



ARMED FORCES RETIREMENT HOME Strategic Plan 2023-2025

DECEMBER 2022

Agency Overview

Mission

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

Vision

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

Snapshot

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

Currently AFRH can accommodate more than 1,100 veterans at its two locations. Veterans eligible to become residents include those who spent the majority of their military service in enlisted, warrant officer, or limited duty officer ranks. Other eligibility requirements as specified in law include a combination of service time, service-connected disability, and combat zone, women's component, and honorable service¹. AFRH continues to evaluate eligibility requirements to better support the total enlisted military force, and recent changes in legislation have expanded eligibility to accompanying spouses and retired members of the National Guard and Reserves. Veterans enter AFRH in independent living with access to a continuum of care as their health needs increase: independent living plus, assisted living, long term care, and memory support. Residents are admitted regardless of their assets or income. Each resident pays a monthly fee determined annually based on a maximum amount for each level of care or a percentage of their gross income, whichever is less. Most residents pay significantly less than it costs AFRH to deliver all-inclusive services, including a private room and bath, meals, on-site wellness clinic with primary medical and dental care as well as certain specialty providers, a wealth of physical and social activities, local transportation, and many other amenities. Residents of the Washington campus enjoy hilltop views of the capital city on 272 acres of rolling landscape while Gulfport residents enjoy a 40-acre waterfront location with direct beach access on the Mississippi Sound.

Funding

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

¹ Title 24, United States Code, section 413

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

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

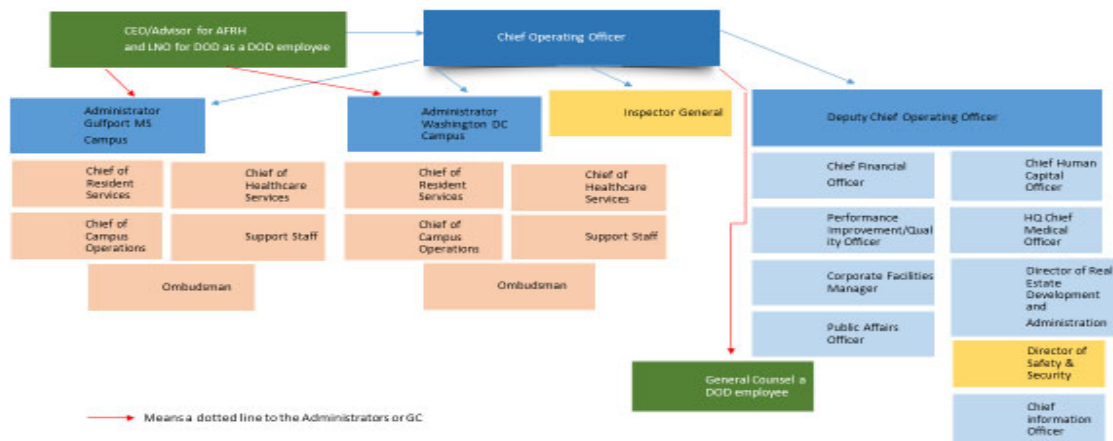
Oversight and Organization

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

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

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

Organizational Chart



The COO is the AFRH agency head responsible for the overall direction, operation, and management of the AFRH as provided in the AFRH Act of 1991 as amended and otherwise by law and regulation.

The CEO of AFRH exercises day-to-day DoD oversight for AFRH policy matters, congressional and intergovernmental affairs, and appointment of key AFRH officials including the COO, administrators, and ombudsmen. The CEO is a DoD employee who reports to the Director of Administration and Management through the Director, Washington Headquarters Services.

Vision 2035

AFRH recognizes that leveraging and managing our assets to best advance our mission is vital as we work to restore the trust fund's solvency and sustainability. Deferred maintenance, historic preservation, and the high cost and long lead times associated with building, operating, and maintaining real property and equipment all pose significant risk to AFRH's future. A long view is critical and necessary, so AFRH is setting its sights on 2035 to address our aging and outdated infrastructure and to accommodate shifting industry trends and generational life preferences. To that end, we believe the following elements should form the core of AFRH by 2035:

Multigenerational communities of veterans

Since its roots in the 19th century, AFRH has served veterans too injured or ill to live on their own, and we pride ourselves on providing best-in-class care to our residents for the rest of their lives. A central piece of AFRH's mission in the past was to provide support for veterans leaving the military or encountering difficulty thriving in civilian life. We believe the AFRH campuses of 2035 must be generationally diverse with a range of services and living environments attractive to all ages of veterans.

Dynamic living environments

Many potential residents are deterred by the institutional look and feel of our facilities. This is not unique to AFRH, as private sector communities across the country have moved toward decentralized individual living units but with the amenities of a campus setting. AFRH campuses offer a wealth of opportunity and space to experiment with state-of-the-industry concepts and amenities, and we should leverage those opportunities to develop competitive offerings particularly in:

- Diversity of residence types and styles
- Choices for dining and self-catering
- Whole-person amenities, activities, and services

Local and geographic expansion

Both of our campuses offer space for expansion to include new buildings or additions to expand our capacity to serve more enlisted veterans. We are limited by the historic status of our Washington campus and the smaller size of our Gulfport campus, but our greatest limitation is geographic. Veterans prefer to live near family and friends and are more likely to choose communities close to places they know and people they love. According to the Department of Veterans Affairs, the top five states for veteran population are the same as those for total population: California, Texas, Florida, New York, and Pennsylvania. There are four states with veteran populations of 9 percent: Alaska, Maine, Montana, and Virginia; and 13 states with veteran populations of 8 percent. Our goal from now until 2035 is to evaluate our existing geographic footprint and determine the best opportunities for enhancement and expansion.

Of primary focus for this long view is the 272-acre Washington, DC campus. While our 80-acre mixed use redevelopment effort will soon begin to offer exciting new amenities, services, and open spaces to AFRH and D.C. residents alike, the remaining 192 acres must continue to serve our mission, add value to our services, and attract future residents. The Washington campus has many challenges, however the most significant for its long-term viability is the primary independent living residential facility. AFRH will implement asset management practices to align mission, leadership, organization, data, decisions, evaluation, and monitoring, all with the objective of maximizing asset value. Using leading asset management practices and standards-based data, AFRH will plan for the replacement of the independent

living facility through creative land use, restoration of historic buildings for apartments, and new developmental ideas.

Strategic Goals 2023-2025

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

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

Strategic Goal 1 – Quality Care First and Always

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

Strategic Questions

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

Goal 1 Objectives 2023-2025

1.1 Achieve an occupancy rate of 90 percent or better

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

Initiatives

1.1.1 Broaden outreach to attract new residents

Currently 84 percent of AFRH residents are military retirees with over 20 years of service. The average age of residents is 84 years and 89 percent are male. Veterans eligible because of injury, disease, or disability are underrepresented because governing law had limited eligibility to economic factors. In late 2018, Congress changed the law to allow AFRH to admit spouses with eligible residents, eliminate economic factors as a sole determinant for admission, and create a pathway to admission for veterans with mental health issues. In late 2020, Congress again broadened eligibility to retired members of the National Guard and Reserves and eliminated the minimum age 60+ requirement. While the Coronavirus Pandemic closed admissions for much of 2020 and into 2021, with these eligibility expansions and additional operational

funding approved for fiscal year 2021-2022, AFRH must work aggressively in 2023-2024 to expand outreach efforts and attract new residents.

1.1.2 Attract couples

The AFRH mission has been and will continue to be serving enlisted veterans when they need our care. Most veterans enter AFRH at an advanced age after a spouse has passed away. We believe it will enhance our community if we can admit spouses together with their eligible veteran when space is available. In 2018 Congress allowed spouses to be admitted with their eligible veteran. AFRH developed an initial fee structure and policies which it has been testing and revising. In addition to determining appropriate fees and admissions processes, AFRH is planning a renovation on the Washington campus which will modernize and enlarge rooms.

1.1.3 Modernize residential facilities

Over 80 percent of AFRH-Washington residents live in the Sheridan Building which was constructed in the 1960s with the last significant facelift completed in the early 1990s. Rooms are designed for single occupants and are smaller than average rooms in the lowest quartile for retirement communities nationwide.

AVERAGE UNIT SIZE (PER SQUARE FOOT) OF CONTINUING CARE RETIREMENT COMMUNITIES			
AFRH Sheridan Bldg.	National Lower Quartile	National Median	National Upper Quartile
272	434	750	1,439

○ Source: *The State of Seniors Housing, 2019*; American Seniors Housing Association

AFRH engaged an architecture and engineering firm to redesign the 75-room independent living floors of the Sheridan Building to modern standards and increase per-unit square footage by extending usable floor area to enclose the existing balconies which were damaged and unusable since a 2011 earthquake. Their proposed design would yield 50 rooms, averaging 561 square feet and ranging from 400 to 730 square feet, and capacity ranging from 50 single occupancy to 90 double occupancy to accommodate couples. The scope of work would include demolition and renovation, enclosure of the balconies, and modernized HVAC, mechanical, and electrical systems. Phased renovation of floors while the building remains open and occupied will likely take three to four years. This project, together with the roof and elevator replacement projects already funded, would fully address an estimated \$23 million in deferred maintenance for the Sheridan Building and provide a modernized facility attractive for current and future residents.

1.1.4 Ensure the admissions process is applicant-centered

AFRH has unique eligibility requirements and a duty to ensure laws are followed, new residents are set up for a successful experience, and our communities remain vibrant places to live. Veterans, before and after admission, come to AFRH with complex needs. The marketing and admissions process involves a considerable time investment from both the applicant and the AFRH staff. Our dedication to resident-centered care ensures that we must continually improve our admissions processes to make it applicant-focused by gearing the process to better understand the whole person and their particular needs, while eliminating the unnecessarily burdensome requirements and lengthy timelines.

1.2 Organize healthcare services for optimum potential

One-third of AFRH expenses, approximately \$21 million per year, fund healthcare services for our residents. Although all residents are eligible for health benefit programs including TRICARE, VA, Medicare, and Medicaid, as a federal agency AFRH cannot currently obtain payment from these programs for medical services performed on-site. AFRH will continue to pursue changes necessary to receive program payments and will consider streamlining services to ensure a sustainable financial model, especially in

light of increasing medical costs. AFRH will work to ensure residents will have the same experience and expectations regardless of what campus they choose.

Initiatives

1.2.1 Begin coding healthcare interactions

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

1.2.2 Improve technology to enhance healthcare delivery

AFRH's existing electronic health record system provides a full suite of tools to manage all aspects of our continuing care retirement community model. Staff and inspectors have recommended improvements in workflow, data capture, and analytic capabilities not present in the current system but now available in the marketplace. AFRH will implement systems improvements focused on improving resident care quality, from reducing data entry demands so providers can spend more time delivering care to predictive analytics that will help ensure resources are available when and where needed.

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

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

Strategic Goal 2 – Stewardship at Our Core

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

Strategic Questions

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

Goal 2 Objectives 2023-2025

2.1 Manage assets productively

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

Initiatives

2.1.1 Develop a strategic asset management plan

A strategic asset management plan initiated in fiscal year 2023-2024 will be a planning tool to clarify intentions, priorities, and practices to be adopted. It will take a long-term view, considering our Vision 2035 outlined earlier, and consider the combination of organization needs, stakeholder expectations, and the realities of existing assets and asset management capabilities. It will guide and constrain AFRH's decisions pertaining to natural and built assets. By 2024 AFRH will implement asset management practices consistent with the International Organization for Standardization ISO 55000 series to align mission, leadership, organization, data, decisions, evaluation, and monitoring, all with the objective of maximizing asset value (this applies predominantly to AFRH-W's AFRH Zone and to AFRH-G.). Using ISO 55000 practices and standards-based data, the AFRH will plan for the replacement of the independent living facility through creative land use, restoration of an historic building for apartments, and new development.

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

Outdated and deteriorating facilities have a negative effect on AFRH's ability to attract and retain residents and low occupancy levels exacerbate AFRH's financial problems by reducing fee income and driving higher fixed costs per resident. Without continued investment, this backlog will threaten our operations and force more expensive replacements in future years.

Between FY 2015 and FY 2019, AFRH operated with a \$1,000,000 annual budget for capital construction and renovation. The balance sheet acquisition value of our property, plant, and equipment was \$399 million at the end of FY 2019, minus \$94 million accumulated amortization/depreciation. This equated to a capital expenditure ratio of only 0.25% and \$889 per available unit. By comparison, a 2019 senior living industry report showed nationwide average per unit capital expenditures of \$8,465 for continuing care retirement communities.² Applying that measure to AFRH would equal \$9.5 million in annual capital expenditures.

In fiscal years 2020 through 2022, Congress authorized a combined \$30 million for projects supporting mission-critical replacement needs on the Washington campus:

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

While the Washington campus requires the bulk of resources due to its age, after over a decade in service the Gulfport facility will require increased investment in the coming years. Saltwater corrosion reduces

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

the life expectancy of many systems, requiring more frequent maintenance and earlier replacement. The following are priority projects during the FY 2022-2024 timeframe:

FY 2020-2024 PRIORITY MAINTENANCE PROJECTS (priority order)				
Campus	Project Description	Estimate	Budgeted FY 2020-2023	Status
Washington	Replace 1950s-1960s electrical infrastructure	\$7,500,000	\$8,300,000	Phase 1 design complete, received single proposal, in negotiation. Equipment lead times 21-40 weeks. Phases 2 and 3 design in progress. Material and equipment costs higher than original estimate due to supply chain and inflation.
Washington	Replace original 1960 Sheridan Building roof and quarters building roofs	1,900,000	1,754,000	Complete
Washington	Chiller and water pump replacement	1,500,000	1,448,159	Equipment purchase complete, installation pending
Washington	Replace 1920s-1960s water and sewer infrastructure	6,500,000	7,500,000	Phase 1 design complete, limited bidder interest, expanding solicitation. Phases 2 and 3 design in progress, revealed underground stream shift and membrane damage, will require additional drainage mitigation and higher materials cost than original estimate
Washington	Replace 1950s-1970s elevators (Sheridan, Stanley, Quarters 1, Sherman)	3,400,000	2,766,331	Combined with above elevator project for efficiency; winning bidder proposed value engineering reusing some original components.
Gulfport	Replace primary and backup generators impacted by lightning, hurricane, and saltwater damage	6,000,000	6,000,000	Fully funded
Gulfport	Replace boilers due to salt corrosion	500,000	500,000	Fully funded
Both	Replace outdated and malfunctioning emergency alert system	1,750,000	450,000	System is no longer supported and replacement parts are no longer manufactured.
Washington	Repair and replace slate roofs on historic buildings	600,000	300,000	Funded two buildings (\$300k)
Washington	Repair masonry on historic buildings causing water infiltration and energy loss	4,000,000	400,000	Funded historic chapel (\$400k)
Washington	Modernize 1970s-1980s HVAC systems, reduce energy use	2,850,000	1,950,000	Fully funded. Cost higher than original estimate due to bidder-recommended replacement of existing structural supports due to larger, heavier modern energy-efficient equipment
Gulfport	Replace chiller due to reduced useful life, salt corrosion	1,600,000	1,600,000	Fully funded
Washington	Repair buildings housing electrical converter and substation	1,850,000	1,850,000	Fully funded
Washington	Replace 1950s-1970s fire pump and sprinkler systems to meet current volume and pressure standards	2,000,000		Pending funding

Both	Computer and network systems upgrades and replacements	300,000	300,000	Pending funding
Washington	Address emergency egress, ADA accessibility, lighting, plumbing, and mechanical systems of historic Rose and Stanley chapels	2,400,000		Pending funding
Both	Replace aging and problematic Gulfport keyless access system, integrate Washington onto same system	2,000,000		Pending funding
Washington	National Monument Quarters 1 and 2 phase 1 repair (roof, waterproofing, masonry, plaster, replace deteriorated components, remediate hazardous material, accessibility, HVAC, fire alarm system)	4,460,000		Pending funding
Washington	National Monument Quarters 1 and 2 phase 2 repairs (stonework, basement plaster, fireplaces, tile, kitchen rehab, security system)	940,000		Pending funding
TOTAL		\$52,050,000	\$34,218,490	

Beyond these critical investments, we aim to keep \$750,000 to \$1 million in capital funding set aside for emergency reserves. This level of reserves was critical in FY 2021 to fund over \$500,000 in emergency repairs to the Gulfport facility following Hurricane Zeta and repairs to chillers at both campuses due to equipment failures. While two-year availability of operating funds was approved beginning in FY 2021, reserves will continue to be a vital source of funds to address urgent capital expenditures to sustain operations.

2.1.3 Execute zoning and ground lease on the AFRH-Washington development zone

In the making for over a decade, the 80-acre Washington campus development zone represents AFRH's long-term opportunity to create a new and enduring revenue stream. In May 2018, AFRH, through the General Services Administration, issued a request for proposals emphasizing upfront and early-phase income as well as integration of the campus with the surrounding community. A lead developer was selected in August 2019, and in July 2020 an agreement was reached between AFRH, the National Capital Planning Commission, and the Government of the District of Columbia to govern land-use planning and entitlements for the project. With this critical agreement in place, AFRH, in consultation with the development team, proposed an amendment to the AFRH-W master plan, which was approved on 2 June 2022. Since then, AFRH and the development team have been collaborating with the District's Office of Planning on crafting a zoning amendment specific to the development zone. AFRH anticipates securing zoning approval and executing the master ground lease with the development team in 2023.

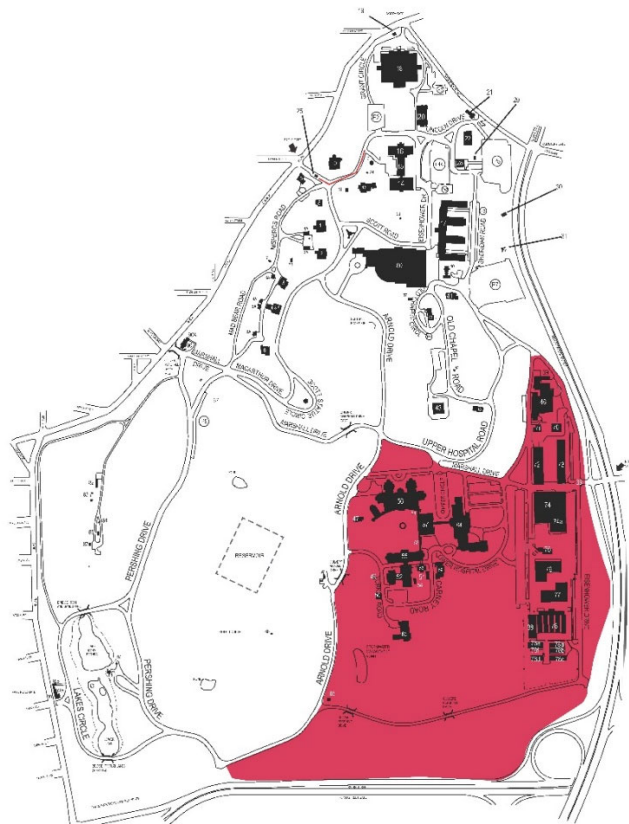
The goal is for construction to begin, following design and permitting, in 2025. While the AFRH-W golf course is outside of the development zone's boundary, it presents additional resident-therapy and revenue-generation opportunities. The golf course remains an important asset to the home and we are working with the selected developer and other interested parties to revitalize the golf course, retain it as an amenity for our residents, and reap enough revenues from it to sustain it. In 2017, DoD commissioned a business case with the National Golf Foundation, which recommended outsourcing golf course operations and estimated routine operating losses and occasional annual profits of \$100,000-150,000 on capital improvements of \$3-5 million. In 2022, AFRH conducted a market sounding to determine market interest in rehabilitating, operating, and maintaining a nine-hole course in the districts northwest. The

market's response was surprising: three of the four respondents said they would be interested in taking on the course and all of the respondents suggested that AFRH was not using the course to its fullest potential with respect to rehabilitative and recreational therapy.

Together these efforts form a comprehensive program to improve the quality of life for our residents and create a new neighborhood on our historic campus that will enhance the surrounding community and provide new amenities, jobs, and tax revenue in the District of Columbia.

Washington Campus Development Zone Summary

Approved Master Plan		Timeline	
Use	Square Footage		
Residential	3,175,177	Industry Day	Mar 2018
Office	732,846	RFP Release	May 2018
Medical	319,077	Proposal Submission	Oct 2018
Retail	253,297	Selection	Nov 2019
Assisted Living	309,678	MOU with D.C.	Jul 2020
Hotel	118,000	Master Plan Amendment	2022
Total	4,906,075	Zoning	2023
		Construction Begins	2025



80 acre development zone in red

2.1.4 Develop a plan for the Grant Building

The Grant Building is a 176,000 square foot structure on the Washington campus completed in 1912 but mothballed in 1998, following several attempts by the Home from the mid-1980s on to assess uses, feasibility, and affordability. AFRH completed a feasibility study in 2021 based on existing conditions to inform potential use decisions and identify likely costs to renovate (exclusive of fixtures, furnishings, and equipment, as well as the underground parking required by the NCPC-approved master plan). The best use, from the AFRH's perspective, was as a new category of accommodations, intended to be elegant and spacious; attractive to younger, eligible retirees and couples; and secured with an upfront payment. Residents of these units would live independently but, as need required, would be eligible to move to the other levels of care at AFRH. Unfortunately, the study confirmed the conclusions of previous studies: the costs to renovate are prohibitive (at approximately \$1000/square foot) and the building's original design and age limit its redesign and uses. It might be possible to find a third-party use and to secure a master ground lease for the Grant Building, however, doing so would reduce the availability of the underlying land for AFRH's mission in Washington, DC, for an extensive period. Despite the size of the AFRH-W campus, the acreage available for the home's mission is limited, so leasing to a non-home mission is not favored. Razing the Grant Building may be the best option for the future of the Home.

2.1.5 Improve underutilized buildings for rental income

There are twelve houses ("quarters") of various sizes and qualities on the Washington campus, some of which have been reserved for employees in key roles in resident support and management, which can otherwise be rented to employees, tenants, or offered to the public at prevailing market rates. Two houses are designated as part of the National Monument and require substantial renovation and repair to be fully habitable, estimated \$2-2.5 million per house. AFRH does not expect any resulting lease revenue to provide a reasonable return on investment. Rather, AFRH must maintain these buildings in accordance with their status as national historic landmarks. A request for appropriated funds makes sense in this case since funding would otherwise need to be drawn from the AFRH trust fund. An additional house categorized as historically significant may also be renovated at lower cost out of capital spending authority, with a return on investment estimated between 5 and 7 years.

AFRH continues to generate significant revenue from the leases to the Creative Minds International Charter School and the AFRH parking rental agreements with the adjacent Department of Veterans Affairs and MedStar hospitals. With these three leases alone, generates over \$2.5 million per year. To pursue additional revenue opportunities for ancillary and vacant structures, AFRH has engaged commercial realtors to explore the interest of the market. Per initial reviews of the realtor, market conditions look favorable for renting land and vacant buildings for commercial use. The challenge will be to make the vacant buildings usable or fashioning agreements that make repairing or updating the buildings by the tenant a win-win situation.

2.2 Improve financial and administrative management

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

organization, emphasizing accountability and data-driven resourcefulness to continually adapt the way we do business.

Initiatives

2.2.1 Empower operational-level budget and resource ownership

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

2.2.2 Continually evaluate interagency service agreements

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

2.2.3 Improve policymaking processes

Directives, policies, and standard operating procedures formalize how we conduct day-to-day business but are not set in stone. Being agile requires flexibility to adapt to changing circumstances and priorities, and formal policies often trail how we are actually operating or unnecessarily restrict our decision-making. In 2023-2025 we will continue to ensure important policies are current and adaptable, and outdated or burdensome policies are streamlined or eliminated.

Strategic Goal 3 – Constantly Evolving

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

Strategic Questions

Is what we are doing sustainable?

Have we grown too comfortable?

Goal 3 Objectives 2023-2024

3.1 Continue to reform leadership and succession planning

AFRH has experienced continuous leadership changes in recent years above and across the headquarters level, with new positions created, dormant positions filled, and normal transitions in individual roles. AFRH will continue to evaluate and revise its management structure to operate more effectively and drive improvement across the organization. In 2023-2025 we will focus on campus-level leadership to evaluate and reform structures as well as promote leadership development and succession planning.

Initiatives

3.1.1 Harness opportunities for leadership development

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

3.2 Improve staff recruitment, engagement, and retention

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

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

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

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

Initiatives

3.2.1 Ensure effective recruitment and hiring processes

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

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

3.2.2 Evaluate competitiveness for retention

Hiring employees is expensive and involves many unknowns, but human capital investments continue well after the hiring process ends. AFRH must evaluate its competitiveness across all factors affecting retention to ensure we keep high-performing staff and maintain a high-functioning organization.

3.3 Better integrate technology throughout the organization

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

Initiatives

3.3.1 Reform business systems and usage

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

training, and usage, on those that have outsize impact on our operations: electronic health records, financial management, and timekeeping.

3.3.2 Prioritize technology investments

Capital infrastructure projects have been given principal focus in recent years due to their mission-critical nature and high cost. While underinvestment in technology may not lead to life-endangering failures like electrical or water systems might, nevertheless it drains resources in countless ways. Funds are used on increasingly expensive legacy systems, time is wasted on outdated hardware and software, and updates and network security become less reliable. We must make better plans for and allocate resources to technology investments that improve our business and enhance security.

Summary List

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

Key Metrics

These are key metrics AFRH management will use to measure progress toward our strategic goals and objectives, including baseline measures aligned to leadership changes in 2017, current results from fiscal year 2022, and targets to reach by the end of this three-year plan in 2025.

Metric	2017 Baseline	2022 Result	2025 Target
Core Metrics			
Trust fund balance	\$49.7 million	\$86.4 million	\$100.0 million
Occupancy rate	76% (861/1133)	54% (611/1133)	90% (746/829)
Revenue	\$45.9 million	\$46.4 million	\$74.1 million
Spending authority	\$64.3 million	\$75.3 million	\$76.0 million
Deferred maintenance	\$135.0 million	\$135.0 million	\$94.0 million
Supporting Metrics			
Lease revenue	\$566,000	\$2.5 million	\$6.5 million
Resident fee revenue	\$16.7 million	\$14.3 million	\$17.0 million
Military contributions revenue	\$6.7 million	\$6.9 million	\$21.3 million
Donations, gifts, and estates	\$0.5 million	\$1.3 million	\$2.0 million
Healthcare revenue and offsets	\$0	\$0	\$4.3 million
Appropriations received for operations	\$22.0 million	\$25.0 million	\$25.0 million
Capital expenditure authority	\$1.0 million	\$7.3 million	\$10.0 million
Average age	83	83	78

Notes on the Metrics

Trust fund balance

For the purposes of this plan, we define the trust fund balance on a net basis: the balance sheet value of intragovernmental assets minus total liabilities. The \$86.4 million baseline is derived from the Fiscal Year 2021 Performance and Accountability Report balance sheet. The balance at the end of FY 2022 was \$92.3 million. We expect continued positive net operating income, however authorized capital expenditures on critical maintenance projects will draw on the trust fund balance as expenses are incurred. Our goal is to maintain the balance at not less than one year's total spending authority, both operating and capital.

Occupancy rate

The baseline occupancy was taken from the population of residents present just prior to fee structure changes announced in April 2018. If we are successful in our efforts to expand eligibility and marketing and improve the attractiveness of our facilities to potential residents, our goal is to increase occupancy to 90 percent. Because the Sheridan Building will remain open during renovation, we estimate the short-term maximum number of available units will decline to approximately 187 at the mid-point of the renovation schedule in 2025. As a result, capacity across the agency will be temporarily reduced to 829 during that time. Once the Sheridan Building renovation is complete, we estimate total unit count will be approximately 1,000 and total capacity of 1,260.

Revenue

Baseline revenue was \$45.9 million received in fiscal year 2017 from the following sources: fines and forfeitures, resident fees, active duty withholding, investment interest, leases, gifts and donations. The

2024 goal of \$80.0 million is a rounded assumption of the revenue goals as described in the supporting metrics.

Spending authority

Spending authority is determined annually by the Congressional appropriations process. In fiscal year 2017 spending authority was \$64.3 million, including \$63.3 million for operation and maintenance and \$1.0 million for construction and renovation. Our goal by fiscal year 2025 is to increase the authorized amount to \$75.3 million to support operational expenses of a return to full occupancy and additional capital investment to improve our facilities and reduce our deferred maintenance backlog.

Deferred maintenance

The \$135 million deferred maintenance baseline was discussed as a future budgetary concern in AFRH's congressional budget justification for fiscal year 2022. With the infusion of \$30 million over FYs 2020-2022 several projects critical to operations and safety for our high-risk residents such as electrical and water infrastructure, elevators, and chill, are being addressed. These together with our investments in the Sheridan Building are intended to reduce deferred maintenance by \$41 million or more by 2025.

Lease revenue

In fiscal year 2017 we earned \$566,000 from leases and sales. By the end of 2024 we aim to increase this revenue to \$6 million through initiatives, principally through our development zone, charter school, parking, and residential quarters leases.

Resident fee revenue

In fiscal year 2017 we earned \$16.7 million from resident fees. The 2025 target of \$15 million was derived using the population of residents present just prior to our 2018 fee restructure announcement and is based on multiple assumptions consistent with our goal to maintain 60 percent occupancy during the Washington campus Sheridan renovation project. The Sheridan renovation project will impact resident fee revenue goal. We're now looking at 2027 and beyond to achieve this goal.

Military contributions revenue

In fiscal year 2022 AFRH received \$7 million in contributions from enlisted active-duty service members through pay withholdings totaling \$0.50 per month per member. Since Congress authorized it in 1994, the Secretary of Defense may approve increasing this amount to \$1.00. Assuming military end-strength remains flat, this would double the baseline amount to \$13.4 million. The AFRH CEO has engaged in significant outreach to senior enlisted leaders to gain support for this action. If Congress makes a statutory change to extend pay deductions to members of the National Guard and Reserves, we estimate increased revenue to AFRH of \$4.1 million at the \$0.50 level and \$8.2 million at the \$1.00 level. Taken together we estimate the potential revenue from these sources at \$21.3 million.

Healthcare revenue and offsets

In fiscal year 2022 we did not earn revenue or reimbursements from healthcare services provided to residents. By the end of 2024 we aim to earn \$4.3 million in revenue or reduce or offset our expenses, or a combination thereof. This amount was derived by assuming a 20% reimbursement of wellness center and clinical costs similar to TRICARE coverage.

Appropriations received for operations

Congress provided \$25 million in appropriated funds from the General Fund in fiscal year 2022 as reflected in the Fiscal Year 2022 Performance and Accountability Report statement of changes in net position. Through revenue increases and continued cost reductions, we aim to maintain current levels of

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

Average age

The Fiscal Year 2017 Performance and Accountability Report resident profile reported an average age of 83.2 years. By 2027 we aim to reduce the average by 5 years to 78 through expanded eligibility and improvements in our facilities and services to increase occupancy.

Risk Factors

We are dependent on a few key officials for major decisions

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

We need qualified personnel to manage our operations

We need qualified and competent personnel to manage all aspects of our operations which maintain the health and welfare of our predominately elderly and high health risk resident population. Our inability to recruit and retain qualified and competent personnel could negatively affect our operations and performance.

Competition, demographics, and other market conditions may lower our admissions and occupancy rates

Despite our attempts to expand eligibility criteria and marketing efforts and improve our facilities, our admissions and occupancy rates are highly dependent on external factors beyond our ability to control including macroeconomic trends, market and technology changes which make our services less relevant or attractive, and our limited geographic service area may continue to erode our occupancy rates and adversely affect our operating results.

Disasters could hurt our operations

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

Legislative and regulatory oversight could limit our results

We are a federal government agency with funding and policy decisions made by legislation and operate highly regulated services, particularly in healthcare, and we are required by law to maintain accreditation for all our services. Changes to law, regulation, or nationally recognized practices may require us to expend considerable resources to comply and adversely impact our results. We may request changes to law or regulation to improve our results which may be modified, delayed, or denied.

We rely on services provided by other agencies for key functions

As a small federal agency, we outsource complex functions and expertise to a limited number of larger agencies offering such services. These functions are critical to our management and operations, including financial management, procurement, human resources and employee relations, legal, information

technology, and facilities and real property management. Service changes, reductions, elimination, or significant price increases by these agencies could cause substantial disruption to our ability to operate effectively or manage our administrative costs.

[We are exposed to cyber security risks](#)

We are heavily dependent on information technology for all aspects of our operations and manage highly sensitive and regulated personally identifiable information. A significant disruption, failure, theft, or corruption of our data or systems could severely affect our ability to operate, compromise confidential information, and damage our reputation and financial results.

[We are or could be a party to legal proceedings](#)

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

Conclusion

AFRH is a national treasure which exists to care for enlisted members of the military when they need care and support after hanging up their uniforms. This 2023-2025 plan builds on comprehensive initiatives which began in 2017 to lay the groundwork for success in the goals and objectives identified and will continue over the next three years. AFRH has built a strong leadership team. With support from the Department of Defense, we are building relationships with stakeholders to raise awareness of AFRH and its mission. We have worked with Congress to make legislative changes in line with our goals. We believe these goals are realistic and achievable steps toward long-term sustainability of AFRH for current and future generations of veterans. Over the next three years we will revisit this plan periodically to measure our progress.

Appendix

Armed Forces Retirement Home Business Plan 2023

Overview

The business plan serves as an extension of AFRH's three-year strategic plan focused on returning to solvency and long-term sustainability. Our corporate and campus leaders add their own input specific to their functional areas, setting short-term goals and objectives for the coming year, which support the agency's overall strategic plan. The strategic plan maps our route while the business plan helps us keep track of turns and miles, and adjusting our route as we encounter detours.

The 2023 business plan that follows is divided into our three overall organizations: the corporate headquarters and each of our two campuses in Gulfport and Washington. The corporate headquarters section includes input from each corporate officer, while the campus sections include input from the administrators.

Corporate Headquarters

Chief Operating Officer

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Ensure organization is right-sized and staffed in every position with personnel who are both qualified and who have positive care-giver attitudes
 - a. Identify and re-structure positions as appropriate, career ladder positions added
 - b. Ensure all functional areas/campuses operate in a “best practice” modality and meet or exceed CARF and The Joint Commission standards
 - c. Modernize facilities and services to accommodate more retiree couples
2. Modernize and upgrade independent living rooms for both singles and couples

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Increase occupancy and associated revenues at both campuses
 - a. Increase Washington independent living occupancy by 25% annually until maintaining greater than 90 percent need to change due to construction continuous occupancy; increase Gulfport independent living occupancy by 10% annually until maintaining greater than 94 percent occupancy
 - b. Refine marketing, and admissions processes to bring in couples, retired National Guard and Reserve members, and wounded warriors
 - c. Develop and support all initiatives to lease un-used Washington campus buildings

- d. Increase marketing and public affairs activities to reach broader market of eligible veterans
 - e. Achieve budget efficiencies through more economic outsourcing; decrease contracting expenses by 5 percent.
- 2. Continue revising and implementing budgeting processes in which campuses develop and manage to their respective budgets; conduct extensive budget reviews to ensure efficient budget planning and reallocation of misaligned funds for mission priorities. The Campus Administrators and COO submits annual budget requests. Budget requests are reviewed and analyzed before final budget figures are provided. Performance reviews are conducted monthly, and under used funds are either taken back to the general fund, realigned, or kept in place due to timing issues.
- 3. Support all Washington campus initiatives for the leasing development zone; integrate development zone planning with the Washington master planning for infrastructure, green space, hard space, and amenities while planning for contingent plans and operational pivots.
- 4. Increase building and infrastructure renovation program by \$5-10 million annually
 - a. Renovate the entire Sheridan Building to provide larger, modernized living accommodations on the Washington campus including modern Assisted Living units on the first floor.
 - b. Continue to focus funding resources as they become available on infrastructure replacements, building system updates, and building structural and masonry repairs. These include the following for each building that requires it: chillers, generators, HVAC systems, security access systems, and the patient emergency alert systems.

Strategic Goal 3 – Constantly Evolving

Objectives:

- 1. Train staff to more effectively coordinate all staff actions as appropriate, cross-train in functional areas, add skills and responsibility to staff where we can, delegate work where possible to help develop staff.
- 2. Develop leadership skills among staff at both campuses to teach, enable, and require managers to resolve issues at the lowest levels
- 3. Improve communications skills throughout staff to build and foster an environment of improved transparency and trust between all tiers of staff
- 4. Develop scalable staffing models of a trained and equipped workforce that drive quality, effectiveness, efficiencies, and minimize unit overtime requirements.

Chief Human Capital Officer

Strategic Goal 2 – Stewardship at Our Core

Objectives:

- 1. Transition outsourced services for Employee and Labor Relations to in house by March 31, 2023.
- 2. Evaluate changing Equal Employment Opportunity service provider and Evaluate retention incentives provided annually.

Strategic Goal 3 – Constantly Evolving

Objectives:

1. Ensure managers and supervisors have state of the art tools to efficiently initiate and manage personnel actions for staff members
 - a. Validate employee personal information in *HR Connect* database quarterly.
 - b. Survey staff to update self-identified handicap codes annually.
2. Focus on continuous staff professional development
 - a. Renegotiate the CBA at the Washington facility for AFGE Local 3090, last negotiated in May 2005

Chief Financial Officer

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Ensure AFRH continues to obtain unmodified (“clean”) audit opinions
 - a. Continuously look for opportunities to improve internal controls and risk mitigation strategies to achieve zero control deficiencies.
 - b. Deliver accurate and complete financial statements to the independent auditors within 30 days of close.
 - c. Ensure effective coordination with Bureau of the Fiscal Service (BFS) and the independent auditors with zero incidence of negative feedback.
 - d. Provide timely responses to 100% of auditors’ requests
 - e. Successful close of the audit cycle to include the Performance and Accountability Report being submitted to the Office of Management and Budget (OMB) by the due date and with zero defects.
 - f. Foster culture of collaboration with BFS in support of initiatives consistently comply with internal and external authority requirements and adhere to generally accepted best practices 100% of the time.
2. Provide budgetary oversight to ensure AFRH completes fiscal year within budget
 - a. Ensures budget formulation inputs and current budget year execution are within compliance of obligation authority with zero defects.
 - b. Plans, coordinates, and executes the development of the budget formulation, execution, and forecasting to ensure >95% accuracy of data to support executive leadership decisions.
 - c. Develops and revises AFRH policies or procedures to ensure compliance with internal and external requirements.
 - d. Ensures Budget Model is maintained to accurately reflect financial execution data so that interim reporting is within 5% of BFS reported actuals.
 - e. Keeps management apprised of current fiscal year budget execution, forecast spending, variance analysis, and strategies for AFRH priorities.
 - f. Work with administrators and corporate staff in the performance reviews of departmental/unit budget inputs, actuals, and variance drivers.
 - g. Conducts monthly budget and contract performance reviews to formulate forecast models and to identify opportunities for funding reallocation to emerging priorities.

- h. Effectively manage, coordinate, and collaborate with both internal and external stakeholders to ensure AFRH executes to budget at a rate $\geq 95\%$.
 - i. Formulate future budget requests that are streamlined and will reduce the dependence on receiving annual supplemental funding from Congress
 - j. Prepare persuasive and economical Congressional budget justifications for upcoming applicable fiscal year that will pass OMB scrutiny and be approved by Congress
3. Lead comprehensive and realistic long-range financial planning and revenue forecasting
 - a. Work with the Corporate Facilities Manager to forecast revenue and devise a long-term financial plan to regain self-sufficiency and solvency (e.g., leasing, Veterans Administration parking privileges, etc.).
 - b. Work with the Administrators to ensure that delinquent resident fee accounts are handled appropriately (e.g., having hearings, assigning conservators, sending delinquent debt to Treasury for collection, etc.)
 - c. Work collaboratively with the Public Affairs Officer to forecast resident fee revenue for the out-years
 - d. Explore fundraising opportunities
 - e. Assist management in engaging the Department of Defense in increasing involuntary allotments that are received from active-duty enlisted military personnel and add allotments from the National Guard and reserve enlisted members.

Chief Medical Officer

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Continue to protect the lives and health to the extent possible of residents and staff during the COVID Pandemic by providing medical expertise to AFRH
2. Promote quality care through a healthcare staff that is credentialed, privileged, and licensed to perform in their scope of duties.
3. Maintain quality indicators of continued accreditation by both The Joint Commission and CARF.
4. Work on transition plan to new EHR IT system.

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Continue coding and workload initiative to appropriately capture Tricare reimbursable healthcare services in the outpatient setting.

Strategic Goal 3 – Constantly Evolving

Objectives:

1. Promote Medical Quality Management through identifying relevant, up to date medical information and continuing medical education for licensed healthcare providers

Chief Information Officer

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Evolve the Electronic Health Records System (EHRS) to meet Joint Commission Requirements and workflow development.
 - a. Facilitate working group sessions with the Ensofttek developers and DC/GP staff to identify requirements for program changes. Major priorities identified are Coding, Care Plans and new admissions requirements.
 - b. Provide funding for staff “super user” training.
 - c. Work with Agency SMEs to market research alternative cost effective EHRS applications.
 - d. Work on transition plan for contract to new and better IT systems and EHR system for campuses.

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Maintain effective and appropriate IT contracts and interagency agreements.
2. Ensure agency meets all reporting requirements in a timely manner.
3. Ensure mandatory reporting as required by OMB and FISMA are completed and submitted to the governing Agencies as required. Known reports for submissions are:
 - a. FISMA – Federal Information Management Act (OMB).
 - b. BIA – Business Impact Assessment (FISMA)).
 - c. Risk Assessment (OMB).
 - d. Records Management Self-Assessment (NARA).
 - e. Incident Response (FISMA/OMB).

Strategic Goal 3 – Constantly Evolving

Objectives:

1. Research alternate shared service providers in support of IT systems so that a complete tech refresh including infrastructure can be accomplished.
2. Ensure AFRH information systems maintain compliance and compatibility with appropriate government systems.
3. Facilitate an Agency wide IT Security Awareness training program.
4. Provide continuous management support for the Resident satellite TV and internet service.
 - a. Provide cost effective equipment upgrades to improve the customer experience.
5. Upgrade infrastructure.
 - a. Desktop upgrades for the AFRH DC and Gulfport facilities.
 - b. Network upgrades to provide increased bandwidth for the DC and Gulfport facilities.
 - c. Secure Wi-Fi implementation and mobile charting deployment.
6. ISDN distribution equipment upgrade for AFRH DC (Administrative) voice service Respond/Remediate POAMs (Plan of Actions and Milestones) identified through annual technology risk assessments

Public Affairs Officer

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Increase Washington independent living occupancy by 25 percent annually until maintaining greater than 90 percent need to be consistent with earlier statement due to construction continuous occupancy; increase Gulfport occupancy by 10 percent annually until maintaining greater than 94 percent continuous occupancy
2. Refine marketing, and admissions processes to enroll couples, retired National Guard and Reserve members, and wounded warriors
3. Increase marketing and public affairs activities to reach broader market of eligible veterans.
 - a. Refine and expand annual paid advertising program in military retiree publications and target civilian news outlets to include eligible spouses, retired National Guard and Reserve members, and wounded warriors
 - b. Leverage DOD contacts to ensure placement of cost-free advertising in retiree publications, and focus on eligible spouses, retired National Guard and Reserve members, and wounded warriors
 - c. Expand exhibiting opportunities to include national veteran conventions and events and retiree appreciation day programs at military bases across the country, and focus on eligible spouses, retired National Guard and Reserve members, and wounded warriors
4. Achieve additional efficiencies and cost-savings in existing marketing programs and application processing
 - a. Leverage use of staff at each campus to represent AFRH at national veterans' meetings and retiree appreciation programs, and conduct pre-admissions outreach and processing of applications
 - b. Train staff in marketing strategies and screening applicants for eligibility, minimizing unnecessary mailing costs and encouraging applicants to utilize documents on AFRH website
5. Update printed marketing materials and web page
 - a. Create new printed marketing materials to reflect evolving mission requirements
 - b. Redesign AFRH web site to provide updated information in a more user-friendly format, and to enhance user and applicant experience
6. Encourage external stakeholder commitment to AFRH
 - a. Conduct outreach to state-level veteran service and military service organizations to promote AFRH among their members
 - b. Conduct outreach to senior non-commissioned officers in DOD and National Guard and Reserves to promote knowledge and support of AFRH among current service members

Inspector General and Director of Safety and Security

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Ensure Safety and Security operate in a “best practice” to ensure residents and staff are safe and protected at all times.

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Audit chaplain’s funds for both campuses in conjunction with the Chief Financial Officer annually. Audit resident funds for both campuses in conjunction with the Bureau of the Fiscal Service annually.

Strategic Goal 3 – Constantly Evolving

Objectives:

2. Investigate fraud, waste, abuse, misconduct, or mismanagement involving the Armed Forces Retirement Home and complete reports before the issued suspense date.
 - a. Heighten integrity awareness of AFRH employees and others by publishing at least one article or provide flyers briefing residents, employees and others on integrity annually.
 - b. Conduct an annual meeting with safety and security leadership on the importance of integrity awareness.
3. Strengthen internal security and safety compliance with Department of Defense, Office of the Inspector General (DODIG), The Joint Commission (TJC) and the Commission on Accreditation of Rehabilitation Facilities (CARF) by:
 - a. Conducting quarterly meetings with safety and security leadership to discuss fact-finding concerns.
 - b. Conducting quarterly meetings with safety and security leadership to ensure all required actions from DODIG, TJC, and CARF findings are corrected and remain in place.

Strategic Goal 4 – Stewardship at Our Core

Objectives

1. Agency Senior Management are responsible for ensuring the Gulfport and Washington DC facility can function during any emergency situation. This can be accomplished by supporting and participating in emergency management planning.

Corporate Facilities Manager

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Modernize facility and amenities of Washington campus
 - a. Complete construction designs and associated documents for the renovation of the Sheridan Building.

- b. Develop agreements with GSA for construction services to renovate Sheridan through the GSA Construction Service Division.
- c. Complete installation of the High Voltage Electric Gear, Chillers, and Elevators
- d. Begin updating facility piping infrastructure and HVAC systems. Plans and strategies to update both Campuses' security access systems and resident alert systems.

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Convert un-used Washington campus space to revenue producing property
 - a. Work with negotiation team for 80 acres lease
 - b. Move water and sewer lines out of development zone
2. Generate revenue through enhanced property usage
 - a. Work toward renting vacant Quarters and renovating Quarters 90
 - b. Continue to transition current Sheridan Building antenna tenants to market value rent-paying leases
 - c. Begin to develop concepts adaptive reuse of the Grant Building
3. Meet and maintain compliance standards
4. Work to better waste management solutions
5. Submit sustainability, environmental, preservation, and real property reports on time to external agencies
6. Work to achieve greater energy efficiencies for both campuses

Performance Improvement Officer

Strategic Goal 1-Quality Care First and Always

Objectives:

1. Restructure organizational performance improvement program to achieve agency goals of an overall healthcare quality program that includes standard of care monitoring, financial stewardship and regulatory compliance for accreditation.
 - a. Plan, coordinate and execute a Resident/patient safety program that focuses on proactive assessment and mitigation of safety risks to mitigate as many risks (harm) to veterans within the community
 - b. Support a robust review or root cause analysis of negative outcome incidents to ensure that avoidable factors are addressed in an attempt to avoid future incidents
 - c. Continuously support evidence-based improvement by frequently (quarterly) reviewing analyzing data-driven reviews, and quality indicators to recommend next steps in improving performance.
 - d. Keep management apprised of concerns, challenges that pose safety, performance, and regulatory compliance risks that could impact Resident veteran safety or facility liability.
 - e. Review policies and SOPs to ensure that as programs and processes are implemented within the organization, they are evidenced-based and within compliance of governing regulatory agencies.

- f. Foster a network of sharing “best practices” in process improvement, sharing successful outcome-focused, data driven performance improvement methods across all levels of the organization and partners.
- 2. Implement Risk Management and Internal Controls Program (Enterprise Risk Management)
 - a. Establish policies and procedures for an effective risk management and internal control program
 - i. The organization will implement a Risk Management Board (RMB), an agency level team to guide and monitor the organization’s performance, risks, internal controls (safety, finance, regulatory compliance.) The board will set risk reporting requirements annually.
 - ii. The board will establish and implement action plans for risk mitigation and performance improvement
- 3. Continuous Regulatory Compliance Accreditation
 - a. Ensure facility accreditation by monitoring required survey readiness requirements to include inter-cycle monitoring, required evidence of standards compliance reporting and incident review activities
 - b. Lead a robust, comprehensive, long-term continuous survey readiness process to ensure that each facility maintains the ability to host a no-notice regulatory survey with any of the organization’s regulatory agencies or stakeholders. This requires that the organization maintains continuous compliance with the most critical risk-rated standards and expectations.
 - c. The organization will successfully maintain accreditation from The Joint Commission and CARF for all accredited services.

Strategic Goal 2-Stewardship at Our Core

Objectives:

- 1. Tricare Reimbursement of Services Performed (Health Care)
 - a. Support the organizational goal of receiving reimbursement from services rendered by implementing coding and service review process that allows the organization to capture Tricare reimbursable services.
 - b. Monitor and advise leadership of audits, challenges and concerns regarding coding discrepancies, and variance in coding that could negatively impact reimbursement (denial of reimbursement.)
 - c. Achieve efficiency in the coding process by ensuring that future coder(s) follow critical coding criteria that allows organizational leaders to use coding data in support of budget planning and allocation of resources.

Director of Real Estate

Strategic Goal 2 – Stewardship at Our Core

Objectives:

- 1. Manage capital assets strategically to maximize value, utility, and life

- a. Develop 15–20-year vision for Washington, DC, campus that guides and constrains real estate decisions in support of the AFRH mission and its residents
- b. Assess feasibility of cost-effectively renovating the Grant Building as a residential facility and the Security Building for residential or common area use; recommend course of action by 2nd quarter FY2022 – already past this goal
- c. Plan construction of three new buildings to house independent living, independent living plus, and assisted living residents in accordance with AFRH-W Master Plan (as amended) and phase-out of Sheridan building by FY2031
- d. Increase AFRH revenues by \$2M or more per year, beginning in FY2022, through the mixed-use redevelopment of 80 acres on the Washington campus

AFRH—Gulfport

Administrator

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Continue to preach, teach, and live the mission and the vision of the home
2. Continue and promote the engagement of staff from all departments with our residents
3. Continue to meet and exceed the standards set forth by our agreements with CARF and The Joint Commission
4. Provide resident centered care/provide continued excellent services to keep the residents we have to age in place
5. Support the efforts of Public Affairs and the Admission Officer at Gulfport to increase total occupancy to 80% by September, 30, 2023
6. Work with Chief Healthcare Services, DON, and clinical nurse supervisors to increase federal nurse staff to eliminate nursing contracts

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Work with all service chiefs and their teams to implement ways to reduce spending and manage costs to reduce expenses
2. Work with the agency to improve the budget process for our business center and service chiefs

Strategic Goal 3 – Constantly Evolving

Objectives:

1. Continue to promote annual training for staff to ensure we meet 100% goal again
2. Work with AFGE local union to be grievance free for calendar year 2023.

AFRH—Washington

Administrator

Strategic Goal 1 – Quality Care First and Always

Objectives:

1. Provide a CCRC environment that delivers Person Centered Care, embracing the values of choice, dignity, respect, self-determination and purposeful living.
 - a. Provide quality healthcare to residents on all levels as evidenced by CARF and TJC accreditations by maintaining a focus on quality.
 - b. Ensure compliance with all DoD requirements.
2. Ensure organization is right-sized and staffed with personnel who embrace Person-Centered Care.

Strategic Goal 2 – Stewardship at Our Core

Objectives:

1. Increase Occupancy
 - a. Increase Independent Living occupancy incrementally with goal of ten per month, balancing available rooms with planned upgrade.
 - b. Continue to work on planned modernized resident rooms, to enhance the living spaces for current and future residents and accommodate couples.
 - c. Participate in outreach initiatives to veterans' groups and other venues to market AFRH.
 - d. Educate staff to be able to speak to the value of living at AFRH.
2. Revise and implement budgeting processes down to the manager level.
 - a. Review contracted services to ensure use of most cost-effective means to provide services.
 - b. Continuously review budget to ensure efficient budget planning and execution.
3. Decrease Operating Expenses by 5% with staffing, supply and contracting efficiencies.
4. Network with neighbors/supporters of AFRH, including VA, Walter Reed National Military Medical Center, The Old Soldiers Home Foundation, Friends of the Old Soldiers Home (FOSH), The Lincoln Cottage and others.

Strategic Goal 3 – Constantly Evolving

Objectives:

1. Develop leadership team to work collaboratively and effectively to coordinate all staff actions by providing Leadership training and staff-centered supervision
2. Improve communications throughout residents and staff to build and foster an environment of trust.
3. Continue to support and sponsor students from DoD, Norwich and other universities and technical schools.
4. Support Agency medical coding initiative for reimbursable healthcare services.
5. Support Agency initiatives in development zone and other underutilized campus buildings.