



LODGING POLICY CHANGE

Background: Air Force Lodging’s mission is to provide quality and affordable lodging to support Air Force missions and take care of Airmen and families. Air Force Lodging is the largest lodging operation in the DoD with 26,240 rooms across 89 properties. Historically, a combination of Appropriated Funds (APF) and Non Appropriated Funds (NAF) sustained Air Force Lodging. APF dollars were used to support major renovations, facility sustainment and modernizations. These included costs such as utilities, plumbing, building repairs (both internal and external), lawn maintenance, trash, pest control, etc.—as well as some personnel costs (enlisted military assigned to Lodging operations). The NAF generated through nightly room fees cover daily operational costs, room furnishing and decor upgrades, telecommunications, cable TV, WI-FI, and new TLF construction.

THINGS TO KNOW

Funding Conversion

- ◆ DoD directed the military services to discontinue APF support to Lodging operations and convert to a 100% NAF operation by 1 Oct 2019.
- ◆ This conversion effort supports DoD reform objectives to make business operations more efficient and free up funds for higher priority programs.
- ◆ With this change, nightly room fees will be the sole source of income to fund all Air Force Lodging Operations.
- ◆ Manpower & Personnel impacts:
 - ◇ Enlisted personnel supporting Lodging are still required to support Services wartime requirements and will be re-allocated across the Services enterprise.
 - ◇ All Lodging civilians are currently NAF employees, so there is no change expected for the current employees.

Lodging Rates

- ◆ With the DoD shift to 100% NAF operations, enterprise-wide lodging rate increases are necessary to ensure long-range sustainment and improvements to the Air Force Lodging program.
- ◆ The FY19 nightly rate increase is effective 1 Jan 19 and is designed as an incremental step to move the lodging enterprise to 100% NAF.
- ◆ Lodging rates are set Air Force-wide to ensure the financial solvency of the Air Force Lodging enterprise.
- ◆ The continued practice of an Air Force-wide lodging rate is essential to operations, modernization, and taking care of Airmen and families.
- ◆ The Air Force continues to provide Space Available customers quality, affordable lodging options where and when lodging capacity exceeds mission requirements.

Impact to Installations

- ◆ In concert with local Civil Engineer Squadrons, we will coordinate efforts to seamlessly transition to 100% NAF for:
 - ◇ Lodging maintenance and service calls.
 - ◇ Sustainment, restoration, and modernization costs installations’ APFs currently fund.
- ◆ 100% NAF operations will allow a more holistic approach to operating Air Force Lodging while improving our lodging capabilities and ability to take care of Airmen and families.
- ◆ As the Air Force makes this transition, the expectation is that over the next 2-4 years, Air Force Lodging facility improvements will move toward more modern facilities that conform to current industry standards.

Questions & Answers

Q1: Why are nightly lodging rates increasing?

A: Previously, a portion of Air Force Lodging expenses was paid for with APF funds. Now, 100% of Lodging’s budget must come from user fees generated through the nightly room rate. The rate adjustment allows Air Force Lodging to better maintain properties and modernize Air Force facilities for Airmen and their families. Although there will be a fee increase, we are committed to providing our customers affordable prices and comfortable stays.

Q2: Can installations set their own nightly lodging rates?

A2: No, they may not. Lodging rates are set Air Force-wide to ensure the financial solvency of the entire Air Force Lodging enterprise. With the DoD shift to 100% NAF operations, the continued practice of an AF-wide lodging rate is essential to operations, modernization, and taking care of Airmen and families.

Q3: How soon will Air Force Lodging facilities improve as a result of this rate increase?

A3: The rate increase is only one part of our Lodging Transformation effort. The increased rates for FY19 will start to build the cash required to offset the additional expenses expected beginning in FY20. Customers will see improvements in their Air Force Lodging experience in 2-4 years.

Milestones

21 Nov 18	DoD Directive memo published directing conversion to 100% NAF no later than 1 Oct 19
30 Nov 18	SAF/FM approved FY19 lodging rates
1 Jan 19	FY19 Air Force-wide Lodging rate increase goes into effect

New FY19 Lodging Rates

\$70	Visiting Officer Quarters/Visiting Quarters (VQs)
\$55	Visiting Airman Quarters (VAQs)
\$77	Temporary Lodging Facilities (TLFs)
\$79	Distinguished VQs (DVQs)
\$83	Large DVQs

Note: At two locations where per diem is lower than the Air Force Lodging Rate, the local rate will be adjusted to match per diem.

Lodging Questions & Answers

GENERAL QUESTIONS

Q1: Why did OSD direct a change in funding source for all DoD Lodging operations?

A1: This conversion effort supports the DoD's reform objectives to make business operations more efficient and free up funds for higher priority programs.

Q2: How was AF Lodging funded in the past?

A: AF Lodging was funded through a combination of Appropriated Funds (APF, aka "taxpayer dollars") and Nonappropriated Funds (NAF) generated through user fees. With the OSD-required change, all funding for lodging must be generated through user fees.

Q3: Will I see improvements in AF Lodging as a result of this change?

A3: The expectation is that over time AF Lodging facility improvements will move toward more modern facilities that conform to current industry standards.

Q4: How soon will AF Lodging facilities be improved as a result of this rate increase?

A4: The rate increase is only one part of our Lodging Transformation. The increased rates for FY19 will start to build the cash required to offset the additional expenses expected beginning in FY20. Customers will see improvements in 2-4 years.

Q5: Will anyone's job change or will jobs be lost as a result of this change?

A5: All civilian personnel working in AF Lodging Operations are already NAF employees, so no changes are expected for civilians. Military personnel assigned to Lodging will be re-allocated to emerging FSS missions to ensure required Services' deployment capabilities are not reduced.

Q6: Will my base get a new lodging facility as a result of this funding change?

A6: The AF has a deliberate plan to improve all AF Lodging Operations in the upcoming years. For example, in 2019 we will open new facilities at the following bases: Beale (TLF), Cannon (TLF), Charleston (VQ), Davis Monthan (VQ), Dyess (TLF), Eglin (TLF), Goodfellow (TLF), and Ramstein (TLF). More new lodging facilities are in design and approved going into 2021 and beyond.

LODGING RATE INCREASES

Q7: Why are nightly lodging rates increasing?

A7: Previously, a portion of AF Lodging expenses was paid for with APF funds. Now, 100% of the Lodging Budget must come from user fees generated through the nightly room rate. The rate adjustment allows AF Lodging to better maintain properties and modernize Air Force facilities for Airmen and their families. Although there will be a fee increase, we are committed to providing our customers affordable prices and comfortable stays.

Q8: Does the FY19 rate increase impact Space Available customers?

A8: The rate increase impacts all customers. However, Space-A lodging for non-official travel still provides a quality, affordable lodging experience at lower cost than off-base lodging—where and when lodging capacity exceeds mission requirements

Q9: I already had a reservation before the rates changed. Will Lodging honor those rates?

A9: No, as of 1 Jan 19, the new rates will be the rates applied when you complete your stay.

Q10: Are we expecting lodging rates to increase again in future years?

A10: Yes. Now that major lodging budget expenses, such as utilities and maintenance, are no longer paid for with APF, there will likely be a need in the future to adjust the rates again to account for these costs as we continue to modernize the portfolio.

Q11: Why didn't the AF implement this rate increase at the beginning of the Fiscal Year?

A11: The Air Force was awaiting official OSD notification about the conversion to 100% NAF before approving the new Air Force Lodging rates. The OSD memo was sent to the Services in mid-Nov.

TRAVEL ENTITLEMENTS

Q12: Will the new lodging rates exceed the local per diem rates?

A12: No, AF lodging rates are within per diem levels for all locations and all room types. *Note: Two locations have lower per diem rates. The lodging rates at those locations will match the local per diem rates.*

Q13: Does this change my travel entitlements when I am TDY?

A13: No, travel entitlements do not change. Airmen traveling in an official capacity will be reimbursed at the appropriate rate.

Q14: Does this impact my TLE when I'm PCSing?

A14: You will still be able to use TLE when PCSing and will be reimbursed at the appropriate rate.

Q15: Since rates have increased, do I still have to stay on base or can I choose to stay off base?

A15: The rate increase is still within per diem and the DoD requires official TDY travelers stay in DoD lodging facilities when performing any portion of their TDY mission at a DoD installation. Travelers who do not obtain the appropriate non-availability letter or confirmation number will receive limited reimbursement for their lodging accommodations. OSD issued a directive in April 18 reinforcing this requirement.