

FY2024 NDAA: Basic Needs Allowance and Military Food Insecurity

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Background

The [military compensation system](#) includes cash payments (e.g., basic pay, special and incentive pays) and allowances (e.g., housing and subsistence). The sum of cash benefits and the tax benefit accrued from certain non-taxable allowances is called regular military compensation (RMC, [37 U.S.C. §101\(25\)](#)), and is often used as a benchmark to compare civilian compensation (see [Table 1](#)). The [amount of basic pay](#) a servicemember receives depends on the servicemember's pay grade and length of service and is typically the largest component of cash compensation.

In the National Defense Authorization Act for Fiscal Year 2022 (FY2022 NDAA, P.L. 117-81), Congress authorized a Basic Needs Allowance (BNA, [37 U.S.C. §402b](#)) for servicemembers with dependents (i.e., a spouse and/or child(ren)) whose *gross household income* (GHI) is less than 130% of the Department of Health and Human Services' [federal poverty guidelines](#). The BNA was enacted following [reporting](#) on low food security among military active and [reserve component](#) families. The [Senate Armed Services Committee report](#) to accompany the bill stated, “this provision is intended to ensure that all servicemembers can meet the basic needs of their families, particularly for food expenses.”

Section 611 of the FY2023 NDAA (P.L. 117-263) expanded eligibility for BNA to military families with GHI less than 150% of the federal poverty guideline. The Secretary of Defense has the authority to grant BNA to families making up to 200% of these guidelines if determined appropriate based on circumstances. Because BNA is designed to bring households up to 150% of the poverty line, the amount of assistance may vary by household size (see [Table 2](#)).

Those most likely to be eligible for BNA are junior servicemembers with several dependents. Servicemembers must apply for the BNA. It is considered taxable income under [26 U.S.C. §61](#) and would be counted in income eligibility for federal means-tested [food assistance programs](#).

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Table 1. Average RMC for Selected Junior Enlisted Paygrades

Calendar year 2023; less than two years of service

Pay Grade	Avg. Annual Basic Pay	Avg. Annual Housing Allowance (BAH)	Avg. Annual Subsistence Allowance (BAS)	Estimated Avg. Annual Cash Pay	Estimated Avg. Annual Federal Tax Advantage	Avg. Annual RMC
E-1 (family size 2)	\$23,011	\$24,686	\$5,431	\$53,128	\$3,072	\$56,199
E-1 (family size 4)	\$23,011	\$24,686	\$5,431	\$53,138	\$10,472	\$63,600
E-1 (family size 6)	\$23,011	\$24,686	\$5,431	\$53,138	\$11,411	\$64,538
2023 Poverty Guidelines for 48 Contiguous States (all states except Alaska and Hawaii)						

Source: Department of Defense, [Selected Military Compensation Tables](#), January 1, 2023.

Notes: Rates rounded to nearest dollar; rows may not sum due to rounding. RMC incorporates cash benefits and tax advantage that accrues due to some allowances being non-taxable. The estimated average annual federal tax advantage is computed using the standard deduction and 2022 tax rates, including earned income tax credit. Servicemembers' actual annual tax advantage varies based on their unique tax situation.

Table 2. 2023 Poverty Guidelines for 48 Contiguous States and the District of Columbia

For all states except Alaska and Hawaii

Household/Family Size	130% of poverty guidelines	150% of poverty guidelines
2	\$25,636	\$29,580
4	\$39,000	\$45,000
6	\$52,364	\$60,420

Source: U.S. Department of Health and Human Services

Legislative Proposals

The House Armed Services Committee (HASC) [Subcommittee on Military Personnel markup](#) for the FY2024 NDAA includes a provision that would remove Basic Allowance for Housing (BAH) from the BNA calculation of GHI. [Current law](#) allows the Secretary of Defense to exclude a portion of BAH from this calculation for servicemembers who reside “in an area with a high cost of living.” [By regulation](#), the Assistant Secretary of Defense for Manpower and Reserve Affairs is responsible for determining BAH annually. Some military family advocates [have argued](#) that despite this Secretarial authority, the default inclusion of BAH in the income calculation precludes needy families from accessing BNA.

Outside the NDAA and in different committees' jurisdiction, policymakers have proposed a different approach – amending the [Supplemental Nutrition Assistance Program \(SNAP\)](#). For example, in the 118th Congress, the *Military Family Nutrition Access Act* (S. 497 and H.R. 1763) would exclude BAH from SNAP's income eligibility calculations, allowing more military families to qualify for SNAP benefits.

Congress might also consider how ongoing [Administration initiatives](#) and legislative proposals could affect military household finances. These proposals include [increases to BAH](#), a [military pay raise of 5.2% for FY2024](#), and [military pay table reform for certain junior enlisted grades](#).

Discussion

Survey data from 2018 suggest that the U.S. Department of Agriculture would classify 15.4% of active component personnel as having low food security. Analysts estimate that under the 130% threshold, 1,135 servicemembers (less than 1% of the active component) would be eligible for the benefit and that removing BAH from the GHI calculation would increase that estimate to 23,911. This number would likely be higher under the 150% threshold. A prior congressional effort to provide supplemental allowances to servicemembers, the Family Subsistence Supplemental Allowance (FSSA, 37 U.S.C. §402a) also had relatively low eligibility and participation rates. In the FY2015 NDAA (P.L. 114-92), Congress restricted FSSA eligibility to servicemembers living outside the United States and its territories. There are also potential BNA implementation challenges as GHI could be subject to frequent fluctuations (e.g., promotion to a higher pay grade, new spousal income) that could affect servicemember eligibility and result in benefits being recouped.

While survey data suggest that low food security is an issue for servicemembers, there are debates about its root causes. Military pay for early-career enlisted personnel is around the 90th percentile of comparable civilians, yet servicemembers report lower food security than their civilian counterparts. A 2023 RAND study found that servicemembers who reported food insecurity were more likely to report financial management issues (e.g., relationship problems regarding finances, over-draft fees, and falling behind on bills). In addition, questions remain about other factors that could contribute to food insecurity, such as installation access to food (e.g., dining facility hours and other food options), spouse employment or child care challenges, or financial shocks (e.g., permanent change of station).

For more information, see CRS Report R46983, *Military Families and Financial Readiness*, by Kristy N. Kamarck.

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