



**Testimony** 

Before the Quality of Life Panel, Committee on Armed Services, House of Representatives

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### MILITARY HOUSING

## Strengthened Oversight Needed to Make and Sustain Improvements to Living Conditions

Statement of Elizabeth A. Field, Director, Defense Capabilities and Management

# **GAO Highlights**

Highlights of GAO-23-107038, a testimony before the Quality of Life Panel, Committee on Armed Services, House of Representatives

#### Why GAO Did This Study

Poor living conditions in military housing decrease quality of life for service members and their families and can negatively affect military readiness. In recent years, reports of poor living conditions in government-owned barracks and military family housing owned and operated by private companies have raised questions about DOD's oversight of its military housing program.

This statement examines DOD's management of its housing programs, specifically the department's (1) military barracks program, and (2) privatized family housing program.

This statement is based on GAO's September 2023 report on military barracks conditions and its April 2023 report on privatized military family housing. To perform that work, GAO reviewed DOD documentation, analyzed data, interviewed DOD officials, and assessed DOD's efforts against relevant criteria. GAO also toured military housing and conducted discussion groups with housing residents during site visits to selected military installations.

#### What GAO Recommends

GAO made 31 recommendations in its September 2023 report and 19 recommendations in its April 2023 report. Regarding barracks, GAO recommended that DOD improve guidance and increase oversight. Regarding privatized family housing, GAO recommended DOD clarify guidance and training on efforts to increase assistance to residents and improve home inspection standards. DOD generally concurred with the recommendations and described ongoing actions.

View GAO-23-107038. For more information, contact Elizabeth A. Field at (202) 512-2775 or FieldE1@gao.gov.

#### September 27, 2023

#### MILITARY HOUSING

## Strengthened Oversight Needed to Make and Sustain Improvements to Living Conditions

#### What GAO Found

Junior-enlisted service members without dependents (e.g., a spouse or child) typically live in military-managed barracks. GAO reported in September 2023 that some barracks pose serious health and safety risks. As part of site visits to selected installations, GAO observed a variety of living conditions that service members and unit leaders stated were negatively affecting their quality of life, such as sewage overflow, mold and mildew, and broken windows and locks.

#### Potentially Serious Health and Safety Risks at GAO Site Visit Locations







Source: Department of Defense (left); GAO (all others). | GAO-23-107038

GAO found numerous challenges in the Department of Defense's (DOD) approach to managing its barracks, including the following:

- DOD standards for health and safety in barracks were not well defined.
- Some barracks do not meet DOD standards for privacy and configuration, such as minimum number of bedrooms, in part because the military services' guidance for privacy and configuration do not reflect DOD standards.
- DOD does not provide sufficient oversight of housing programs for barracks, such as through appropriate guidance or direction to the military services on tracking, assessing, and remediating deficiencies in barracks conditions.

GAO's work similarly shows that DOD needs to continue to improve privatized military housing, which includes about 200,000 homes for service members and their families in the United States. Around 2018, reports of lead-based paint and other hazards, such as pest infestation, raised questions about DOD's management of privatized housing. In March 2020, GAO made several recommendations to improve DOD oversight, and DOD has taken steps to implement them. However, in April 2023, GAO reported that gaps remain in DOD's efforts. For example, GAO found that DOD had not (1) set clear and consistent inspection standards for homes undergoing change of occupancy or (2) provided adequate guidance or training to officials on assisting residents in using a new formal dispute resolution process.

Improved oversight and addressing GAO's recommendations would position DOD to improve the quality of living conditions for its service members.

United States Government Accountability Office

Chairman Bacon, Ranking Member Houlahan, and Members of the Panel,

Thank you for the opportunity to discuss our work on living conditions in military housing and the resulting effects on quality of life for service members and their families. In recent years, reports of health and safety hazards in military housing, such as lead-based paint and pest infestation, have raised questions about the Department of Defense's (DOD) management and oversight of housing and the resulting effects of substandard living conditions on service members' quality of life. Regardless of whether military housing is owned and operated by the government or by private housing companies, poor living conditions degrade quality of life and, consequently, can affect military readiness.

DOD military housing includes government-owned military barracks worldwide, as well as privatized military family housing in the United States.1 Military barracks house hundreds of thousands of service members on U.S. military installations.<sup>2</sup> While housing varies by rank, location, and family situation, all enlisted service members start their military careers living in barracks. After initial training, each military service generally requires junior-enlisted service members without dependents (e.g., a spouse or child) to live in barracks. The military services manage nearly 9,000 barracks facilities worldwide; almost all are government-owned, operated, and maintained. In September 2023, we reported that barracks were in poor condition and DOD faced considerable challenges managing its barracks.3 We made 31 recommendations to improve military barracks housing programs. As discussed below, DOD concurred with 23 of the recommendations and partially concurred with 8, in some cases noting ongoing actions that would address them.

The vast majority of domestic military family housing is owned, operated, and maintained by private-sector developers and property management

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<sup>&</sup>lt;sup>1</sup>DOD also owns and operates family housing overseas. We limited the scope of our recent work to privatized family housing within the United States.

<sup>&</sup>lt;sup>2</sup>The military services use different terms, but in this statement, we use the term barracks to refer to unaccompanied housing across military services. Additionally, we limited the scope of our recent work to barracks that house junior-enlisted service members. For example, our scope did not include review of government-owned housing for other unaccompanied service members, such as senior-enlisted.

<sup>&</sup>lt;sup>3</sup>GAO, *Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness*, GAO-23-105797 (Washington, D.C.: Sept. 19, 2023).

companies (hereafter referred to as private housing companies). Congress enacted the Military Housing Privatization Initiative in 1996 to give the military departments various authorities to obtain private-sector financing and management to repair, renovate, construct, and operate military housing. Private housing companies are responsible for about 99 percent of domestic military family housing—more than 200,000 homes on and around military bases in the United States.<sup>4</sup> At the end of fiscal year 2022, 14 private housing companies were responsible for 78 privatized housing projects.

Since March 2018, we have made over 50 recommendations to improve privatized family housing programs. DOD has taken a number of steps to address these recommendations and as of September 2023 has implemented 26. In April 2023 we reported that considerable challenges continue to confront the department in its efforts to improve privatized housing, including the inconsistent implementation of congressional requirements aimed at improving privatized housing.<sup>5</sup> We include a list of related products regarding military housing at the end of this statement.

My testimony today summarizes our most recent reviews of DOD's management of its (1) barracks housing program and (2) privatized military family housing program. This statement is based primarily on our September 2023 report on military barracks conditions and our April 2023 report on DOD's privatized family housing program.<sup>6</sup> To perform the work upon which this testimony is based, we reviewed DOD documentation, analyzed DOD data, interviewed DOD officials, and assessed DOD's efforts against relevant criteria. For both reviews, we toured military housing and conducted discussion groups with military housing residents during site visits to selected military installations within the United States.<sup>7</sup> More detailed information on our objectives, scope, and methodology for

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<sup>&</sup>lt;sup>4</sup>National Defense Authorization Act for Fiscal Year 1996, Pub. L. No. 104-106, §§ 2801-2802 (1996), *codified as amended* at 10 U.S.C. §§ 2871-2894a.

<sup>&</sup>lt;sup>5</sup>GAO, *Military Housing: DOD Can Further Strengthen Oversight of Its Privatized Housing Program,* GAO-23-105377 (Washington, D.C.: Apr. 19, 2023).

<sup>&</sup>lt;sup>6</sup> GAO-23-105797 and GAO-23-105377.

<sup>&</sup>lt;sup>7</sup>Specifically, as part of our September 2023 report on military barracks, we visited a nongeneralizable sample of 10 installations in the United States—selected to represent each of the military services—and facilitated 12 discussion groups. Similarly, for our April 2023 report on DOD's privatized family housing program, we conducted both in-person and virtual site visits at a non-generalizable sample of five installations and facilitated two discussion groups.

that work can be found in the issued reports listed at the end of this statement.

We conducted the work on which this testimony is based in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

#### Poor Living Conditions in Military Barracks Undermine Quality of Life

## Some Living Conditions in Military Barracks Are Substandard

In September 2023 we reported that some barracks pose serious health and safety risks and do not meet DOD standards for privacy and configuration, such as number of bedrooms. DOD has set minimum standards for assignment or occupancy to barracks related to health and safety, as well as privacy and configuration. These requirements include how much square footage each service member should have for living space.<sup>8</sup> However, we found that some barracks pose potentially serious risks to service members, and that barracks do not always meet privacy and configuration standards. According to service officials, thousands of service members may live in substandard barracks.

Health and safety risks exist for service members. Service members in all 12 discussion groups we conducted for our review and first sergeants at eight installations that we visited told us they had concerns about health, safety, or both in the barracks. We observed a variety of living conditions during site visits that service members and unit leaders told us were negatively affecting them, such as sewage overflow, mold and mildew, and broken windows and locks. See figure 1.

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<sup>&</sup>lt;sup>8</sup>Department of Defense Manual 4165.63, *DOD Housing Management* (Oct.28, 2010) (Incorporating Change 2, Aug. 31, 2018).

Figure 1: Potentially Serious Health and Safety Risks at GAO Site Visit Locations

Source: Department of Defense (left); GAO (all others). | GAO-23-107038

We also observed or heard about issues with water quality, pests, exposure to methane gas, and extreme temperatures, among others. Service members in all 12 discussion groups told us that living conditions affected their mental health. For example, in one group, a service member told us about increased anxiety and panic attacks after living in the barracks.

We observed at multiple installations malfunctioning or broken fire safety systems, broken door locks and broken first-floor windows, insufficient lighting, evidence of squatters, and lack of functioning security cameras in barracks. First sergeants at one installation told us an ex-spouse broke in and physically assaulted a service member in the barracks. They also said that poorly lit hallways, blind spots in hallways and corridors, and lack of security cameras made barracks difficult to monitor. Service members at four installations reported concerns that these conditions contributed to an environment where theft, property damage, and sexual assault were more likely.

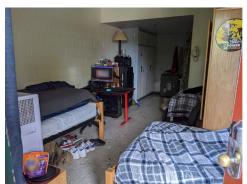
Some barracks do not meet minimum privacy and configuration standards. At six of 10 installations we visited, we identified barracks that

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<sup>&</sup>lt;sup>9</sup>During a tour of barracks at one installation, we observed a room occupied by an unauthorized person. Installation officials told us a service member who was no longer in the military had remained on the installation after being discharged and had been entering a barracks room through a broken first floor window and living in that room. During our tour, a barracks manager reported and resolved the issue with unit leadership.

did not meet the DOD standard that, for units without living rooms, each service member should have a private bedroom, and no more than two service members should share a bathroom.<sup>10</sup> We also observed barracks at six of 10 installations that did not provide kitchenettes when they were supposed to, such as rooms that provided only a refrigerator and microwave.<sup>11</sup> See figure 2.

Figure 2: Barracks Rooms below Department of Defense (DOD) Minimum Standards for Privacy and Configuration; Observations during GAO Site Visits





Source: GAO. | GAO-23-107038

Service members in 10 of 12 discussion groups told us that lack of privacy and insufficient space contributed to poor mental health and affected sleep quality or work performance. For example, service members in one group said that lack of privacy in barracks increases stress and makes it difficult to relax at home. Similarly, service members in 10 of 12 discussion groups told us the lack of or limited access to

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<sup>&</sup>lt;sup>10</sup>DOD minimum standards for permanent party barracks for service members in ranks E1 to E4 offer two options, both of which require a barracks unit to have two rooms—either two private bedrooms or one shared bedroom and a living room—as well as a kitchen or kitchenette for preparing food.

<sup>&</sup>lt;sup>11</sup>Under DOD standards, permanent party barracks without living rooms must include a kitchenette. DOD Manual 4165.63, *DOD Housing Management* does not include a definition for kitchenettes. For the purposes of our analysis, we concluded a barracks room did not have a kitchenette if we did not observe in the barracks room at least one additional kitchen amenity beyond a refrigerator or microwave, such as a stovetop with one or more burners, cabinet storage, countertops, a sink outside the bathroom, or kitchen table. This definition is consistent with statements from a service housing official.

kitchens or kitchenettes in the barracks negatively affected them. 12 Service members told us that due to the lack of or limited access to kitchens or kitchenettes in the barracks, they generally rely on microwavable meals or fast food, leading to health problems.

We determined that although DOD guidance indicates that barracks should be free of serious risks to health and safety, it lacks specific details on what constitutes such risks. Moreover, we found that service-specific standards for assignment to barracks do not meet DOD standards for privacy and configuration. We recommended that DOD clarify and update guidance on minimum standards as one key way to avoid the problem of service members living in substandard conditions with detrimental effects on quality of life. DOD generally concurred with our recommendations and identified steps to implement them. Updated guidance would help ensure service members are not assigned to live in uninhabitable or substandard barracks.

#### DOD Does Not Sufficiently Assess Barracks Conditions or Effects on Quality of Life

In September 2023, we reported that DOD does not reliably assess barracks living conditions or routinely monitor the effects of barracks conditions on service members' quality of life. Further, military services' methods for assessing the effects of barracks conditions are not consistent and do not fully align with DOD requirements.

Condition assessments are not reliable. The military services calculate a condition score—a number from zero to 100—for each barracks facility based on inspections of building systems, such as electrical or plumbing, but we found that these scores have been unreliable. For example, at seven of 10 military installations we visited we observed barracks that appeared to require significant improvement, despite condition scores above 80. For example, we toured a barracks at one installation with a condition score of 86, where about 25 percent of rooms had broken air conditioning. Service members we met with at this installation described living in the barracks without air conditioning on hot days as continuous misery, especially after being outside all day for work or training.

We identified multiple possible factors that may affect the reliability of condition scores, such as the frequency of assessments and the number of building systems assessed, which vary by military service. For

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<sup>&</sup>lt;sup>12</sup>Of the two discussion groups that did not discuss negative effects due to limited kitchen access, one group lived in privatized barracks where the majority of service members we met with lived in units with kitchens. The second group lived in government-owned barracks with configurations that also included kitchens.

example, the frequency of condition assessments varies by service, with some services assessing barracks conditions as frequently as 3 years and others in 10-year intervals. Officials at all 10 installations we visited told us barracks are different from other facilities because they have high usage, high turnover, and experience significant wear and tear due to housing hundreds of enlisted service members. Further, officials from multiple services told us the current frequency of condition assessments, both stated in policy or conducted in practice, is not sufficient for barracks facilities.

We recommended that DOD examine key aspects of how the different services conduct condition assessments and provide guidance based on that review. DOD concurred with our recommendation. Without examining and providing guidance on how best to assess barracks conditions, DOD may not have reliable condition information to appropriately determine which barracks should be prioritized for funding.

The Office of the Secretary of Defense does not assess condition effects on quality of life. In previous years, the Office of the Under Secretary of Defense for Personnel and Readiness (hereafter referred to as Personnel and Readiness) collected information on service member satisfaction with barracks through the Status of Forces survey. Information from this survey would be useful for monitoring the morale and welfare aspects of barracks housing. 13 According to 2019 Status of Forces survey results, service members living in unaccompanied housing, including barracks, were generally less satisfied than service members living in other types of military housing. However, the department removed housing satisfaction questions from the Status of Forces survey after 2019 to reduce survey length and because, according to officials, housing satisfaction was not a priority for assessing morale. Personnel and Readiness officials provided differing perspectives. Some indicated that while housing conditions touch on quality of life, they consider housing to be separate from quality of life, and so do not monitor the effects of barracks conditions. Other officials, however, disagreed and indicated that this does not reflect the position of Personnel and Readiness.

At the time of our review, officials told us there were no plans to reintroduce housing questions to the Status of Forces survey. Therefore,

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<sup>&</sup>lt;sup>13</sup>The Status of Forces survey assesses the attitudes and opinions of the DOD community on a range of personnel issues that affect service members, their careers, and their families, including questions on topics related to quality of life.

we recommended that Personnel and Readiness collect department-wide information on service members' satisfaction with their housing, including barracks. DOD partially concurred with this recommendation and described ongoing and planned actions. Department-wide information collection on housing satisfaction, such as through the Status of Forces survey, would help DOD gain insight into the effects of barracks conditions on service members' quality of life.

Military services do not consistently assess condition effects on quality of life. DOD guidance requires the military services to periodically evaluate service members' satisfaction with their housing, including barracks, using surveys. However, a 2020 Chief Housing Officer memorandum required the services to survey only residents of privatized housing and government-owned family housing, omitting government-owned barracks. As a result, the military services' approaches to surveying barracks residents on the effects of living conditions on quality of life have been inconsistent.

- The Navy and Marine Corps have used the same tenant satisfaction survey they use for privatized military family housing for residents of government-owned barracks. Both services have used survey results to identify steps to improve quality of life for service members.
- The Army and Air Force have not used the tenant satisfaction survey for barracks residents. They have relied instead on other methods to gather more limited information on effects of living conditions on quality of life, such as a one-time survey of barracks residents at selected installations and informal exit interviews.<sup>15</sup>

We recommended that DOD update guidance to require surveys of barracks residents—thousands of whom live in barracks because they are required to do so. Implementing our recommendation will ensure DOD is positioned to assess the effects of barracks conditions and

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<sup>&</sup>lt;sup>14</sup>Assistant Secretary of Defense for Sustainment Memorandum, *Tenant Satisfaction Survey Policy for DOD Privatized, Owned or Leased Housing* (Nov. 16, 2020). This memorandum implements a provision of the National Defense Authorization Act for Fiscal Year 2020, which required each military installation to administer the same tenant satisfaction survey for service members living in all military housing, Pub. L. No. 116-92, § 3058 (2019).

<sup>&</sup>lt;sup>15</sup>The Army administered a one-time survey of barracks residents at five military installations in 2022. The Army plans to administer periodic surveys of barracks residents in the future.

identify potential improvements to quality of life for thousands of service members living in barracks. DOD concurred with this recommendation.

#### DOD Does Not Conduct Sufficient Oversight of Barracks Housing Programs

In September 2023 we reported that DOD does not provide sufficient oversight of housing programs for barracks. For example, the Office of the Secretary of Defense has not provided appropriate guidance or direction to the military services on tracking, assessing, and remediating deficiencies in barracks living conditions. <sup>16</sup> Specifically, DOD does not have a structure in place to conduct sufficient oversight of barracks, such as monitoring substandard barracks, tracking budget information, or facilitating collaboration across military services.

**DOD does not monitor substandard barracks**. In general, we found that relevant officials from the Office of the Secretary of Defense were not paying sufficient attention to the military services' barracks programs. For example, we found that the services' privacy and configuration standards generally did not meet those prescribed in the DOD manual. However, housing officials from the Office of the Secretary of Defense were unaware of this. They said they do not monitor the number of substandard barracks across the services because they do not have a role in military service waivers of DOD minimum standards for barracks.<sup>17</sup> They also emphasized that the services are meant to have flexibility in how they manage their barracks programs.

DOD does not comprehensively track barracks budget information. Annual programmatic reviews of barracks include only limited, incomplete budget information. This is in part because DOD does not track complete budget information on the full scope of barracks and barracks-related funding. DOD relies primarily on three sources of appropriated funds to maintain and improve barracks facilities or to house service members

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<sup>&</sup>lt;sup>16</sup>The Assistant Secretary of Defense for Energy, Installations and Environment is designated as the Chief Housing Officer for government-owned and privatized military housing. Specifically, the National Defense Authorization Act for Fiscal Year 2023 establishes the Assistant Secretary of Defense for Energy, Installations and Environment as the Chief Housing Officer responsible for overseeing military barracks. According to DOD documents, the Deputy Assistant Secretary of Defense for Housing supports the Chief Housing Officer in all statutorily defined duties.

<sup>&</sup>lt;sup>17</sup>Officials from the Office of the Secretary of Defense also said they do not have sufficient staff to compare DOD minimum standards to the services'.

typically required to live in barracks. These funding sources include (1) Operation and Maintenance (O&M) funds to maintain and improve existing barracks, (2) Military Construction (MILCON) funds to significantly renovate old barracks or construct new ones, and (3) Military Personnel funds to house service members in private sector housing through the Basic Allowance for Housing due to space limitations in the barracks or other reasons. DOD officials told us that they do not have sufficient information to know whether budget materials reflect complete funding information or whether the services' budget requests for barracks-related funding fully and accurately reflect needs. We found budget materials used to support annual reviews do not identify:

- budget information related to Basic Allowance for Housing for service members in the United States who would be living in barracks if not for condition or space issues. This spending totaled over \$1.3 billion in fiscal year 2022, according to our analysis;<sup>19</sup>
- the portion of O&M funding specifically designated for barracks housing programs; and
- complete MILCON requirements information. When we requested budget information on barracks projects funded through MILCON from each of the services for fiscal years 2012 through 2022, the budget information provided to us listed zero for barracks MILCON requirements for multiple fiscal years for more than one military service. Officials at five of 10 installations we visited told us they have more barracks projects in need of funding than they include in their requirements submissions, or that barracks MILCON projects do not compete well against other needed MILCON projects when submitted for inclusion as part of the annual budget request.

**DOD** has not facilitated collaboration on barracks housing issues across the department. DOD has not facilitated collaboration across the military services, such as by establishing a joint strategy for the services

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<sup>&</sup>lt;sup>18</sup>Service policies have different rank requirements for living in barracks. For example, within the United States the Army and Marine Corps require unaccompanied service members in ranks E-1 to E-5 to live in barracks. The Air Force and Navy require service members in ranks E-1 to E-3—as well as some E-4s depending on several factors, such as years of service or available barracks space on an installation—to live in barracks. Both services allow E-5s to leave barracks. Across DOD, unaccompanied, enlisted service members are allowed to live outside of the barracks after being promoted to ranks E-4, E-5, or E-6, depending on the military service and other factors.

<sup>&</sup>lt;sup>19</sup>We obtained and analyzed DOD data related to BAH for active-duty service members assigned to duty stations in the United States.

to coordinate on improving barracks conditions.<sup>20</sup> As a result, the services have pursued separate, individual strategies to improve barracks without the benefits of collaboration. For example, the services have pursued different approaches to assessing the feasibility of privatizing barracks, resulting in inconsistent information, conclusions, and actions. Officials from DOD and multiple services acknowledged that formalized, regular collaboration would be useful for improving barracks conditions across the military.

DOD housing officials acknowledged that they have not been as focused on strengthening oversight of barracks as they have privatized family housing due to limited staffing resources and DOD's focus on privatized housing in recent years as a result of congressional attention. These deficiencies in oversight limit DOD's ability to identify and address long-standing challenges in barracks conditions across the military services' housing programs. In our September 2023 report, we made recommendations to DOD to increase oversight and department-wide collaboration on barracks housings programs and to develop methods for tracking and reporting complete and accurate funding information.

DOD generally concurred with our recommendations, but partially concurred with our recommendation to develop a method to track and report complete funding information in a combined manner for barracks housing programs. DOD stated that Military Personnel funding will not be tracked or reported since DOD may not use Military Personnel funding to improve or maintain barracks housing. We recognize that Military Personnel funding is not used to directly improve or maintain barracks housing. However, tracking Military Personnel funding is important for managing DOD's barracks programs. Based on our analysis, DOD is spending significant amounts on the Basic Allowance for Housing as a consequence of insufficient or poor quality housing.

Without tracking and reporting this funding, it will be challenging for DOD to weigh different options for funding barracks and barracks-related needs. For example, it will be challenging for DOD to weigh the use of O&M, MILCON, or Military Personnel funding—specifically the Basic

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<sup>&</sup>lt;sup>20</sup>As we have previously reported, collaboration can be broadly defined as any joint activity that is intended to produce more public value than could be produced when organizations act alone. Joint activities can range from occasional meetings between managers—such as periodic meetings with service housing directors—to more structured joint teams operating over a longer period. GAO, *Government Performance Management: Leading Practices to Enhance Interagency Collaboration and Address Crosscutting Challenges*, GAO-23-105520 (Washington, D.C.: May 24, 2023).

Allowance for Housing—to meet housing needs for a given fiscal year. Moreover, Congress will have limited visibility into the full scope of funding requirements to house this service member population.

#### DOD Can Further Strengthen Oversight of Its Privatized Housing Program

Robust oversight of privatized family housing is critical for ensuring service members and their families have access to high quality housing. In March 2020 we reported that DOD needed to strengthen oversight and clarify its role in the management of privatized housing, such as through reliable data collection on resident satisfaction and better monitoring of private partners.<sup>21</sup> In response to that report, DOD took several actions to strengthen oversight. In addition, DOD took steps to implement statutory requirements from the National Defense Authorization Act for Fiscal Year 2020 (Fiscal Year 2020 NDAA) that were designed to ensure robust DOD oversight of the conditions in private housing units.<sup>22</sup> However, we reported in April 2023 that gaps in implementation of statutory requirements remain and approaches to oversight are inconsistent.<sup>23</sup>

**Implementation gaps**. The Fiscal Year 2020 NDAA required DOD to provide residents the right to enter into formal dispute resolution processes to resolve issues with private housing companies and required DOD to provide residents with access to a tenant advocate. The Office of the Secretary of Defense issued guidance in February 2021 establishing a formal dispute resolution process and directed the military departments to work with private housing companies to implement it.

However, we found that the guidance provided to residents on the process lacks detailed information, such as how and when they can file a formal dispute. We also found that military housing officials have not received adequate guidance or training for assisting residents in the process. While each military department has designated personnel to act as tenant advocates, we found that the military departments have not clearly identified the roles and responsibilities for these personnel. Further, the military departments have not communicated useful information to residents about how they can and cannot use the tenant advocates.

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<sup>&</sup>lt;sup>21</sup>GAO, *Military Housing: DOD Needs to Strengthen Oversight and Clarify Its Role in the Management of Privatized Housing*, GAO-20-281 (Washington, D.C.: Mar. 26, 2020).

<sup>&</sup>lt;sup>22</sup>Pub. L. No. 116-92 (2019).

<sup>&</sup>lt;sup>23</sup>GAO-23-105377.

Inconsistent oversight. The Fiscal Year 2020 NDAA required that DOD conduct inspections of privatized homes using a uniform checklist when a change of occupancy takes place. Although each of the military departments is conducting these inspections as required, DOD has not developed clear or consistent inspection standards and the military departments have not provided adequate inspector training. Military housing officials and private housing company officials we spoke with at five installations said that the absence of clearly defined standards had contributed to disagreements between the military housing offices and private housing companies.

To address these issues, we recommended that DOD clarify guidance to support implementation of the Fiscal Year 2020 NDAA requirements and improve oversight of privatized family housing. DOD generally concurred with our recommendations. By taking steps to further strengthen oversight, the Office of the Secretary of Defense and the military departments can be better positioned to understand and address any concerns about housing quality and enhance the housing experience for service members and their families.

Similarly, we reported in July 2023 that the Army could improve inspection oversight for certain privatized family housing projects. <sup>24</sup> Under its March 2021 agreement with the Army, the private housing company Lendlease is expected to renovate and build thousands of homes. However, three of the five installations that have begun implementing the agreed-to development plan have encountered some construction delays. Additionally, we found that reports Lendlease has provided to the Army lacked sufficient inspection detail. For example, none of these reports included the status of certain construction activity inspections, such as spot checks performed on minor and medium renovations and roof replacements. Without improvements, the Army may be limited in its ability to monitor construction for appropriate quality and safety standards. We recommended that Army and Lendlease improve inspection oversight, and DOD concurred with our recommendation.

In conclusion, military housing is central to quality of life for service members and their families. Our work shows that when significant management and oversight lapses in DOD housing programs occur, it can take years to address the types of problems that residents

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<sup>&</sup>lt;sup>24</sup>GAO, *Military Housing: Army Should Improve Inspection Oversight and Long-Term Capital Investment Projections*, GAO-23-105983 (Washington, D.C.: July 27, 2023).

experience. These can include overcrowding, faulty construction, and unsafe living conditions. The recommendations we have made—some short-term, others longer-term—should help the department gain a better footing in ensuring that service members and their families have access to safe, clean, and comfortable housing. They should also help Congress make informed decisions about what to expect of DOD and where and when to provide funding and other forms of support that may be needed.

Chairman Bacon, Ranking Member Houlahan, and Members of the Panel, this completes my prepared statement. I would be pleased to respond to any questions you may have at this time.

# GAO Contact and Staff Acknowledgments

If you or your staff have any questions about this testimony, please contact Elizabeth A. Field, Director, Defense Capabilities and Management, at (202) 512-2775 or FieldE1@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Suzanne Perkins (Assistant Director), Miranda Cohen (Analyst in Charge), Andrew Altobello, Vincent Buquicchio, David Jones, Tara Porter, Michael Shaughnessy, and Emily Wilson.

## Related GAO Products

Military Barracks: Poor Living Conditions Undermine Quality of Life and Readiness, GAO-23-105797 (Washington, D.C.: September 19, 2023.

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