



Policy Updates (AFH, UH, RCI, PAL)



POLICY UPDATES FROM 2015



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AGENDA

- Installation Access
- Charging RCI Rent in Excess of BAH
- Renters Insurance
- Support Leases
- Minimum Wage Requirements for Modified Leases
- Same-Sex Benefits
- PAL Hotels to be Included in DTS
- Renewable Energy Projects
- Working Policy – CR&R vs Reinvestment Account
- Future New Policies and Policy Updates



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INSTALLATION ACCESS

- Army Directive 2014-05 (Policy and Implementation Procedures for Common Access Card Credentialing and Installation Access for Uncleared Contractors) was issued 7 Mar 14
- Challenges for RCI and PAL projects
 - Partners being asked to verify US Citizenship for employees
 - Partners have employees who are not US citizens, but who are eligible to work in the US
 - Partners being told that this applies to subcontractors who have multi-year contracts
 - Negatively impacts grounds maintenance subcontractors who use H2-B workers



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CHARGING RCI RENT IN EXCESS OF BAH

- The 2015 National Defense Authorization Act (NDAA) allowed Service Member cost-sharing elements, starting with the 2015 Basic Allowance for Housing (BAH) rates
- Based on the short and long-term financial impact of the current and probable future cuts to BAH on the RCI Projects, the DASA (IH&P) issued a policy on 11 Aug 15 authorizing the individual RCI Projects to increase rent by grade up to the National Out-of-Pocket, as calculated by the Department of Defense Travel Management Office (DTMO)
- Approval for any increase in rent above the National Out-of-Pocket requires a request through the RCI Major Decision process for DASA (IH&P) approval
- When increasing rent above applicable BAH rates, Projects will ensure prior notification to the installation leadership and tenants, in accordance with applicable state and or local laws
- ODASA (IH&P) will provide the National Out-of-Pocket rate, as established by DTMO, to the Assistant Chief of Staff for Installation Management (ACSIM) and Project Partners annually upon receipt from DTMO
- More on this topic at Thursday morning's general session on BAH



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RENTERS INSURANCE

- The 2015 National Defense Authorization Act (NDAA) made changes to the calculation of the Basic Allowance for Housing (BAH)
- The resulting BAH recalculation has eliminated the Renters Insurance component (which averaged 1% of BAH in 2014)
- ASA (IE&E) issued a memorandum on 15 Jan 15 that permitted RCI Partners to determine whether Projects will continue to provide Renters Insurance or eliminate it, upon prior notification to current residents
- OSD is reviewing the Services' approaches to these changes



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SUPPORT LEASES

- USACE issued a policy on 23 Mar 15 regarding RCI support leases of ancillary supporting facilities
- Implementation guidance requires the submission of a Major Decision request to ODASA (IH&P) regardless of whether it involves a new support lease or a continuation of an existing support lease
- ODASA (IH&P)'s Green Light Letter requires these materials in the Report of Availability (ROA) package:
 - ROA that supports the term of the Support Lease – use RCI POA attached as Exhibit A to the USACE's Support Lease Policy. For renewal of existing leases, a supplement to the original ROA may be used for a continuation if the purpose, grantee and length of term remains the same
 - Environmental Site Assessment (i.e. Environmental Condition of Property (ECP) Report) as an appendix to the ROA. For renewal of existing leases with an ECP, the Garrison Commander must ascertain if environmental conditions have changed. If so, must include a supplement to the original ECP
 - Record of Environmental Consideration (REC) as an ROA appendix
 - Sufficient depiction of premises to be leased, such as a map, drawing, floor plan or legal description, as appropriate
- Support Leases with terms five years or less are initiated and prepared at the installation level then forwarded to the IMCOM Region for execution of the DOA
- Support Leases with terms greater than five years will go through the IMCOM Region and HQ IMCOM for review and concurrence; then to the DASA (IH&P) for approval of the ROA by signing the DOA



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MINIMUM WAGE REQTS FOR MODIFIED LEASES

- Executive Order 13658 (“Establishing a Minimum Wage for Contractors”) was issued 12 Feb 14 and increases the minimum wage paid by Federal contractors and subcontractors to \$10.10 per hour
- EO 13658 is effective immediately and applies to all “new contract or contract-like instrument[s]” solicited after 1 Jan 15 that are “entered into with the Federal Government in connection with Federal property or lands and related to offering services for Federal employees, their dependents, or the general public”
- USACE Director of Real Estate has determined that any renewal of a real estate outgrant, including the exercise of an option, will constitute a “new contract”
- EO 13658 requirements will likely only apply if a “cardinal” change is made to RCI and PAL lease amendments. Criteria for determining what constitutes a cardinal change is will be incorporated into a USACE policy
- MHPI leases will not include the requirement for indemnification that is being included in other leasing actions
- USACE, ACSIM, ASA(IE&E), and OGC have agreed to general terms that USACE is memorializing into policy



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SAME-SEX BENEFITS

- Army Directive 2013-24 (Extending Benefits to Same-Sex Spouses of Soldiers) was issued 7 Nov 13 and establishes policy for extending benefits to same-sex spouses of Soldiers
- As a result of the 26 Jun 13 U.S. Supreme Court decision that the Defense of Marriage act was unconstitutional, Army will:
 - Treat all married Soldiers equally
 - Recognize all marriages that are valid in the location the ceremony took place
 - Work to make the same benefits available to all spouses, regardless of whether they are in same-sex or opposite-sex marriages
- Army is taking action to extend spousal benefits to same-sex spouses retroactive to 26 Jun 13
- If they have not done so already, RCI Property Managers are advised to review and revise their rental policies to incorporate a similar approach



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PAL HOTELS TO BE INCLUDED IN DTS

- The Per Diem, Travel, and Transportation Allowance Committee has announced that a Joint Travel Regulation (JTR) change effective 1 Sep 15 which requires the use of the Defense Travel System (DTS) and/or the Commercial Travel Office (CTO) to make lodging reservations for DoD travelers
- This change presents a short-term challenge for the Army as all Army on-base hotels are privatized and are not available in DTS at the present time
- Two courses of action are currently in play:
 - The Army is working with DTS now to get visibility of the PAL facilities in Global Distribution System (GDS). DTMO and the PAL operator need to ensure that the hotels are pulled from the private sector GDS into DTS while simultaneously insuring that these on-base properties are not visible to the general public through other search engines (such as Orbitz or Expedia). This phase is ready for testing
 - With the \$800K Research Development Test and Evaluation (RDTE) funds that the Army provided, the Defense Travel Management Office (DTMO) is modifying the DTS module so that a tiered priority of lodging occurs -- Government-owned lodging will be first, Privatized Lodging second, Preferred Commercial Lodging third, and Other Commercial Lodging fourth. Recreational Lodging is not included. Lodging must be used in that order unless a justification is presented in the Audit block and approved by the Approving Official. This module should be complete in Jan/Feb 2016
- Bottom Line: In order for Army on-base hotels to be booked through DTS on 1 Sep 15, the process for locating the PAL hotels in DTS needs to be finalized and the Army will need to provide directions via the widest (and quickest) distribution methods possible. As soon as the DTMO PPV module is complete in Jan/Feb 2015, DTS may be used normally to book PAL hotels



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RENEWABLE ENERGY PROJECTS

- ASA (IE&E) issued a memorandum 24 May 12 establishing policy for the retention, replacement and purchasing of Renewable Energy Credits (RECs) for renewable energy-generating facilities on Army installations
- Policy requires that all RECs generated be provided to the Army
- RECs are transferred to the Army as consideration for amending the lease to include provisions for renewable energy development
- Substitute RECs may be provided in lieu of RECs generated on the Project
- Energy generated by photovoltaic projects on RCI projects must be consumed by the Project, not added to grid for other installation uses
- DASA (IH&P) has approved several roof-mounted photovoltaic projects on RCI housing and is currently reviewing other proposed projects



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WORKING POLICY – CR&R vs REINVESTMENT ACCOUNT

- Project Reinvestment Accounts were designed to fund out-year renovations and new/replacement construction
- Partners are deferring CRR work, and/or requesting to use Reinvestment Accounts to fund CRR work
- Army on guard to ensure long-term sustainability of Projects
- Partners sometimes more interested in maximizing returns in the short term: they are generally unwilling to increase deposits to CRR accounts as this would negatively impact Project cash flow and their split



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FUTURE NEW POLICIES AND POLICY UPDATES

- Department of Defense Tobacco Policy
 - Executive Order 13544 established the National Prevention, Health Promotion, and Public Health Council, and the Department of Health and Human Services National Strategy “America’s Plan for Better Health and Wellness” that identifies tobacco-free living as one of 7 priorities
 - Secretary of Defense directed a 2014 review of DoD’s tobacco policy, resulting in the following actions:
 - Reinforce policies restricting smoking to designated outdoor areas at DoD facilities
 - Set prices of tobacco products at U.S. installations to match average prices in the community (outside U.S., prices are same without sales tax adjustment)
 - Direct Service Secretaries to implement plans to increase education on the harmful effects of tobacco use and strengthen cessation programs
 - Direct Service Secretaries to review efforts to institute multi-unit smoke-free government-owned or –leased housing; negotiate smoke-free options with privatized housing; and implement plans for increasing tobacco-free zones around areas frequented by children
 - Per the Secretary’s direction, Army will reach out to RCI Partners to discuss smoke-free options in privatized housing
- Sex Offenders Policy
 - Currently reviewing/finalizing within HQDA and anticipate publication by the end of 2015
 - Will affect RCI and AFH; AFH will address this topic in more detail