

### **The Modern Volunteer**

A new, All Volunteer Force has evolved since the end of the selective service draft system in 1973. Volunteers are older than draftees, more technically astute, educated, career oriented and operate in a more complex environment.

Following Operation Desert Storm, this force of volunteers was acknowledged as the world's finest and most professional by the allies as well as the American people. Opinion polls continue to show time and time again that the American public considers its military volunteers to be among the country's most skilled, dedicated and courageous professionals. To ensure this perception remains accurate, military volunteers must be provided a quality of life that encourages the skilled and disciplined to stay and attracts promising young people to join them. Voluntary service is inexorably linked to quality of life.

## THREE KEY QUALITY-OF-LIFE ELEMENTS

Housing, pace of life and community and family services within the military are keys to quality of life in the Armed Forces.

### Housing—The First Key

*There are few human needs in life more basic or important than a decent place to live. Housing is certainly on our people's minds. Every time I visit an installation and sit down with enlisted folks to hear their concerns, they bring up housing. We have a special duty to ensure quality housing.*

—SECRETARY OF DEFENSE WILLIAM J. PERRY,  
Installation Commanders' Conference, January 23, 1995

Despite the resources expended on military housing, much of it still fails to meet the Defense Department's intended goal—to provide excellent housing facilities and services to all eligible military members, their families, and eligible civilians—the *Task Force finds*. Correcting deficiencies will be expensive, but failure to attack current problems will produce greater hardship and expense in the future and delay may cost the Armed Forces talented people needed for its mission.

The Task Force also finds that the delivery system is so intrinsically flawed that it should be replaced with an entirely new system. The system should be run by a *Military Housing Authority*, using private housing industry management principles and practices. Like any other company, the proposed *Authority* would be empowered to raise operating and investment money from private sources.

### The Housing Environment

Most installations have some fully adequate family and bachelor housing, but the Task Force saw hundreds of instances of inadequate housing in its travels—too small, poorly maintained and inconveniently located. Also noted were instances of substandard plumbing, heating, cooling and electrical systems that made daily activities a trial and lowered morale. Moreover, the bachelor housing at many posts also failed to meet minimum standards of privacy and comfort.

Housing is provided to military members via two distinct methods: assignment of government-owned or -leased quarters or payment of a housing allowance toward costs of living off-base in the local community. Currently, 35 percent of military families and 82 percent of single and unaccompanied members live in military housing. Sporadic funding for construction and maintenance of this housing has left much in disrepair and without typical amenities found in the local community.

*Housing Assets.* The Department of Defense owns or leases about 387,000 family homes. The average age is 33 years. Deferred maintenance, repair, revitalization and replacement has reached almost \$20 billion, and 64 percent of military homes have been classified as “unsuitable” for various reasons. Likewise, some 15 percent of military families live in private sector homes in the local community that are not considered “acceptable” under current department criteria.

Bachelor housing problems are equally significant, with total maintenance, repair, revitalization and replacement backlogs reported at more than \$9 billion for all Services. Currently, 62 percent of the 612,000 bachelor housing spaces for permanent party unaccompanied personnel are considered "substandard" because of overcrowding, poor condition or lack of amenities. Furthermore, differing Service priorities have produced a wide variance in bachelor housing configurations—including many with three or four to a room, or with central bathrooms on each floor. As joint interaction has grown, this has become a source of dissatisfaction for Service members.

*Systemic Flaws.* Collectively, these circumstances reveal an inherently flawed housing delivery system. Primary causes include unclear, incomplete housing policy that promotes inequity between married and single personnel, between residents assigned to quality housing and those assigned to housing in poor condition, and between residents of military housing and Service members living on the economy; lack of vision and strategy to effect change; failure to insulate funding from cyclical changes caused by political decisions, tight budgets and shifting priorities; and overly restrictive laws and regulations that escalate costs and limit use of private resources, private industry practices and standards. Appropriated housing construction and maintenance funding, as well as allowance structure are not equal to the task. Secondary reasons, including local management, security, etc., also show a need for major systemic improvement. Additionally, current financial rules (e.g., "scoring") virtually preclude any innovative, creative methods to encourage or promote private sector resource opportunities.

### *A Systematic Approach*

To resolve these problems, *the Task force recommends* that the Department of Defense adopt the following housing goals:

- *Goal 1.* Assure members of the Armed Services and eligible civilians access to affordable, quality housing to promote: *high morale* and *readiness* for combat and other military contingencies; *military objectives* (e.g., personal responsibility, initiative, teamwork, cooperation, socialization, community support); *retention* (career service and commitment), and *recruitment*.
- *Goal 2.* Support near-term efforts, such as new legislative authorities being considered by the 104th Congress, to expand housing resources and widen their impact.
- *Goal 3.* Address other key near-term issues that impair effective housing delivery or cause members and families concern such as: policies, standards, procurement laws and regulations, funding and other related concerns.
- *Goal 4.* Identify an effective structure for an alternative Defense Department system to deliver and maintain quality housing at affordable, commercially comparable costs.

To meet these goals, *the Task Force recommends* a three-stage strategy to be implemented over three years.

*First Stage.* This stage lays the foundation of all succeeding changes. It consists of the private venture capital initiatives awaiting congressional approval at this writing. These initiatives will enable access to private capital at reduced risk to the private investor and provide the department with an array of tools for constructing new and revitalizing existing housing. Their provisions will enable new government guarantees, commitments and investment opportunities. Realizing progressive benefit from these authorities will take up to three years.

*Second Stage.* This stage also begins immediately and may take up to three years to effect. Recommendations for this stage focus on review and revision of housing policy, laws, standards, criteria and regulations and on ways to improve ineffective and inefficient funding practices.

*Policy.* Despite family housing appropriations that have averaged \$4.5 billion annually over the past five years, current housing management policy—to provide excellent housing—is not being met. Basic policy fails to ensure all members access to adequate and affordable, community-comparable housing and does not encourage a sense of community responsibility in residents. Current family housing assignment policy does not place enough emphasis on ensuring that junior enlisted families are adequately housed—evidenced in the fact that 12 percent of all E1-E3 personnel are today unsuitably housed in the local community.

Bachelor housing policies are also deficient, giving the impression that single members are less important. Single members have consistently voiced their dissatisfaction with their living conditions, especially the lack of space, privacy and basic amenities. Housing philosophy and policy must be rewritten to ensure it is equitable and promotes high morale, readiness, esprit-de-corps and a sense of personal responsibility and community support.

*Standards, laws, and regulations.* Complicated, costly, time-consuming and frustrating military construction laws, regulations and standards decrease interest of private developers and financiers, and increase military housing costs by up to 30 percent, depending on locale. Rules that discourage efforts to provide quality housing must be changed.

Housing suitability criteria also should be reviewed. Current criteria provides insufficient guidance to commanders for determining “unacceptable housing locations” and should be changed to reflect realistic standards for acceptable commute times, out-of-pocket expenses, square footage needs, housing conditions and amenities. Current suitability criteria address only non-government family housing, completely disregarding bachelor housing and military housing. *The Task Force recommends* that guidelines be written for all government housing and non-government bachelor housing, as well. Such criteria serve as a guide to developers and military members and helps to identify requirements for future construction.

*Funding.* In the main, housing is a resource-driven concern. Therefore, *the Task Force also recommends* that the Defense Department seek appropriate legislative changes and establish necessary provisions to ensure adequate and consistent funding for housing. The department should:

- Maximize private sector funding through new legislative authorities and focus its application on expanding housing assets in the private sector and maintaining the existing military inventory.

- Prioritize use of appropriated funds to maintain/revitalize the current inventory, seed private sector joint ventures and build new only where the local community is unwilling or unable to provide housing.
- Increase housing allowances to reduce, to the 15 percent limit intended by the Congress, the amount of money those living in the private sector must spend over and above their housing allowances.
- Establish housing allowance increases on a relevant data source external to the military community, such as the Housing Cost Index of the Consumer Price Index.
- Establish a housing allowance locality floor to ensure junior enlisted can afford suitable housing.
- If legislation being considered by Congress is not approved, continue to advocate a Variable Housing Allowance rate protection program to protect those with fixed mortgage or rent payments.
- For personnel involuntarily assigned to unsuitable military quarters, rebate a portion of the Basic Allowance for Quarters.
- Request authority to provide housing allowances for all military members, applying such to a special fund to work off the current maintenance, repair and revitalization backlogs and establish a funding stream for a *Military Housing Authority*.
- Seek authority to fence bachelor housing operations and maintenance funding, and require Service accounting in such manner as to make visible requirements, appropriations and execution.
- Aggressively revitalize existing bachelor housing to meet or exceed the current standard; and ensure replacement/new construction are at the proposed new standard, once approved.

*Third Stage.* Fundamental to this stage and to the successful implementation of any comprehensive restructuring of military housing, is the creation of a nonprofit government corporation called the *Military Housing Authority*. This *Authority*, similar in concept to numerous state quasi-governmental agencies (that have successfully built three million homes) and the Australian Defence Housing Authority, is envisioned to be a thin, umbrella organization which manages all aspects of the military housing delivery system. Housing development and maintenance and operations would be executed through local contracts with private industry.

This *Authority* would be run by a small Board of Directors (Secretary of Defense, Service Secretaries and civilian experts, etc.) who are committed to supporting the mission of the Armed Forces. A Board of Advisors, with Defense Department representatives and private-sector

experts; a head office to run day-to-day operations; and regional management centers to award and manage local contracts, is envisioned.

Under this system, all military members would receive Basic Allowance for Quarters and Variable Housing Allowance—allowances for residents of military housing would be transferred directly into a *Military Housing Authority* account. All existing military housing assets would also be transferred to the *Authority* and new legislative authority would endorse asset leveraging for the execution of all normal housing system functions; i.e., sale, purchase, maintenance, loans, etc.

The *Authority* would use a combination of corporate, housing allowance and Defense Department contributions as its funding stream. As a nonprofit government corporation it would be exempt from federal procurement laws and regulations and civil service. It is envisioned that scoring would be limited only to federal funds.

Over time, this *Authority* would cut costs, use proven private sector methods of housing delivery, improve asset management and expedite realization of quality housing for the Armed Forces.

### **Personnel Tempo—The Second Key**

*The drawdown has caused many Service members to question their long-term commitment and the prospect of a full career. The turbulence of consolidations and base closures has disrupted assignments and family life.*

—SECRETARY OF DEFENSE WILLIAM J. PERRY, Briefing on Launching  
The Quality of Life Task Force Study, November 1994

Early in its review of Service personnel tempo, the Task Force discovered five fundamental facts. First, no clear and universally accepted definition of personnel tempo exists. Second the profile of the active force and its operating environment have changed dramatically over the past decade. Third, the means of measuring personnel tempo varies widely among the Services. Fourth, while circumstances drive some personnel tempo beyond the control of the Department of Defense, some elements can be influenced. And fifth, the consequences of excessive personnel tempo impair readiness and influence every other aspect of quality of life.

Excessive personnel tempo threatens long-term readiness. Statistical evidence provided by the U.S. Army Research Institute for Behavioral and Social Sciences demonstrates that there is a direct correlation between family separations, adverse retention rates and spousal support for an Army lifestyle.

Furthermore, during travels and talks with Service men and women, the Task Force discovered that they equate personnel tempo quite simply with the amount of time that they are required to spend away from home.

## The Personnel Tempo Environment

Since 1989, end strength in the Department of Defense has decreased by 28 percent while Joint exercises and *Service-unique* training have increased. For example, a randomly selected snapshot of Air Force personnel in September 1994 showed that the number deployed away from home units was four times higher than five years earlier. As a result, some Service members did not have enough time to study and missed promotion opportunities—55 of 55 eligible for Technical Sergeant at one high personnel tempo Air Force base failed to be promoted this year. Disruptions to family life, assignment plans, and general stress plague others.

Financial difficulties and family anxieties are also increasing. These conditions have been exacerbated by the unprogrammed cost of contingency deployments which have diverted funds from Operations and Maintenance accounts that could have been used to enhance quality of life programs. In Fiscal Year, 1995, \$9.2 billion from these accounts was spent on operational contingencies. Although these accounts were eventually replenished by supplemental funding, quality of life programs had already been impaired.

This diversion of funds comes about because the Congress, as a matter of policy, will not fund for contingencies in advance. Months or years later, when supplemental funding is finally provided to cover costs of operations, the damage from this diversion has already occurred. This situation continued in Fiscal Year 1995 as Congress required full justification for all contingency costs incurred. It is doubtful that the diversion of funds from quality of life issues can continue without impairing future readiness. *The Task Force*, therefore, *concluded* that imperative operational activities must place a premium on the efficient use of scarce resources.

## Operational Tempo

Because the Services use different accounting methods and definitions, actual time deployed is hard to assess and impossible to compare. For example, the Navy only credits a unit—not individuals—with a deployment when underway time exceeds 56 days—the Marine Corps, over 10. Since any recommendation to relieve personnel tempo must start with an accurate baseline, *the Task Force finds* that the Defense Department should issue a single, simple formula for counting deployed time:

*1 day away = 1 day away.*

Part of the solution is to make as much *Service-unique* training as possible concurrent with joint training—carefully folding Service training into joint exercises, meeting both objectives without extending deployment time. This perspective could be made to work through centralized oversight. *The Task Force endorses* General Shalikashvili's recommendation that this oversight be provided by an already existing council in the Joint Staff. This council would provide *centralized senior oversight* and rational guidance for "right sizing" of joint exercises and Military Department inspection activities that relate to readiness. To reduce personnel tempo, this panel would also review and foster support for training techniques (e.g., simulation, interactive computer war games, tactical exercises and distance learning) that employ the minimum number of troops and the least materiel.

Of these techniques, simulation deserves particular attention. Cutting-edge technologies in connectivity and simulation offer great potential for improved readiness and relief from personnel tempo. These technologies should be used whenever possible.

To complete the circle on all these initiatives, *the Task Force recommends* that the unified Commanders-in-Chief provide the Secretary, in their quarterly reports, an explanation of their efforts to “right size” joint exercise activity so as to reduce operational tempo. *The Task Force further recommends* the use of these initiatives to reduce equipment tempo—another major concern under tight modernization budgets.

## **Reserve Component**

The modern Guard and Reserve forces provide a credible and effective part of the total force package. Unique core competencies and a skilled Reserve Component make the National Security Strategy workable. Judicious use of these forces would be one way to distribute personnel tempo more evenly over the total force.

Reserve Component contributions will undoubtedly continue to grow in coming years, but their members do not yet enjoy the same status as Active Component members. For example, Reservists assigned to temporary active duty for less than 31 days do not receive medical care, insurance and other benefits given to the Active Components. These disparities should receive careful attention.

Organizationally, the Reserve Component should mirror the Active Component in structure, especially depth and flexibility. The Air Guard and Reserve, for example, smoothly integrate with the Active Component, partly because they allocate individuals and portions of units to ensure the best mix of resources to meet mission requirements. Furthermore, the Air Force Reserve Component is assigned missions but then given the latitude to determine the best resources for the task.

Using the Air Force as a model, unit packages and individual skills tailored to Active Component mission requirements would decrease overall Reserve Component costs, increase joint training opportunities and balance future skill levels. Likewise, a return to the *Roundout* concept of the Cold-War era would permit the Army to retain conventionally structured forces (divisions, brigades and the like) if that is the type force needed in the future.

As this reorganization takes hold, the Reserve Component will be better able to relieve the personnel tempo of the Active forces. The National Guard, for example, should be considered for increased responsibility in the ground-based U.S. drug interdiction effort. Likewise, a regeneration of the Key Personnel Upgrade Program, whereby highly qualified medical and dental personnel serve the Active forces, would improve services and reduce Active personnel tempo.

All these changes are designed to ensure seamless integration of the total force. In addition, *the Task Force* makes the following funding *recommendations*:

- Provide funding to the Joint Chiefs-of-Staff to promote use of Reserve personnel by increasing funding incentives (permanent Operation and Maintenance dollars at the Office of the Secretary of Defense) and develop an initiative earmarking a predetermined dollar amount for the use of



the Commanders-in-Chief when designating Reserve Component units and personnel for specified missions.

- Separate support and augmentation funding from training resources used by the Reserve Components to conduct Active or Reserve Component training. This money should be paid directly into Reserve Component training accounts.
- Earmark money in the Fiscal Year 1997 quality of life wedge for a Department of Defense contingency fund to reimburse the general treasury for the cost of an employer tax credit to employers whose Guard and Reservist employees are called to active duty in support of an operational contingency.

Finally, leadership will be necessary to make these changes effective. Future commanders should support Reserve Component integration and understand the capabilities the Reserve Component brings to battlefield and to peacetime contingency operations. *The Task Force therefore supports* a restructuring of Capstone and Senior Service School curricula to ensure a thorough and complete explanation of Reserve Component capabilities.

### **Contracting**

Contracting for support services offers significant opportunities to relieve personnel tempo. Contractors in Southwest Asia after Desert Storm and more recently in Somalia, Rwanda and Haiti worked well. Using contractors also reduces the need for military housing and community and family services in deployed locations.

A comprehensive contractor integration program must possess three attributes:

- Contractors must be reliable and be responsive to Commanders-in-Chief in both peace and war. Contracts must be written in a way that ensures that contractors will continue to serve, and to deploy, during contingencies.
- Contracts should be fixed price incentive (as applicable) or other appropriate type for the services required. To help overcome natural resistance to additional use of contractors, the department could offer a cost share for worthwhile proposals.
- Contractors should be used to relieve personnel tempo in both Active and Reserve Components. Reserve forces are subject to the same or greater pressures as the Active forces from personnel tempo and need the same opportunities for relief.

To reduce obstacles to the use of contract services to support military operations, *the Task Force concurs* with the proposals of the Commission on Roles and Missions concerning legislative changes to initiate some contracting options and urges that those necessary recommendations be thoroughly examined.

## **Community and Family Services—The Third Key**

***Military people stay in the service because they like being part of something special. They won't stay long, however, if families aren't treated well.***

—GENERAL JOHN M. SHALIKASHVILI,  
Chairman of the Joint Chiefs of Staff, May 1995

The advent of the All Volunteer Force dramatically affected military demographics. The percentage of married personnel is up more than 8 percent since 1974; more spouses are employed (about 65 percent) and single parents (both men and women) are more common (5.7 percent of Army personnel; 4.3 percent of Marines). Furthermore, there has been a steady increase in the number of dependent preschool-age children and active duty Service members have about one million children younger than 12 years of age. Military recruits are more educated than in the past and cite educational benefits and job training as their top two reasons for enlistment.

These changes have taxed Community and Family Service programs at a time when they are needed most. Nearly 144,000 more spaces for child care are needed right now. More than \$34 million in bad checks are being cashed at Army and Air Force Exchanges each year, and bad credit is often cited as a reason for denial of security clearance. More than 28,000 cases of military family violence were substantiated in 1994.

To improve community and family life, *the Task Force finds* five strategies appropriate:

- Verify the current demand for services.
- Develop methods to measure program effectiveness.
- Balance the use of public and private resources.
- Seek appropriate legislative changes.
- Stabilize funding for Community and Family Service programs.

### **Child Care**

Labor costs compose most of the total cost associated with child care and are driven by requirements to maintain a minimum staff-to-child ratio. Current Department of Defense policy directs that ratios in child care facilities mirror the average of those required by state regulations. *The Task Force finds* that full time equivalency rules restrict Commanders from meeting demand for child care. These rules impose civilian manpower ceilings that limit the ability of Commanders to hire additional child care staff. An exemption from full time equivalency rules for child care programs would provide Commanders the flexibility necessary to help eliminate staff shortfalls.

Child care is paid for by parent fees and appropriated funds. Although each Service receives an equitable share, appropriated disbursements are occasionally diverted by individual Services to meet other requirements. Thus, the availability of child care varies between the Services. To correct this discrepancy, *the Task Force finds* that child care programs require sustained appropriated funding.

In addition, new child care services and ideas should be carefully evaluated to see whether they will contribute to a better overall child care program. For example, through periodic surveys, demand for hourly child care should be assessed to ensure that limited resources are well spent. On-going child care contract studies should also be examined to ensure they deliver the maximum benefit.

### Family Support Programs

Family Support Programs are another outgrowth of the changing demographics within the Defense Department. These programs provide relocation assistance, personal financial management, counseling and other services.

From the standpoint of good order and discipline, financial mismanagement by Service members is cause for concern. *The Task Force finds* that the Services should provide its members with financial management counseling at their first permanent duty station. Basic money and credit management should be covered and an optional education program should be offered for spouses.

Family Advocacy Programs would benefit from a similarly proactive approach, with the focus on preventing, identifying and treating family violence. This shift in approach toward education should help to end a common misperception that Family Advocacy programs are intended to be punitive.

Military members assigned overseas meet a variety of new and sometimes difficult circumstances not encountered in U.S. assignments, for instance, the absence abroad of a viable Woman, Infants, and Children (WIC) program. Administered by the U.S. Department of Agriculture, WIC is a health, nutrition and education program that provides low-income families with vouchers for infant formula and nutritious foods. Because USDA does not provide the WIC program overseas, 11,000 otherwise eligible families are denied a cumulative benefit valued at more than \$4.8 million. *The Task Force finds* that the Secretary of Defense and Secretary of Agriculture should take measures to ensure that eligible military families assigned overseas receive their entitlement.

*The Task Force also finds* three other family service programs in need of review and recommends:

- The current automated relocation information system (the Standard Installation Topic Exchange Service and Defense Information Systems Network) is often outdated and difficult to operate because of telecommunications problems. The Defense Department should select a standardized, inexpensive and user friendly communication system for all Services which is capable of dialogue and internetting.
- The Defense Department should seek exemption from civilian full-time equivalency rules for the hiring of military spouses. This would help civilian spouses find compatible work.
- The Defense Department should investigate greater use of reserve chaplains for ministry to Service members and families.

## Educational Services

Opportunities for training and education are the most frequently cited reasons for military enlistment. Education and training prepare individuals to execute assigned missions effectively. To help maintain a responsive educational program, *the Task Force finds* that some modifications should be made.

There are variations between the Services with regard to the level of tuition assistance and the number of courses a student is authorized to take in a year. The Army, for example, has a limit of 12 credit hours per year per soldier, whereas the Air Force has no ceiling. Differences like these are a key disincentive for Service members. *The Task Force finds* that tuition assistance reimbursement rates should be standardized throughout the Defense Department.

Opportunities to increase the availability of Distance Learning educational programs for deployed Service members should also be exploited. Emerging technologies such as video teletraining and CD-ROM "deliver cost-effective standardized training to soldiers and units at the right place and the right time." To facilitate education in today's personnel tempo environment, the Department of Defense should endorse and expand successful Distance Learning programs.

Standardized tuition assistance reimbursement and improved Distance Learning programs will enhance Service members' educational opportunities, but the community college concept shows even greater promise.

One possible approach, a Community College of the Armed Forces, would be similar to the Community College of the Air Force. The mission of the Air Force college is to offer degrees, in part, based on credit for military training, that enhance mission readiness and provide recruiting incentives. Commanders and supervisors have found Air Force program graduates to be more promotable, productive and supportive of their units. Thus, *the Task Force recommends* that the Defense Department support associate degree programs that give credit for military training.

Military parents are deeply concerned about the quality of their children's education. The Federal Impact Aid program compensates public school districts serving military residents who are exempt from local school tax. Thus, it helps to ensure that those schools can address the unique needs of the military child. *The Task Force therefore recommends* that the Department of Defense provide the necessary advocacy to keep this program viable.

## Morale, Welfare and Recreation

The variety, quality and availability of Morale, Welfare and Recreation programs within the Defense Department can enhance the physical fitness and well-being of Service members and families. Despite declining budgets, these programs should reach the largest population possible.

The two main obstacles to meeting Morale, Welfare and Recreation fitness program goals are limitations in funding for Military Construction and for Operations and Maintenance. During site visits, the Task Force saw a number of understaffed, under-equipped and inconveniently located fitness centers. *The Task Force finds* that additional funding should be allocated to upgrade fitness centers and equipment and to build additional centers. Adopting enhanced support practices and re-engineering the operation of fitness centers would maximize the productive use of manpower resources.

Youth services is another area that needs to be addressed. Together, Youth Activities, Youth Athletics and Youth Employment programs provide an array of meaningful experiences for young people making the transition to adulthood. Services have been broadened to include a focus on at-risk behaviors, social issues and prevention programs in response to a perceived increase in youth violence, gang-related behavior and other adjustment problems. Many parents expressed particular concern over the lack of employment opportunities for young people, especially during the summer.

*The Task Force recommends* that, in addition to adopting Enhanced Support Practices that would allow installation Commanders to offer jobs to military teens, support should be given to programs that address study-skills enhancement.

### **Transportation**

Transportation issues compose the final category of Community and Family Service concerns addressed by the Task Force. Most frequently mentioned problems include the shipment of household goods, storage of privately owned vehicles and "space available" travel.

The current program for the shipment of household goods, costing about \$1.1 billion, has a claim rate of 23.4 percent compared to 14 percent in the private sector. *The Task Force finds* that the Defense Department should accept the findings of the Military Traffic Management Command's Personal Property Re-engineering Working Group: to abandon the current personal property shipment program and adopt a commercial standard.

Service members reassigned to locations where the shipment of privately owned vehicles is prohibited must either sell their vehicle or make storage arrangements for the duration of the assignment. To alleviate this problem, *the Task Force* supports the department's proposed Fiscal Year 1997 legislation which provides for the storage of privately owned vehicles.

Finally, *the Task Force finds* that the Defense Department should adopt the Air Force recommended expansion of Space Available travel for unaccompanied as well as accompanied family members.

### **Conclusions**

Army, Navy, Air Force and Marine Corps—each Service branch has developed its own, unique traditions and culture. Many of the differences discussed in this *Report* arise from this uniqueness. The steps recommended to remove inequities do not impinge on the integrity of each distinctive tradition. By aligning toward the top, making every Service's best treatment the rule for members of every other branch, the individual traditions and cultures remain sources of great strength to the U.S. Armed Forces.

## CHAPTER 2 HOUSING

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*There are few human needs in life more basic or important than a decent place to live. Housing is certainly on our people's minds. Every time I visit an installation and sit down with enlisted folks to hear their concerns, they bring up housing. We have a special duty to ensure quality housing.*

—SECRETARY OF DEFENSE WILLIAM J. PERRY  
Installation Commanders' Conference, January 23, 1995

### INTRODUCTION

Despite the resources expended on military housing, much of it still fails Defense Department suitability standards, *the Task Force on Quality of Life finds*.

This finding is not new, the Task Force acknowledges. It has been repeatedly documented by numerous surveys and studies and was confirmed during town meetings and discussions during the Task Force's travels (see Appendix 2). However, *the Task Force finds* that the delivery system is so intrinsically flawed that it *recommends* its replacement with an entirely new system, run by a *Military Housing Authority*, using private housing industry management principles and practices. Like any other company, the proposed *Authority* would be empowered to raise operating and investment money from private sources.

To accomplish this drastic change, *the Task Force recommends* that the Department of Defense use all legislative, regulatory and administrative means at its disposal. Laws and procedures should be amended, or new means sought, wherever needed. Alternative views are presented in Annex 2-A to this chapter.

While many housing issues emerged from base visits, briefings, etc., four major problems undermine the current housing delivery system:

- Funding is not sufficient to produce, maintain and operate quality housing adequately, as it is subject to cyclical changes caused by political decision making, tight budgets and shifting priorities.
- Current financial rules virtually preclude any innovative, creative methods to encourage or promote private sector resource opportunities. While privatization and private sector resource management innovations are actively encouraged by Congress and Administration leadership, the existing financial policy and procedures preclude these creative methods. Current "scorekeeping" rules discourage the use of private capital sources which would otherwise be available. (See Annex 2-B for a discussion of scoring).
- Housing policy is unclear, incomplete and lacks the vision and strategy to effect change. Further, it promotes inequity between married and single personnel, between residents of quality versus poor military housing and between residents of military housing and Service members living on the economy.

- Many federal laws and regulations restrict the Defense Department's ability to use the resources and practices of private industry to best advantage.

These problems were manifested by issues identified to the Task Force during its tenure. Exhibit 2-1 summarizes these issues.

#### EXHIBIT 2-1 HOUSING ISSUES IDENTIFIED TO THE TASK FORCE

Issue	Family housing	Bachelor housing	Addressed in Stage
<b>Major<sup>a</sup></b>			
Military Housing availability	X	X	1, 2, 3
Poor quality/condition of housing	X	X	1, 2, 3
Civilian housing availability at DoD suitability standards	X	X	1, 2, 3
Inadequate housing allowances	X	X	1, 2, 3
Housing policy	X	X	2, 3
<b>Related<sup>b</sup></b>			
Deteriorated base infrastructure	X	X	2
Overseas availability/condition issues	X	X	2
Housing referral services	X	X	2, 3
Local housing management	X	X	2, 3
Security/safety in housing areas	X	X	2, 3
Inadequate amenities	n.a.	X	1, 2, 3
<b>Other<sup>c</sup></b>			
Access to community support	X	X	2
Rule/regulation simplification	X	X	2
Housing for recruiters	X	X	2, 3

n.a. = not applicable.

a. *Major issues* were cited as important at all levels (Department, Services, commanders, members, and spouses).

b. *Related issues* were important to installation commanders, and especially members and spouses.

c. *Other issues* were cited by some Services, commanders, members, or spouses.

To address these issues *the Task Force recommends* the following *vision* be adopted by the Department of Defense:

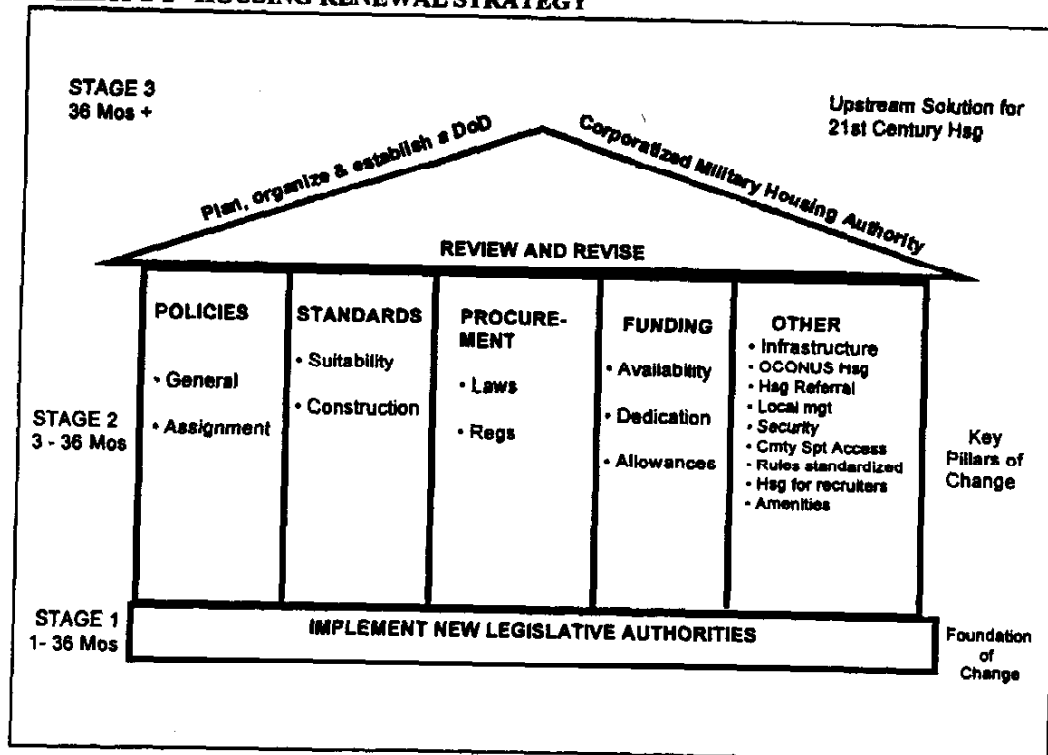
In recognition of the unique circumstances associated with military life, the Department of Defense will provide quality housing to all members of the Armed Forces, families and eligible civilians, or facilitate access to affordable housing consistent with community standards.

*The Task Force further recommends* that the Defense Department adopt four essential housing goals to achieve this vision:

- **Goal 1.** Assure members of the Armed Services and eligible civilians access to affordable, quality housing to promote: *high morale* and *readiness* for combat and other military contingencies; *military objectives* (e.g., personal responsibility, initiative, teamwork, cooperation, socialization, community support); *retention*, career service, commitment and *recruitment*.
- **Goal 2.** Support near-term efforts, such as new legislative authorities being considered by Congress, to expand housing resources and widen their impact.
- **Goal 3.** Address other key near-term issues that impair effective housing delivery or cause members and families concern such as: policies, standards, procurement laws and regulations, *funding* and other related concerns.
- **Goal 4.** Identify an effective structure for an alternative Defense Department system to deliver and maintain quality housing at affordable, commercially comparable costs.

To fulfill these goals, *the Task Force recommends* a three stage strategy be developed, implemented over three years. (See summary in Exhibit 2-2.)

#### EXHIBIT 2-2 HOUSING RENEWAL STRATEGY



Stage 1 lays the foundation of all succeeding changes. It consists of the private venture capital initiatives awaiting congressional approval at this writing. These initiatives will enable access to private capital at reduced risk to the private investor and provide the department with an array of



tools for constructing new and revitalizing existing housing. Their provisions would enable new Government guarantees, commitments and investment opportunities. Realizing progressive benefit from these authorities will take up to three years.

In Stage 2, covering the same period, the Task Force advocates major changes be introduced to address policy, standards, procurement laws, funding and other concerns. These two levels of change will improve housing delivery

To resolve 21st century housing problems, however, the Task Force believes a Stage 3 is necessary and achievable, involving the creation of a new housing delivery system, i.e., a corporatized *Military Housing Authority* under Defense Department control.

## Background

Housing can and should play a pivotal role in mitigating some of the extraordinary stresses of military life, *the Task Force finds*. Most civilians begin and end the day at home, the same place, year after year. Armed Service members and their families live every day with the possibility of frequent relocation, abrupt departures, lengthy deployments—and always possible death in the line of duty in peace or war. Military personnel therefore consider good housing an essential linchpin in their daily lives, basic to their quality of life and to that of their families.

Unsuitable housing unnecessarily distracts Service members from jobs that demand full attention to maintain constant *readiness* to defend the United States any time, any place. Thus, *the Task Force finds* that the Department of Defense has practical as well as equity reasons for providing all Service members with *suitable housing* (well-repaired, meeting statutory size standards, complying with technical codes and equipped with commercially comparable amenities). Comfortable housing improves morale and encourages qualified individuals and their families to make careers of military service, thus promoting *retention* and readiness, now and in the future.

## The Military Housing Environment

The Defense Department has historically provided military personnel with housing in-kind or housing allowances, but only one Service (the Air Force) has consistently devoted enough resources to deliver quality housing. (Annex 2-C provides a historical context for today's environment). Unreliable funding and deteriorating housing stock contribute to Service members' dissatisfaction with their dwellings. But so, too, do the tastes and values of these young volunteers. As the funding pool has dwindled, because of rising costs, competing demands and shrinking budgets, the material expectations of the young, All Volunteer Force have risen, reflecting the media-shaped values and tastes of their civilian peers. The new emphasis on joint military operations, expanding inter-Service contacts as never before, has also given military personnel new opportunities to compare their living conditions across Service lines.

The Armed Forces today consist primarily of married members with families (61 percent compared to 42 percent in 1955). The military family mirrors society in many ways (65 percent of them live in civilian housing), but there are some distinct differences. Military families tend to be larger than the national average, most military families move far more often (10-14 times in a thirty-year career, depending on their Service) than their civilian counterparts and while a majority

of military spouses also must work to provide financial security, they like military members must be willing to change jobs every few years.

Most single and unaccompanied members (82 percent) live in government-owned, on-base housing (*barracks*) which, together with off-base accommodations, makes up *bachelor housing*. *The Task Force* notes widespread discrepancies between family and bachelor housing.

*The Task Force* analyzes family and bachelor housing separately but in no way does this imply that one is more important than the other. *This Report* makes recommendations for each type of housing in the context of the three-stage strategy, culminating in the establishment of an entirely new, corporatized housing management and delivery organization, the *Military Housing Authority*.

## Family Housing

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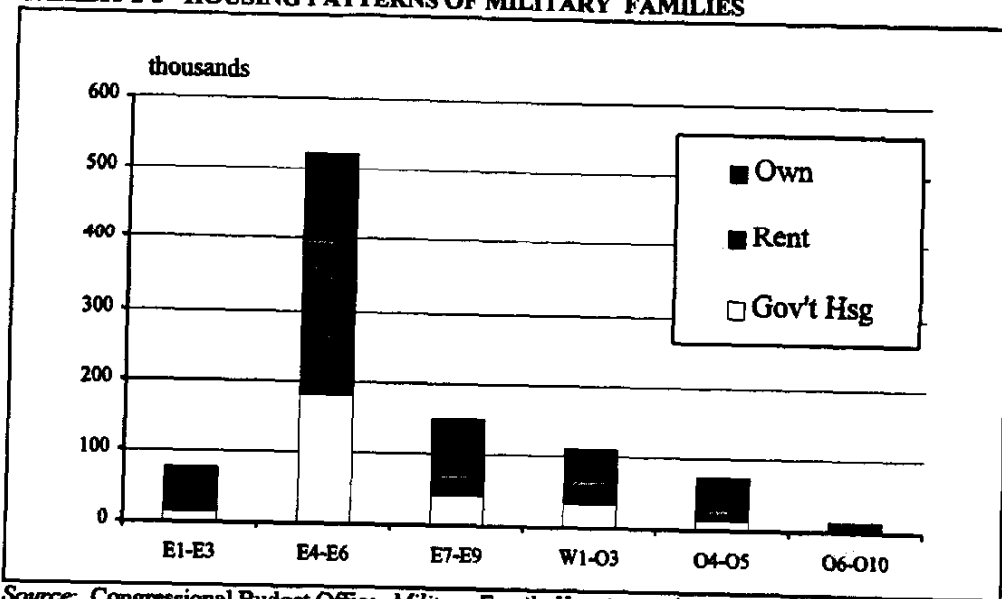
Demand for Military Family Housing remains high and often goes unmet, despite the Defense Department's focus on the private sector and surveys that indicate members might like to live off-base under ideal conditions. Practical considerations shape an overall preference among Service families for on-base housing. These considerations include: the lag between housing allowance adjustments and increases in the cost of community housing, the support services available on base, the scarcity of suitable housing in some communities and concerns about off-base safety. Some military members also prefer to live in military communities among people committed to military service as a way of life and sharing similar values.

Congressional and Service interest in Military Family Housing has experienced peaks and valleys. After gradual increases during the country's first 150 years, the major construction programs of 1950s and 1960s brought large numbers of modern (for the period) homes into the Services. Funding for maintenance, repair and replacement failed to keep up with the growth, however, turning many of these homes into poorly maintained, low-quality housing by the mid-1980s. These homes also lack the size and amenities, such as family rooms, commonly found in civilian communities. Many of the efforts to resuscitate the housing stock in the 1990s have failed because of tough fiscal competition and restrictive rules that hinder privatization.

The number of married junior enlisted personnel has risen markedly, however, straining an already taxed housing delivery system. The advent of the All Volunteer Force also changed the motivations for a career in the military, which affect family member expectations. Changes in the military family must be considered when deciding how family housing should be delivered in the future.

### Family Housing Stock

The Defense Department owns or leases, on- and off-base, about 387,000 units of Military Family Housing. Its average age is 33 years, but inadequate and inconsistent funding have resulted in poor maintenance and repair, and has deferred revitalization and replacement of unsuitable homes. In addition, many civilian communities have been unable or unwilling to meet increasing military family housing needs caused by military force relocation and changing military family demographics. These factors have resulted in a large number of unsuitable military units. Correcting these deficiencies of supply and condition is estimated to cost more than \$20 billion.

**EXHIBIT 2-3 HOUSING PATTERNS OF MILITARY FAMILIES**

Source: Congressional Budget Office, *Military Family Housing in the United States*, September 1993.

**Where Military Families Live**

Different Services and locations within each Service adhere more or less closely to the Defense Department's policy of housing its families mainly in the local community. The proportion of military families living in the private sector ranges from a high of 74 percent in the Navy to a low of 57 percent in the Army. This results from both Service philosophy and from the local availability of suitable community housing.

Who lives in Military Family Housing also varies. Grades E4-E6 occupy about 64 percent of the units but comprise 55 percent of military families. Conversely, almost 70 percent of married junior enlisted (E1-E3) rent their housing in the community. (See Exhibit 2-3 for a full breakdown.)

**Condition of Family Housing**

The condition of Military Family Housing ranges from modern and well-maintained, to small, run-down and lacking in basic amenities. Often, the full range can be found on the same installation or in the same region, creating a visible disparity in the quality of the housing benefit provided, depending on housing assignment.

The Air Force has generally provided the best housing, setting the standard for the Defense Department. The Navy and Marine Corps have acknowledged erratic investment practices in the past and have initiated broad programs to renovate and replace unsuitable housing. The condition of family housing reflects the priority a Service gives to quality of life in relation to other competing mission and readiness requirements.

### **Maintenance, Repair, and Revitalization Backlogs**

The large maintenance, repair and revitalization backlogs are one indicator of housing conditions. Backlogs measure the deferred work, and the cost, to raise dwellings up to suitable conditions and current standards of comfort. In the absence of any common, Defense-wide metric, each Service calculates its backlog differently. These disparities preclude exact comparisons across Services and hinder development of reliable cost estimates for catching up with repairs.

### **Encouragement of Home Ownership**

Often, the alternative of home ownership by Service members is overlooked when discussing ways of satisfying military housing demand. Local purchase is a decision left entirely to individuals according to their income, stability of assignment, local market characteristics and other variables that are considered outside the Defense Department's purview.

*The Task Force finds* that home ownership is fully consistent with departmental policy to look to the private sector as the primary source of housing and that home ownership is still a goal of most American families. Further, *the Task Force finds* that the Defense Department should actively seek to eliminate hurdles to home ownership.

Effective programs to encourage home ownership can help to reduce demand for other sources of housing and may also help to stabilize the work force. For example, a partial loan forgiveness program run by the Federal National Mortgage Association has reduced employee turbulence and thus Association costs.

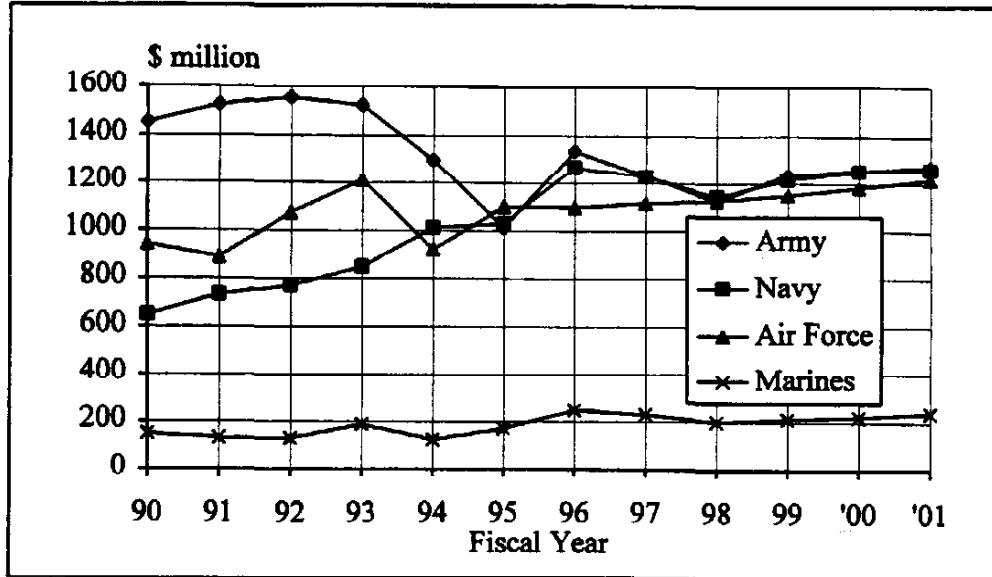
The Navy in Norfolk, Virginia, has devised an innovative program to help lower paid, young Navy families qualify for mortgages. The program can be targeted toward retention of sailors (who are expensive to train but who were leaving the Service after one enlistment) or it could be open to all Service members. In either case, a number of options and processes can be put to work to make it a successful program.

*The Task Force recommends* that the Defense Department strongly encourage, evaluate and implement imaginative programs to encourage home ownership by Service members.

### **Funding**

Military Family Housing is a separate, *fenced* (untransferable) account, covering all facets of the program, including operations, maintenance and construction. The amount of this funding often fluctuates by fiscal year and by Service as a result of inconsistent overall military spending and shifting Service, departmental and congressional priorities (Exhibit 2-4). Though useful for determining trends within a Service, the family housing appropriation cannot be used for comparisons among Services because their accounting techniques, execution methods and use of military manpower are different.

## EXHIBIT 2-4 MILITARY FAMILY HOUSING FUNDING



Sources: Military Construction and Family Housing Appropriations Subcommittee Conference Reports and Services' Program Review 1997 Submission.

## MAJOR ISSUES

During its investigation, *the Task Force* discerned an array of major and related issues affecting the quality, quantity, availability and affordability of housing. The major issues concern:

- Broad policy for family housing
- Policies governing assignment of family housing
- Inequities stemming from housing policy
- Criteria for acceptable community housing
- Federal procurement and military construction laws
- Federal and Defense Department Regulations and construction standards
- Unreliable funding of military housing
- Structure of housing allowances

The recommended solutions in each area can be addressed within the next three fiscal years in Stage 2 of the proposed Housing Renewal Program.

## ISSUE 1: BROAD POLICY FOR FAMILY HOUSING

Current Defense Department housing guidance stipulates:

*Excellent housing facilities and services shall be provided for all military members, their families and eligible civilians. Continual improvement in quality is a measure of excellence, and customers of housing services shall participate in that evaluation. . . . Service members shall be liable for damage to any Department of Defense housing unit, or damage to or loss of any equipment or furnishings, assigned to or provided such member if it is determined that the damage or loss was caused by the abuse or negligence of the member. . . . —DoD HOUSING MANAGEMENT MANUAL, September 1993*

**DISCUSSION:** *The Task Force finds this guidance for department family housing policy—now and for the future—unrealistic, undeliverable and quality-unspecific. It also fails to delineate or promote a sense of "ownership" or responsibility for personal involvement within the community.*

Military Family Housing appropriations have averaged \$4.5 billion over the last five years but "excellent" housing is not universally provided. Although most installations do have some fine housing, 65 percent of military families reside on the economy, receiving no housing facilities and at best, little housing referral services. Of the Military Family Housing units that are available many are:

- Under-maintained, both with regard to recurring maintenance and major revitalization
- Poorly managed by nonprofessionals who are not oriented toward customer service
- Over-regulated at the local level
- Too small by current community standards
- Too densely built, precluding privacy and engendering resident stress

**RECOMMENDATION 1:** **Revise broad family housing guidance to clarify rationale and responsibilities and to specify a standard for high quality.** A new guidance, for example, might read:

The Department of Defense, in recognition of the unique circumstances attendant upon military life, will provide, enable or otherwise facilitate access to affordable, quality housing, consistent with grade and dependency status, as well as community standards and/or mission requirements, for every active duty Service member and eligible civilian. The department's responsibility is discharged through a corporatized philosophy which combines appropriate pay and allowances, procurement and maintenance of on/off base Service owned/leased housing and referral to private sector housing. Service member, family and eligible civilian responsibility lies in the contribution or forfeiture of housing allowances and differential as required, the proper resident care of property, and community support and participation expected of all citizens.

## ISSUE 2: POLICIES GOVERNING ASSIGNMENT OF FAMILY HOUSING

Junior personnel (grades E1-E3) constitute the resource pool for tomorrow's career force. To retain them, the Defense Department must address issues that create housing dilemmas for them.

**DISCUSSION:** Overall, housing allowances are about 22 percent below costs in the civilian community. *The Task Force finds* that some of the most junior service people experience exceptional hardships because of their inadequate housing allowances and limited access to military housing. Grades E1-E3 make up 29 percent of the enlisted force (ranging from a high of 49 percent in the Marines to a low of 22 percent in the Air Force). Of the 25 percent of families in grades E1-E3 with dependents, 19 percent live in military housing, and about 12 percent are unsuitably housed in the civilian community, because of cost, size, condition or location.

The department has four priorities for assignment to Military Family Housing:

- *Priority 1.* key and essential personnel, including command positions
- *Priority 2.* personnel assigned to or attached for duty at the installation
- *Priority 3.* personnel not assigned to or attached for duty at the installation
- *Priority 4.* unaccompanied dependents of Service members.

Installation commanders are responsible for establishing assignment priorities and have the authority to deviate from stated guidelines to address exceptional cases of hardship. Long-standing tradition rewards career service and often results in higher priority access for senior personnel. At most installations, by construction standard, only so many units are available for each senior group (e.g., E1-E6, E7-E9, O1-O3, and so forth). As a result, the less numerous senior personnel often wait the shortest time for housing, while the more numerous members in the lowest grades may wait much longer, up to two years in some locations.

Promotion to E4 takes an average of three to four years, depending on Service. In the interim, married junior enlisted members must balance the pressures of low pay and allowances with growing family and financial responsibilities. To ensure high morale and retention, these young families must be provided access to adequate and affordable housing.

**RECOMMENDATION 2:** Add to current family housing policy language that encourages commanders to give special attention to the special housing dilemma of young Service families. For example,

The Services will encourage local commanders to exercise concern for the access of members in pay grades E1-E3, who are family housing eligible, to suitable housing in the private sector or to military housing. (This policy should not be interpreted as requiring *forced* (involuntary and not desired) moves from or into housing during an ongoing tour.)

## ISSUE 3: INEQUITIES STEMMING FROM HOUSING POLICIES

Current housing policies and practices create perceptions of inequity and unfairness. No accommodation is made between the condition of assigned military housing and the amount of

housing allowance deducted. This lack of correlation has fed the perception of inequitable treatment between members assigned to modern, up-to-date units and those assigned to less desirable units.

**DISCUSSION:** The Defense Department provides detailed site and housing delivery system standards but no guidance for suitability (e.g., size, condition). Congress, in the 1970s, designated a number of housing units "substandard." This designation allowed commanders to lower the allowance "rent" by up to 25 percent for residents of these substandard units. Only about 4,300 of these units still exist today—with no similar program for the rest of the inventory. Residents of military housing that would be considered unsuitable, if located in the local community, thus question the fairness of deducting the same amount of housing allowances from them as from residents of modern, attractive homes.

An argument can be made for a partial rebate of housing allowances to some residents of military housing, depending on the condition of their military housing.

**RECOMMENDATION 3:** To reduce inequities in housing assignments, the Services should:

- **Develop and apply housing suitability criteria and continually revise their lists of suitable and unsuitable housing.**
- **Rebate a flat percentage of quarters allowances to those assigned to military housing designated as "unsuitable."**

#### **ISSUE 4: COMMUNITY HOUSING ACCEPTABILITY CRITERIA**

Are the Defense Department's five "acceptability" criteria for private sector housing (location, cost, size, condition, and ownership) compatible with the proposed goal of affordable, quality housing consistent with community standards?

**DISCUSSION:** Departmental acceptability criteria for community housing have evolved over time. They are intended to guide: members in selecting a residence; communities in building homes for military personnel and the Services in determining their housing deficit. *Unacceptable* housing fails to satisfy all five criteria and does not count as an asset to meet the military need. Factors affecting the interpretation of these criteria include:

- Annual surveys in which military personnel housed on the economy rate their own quarters. These survey results are subjective and distorting. An "acceptable" rating by a resident overrides application of the other criteria.
- Determination of acceptable location and condition by installation commanders. This practice puts commanders in the difficult position of weighing family safety and security against possible ill-will in the local community over an "unacceptable" rating.



- Inequity created by the location criteria for service members living in rural areas. For them, being within a one-hour commute can mean a round trip of more than a hundred miles a day.
- Costs extending beyond the congressional intent of out-of-pocket outlay. The cost criterion requires that, to be "unacceptable," expenses exceed the sum of 150 percent of the member's Basic Allowance for Quarters and Variable Housing Allowance. This amount can greatly exceed congressional intent that members absorb 15 percent of their housing costs from other compensation.
- Size standards that need to be kept up-to-date with current community norms and flexibly applied.
- Condition criteria that lack qualitative indicators of age and utility. They also omit any requirement for adequate dining space and garages in extremely cold regions.
- The assumption that every home purchased by a member is acceptable. This assumption does not consider some of the family budget decisions confronting junior members who may be able to afford only a decrepit mobile home or a run-down house in a high-crime area.

**RECOMMENDATION 4: Update and clarify acceptability criteria for private sector housing for military families. Specifically:**

- **Provide local commanders with specific guidelines to identify and specify "unacceptable locations based on security and safety."**
- **Add to the one-hour commute an alternative criteria of one-way distance.**
- **Ensure that members paying more than 15 percent out-of-pocket for housing expenses be considered unacceptably housed.**
- **Review minimum square footage requirements and base them on local and state building codes.**
- **Include in condition criteria a requirement for dining space, separate or as part of living room or kitchen, and for garage space in severe climates.**
- **Apply to member-owned homes the same suitability criteria applied to leased homes.**