

Congress of the United States
Washington, DC 20515

November 15, 2022

The Honorable Lloyd J. Austin III
Secretary of Defense
1000 Defense Pentagon
Washington, DC 20301-1000

Dear Secretary Austin,

We are writing to strongly encourage you to immediately restore the full Basic Allowance for Housing (BAH) to support servicemembers and their families.

The House Report of the Fiscal Year 2023 National Defense Authorization Act (NDAA) notes that the availability and cost of housing is of greatest concern to military families, and directs the Department of Defense (DOD) to examine restoring 100 percent BAH across the board. This report is due by March 1, 2023.

The FY15 NDAA (P.L. 113-291) gave the Department the authority to reduce BAH in certain circumstances. In 2015, DOD reduced the proportion of money given to servicemembers to 95% of calculated BAH. This was defined as a cost-saving measure to “balance the growth in compensation costs.” While the Department believes that imposing a 5% cost share shouldn’t financially burden military families, several studies have shown that this reduction harms the well-being of servicemembers who live off and on military installations.

Servicemembers and their families should not have to shoulder the burden of DOD’s cost savings. According to the Department’s own figures, servicemembers and their families should spend between \$74-\$168 out of pocket monthly as part of their “cost-share” for housing – and that BAH should pay for a servicemember and dependents without the spouse employed.^{1,2} According to data from the Blue Star Families 2020 Military Family Lifestyle survey, fully 83% of families who live off-installation have out-of-pocket housing expenses, and 76% of those families spend more than \$200 a month above their awarded BAH on housing.³

These excessive out of pocket costs hurt our military families. Slightly more than 50% of respondents to the 2021 MFAN survey said they experience barriers to saving money over the last two years. More than 80% of respondents indicated that their finances caused stress over the past 12 months.⁴ There is a disconnect between DOD’s assessment of servicemembers’ needs

¹ DOD, “DoD Releases 2022 Basic Allowance for Housing Rates,” press release, December 15, 2021, at <https://www.defense.gov/News/Releases/Release/Article/2874398/dod-releases-2022-basic-allowance-for-housing-rates/>

² DOD, Basic Allowance for Housing (BAH) Frequently Asked Questions, updated February 13, 2020, at <https://www.defensetravel.dod.mil/site/faqbah.cfm> (see No. #23).

³ Blue Star Families, 2021 Military Family Lifestyle Survey Comprehensive Report, March 2022, at https://bluestarfam.org/wp-content/uploads/2022/03/BSF_MFLS_Results2021_ComprehensiveReport_3_22.pdf

⁴ Military Family Advisory Network, Military Family Support Programming Survey, 2021 Results, July 14, 2022, at <https://www.mfan.org/wp-content/uploads/2022/07/MFAN-Programming-Survey-Results.pdf>

and the reality of what occurs. With a relatively small investment from DOD, the Department can make change to improve the financial stability of servicemembers.

The Department's cost-sharing burden has adversely affected servicemembers living off installations, and it has created financial instability for the Military Housing Privatization Initiative (MHPI). BAH is the financial underpinning of the MHPI enterprise. It pays for ongoing operations, debt service and long-term reinvestment.

The Department's decision to reduce BAH to 95% has resulted in underfunded reinvestment accounts at installations across the country. That means less funds for long-term sustainment, more deferred maintenance – and ultimately a less satisfactory housing experience for military families. Restoring full 100% BAH will allow for greater funding for these reinvestment accounts, and will restore the financial integrity to the MHPI program.

Servicemembers and their families should not be nickel and dimed by the nation they volunteered to serve, especially as Congress has increased the defense budget by 39% in nominal terms.

Restoring BAH is the right thing to do for servicemembers and their families, and we urge you to do it without delay.

Sincerely,



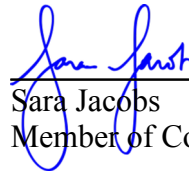
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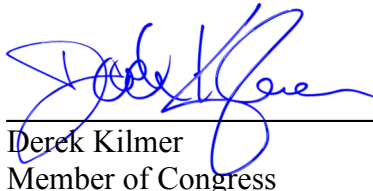
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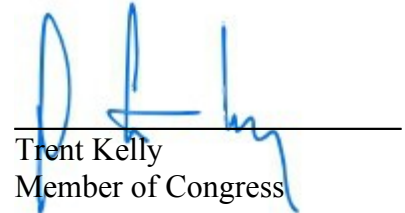
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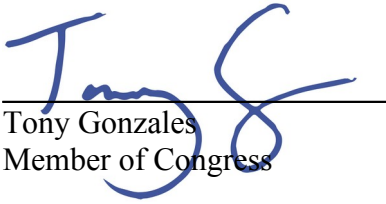
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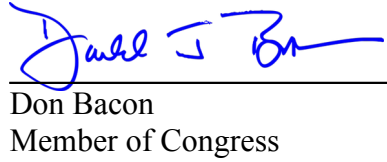
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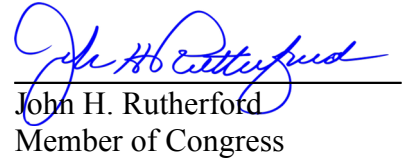
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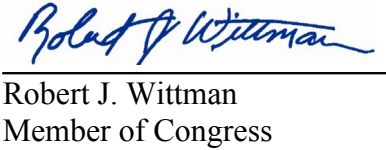
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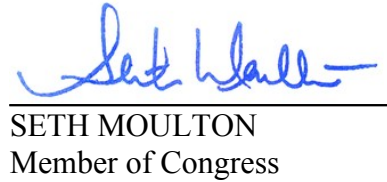
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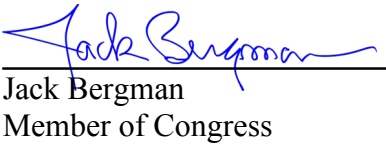
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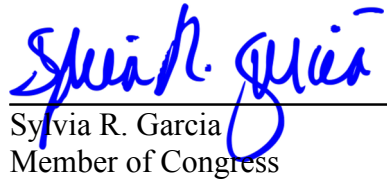
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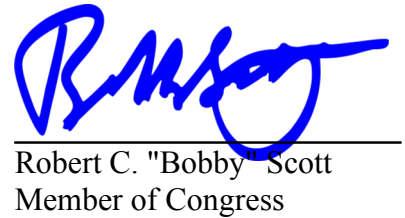
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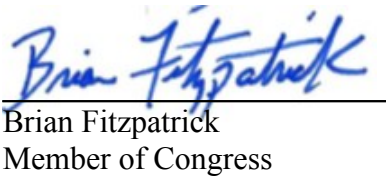
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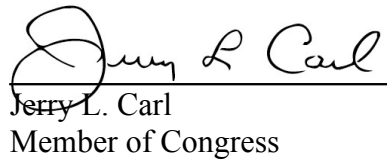
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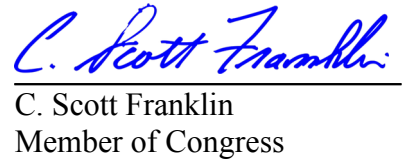
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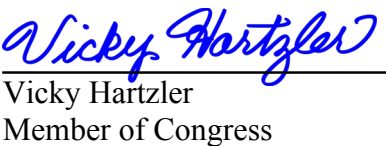
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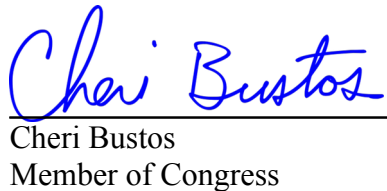
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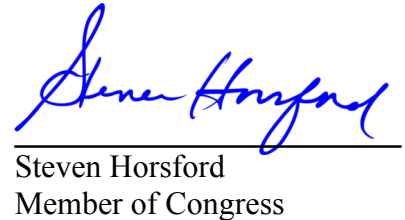
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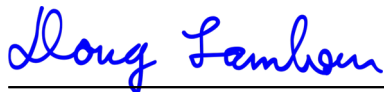
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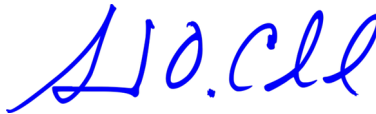
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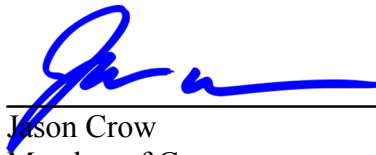
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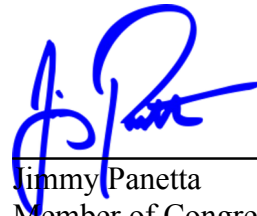
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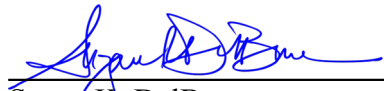
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