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Feeding Fairness: Elevating BAS Reform to Ensure Equitable Compensation

June 2024

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Prepared for the Naval Postgraduate School, Monterey, CA 93943.

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ABSTRACT

The basic allowance for subsistence (BAS) is a critical component of military compensation, aimed at offsetting food expenses for service members. However, the current BAS pay structure presents several deficiencies: officer rates fall below the discounted meal collection rate, inequity exists between officers and enlisted personnel, and rates do not account for service members with dependents. This study examines 10 various reform options to address these shortcomings. Ultimately, this research proposes a single BAS rate at the established enlisted rate of \$473.60, with a supplemental allowance of \$47.16 for service members with dependents, which will cost an estimated additional \$909 million in FY 2025.



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LIST OF ACRONYMS AND ABBREVIATIONS

BAH	basic allowance for housing
BAQ	basic allowance for quarters
BAS	basic allowance for subsistence
COLA	cost of living allowance
CPI	consumer price index
CY	calendar year
DFAS	Defense Finance and Accounting Service
DMDC	Defense Manpower Data Center
DMDCRS	Defense Manpower Data Center's Reporting System
DOD	Department of Defense
FY	fiscal year
NDAA	National Defense Authorization Act
QRMC	Quadrennial Review of Military Compensation
SecDef	Secretary of Defense
SNAP	Supplemental Nutrition Assistance Program
SSS	single salary system
USC	United States Code
USCG	United States Coast Guard
USDA	United States Department of Agriculture



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I. INTRODUCTION

The basic allowance for subsistence (BAS) is a tax-free monetary allowance aimed at offsetting food expenses and is a crucial component of the military compensation package. In fiscal year (FY) 2023, a total of \$6.7 billion was designated to aid service members in covering their dietary costs (Defense Manpower Data Center, 2024). However, within its structure lies a perplexing problem: enlisted service members receive 45.2 percent more than officers. This discrepancy challenges conventional wisdom, where pay typically correlates with seniority or experience. The anomaly of BAS distribution not only intrigues its peculiarity but also raises questions about equity and rationale within military compensation policies. It is this fascinating paradox that forms the crux of this research paper.

Utilizing 2023 data from the Defense Manpower Data Center (DMDC) and food cost metrics sourced from the United States Department of Agriculture (USDA), this research paper explores the intricate details surrounding BAS. Specifically, it scrutinizes the viability and implications of reforming BAS, with a focused examination on increasing the officer BAS rate and establishing a single BAS rate for all military service members. Furthermore, the paper raises the question of whether an additional monthly allowance for service members with dependents would adequately address the financial strain stemming from the inability to capitalize on economies of scale in household grocery expenses due to prolonged periods of deployment. This paper addresses the question of whether restructuring BAS and introducing supplementary allowances can sufficiently mitigate the economic challenges faced by service members and their families, thereby ensuring a fair and equitable compensation system reflective of modern military dynamics.

Previous research, notably the findings of the Quadrennial Review of Military Compensation (QRMC) spanning the last three decades, has consistently underscored the imperative for revisions to military allowances (QRMC, n.d.). The QRMC has repeatedly advocated for the elimination of allowances in favor of a single salary system (SSS), aligning military compensation structures more closely with those of the private sector. However, such proposals have acknowledged the complex financial ramifications,



particularly concerning retirement compensation, which relies heavily on base pay and excludes allowances. While the QRMC's examinations have provided valuable insights into overarching compensation systems, they have tended to overlook the nuanced disparities evident in specific allowance allocations, such as the marked discrepancy between officer and enlisted BAS rates. In contrast, certain less authoritative studies have attempted to rationalize the pay differential between officers and enlisted personnel by emphasizing the hierarchical salary structure (Absher, 2021). However, such arguments falter when considering the static nature of BAS regardless of salary differences, highlighting the inadequacies of simplistic explanations for the observed disparities.

This research paper seeks to contribute significantly to the ongoing dialogue on military compensation by addressing three key gaps that previous studies have left unexplored. Firstly, it confronts the pressing issue of the inadequacy of the officer BAS rate. By advocating for an adjustment to ensure that the officer BAS rate surpasses the discounted meal collection rate, this paper aims to alleviate the financial burden placed on officers during deployments, thereby promoting greater equity within the compensation framework.

Secondly, the paper challenges the prevailing disparity between officer and enlisted BAS rates, contending that such differentiation lacks justification. By proposing the establishment of a single BAS rate applicable to all personnel regardless of rank, this study endeavors to rectify inherent inequities and streamline the compensation structure, aligning it more closely with principles of fairness and parity.

Lastly, this paper addresses the overlooked plight of military personnel with dependents, particularly concerning the escalating food costs and the inability to achieve economies of scale due to prolonged absences from home. By highlighting this disparity, the study advocates for the introduction of an additional tier to the monthly allowance to mitigate the financial strain faced by service members and their families, ensuring that compensation policies better reflect the contemporary realities of military life. Ultimately, this research proposes a single BAS rate for all service members at \$473.60 with an additional \$47.16 to service members with dependents. This proposed solution would



rectify the issues identified and increase the BAS budget by \$909 million or 12.87 percent, in FY 2025.

This paper unfolds in a structured manner to clarify the complexities surrounding BAS and propose necessary reforms. We commence with an examination of prior research, delineating the deficiencies in existing compensation models highlighted by the QRMC and other scholarly inquiries. Building upon this foundation, we explore solutions to fix the current gaps within the allowance structure and calculate the costs to remedy the shortfalls. Through this analytical study, the paper aims to provide insights into the nuances of military compensation policies and offer pragmatic solutions to enhance the well-being of service members and their families.



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II. LITERATURE REVIEW

A. HISTORICAL EVOLUTION OF BAS RATES

BAS was first established under the Career Compensation Act of 1949 granting officers a guaranteed tax-free monthly allowance and allowing enlisted personnel to receive a daily allowance if one of the following conditions were met: “(1) When rations in kind are not available; (2) when permission to mess separately is granted; or (3) when assigned to duty under emergency conditions where no Government messing facilities are available” (Career Compensation Act of 1949, 1949). Each condition carried a different daily wage; condition one was \$2.25 a day, condition two was \$1.05 a day, and condition three was \$3.00 per day. The rate for officers was adjusted based on the number of dependents. The monthly rate was \$21 with no dependents, \$42 with one dependent, and \$63 with two or more dependents.

Over the years, many changes were made to BAS, most of which were made to help military service members. For instance, in 1998 the National Defense Authorization Act (NDAA) authorized military reservists to receive BAS if the member worked eight consecutive hours on a calendar day and did not have a government messing facility (NDAA for Fiscal Year 1998, 1998). This change remains current under Title 37 of the United States Code (USC) section 402(e). By enacting this change, members of the Reserve Corps receive the same subsistence benefits as the active-duty military.

Another policy change that remains in effect and directly impacts service members occurred in 2003. To help service members in high-cost duty locations, the 2004 NDAA allowed the Secretary of Defense (SecDef) to authorize providing meals at no cost while the service member still received BAS or could receive a supplemental allowance on top of the BAS rate to offset the high cost of living (NDAA for Fiscal Year 2004, 2003).

In 2005, Congress passed a law that allowed service members who were hospitalized to not have to pay for their meals for the entire month in which they were in the hospital (NDAA for Fiscal Year 2005, 2004). This law was passed because of the large number of military personnel hospitalized during the war in Iraq. The Federal Government



recognized the moral obligation it had to provide some financial relief to wounded or ill service members in combat zones.

On the other hand, some changes were made to reduce costs to the government and subsequently cut benefits for service members. For example, in 1996, Congress stated the Department of Defense (DOD) would limit the number of enlisted members receiving BAS. According to the 1996 NDAA, no more than 12 percent of enlisted personnel residing in government facilities without dependents at their permanent duty station would be eligible to receive BAS (NDAA for Fiscal Year 1996, 1996). The intended objective of this policy was to limit enlisted service members messing separately thereby reducing the amount of enlisted personnel receiving BAS and ultimately reducing costs to the Federal Government.

Other changes to BAS were made to better calculate the BAS rate. Under the 1998 NDAA, the Senate, wanting to ensure the BAS rate was calculated properly, decided to have the Secretary of Agriculture determine the rate. The rate was set on October 1st of the preceding year, and the rate was to fall in between the moderate and liberal food cost plan for a male between the age of 19–50 years old. This food category was chosen because most military service members were in this age and gender demographic (NDAA for Fiscal Year 1998, 1997).

In 2001, NDAA implemented the current law, stating that each enlisted service member would receive \$233 per month in BAS instead of a daily BAS rate. This amount would then be adjusted annually based on the percentage increase from the previous year using the USDA liberal food cost plan (NDAA for Fiscal Year 2001, 2000). For example, in October 2001 the USDA liberal food cost plan was \$254.30, a 3.7 percent increase from October 2000 when the rate was \$245.20, therefore, the enlisted BAS rate increased by 3.7 percent going from \$233 to \$241.60, and the Officer rate would increase by the same percentage as well, going from \$160.42 to \$166.37 (United States Department of Agriculture, 2000, 2001). Congress elected to keep the Officer BAS rate separate from the new enlisted BAS rate causing the rate disparity seen presently.



In 2002 the NDAA issued multiple authorizations which remain in effect today. First, all enlisted personnel receiving basic pay, except for members in basic training, now receive full BAS. However, since all military members receive BAS, the change also required all military members to pay for all meals consumed at military facilities. This meant that enlisted personnel would no longer be eligible to receive meals at no charge. In addition, some enlisted members were able to receive double the normal BAS rate if the service member was in government quarters without adequate facilities to make or store their food, and there was no government messing facility available to the service member (Bob Stump NDAA for Fiscal Year 2003, 2002). This allowed service members to receive enough funds to dine out more frequently because of inadequate government facilities.

B. OVERVIEW OF BASIC ALLOWANCE FOR SUBSISTENCE

BAS is written into law under Title 37, United States Code, Section 402, and outlines the current legal framework governing the BAS for members of the uniformed services in the United States. Under subsection (a) of Section 402, all members of the uniformed services who receive basic pay are entitled to a basic allowance for subsistence, unless the enlisted member is attending basic training, as stipulated in paragraph (2) of the subsection (Basic Allowance for Subsistence, 2024).

Subsection (b) provides the formula for determining the rates of the basic allowance for subsistence. The monthly rate for enlisted members is a composite of the previous year's rate and a percentage increase linked to the cost of a liberal food plan for a male aged 20 to 50 by the United States Department of Agriculture (USDA). A parallel calculation is applied to officers, with their rate increasing by the same percentage as that for enlisted members (BAS, 2024).

Subsection (c) permits the advance payment of the allowance for enlisted members for a period not exceeding three months. Additionally, subsection (d) grants discretionary authority to double the monthly rate for enlisted members assigned to single quarters lacking adequate food facilities. Subsections (e) and (f) introduce special rules for specific scenarios. Subsection (e) addresses enlisted reserve members, not entitled to basic pay, allowing them to receive rations in kind or commutation under specified circumstances.



Subsection (f) empowers the Secretary of Defense to authorize additional allowances for members serving in high-cost duty locations or under unique and unusual circumstances (BAS, 2024).

Subsections (g) and (h) contribute to the understanding of policies regarding the use of dining and field messing facilities and exemptions for members undergoing medical treatment, respectively. The Secretary of Defense, in collaboration with relevant Secretaries, holds the responsibility for prescribing these policies. Lastly, subsection (i) underscores the importance of the Secretary of Defense in prescribing regulations for the administration of Section 402. These regulations must encompass specific rates of the basic allowance for subsistence, as mandated by subsection (b), and require consultation with each Secretary concerned before finalization (BAS, 2024).

C. PREVIOUS STUDIES ON MILITARY ALLOWANCES

BAS has been the subject of criticism since its inception in 1949. Criticisms have included questions about who receives the allowance, the amounts received, and if it should exist at all. For example, according to McIntyre, the chairman of the Seventh Quadrennial Review of Military Compensation (QRMC) in 1992, identified the military pay structure to be overly complex, specifically regarding allowances, including both BAS and basic allowance for quarters (BAQ), now referred to as basic allowance for housing (BAH). The QRMC recommended a long-term strategic plan to potentially phase BAS and BAH into basic pay and eliminate allowances. According to the Seventh QRMC, “The need for an allowance as a separate element is reduced when all the members of a given status receive the same cash allowance. Once the allowance is the norm rather than the exception, it no longer serves as a useful differentiation of pay between members” (McIntyre, 1992, p. 5). The QRMC proposed a simplified pay system consisting only of basic pay, with a single location adjustment and no other supplemental entitlements. The QRMC acknowledged BAS and BAH were tax-exempt, and merging the allowances into basic pay would remove this benefit. The QRMC’s recommended solution would be to calculate the estimated cost in taxes and add the added cost to basic pay to offset the change in pay structure.



Nearly 30 years later, the 13th QRMC is still recommending the removal of BAS (along with BAH) and moving to a single salary system (SSS) (U.S. Department of Defense, 2020). Although there have been many adjustments to pay and incentives in the military over the last 30 years, many of the benefits and disadvantages of removing BAS remained the same. For example, the 13th QRMC found that the removal of BAS and other entitlements will help reduce the complexity of the pay structure and could help recruitment because basic pay would be more in line with equivalent private sector positions (U.S. Department of Defense, 2020). However, removing BAS and other entitlements to basic pay could drastically increase retirement costs because pensions are calculated based on basic pay and years of service.

Another problem with BAS that has been noted over decades is the disparity between enlisted and officer BAS rates. According to the 7th QRMC report, a single BAS rate tied to the cost of food provided by the USDA could have many advantages. For example,

the system would be less complex and more understandable. Members would know that their allowance is based on real food costs and that all of them are charged the same amount when meals are provided. A single BAS rate would eliminate most perceived inequities of the current system. Meals would cost the same for officers and enlisted personnel, whether eaten in a dining facility, in the field, or on the economy. (McIntyre, 1992, p. 64)

Other studies have called for a single BAS rate as well, noting a simpler way to calculate the BAS rate, and reducing the inequality. Prior research has not identified a compelling reason to keep enlisted and officer rates separated. According to a military.com article, “enlisted personnel have always received higher BAS than officers” because historically BAS was meant to cover the entire cost of food, where it was expected that officers made enough money in their basic pay to cover the remaining cost (Absher, 2021). This argument is flawed as it could be made for other entitlements like BAH. Every other entitlement in the military is skewed for the higher-ranking service member to receive more benefits than those below except for BAS. This article is factually inaccurate because enlisted BAS was not always higher than officers. Enlisted personnel received a daily BAS rate before 2002 and consisted of several different rates depending on the reason for



receiving BAS. In 1973, enlisted BAS with permission to mess separately totaled \$1.46 a day or \$45.26 if paid for an entire month, and officers received \$47.88 per month (DFAS, 1973).

Having a single BAS rate makes more sense than ever, as both enlisted and officers receive a monthly BAS entitlement and are charged the same meal rates in military dining facilities. Additionally, the single rate for both officers and enlisted would prevent the growing disparity between the two rates caused each year the rates are adjusted for inflation on a percentage basis. While economists may contend that the purchasing power for food remains constant over time, it is imperative to acknowledge the perceptual impact of a widening pay gap between officers and enlisted personnel. This perceptual divide has the potential to foster perceptions of inequity and discontentment regarding the allowance structure, underscoring the necessity for a single BAS rate as a measure to promote fairness and cohesion within the military.

D. REVIEW OF THE INFLATION CALCULATION

The USDA Food and Nutrition Service releases a monthly cost of food report. There are four different categories of food plans provided: Thrifty food plan which is used as the basis for the Supplemental Nutrition Assistance Program (SNAP), and a low, moderate, and liberal food cost plan. The DOD uses the October liberal food plan report for calculating food inflation and adjusts the BAS rate annually based on the year-over-year price change. The USDA uses a complex mathematical model for calculating the food costs for each plan. Each plan is developed to achieve the daily nutritional recommendations from MyPyramid, a program developed by the USDA, which was last updated in 2005. The model then generates “consumption patterns that consist of quantities for fifty-eight food categories” (Carlson, 2007, p. ES-2). CNPP translates the identified foods and their respective quantities into a “set of purchasable foods and collapses them into a simplified group of twenty-nine market baskets” to add clarity and ease of analysis (Carlson, 2007, p. ES-2). Each of the twenty-nine baskets has a corresponding consumer price index (CPI), which is used to update fluctuating prices. For example, the potato CPI would update any potato product pricing within the baskets.



This extremely complex pricing model does a good job of capturing food inflation with its diverse baskets. By not setting the inflation adjustments based on a single commodity, it has a chance to better reflect the actual market conditions.

The USDA's pricing model is well respected and "used by various federal and state agencies and the court system" (USDA, 2024). For example, according to a 2022 GAO analysis, the Thrifty Food Plan serves as the basis for maximum SNAP allotments, while bankruptcy courts rely on the Low-Cost Food Plan to determine the portion of income allocated to necessary food expenses for individuals filing for bankruptcy. Additionally, divorce courts often reference USDA Food Plan values when setting alimony payments. Moreover, the USDA Food Plans play a crucial role in the agency's report on Expenditures on Children by Families, which some states use to establish child support guidelines and foster care payments (United States Government Accountability Office, 2022, p. 7).



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III. METHODOLOGY, DATA, AND ANALYSIS

This study adopts a quantitative research design, leveraging calendar year (CY) 2023 data to address the objectives of reforming BAS in the military. By utilizing known variables from CY 2023 and projecting totals for CY 2024 and 2025, this approach allows for an in-depth analysis of the BAS structure and proposed reforms for CY 2025. The focus lies on assessing the financial implications and feasibility of key reform strategies, including increasing officer BAS at or above the discounted meal collection rate, establishing a single rate for all service members, and introducing an added tier to the supplementary allowance for service members with dependents within the given timeframe.

Data collection will primarily involve sourcing CY 2023 statistical information from reputable entities such as the DOD, the Defense Finance and Accounting Service (DFAS), the USDA, and the Defense Manpower Data Center's Reporting System (DMDCRS). This encompasses historical BAS rates, inflation figures, military demographic factors, and pertinent policy documents specific to CY 2023 and 2024.

A. GUIDELINES AND ASSUMPTIONS

In CY 2023, actual BAS costs tallied approximately \$6.8 billion for the entire DOD, including the U.S. Coast Guard (USCG) (DMDC, 2024). By CY 2024, BAS rates were adjusted by 1.7 percent to accommodate food inflation, as determined by the USDA (DFAS, 2024). Projecting forward with all other variables held constant, total BAS costs for CY 2024 are calculated using the following formula.

$$\begin{aligned} & \text{Total BAS costs in CY 2023} \\ & \times (1 + \text{Inflation Rate}) \\ & = \text{Total BAS costs in CY 2024} \end{aligned}$$

Detailed calculations are available in Table 1.



Table 1. Projected CY 24 BAS Totals. Adapted from DMDC (2024).

	CY 23 Total	BAS Rate Change	Projected CY 24 Total
Enlisted Active	\$ 5,283,059,265.70	1.70%	\$ 5,372,871,273.22
Enlisted Reserve	\$ 409,799,877.98	1.70%	\$ 416,766,475.90
Officer Active	\$ 828,048,827.10	1.70%	\$ 842,125,657.16
Officer Reserve	\$ 238,081,144.41	1.70%	\$ 242,128,523.86
Total	\$ 6,758,989,115.18		\$ 6,873,891,930.14

Additionally, the Economic Research Service forecasts a 2.9 percent increase in food prices for 2024 (Economic Research Service USDA, 2024). Accordingly, it's assumed that the October 2024 USDA liberal meal plan for a male aged 19 to 50 in a four-person household will rise by 2.9 percent to \$471.59 from the October 2023 rate of \$458.30. Under this assumption, the projected CY 2025 enlisted BAS is anticipated to be \$473.60, with officer BAS at \$326.17, marking an increase from the CY 2024 rates of \$460.25 and \$316.98, respectively. One must also assume, the daily discounted meal collection rate would also increase by 2.9 percent, from a CY 2024 rate of \$13.15 to \$13.55 (rounded to the nearest nickel). By utilizing the following formula, one can project the CY 2025 total BAS costs which are estimated to total 7.07 billion.

$$\begin{aligned}
 & \text{Total projected BAS costs in CY 2024} \\
 & \times (1 + \text{Projected CY 2024 Inflation Rate}) \\
 & = \text{Total BAS costs in CY 2025}
 \end{aligned}$$

Table 2 offers a breakdown of projected CY 2025 BAS costs between officers and enlisted personnel.

Table 2. Projected CY 25 BAS Totals

	Projected CY 24 Total	Projected Food Inflation	Projected CY 25 Total
Enlisted Active	\$ 5,372,871,273.22	2.90%	\$ 5,528,684,540.14
Enlisted Reserve	\$ 416,766,475.90	2.90%	\$ 428,852,703.70
Officer Active	\$ 842,125,657.16	2.90%	\$ 866,547,301.21
Officer Reserve	\$ 242,128,523.86	2.90%	\$ 249,150,251.06
Total	\$ 6,873,891,930.14		\$ 7,073,234,796.11

a. Adapted from DMDC (2024).

b. Adapted from ERS (2024).



Additional guidelines and assumptions must be established to accurately estimate the costs associated with implementing an additional tier to the supplementary allowance for personnel with dependents. Firstly, building upon previously set assumptions, the October 2025 USDA's liberal meal plan for males aged 19 to 50 in a four-person household stands at \$471.59. Adjusting this figure for a single-member household requires a 20 percent increase, resulting in \$565.91. Conversely, for a two-person household, a 10 percent increase yields \$518.75. The difference in average cost per person between a single and two-person household is \$47.16, which serves as the basis for calculating the BAS dependent reform options.

$$\begin{aligned}
 & (\text{October 2025 USDA liberal meal plan} \times (1 + 20\%)) \\
 & - (\text{October 2025 USDA liberal meal plan} \times (1 + 10\%)) \\
 & = \text{Proposed dependent allowance}
 \end{aligned}$$

Secondly, it is crucial to determine the percentage of DOD personnel with at least one dependent. This research extracted 2023 monthly dependency data from the DMDC, categorizing them into eight groups: active-duty enlisted with and without dependents, enlisted reservists with and without dependents, active-duty officers with and without dependents, and officer reservists with and without dependents (DMDC, 2024). By averaging these monthly figures over twelve months, the study derived the dependent assumptions necessary for subsequent calculations, as seen in Table 3.

Table 3. Service Member Dependent Status. Adapted from DMDC (2024).

	Single	W/ Dependents
Enlisted Active	50.45%	49.55%
Enlisted Reserve	52.62%	47.38%
Officer Active	32.15%	67.85%
Officer Reserve	25.64%	74.36%

Utilizing the dependent breakdown in Table 3, a breakdown in BAS costs per group can be calculated, as shown in Table 4. This calculation is done by taking the projected CY



2025 BAS total in the appropriate group and multiplying it by the respective dependent percentage, giving the estimated BAS cost for that particular group of personnel. This BAS breakdown will be utilized when displaying results for implementing the dependent supplemental allowance within each option.

Table 4. CY 25 BAS Breakdown. Adapted from DMDC (2024).

	Projected CY 25 BAS Total	Dependent Status	%	CY 25 Total
Enlisted Active	\$ 5,528,684,540.14	Single	50.45%	\$ 2,789,221,350.50
		Dependents	49.55%	\$ 2,739,463,189.64
Enlisted Reserve	\$ 428,852,703.70	Single	52.62%	\$ 225,662,292.69
		Dependents	47.38%	\$ 203,190,411.01
Officer Active	\$ 866,547,301.21	Single	32.15%	\$ 278,594,957.34
		Dependents	67.85%	\$ 587,952,343.87
Officer Reserve	\$ 249,150,251.06	Single	25.64%	\$ 63,882,124.37
		Dependents	74.36%	\$ 185,268,126.69
Total	\$ 7,073,234,796.11			\$ 7,073,234,796.11

Lastly, for this research, it is assumed that the number of personnel receiving BAS in 2023 will remain relatively consistent in CY 2024 and 2025. It is imperative to note that the financial assumptions outlined in this section should be updated monthly with the latest information to ensure the accuracy of results.

B. SUPPLEMENTAL DEPENDENT ALLOWANCE

The current policy regarding BAS stipulates that it is a monetary allowance designated exclusively for the service member and is not intended to cover expenses for dependents. However, this policy warrants reconsideration due to its impact on households when service members are unable to eat at home due to operational commitments such as deployments. Notably, this situation effectively imposes a 10 percent tax on the household. According to the USDA, the largest delta in average food costs per person occurs when transitioning from a two-person household to a single-person household, resulting in a 10 percent increase in food costs per person (USDA, 2024). Therefore, there is a rationale for instituting a supplementary allowance to augment BAS for service members with at least one dependent. This additional tier to the allowance would serve to mitigate the loss of



economies of scale incurred during periods of absence from home; however, this allowance is not proposed to change based on deployment status.

To compute the projected cost of the supplement dependent allowance, the initial step involves calculating the total CY 25 BAS breakdown for service members with dependents. This is achieved by using the formula.

$$\begin{aligned}
 & \text{CY 25 BAS total} \\
 & \times (1 + \% \text{ of service members with dependents}) \\
 & = \text{Total BAS to service members with dependents}
 \end{aligned}$$

Results of the calculations are displayed in Table 5.

Table 5. BAS Totals to Service Members with Dependents in CY 25.
Adapted from DMDC (2024).

	CY 25 BAS Total	w/ Dependents	BAS to SM w/ Dependents
Enlisted Active	\$ 5,528,684,540.14	49.55%	\$ 2,739,463,189.64
Enlisted Reserve	\$ 428,852,703.70	47.38%	\$ 203,190,411.01
Officer Active	\$ 866,547,301.21	67.85%	\$ 587,952,343.87
Officer Reserve	\$ 249,150,251.06	74.36%	\$ 185,268,126.69
Total	\$ 7,073,234,796.11		\$ 3,715,874,071.21

The subsequent step is to calculate the percentage cost of adding the supplement dependent allowance on top of the BAS rate. This is determined by dividing the supplement dependent allowance by the projected actual CY 2025 BAS rate. For instance, with a supplement dependent allowance of \$47.16 and projected actual CY 2025 BAS rates of \$473.60 for enlisted personnel and \$326.17 for officers, the resulting percentages are 9.96 percent and 14.46 percent, respectively. This percentage is then multiplied by the BAS total with dependents to ascertain the budget impact, as shown in the following formula and detailed in Table 6.



$$\text{Percentage cost} = \left(\frac{\text{Supplement dependent allowance}}{\text{Projected CY 2025 BAS rate}} \right) \times 100$$

CY 2025 BAS with dependent total

\times *Percentage cost*

$=$ *CY 2025 BAS budget impact*

Table 6. Projected Supplemental Dependent Allowance Budget Impact.
Adapted from DMDC (2024).

	CY 25 Total	Dependent Rate/BAS Rate	Budget Impact
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	9.96%	\$ 272,850,533.69
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	9.96%	\$ 20,237,764.94
Officer Active w/ Dependents	\$ 587,952,343.87	14.46%	\$ 85,017,908.92
Officer Reserve w/ Dependents	\$ 185,268,126.69	14.46%	\$ 26,789,771.12
Total	\$ 3,715,874,071.21		\$ 404,895,978.67

Implementing a \$47.16 supplement for service members with dependents is projected to incur an additional cost of nearly \$405 million in CY 2025. Hence, this additional cost can be incorporated into any of the following options to calculate the combined cost per option.

C. BAS REFORM OPTIONS

1. Officer BAS Set to the Discounted Meal Collection Rate

The focal point of the BAS reform proposal is the adjustment of the BAS rate to ensure that no service member pays more for meals than they receive from the allowance, which particularly impacts officers during deployment. In practical terms, officers are obligated to cover the full expense of each meal, irrespective of consumption, leading to financial costs that surpass the received BAS rate. For instance, in CY 2025 the discounted meal collection rate is assumed to be \$13.55. Assuming a full calendar month in a deployed status with 31 days, an officer's monthly mess bill would accumulate to \$420.05. However, the projected BAS for officers in 2025 is \$326.17 a month. Consequently, officers will find themselves compelled to pay an additional \$93.88 beyond their BAS, creating a financial imbalance that warrants investigation and resolution.



Table 7. Officer BAS Set to the Discounted Meal Collection Rate. Adapted from DMDC (2024).

Officer BAS to the discounted meal collection rate						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active	\$ 5,528,684,540.14	\$ 473.60	\$ 473.60	0.00%	\$ 5,528,684,540.14	\$ -
Enlisted Reserve	\$ 428,852,703.70	\$ 473.60	\$ 473.60	0.00%	\$ 428,852,703.70	\$ -
Officer Active	\$ 866,547,301.21	\$ 326.17	\$ 420.05	28.78%	\$ 1,115,961,596.33	\$ 249,414,295.12
Officer Reserve	\$ 249,150,251.06	\$ 326.17	\$ 420.05	28.78%	\$ 320,862,013.54	\$ 71,711,762.48
Total	\$ 7,073,234,796.11				\$ 7,394,360,853.71	\$ 321,126,057.60

To calculate the estimated fiscal impact into the CY 2025 BAS budget, the following formula will be utilized for all reform options.

$$\text{Percentage cost} = \left(\frac{(\text{Proposed rate} - \text{Projected rate})}{\text{Projected rate}} \right)$$

$$\text{Budget impact} = \text{Projected BAS total} \times \text{Percentage cost}$$

This option requires a 28.78 percent increase to officer BAS with no change to enlisted BAS rates. This research projects increasing the officer allowance to equal the discounted meal collection rate would cost an additional \$321 million or increase the BAS budget by 4.54 percent in CY 2025.

If combined with the proposed dependent allowance, total additional costs would be \$726 million or a 10.26 percent increase to the BAS budget. This is calculated by adding the total BAS budget impact previously calculated at \$321 million by the \$405 million supplemental dependent allowance. Enlisted personnel with dependents would see a 9.96 percent increase, and officers with dependents would see a 43.24 percent increase, as shown in Table 8.



Table 8. Officer BAS Set to the Discounted Meal Collection Rate with Dependent Option. Adapted from DMDC (2024).

Officer BAS to the discounted meal collection rate with Dependent Option						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active Single	\$ 2,789,221,350.50	\$ 473.60	\$ 473.60	0.00%	\$ 2,789,221,350.50	
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	\$ 473.60	\$ 520.76	9.96%	\$ 3,012,252,640.70	
Enlisted Reserve Single	\$ 225,662,292.69	\$ 473.60	\$ 473.60	0.00%	\$ 225,662,292.69	
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	\$ 473.60	\$ 520.76	9.96%	\$ 223,423,645.35	
Officer Active Single	\$ 278,594,957.34	\$ 326.17	\$ 420.05	28.78%	\$ 358,781,653.22	
Officer Active w/ Dependents	\$ 587,952,343.87	\$ 326.17	\$ 467.21	43.24%	\$ 842,190,313.58	
Officer Reserve Single	\$ 63,882,124.37	\$ 326.17	\$ 420.05	28.78%	\$ 82,269,020.27	
Officer Reserve w/ Dependents	\$ 185,268,126.69	\$ 326.17	\$ 467.21	43.24%	\$ 265,380,388.97	
Total	\$ 7,073,234,796.11				\$ 7,799,181,305.28	\$ 725,946,509.17

This option would only address the issue of officers receiving an allowance capable of paying for food during a period of mandatory meal charges that occur in situations like a deployment. The issue of inequity between officers and enlisted personnel remains.

Another major shortcoming of the current BAS structure is the difference in rates between officers and enlisted personnel. This disparity is unwarranted as meals at military dining facilities are equal for all service members regardless of rank, coupled with alike expenses for groceries on base or in public grocery stores, contradicting the existing system of varied BAS rates based on officer and enlisted status. This incongruity raises concerns about the fairness and equity in the compensation structure for military personnel.

Despite annual inflation adjustments to BAS rates, maintaining equal purchasing power between officers and enlisted personnel, public perception predominantly focuses on the increasing dollar disparity between the two rates, a gap that has doubled since the inception of monthly BAS for enlisted personnel in 2001. The difference between enlisted and officer BAS was \$72.58 (\$233.00-\$160.42) in 2001, and in CY 25 it is projected to be \$147.43 (\$473.60-\$326.17) ((DFAS), n.d.). Establishing a single BAS rate for all service members would mitigate this perception, acknowledging that food costs are consistent for all personnel, and thus warrant uniform compensation.

2. Equal BAS at the Discounted Meal Collection Rate

The first option aimed at establishing an equal rate for all personnel is setting the BAS rate to the discounted meal rate for all personnel. This option addresses the equity problem by establishing a single BAS rate and ensures that all personnel will not have to



pay more than they receive for food during a period of mandatory meal charges that occur in situations like a deployment. Utilizing the same formula previous reform option, this option would save the DOD approximately \$352 million or decrease the BAS budget by 4.98 percent. By setting the BAS rate at \$420.05, officer BAS will increase by 28.78 percent and enlisted BAS will decrease by 11.31 percent, as shown in Table 9.

Table 9. Equal BAS at the Discounted Meal Collection Rate. Adapted from DMDC (2024).

Equal BAS at the discounted meal collection rate						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active	\$ 5,528,684,540.14	\$ 473.60	\$ 420.05	-11.31%	\$ 4,903,555,618.85	\$ (625,128,921.29)
Enlisted Reserve	\$ 428,852,703.70	\$ 473.60	\$ 420.05	-11.31%	\$ 380,362,285.03	\$ (48,490,418.67)
Officer Active	\$ 866,547,301.21	\$ 326.17	\$ 420.05	28.78%	\$ 1,115,961,596.33	\$ 249,414,295.12
Officer Reserve	\$ 249,150,251.06	\$ 326.17	\$ 420.05	28.78%	\$ 320,862,013.54	\$ 71,711,762.48
Total	\$ 7,073,234,796.11				\$ 6,720,741,513.75	\$ (352,493,282.37)

If combined with the proposed dependent allowance, enlisted personnel with dependents would see a 1.35 percent decrease in BAS, officers with dependents would see a 43.24 percent increase, as shown in Table 10. By utilizing the same formula, the total costs would increase by \$52 million, or by .74 percent.

Table 10. Equal BAS at the Discounted Meal Collection Rate with Dependent Option. Adapted from DMDC (2024).

Equal BAS at the discounted meal collection rate with Dependent Option						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active Single	\$ 2,789,221,350.50	\$ 473.60	\$ 420.05	-11.31%	\$ 2,473,843,809.71	
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	\$ 473.60	\$ 467.21	-1.35%	\$ 2,702,501,260.20	
Enlisted Reserve Single	\$ 225,662,292.69	\$ 473.60	\$ 420.05	-11.31%	\$ 200,146,634.38	
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	\$ 473.60	\$ 467.21	-1.35%	\$ 200,448,884.99	
Officer Active Single	\$ 278,594,957.34	\$ 326.17	\$ 420.05	28.78%	\$ 358,781,653.22	
Officer Active w/ Dependents	\$ 587,952,343.87	\$ 326.17	\$ 467.21	43.24%	\$ 842,190,313.58	
Officer Reserve Single	\$ 63,882,124.37	\$ 326.17	\$ 420.05	28.78%	\$ 82,269,020.27	
Officer Reserve w/ Dependents	\$ 185,268,126.69	\$ 326.17	\$ 467.21	43.24%	\$ 265,380,388.97	
Total	\$ 7,073,234,796.11				\$ 7,125,561,965.32	\$ 52,327,169.21

3. Equal BAS Rate without Budget Impact

The cost-neutral option of BAS reform is aimed at establishing an equal BAS rate for all personnel while not impacting the overall budget. This can be done by establishing



a BAS rate of \$442.08. By setting the BAS rate at \$442.08, officer BAS will increase by 35.54 percent and enlisted BAS will decrease by 6.65 percent, as shown in Table 11. This option addresses the same issues as the previous option but lessens the decrease to enlisted personnel.

Table 11. Equal BAS Rate without Budget Impact. Adapted from DMDC (2024).

Equal BAS Cost Neutral						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active	\$ 5,528,684,540.14	\$ 473.60	\$ 442.08	-6.66%	\$ 5,160,728,170.41	\$ (367,956,369.73)
Enlisted Reserve	\$ 428,852,703.70	\$ 473.60	\$ 442.08	-6.66%	\$ 400,310,817.68	\$ (28,541,886.02)
Officer Active	\$ 866,547,301.21	\$ 326.17	\$ 442.08	35.54%	\$ 1,174,489,471.50	\$ 307,942,170.29
Officer Reserve	\$ 249,150,251.06	\$ 326.17	\$ 442.08	35.54%	\$ 337,689,986.78	\$ 88,539,735.72
Total	\$ 7,073,234,796.11				\$ 7,073,218,446.37	\$ (16,349.74)

To achieve a cost-neutral option with the dependent allowance, the BAS rate would be \$416.78. This rate would be below the projected discounted meal collection rate, \$420.05, and would not meet the primary objective of this research. However, others may view the other two objectives, an equal BAS rate, and supplemental dependent allowance, as more critical than the base rate being above the meal collection rate and should be considered a valuable option for BAS reform. Details of this calculation are available in Table 12.

Table 12. Equal BAS Rate with Dependent Option without Budget Impact. Adapted from DMDC (2024).

Equal BAS Cost Neutral with Dependent Option						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active Single	\$ 2,789,221,350.50	\$ 473.60	\$ 416.78	-12.00%	\$ 2,454,585,461.28	
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	\$ 473.60	\$ 463.94	-2.04%	\$ 2,683,586,470.02	
Enlisted Reserve Single	\$ 225,662,292.69	\$ 473.60	\$ 416.78	-12.00%	\$ 198,588,535.36	
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	\$ 473.60	\$ 463.94	-2.04%	\$ 199,045,944.44	
Officer Active Single	\$ 278,594,957.34	\$ 326.17	\$ 416.78	27.78%	\$ 355,988,614.28	
Officer Active w/ Dependents	\$ 587,952,343.87	\$ 326.17	\$ 463.94	42.24%	\$ 836,295,828.61	
Officer Reserve Single	\$ 63,882,124.37	\$ 326.17	\$ 416.78	27.78%	\$ 81,628,573.43	
Officer Reserve w/ Dependents	\$ 185,268,126.69	\$ 326.17	\$ 463.94	42.24%	\$ 263,522,993.21	
Total	\$ 7,073,234,796.11				\$ 7,073,242,420.62	\$ 7,624.51



4. Equal Rate at Enlisted BAS Rate

Establishing an equal rate for all personnel at the projected enlisted BAS rate will cost the DOD an estimated \$504 million, or a 7.13 percent increase to the BAS budget. This option addresses the same issues as the previous option, but enlisted BAS would remain unchanged, and officers would receive a 45.2 percent increase in BAS, as shown in Table 13.

Table 13. Equal BAS at Enlisted Rate. Adapted from DMDC (2024).

Equal BAS At Enlisted Rate						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active	\$ 5,528,684,540.14	\$ 473.60	\$ 473.60	0.00%	\$ 5,528,684,540.14	\$ -
Enlisted Reserve	\$ 428,852,703.70	\$ 473.60	\$ 473.60	0.00%	\$ 428,852,703.70	\$ -
Officer Active	\$ 866,547,301.21	\$ 326.17	\$ 473.60	45.20%	\$ 1,258,229,763.17	\$ 391,682,461.96
Officer Reserve	\$ 249,150,251.06	\$ 326.17	\$ 473.60	45.20%	\$ 361,767,050.62	\$ 112,616,799.56
Total	\$ 7,073,234,796.11				\$ 7,577,534,057.64	\$ 504,299,261.52

If combined with the proposed dependent allowance, enlisted personnel with dependents would see a 9.96 percent increase in BAS, officers with dependents would see a 59.66 percent increase. Overall costs would increase by 12.85 percent or by \$909 million, as shown in Table 14.

Table 14. Equal BAS at Enlisted Rate with Dependent Option. Adapted from DMDC (2024).

Equal BAS At Enlisted Rate with Dependent Option						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active Single	\$ 2,789,221,350.50	\$ 473.60	\$ 473.60	0.00%	\$ 2,789,221,350.50	
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	\$ 473.60	\$ 520.76	9.96%	\$ 3,012,252,640.70	
Enlisted Reserve Single	\$ 225,662,292.69	\$ 473.60	\$ 473.60	0.00%	\$ 225,662,292.69	
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	\$ 473.60	\$ 520.76	9.96%	\$ 223,423,645.35	
Officer Active Single	\$ 278,594,957.34	\$ 326.17	\$ 473.60	45.20%	\$ 404,520,868.86	
Officer Active w/ Dependents	\$ 587,952,343.87	\$ 326.17	\$ 520.76	59.66%	\$ 938,719,264.79	
Officer Reserve Single	\$ 63,882,124.37	\$ 326.17	\$ 473.60	45.20%	\$ 92,757,071.78	
Officer Reserve w/ Dependents	\$ 185,268,126.69	\$ 326.17	\$ 520.76	59.66%	\$ 295,797,374.54	
Total	\$ 7,073,234,796.11				\$ 7,982,354,509.21	\$ 909,119,713.10

5. Equal Rate at USDA Rate

The proposal to set the BAS rate at the USDA rate presents a significant financial investment, estimated at \$2 billion or a 28.01 percent increase to the BAS budget. Despite



its substantial cost, this option warrants serious consideration by lawmakers for several compelling reasons. The USDA conducts exhaustive research to determine average monthly meal expenses, a methodology that the DOD acknowledges and respects by utilizing its findings to adjust BAS rates for inflation. The projected USDA liberal meal plan in October 2024 is assumed to be \$471.59 for a four-person household and to adjust the number for a single member, one must add 20 percent, resulting in \$565.91. Therefore, according to the USDA, the average monthly food cost for a typical military member, a male aged between 19 and 49, amounts to \$565.91 when government meals are not accessible. Consequently, it can be argued that an allowance specifically designated for food should encompass the entire cost of sustenance. A \$565.91 BAS rate would result in a 19.49 percent increase for enlisted personnel, and a 73.50 percent increase for officers, as shown in Table 15.

Table 15. Equal BAS at USDA Rate. Adapted from DMDC (2024).

Equal BAS At USDA Rate						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active	\$ 5,528,684,540.14	\$ 473.60	\$ 565.91	19.49%	\$ 6,606,287,728.27	\$ 1,077,603,188.13
Enlisted Reserve	\$ 428,852,703.70	\$ 473.60	\$ 565.91	19.49%	\$ 512,440,949.22	\$ 83,588,245.52
Officer Active	\$ 866,547,301.21	\$ 326.17	\$ 565.91	73.50%	\$ 1,503,472,984.12	\$ 636,925,682.90
Officer Reserve	\$ 249,150,251.06	\$ 326.17	\$ 565.91	73.50%	\$ 432,279,543.11	\$ 183,129,292.05
Total	\$ 7,073,234,796.11				\$ 9,054,481,204.72	\$ 1,981,246,408.61

If combined with the proposed dependent allowance, enlisted personnel with dependents would see a 29.45 percent increase in BAS, officers with dependents would see an 87.96 percent increase, as shown in Table 16. Additionally, overall costs would increase by \$2.4 billion, or increase by 33.73 percent.



Table 16. Equal BAS at USDA Rate with Dependent Option. Adapted from DMDC (2024).

Equal BAS At USDA Rate with Dependent Option						
	Projected BAS Total	Projected Rate	Proposed Rate	% Difference	New BAS Total	Budget Impact
Enlisted Active Single	\$ 2,789,221,350.50	\$ 473.60	\$ 565.91	19.49%	\$ 3,332,872,158.91	
Enlisted Active w/ Dependents	\$ 2,739,463,189.64	\$ 473.60	\$ 613.07	29.45%	\$ 3,546,205,020.42	
Enlisted Reserve Single	\$ 225,662,292.69	\$ 473.60	\$ 565.91	19.49%	\$ 269,646,427.48	
Enlisted Reserve w/ Dependents	\$ 203,190,411.01	\$ 473.60	\$ 613.07	29.45%	\$ 263,027,756.08	
Officer Active Single	\$ 278,594,957.34	\$ 326.17	\$ 565.91	73.50%	\$ 483,366,564.39	
Officer Active w/ Dependents	\$ 587,952,343.87	\$ 326.17	\$ 613.07	87.96%	\$ 1,105,116,790.20	
Officer Reserve Single	\$ 63,882,124.37	\$ 326.17	\$ 565.91	73.50%	\$ 110,836,474.85	
Officer Reserve w/ Dependents	\$ 185,268,126.69	\$ 326.17	\$ 613.07	87.96%	\$ 348,230,463.95	
Total	\$ 7,073,234,796.11				\$ 9,459,301,656.30	\$ 2,386,066,860.18

D. LIMITATIONS

Despite its contributions, this study is not without limitations. Sampling issues, data availability constraints, and time limitations may have impacted the generalizability and comprehensiveness of the findings. Additionally, the analysis relies on assumptions and projections, such as the number of military personnel remaining constant and projected food inflation numbers, which may introduce uncertainties into the results. Furthermore, actual BAS totals for reserve officer and enlisted were not available for the month of June 2023, therefore, June 2023 totals used in this research were the average between May and July 2023. Future research should aim to address these limitations by employing more extensive sampling techniques, accessing additional data sources, and refining the methodology to enhance the robustness of the findings.



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IV. RECOMMENDATIONS

This research has ranked the 10 BAS reform options and displayed the results in Table 17. Results are ranked based on four objectives, starting with what this research has determined to be the most critical to least critical. The four objectives are: no reduction in pay for any service member, all service members receive a BAS rate above the discounted meal collection rate, all service members receive the same BAS rate, and the establishment of a supplementary allowance for service members with dependents. It is important to note that while the primary focus of this research was not solely on preserving service members' pay levels, any proposal resulting in a reduction of military personnel benefits holds significant implications. Such reductions are unlikely to garner support from either the public or lawmakers, underscoring the importance of maintaining current pay levels. Therefore, the cost neutral option with and without the dependent allowance as well as the equal BAS rate at the discounted meal collection rate with and without the dependent allowance, are ranked last.

The second most critical objective is establishing the BAS rate at or above the meal collection rate for all service members. This objective is met by all reform options except the equal BAS cost neutral option with dependents, which ranked last in this study.

The third most important objective is the establishment of a single BAS rate for all service members. All but two reform options meet this objective, however, only four meet the first three objectives. The fourth and least critical objective is to introduce an additional tier to the BAS pay structure for service members with dependents. In the event of a tie, the option with the least budget impact was ranked higher.

While each of the 10 BAS reform options meet some of the overall objectives, this research believes the best option is to create a single BAS rate for all service members at the established enlisted rate of \$473.60 with the supplemental dependent allowance of \$47.16. This option effectively met all objectives outlined in this research. Despite its budget impact of \$909 million, it represents a comprehensive solution to address disparities in BAS rates while ensuring equitable treatment for service members with dependents.



Table 17. Evaluation of BAS Reform Options

Ranking	BAS Reform Options	No Payout	Above Meal Collection Rate	Equal Rate	Dependent Option	Budget Impact
1	Equal BAS At Enlisted Rate with Dependent Option	X	X	X	X	\$ 909,119,713
2	Equal BAS At USDA Rate with Dependent Option	X	X	X	X	\$2,386,066,860
3	Equal BAS At Enlisted Rate	X	X	X		\$ 504,299,262
4	Equal BAS At USDA Rate	X	X	X		\$1,981,246,409
5	Officer BAS to the discounted meal collection rate with Dependent Option	X	X		X	\$ 725,946,509
6	Officer BAS to the discounted meal collection rate	X	X			\$ 321,126,058
7	Equal BAS at the discounted meal collection rate with Dependent Option		X	X	X	\$ 52,327,169
8	Equal BAS at the discounted meal collection rate		X	X		\$ (352,493,282)
9	Equal BAS Cost Neutral		X	X		\$ (16,350)
10	Equal BAS Cost Neutral with Dependent Option			X	X	\$ 7,625

Another viable option that met all objectives was the proposal to align the BAS rate with the USDA liberal meal plan. This option offers the added benefit of fully funding service members' food expenses per USDA calculations. However, the substantial cost implications associated with this option must be carefully considered. While it ensures parity with civilian standards and addresses existing inequities, its financial impact may pose challenges within the current fiscal landscape. Therefore, if fiscal prudence is prioritized, the option of establishing an equal BAS rate at the enlisted level with dependent supplements emerges as the more financially responsible choice.



V. CONCLUSION

BAS has long been a critical component of the military compensation package, aimed at offsetting food expenses for service members. However, the current structure of BAS presents disparities and challenges that require reform to ensure fairness and equity within the military compensation system. This research paper has analyzed various options for reforming BAS, considering factors such as officer-enlisted differentials, supplemental allowances for personnel with dependents, and setting a baseline rate to prevent officers from incurring food expenses beyond their allowance.

Through a quantitative analysis utilizing CY 2023 data and projections for CY 2024 and 2025, this study has provided insights into the financial implications of proposed BAS reforms. Options considered include increasing officer BAS rates to meet discounted meal collection rates, establishing a single BAS rate for all service members, and introducing supplemental allowances for personnel with dependents.

The research findings suggest that options such as aligning BAS rates with USDA calculations at \$565.91 or establishing an equal BAS rate at the enlisted level at \$473.60 with a dependent allowance of \$47.16, could effectively address disparities and promote equity within the military compensation system. These options met all outlined objectives, including maintaining service member pay levels, ensuring BAS rates cover food expenses adequately, and providing supplemental support for personnel with dependents. However, increasing BAS in line with the liberal USDA rate would cost \$2.4 billion, and establishing a single BAS rate at the enlisted rate would cost \$909 million. While aligning BAS rates with USDA liberal meal plans offers the advantage of fully funding service members' food expenses, they come with substantial budget implications. Therefore, careful consideration must be given to the fiscal impact of such reforms.

In conclusion, this research underscores the importance of addressing disparities in BAS rates and ensuring fairness and equity within the military compensation system. By implementing a BAS reform that aligns BAS rates with actual food expenses, establishes an equal rate across all ranks, and provides support for personnel with dependents, the



military can better meet the needs of its personnel. Moving forward, policymakers should carefully weigh the trade-offs and consider the recommendations outlined in this research to achieve a fair and equitable BAS system reflective of modern military dynamics.



VI. AREAS FOR FUTURE RESEARCH

Based on the identified limitations, several recommendations for future research emerge. Future studies could explore alternative methodologies to mitigate sampling issues and improve data quality. Additionally, future studies could provide insights into the long-term effects of BAS reforms on service members' well-being, retention rates, and the DOD budget. Moreover, comparative analyses with other compensation systems could offer valuable insights into best practices for military compensation reform.

Additionally, another critical military allowance, Family Separation Pay, could be deserving of reform. This allowance is granted to service members with at least one dependent who are deployed for a minimum of 30 consecutive days. Potential research avenues could explore adjusting the allowance based on factors such as the number of dependents, cumulative days of separation, and the frequency of deployments over a military career.

Furthermore, an area ripe for investigation is the potential merging of BAS and BAH into a single cost of living allowance (COLA). Such an analysis could provide insights into the efficiency and effectiveness of consolidating these two allowances, potentially streamlining administrative processes, and enhancing the overall compensation structure for military personnel.



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