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IMPACT OF THE CONTINUING RESOLUTION, SEQUESTRATION, AND DECLINING OPERATIONS AND MAINTENANCE BUDGETS ON MILITARY PERSONNEL AND FAMILY RELATED PROGRAMS

HEARING

BEFORE THE

SUBCOMMITTEE ON MILITARY PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

FIRST SESSION

HEARING HELD
MARCH 13, 2013

U.S. GOVERNMENT PRINTING OFFICE

80–186 WASHINGTON : 2013

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WEDNESDAY, MARCH 13, 2013

IMPACT OF THE CONTINUING RESOLUTION, SEQUESTRATION, AND DECLINING OPERATIONS AND MAINTENANCE BUDGETS ON MILITARY PERSONNEL AND FAMILY RELATED PROGRAMS

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IMPACT OF THE CONTINUING RESOLUTION, SEQUESTRATION, AND DECLINING OPERATIONS AND MAINTENANCE BUDGETS ON MILITARY PERSONNEL AND FAMILY RELATED PROGRAMS

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MILITARY PERSONNEL,
Washington, DC, Wednesday, March 13, 2013.

The subcommittee met, pursuant to call, at 10:00 a.m., in room 2118, Rayburn House Office Building, Hon. Joe Wilson (chairman of the subcommittee) presiding.

OPENING STATEMENT OF HON. JOE WILSON, A REPRESENTATIVE FROM SOUTH CAROLINA, CHAIRMAN, SUBCOMMITTEE ON MILITARY PERSONNEL

Mr. WILSON. Ladies and gentlemen, the hearing will come to order. The subcommittee today will, once again, focus on the challenges of maintaining an All-Volunteer Force in a budget-constrained environment by looking at the impacts on military personnel and family related programs.

These programs such as morale, welfare and recreation, childcare, military exchanges, commissaries and family services, which include Department of Defense, DOD schools, are vital to maintaining the readiness of the military.

Since most of these programs are staffed by civilians, the furloughing of military civilian personnel has a huge impact on these programs to include our medical treatment facilities.

Although the Department and the Services have made commitments to minimize the impact a continuing resolution and sequestration will have on these programs, especially those impacting wounded warriors and families, there will be reductions and it will affect the daily lives of our service members and their families to include retirees.

The committee will hear from the witnesses on how the continuing resolution and sequestration and declining operations and maintenance accounts will impact the military personnel and family programs, which have been crucial for maintaining an All-Volunteer Force of extraordinary people during the more than 10 years of war.

Although the House has passed a defense appropriations bill for the remainder of fiscal year 2013, the Senate has yet to do so and the threat of a yearlong CR [continuing resolution] is still there.

It is a challenge for the Services to manage these programs without a timely budget and, unfortunately, CRs have become the norm. I would like to welcome our distinguished witnesses.

The Honorable Jessica L. Wright, Acting Under Secretary of Defense for Personnel and Readiness, and I do want to note also a 35-year veteran of the Army National Guard of Pennsylvania and a retired major general. Wow, what a background. So we appreciate your service.

It is wonderful to have Dr. Jonathan Woodson back, Assistant Secretary of Defense for Health Affairs. We have Lieutenant General Howard B. Bromberg, Deputy Chief of Staff (G–1), Department of the Army.

We have Vice Admiral Scott R. Van Buskirk, the Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education, Department of the Navy.

Lieutenant General Robert E. Milstead, Jr., the Deputy Commandant, Manpower and Reserve Affairs, United States Marine Corps; and Lieutenant General Darrell D. Jones, Deputy Chief of Staff for Manpower, Personnel and Services, Department of the Air Force.

Ms. Davis, did you have any opening comments?

[The prepared statement of Mr. Wilson can be found in the Appendix on page 27.]

STATEMENT OF HON. SUSAN A. DAVIS, A REPRESENTATIVE FROM CALIFORNIA, RANKING MEMBER, SUBCOMMITTEE ON MILITARY PERSONNEL

Mrs. DAVIS. Yes. Thank you, Mr. Chairman.

And welcome to all of you for being here. Thank you, again, for joining in with us this morning and also for your service. Thank you very much.

Mr. Chairman, as you know, this is the second hearing that we are having on the impact the Budget Control Act and the additional impact sequestration and uncertainty surrounding the remaining fiscal year 2013 budget is having specifically on military personnel and family related programs.

As I noted at our first hearing, the Budget Control Act has already had an impact on the Services, particularly the Army and the Marine Corps.

The impact of sequestration has just added another challenging dimension for the Services and, in particular, the many personnel and family programs including potentially the military medical programs and services.

On March 1st, sequestration became a reality for this country and the significant effects are just now slowly being seen in Federal programs across the country.

The Department of Defense is not exempted from its effects and although military personnel accounts are not subject to sequestration in fiscal year 2013, these accounts are not protected over the remaining 9 years nor are the myriad of family and service programs that support our Armed Forces exempt from the impact of sequestration.

These significant reductions will only be compounded when the continuing resolution under which our Government, including the Department of Defense, are operating under ends and that is at the conclusion of this month.

The full committee has a held a number of hearings on the impact of the Budget Control Act, sequestration, and the continuing resolution, but none of the hearings, including our subcommittee, has focused on potential solutions to this dilemma.

Unfortunately, the only people who have the ability to resolve this issue is Congress. We must find common ground and be willing to compromise for the long-term stability of our Nation.

Today, we will be able to hear the unfortunate impacts that this lack of compromise is having on our Armed Forces and their families. I look forward to working with my colleagues on this committee and in the House to develop a rational, a commonsense approach to resolving these challenges.

Thank you, Mr. Chairman. And, again, we look forward to hearing from our witnesses.

[The prepared statement of Mrs. Davis can be found in the Appendix on page 29.]

Mr. WILSON. Thank you very much, Mrs. Davis.

Secretary Wright, we will begin with your testimony. As a reminder, please keep your statements to 3 minutes. We have your written statements for the record. And, again, thank you all for being here today.

STATEMENT OF HON. JESSICA L. WRIGHT, ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

Ms. WRIGHT. Thank you, sir.

Chairman Wilson, Ranking Member Davis, distinguished members of the committee, we thank you for the opportunity to discuss the immediate and long-term impacts of sequestration as mandated by the Budget Control Act of 2011 and the potential ongoing continuing resolution for fiscal year 2013 on the Department of Defense military personnel and family programs and total readiness.

We testified before this subcommittee on February 27th about the negative impacts to our military personnel and force structure. And, today, we are here to provide specifics on the wide range of military and civilian program impacts.

This includes recruiting, training, medical and support programs that sustain our All-Volunteer Force and that are relied on every day by service members and their families.

On 1 March, the President ordered the Joint Committee sequestration as required by law affecting immediate reduction of the budget authority of approximately $41 billion across our Department.

And there is a potential additional $6 billion across the Department. Combined, this would be $46 billion in 2013 for a total of 9 percent of the total budget to be implemented in the last 7 months.

In order not to break faith with our service members, the President used his authority to exempt the military personnel accounts from sequestration.

Although I wholeheartedly agree with this decision, the results are larger decrements on other defense accounts and, most notably, the O&M [Operations & Maintenance] accounts to compensate for this.

While we are going to protect our warfighters' military pay, we cannot do this without the cost of readiness for our force. The backbone of this great military institution is our people.

Active, National Guard, and Reserve service members as well as the civilians who serve throughout the country and the world are the Department's greatest assets.

However, due to the O&M cuts in our military, personnel will receive reduced training leading to diminishing readiness and ultimately diminishing morale.

Even as we seek to protect our family programs where feasible service members and family support programs will be impacted across the board because of funding decrements and that will affect the quality of life.

Our career civilian workforce has not seen a pay raise in several years and they are likely to be subject to 22 days of furlough beginning late April through September.

This equates to a 20-percent reduction in their pay and significant impacts to their families and the economic impact to the communities which they live.

We are currently reviewing the priority of family programs and how to minimize the impact and the effects of sequestration to our service members and families.

Although the purpose of sequestration is to evenly cut all programs, we will seek to preserve these services as much as practicable. We have to make hard trade-off decisions to lessen these impacts and determine how to absorb these impacts.

We understand the Department of Defense must do its part in addressing the Nation's budget cuts and we must do it in a responsible and judicious manner.

I want to thank you for the opportunity to speak with you today and I look forward to your questions. I now turn to Dr. Woodson who will provide a statement on the Defense health program.

[The joint prepared statement of Ms. Wright and Dr. Woodson can be found in the Appendix on page 30.]

Mr. WILSON. Thank you.

Thank you, Dr. Woodson.

STATEMENT OF DR. JONATHAN WOODSON, ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS

Dr. WOODSON. Good morning. Chairman Wilson, Ranking Member Davis, distinguished members of the committee, thank you for the opportunity to discuss the immediate and long-term impacts of sequestration on the Department of Defense's military health system and our medical mission.

The President, the Secretary of Defense, and now the Under Secretary, Ms. Wright, have outlined, in stark terms, both the short- and long-term negative effects that sequestration will have our national security, our military readiness and the public servants in our Department who serve so selflessly and deserve better.

Before I discuss the specific consequences for military medicine under sequestration, I want to highlight that we cannot and will not compromise care.

First, our commitment to quality of care is sacrosanct. We will not allow quality to suffer or place any patient at risk, period. The

Department will also ensure that care provided to our wounded warriors is maintained.

Our continued focus on their medical treatment and rehabilitation will continue. It is our goal to make sure that the wounded warriors, from their perspective, they shall see no difference in care they receive before, during, or after sequestration.

And we will sustain our close collaboration with our other Federal and private partners, specifically the Department of Veterans Affairs.

Finally, to the greatest extent possible, we will sustain our access to our military hospitals and clinics for service members, their families, retirees and their families.

But sustaining patient care functions during sequestration comes at a cost. The Department will reduce funding from a wide range of other essential investments. This could produce significant negative long-term effects on the military health system.

By directing all resources to the provision of patient care under sequestration, we will have less funding to address military medical facility maintenance and the needed restoration and modernization projects. This will negatively affect the health care environment and potentially drive substantial bills for facility maintenance in the future.

While we will continue to fund projects that directly affect patient safety or that affect emergent care, we could see a degradation in the aesthetic quality and functionality of our medical facilities.

This can impact the morale of both medical staff and patients and can degrade the patient's experience of health care within our military health system.

Many of our facilities are older and require substantial upkeep. To delay these medical facility projects only exacerbates the problem and, ultimately, the medical staff and, more concerning, the patients suffer the consequences. This is not a sustainable strategy.

In order to continue our health care operations, we will reduce our investment in equipment. This means our equipment will be used longer and require more maintenance.

Research and development will also be affected and to minimize the impact on care, we will be taking monies from the research and development programs to fund the delivery of care.

Forty percent of our military medical centers are staffed by civilians and as a result of the furlough program access may be impacted.

While we understand the Department of Defense must do its part in addressing the Nation's budget concerns, however, we have a responsibility to do this smartly and judiciously. The path forward with sequestration is neither.

We hope that Congress will take the required action to avert the sequestration and its full impact. I thank you for the opportunity to speak with you today on these matters and I look forward to your questions.

[The joint prepared statement of Dr. Woodson and Ms. Wright can be found in the Appendix on page 30.]

Mr. WILSON. Thank you, Dr. Woodson.

General Bromberg.

STATEMENT OF LTG HOWARD B. BROMBERG, USA, DEPUTY CHIEF OF STAFF, G–1, U.S. ARMY

General BROMBERG. Chairman Wilson, Ranking Member Davis, distinguished members of the committee, thank you for the opportunity to appear before you today on behalf of America's Army. The magnitude of today's fiscal uncertainty will have grave consequences on our soldiers, civilians, and families.

If nothing is done to mitigate the effects of operations under the continuing resolution, shortfalls in our overseas contingency operations, and the enactment of sequestration, the Army will be forced to make potentially dramatic cuts to military personnel and family programs funded by the Operational Maintenance Account.

The shortfall in OMA [Operational Maintenance Account] in the last 7 months of fiscal year 2013 will impact on our ability to continue to recruit high-quality soldiers vital to the all-volunteer Army.

Sequestration will cause high risk to our effort in fiscal year 2013 to recruit the future soldier entry pool and may result in mission failure into fiscal year 2014.

Much of the Army's officer corps is commissioned through and initially trained at the United States Military Academy and through ROTC [Reserve Officers' Training Corps] programs at colleges and universities across the country. Sequestration will adversely impact scholarships and training and subsequent commissioning of lieutenants.

Under sequestration, there will be a significant impact on professional military education that officers and non-commissioned officers need to advance their career.

Loss of training, as you know, is not recoverable and leads to untrained soldiers and units, a negative impact to near-term readiness and also a loss of confidence in the stability of the Army that it provides could damage recruiting and retention for many years to come.

Family programs provide a comprehensive network of resources that allow soldiers, civilians, family members, and retirees to successfully navigate their way through Army life and deployments.

We will focus on delivering programs that provide the most benefit to our Army family; however, we anticipate many programs will be impacted such as child abuse preventions; intervention programs and other family advocacy programs; support to families with children with special needs; resiliency training that assists soldiers and families in building stronger relationships; post recreation centers; bowling alleys; libraries and such.

Sequestration is not in the best interest of our country, our soldiers, or our national security. Our current fiscal uncertainty has already resulted in the cancellation of training, through reduction of services to Army families, and reductions in the civilian workforce.

I ask for your support to find viable solutions to economic hurdles that face our Army. Chairman Wilson, Ranking Member Davis, and members of the subcommittee, I thank you for the opportunity and I look forward to your questions.

[The prepared statement of General Bromberg can be found in the Appendix on page 59.]

Mr. WILSON. Thank you, General. And we proceed to Admiral Van Buskirk.

STATEMENT OF VADM SCOTT R. VAN BUSKIRK, USN, DEPUTY CHIEF OF NAVAL OPERATIONS, MANPOWER, PERSONNEL, TRAINING, AND EDUCATION, U.S. NAVY

Admiral VAN BUSKIRK. Chairman Wilson, Ranking Member Davis, and distinguished members of the committee, thank you for holding this hearing.

The confluence of sequestration and the continuing resolution is causing reduced levels of operations, canceled maintenance and training and constraining investment in future capability and capacity.

The situation has caused adjustments in deployment schedules resulting in uncertainty and disruption in the lives of our Navy families.

Additionally, the furlough of the nearly 186,000 civilians and the attendant 20-percent pay reduction will significantly affect them and their families.

The absence of this highly skilled workforce impacts our ability to sustain critical family support programs and operate our educational institutions and learning centers. The hiring freeze and the release of over 650 temporary workers aggravates the situation.

As we go forward to the maximum extent possible, we will minimize impacts on family and sailor readiness programs.

We will remain determined to avoid adverse impacts in the programs that address sexual assault prevention, alcohol awareness and deglamorization, drug detection and abuse prevention, Navy Safe Harbor wounded warriors support, suicide prevention and resiliency, casualty assistance and funeral support and child care.

However, reductions to Navy recruiting, marketing and advertising have already reduced capacity to build awareness and generate leads. We also expect to reduce summer training for U.S. Naval Academy midshipmen and cancel science, technology, engineering and mathematics, STEM, camps.

We expect similar impacts at the War College and postgraduate school, each of which plays a critical role in developing our sailors and supporting our mission including joint education, research and war gaming.

We are currently reassessing our tuition assistance program to ensure we can continue to meet current educational obligations and fulfill the educational goals of every sailor who desires to enroll.

Our hiring freeze has brought to a virtual standstill our highly successful efforts to provide jobs for veterans, severely hampering our ability to recruit a quality and skilled workforce.

Sustaining discretionary cap reductions through 2021 would fundamentally change the Navy as currently organized, trained, and equipped, and drive further reductions in strength and implementations of force management tools that break faith with our All-Volunteer Force.

As such, we rescue enactment of the fiscal year 2013 defense appropriations bill as soon as possible and we ask for greater flexibility to reprogram funds between accounts so we that can allocate reductions in a manner that protects our sailors and their families

while sustaining current operations pursuant to defense strategic guidance and national defense strategy.

Thank you. I look forward to your questions.

[The prepared statement of Admiral Van Buskirk can be found in the Appendix on page 73.]

Mr. WILSON. Thank you very much, Admiral.

And General Milstead.

STATEMENT OF LTGEN ROBERT E. MILSTEAD, JR., USMC, DEPUTY COMMANDANT FOR MANPOWER AND RESERVE AFFAIRS, U.S. MARINE CORPS

General MILSTEAD. Good morning. Chairman Wilson, Ranking Member Davis, and distinguished members of the subcommittee, it is my privilege to appear before you today.

I have previously submitted my written statement for the record and I look forward to answering your questions. Thank you.

[The prepared statement of General Milstead can be found in the Appendix on page 84.]

Mr. WILSON. Thank you, General.

General Jones.

STATEMENT OF LT GEN DARRELL D. JONES, USAF, DEPUTY CHIEF OF STAFF FOR MANPOWER AND PERSONNEL, U.S. AIR FORCE

General JONES. Chairman Wilson, Ranking Member Davis and distinguished members of the committee, it is my honor to once again appear before you today representing the 690,000 total force airmen serving this great Nation around the world.

Two weeks ago, I expressed the growing angst our force is experiencing over the uncertainty of sequestration. Now, we find ourselves in uncharted territory.

Their concerns continue to grow as the short- and long-term effects of sequestration become a reality. The Air Force is committed to our role of training and equipping the highest quality airmen for our combatant commanders.

This commitment requires a continuous and focused investment to recruit, train, support, and retain a world-class All-Volunteer Force. Unfortunately, sequestration frustrates these efforts which, ultimately, undermine the readiness and responsiveness our Nation expects of our fighting forces.

Specifically, sequestration will have an immediate and long-lasting impact on recruiting and accession efforts. We are particularly concerned about the impact furloughs will have on the military entrance processing center's support to accessions.

Further, we many not be able to fully fund vital developmental programs for our airmen as we have in the past.

As an example, on Monday evening, the Secretary of the Air Force, after the discussions with OSD [Office of the Secretary of Defense] and the other Services, came to the difficult decision to suspend military tuition assistance for the remainder of fiscal year 2013.

This action, along with other potential limitations in our developmental opportunities, will impact our ability to harness the full po-

tential of our airmen as they continue to operate in increasingly complex threat environments.

Although we intend to guard airmen and family support programs as much as possible, they, too, ultimately will realize the effects of sequestration.

This may force us to make hard decisions to determine what support services we can afford to provide under sequestration versus the programs our airmen deserve. All of us before you today have served during lean times. Those of us serving during those periods recall the frustration we felt with the lack of resources needed to build and sustain a world-class military.

The result was an Air Force with degraded readiness levels and waning morale which led to growing recruiting and retention problems. We realize the fiscal challenges we face are real and require all of us to take action.

However, sequestration dictates arbitrary impacts on military readiness. We urge Congress to take appropriate action and find an alternate solution.

Our airmen, officers, enlisted, and civilians remain dedicated to this Nation. They are the same dedicated and innovative hard-working professionals I have witnessed since the day I joined the Air Force.

However, I am concerned we are sending them the wrong signal as they are the ones burdened with the threat of furloughs, decreased training opportunities, and reduction in support programs.

I know you share my concerns and I appreciate your concern for our airmen and look forward to answering your questions.

[The prepared statement of General Jones can be found in the Appendix on page 93.]

Mr. WILSON. Thank you, General.

And thank all of you for being here today. And I particularly appreciate the very positive comments by Ranking Member Susan Davis and that we will, in every way, I look forward to working with her, to work with you to address the very serious challenges that each of you face.

And we have worked together in the past and I am just confident that this subcommittee will continue to be available to you.

As we proceed, I have said so many times, because I have seen it with my family, I know what military service meant to my dad, to my sons, to me. Military service is opportunity for people to achieve their highest ability, a fulfilling life.

And, indeed, General, to have world-class personnel make a difference protecting American families but also opportunity for fulfillment. And I just truly am grateful for your service.

We will be on a 5-minute question and I have already gone through my first minute and we have someone, Craig Greene, who is very proficient at maintaining time. So this is good.

As we face the issues, General Bromberg, General Milstead, the impact of sequestration on accessions, the impact of reducing marketing and advertising budgets, how do you see this affecting our ability to recruit, indeed, world class personnel?

General BROMBERG. Yes, sir. First, our first challenge will be on training our newest crop of recruiters. Given where we see ourselves right now with sequestration and the budget affecting the

Operational Maintenance Account for travel and TDY [Temporary Duty], we will have about 900 less recruiters that we will be able to put in the field.

We won't send untrained recruiters to the field obviously, but we will just have to with fewer recruiters and that reduces your ability to penetrate the markets we need to penetrate across America.

The second place is the military entrance processing stations. Given the furlough situation, we estimate that we are going to have to close those centers down about 1 day a week, about a 20-percent reduction given the furloughing.

What that means across the Services, the Army's the executive agent, it means it will affect all the Services when we close it down. We are going through the analysis right now, but it could affect up to 10–14,000 less recruits being processed across the Services at this point there.

And the third thing I would point out, as you mentioned, sir, is the advertising. As we lose that advertising capability over the year and the ability to penetrate into those markets, it not only affects this year, but what I am concerned about is that future pool that you get, what we call the delayed entry pool or the future soldier pool.

Those are the soldiers we get this year that go on to help us build for force for next year.

I think those are the three biggest impacts to accession. It is a long-term effect here of not putting recruiters in the field, slowing down the processing stations, and also the marketing. Thank you for the question, sir.

Mr. WILSON. Thank you.

And General Milstead.

General MILSTEAD. Yes, sir. We are already at a lean amount this year. We are about $80 million for our advertising. We couldn't get it any better. Next year, we hope to get back up to 90, but that is above and beyond sequestration.

So we are challenged with a reduced advertising budget. What this equates to is lead generation and lead generation equates to the numbers of contracts and the numbers of contracts equates to the number of people that you can put those yellow footprints—their feet on the yellow footprints.

And as the Army has just mentioned, you know, I echo everything that they say. Our recruiters are already working hard. They are working in excess of 60 hours a week already and this is just going to put an additional burden on them.

I would, very quickly, like to use the analogy of an iceberg because advertising is more than just what you see on TV. Like an iceberg, the majority of it is below the water line, what is not seen. And is the mail-outs, it is the call center, it is the Web sites, it is all that sort of support that goes into getting young men and women to become interested, lead generations and to join the Marine Corps.

And I guess the last thing I would want to echo is the MEPS [Military Entrance Processing Station], those processing centers. We are already seeing that they are going to come off on a Friday. So, now, we are losing one-fifth of the day. We are not going to get

Saturdays anymore. And so this is going to be a significant challenge for us.

Mr. WILSON. And, again, thank both of you. I have the privilege of representing Fort Jackson. I have represented Parris Island so I have seen firsthand the opportunities provided for young people.

I have actually stood on the yellow footprints—footsteps where young marines as they have the privilege of their first formation, that is where they stand.

And so I want to thank you both for what you are doing. However we can help on that.

And, Dr. Woodson, you indicated that military health care will be maintained for our personnel to the highest of standards and I appreciate that commitment and I know that must be reassuring to our military service members and families.

I am concerned though that Secretary Hale has suggested that, as of August, the Department may not be able to pay physicians who provide services to retirees under TRICARE [defense health care program].

Can you tell us if that is accurate and what other impacts of sequestration that the—on health care services for TRICARE beneficiaries?

Dr. WOODSON. Thank you very much for that question. As you know, under sequestration and the mandatory reductions in budget, the defense health program gets assessed about a $3.2 billion reduction, with about half of that coming out of the private-sector-care account. Without flexibility to do reprogramming, we would in fact see a shortfall as based upon prior years' experience in paying those accounts.

What we clearly need to do as part of the strategy to ensure continuity of payment is to have, number one, flexibility in moving money around. We would like sequestration to be detriggered. That is clearly the most important thing.

But we need flexibility. If we don't get flexibility, then we could see a shortfall. And then that has second- and third-order consequences. It could slow the paying of claims.

Now, one of the things that TRICARE can be most proud of, and why we have good network support from private-sector physicians, is that we pay on time. We don't want to erode that trust and do irreparable damage to our networks that would take years to repair. So we need to have flexibility moving money around in order to prevent shortfalls. We are carefully looking at utilization rates, because that will also influence how much money is available to pay claims. If by some chance we have a marked rise in utilization, of course, that represents more money that is needed to pay in the private sector.

Right now, our inflation rate is at a reasonable amount of about 3 percent to 4 percent. And so if we get flexibility in terms of moving money around, we will probably be able to meet the claims need. But that is clearly a risk going forward.

Mr. WILSON. And you believe you would be able to pay after August with flexibility?

Dr. WOODSON. With flexibility in moving substantial money out of other investment accounts, we probably can meet that requirement if everything else remains the same.

Mr. WILSON. Thank you very much. And Congresswoman Davis.

Mrs. DAVIS. Thank you. And thank you again for being here. I wonder if you could take us to the decisionmaking table, if you would, and talk a little bit more about the family-related programs, the impact from sequestration on the immediate, and then going out over the next several years.

And I wonder if you could share with us that decisionmaking based on the merit of programs. Do you have information that would suggest that, you know, we have been going with these programs for a while, we haven't seen a real impact? We maybe, you know, want to change the way we approach this particular family program, or something else? Do you have some data that you are using? And on what basis are you making those decisions?

I think the other question is about reprogramming. So given the ability, the authority to reprogram, where you see programs that are working well, where do you go for some of that reprogramming? Secretary Wright, would you care to start?

Ms. WRIGHT. Yes, ma'am. Mr. Chuck Miland is the deputy in our family program network. And he is embarking upon a 120-day review of all the programs within the family system, because, you are right, there are programs that have met the metrics and produce great results.

And then there are programs that maybe cost a lot of money, but haven't met specific metrics. I can't tell you which ones those are presently, because we are doing the review. But we recognize the need that after 10 years of protracted war, and the development of multiple programs that support our families, that some are excellent, and some may not produce the results that we need.

So when that 120-day review is done, then we will be able to give you a better understanding of where we need to shift our efforts, and maybe do away with some, or combine some to give the bigger bang for our buck to our members of our families.

Mrs. DAVIS. When did that 120 days start? How long have you been looking at that?

Ms. WRIGHT. I think we have about 2 more months to go. But may I get back to you on the exact date? Because I don't have it off the top of my head.

[The information referred to can be found in the Appendix on page 109.]

Mrs. DAVIS. Does that mean—just to follow up, does that mean that we really haven't been evaluating programs all along?

Ms. WRIGHT. No. I think that we have been evaluating programs. But I think this is where we take the OSD broadband perspective of the programs, and look at all of them.

And we are doing them through the Family Readiness Council that we have established, where services are represented, family members are represented, NGOs [Non-Governmental Organization] are represented. So this is not just an exclusive OSD look. We are very inclusive to how we are doing this—this 100-day review.

Ms. DAVIS. Okay. Thank you. Anybody else want to respond in terms of how you see that, your decisionmaking table?

General BROMBERG. Yes, ma'am. I would like to—from the Army's perspective, first of all, just the furloughing piece to put in perspective, that is how most of these services deliver through civil-

ian employees down at the installations, the post-camps and stations, whether it be a weekend training for families, or whether it be prevention through spouse abuse, domestic violence, or those types of things. So there is going to be an immediate impact just in the overall amount of service we can deliver.

As far as assessing the programs, we are also doing that as we speak. We have just announced our Ready and Resilient campaign plan. The Secretary of the Army did that earlier this week. And one of the purposes of that program is to put all our programs together, start comparing and contrasting.

Because in some cases we have anecdotal data, some places we have hard analysis, and some places we don't have any analysis. So we know that there is some complementary programs, but there is also some that are probably redundant as well.

And so we are going to go through that during the first phase of the campaign plan, is to lay all those programs out. Example, we know Strong Bonds, which works on family relationships during deployments and other stressors, is very, very popular. It is also very important. And it has reduced domestic violence, as well as it has reduced divorce rates and some other things.

But we haven't done the hard analysis with Strong Bonds, is the best example. So we will be partnering with OSD as we go through this.

Mrs. DAVIS. Okay.

Admiral VAN BUSKIRK. Yes, ma'am. I would like to just add one point, and that is one of the great things about my job—and I am sure it is the same with my colleagues—is that we get to go out and engage, and meet our sailors, and whole town halls, and all-hands calls, and hear from them about their concerns.

And what is interesting is what I don't hear about often. And what I don't hear about right now is our quality-of-life programs, and our family-and-sailor-support programs.

I think that is indicative of our strong investment that we have made in these programs throughout the years. Ten years ago, 15 years ago, I think that would have been a different case. So I think that is really critically important, that those have been meaningful programs, and we have invested wisely in our sailors and their families.

That said, most recently, though, as I have gone out to meet and conduct town halls, it is the biggest question out there is, are those services going to remain? What is going to be the impact on the families? What is going to be an impact on the services? What hours of operation?

So I think in terms of metrics, that is something that we should think about in terms of so often what we don't hear about in terms of how well the programs are working. Thank you.

Mrs. DAVIS. Thank you.

Mr. WILSON. Thank you very much, Mrs. Davis. And we now proceed to Mr. Jones of North Carolina.

Mr. JONES OF NORTH CAROLINA. Mr. Chairman, thank you very much. And to each one at the panel, thank you for your service and your commitment to young men and women in uniform.

I sit here in amazement to think about the problems that you have. And here we are having Mr. Karzai trying to injure our new

Secretary of Defense. We are spending roughly $6 billion to $8 billion a month in Afghanistan. It is a failed policy.

We in Congress will certainly be debating sequestration, and where we are going to make the cuts or not, keep putting pressure on you to provide our men and women in uniform, their families, adequate programs. And yet, I doubt if Mr. Karzai's worried a bit about his budget.

I come from Eastern North Carolina, the home of Camp Lejeune. I did a radio show this morning at 8 o'clock. And this issue came up, the sequestration. And I talked about being here today to listen to you and my colleagues, and just how ridiculous it is that our men and women in uniform who are our heroes, as you are, who deserve so much, and here we are hearing you worried to death about, can you provide the quality they have earned. And yet, Karzai is over that. I do not understand why the Congress does not say "cut the money off." Let's spend the money here in America. Let's rebuild our military. Let's rebuild our equipment. Let's give them what they were promised.

And I hope as we move forward on this—this year, with this sequestration, and how we are going to balance the budget, that there will be enough members of Congress in both parties to start cutting the funding in Afghanistan, and have that funding come back here to America, and help you take care of our men and women in uniform.

It is going to take the American people to put pressure on us. Because obviously, you are in uniform. You cannot do it. You are with the Administration. You cannot do it.

But the American people need to understand that the problems you are facing today, there are no problems for the government of Afghanistan. They are going to get their money.

And when John Sopko, the Inspector General for Reconstruction, testified recently, spoke at some group meeting, and he said we are spending $235 million a day in Afghanistan, very little accountability. And I hear you today worried to death about your people, our people, our heroes. It doesn't make any sense.

That brings me to a point, Dr. Woodson, and thank you, sir, for being in my office many times to talk about issues. I do appreciate that. The book written—excuse me—by Joe Stiglitz called *The Three Trillion Dollar War [The Three Trillion Dollar War: The True Cost of the Iraq Conflict]*, co-authored by Linda Bilmes, professor at Harvard, this book was written 6 years ago. And they were talking about the wounded, both physically and mentally, coming back from Afghanistan.

They didn't even factor in—excuse me, Iraq. They didn't even factor in Afghanistan. And they are talking about $3 trillion. If you factor in Afghanistan, I have been told that the book title would be closer to $5 trillion.

With this sequestration coming forward, my biggest concern is those who are sitting in the barracks, some in the wounded warrior barracks, who have severe mental problems, obviously when they leave the military, you would have nothing to do with them. That is usually the V.A. [U.S. Department of Veterans Affairs], I understand that.

But do you have a concern that as this moves forward—and it is not going to be fixed overnight. It is not going to be fixed overnight,that we are going to run into a problem in a couple or 3 years with those who are still in the military that have PTSD [Post-Traumatic Stress Disorder] or TBI [Traumatic Brain Injury]. Can we take care of them?

Dr. WOODSON. Thank you very much for that question and the example. About 52 percent of our behavioral health specialists are civilian. And if sequestration goes forward with its full impact, I do have concerns that over the long term, how we sustain our robust capability to provide mental-health care to the force, and by extension, to family members or retirees that we serve, for a couple of different reasons. One, most immediately, is the impact of furloughs that these civilians will be impacted. But also, as we discuss these very thorny issues relative to sequestration, remember our workforce is looking at what we are doing.

And many of these talented individuals have options. They have options to seek employment elsewhere. They have been committed to wounded warriors and the military of the United States in these challenging times. But they have options.

And I worry about sustaining the workforce, particularly the most talented individuals who can go elsewhere. So it is about the impression we leave in our commitment to them, and recruiting and retaining individuals to support the Nation's military. So I am concerned.

Mr. JONES OF NORTH CAROLINA. Thank you, Mr. Chairman.

Mr. WILSON. And thank you, Mr. Jones. And we proceed to Ms. Tsongas of Massachusetts.

Ms. TSONGAS. Thank you all for being here, and for your testimony. You certainly are living through very challenging times. And I come from a district in which we have a tradition, a multigenerational tradition of service.

I am always so proud of those who serve on our behalf. And I appreciate all that you are trying to do as you assess the impact of sequestration on the services that we provide for those who are serving.

I have a follow-up question, really, to Mr. Jones'. Several months ago, I had the opportunity to visit Walter Reed. And I have to say I was so impressed with the quality of care I witnessed.

Clearly, a significant amount of progress has been made since the unfortunate out-stories we heard, and the national outrage that emerged a few years ago, which came in response to those reports of dilapidation and unacceptable standards of care for our recovering wounded warriors.

But one of the things which impressed me the most at Walter Reed in this most recent visit was just the care provided to amputees. The facility provides state-of-the-art prostheses.

I have never seen anything like it; lightweight and tailored for any number of different applications, enabling our recovering heroes to live as normal a life as possible under unimaginable circumstances.

And it was pointed out to me during this visit that these devices are the state of the art. They are the product of robust research and development, which as we know, takes tremendous financial

investments to make, and in all likelihood, more advanced than anything, funded through the V.A.

So my impact—my concern then is what the impact would be of sequestration have on future medical R&D [Research and Development], whether it is continuing around those who have suffered and sustained such horrific physical losses, but also, as Mr. Jones talked about, traumatic brain injury, PTSD, again, the issue of suicide and suicide prevention, the product of long service in our Services, just how you see your capacity to continue to make the kinds of investments that help these wounded warriors go forward with their lives?

Dr. WOODSON. Again, thank you very much for that question and that comment, though. As you have indicated, the military health system has much to be proud of in terms of its history of research, particularly in those areas that affect military personnel and the combat-wounded.

You know, it is very important to recognize that the military health system, with all of its collaborators, have achieved the lowest disease in non-battle-injury rates every in recorded warfare, and the highest survivability rates in any recorded warfare. So there is much to be proud of.

But that is threatened by sequestration. Because in order to pay the bills for immediate delivery of care, as indicated earlier, we are going to have to shift those funds from our investments in research to the provision of care. That is going to slow or stop many of these research projects.

Now, our strategy does prioritize wounded warrior research. But the cuts will be deep and steep, and delay progress. So, you know, we have already mentioned the impact of furloughs.

Many of our researchers are part of the civilian community as well. We have collaborators in the civilian sector. And the grants will be slowed. So this is a real serious issue that has potential long-term negative consequences. And that is why this process, this budgeting process, is so illogical.

Ms. TSONGAS. Does anybody else want to comment on what their concerns are?

General MILSTEAD. Our wounded warrior regiment has 62 GS [General Schedule] employees. So they will be susceptible to 22 days of furlough. We are also about 80 percent of our wounded warrior, we use mobilized marines, reservists. So and that—I have to pay them. That comes out of my small sliver of discretionary money.

The Marine Corps, as of yesterday, we have had 13,362 marines have, you know, are wearing a Purple Heart, and have been wounded, anything from a single bullet wound to, you know, bilateral amputation. We are going to take care of them.

But besides them, you know, 44 percent of our wounded warrior regiment are noncombat. It is the young lance corporal as she pulls out of a stoplight, she gets T-boned by a drunk driver. We are going to take care of her. It is the master sergeant that has cancer that we are working with.

So this is going to be around for a while. And as Dr. Woodson said, we are concerned that there is going to be some challenges in maintaining the care. But to the maximum extent possible, we

are going to take care of our wounded, ill, and injured. And we will do so at the expense of lesser-priority programs.

Ms. TSONGAS. Thank you. I think I have run out of time. But I think you have made very real, the impact of sequestration, across-the-board cuts.

Mr. WILSON. Thank you very much, Ms. Tsongas. And we proceed now to Mr. Scott of Georgia.

Mr. SCOTT. Thank you, Mr. Chairman. Ladies and gentlemen, I am sorry that I had to step out for a second.

I want to talk to you, General Jones, specifically about the 116th Air Control Wing, and the JSTARS [Joint Surveillance Target Attack Radar System]. They are at Robins Air Force Base, which is the heart of my district. As you know, that platform flies continuously. I don't think they have stopped in 20 years, that there hasn't been a day without one of those planes in the air.

The impact of the furloughs on the entire workforce is a concern to us. But specifically to the JSTARS, it is Active Duty and National Guard. It has a tremendous number of dual status technicians. It is a crucial ISR [Intelligence, Surveillance, and Reconnaissance] platform that we have to have in multiple regions of the country.

And so my question is, is the Air Force looking at ways to mitigate the impact on these types of furloughs that are mission-critical? And do you have sufficient flexibility to exempt certain personnel in those mission-critical areas?

General JONES. Sir, thank you for that question. We all appreciate the importance of the JSTARS, and its companion aircraft, AWACS [Airborne Warning and Control System], is around the world. I have a personal commitment. My son has an air-battle manager that rides in the back of the AWACS. So I know exactly what you are talking about.

We would be unable to completely mitigate the effects of the 22-day furlough on these units, because to do that, we would need something in the order of 144,000 man-days. And historically, the Air Force has had about 5,000 man-days in the normal course, not counting OCO [Overseas Contingency Operations] funds.

So we wouldn't be able to totally mandate—exempt them from the effects of sequestration. However, we do have a program in place that allows the Guard and the Reserve and the Active Duty to come forward and ask for exceptions to the program. We have done that. And the Guard and the Reserves have been able to use that to ask for exceptions.

When I say "exceptions," I don't mean a total exemption from the effects of the furlough, but maybe a lessening of the impact for their most mission-critical units, and their most mission-critical activities.

So there will be some mitigation of the impact. But it is related mostly to the mission, not to the impact on the individual. Although, everyone will feel the pain.

Mr. SCOTT. Thank you, General. And I will tell you, I voted against the sequester. I say it every time I get the opportunity. I think it is bad policy. I think that there is room in the DOD for savings. I think the procurement process can certainly be improved.

It is somewhat beyond me how much we spend, for example, $10 million for the development of the sniper rifle, when quite honestly, think we could have gone to Fort Benning at the sniper competition and simply asked those men and women that were shooting in it, what they would like to have, and could have saved a lot of money.

But I appreciate your concern about this issue. And I am extremely concerned about the fact that the sequester is going to affect mission-critical operations while we are engaged in so many conflicts throughout the world.

Mr. Chairman, thank you for time to ask that question. Ladies and gentlemen, I appreciate you being here.

Mr. WILSON. Thank you, Mr. Scott. And because of the extraordinary issues that you are raising, I know several of us have follow-up questions.

I, in particular, again, Dr. Woodson, I share with Ms. Tsongas my visits to medical facilities. It really is world-class. And the wounded warriors, I want to thank all of you for working with our young people to truly get them back on track and leading fulfilling lives.

In regard to moving funds around, there have been excess funds in the private-sector-care account, Dr. Woodson, the last 3 years. Could some of that money be used to ameliorate the $3.2 billion reduction?

Dr. WOODSON. Thank you. As you know, we have put in place a number of management controls to try and reduce the rise in the cost of care. And many of these management strategies have paid off. And as a result, last year, because of pharmacy rebates and a number of other initiatives, we had additional funds.

We have already factored in these management strategies in looking at the availability of funds for the private-sector care. And even factoring them in, we realized that we would come up short. And that is the reason we will need to reprogram money in order to pay all the private-sector-care bills.

Mr. WILSON. Well, whatever we can do on the reprogramming, please let us know. And again, I want to commend you on the excess funds, is not necessarily negative. It is that you are being very responsible.

Mrs. Davis.

Mrs. DAVIS. Thank you. I wanted to just turn for a minute to the—to suspension of tuition assistance. I know the Marine Corps, Army, and the Air Force, could you share with us how important is that, the number—maybe not the actual number, but how many service members are really counting on this tuition assistance?

And if in fact that is suspended, what other options do they have? And how impactful is that really in terms of the integrity of the Service itself in trying to provide that as really a kind of promise, I think, that we have made to our service personnel?

General MILSTEAD. Well, the Marine Corps, we have $47 million in it this year. To date, as of the beginning of this month, we had obligated $28 million. So we spent $28 million. So that is 5 months. So we have got 5 months into the year, and we have already spent over half of the money.

Again, you know, we have our Category A programs. We had those mission-essential programs for the families. We have all

talked about them here. We have talked about health care for our wounded warriors, sexual assault prevention, suicide prevention, combat-operational stress, family readiness, all these key programs.

We are going to have to rob Peter, if you will, to pay Paul. You know, once a marine has got 3 years of service, he rates 100 percent of his post-9/11 GI Bill. We—it is just a matter of priorities. And if everything is a priority, nothing is a priority.

And so we have made the decision to truncate the program, and to take that money, and to use it to shore up a Category A program, and help us maintain our high-priority programs.

General BROMBERG. Ma'am, in the Army, our budget is about $383 million for tuition assistance. And that goes for Active Duty soldiers, as well as National Guard, United States Army Reserve soldiers. It also helps pay for nonscholarship ROTC cadets, to help them offset the cost of tuition.

Similar to the Marine Corps, we have spent over half already. So we felt we had to turn it off at this point. Right now, we are actually out of money in that program, and to look at reprioritization across the force.

The soldiers do have opportunities for GI Bill, particularly soldiers who have been in over 3 years. So that is another option for them. And also, they have other options they can look at through in Reserves and National Guard through State and local programs that are separate funds by the States.

It is just a sheer matter of prioritization. It has been a very good program for many, many years. But for us, $383 million, is that the right amount? We are going to go back and relook at the program. Should we—how do we prioritize it?

I think we can probably take at least $115 million in savings in this program, and still turn some back on, but probably not to the same extent that we have it today. But the soldiers have come—become very reliant on the program. And it is a big culture change for us. But in these times, it is——

Mrs. DAVIS. Are we able to provide the kind of information to them, where there are some other options out there, at least to work with some of our counterparts?

General BROMBERG. Particularly for the Reserves soldiers, yes, ma'am.

Mrs. DAVIS. Okay. That would be helpful. Just quickly on the reprogramming, and talking about the medical situation, there is not one service member who should come back and not have all the services that are there.

But I am wondering, as we see fewer really egregious injuries coming back, are the numbers going down to the point that some of the services that are available and are particularly high level of care could be shifted to another area? Or are all of those personnel being used today, even though those numbers fortunately are down, are down from certainly the height of the war?

Dr. WOODSON. Yes. That is a great question. And so we have looked at that. And, you know, one of the signature or two of the signature issues coming out of the current decade of war have been mental-health issues and TBI issues, which are not solved by sort

of short-term care, and require a more enduring set of services to really address the complicated issues.

So specifically to your question, yes, we have seen a reduction in casualties coming back. But we haven't seen a reduction in the need for mental health and behavioral health services.

We are staffed to certainly deliver all of the medical care that individuals need. But over time, the effects of sequestration will erode those, and make those inadequate for——

Mrs. DAVIS. I guess part of the concern is we may have more medical specialists, but fewer behavioral specialists.

Secretary WOODSON. Well, that is exactly the point. If you look at the increases in medical personnel, far and away, the increases have been in behavioral health, that behavioral health component.

So we haven't expanded necessarily, let's say, the number of trauma surgeons, or the number of urologists, et cetera. But we have expanded dramatically the number of behavioral-health specialists, recognizing these issues are going to be persistent for some time.

Mrs. DAVIS. Okay, thank you.

Mr. WILSON. And thank you, Mrs. Davis. And we proceed to Mr. Jones.

Mr. JONES OF NORTH CAROLINA. Mr. Chairman, thank you. And General Bromberg and General Jones, I think in relationship to what Mrs. Davis was saying, I got a call this past weekend from a grandmother in my district wanting to know why her son in the United States Army, I think he has been in about a year—that he and a buddy went to a local community college, and they were encouraged to take a course or something. I don't know the details, I really don't.

But anyway, her concern was what she shared with me, was after they went to the community college, and they signed up for classes, they were then told by the Army that they could not continue. I guess what I am trying to ask is, as we move forward and I don't expect you to have that today.

But if the Services could, if you got this information, based on sequestration, the number of young men and women in the branches that are being told they cannot continue, if there is any way to get that kind of information, I think the committee, at least I would, maybe Mrs. Davis as well, and the Chairman and other members would like to kind of see it. You know, seeing helps some of us, maybe not all, understand.

And if there are going to be these numbers, and if the sequestration continues, which apparently it is going to for a period of time, if we could see, just get an idea or a trend of young men and women who are applying to take some additional courses that have been told we cannot fund it any longer, if that is possible, I would appreciate it if we could get some numbers on that as we move forward, not today, but as we move forward.

[The information referred to can be found in the Appendix on page 109.]

General JONES. Congressman Jones, when we made the decision last night, I think it speaks to the fact that how urgent sequestration and the impacts are for us.

We made that decision which impacted 115,000 airmen which were signed up for tuition assistance. They were taking 277,000 courses at 1,200 universities across the Nation. And so that was a real impact at that moment.

Now, we did not shut off the program for anybody who is in the program now. They could continue that course they were in. If we had said the course was funded, we certainly met that obligation and funded that course. But it is the next course that they would try to sign up for.

And we only suspended it for this fiscal year. And we are going to reevaluate it for fiscal year 2014 to decide how much we can offer. We feel like we are going to do everything we can to offer a program in fiscal year 2014. But realistically, we are going to have to adjust the parameters of the program to lessen the budgetary impact on our Air Force.

General BROMBERG. Yes, sir. Same here. When we made the decision to suspend it for the rest of the year, it was for those that had not enrolled yet. And there has been some confusion—I have gotten some feedback as soldiers tried to run down to colleges and universities, and sign up right away, but they weren't actually enrolled yet through the official site. That was one disconnect.

But I can tell you, in the last couple days, we announced it, and tried to get everybody at least 72 hours' notice, we were burning through $500,000 an hour. And so we quickly—actually, we did overspend. And we will take care of that internally.

But that was the kind of activity there was, and how popular of a program it is. So we did shut it off at that point. And we will be very happy to come back and brief or provide in great detail. We have over 200,000 soldiers across all three components enrolled on a daily basis in tuition assistance.

Mr. JONES OF NORTH CAROLINA. I would appreciate that. Thank you both.

Mr. WILSON. And yes, Mr. Scott.

Mr. SCOTT. Just very briefly, General Bromberg, you said that your cost of the tuition was $383 million a year, is before the cut?

General BROMBERG. Yes, sir. That is what we programmed as we budgeted $383 million for fiscal year 2013.

Mr. SCOTT. And how much is your cut?

General BROMBERG. Right now, we stopped at a little over $200 million of what we spent so far. I can get you the exact numbers where we ended up on——

[The information referred to can be found in the Appendix on page 110.]

Mr. SCOTT. $183 million, somewhere around $180 million. General Milstead, you said yours was $47 million, and you stopped it at $28 million?

General MILSTEAD. That is correct, sir. $47.5 million is what we budgeted in the fiscal year 2013 line. And when we truncated the program, we obligated $28 million.

Mr. SCOTT. So about a $20 million cut?

General MILSTEAD. About, yes, sir.

Mr. SCOTT. Admiral, what would your numbers be on that?

Admiral VAN BUSKIRK. This year, we are targeted to spend about $84 million for that. That gets tuition assistance for all people who are eligible, who desire to pursue tuition assistance. So $84 million.

As of this point, we are about a little over about $40 million have been spent. We have not suspended tuition assistance in the Navy at this point. And for us, it is about 45,000 people who participate in a year.

Currently, we have about 27,000 participating. So if we were to suspend it, it would immediately affect 20,000 people who have planned, based upon their deployment schedules, based upon their lives and their families, to pursue it. So it would be affecting them if we were to suspend the program.

Mr. SCOTT. Yes, sir. General Jones.

General JONES. Sir, we had spent about $196 million in fiscal year 2012. And fiscal year 2013, we thought it would be $198 million. But with the truncation, it is going to be less than that. I will have to get you that exact number. I don't have that in front of me.

[The information referred to can be found in the Appendix on page 110.]

Mr. SCOTT. General Milstead, I think you summed it up with what I think is a frustration that every American is feeling right now as we watch the impact of the sequester. We are cutting mission-critical things. We are cutting things like tuition for our men and women that are serving.

You said that when everything is a priority, nothing is a priority. And the reason we are in this situation we are fiscally, is because over the last several years, we have not been able to figure out what the priorities of the budget should be.

You are talking about somewhere just above $200 million in what is going to be taken out of this program, that is going to have a tremendous impact on men and women that are out there serving. $183 million from the Army, $20 million from the Marines. Obviously there will be an impact from the Air Force as well.

That is approximately a tenth of what we spend on free cell phones in this country a year. And that, ladies and gentlemen, is the problem. The men and women that are out there fighting for this country are paying a price, because Congress has refused to get rid of things that we never should have been paying for in the first place.

With that, I yield my time back to the chairman.

Mr. WILSON. Thank you very much, Mr. Scott. And I want to thank, again, all of you for being here and the extraordinary challenges and issues you are facing. And I know that we have faith in you, that you will make every effort for our service members, military families, and retirees.

If there is no further comment, we shall be adjourned.

[Whereupon, at 11:07 a.m., the subcommittee was adjourned.]

A P P E N D I X

March 13, 2013

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 13, 2013

Statement of Hon. Joe Wilson

Chairman, House Subcommittee on Military Personnel

Hearing on

Impact of the Continuing Resolution, Sequestration, and Declining Operations and Maintenance Budgets on Military Personnel and Family Related Programs

March 13, 2013

The Subcommittee today will once again focus on the challenges of maintaining an All-Volunteer Force in a budget-constrained environment by looking at the impacts on military personnel and family related programs.

These programs, such as Morale, Welfare and Recreation; Child Care; Military Exchanges; Commissaries; and Family Services which include DOD Schools, are vital to maintaining the readiness of the military. Since most of these programs are staffed by civilians, the furloughing of military civilian personnel has a huge impact on these programs, to include our medical treatment facilities. Although the Department and the Services have made commitments to minimize the impact a continuing resolution and sequestration will have on these programs, especially those impacting wounded warriors and families, there will be reductions and it will affect the daily lives of our service members and their families, to include retirees.

The committee will hear from the witnesses on how the continuing resolution, sequestration, and declining operations and maintenance accounts will impact the military personnel and family programs, which have been crucial for maintaining an All-Volunteer Force during more than 10 years of war. Although the House has passed a Defense Appropriations bill for the remainder of fiscal year 2013, the Senate has yet to do so and the threat of a yearlong CR is still there. It is a challenge for the Services to manage these programs without a timely budget, and unfortunately CRs have become a norm.

I would like to welcome our distinguished witnesses:

- The Honorable Jessica L. Wright, Acting Under Secretary of Defense for Personnel and Readiness;
- Dr. Jonathan Woodson, Assistant Secretary of Defense for Health Affairs;
- Lieutenant General Howard B. Bromberg, Deputy Chief of Staff, G–1, Department of the Army;

- Vice Admiral Scott R. Van Buskirk, Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education, Department of the Navy;
- Lieutenant General Robert E. Milstead, Jr., Deputy Commandant, Manpower and Reserve Affairs, United States Marine Corps; and
- Lieutenant General Darrell D. Jones, Deputy Chief of Staff for Manpower, Personnel and Services, Department of the Air Force.

Statement of Hon. Susan A. Davis

Ranking Member, House Subcommittee on Military Personnel

Hearing on

Impact of the Continuing Resolution, Sequestration, and Declining Operations and Maintenance Budgets on Military Personnel and Family Related Programs

March 13, 2013

Mr. Chairman, this is the second hearing that we are having on the impact the Budget Control Act, and the additional impact sequestration and uncertainty surrounding the remaining fiscal year 2013 budget is having specifically on military personnel and family related programs.

As I stated at our first hearing, the Budget Control Act has already had an impact on the Services, particularly the Army and the Marine Corps. The impact of sequestration has just added another challenging dimension for the Services, and in particular, the many personnel and family programs, including potentially the military medical programs and services.

On March 1st, sequestration became a reality for this country, and the significant effects are just now slowly being seen in Federal programs across the country. The Department of Defense is not exempted from its effects and although military personnel accounts are not subject to sequestration in fiscal year 2013, these accounts are not protected over the remaining 9 years nor are the myriad of family and service programs that support our Armed Forces exempt from the impact of sequestration.

These significant reductions will only be compounded when the continuing resolution under which our Government, including the Department of Defense, are operating under ends at the end of this month. The full committee has held a number of hearings on the impact of the Budget Control Act, sequestration, and the continuing resolution, but none of the hearings including our subcommittee hearing has focused on potential solutions to this dilemma. Unfortunately, the only people who have the ability to resolve this issue is Congress. We must find common ground and be willing to compromise for the long-term stability of our Nation. Today, we will hear the unfortunate impacts that this lack of compromise is having on our Armed Forces and their families.

I look forward to working with my colleagues on this committee and in the House to develop a rational, commonsense approach to resolving these challenges. Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

PREPARED STATEMENT

OF

THE HONORABLE JESSICA WRIGHT

ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

AND

THE HONORABLE JONATHAN WOODSON

ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

MILITARY PERSONNEL SUBCOMMITTEE

MARCH 13, 2013

INTRODUCTION

Chairman Wilson, Ranking Member Davis, distinguished members of the Committee, we thank you for the opportunity to discuss the immediate and long-term impacts of sequestration as mandated by the Budget Control Act of 2011, and the ongoing continuing resolution (CR) for fiscal year (FY) 2013, on Department of Defense military personnel and family programs as well as the Total Force. As we testified before this Military Personnel Subcommittee on February 27 on the negative impacts to our military personnel and total force management, today we are here to provide specifics on a wide range of military and civilian policy issues including recruiting, training, medical and support programs that sustain the All-Volunteer Forces and are relied upon by our Service members and their families every day.

On March 1, the President ordered the Joint Committee sequestration as required by law, effecting an immediate reduction in budget authority of approximately $41 billion across the Department. And, if the current CR is extended for a full year, it will trigger an additional sequestration of $6 billion across the Department due to a breach in the discretionary spending caps for FY 2013. Combined, these actions would result in a total of approximately $46 billion in FY 2013 funding cuts across the Department, 9% of the total budget, all to be implemented in the last seven months of this fiscal year. An extension of the existing CR for FY 2013 would also lead to further funding shortfalls in the operations and maintenance (O&M) accounts that fund our critical personnel, training, and readiness programs.

In order to not break faith with our Service members, the President used his authority to exempt the military personnel accounts from sequestration in FY 2013. Although I wholeheartedly agree with his decision, it results in larger decrements from all other non-exempt Defense accounts, to compensate. While we will protect our war-fighters, we cannot do this

without paying a cost to the readiness of our Service members and their families. The backbone of the world's greatest military is our people. Our Active, Reserve and National Guard Service members, as well as our civilians who serve throughout the country and the world, are the Department's greatest asset. However, they will become "the collateral damage of political gridlock," as Deputy Secretary Carter points out, if we continue down this fiscal path. Due to the cuts in O&M accounts our Military personnel will receive reduced training, leading to diminishing readiness and morale. Service member and family support programs will be impacted by across-the-board funding decrements affecting the quality-of-life service we provide to them, even as we seek to protect family programs wherever feasible. Our career civilian workforce, which has not seen a pay raise in several years, is likely to be subjected to furlough for up to 22 discontinuous work days beginning in late April through September. This equates to a 20% reduction in their pay during this period with a significant impact to their families, as well as to the economies of their local communities in which they live and serve. These effects are real, and they are avoidable.

If sequestration continues and the Department is forced to operate with an extended continuing resolution, the collateral damage will be seen for many areas. However, as the President and former Secretary Panetta have made clear on multiple occasions, in addition to protecting military members' pay, the Department will protect, to the greatest extent possible, what we hold sacred – the caring of wounded warriors and providing medical care for our Service members and families. And although we cannot protect everything from the cuts required by sequestration, the Department will be committed to the full implementation of priority personnel policy efforts such as sexual assault prevention and response, suicide prevention, and transition support. We will focus our resources on these priority issues for the

future and work to reduce impact as much as possible, but we know that in the long term sequestration and year-long continuing resolution for the remainder of FY 2013 would degrade family readiness and place greater stress on the Total Force.

Civilian Furlough and Hiring Freeze

One of the highest profile effects of sequestration is the scheduled furlough of almost 800,000 Department civilians for up to 22 discontinuous work days beginning at the end of April and extending to the end of the fiscal year. Notification of the Department's intent was sent to Congress and to the civilian workforce on February 20. Furloughs will be all-encompassing spanning the entire defense civilian workforce, accounting for approximately $5 billion of the $46 billion in cuts mandated by sequestration. The Department will apply furlough actions in a consistent and equitable manner, with few exceptions based on unique mission requirements. Individual employee furloughs will not exceed 22 discontinuous work days (176 total hours) as this is the maximum number of furlough days without invoking reduction-in-force procedures. The direct impacts of furlough on civilian employees will be a loss of approximately 20% of pay, a loss of leave accrual, possible Thrift Savings Plan contribution reductions, and retirement pay calculation implications for certain employees.

Furloughs will be disruptive and damaging to our ability to carry out the defense mission, however, due to sequestration, the Department has no viable alternatives. We anticipate severe morale and financial effects on our valued civilian employees, a significant decline in productivity, and loss of critical civilian talent in high demand fields (e.g., cyber, intelligence, and information technology).

Furthermore, 68,185 Military (Excepted Service) Technicians that support the Reserve Component and National Guard, who are civilian employees, are not exempt from furlough. This will markedly impact maintenance. The reduction in Military Technician output would reduce the operational rate of equipment; ground and air; and training, currency, and readiness will significantly suffer. The most immediate risk will be to our ability to provide a timely response to domestic emergencies.

In order to address the severe across the board cuts, the Department has also implemented a civilian hiring freeze and has begun releasing temporary and term employees. These actions put the Department further at risk of competency gaps and critical skill shortages in mission critical activities. In FY 2012, the Department hired almost 60,000 new employees to meet mission requirements. Of these employee hires, approximately 47% were veterans, a community with unique skills sets valuable to the Department. These hiring does not occur just in the Washington, D.C. area, therefore the ramification of these actions ripple beyond the walls of the Pentagon and will be felt well outside the Beltway. In fact, the vast majority of the Department's civilian workforce, almost 86%, works outside the Washington, D.C. area. The loss of critical skill sets will have devastating effects on communities throughout the country. These hiring freezes and furlough will also place added stress on the remaining civilian workforce to "do more with less," the same civilian workforce that will be furloughed and taking a 20% pay reduction.

Wounded Warrior Care

We will protect the care of our wounded warriors and the support they and their families receive as they recover and transition back to military or civilian life. Despite any fiscal

difficulties the Department faces due to sequestration and a potential continuing resolution, our obligations to those who have sacrificed the most, our wounded warriors, will be fulfilled. Our continued focus on their world class medical treatment, mental health, rehabilitation, and when feasible re-indoctrination to military service, will continue unabated regardless of the fiscal environment. Collaboration with multiple partners including the Department of Veterans Affairs will continue, and important programs such as Recovery Coordination Program and prompt delivery of benefits will maintain funding whatever political outcomes occur. Our wounded warriors and their families who care for them deserve the very best, no matter what, for their sacrifice.

Quality Medical Care

The Defense Health Program (DHP) is committed to fiscal responsibility while providing the highest quality healthcare possible to our beneficiaries. DoD healthcare costs have been growing at unsustainable rates, from $19 billion in FY 2001 to $51.4 billion in FY 2012, with a projected rise to $54.4 billion in FY 2017. To curtail these escalating costs, the Department has worked diligently to find areas of efficiency. Some of these efforts include decreasing payments to civilian providers through Prospective Payment System, increasing rebates from pharmaceutical manufacturers, and modest change to pharmacy co-payments. As a result, we are realizing tangible savings. Increasing rebates for pharmaceutical manufacturers saved the Department $2.4 billion since FY 2009. Changes to pharmacy co-payments and increased use of the mail-order pharmacy saved $77 million in 2012, and TRICARE Anti-Fraud efforts resulted in savings of $119 million in 2012.

Despite our efforts to control escalating costs in the DHP, sequestration will have a notable impact on our ability to carry out our mission. Current calculations indicate that sequestration will result in the loss of roughly $3 billion in resources from the DHP in the last half of the year. In spite of this formidable challenge, we remain steadfastly committed to the quality of care that we provide and will work to the best of our ability to deliver uninterrupted health care to beneficiaries in both the Direct Care and the Purchased Care systems. The reality is, however, that we cannot absorb a reduction of this magnitude without experiencing negative consequences in the Military Health System (MHS). We are actively looking at plans to mitigate these problems, but we do not yet have a plan to avoid all problems unless Congress acts to de-trigger sequestration.

Before providing specifics on how sequestration will impact the DHP, we would like to reinforce our commitment to areas that we will protect at all cost. First, as we previously stated, quality of care will remain unchanged. Also, we have a special obligation to our wounded warriors and under sequestration their care will continue uninterrupted. It is our goal to ensure that wounded warriors should see no difference in the care they receive before, during or after sequestration. Finally, we must also place a high priority on keeping our active duty members fit and ready to fight, for they must continue to execute our national security strategy. Under sequestration, we will shift resources to continue our support of wounded warriors and active duty service members. By shifting resources, in addition to having less resources overall, we may see adverse second and third order effects in such areas as accessibility to care for other categories of beneficiaries in our military treatment facilities; substantially less funding for facility sustainment, restoration and modernization projects; decreased ability to purchase

equipment; and the slowing or stopping of certain research and development projects. Sequestration will also substantially impact our Private Sector Care (PSC) funding.

Sequestration could drive a decrement in funding for PSC. While we do not yet have six months of medical claims data from which to make future projections, our current analysis does not suggest that we can absorb a cut of this size without finding additional funds to pay PSC claims. Keep in mind that TRICARE is a benefit provided by law, and we have no authority to curtail that benefit. If patients cannot be seen where and when they want in a military treatment facility, they have the right to seek care in the private sector at a cost to themselves and the Government. The service providers will bill us through the claims process, and the possibility exists that sequestration would force us to delay payments on these claims. We have spent years building a provider network that has come to recognize us as a reliable payer. Our goal is to maintain these good relationships and sustain the provider network intact despite the challenges posed by sequestration. Final resolution on our funding for the rest of the year will determine the true impact on PSC and the rest of the DHP.

Sequestration will affect other areas of the Department's medical program. By focusing resources on the provision of patient care under sequestration, the Department has less funding to address medical facility maintenance and needed restoration and modernization projects. This will may negatively affect the care environment and potentially drive substantial bills in the future. The Department will continue to fund projects that affect patient safety or that are emergent in nature, but many of our facilities are older and require substantial upkeep. To delay these projects only exacerbates challenges we face at many of our aging facilities and ultimately the staff and, more concerning, the patients suffer the consequences as aesthetic quality and functionality diminish.

In order to continue our day-to-day health care operations, we will dramatically reduce our investment in equipment. Existing equipment will be used longer with greater risk for breakdowns and increased maintenance costs. At some point, equipment becomes obsolete and cannot be repaired any longer. Sequestration forces us to "make do" with older equipment that becomes obsolete and prone to breakdowns.

Research and Development projects will suffer. To minimize the impact on care provided in military treatment facilities and by the private sector network, we may be forced to reduce or curtail some research projects and re-purpose these funds to provide patient care. This means that important, promising research projects could be slowed or stopped altogether. In patient care areas, nearly 40% of our medical staff in military hospitals and clinics is civilian. With some exceptions, these civilians will be furloughed. We can expect the furlough of medical staff will impact access to care -- causing inconvenience and dissatisfaction among those patients accustomed to getting their care in military treatment facilities. Furthermore, patients who formerly received care in a military treatment facility may seek to obtain care in the private sector at an increased cost to the Department and the American taxpayer. Providing high quality healthcare to all our beneficiaries is a priority of the Department, and will remain as such despite sequestration and the possibility of an extended continuing resolution. We will mitigate the impacts of the fiscal environment to every extent feasible, but the best mitigation technique is to take legislative action against sequestration and pass a Defense budget.

Sexual Assault Prevention/ Response

Sexual assault is a crime and has no place in the United States military. It is a violation of everything that we stand for and it is an affront to the values we defend. Secretary of Defense

Chuck Hagel is committed to eradicating this crime from our armed forces. Our DoD-wide mission is to prevent and respond to this crime in order to enable military readiness and to reduce—with a goal to eliminate—sexual assault from the military.

Sexual assault is a complex problem—in our society, on our college campuses, as well as in the military environment. And there is no single, "silver bullet" solution. Reducing and eliminating sexual assault requires a multi-pronged approach—one that leverages a wide range of initiatives and engages every Service member to prevent the crime from occurring in the first place. But when one does occur, ensures that effective processes and expert people are in place to support victims and ensure delivery of justice.

Our strategy is to apply simultaneous effort in five areas that we call lines of effort: Prevention, Investigation, Accountability, Advocacy, and Assessment. The underpinning in all these efforts is the focus on leaders at all levels and their responsibility to foster a command climate from top to bottom where sexist behaviors, sexual harassment, and sexual assault are not tolerated, condoned, or ignored. A climate where dignity and respect are core values we must all live by and define how we treat one another; where a victim's report is taken seriously and privacy is protected; where bystanders are trained and motivated to intervene and prevent unsafe behaviors. And finally, a climate where offenders know they will be found and held appropriately accountable for their actions.

Sequestration and a continuing resolution will have significant programmatic impacts on Sexual Assault Prevention and Response (SAPR) program mission-critical requirements. First, operating under sequestration and FY 2012 CR funding level will cause 20% reduction in furloughed civilian work force support. More importantly, sequestration and the potential of operating under a full-year continuing resolution will cause program degradation for special

victims' capability (SVC), a Congressionally-mandated program to improve sexual assault investigative and prosecution capabilities, by preventing the reprogramming of SAPR supplemental funding for Service SVC training. This reduced SVC funding will have cross-cutting negative effects across all the Services and National Guard. In summary, sequestration and a full-year continuing resolution prevents SAPR program from continuing to provide a fully resourced multi-disciplinary approach to combating sexual assault.

Suicide Prevention

The suicide rate among the Military Services rose from 2001 to 2009, from 10.3 to 18.3 suicides per 100,000 Service members. We are very troubled by this trend and are working to address prevention and resilience. In response to an Executive Order issued in August 2012, Defense Suicide Prevention Office (DSPO), the Military Services, and the Department of Veterans Affairs are leading a 12-month, help-seeking campaign to encourage Service members, Veterans, and their families to use the 24/7 Military Crisis Line. To ensure Service members in theatre can access the same level of care, DSPO established a similar peer support hotline in Afghanistan and is working to set up hotlines in Japan and Korea. Other initiatives include working with the Military Services to provide resilience support and prevention services.

The sequestration and a year-long CR on the Defense Suicide Prevention Program will impact program evaluation, risk identification, communications, and outreach efforts under way due to budget cuts and the civilian furlough. Even one suicide is too many, and therefore we will make every effort, to the greatest extent possible, to continue our progress.

Training and Maintenance

The Operational Unit Training and Maintenance of our Total Force will be directly impacted by sequestration and continuing resolution decrements to O&M accounts. This includes overall state of operational training and maintenance in the force, but also specific programs that provide training, including Professional Military Education and the Reserve Component Base Support.

A year-long CR, combined with sequestration, will result in a force less ready to perform the mission that we expect it to conduct. If the budget reductions continue through FY 2021, as they would under current law, our defense strategy would have to change. Otherwise, units will not have the personnel, equipment, and/or training necessary to make them capable of responding effectively to the most likely contingencies. Additionally, part of avoiding a hollow force is understanding the size of the force we can afford to keep ready and adhering to that plan.

The magnitude of sequestration cuts make it impossible for the Services to avoid decrements to vital training capabilities, training infrastructure, and training deliverables. The Army has stated that decrements to training and maintenance will put two-thirds of their active brigade combat teams outside of Afghanistan at reduced readiness levels. The USS Harry S. Truman recently announced cancelation of a planned deployment to the CENTCOM AOR, and Navy operations in the western Pacific, including training, will be reduced by as much as one-third. With fewer training and steaming days, the Navy will inevitably reduce unit readiness levels. The Air Force has stated that sequestration cuts to their flying hour program will put flying units below acceptable readiness standards by the end of the fiscal year. The potential furlough of DoD civilians will include civilians at training centers across the country, immediately reducing the quality and quantity of training, with long-lasting impacts on readiness

The impacts of sequestration and an extended continuing resolution will not be limited to the active duty component of our military. The Reserve component will also feel these effects. Sequestration and a continuing resolution would reduce the number of Guard and Reserve personnel on training and unit training days, inhibiting unit readiness and assessment of their abilities to successfully execute Defense Support to Civil Authority missions.

Sequestration and the extension of the current CR will have impacts on important programs not directly related to operational training, but still important to fielding the most highly qualified military possible. Professional military education (PME) programs are largely funded by O&M accounts. PME provides our Service members the skills the ever changing battlefield requires and prepares them to take the next steps in their military careers. The Services will be limited in sending junior enlisted members to Non-Commissioned Officer Academies where they learn to lead their junior comrades. Senior enlisted members' career training is also affected, for example the Marine Corps will decrease their senior enlisted throughput at Marine Corps University by 50%. The Department's inability to fully invest in the training of its future leaders has not only short-term impacts, but impacts far into the future as Service members progress through the ranks.

High quality institutions that educate our leaders of the future such as the National Defense University, the Naval War College, and Service Academies will all feel the impacts of the fiscal environment through decreased funding from O&M accounts and furloughed staff and faculty. Foreign language readiness programs supported by the Defense Language and National Security Education Office and funded by O&M accounts will also be impacted, reducing the quantity and quality of mission-critical language education and cultural awareness training provided to our Service members prior to their deployment or service in foreign countries.

Finally, the tuition assistance programs throughout the Department, which allow Service members to attend civilian institutions of higher learning, while independently implemented by the Services will likely experience funding limitations after April of this year.

We owe it to our Service members to ensure they are properly trained and equipped for the missions we ask them to complete. This professionalism and readiness has been a hallmark of our military, and it is possible that our forces will not be ready in the future due to sequestration and a continuing resolution.

Key Personnel and Family Programs

We are currently reviewing our family programs and how to minimize the impact and stress of sequestration and CR on Service members and their families. Although sequestration must be applied evenly across all programs, we will seek to preserve these services to the extent feasible. We will have to make hard trade off decisions on how to lessen the impact and stress to our Service members and families by determining how to absorb the across-the-board cuts. Regardless, sequestration will likely slow progress in accomplishments related to the initiatives listed below. In order to build and sustain resilient military families, the Department has focused on providing programs and services that enhance their physical, social, financial, educational, and psychological well-being. Current initiatives include evaluation of common service functions to increase efficiency of operations. Sequestration and CR will inevitably degrade services and impede progress in most of these programs.

DoD Education Activity

The Department will make it our priority to give the children of our Service members complete academic school years and maintain school accreditation.

The impact of sequestration and CR will affect two school years – the end of school year 2012-2013 and the beginning to school year 2013-2014. While we are still finalizing the plans to implement the across-the-board cuts, we do expect both the instructional and non-instructional staff to be affected by the civilian furlough. We are making great efforts to minimize the impact to our children's education, and are also committed to ensuring that Summer School 2013 will be open and available. However, in order to achieve this, we will have to make significant cuts in other areas. For example, educators' professional development and technology-enhanced instructions will be reduced to meet the budget cuts. Likewise, there will be an impact to furthering progress in the Common Core State Standards. Although the next steps include math and English Language Arts curriculum development, current fiscal realities will delays the deployment of these standards for up to two years due to the hiring freeze and travel and training cancellation and deferral. These reductions adversely affect student achievement.

In addition, given that nearly 60% of the DoD-dependent schools are below the DoD facility standards, we have currently programmed $3.7 billion to recapitalize 134 schools to bring them up to acceptable facility condition rating by the end of FY 2018. Sequestration and CR will reduce the sustainment, restoration and modernization projects, prolonging the repair of below-standard schools. Funds will be available only to address life, safety, and health requirements.

Similarly, sequestration and CR will reduce the education partnership grant program from $35 million annually to $1 million. The Department has awarded nearly $200 million in grants

to over 150 military-connected public school districts since 2008 through our expanded authority to share experiences and resources. These projects impact almost 280,000 military-connected students and more than 670,000 students overall in 900 public schools. Without these grants, we will not be able to increase the number of public schools offering Advanced Placement courses in math, science and English. These cuts will reduce the programs that have significantly improved student achievement and minimized the impact of transition and deployment on military connected students in public schools.

Child and Youth Programs

My office is responsible for the policy, advocacy, and oversight of programs impacting children and youth from birth to age 18 years. Each Military Service is responsible for the implementation of the DoD policy and for developing additional Service-specific guidance and execution of these programs. Child care is provided to approximately 200,000 children (birth – 12 years) every day in Child Development Programs, including those in Family Child Care homes and School Age Care programs. We serve approximately 500,000 in Youth Programs.

The Department is currently continuing our evaluation process of child care program oversight and compliance inspections. We have developed training materials for child development and youth programs, in cooperation with the land grant university system. We are also strengthening our relationships with federal partners and state child care stakeholders, promoting child care policies and best practices while supporting legislative actions and leveraging Federal and State resources. Our next steps include completion of child care oversight inspections and policy updates.

Sequestration and CR will likely require us to furlough our staff in these programs. The loss of any number of care providers on a given day may limit the number of children that a facility could provide child care for or reduce the program's hours of operation, impacting Service members' ability to report for duty. Youth programs supporting youth from age 6-18 years may also see a reduction in the program's operating hours and a reduction in programs such as recreational, educational, and youth development programs. In addition, a hiring freeze will worsen the impact. The child care workforce experiences a turnover throughout the year and the inability to replace direct care staff would result in reducing available child care spaces available to service members. This is a force readiness issue that directly impacts Service members' availability for duty.

Family Advocacy Program (FAP)

Social services program are delivered by each Service to address family violence in active duty families. Goals are to keep DoD family violence rates low and to keep families intact if victims can be safely protected. In addition, the availability of Family Advocacy Program (FAP) personnel to provide potentially life-saving intervention services to vulnerable families including at risk expecting and new parents is crucial to the well-being of our military families. In anticipation of force restructuring, budget uncertainty, and redeployment stress on military families, the Family Advocacy Program partnered with the Military Services and federal agencies (CDC, HHS/ACF, DOJ) to establish a five year strategic plan to promote evidence based prevention of domestic abuse and child abuse in the military community.

While DoD centrally funds Service Family Advocacy Programs, current plans for furlough, hiring freezes, and budget cuts will have significant impacts to these programs at the

Service-level. Current budget cuts threaten our 24/7 response capability and victim advocate services to address the medical and safety needs of abuse victims. Likewise, sequestration will impact the ability to meet the FY 2013 NDAA requirement for Special Victims Capability (SVC) for child abuse and serious domestic violence. The SVC, which requires specialized training and response capability for the service providers, will face furlough and similar budget cuts as other support programs.

Support to the Guard and Reserve

The Yellow Ribbon Reintegration Program (YRRP) was established by the FY 2008 NDAA to create a national combat veteran reintegration program to provide National Guard and Reserve members and their families with sufficient information, services, referral, and proactive outreach opportunities throughout the entire deployment cycle. In FY 2012, YRRP supported approximately 248,000 Service members and families through 2,028 events. A significant achievement is the enhancement of the Employment Initiative Program through the Hero2Hired program, addressing the critical problems of unemployment and underemployment among our National Guard and Reserve Service members

While the Services' YRRP funding is protected under Overseas Contingency Operations (OCO), the OSD YRRP office will likely be impacted by sequestration and CR will reduce our ability to support events for deploying/reintegrating Service members and their families. Our ability to expand awareness of and access to the Hero2Hired (H2H) program to assist unemployed Service members will also be diminished. There will also be decreased use of the H2H Mobile Job Store and kiosks, loss of a new mobile application, and a reduced number of events for Employment Initiative Program. In addition, Service members will lose peer-to-peer

counseling services offered through the Vets4Warriors program because of reduced funding to support the contract.

Employer Support of the Guard and Reserve (ESGR)

Employer Support of the Guard and Reserve (ESGR) is a DoD operational committee created to foster a culture in which all employers support and value the employment and military service of members of the National Guard and Reserve in the United States. ESGR's mission is particularly relevant in an era of increased reliance on the Reserve Component to conduct worldwide combat operations and provide humanitarian response. For the past 40 years, ESGR has been the Department's lead organization for Service members and their civilian employers with respect to the Uniformed Services Employment and Reemployment Rights Act (USERRA).

The ESGR Customer Service Center (CSC), comprised of 70% civilians, provides Uniformed Services Employment and Reemployment Rights Act (USERRA) information and mediation support to Service members and their civilian employers. In FY 2012, ESGR answered more than 21,000 USERRA inquiries and mediated almost 2800 USERRA cases resolving over 77% of the cases in less than nine calendar days.

Under sequestration and CR, ESGR's ability to respond to USERRA cases and inquiries will be diminished due to reduced man-hours available to the Customer Service Center (CSC) personnel to manage issues, claims and inquiries. There will be a reduction in awareness of ESGR programs and USERRA rights and responsibilities among Reserve Component (RC) Service members and their employers because of cuts in the direct mail campaign and reduced

travel funding to reimburse ESGR Volunteers for their outreach efforts with military units and employers.

Morale, Welfare and Recreation (MWR) Programs

Morale, Welfare and Recreation (MWR) programs throughout the Services provide a comprehensive network of quality support and recreation services to enhance the readiness and resilience of our Service members and their families. Across the board cuts under sequestration and the on-going CR will impact all Category A, B and C MWR programs. Category A programs, such as physical fitness and aquatic center, libraries, single Service member programs, and on-installation parks and picnic availability, are funded completely by appropriated funds and have virtually no capacity to generate non-appropriated funds revenues. A cut in O&M funding would impact all programs through reduced operating hours and customer service programs. Category B programs, such as MWR Community Support services, are substantially supported by appropriated funds with some minimal ability to generate non-appropriated funds revenue. The impact would be similar to Category A programs with reduced access to services and a 20% reduction in manpower. Category C programs, such as hospitality services, have the capability to generate enough income to cover most of their operating expenses. However, they lack the resources to sustain their programs solely on their business activities and will be impacted by the overall cuts in appropriated funds and by the reductions in Category A and B programs.

Defense Commissary Agency (DeCA)

The Defense commissary system enhances the quality of life of members of the uniformed services, retired members, and their dependents while supporting military readiness, recruitment, and retention. Currently, there are 247 commissaries (179 U.S.; 68 Overseas) in the U.S. and 12 other countries, with 10 central distribution centers and one centralized meat processing plants overseas. The Commissary sales worldwide in FY 2012 were $6.1 billion, the highest sales in DeCA's history, effectively generating $2.7 billion in savings to military Service members.

To accomplish sequestration reductions, DeCA will be forced to implement furloughs of more than 16,000 full-time and part-time employees (up to 22 days for the remainder of FY 2013). This will likely require closing each commissary one additional day a week – most likely Wednesdays, our lowest volume sales day. This would reduce the availability of benefits and access to the 30% savings that Service members, families and retirees receive. We expect longer checkout lines and reduced stock availability due to staff reductions related to the civilian hiring freeze. We also anticipate reduction in contract requirements because of fewer days of operation. This will impact contractor jobs for many disabled people who work as stocking and custodial staff.

Military Exchanges (AAFES, NEXCOM, MCX)

The three exchange services (AAFES, NEXCOM, MCX) sell goods at a discount, but since they draw relatively little appropriated fund support, the exchanges are authorized to generate profits, some of which are passed to the military services as dividends to support other MWR activities. These military exchange systems sell goods at an average discount of 22%.

The direct impact would initially be minimal, since exchanges are primarily operated with non-appropriated funds. However, they do receive limited appropriated funding for common base support services, transportation of goods from the U.S. to overseas locations, and similar expenses. As base operating support budgets are reduced, the inability to fund those authorized support costs with appropriated funds will result in the exchanges having to pay more expenses from exchange revenue. In effect, this shifts the funding burden to the troops and their families in the form of cutbacks to exchange hours or services, deferred improvements to the stores, and reduced funds provided to MWR programs.

Transition Assistance Program (TAP)

The Department is committed to preparing our Service members who are leaving service to be as successful in their civilian careers as they were in their military careers. The recently established Transition to Veteran Program Office (TVPO) continues to make strides in assisting our Service members. TVPO has developed curriculum within a broad-based consortium and piloted and evaluated this curriculum to ensure Service members transition from active duty "Career Ready," while collaborating with Military Service leaders in changing the Transition Assistance Program (TAP) paradigm. In the future TVPO will fully implement all provisions of the re-designed Transition Goals, Plans, Success (GPS) program, continue to support the cultural shift from an end of Service to a military lifecycle model, develop a virtual asynchronous curriculum to ensure isolated and remote Service members can receive transition assistance, and publish new Department-wide TAP Policy to fully cement all transition requirements, processes, and support.

These important veteran transition programs will be affected by sequestration. Sequestration would likely result in the furloughing of civilian employees that provide curriculum, counseling, and training in the Department's TAP. Due to sequestration, civilian employees and associated contracted support will not be available at the same levels to support the large number of separating and inactivating Reserve and National Guard Service members scheduled for discharge or release from Active Duty for the remainder of FY 2013 and FY 2014.

DoD Outreach

Three Civil Military Programs that continue the long-standing tradition of our Armed Forces acting as good neighbors between our military and their communities may suffer the consequences of reduced O&M funding. These programs and services are conducted, implemented and performed at the local level to assist civic and community needs. Two of those programs help develop young members of our communities and give them exposure to Service members as examples of productive citizens in our society. The STARBASE program, a program that exposes 75,000 youth to the technological environments and positive role models found on military bases and installations, has been forced to delay opening of two new programs due to the current hiring freeze, while 10 other installations are stalled in developing their programs due to budget uncertainty. In addition, the National Guard Youth Challenge Program that provided mentoring and training through the National Guard to 10,000 at-risk youth last year has been forced to delay opening of programs in the District of Columbia and Idaho because of funding uncertainty. Finally, training of personnel and the services provided in several underserved communities conducted through the Innovative Readiness Training Program, which includes nine medical and 13 engineering training events, will be impacted and reduced.

Future of the All-Volunteer Force

Today's AVF is the best military in the world. As previously stated, many of the training and educational opportunities funded by O&M accounts would be reduced or eliminated for FY 2013 and possibly beyond. Also, the continued success of the AVF is dependent upon the Services' ability to attract the best and brightest of America's youth. The high quality and diversity of our new recruits is the result of well-orchestrated recruiting campaigns and individual recruiter efforts.

Sequestration will jeopardize the success of the FY 2013 military recruiting effort across the Department. Similarly, Service recruiters are already working enlistments and shipping dates for FY 2014 recruiting which will be degraded by sequestration. Over the last several years the Services have recruited the highest quality recruits in the history of the AVF. This remarkable feat has been accomplished while each Service has simultaneously reduced the resources dedicated to recruiting. It is also imperative that our force be representative of the society it defends. Fiscal pressure will directly impact our ability to bring in a force that is reflective of our society in terms of race, ethnicity, gender, geographic residency, and socioeconomic status. Reductions to recruitment advertising and recruiting support/operations accounts under sequestration will be significant and problematic. These reductions include reduced O&M funding to the Joint Advertising, Market Research, and Studies (JAMRS) program which enables DoD Leadership and the Services to make informed, research-based recruiting decisions, eliminating unnecessary redundancies across the recruiting communities, and conducting focused outreach efforts to preserve and enhance the All-Volunteer Force.

A second order effect of sequestration would be at the Services' recruiting commands. These commands are largely made up of Active and Reserve Component Service members, but

the Military Entrance Processing Stations (MEPS) are manned by roughly 2,300 civilians (80% of the total workforce). The MEPS screen and process over 383,000 applicants for all Services each year and are located at 65 sites serving all states and territories. The impact of civilian furloughs, as well as the hiring freeze, will reduce processing ability during the summer "graduation surge" when the MEPS typically process 41% of all recruits. Processing will continue under sequestration or a continuing resolution, but priority will be given to processing current enlistees shipping to basic training at the expense of screening future applicants and establishing future enlistment contracts.

Other key tools in the recruiting efforts and long term development of the AVF would be adversely affected include the Reserve Officer Training Corp (ROTC). In FY 2012 ROTC had more than 21,000 cadets and midshipmen on scholarship and commissioned 6,200 officers. This is a vital tool in the Services' recruiting arsenal that is 80% funded by O&M accounts. Although not a recruiting program, the Junior ROTC (JROTC) which is the Department's largest youth development program will be affected. JROTC included approximately 548,000 student participants and contributed nearly 9 million annual service hours to local communities. These students learn the value of citizenship, service to the country, personal responsibility, and benefit from improved graduation rates. Sustainment of JROTC will be difficult under sequestration and a continuing resolution, including moving 650 schools currently from the waiting list to active programs.

The AVF is reliant upon all of these programs to attract the best and the brightest from our society to serve as our military leaders of the future. The Department and Services have done an outstanding job of meeting recruiting goals over the last several years to maintain the

superior quality of the AVF, but this recruitment will be more difficult in an uncertain and austere fiscal environment.

Total Force Management/Strategic Human Capital Plan

The civilian workforce performs key enabling functions for the military, such as critical training and preparation to ensure readiness, equipment reset and modernization, as well as provide medical care, family support, and base operating services – all vital to supporting our men and women in uniform. Civilians also perform as operators in key mission areas such as intelligence and cyber.

The Department must maintain a properly sized and highly capable civilian workforce that is aligned to mission and workload; complements and delivers support to the military; maintains training and readiness levels; provides medical services and family support critical to the well-being of the All-Volunteer Force; and guards against an erosion of critical, organic skills and an overreliance on contracted services.

Use of Contractors

The private sector, through its approximately 710,000 full time equivalent employees, is and will continue to be, a vital source of expertise, innovation, and support for DoD. However, the Department continues to reduce inappropriate or excessive reliance on contracts, particularly for critical, and closely associated with inherently governmental, work. The Department is also continuing to improve the visibility and accountability of contracted services by expanding and refining the data we collect from contractors (as required by statute) in order to compare it to our civilian and military workforce planning factors.

The Department is currently working to determine the necessary reductions in funding for both the civilian workforce and contracted support required by the FY 2013 NDAA section 955. The Department is still assessing what the overall impact of section 955 will be, although anytime there is a mandated cut in any element of the workforce without adequate time to plan and analyze potential impacts, adverse outcomes in readiness, mission accomplishment, and overall capabilities can be expected. We have not yet identified all possible exclusions, but will ensure that any implementation of NDAA FY 2013, section 955 mandate is consistent with the most pressing national security mission requirements

Conclusion

We understand that the Department of Defense must do its part in addressing the nation's budget concerns; however it must be done in a responsible and judicious manner. That means we must first have a strategy then formulate a budget to meet that strategy. However, as Deputy Secretary Carter stated, "[i]f the Department was forced to operate under the mechanistic sequestration rules and the CR for the remainder of the fiscal year, it would achieve precisely the opposite effect by imposing arbitrary budget cuts that then drive change in national security strategy."

Without immediate and decisive action from Congress, our national security will be harmed from the results of sequestration and a continuing resolution for FY 2013. Our warfighters, their families, our nation's security, economic recovery, and future place at the global table should not and cannot be held hostage by irresponsible fiscal policies like sequestration. Thank you for the opportunity to speak with you today on these important matters, and I look forward to your questions.

Jessica L. Wright

Acting Under Secretary of Defense for Personnel and Readiness

Secretary Jessica L. Wright was selected to serve as Acting Under Secretary of Defense for Personnel and Readinesson January 1, 2013. Previously, she was confirmed as the Assistant Secretary of Defense for Reserve Affairs on May 24th, 2012.

She is the deputy senior policy advisor to the Secretary of Defense on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.3 million Guard and Reserve personnel, 680,000 DoD civilians, and is responsible for overseeing the overall state of military readiness.

Mrs. Wright retired as a Major General in the Pennsylvania Army National Guard. Her distinguished 35 year career of military service culminated in her final assignment as Adjutant General of Pennsylvania and commander of the Pennsylvania National Guard. In this State of Pennsylvania Cabinet-level position, she was responsible for command, control and supervision of all Air and Army National Guard units allocated to the state of Pennsylvania, six state-owned veterans' homes, and programs for Pennsylvania's one million veterans. Prior to this assignment, she also served as the deputy adjutant general for the Army.

Mrs. Wright began her military career as an enlistee in the Pennsylvania Army National Guard in 1975, after graduating from Alderson Broaddus College with a bachelor's degree in social work. She also holds a master's degree in management from Webster University, St. Louis, Missouri.

She attended the Women's Army Corps Officer Orientation/Officer Candidate School at Fort McClellan, Alabama. She attended the Officers Rotary Wing Aviator Course at Fort Rucker, Alabama, and became the first female Army aviator in the Army National Guard. Mrs. Wright is a graduate of the CH-47 Aviator Qualification Course, CH-54 Aviator Qualification Course; and a graduate of the Army War College Military Fellowship at the Center for Strategic and International Studies, Washington, DC.

In 1986, Mrs. Wright was assigned as assistant professor of military science at Georgia Southern College, Statesboro, Georgia. In 1989, she was reassigned to Headquarters, National Guard Bureau, Washington, DC, where she served as a personnel staff officer, executive officer and chief of the budget and services branch, chief of the tours management office, Army National Guard personnel directorate, and chief of the personnel service division, Army National Guard personnel directorate.

Mrs. Wright commanded the 28th Aviation Brigade, 28th Infantry Division at Fort Indiantown Gap, Pennsylvania, from June 1997 to November 1998. She was the first female maneuver brigade commander in the Army. Prior to her assuming the deputy adjutant general for Army, Mrs. Wright served as the state Army aviation officer.

Her awards and decorations include the Distinguished Service Medal, Legion of Merit with oak leaf cluster, and Senior Army Aviator badge. Other awards include Chapel of the Four Chaplains Gold Award, ATHENA Award, the Pennsylvania Association of Broadcasters Gold Medal Award, the Philadelphia Union League's Distinguished Soldier Award, and the Founders Day Award from Lebanon Valley College.

She is married to retired Lieutenant Colonel Charles Wright. They have one son, Mike, who was commissioned as a Second Lieutenant in May 2012 and is presently serving in the Pennsylvania Army National Guard.

Jonathan Woodson

Assistant Secretary of Defense (Health Affairs) & Director of TRICARE Management Activity

Dr. Jonathan Woodson is the Assistant Secretary of Defense for Health Affairs and Director, TRICARE Management Activity. In this role, he administers the more than $50 billion Military Health System (MHS) budget and serves as principal advisor to the Secretary of Defense for health issues. The MHS comprises over 133,000 military and civilian doctors, nurses, medical educators, researchers, healthcare providers, allied health professionals, and health administration personnel worldwide, providing our nation with an unequalled integrated healthcare delivery, expeditionary medical, educational, and research capability.

Dr. Woodson ensures the effective execution of the Department of Defense (DoD) medical mission. He oversees the development of medical policies, analyses, and recommendations to the Secretary of Defense and the Undersecretary for Personnel and Readiness, and issues guidance to DoD components on medical matters. He also serves as the principal advisor to the Undersecretary for Personnel and Readiness on matters of chemical, biological, radiological, and nuclear (CBRN) medical defense programs and deployment matters pertaining to force health.

Dr. Woodson co-chairs the Armed Services Biomedical Research Evaluation and Management Committee, which facilitates oversight of DoD biomedical research. In addition, Dr. Woodson exercises authority, direction, and control over the Uniformed Services University of the Health Sciences (USUHS); the Armed Forces Radiobiology Research Institute (AFRRI); the Defense Center of Excellence for Psychological Health and Traumatic Brain Injury (DCoE); the Armed Forces Institute of Pathology; and the Armed Services Blood Program Office.

As Director, TRICARE Management Activity, Dr. Woodson is responsible for managing all TRICARE health and medical resources, and supervising and administering TRICARE medical and dental programs, which serve more than 9.6 million beneficiaries. Dr. Woodson also oversees the TRICARE budget; information technology systems; contracting process; and directs TRICARE Regional Offices (TRO). In addition, he manages the Defense Health Program (DHP) and the DoD Unified Medical Program as TRICARE director.

Prior to his appointment by President Obama, Dr. Woodson served as Associate Dean for Diversity and Multicultural Affairs and Professor of Surgery at the Boston University School of Medicine (BUSM), and senior attending vascular surgeon at Boston Medical Center (BMC). Dr. Woodson holds the rank of brigadier general in the U.S. Army Reserve, and served as Assistant Surgeon General for Reserve Affairs, Force Structure and Mobilization in the Office of the Surgeon General, and as Deputy Commander of the Army Reserve Medical Command.

Dr. Woodson is a graduate of the City College of New York and the New York University School of Medicine. He received his postgraduate medical education at the Massachusetts General Hospital, Harvard Medical School and completed residency training in internal medicine, and general and vascular surgery. He is board certified in internal medicine, general surgery, vascular surgery and critical care surgery. He also holds a Master's Degree in Strategic Studies (concentration in strategic leadership) from the U.S. Army War College.

In 1992, he was awarded a research fellowship at the Association of American Medical Colleges Health Services Research Institute. He has authored/coauthored a number of publications and book chapters on vascular trauma and outcomes in vascular limb salvage surgery.

His prior military assignments include deployments to Saudi Arabia (Operation Desert Storm), Kosovo, Operation Enduring Freedom and Operation Iraqi Freedom. He has also served as a Senior Medical Officer with the National Disaster Management System, where he responded to the September 11th attack in New York City. Dr. Woodson's military awards and decorations include the Legion of Merit, the Bronze Star Medal, and the Meritorious Service Medal (with oak leaf cluster).

In 2007, he was named one of the top Vascular Surgeons in Boston and in 2008 was listed as one of the Top Surgeons in the U.S. He is the recipient of the 2009 Gold Humanism in Medicine Award from the Association of American Medical Colleges.

STATEMENT BY
LTG HOWARD B. BROMBERG
DEPUTY CHIEF OF STAFF, G1
UNITED STATES ARMY

BEFORE THE

MILITARY PERSONNEL SUBCOMMITTEE
HOUSE ARMED SERVICES COMMITTEE

FIRST SESSION, 113TH CONGRESS

ON IMPACTS OF THE FY13 CONTINUING RESOLUTION, SEQUESTRATION, AND DECLINING OPERATIONS AND MAINTENANCE BUDGETS ON MILITARY PERSONNEL AND FAMILY-RELATED PROGRAMS.

MARCH 13, 2013

NOT FOR PUBLICATION UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Introduction

Chairman Wilson, Ranking Member Davis, Distinguished Members of this Committee -- Thank you for the opportunity to appear before you on behalf of America's Army.

Throughout our history, the United States Army has never failed to respond to a threat to our nation. Today that greatest threat to our military readiness is the dire fiscal uncertainty we are presently faced with. The uncertain Fiscal Year 2013 funding caused by the combined effects of a possible yearlong continuing resolution and sequestration, along with the need to protect wartime operations, may result in further reductions in funding to programs directly linked to the readiness of our force and the well-being of our Soldiers and Families.

Strategic Overview

The Army has been in a state of continuous war for nearly twelve years – the longest in our Nation's history. More than 4,800 Soldiers have given their lives on behalf of this Nation. Today we have more than 81,000 Soldiers committed to operations around the world with approximately 58,000 in Afghanistan. Nearly 1.5 million Soldiers have deployed and more than half a million have deployed multiple times -- some as many as four, five, and six times. Our Soldiers, Civilians and Families remain the strength of our Nation.

The magnitude of today's fiscal uncertainty will have grave consequences for our Soldiers, our Civilians, and our Families. While we will make every effort to protect family programs to the greatest extent feasible, if nothing is done to mitigate the effects of operations under a continuing resolution, shortfalls in our funding of overseas contingency operations, and the enactment of sequestration, the Army will be forced to make significant cuts to military personnel and family programs funded by the Operations and Maintenance Account. Sequestration will affect the overall delivery of programs on our installations world-wide. Under sequestration, we must take care of must-pay civilian pay, utilities, and key life health and safety services. This strains our ability to protect Army Family Programs.

The fiscal crisis we now face is due in part to the fundamental lack of predictability in the budget cycle. The Department of Defense has operated under a continuing resolution for 14 of the last 28 months. Each continuing resolution prevents new starts for needed programs, limits reprogramming actions, creates inefficiency, and often results in wasteful funding for activities that we no longer want or need. The compounding effects of this budget scenario create a long-term problem of building a plan for a ready force. It will take more time to "buy back" readiness. In FY13, we now find ourselves in the midst of a perfect storm created by a continuing resolution that puts funding in the wrong places, a shortfall in funds for overseas contingency operations due to higher than anticipated costs in theater, and sequestration. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army readiness for the next five to ten years.

The FY13 continuing resolution has funded the Army's base budget at fiscal year 2012 levels, resulting in a shortfall of approximately $6 billion in the Operation and Maintenance, Army (OMA) accounts relative to the President's Budget. In the absence of a full-year appropriation that reallocates funds where they are needed, the Army will need to reprogram the necessary funds across appropriations to address this shortfall. Under the continuing resolution, we also face an approximate $5-6 billion shortfall in OMA Overseas Contingency Operations (OCO) funding for FY13 because of increased costs related to the war in Afghanistan. This impacts the preparation of units about to deploy, current operations in support of Operation Enduring Freedom (OEF), and our ability to reset equipment and personnel. In order to ensure our Soldiers are prepared, we have committed and will continue to commit 100% of our operation and maintenance requirements for OEF. However, this exacerbates the funding shortfalls for the rest of the Army that is not deploying to Afghanistan, creating unacceptable readiness levels for the future.

In addition to the impacts that the continuing resolution and OCO shortfalls are having on the force, the President issued a sequestration order on March 1, as required by law.

The order reduced Army budgets by approximately $9 billion, and if the current CR is extended for the rest of the fiscal year, we will face an additional sequestration due to a breach in the FY 2013 discretionary cap.

While budgetary uncertainty negatively affects each of the Army's operating and investment accounts, our OMA account is the most heavily burdened. Together, the continuing resolution, increased cost of OCO, and sequestration will equate to an $18 billion shortfall in the OMA account for the final seven months of FY13.

Recruiting

The ability to recruit high-quality Soldiers is vital to the All-Volunteer Army. A continuing resolution through the end of FY13 combined with sequestration will cause high risk to the FY14 Future Soldier entry pool, and may result in mission failure.

The U. S. Army Recruiting Command will implement measures to reserve funds for non-discretionary payroll costs and recruiting operations. Budget reductions to units that support recruiting impact the support services they can provide to the recruiting force. For example, United States Military Entrance Processing Command (USMEPCOM), projects reducing Military Entrance Processing Stations (MEPS) services by one day per week. Reductions to USMEPCOM testing and processing procedures will significantly increase applicant travel costs and adversely affect the processing of new recruits. Additionally, reductions to recruiter training will cause a shortfall of 900 trained recruiters nationwide thus increasing the risk of mission failure for the Army Accession mission.

Maintaining our connection with the American people, increasing their positive impressions of the Army and Army service, and making the U.S. Army the service of first choice amongst the eligible population is critical to Army readiness and the quality of our future force. As sequestration continues, we will miss key windows of opportunities to connect with qualified prospects and their influencers.

Officer Accession Programs

Much of the Army's officer corps is commissioned through and initially trained at the United States Military Academy (USMA) and through ROTC programs at colleges and universities across the country. Sequestration will adversely impact training and commissioning of trained Second Lieutenants.

The USMA commissions approximately 1,000 trained 2nd Lieutenants annually. Sequestration may influence a Secretary of the Army decision to reduce the overall size of the Corps of Cadets. In addition, programs such as basic training, field training, leader development, may be suspended for current and incoming cadets.

Senior Reserve Officers Training Corps (SROTC) provides the Army with approximately 5,350 trained 2nd Lieutenants each year. The Army funds approximately 12,000 scholarships and summer training (Leader Development & Assessment Course and Leaders Training Course). Sequestration may result in the elimination of new scholarship offers and a reduction of existing scholarships. Risk to FY13 missions is minimal; however, similar cuts in FY14 would result in significant mission risk to officer commissioning for School Year 2015 and beyond.

Junior Reserve Officers Training Corps (JROTC) is citizenship and leadership training for high school students. The Army currently operates 1,731 JROTC programs with more than 314,000 students participating and over 4000 retired Army Instructors. Sequestration may influence the Army's decision whether to maintain or reduce these JROTC programs, which would significantly impact thousands of youth. Cuts to Army funding will also have a significant impact on the required instructor certification training, hands-on summer Cadet training and curriculum development and enhancement.

The US Army Cadet Command will lose valuable oversight to the majority of programs; especially those operating in small school districts. This puts Cadet Command at high risk with reduced inspection opportunities and the inability to maintain and enforce standards on instructors and units.

Individual Training

The Army has prioritized Initial Military Training under sequestration, there will be a significant impact to the Professional Military Education Officers and Non-Commissioned Officers need to advance their careers. We will cancel 15 Field Artillery Advanced Individual Training (AIT) classes and train approximately 4,000 less Soldiers in critical Intelligence Military Occupation Specialties.

Curtailment/reduction of classes for Drill Sergeant School and AIT Platoon Sergeant courses will significantly impact manning in the Basic Combat Training, AIT and One Station Unit Training units.

Loss of training is not recoverable and leads to untrained Soldiers assigned to units - a negative impact to near term readiness. Loss of confidence in the stability the Army provides would damage recruiting and retention for many years, requiring a return to lower standards and an increase in recruiters and bonuses to maintain minimum end-strength.

Tuition Assistance

The Army Tuition Assistance program provides tuition assistance for vocational/technical and postsecondary programs, in accordance with OSD policy.

The potential year-long continuing resolution and the uncertainty of sequestration are causing the Army to suspend all FY13 Army Tuition Assistance support effective March 11, 2013, for the remainder of the fiscal year. The Service will continue to closely monitor the budgetary situation and may reinstate Tuition Assistance if conditions improve. Applications being processed now and current enrollments will be honored. Elimination of tuition assistance may cause many Service members who committed to educational programs with the expectation that the tuition assistance offered to them would cover or supplement their education expense to decide to postpone completion of their programs. Most active duty Service members have GI Bill benefits which they can

use while on active duty, to fund continued pursuit of their educational programs, should tuition assistance not be available to them for the remainder of fiscal year 2013.

Transition Assistance

The Army is reducing the active duty end strength from a wartime high of about 570,000 to 490,000; the Army National Guard from 358,200 to 350,000; and the civilian workforce from 272,000 to 255,000 by the end of fiscal year 2017 (FY17). This is a net loss of 105,000 Soldier and Civilian positions.

In addition to these programmed reductions, if sequestration continues through FY 2013 and the discretionary caps are reduced from FY 2014 to 2021, the Army may be forced to reduce an additional 100,000 personnel across the Active Army, Army National Guard and, U.S. Army Reserve in order to maintain a balance between end strength, readiness and modernization. These combined reductions will generate a total reduction of approximately 189,000 Soldiers across all components in the coming years.

As an Army and a Nation, we have a responsibility to ensure that Soldiers transitioning out of the Army have the support they need and deserve prior to separating, and are prepared to transition into civilian life.

Sequestration will not prevent the Army from maintaining service-specific transition assistance requirements to the more than 130,000 Soldiers who transition each year, as mandated by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 and the Presidential Veterans Employment Initiative. These requirements are delivered primarily by contract personnel. The current contract is fully funded through FY13. The impact of sequestration to the Department of Labor, which assists the Department of Veterans Affairs and DOD with providing mandated transition assistance services, could impact compliance with VOW.

The Army will continue to deliver mandated training/assistance for pre-separation and transition counseling, assist with the development of individual transition plans, conduct

Military Occupational Code to civilian skills crosswalk, conduct budget/resume development, and assist with job or college applications.

Military Personnel Services

Continuation of Military Personnel Services at current levels under a continuing resolution will not be possible and services will suffer. Under-resourced missions (ID cards, personnel records, casualty, Soldier Readiness Processing, reassignment processing, sponsorship, voting assistance), as well as increased work due to the Army drawdown (Soldier separations and retirements) has overwhelmed some garrisons.

Any significant reduction in funding of contract services or reduction of Department of the Army Civilian staff due to furlough or reduction-in-force will result in an unavoidable decline or non-delivery of services. Garrisons cannot compensate for the furlough of skilled technical workers by reallocating untrained employees who are also subject to furlough. These service providers were already decremented 20% during FY12 due to Headquarters, Department of the Army mandated civilian reductions.

Service Casualty Offices

The budget uncertainty places casualty and mortuary missions at unacceptable risk. Military funeral honors may be delayed for Soldiers and Veterans. Additionally, survivors may not receive casualty assistance, benefits or financial counseling on certain days due to "one deep" positions that are vacant that day.

The Military Burial Honors funds are required to execute military funeral honors for active duty Soldiers and veterans. Soldiers participating in military funeral honors ceremonies are entitled to per diem and transportation expenses. Without these funds, Soldiers from the Active Army, Reserves, and Guard components will not be able to receive reimbursement for expenses incurred. Additionally, current contracts for lodging, mortuary services, casualty case management, and training support are due to expire in the next month, and are not authorized to be renewed under the current CR.

Army Lodging/Public Works

Army Lodging receives municipal support from the Garrison Public Works Directorate. These services include preventive maintenance, scheduled routine repairs, and emergency repairs on building systems such as heating, ventilation and air conditioning equipment; fire alarm systems; major water leaks or sewer stoppages. Public Works also provides municipal type services such as snow and ice removal; trash removal and utilities.

Due to budget cuts, Public Works may not be able to provide the same level of support. Loss of this support would result in higher room rates to offset the cost of performing functions in-house; reduction in inventories; or reduction in services to allow reprogramming of available funds to replace Public Works services.

Family Programs

Family programs provide a comprehensive network of resources that allow Soldiers, Civilians, Family Members and Retirees to successfully navigate life in the Army.

Although family programs will be protected to the extent feasible, the new fiscal reality means potentially fewer resources are available in the coming years to sustain all programs and services. Potential impacted Army Community Services (ACS) programs include:

- Spouse employment and employment readiness support for the Veterans Opportunity to Work (VOW) Act initiatives.
- Support to new spouses such as Army Family Team Building.
- Master Resiliency Training that assists Soldiers and Families in communicating and building stronger relationships at a time when they are focused on reintegration.
- Family intervention programs such as New Parent Support Home Visitation and other Family Advocacy programs that prevent domestic violence.

- Financial Readiness programs that assist Soldiers and Families and are more important than ever in an environment where Soldiers returning home have reductions in deployment special pay and allowances.
- Support to Families (or Family members) with special needs; and support to Surviving Family members.

The long term impact of war on our Soldiers and Families is not completely known. ACS programs provide a comprehensive network of support to prevent and intervene. Behavioral trends including increases in suicides, alcohol and substance abuse, domestic violence, sexual assault, etc., are all areas that the Army Senior Leadership is concerned with; lack of funds for these support programs risks exacerbation of these issues. Soldiers are utilizing these programs at historically high levels and a funding reduction at this time would be detrimental to our Army. Unfortunately, for an institution that prides itself on its care for its people, the fiscal constraints are jeopardizing these efforts.

Child, Youth & School Services

Child, Youth & School (CYS) Services support the readiness and well-being of Families by reducing the conflict between unit mission requirements and parental responsibilities.

If a furlough of government service employees is implemented, the Army intends to request an exception for full-time Child Development Center (CDC) and School Age Center (SAC) employees in order to maintain 5-day coverage of centers to accommodate the needs of Soldiers and Families. Delivery of child care services and programs will be monitored continually and protected to the greatest extent feasible. Garrisons must assess local demand for programs, ensuring efficient delivery, while integrating smart business practices and entrepreneurial thinking.

Using non-appropriated funds to offset the reduction of appropriated funds, (as afforded in accordance with Federal Law and Army/DOD policy) to support CYS, all Family and

MWR programs will limit their capital reinvestment program to life, health, and safety and projects/equipment required to keep programs operational.

Morale, Welfare, and Recreation (MWR) Programs

Family and Morale, Welfare and Recreation (FMWR) programs provide a comprehensive network of quality support and leisure services that enhance the readiness and resilience of Soldiers, Civilians, Family Members and Retirees. For example, MWR funds are used to operate Army community libraries and recreation centers, and to sustain support and recreation programs for Soldiers and Family Members. Commanders will need to prioritize services based on resources available in the surrounding communities.

Post Exchange (PX)

Initially, the direct impact of sequestration will be minimal since Exchanges are primarily operated with non-appropriated funds. However, the Exchanges do receive limited appropriated funding for common base support services, transportation of goods from the U.S. to overseas locations, and similar expenses. As base operating support budgets are reduced, the inability to fund those authorized support costs with appropriated funds may result in the Exchanges having to pay more expenses from their revenue. In effect, this shifts the funding burden to the Soldiers and their Families in the form of cutbacks to exchange hours or services, higher prices for some products, deferred improvements to the stores, and reduced funds provided to MWR programs.

Chaplains

Unit Ministry Teams of Chaplains and Chaplain Assistants will remain capable of providing programs that support Soldiers and Families; however, Chaplains may need to prioritize elements of their current programs and cut programs and services based on available resources.

Congressional Assistance

Sequestration is not in the best interest of our country, our Soldiers, or our national security. Our current fiscal uncertainty has already resulted in the cancellation of training, the reduction of services to Army Families, and reductions to the civilian workforce. The cumulative effect of the Army's budget shortfalls and the enactment of sequestration puts the Army's ability to execute DoD strategic guidance at risk.
It is our shared responsibility – the responsibility of our nation's military leaders and Congressional leaders – to ensure the readiness of our military and the well being of our Soldiers. We ask Congress to act quickly to enact a balanced deficit reduction package, turn off sequestration, and pass a full-year appropriations bill.

No amount of flexibility could substantially mitigate the effects of sequestration. But, at a minimum, we would ask Congress to provide full-year funding that is aligned to the correct accounts to meet this year's requirements. We would also need Congress to support the Department's efforts to reprogram funds to meet our highest priorities. When we are not allowed by legislation to touch individual pieces of the budget, readiness accounts inevitably pay the price. I ask for your support to find a viable solution to the economic hurdles that face our Army and preserve what we have built over the past 12 years of war.

Conclusion

We have invested a tremendous amount of resources and deliberate planning to preserve the All-Volunteer force. Our dedicated and talented force of Soldiers and Civilians is the reason the United States Army is second to none. We have a responsibility to the courageous men and women who defend our country to take care of them and their Families. While we must transform to a smaller Army, it is imperative that we do so in a planned, strategic manner without sacrificing the programs that impact readiness and support our people.

Chairman Wilson, Ranking Member Davis, and members of the subcommittee, I wish to thank all of you for your continued support, which has been vital in sustaining our All-

Volunteer Army through an unprecedented period of continuous combat operations and will continue to be vital to ensure the future of our Army.

Lieutenant General Howard B. Bromberg
U.S. Army Deputy Chief of Staff, G-1

Lieutenant General Howard B. Bromberg became the U.S. Army's 46th Deputy Chief of Staff, G-1 on July 21, 2012. He is responsible for developing, managing, and executing manpower and personnel plans, programs, and policies for the total Army. Prior to this assignment, he served as the Deputy Commanding General/Chief of Staff, U.S. Army Forces Command.

Lieutenant General Bromberg hails from California and was commissioned as an Air Defense Artillery officer in the U.S. Army upon graduation from the University of California at Davis in 1977. He holds a bachelor's degree in Agricultural Economics and Management. Throughout his career, Lieutenant General Bromberg has served in Army units in the United States, Germany, Korea and Southwest Asia. He has commanded at every level in the air defense community from platoon to installation.

Lieutenant General Bromberg's command assignments include Commanding General, Fort Bliss, Texas; Commanding General, 32d Army Air Missile Defense Command, Fort Bliss, Texas, while serving in Operation ENDURING FREEDOM, Operation IRAQI FREEDOM, Saudi Arabia, Kuwait and Iraq; Commander 11th Air Defense Artillery Brigade, Third Army; Commander 1st Battalion, 43d Air Defense Artillery, Eighth Army, Republic of Korea; Commander, A Battery, 6th Battalion, 52d Air Defense Artillery, Germany.

Lieutenant General Bromberg's principal staff assignments include Chief of Staff, U.S. Strategic Command, Offutt Air Force Base, Nebraska; Deputy Director, Force Protection/Director, Joint Theater Air and Missile Defense Organization, J-8, The Joint Staff, Washington, DC; Director of Enlisted Personnel Management Directorate, U.S. Army Human Resources Command, Alexandria, VA.; Operations Officer (S-3)/Executive Officer (XO), 2d Battalion, 43d Air Defense Artillery, Germany and Operation DESERT SHIELD/STORM, Saudi Arabia; Operations Officer, Defense Branch, J-3, The Joint Staff, Washington DC; Chief, HAWK Operational Readiness Evaluation Team, 32d Army Air Missile Defense Command, Germany; and Platoon Leader, D Battery, 6th Battalion, 52d Air Defense Artillery, Germany.

Lieutenant General Bromberg's decorations and awards include the Distinguished Service Medal (with two Oak Leaf Clusters), Defense Superior Service Medal (with Oak Leaf Cluster), the Legion of Merit (with three Oak Leaf Clusters), Bronze Star, Purple Heart, Defense Meritorious Service Medal, Meritorious Service Medal (with three Oak Leaf Clusters), Army Commendation Medal (with two Oak Leaf Clusters), Joint Service Achievement Medal, Army Achievement Medal (with Oak Leaf Cluster), Parachutist Badge, Joint Chiefs of Staff Identification Badge and the Army Staff Identification Badge.

Lieutenant General Bromberg is married. He and his wife have two daughters.

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RELEASED BY THE HOUSE
ARMED SERVICES COMMITTEE

STATEMENT OF

VICE ADMIRAL SCOTT R. VAN BUSKIRK

CHIEF OF NAVAL PERSONNEL

AND

DEPUTY CHIEF OF NAVAL OPERATIONS

(MANPOWER, PERSONNEL, TRAINING AND EDUCATION)

BEFORE THE

MILITARY PERSONNEL SUBCOMMITTEE

OF THE

HOUSE ARMED SERVICES COMMITTEE

ON

IMPACT OF CONTINUING RESOLUTION AND SEQUESTRATION

ON FAMILY AND PERSONNEL PROGRAMS

IN OPERATIONS AND MAINTENANCE ACCOUNTS

13 MARCH 2013

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Chairman Wilson, Ranking Member Davis, and distinguished members of the Committee, thank you for holding this hearing and for affording me the opportunity to testify on anticipated impacts to family and personnel programs in the Operations and Maintenance accounts due to sequestration and the Continuing Resolution (CR).

When I testified before this subcommittee two weeks ago, I emphasized our commitment to carrying out the Chief of Naval Operations' guiding tenets of *Warfighting first, Operate forward and Be ready.* We are working to stabilize, balance and distribute the workforce while ensuring that Sailors are assignable, deployable and distributable. Our efforts remain grounded in the principle that our primary mission is to be ready to fight and win today, while building the ability to win tomorrow. Despite the CR and sequestration, we will continue to operate forward, where the Navy is most effective, while recognizing that it will be at significantly lower levels. While we will endeavor to remain ready, providing our fleet and Sailors the best possible training, maintenance, and logistics to assure their confidence and proficiency, sequestration and a prolonged CR are affecting our mission-essential functions by forcing difficult and unpopular choices that adversely affect Sailors and the families who support them.

Our situation

We face three separate, but linked, budget mechanisms that converge and place at risk our ability to carry out the defense strategy. As required by law, the President issued a sequestration order on March 1st, reducing DoD budget authority by roughly $41 billion. Were the current CR simply extended for the rest of this fiscal year, DoD would face an additional reduction of roughly $6 billion on March 27th, due to breach of FY 2013 discretionary caps. The combination of

sequestration and the budget shortfall in the operating accounts created by the current CR will render us unable to continue current and anticipated levels of operations, compel us to cancel some maintenance and training, and constrain our ability to invest in future capability and capacity. As a result, Navy will soon furlough as many as 186,000 civilians for up to 22 days, imposing a 20 percent pay reduction on them for the remainder of the fiscal year, and stressing Navy's ability to sustain critical family support programs at the levels our Sailors deserve. We have also frozen the hiring of almost all civilian workers and released 655 temporary workers, reducing support to quality of life and family support programs.

Impacts of sequestration

For most Sailors and their families, the effect of sequestration and the CR is the dramatic adjustment in the deployment schedules of ships and aircraft. Delayed or canceled deployments disrupt the lives of Navy families, particularly in cases in which Sailors have relocated dependents to be near extended family during prolonged absences, or have otherwise based personal and financial decisions on anticipated pay and tax benefits associated with deployment. Increased anxiety, family separation, and impacts to family budgets hurt morale to an extent that is neither quantifiable nor can be taken for granted.

The reduction of ready forces will increase stress on deployed or soon-to-deploy Sailors assigned to ships and squadrons. They will operate at a higher tempo – and we are already at an extraordinarily high operational tempo. While military compensation is exempt from sequestration, there is a cost to the force in Sailors having to do more with less. Facilities sustainment, restoration

and modernization will receive a disproportionate reduction in order to limit impacts on deployed and next-to-deploy forces, base operating support and depot maintenance.

Navy will limit, to the greatest extent possible, the impact on Family and Sailor Readiness programs. Because these programs are largely composed of civilian employees, a furlough will affect the levels of service at bases with smaller staffs. Specific impacts to programs are:

- Sexual Assault Prevention and Response (SAPR) – Ending sexual assaults remains a critical priority for the Navy; therefore, Sexual Assault Response Coordinators (SARC) and Sexual Assault Prevention and Response Victim Advocate (SAPR VA) positions have been exempted from the civilian hiring freeze. As the FY12 National Defense Authorization Act directed, Navy is on track to hire 66 SARCs and 66 SAPR Victim Advocates by the end of this fiscal year.
- Mental Health Care – Working with Defense Health Program and TRICARE, we are committed to ensuring mental health quality care is not adversely affected by sequestration. Over the last few years, Navy has placed significant emphasis and committed resources for Mental Health Care for Sailors and their families. For example, since 2009, we have increased clinical psychologists by 40%; furthermore, the civilian hiring freeze does not apply to additional Mental Health Care providers, if needed.
- Transition Assistance Programs (TAP), Family Assistance Programs (FAP) and Relocation Assistance Programs (RAP) will be affected by furloughs as well, impacting service levels in resource and counseling centers.

- Because 86% of our childcare professionals are non-appropriated-fund employees who will not be subject to furlough, staffing levels will be adjusted to mitigate the absence of appropriated fund employees.
- Morale, Welfare and Recreation (MWR) programs will be limited to reduced operating hours and capacity at fitness centers and other MWR facilities.
- Every effort will be made to preserve Tuition Assistance in FY13 to ensure current educational obligations are met; however, civilian furloughs may result in processing delays.

Specific examples of impacts to accessions programs include:

- Navy Recruiting marketing and advertising, which accounts for many Navy enlistments, will experience a reduced capacity to build awareness and generate leads.
- Reductions in travel funding at U.S. Naval Academy will limit midshipmen summer training, including Fleet experience/underway time on ships/submarines, summer international travel for training in language skills, regional expertise, and cultural awareness (LREC) and exposure to warfare communities (including Surface, Submarine, Aviation, Marine, SEAL, EOD).
- Cancellation of Science, Technology, Engineering & Mathematics (STEM) camps will adversely impact one of Navy's best community outreach programs for attracting top priority recruits.

While we are taking risk in shore operating accounts, we are still committed to protecting family support programs to ensure that we properly address the needs of families of forward-

deployed personnel, and that the resources necessary to sustain them in the absence of their sponsors will not be compromised. Ensuring Sailors and their families are well cared-for remains a top priority. As a result, critical support programs will continue to receive funding at levels that provide the support our sailors and their families deserve. Despite funding level reductions, we anticipate minimal impact to Child Development Centers and Fleet and Family Support Centers.

As Navy leadership considered where to apply required cuts to Operations and Maintenance accounts, we were determined to take no action that would:

- Disrupt voluntary education programs for Sailors enrolled in a course of instruction at a college, university or technical program that increases knowledge, aptitude and skills; thereby, enhancing readiness, improving performance, and increasing propensity for retention in the Navy;
- Limit implementation of programs designed to assist reintegration of Sailors leaving active duty under the Veterans Opportunity to Work Act and the Transition Assistance program.
- Reduce availability of alcohol awareness and deglamorization programs designed to reduce alcohol-related incidents that destroy Navy families, threaten the lives of Sailors and diminish their capacity to perform at their highest levels;
- Inhibit drug detection and abuse prevention through programs that reduce the incidence of drug abuse, particularly amidst the current scourge of spice and other synthetic drugs;
- Impact Navy's Safe Harbor program or preclude funding travel-to–the-bedside of seriously wounded, ill and injured Sailors, which permits family members to visit and provide

comfort and support to loved ones hospitalized in serious or very serious condition when the attending physician deems their presence necessary for the health and welfare of the patient;

- Impair suicide prevention and associated programs that build and foster resiliency, increase awareness of the root causes leading to suicide and reduce the stigma of self- and third-party reporting of at-risk individuals;
- Diminish casualty assistance and funeral support services to next of kin, including travel and per diem for family members to attend funeral or memorial services of those who give their lives in the line of duty, and for funeral honors teams assigned to pay final tribute to our nation's fallen heroes.

A furlough and potential loss of civilian expertise will compound our challenges; it will affect enlisted and officer training pipeline sources, including the U.S. Naval Academy, Naval War College and Naval Postgraduate School, each of which plays a critical role in developing Sailors. The immediate impact will be a decrease in throughput, which will increase the number of Sailors awaiting training, delaying arrival in the fleet, reducing hard-fought improvements in at-sea manning and operational readiness. The intermittent unavailability of 20 percent of furloughed civilians will also inhibit timely planning and promulgation of policy-related guidance. The second- and third-order effects of these reductions will be felt for years, as continued sequestration impacts exacerbate the situation over the next decade.

Currently, veterans comprise more than 57 percent of the Department of the Navy's civilian workforce. In FY 2012, we hired nearly 11,000, including over 2,500 disabled veterans, into the civilian cadre. Given the current Navy-wide hiring freeze, the availability of civilian job

opportunities, including those for veterans, has come to a virtual standstill. This is severely hampering the Department's ability to recruit a quality and skilled workforce capable of executing our mission.

In addition to sequestration for FY 2013, the BCA also required lowering of discretionary caps for FY 2014 through FY 2021, resulting from failure to enact $1.2 trillion in alternative deficit reduction by January 2012. Beyond FY 2013, if discretionary cap reductions are sustained for the full nine years, we would fundamentally change the Navy as currently organized, trained and equipped. While the Administration has exempted military personnel appropriations from FY 2013 sequestration, we cannot rule-out the possibility of future manpower reductions. The Secretary of Defense and Navy leadership will need to reconsider manpower costs and the balance between civilian and military manning. The size of the Navy may necessarily decrease further, using a combination of retirements and reduced procurement of new ships and aircraft. As the Chief of Naval Operations stated in written testimony before the House Appropriations Committee, given a set of fiscal circumstances under sequestration, and the corresponding reduction in discretionary budget caps from FY 2014-2021, the battle force could be as many as 50 ships fewer than reflected in our most recent shipbuilding plans. This would be 30-40 ships fewer than our current battle force, including at least two carrier strike groups, which could result in the need to reduce end strength with a possible corresponding need for implementation of involuntary force management tools that break faith with our all-volunteer force.

There are expected adverse impacts to Sailor training pipelines, as civilian furloughs and the hiring freeze at training commands result in a backlog, forcing students to wait longer for training. While we may be able to maintain appropriate manning of ships and squadrons, crew training-levels will suffer. Sailors will have a reduced opportunity to achieve personal and professional development; a hallmark of our recruiting efforts is the ability to provide Sailors with all of the skills they need to be successful. As this backlog of students grows, it will affect our ability to distribute highly skilled Sailors to the fleet, thereby, reducing overall readiness. Fleet commander mitigation actions regarding deployments, training and certifications, will have a cascading effect and long-term impact on personnel distribution and professional development. Finally, the overall angst and uncertainty associated with this process will undoubtedly take its toll as Sailors and civilians face decisions on whether to continue their service.

Conclusion

We ask Congress to act quickly to enact a balanced deficit reduction package, turn off sequestration, and pass a full-year appropriations bill. No amount of flexibility in implementation can substantially mitigate the negative effects of sequestration on the Navy, but if we do end up with a yearlong continuing resolution, we will need help from Congress to get the dollars in the correct appropriations. We will also need Congress to support our efforts to use the reprogramming process to ensure that we can use our available funds to meet our highest priorities. Our immediate concern is the inability to allocate reductions in a rational manner that protects Sailors and their families, while sustaining current operations pursuant to the Defense Strategic Guidance and National Defense Strategy.

I remain committed to working with the Congress, particularly the military personnel subcommittees, and continuing to provide information on the effects of operating under a continuing resolution and the effects of sequestration. Thank you, once again, for holding this important hearing.

United States Navy
Biography

10/11/2011 - Present

Vice Admiral Scott R. Van Buskirk

Vice Adm. Van Buskirk, a native of Petaluma, Calif., graduated from the United States Naval Academy in 1979. He assumed duties as the Navy's 56th Chief of Naval Personnel on Oct. 11, 2011. Serving concurrently as the Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (N1), he is responsible for the planning and programming of all manpower, personnel, training and education resources for the U.S. Navy. He manages an annual operating budget of $29 billion and leads over 20,000 employees engaged in the recruiting, personnel management, training and development of Navy personnel. His responsibilities include overseeing Navy Recruiting Command, Navy Personnel Command, and Naval Education and Training Command.

Ashore, he received his master's degree at the Naval Postgraduate School and served tours in the Navy Office of Legislative Affairs; Submarine Force U.S. Pacific Fleet; Bureau of Naval Personnel; and, Submarine Force U.S. Atlantic Fleet.

At sea, he served on board USS *Seawolf* (SSN 575), USS *Salt Lake City* (SSN 716), USS *Tunny* (SSN 682), and USS *Georgia* (SSBN 729) GOLD, and commanded the USS *Pasadena* (SSN 752) and Submarine Development Squadron 12.

As a flag officer, he has served as commander, Task Force Total Force; deputy to the Deputy Chief of Staff, Strategic Effects (MNF-Iraq); commander, Carrier Strike Group Nine; assistant deputy, Chief of Naval Operations for Operations, Plans and Strategy (N3/N5B); deputy commander and chief of staff, U.S. Pacific Fleet; and, most recently, as the 47th commander of the United States 7th Fleet, forward deployed in Yokosuka, Japan.

He is entitled to wear the Distinguished Service Medal, Defense Superior Service Medal, Legion of Merit (seven awards), and other various personal, unit and service awards.

Updated: 18 November 2011

Not public until released by the
House Armed Services Committee

STATEMENT

OF

LIEUTENANT GENERAL ROBERT E. MILSTEAD, JR.

DEPUTY COMMANDANT FOR MANPOWER & RESERVE AFFAIRS

UNITED STATES MARINE CORPS

BEFORE THE

SUBCOMMITTEE ON PERSONNEL

OF THE

HOUSE ARMED SERVICES COMMITTEE

CONCERNING

IMPACT OF A YEAR-LONG CONTINUING RESOLUTION AND SEQUESTRATION

ON O&M-FUNDED MILITARY PERSONNEL PROGRAMS

ON

MARCH 13, 2013

Not public until released by the
House Armed Services Committee

I. Introduction

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to discuss the potential impacts of a full-year Continuing Resolution (CR) and sequestration on Marine Corps O&M-funded military personnel programs.

As our Commandant recently testified to you, sequestration - both the immediate cuts in FY13 and the associated reductions in discretionary caps in future years - will have a devastating impact on our Nation's readiness both short- and long-term. Sequestration creates unacceptable risk to our National Strategy, our forces, our people, and our country—risk that would be further exacerbated by the effects of the existing CR.

No matter what the implications, there are some things that must endure. Your Marine Corps is, and will continue to be, our Nation's expeditionary force in readiness. We will be ready to rapidly respond to crises around the globe to ensure the continued security of the American people and to protect the interests that underpin our prosperity. Marines will be *always faithful* to the trust which the American people have vested in them. Already a lean organization, your Marines will continue to give you the best capability that can be squeezed from the resources you allocate for our Nation's defense. Our individual Marines are the Corps' most sacred resource, and always will be.

II. Marine Corps Personnel

Pursuant to guidance issued by the President and the Secretary of Defense last year, the Marine Corps has initiated a reduction in our Active Component end strength from 202,100 to 182,100 by the end of FY16. We are conducting our drawdown in a measured way. Our plan is to reduce our end strength by not more than 5,000 Marines per year and will be accomplished

primarily by natural attrition, voluntary separation, and retirement authorities. Involuntary separations will be minimized as much as possible, and we have no plans to conduct a reduction-in-force. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force. Our overarching goal must be to keep faith with our Marines and their families.

While the focus of this hearing is to review the potential impacts on O&M-funded programs, the impacts on military personnel and civilians, the programs that support them, and the appropriations that fund them, must be discussed holistically because they are interrelated. It would be inaccurate to assume that, just because the military personnel account and overall end strength are exempted from sequestration in FY13, your Marines are not impacted. Overall, the readiness of your Corps stands to take a huge hit and, when readiness is hit, personnel are hurt. Training suffers; family programs are put at risk; teachers, therapists, and even the guards at the gate are stretched thin; stress and anxiety rise and, ultimately, Marine survivability is jeopardized. In essence, those whom have given the most to the security of this Nation are asked to accept the bulk of the risk sequestration poses to this Nation.

III. O&M-Funded Personnel Programs

a. Recruiting

Recruiting the all-volunteer force is the lifeblood of the United States Marine Corps. Historically, our annual accession requirements have averaged around the same numbers, regardless of end strength – this is inextricably linked to the youthful, cost-effective nature of our force. Sequestration could result in underfunding the Marine Corps' recruiting effort, resulting in reduced accession quality and a demoralized, stressed recruiting force. Of note, in advance of sequestration, 71 percent of Marine recruiters are already working more than 60 hours a week.

We project that cutting into our recruiting operations funding, combined with reduced external support, may result in four to six recruiting stations missing mission in FY 13, potentially expanding in FY 14, all of which will degrade the quality and diversity of our recruiting pool.

Lastly, the Marine Corps is committed to maintaining investments in the accession process. However, our success is vulnerable to severe budget reductions at the joint Military Entrance Processing Stations, including lost processing days from civilian furloughs, and the elimination of student testing. Capability losses at MEPS will reduce our ability to contract and bring Marine recruits into the training pipeline which will reduce our readiness and accentuate the degradation previously mentioned. Our all-volunteer force depends on a reliable pipeline of recruits for sustainment; disruptions to that pipeline have lasting impacts across the entire force.

b. Family Programs

Although they will be protected to the extent feasible, sequestration will impact our family programs. The Marine Corps' approach to potential sequestration cuts will be focused on preserving programs that support the health and welfare of our Marines and their families. These programs collectively promote the physical and mental well-being of Marines and families and are considered most essential in meeting the operational objectives of the Marine Corps. We will have to prioritize our resources to ensure we maintain these programs while taking risk in lower priority programs in the near term.

Furthermore, any actions that impact our civilian workforce will directly impact our capability to provide essential support services to Marines and their families. A furlough would impact our direct-care service, decreasing service hours across Behavioral Health, Family Readiness, Personal and Professional Development, and Family Care programs, including child care.

However, our highest priority family programs -- sexual assault, behavioral health, combat operational stress control, suicide prevention, and, above all, the Wounded Warrior Regiment -- will be protected to the greatest degree that we can at the expense of those lower priority programs. But there will be some risk, and we will take risk in those lower priority programs to fuel the highest priority programs.

c. Wounded Warrior Care

We will protect, to the greatest extent possible, what we hold sacred – caring for wounded warriors. To preserve our programs and services for our wounded, ill and injured (WII) Marines, we will work to fully shield the Wounded Warrior Regiment (WWR) from any direct impacts associated with the CR and sequestration. For example, we will ensure that a sufficient number of multi-disciplinary team members will remain available for care coordination actions in support of individual WII Marines and families. While this strategy will allow services to continue, it is not sustainable indefinitely. Compromised staffing could eventually lead to the delayed delivery of services, such as transition support, therapy and reconditioning, and administrative support.

d. Morale, Welfare, and Recreation

Our Marine Corps' Morale, Welfare, and Recreation (MWR) programs are divided into three categories, A, B, and C. Category A program areas are considered most essential in meeting the organizational objectives of the Marine Corps. They collectively promote the physical and mental well-being of Marines and families, a requirement that supports the accomplishment of our operational mission. The Marine Corps' approach to potential sequestration cuts is focused on preserving these Category A programs while taking risk in lower priority programs, such as Category B, or leisure and recreation programs. Basic community support programs may be

impacted by fewer support staff, shorter hours of operation, imposition of user fees, or suspension of the program based on the severity of sequestration reductions.

Category C programs are revenue generating programs to include the Marine Corps' Exchange and PCS lodging. The Exchange generates its own revenue and can continue to largely self-sustain and we do not anticipate any service level reductions in our Exchange programs. The Marine Corps will attempt to temporarily sustain MWR programs via a rebalancing of nonappropriated fund resources that are primarily generated in Category C Programs. This will not be sustainable as non-appropriated funds are not intended to offset appropriated fund requirements. We are working on long-term sustainable solutions to continue providing those programs most important to our Marines and families.

IV. Civilian Marines

Even though military personnel funding is exempt from sequestration, our Marines will still most certainly be negatively impacted by a furlough of up to 25,600 Civilian Marines. With a ratio of 1 civilian for every 10 Marines, furloughs of any length to our Civilian Marines compromises the readiness of the Marine Corps.

The impact on Marine Corps readiness to our depots, bases, and stations, and to readiness of our Force is significant. Over 95 percent of our Civilian Marines do not work in Headquarters' elements in the Pentagon; they are at our bases, stations, depots, and installations. The CR and sequestration could compromise security on our installations if base firefighters and police are unable to provide timely emergency response. Housing maintenance and base utility work will be limited to emergency levels of support. Reduced IT support compromises our cyber security capabilities.

Sixty-eight percent of our Civilian Marines are veterans that have chosen to continue to serve our Nation. They are our security guards, firefighters, teachers, therapists, and transition

support personnel. Of those, a full 13 percent have a certified disability. With sequestration in effect, opportunities for employment will be drastically reduced or, in the event of a forced hiring freeze, eliminated. Marine Corps bases and commands in Virginia, California, North Carolina and Georgia will feel a dramatic impact as hiring pools stagnate and the essential talent needed to conduct missions there begins migrating in order to take care of their family or personal welfare.

The potential human impact associated with furloughing our Civilian Marines is significant. They could lose up to twenty percent of their pay during the furlough period, which could last up to 22 weeks. While we would like to believe that a discontinuous furlough will reduce the impact on our employees, most will not be able to easily absorb this sudden loss of income. During this furlough, we would be operating only at 80% productivity for 22 weeks. Employee stress will increase; morale will decline; productivity will suffer; commitment to federal service may decrease; and military missions will most certainly suffer.

V. Conclusion

Like our Commandant, I am committed to building the most ready Marine Corps that our Nation can afford. However, the current fiscal uncertainty jeopardizes this goal. Your Marine Corps will continue to uphold our reputation as the "frugal force"- we will ask only for what we truly need. But we must always remember that our individual Marines are our most precious asset, and we must continue to attract and retain the best and brightest into our ranks, and we must always keep faith with them.

I thank you for your continued support to your Marines.

Lieutenant General Robert E. Milstead, Jr.
Deputy Commandant, Manpower & Reserve Affairs/Commanding General, Marine Corps Recruiting Command

Lieutenant General Robert E. Milstead, Jr., was born at Fort Sam Houston, Texas, on 10 November 1951, the son of a career Air Force Officer. He graduated with a B.A. in English from the University of Houston in 1974 and was commissioned a Second Lieutenant in March 1975. Upon graduation from the Basic School, he reported to NAS Pensacola, Florida, and was designated a Naval Aviator in September 1976.

Assigned to Marine Aircraft Group 39 at Camp Pendleton, Second Lieutenant Milstead joined HMA-169 flying the AH-1 Cobra helicopter. In June 1981, Captain Milstead was transferred to Separate Brigade Platoon, 2nd ANGLICO at Camp Pendleton where he served two years as the S-3 Officer. While assigned to 2nd ANGLICO, he attended both the U.S. Army Pathfinder School and U.S. Army Airborne Course.

In July 1986, Major Milstead was transferred to Quantico, Virginia, to attend the Marine Corps Command and Staff College. Graduating with honors, he was reassigned to The Basic School. In September 1990, he reported to MAG-36 on Okinawa as the S-3A/Plans Officer. During this tour, he deployed to Turkey and Northern Iraq as the Executive Officer of SPMAGTF 1-91 during Operation Provide Comfort.

Transferred to 3d MAW (FWD) at El Toro in June 1992, Lieutenant Colonel Milstead served as the Plans Officer and later as the 3d MAW Liaison Officer to MARFOR Somalia during Operation Restore Hope. He returned to MAG-39 in May 1993 and was assigned to HMLA-169 as the Executive Officer. He became the Commanding Officer of the HMLA-169 Vipers on 22 November 1994.

Relinquishing command in June 1996, he was transferred to Washington, DC to attend the National War College. Graduating with a Master of Science in National Security Strategy, Colonel Milstead was assigned to Headquarters, U.S. Marine Corps, as the Head of the Aviation Weapons Systems Requirements Branch (APW) in the Department of Aviation. In July 1999, he was reassigned within the Pentagon for joint duty in the Office of the Under Secretary of Defense for Acquisition, Technology and Logistics, Strategic and Tactical Systems, Land Warfare.

In May 2001, Colonel Milstead assumed command of Marine Aircraft Group 29 at New River, North Carolina. During this command tour, the MAG-29 War Eagles deployed and participated in combat operations during Operation Iraqi Freedom. He relinquished command in August 2003, and was reassigned to Camp Lejeune as Chief of Staff, 4th Marine Expeditionary Brigade (Anti-Terrorism). In September, 2004 Colonel Milstead was reassigned to 2d Marine Aircraft

Wing at Cherry Point as Commander, 2d MAW (Fwd) for deployment to Iraq. He was promoted to Brigadier General in Iraq on 17 February, 2005. 2d MAW (Fwd) returned to Cherry Point in February 2006. From March until June 2006, he served as the Commanding General, 2d Marine Aircraft Wing, prior to transferring to Headquarters, U.S. Marine Corps for assignment as the Director, Marine Corps Public Affairs. In May 2008, he was transferred to Quantico, Virginia and served as the Commanding General, Marine Corps Recruiting Command. In December 2010, Lieutenant General Milstead was appointed to his present grade and assumed the duties as Deputy Commandant, Manpower and Reserve Affairs, Quantico, VA.

Lieutenant General Milstead's personal decorations include the Defense Superior Service Medal, Legion of Merit with two gold stars in lieu of second and third awards with the Combat V, Meritorious Service Medal, Air Medal with 6 Strike/Flight Awards, Joint Service Commendation Medal, and the Navy Commendation Medal. Lieutenant General Milstead is happily married. He and his wife have four children and two grandchildren.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE ON MILITARY PERSONNEL

COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: IMPACTS OF FULL YEAR CONTINUING RESOLUTION AND SEQUESTRATION ON MILITARY PERSONNEL AND FAMILY RELATED PROGRAMS

STATEMENT OF: LIEUTENANT GENERAL DARRELL D. JONES
DEPUTY CHIEF OF STAFF MANPOWER, PERSONNEL
AND SERVICES UNITED STATES AIR FORCE

MARCH 13, 2013

NOT FOR PUBLICATION UNTIL RELEASED
BY THE COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

SEQUESTRATION AND THE UNITED STATES AIR FORCE

Today the 690,000 Total Force Airmen of your Air Force are a highly trained, experienced and battle tested force, standing as vanguards of freedom around the world. Despite the last two decades of sustained conflict, the men and women of your Air Force are as dedicated, innovative and hard working as ever before. The Air Force does not take lightly its primary role of training and equipping the highest quality Airmen the President, Congress, Combatant Commanders and ultimately our Nation can call upon as needed. In order to fulfill this role, the Air Force must remain focused on recruiting, training, supporting and retaining a world-class, all-volunteer Force. We realized long ago if we do not continuously focus and invest towards producing and retaining the highest quality Airmen, we as an institution fail. Sequestration promises to severely degrade these efforts, which ultimately will significantly undermine the readiness, responsiveness and performance our Nation expects of our fighting forces.

We face three separate, but interrelated budget mechanisms that taken together jeopardize the Air Force's ability to fulfill its role in the Nation's current defense strategy. For the United States Air Force, the Joint Committee sequestration order issued March 1 has already reduced our FY 2013 topline budget by $10.7 billion, affecting every non-exempt account and program. We also face an estimated $1.8 billion shortfall in overseas contingency operations funding due to higher than anticipated costs in theater, and if the current continuing resolution is extended to a full year, a second sequestration due to a breach in the fiscal year 2013 discretionary caps. The combination of these factors presents tremendous challenges. The threat of reductions of this magnitude has already driven disruptive actions in the near-term, and promises devastating impacts over the long-term. These budgetary limitations will significantly disrupt the Air Force civilian workforce, undermine the Air Force's readiness and responsiveness, and delay necessary infrastructure improvements today, while also hobbling modernization efforts-mortgaging the Air Force's future health for years to come.

Airmen are the backbone of your Air Force. Recruiting, training, sustaining and retaining a world-class, all-volunteer Air Force is a significant undertaking and requires a significant investment of time and national resources. We are morally obligated to make every effort to fill our ranks with the best from the recruiting pool our Nation has to offer, and then train, support and equip them to complete their assigned missions. If the out year cuts associated with sequestration are not replaced with alternative deficit reduction, the Air Force will experience sustained budget reductions from fiscal year 2014 to fiscal year 2021. The impacts of these reductions will not all be immediately felt. However, should these topline reductions continue beyond fiscal year 2013, our ability to recruit, develop, and sustain the

quality force we need to face the future threats of an ever increasingly complex national security environment will be severely impacted.

SEQUESTRATION IMPACT TO ACCESSIONS AND RECRUITING

Accessions are the lifeblood to a healthy future force and must be guarded in order to avoid significant personnel shortfalls and experience gaps that can last up to 20 years. Recruiting efforts are intricately linked to meeting accessions goals, and therefore, require constant investment. We are concerned reduced operating budgets and furloughs could lead to curtailed operations of Military Entrance Processing centers to support the Air Force's accession requirements. The Air Force calculates civilian furloughs will have an immediate and lasting impact on our ability to meet fiscal year 2014 accession goals and beyond. We depend on the ability to carry forward one third of our accessions goal into a fiscal year when it begins. The ability to do this is generated by having a revolving pool of qualified recruits. This pool provides the diversity needed to recruit the right people, at the right time, in the right jobs. The Air Force has determined sequestration beyond three months will put our ability to meet specific career field needs at risk.

We are already seeing indications of slowed interest among potential recruits as the economy shows signs of life. Future indicators show a greatly reduced propensity for young people to serve in the military, and an alarming increase in the number of young people reaching military service age who are deciding against a career in the armed forces. Additionally, approximately 75 percent of America's age qualified youth are not qualified for military service. When all these factors are combined, it suggests it is increasingly more difficult for the military services to meet accession goals from the pool of propensed and eligible youth who qualify in the top three mental aptitude categories (Cat I-IIIA). An adequate and sustained advertising campaign is one of the most effective tools to combat these trends. However, the inevitable reduction in recruiting investment due to sequestration could further threaten the future readiness and ability of the Air Force to attract the right recruits to fill our ranks in future years.

OFFICER ACCESSIONS PROGRAM IMPACTS

Current projections are sequestration will not affect throughput at any of the Air Force's commissioning sources, but the quality of the training they receive may be degraded. The United States Air Force Academy (USAFA) and the Prep School will absorb cuts by deferring facility and infrastructure projects to cover approximately 70 percent of the shortfall. Summer and military training will be reduced as will the capacity for outreach and recruiting efforts. USAFA will have more difficulty attracting and retaining civilian faculty to include Visiting Professors, which ultimately could affect

USAFA's accreditation and academic reputation. Sequestration will impact USAFA's ability to cover future obligations under research agreements, and potentially could reduce the number of sports programs. The potential for civilian furlough impacts all cadet support areas, including flying and field training, transportation, and feeding. However, while stretched, there is enough military faculty to continue the education mission.

Unlike USAFA, ROTC relies primarily on the infrastructure of the host university, so building maintenance is not an issue. ROTC has already reduced a great deal of their training and "experiential" courses based on past budget reductions. If scholarship funding is reduced, it will affect ROTC's ability to attract quality officers with the technical majors that are currently in demand. Additionally, ROTC scholarships help recruit high performing diverse students which lead to a more diverse officer corps. Civilian furloughs and reductions will affect the Air University registrar's ability to process scholarship applications and recruiting functions will be impacted as well.

CITIZENSHIP PROGRAMS (AFJROTC)

The 2013 National Defense Authorization Act (NDAA) provided relief to the Air Force Junior Officer Training Corps (AFJROTC) program's expansion, which was mandated in the 2009 NDAA. In lieu of growth, AFJROTC is mandated to sustain their current number of units at 870. As some units close due to lack of funds in local school districts, AFJROTC is required to open new units to maintain the 870 status quo. Further budget cuts will jeopardize AFJROTC's ability to sustain mandated unit levels, and mid-year adjustments make instructor salary, which accounts for 93% of programmed funds, vulnerable, potentially placing us in breach of contract with the individual school districts.

VOLUNTARY EDUCATION

The Air Force is reviewing all education programs to determine which may be curtailed without significantly degrading current and future capacity. One program being reviewed is the Military Tuition Assistance (MilTA) program. The MilTA program provides comprehensive opportunities for Airmen to pursue programs of Higher Education ensuring a highly trained and educated workforce. Higher education and military professional development ensure Airmen are able to perform at high levels of confidence. MilTA supports Air Force readiness by providing the education necessary for Airmen to develop the critical thinking skills required to perform in vague and unexpected environments quickly and effectively. For the remainder of fiscal year 2013 the Air Force is attempting to fund MilTA at the maximum extent possible.

AIRMAN DEVELOPMENT

While the Military Personnel Appropriations exemption does protect Airmen from a direct loss in compensation, sequestration could pose a threat to our ability to optimally fund programs that support military members. Of particular concern are Airman developmental education programs.

Developmental education is designed to further our Airmen's critical thinking skills and enhance their leadership and management expertise. The Air Force develops this intellectual framework via several developmental education (DE) opportunities: Professional Military Education (PME), Advanced Academic Degrees (AAD), Professional Continuing Education courses, Fellowships, Advanced Study Groups, research, and doctrinal studies. Education and training are the foundation of our airpower advantage; therefore, the Secretary and Chief of Staff have made developing Airmen at the tactical, operational and strategic levels a top priority. Sequestration will certainly mean a loss of critical development opportunities for our Airmen and threatens the ability to continue development efforts at the levels needed to maintain our airpower advantage. Sequestration could dictate immediately reducing training quotas for Airmen attending PME in a temporary duty status, specifically junior officers attending Squadron Officer School, enlisted Airmen attending their Airman Leadership School, as well as junior and senior enlisted Airmen attending our two non-commissioned officer academies. Reduced production capacity of our enlisted schools translates to the inability to develop the competencies we have deemed necessary for our Airmen to carry out their duties. Lost developmental education opportunities for our officers and senior enlisted corps diminishes our ability to develop a cadre of strategic leaders who are proficient in analytical techniques, systems-level problem-solving strategies, language, region and culture and communication skills.

Sequestration would also negatively impact civilian personnel development. We would cancel all senior leader development and prioritize functional training to only those required by Federal law, executive order or Department of Defense directive. This will reduce funding of occupational/functional training related to specific areas of expertise. Lack of training would erode productivity and result in the expenditure of more resources than necessary to correct deficiencies.

FAMILY SUPPORT AND TRANSITION PROGRAMS

Although we intend to protect family programs to the extent feasible, cuts in family support programs under sequestration may be necessary and will make it challenging to provide programs at their current levels. These programs help us to maintain ready, resilient Airmen, and sustained reductions to these programs may negatively impact future readiness and unit cohesion.

Our Airmen and Family Readiness Centers (A&FRC) provide a wide variety of programs and referral services for our total force members and our spouses. These programs include counseling, post-deployment training, family financial planning, and many facets of transition planning. We are concerned sequestration's effects from civilian furloughs and reduced budgeting could affect our mandatory Transition Assistance Program (TAP) classes and degrade other activities supporting service members and their families.

CHILD AND YOUTH PROGRAM IMPACTS

Child and Youth Programs will be affected by sequestration should their staff be furloughed. The impact will vary by installation based on available staffing but could result in reduced program opportunities across our Child & Youth Programs to include youth sports and instructional classes, homework help, recreational opportunities and outreach support to Guard and Reserve youth, or reduced class sizes leading to possible room closures or longer wait lists.

The furlough of Child Care support staff will impact approximately 25 percent of our caregiving staff as well as our entire management and administrative team, who are charged with ensuring health and safety standards are maintained. Because these standards must be maintained even with reduced staffing, installations may be forced to reduce hours of operation or reduce class sizes, which may require single and dual working parents to adjust their work hours or find alternative care at a higher cost. Reduced staffing and construction project delays could also stall the opening of approximately 750 child care spaces that are currently in different phases of construction. Due to limited off-base childcare options (particularly for infants and toddlers at many locations), the result may be growing on-base child care waiting lists at a time when community-based funding for such programs has simultaneously been cut.

Also, military spouses comprise an estimated 25 percent of our Child and Youth Program workforce, which will create a direct financial hardship to some of our military families by reducing family income.

MORALE WELFARE RECREATION AND LODGING

Morale, Welfare and Recreation (MWR) provides the programs the Air Force needs to foster ready, resilient Airman and families in support of mission accomplishment. Historically, various Quality of Life Surveys, to include the 2011 Department of Defense (DoD) MWR Customer Satisfaction Survey, tie MWR programs to positively supporting retention, readiness and unit cohesion. Consequently, one of the Air Force's key priorities is developing and taking care of Airmen

and families. Air Force leadership maintains keen emphasis on this priority while striving to be as efficient as possible, especially in the face of an austere fiscal environment.

In fiscal year 2012, Category A (Mission Sustainment) programs (e.g. Fitness Center, Libraries, Dining Facilities) received 95 percent of their appropriated fund requirements. Category B (Basic Community Support) programs (e.g. Outdoor Recreation, Information Ticket and Tours, Community Centers) received only 61 percent of their appropriated fund requirements which is below the Department of Defense standard of 65 percent. Sufficient appropriated funds were provided to Category C (Revenue Generating Activities) programs (e.g. golf, bowling, clubs) in remote and isolated (CONUS) and overseas installations. Overall, in fiscal year 2012, MWR experienced 19 activity closures at various Air Force installations due to their inability to remain solvent, but there have been no eliminated programs Air Force-wide.

Recognizing our recent funding challenges, the evolving demographics and lifestyles of today's Airmen and families, and further reduced budgets under sequestration, we are reviewing all Family and Morale, Welfare and Recreation (MWR) programs through customer satisfaction surveys and business analysis. Our goal is to determine how best to provide family and MWR programs and base-level support services in today's budget-constrained environment. For instance, we are focusing our resources on those core programs (ex: Food, Fitness, Child Care) which best support ready, resilient Airman and may be forced to make hard decisions to not fully support other programs (ex: Libraries, Youth Programs, Outdoor Recreation). This strategy provides an avenue to focus funding towards support programs having the greatest influence in promoting retention, readiness, unit cohesion and morale of our Airmen and their families. We will continue to leverage our resources to better meet the needs of Airmen and their families we serve.

Air Force Lodging is a cost-effective force protection method, which allows military members performing temporary duties to stay on an installation, in a secure environment, at less than the cost of housing than in commercial off-base hotel. Additionally, temporary lodging facilities provide our members and their families who are permanently changing duty stations the ability to stay on base in a safe, secure, and familiar environment while they find permanent housing. The capability for military members and retirees to stay in lodging on a space-available basis while traveling on personal business or vacation has long been recognized as a satisfying benefit to both the traveler and Air Force Lodging. Currently Air Force Lodging operates 88 Air Force Inns at 95 operating locations, which includes 30,000 visiting quarters and 3,500 thousand temporary living facilities. Due to mission changes at many of our installations, Air Force Services commissioned two studies in fiscal year 2012 to analyze each

installation mission and recommend "right-sizing" the number of lodging rooms to meet mission requirements and options for the most effective future operating model for Air Force Lodging, including privatization. These studies were recently completed and are being prepared for review by Air Force leadership to determine the way ahead. Even as we "right-size" and choose the most effective operating model for the future, it is clear that sequestration and the reduction in travel will affect our lodging operations.

Regardless of the result of sequestration, we are committed to supporting our Airmen and their families and will make adjustments based on available funding in an effort to focus our resources where they are needed most. Sequestration will most certainly frustrate these efforts, and we realize if we do not allocate the proper resources to develop and care for our Airman and families, it could ultimately affect readiness and retention.

MILITARY FUNERAL HONORS AND CASUALTY ASSISTANCE

We estimate that last year Air Force Installation Honor Guards provided honors at nearly 30 thousand funerals or memorials. The level of demand for these honors will remain sustained for the next two to five years due to the aging demographics of our veterans, in particular our veterans of the Second World War generation. Regardless of sequestration, we will continue to fulfill our sacred duty to provide military funeral honors for our active duty, retiree and veteran communities. While this commitment continues, we understand sequestration may have an impact at all mission levels. Our Honor Guards are composed of Airmen who volunteer for this honorable duty and are taken from units without any backfill, thus impacting the primary mission of their owning units. Further, sequestration over the longer term could greatly restrict our ability to restock supplies as they are expended, and without appropriate replenishment may hinder our ability to render honors with the professional polish we expect, due to the high cost of supplies such as ceremonial uniform items. We will continue to render honors for every request and expect limited direct impact to honor guards; the secondary effects of supporting this mission as expected could come at the detriment to other operational requirements.

Sequestration will not impact the Air Force's sacred mission to ensure prompt notification to the Next of Kin for our active duty members. Although many of the Air Force Casualty Assistance Representatives (CARs) at our bases are civilians, and will be impacted individually with a loss in income, they have trained military personnel as back-ups in the Airman & Family Readiness Centers as well as Casualty Augmentation Support Team (CAST) at each base. If a notification is required on the CAR's furlough day, the back-ups will ensure notifications are completed within the Air Force standard of 4 hours. Any requested Emergency Family Member Travel (EFMT) would also be worked

immediately by those back-ups. However, furlough days may over time impact the primary services being delivered by back-ups, and the length of time it takes to complete follow-on casualty assistance visits and paperwork for the Next of Kin may be extended. It will also delay the Survivor Benefit Plan (SBP) support our CARs provide to active duty members transitioning out of the Air Force and it will delay the casualty assistance support they provide for retiree deaths.

EXCHANGES

While the expected impact of sequestration to the Army and Air Force Exchange Services (AAFES) is expected to be small, there may reduced funding for the Second Destination Transportation used to subsidize shipping products to overseas Exchange locations, which would impact the delivery of time sensitive food items and merchandise. This, combined with an increased need to use local sourcing may increase prices and reduce access to stateside products at overseas locations. AAFES remains committed to leveraging resources to better meet the needs of Airmen and their families. They have conducted top to bottom operational reviews in efforts to reduce costs and become more efficient while continuing to provide quality services to our Airmen and their families. Sequestration will not impact this continued effort.

CHAPLAIN PROGRAMS

Sequestration will have great impact on the Chaplain Corps' ability to provide comprehensive spiritual care for Airmen and their families. Under sequestration, local chapels are expecting potentially large reductions to their appropriated budgets. If these reductions occur, there would be negative consequences to chapel ministries. Chapel contracts will be at risk, and if terminated, would force bases to reduce religious program opportunities. Furthermore, there will be a markedly diminished ability to provide resiliency opportunities and programs for Airmen and their families, to include child and teen character building opportunities, and family and deployment resiliency training. Finally, there will be reduced opportunity for credentialing and resiliency training opportunities for the professional development of Chaplain Corps personnel.

CONCLUSION

Your Air Force and the Airmen who proudly serve in it remain committed to its foundational purpose, to "Fly, Fight and Win" in air, space and cyberspace for our joint team. Sequestration will present a major challenge to this purpose. Specifically, sequestration will challenge the Air Force in our ability to fully recruit, develop, equip, and sustain the force our Nation deserves and expects. We recognize the significant fiscal challenges our Nation faces. However, utilizing arbitrary, across the board cuts, to achieve our fiscal goals is shortsighted and will impact our readiness levels in the near and

long-term. We urge Congress to do all that is necessary to avert the long-term impacts of these arbitrary budget cuts driven by sequestration and pass an appropriations measure to reach a more balanced and conciliatory solution.

BIOGRAPHY

UNITEDSTATESAIRFORCE

LIEUTENANT GENERAL DARRELL D. JONES

Lt. Gen. Darrell D. Jones is the Deputy Chief of Staff for Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington, D.C. General Jones serves as the senior Air Force officer responsible for comprehensive plans and policies covering all life cycles of military and civilian personnel management, which includes military and civilian end strength management, education and training, compensation, resource allocation, and the worldwide USAF services program.

General Jones entered the Air Force in 1979 as a graduate of Mississippi State University's ROTC Program. He has served in a wide variety of assignments at base level, major command, secretariat, combatant commands and Headquarters U.S. Air Force. He has commanded a squadron, group, two wings and a direct reporting unit. The general also led the Headquarters U.S. Air Force Deputy Chief of Staff for Personnel's Issues Team, served as Director of Personnel for Pacific Air Forces, and was Director of Manpower and Personnel, Headquarters U.S. Central Command.

Prior to his current assignment, the general was the Commander, Air Force District of Washington, and Commander of the Air Force Forces for Joint Forces Headquarters-National Capital Region, Andrews Air Force Base, Md., which provides the single Air Force voice and component to the Joint Forces Headquarters-National Capital Region, as well as organizes, trains and equips combat forces for the aerospace expeditionary forces, homeland operations, civil support, national special security events and ceremonial events.

EDUCATION

1979 Bachelor of Science degree, Mississippi State University
1984 Master of Arts degree in business administration, Webster University, St. Louis, Mo.
1984 Squadron Officer School, Maxwell AFB, Ala.
1991 Air Command and Staff College, Maxwell AFB, Ala.

1994 Air War College, Maxwell AFB, Ala.

ASSIGNMENTS

1. October 1979 - April 1982, assistant Chief, Quality Force Section; Chief, Customer Assistance Section; Chief, Quality Force Section; and Chief, Personnel Utilization Section, Consolidated Base Personnel Office, Williams AFB, Ariz.
2. April 1982 - August 1984, assistant for Resource Distribution, later, Chief, Assignment Analysis Branch, Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
3. August 1984 - August 1985, executive officer to the Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
4. August 1985 - August 1986, personnel adviser and board member, Secretary of the Air Force Personnel Council, Air Staff Training Program, Washington, D.C.
5. August 1986 - August 1987, Chief, Consolidated Base Personnel Office, 384th Combat Support Group, McConnell AFB, Kan.
6. August 1987 - September 1988, Director of Personnel, 384th Combat Support Group, McConnell AFB, Kan.
7. September 1988 - June 1990, Commander, 384th Mission Support Squadron, and Chief, Mission Support, 384th Combat Support Group, McConnell AFB, Kan.
8. June 1990 - June 1991, student, Air Command and Staff College, Maxwell AFB, Ala.
9. June 1991 - May 1992, Chief, Entitlements, Compensation and Education, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
10. June 1992 - June 1994, Chief, World War II Commemoration Branch, later, Deputy Chief, World War II Commemoration Division, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
11. July 1994 - June 1995, student, Air War College, Maxwell AFB, Ala.
12. June 1995 - June 1997, Chief, Force Structure Plans and Policies, Directorate of Military Personnel Policy, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
13. June 1997 - June 1999, Chief, Personnel Issues Team, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
14. June 1999 - May 2001, Commander, 62nd Support Group, McChord AFB, Wash.
15. May 2001 - July 2002, Director of Personnel, Headquarters Pacific Air Forces, Hickam AFB, Hawaii
16. July 2002 - June 2004, Commander, 66th Air Base Wing, Hanscom AFB, Mass.
17. June 2004 - June 2006, Director of Manpower and Personnel, Headquarters U.S. Central Command, MacDill AFB, Fla.
18. June 2006 - January 2008, Commander, 37th Training Wing, Lackland AFB, Texas
19. February 2008 - November 2009, Director of Force Management Policy, Deputy Chief of Staff for Manpower and Personnel, Headquarters U.S. Air Force, Washington, D.C.
20. November 2009 - December 2010, Commander, Air Force District of Washington, Andrews AFB, Md.
21. December 2010 - present, Deputy Chief of Staff, Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington DC

SUMMARY OF JOINT ASSIGNMENTS
1. June 1991 - May 1992, Chief, Entitlements, Compensation and Education, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany, as a major
2. June 1992 - June 1994, Chief, World War II Commemoration Branch, later, Deputy Chief, World War II Commemoration Division, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany, as a major and lieutenant colonel
3. June 2004 - June 2006, Director of Manpower Personnel, Headquarters U.S. Central Command, MacDill AFB, Fla., as a colonel and brigadier general

MAJOR AWARDS AND DECORATIONS
Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit with two oak leaf clusters
Defense Meritorious Service Medal
Meritorious Service Medal with two oak leaf clusters
Air Force Commendation Medal
Air Force Recognition Ribbon
National Defense Service Medal with bronze star
Global War on Terrorism Expeditionary Medal
Global War on Terrorism Service Medal

OTHER ACHIEVEMENTS
1988 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), Strategic Air Command
1989 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), SAC
1989 Outstanding Personnel Manager of the Year Award (Base-level Senior Personnel Manager), USAF
2008 General and Mrs. Jerome O'Malley Award

EFFECTIVE DATES OF PROMOTION
Second Lieutenant Oct. 28, 1979
First Lieutenant Oct. 28, 1981
Captain Oct. 28, 1983
Major March 1, 1988
Lieutenant Colonel May 1, 1993
Colonel March 1, 1999
Brigadier General March 1, 2006
Major General July 3, 2009
Lieutenant General Dec. 14, 2010

(Current as of January 2011)

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

MARCH 13, 2013

RESPONSES TO QUESTION SUBMITTED BY MR. JONES

General BROMBERG. With the passing of H.R. 933, Consolidated and Further Continuing Appropriations Act 2013, each of the Services is fully funding tuition assistance programs through Fiscal Year 13, up to $250 a semester hour and with a $4,500 annual cap.

The Military Services' tuition assistance program enables service members the opportunity to achieve their academic goals, contributes to their professional development, and facilitates transition from the Armed Forces.

Each Service is responsible for funding and administering its tuition assistance program in accordance with the law and the Department of Defense tuition assistance policy. [See page 20.]

Admiral VAN BUSKIRK. Navy has been steadfast in its commitment to sustain the Tuition Assistance (TA) program. The Chief of Naval Operations has assured Sailors that TA will "remain intact and available"; therefore, Sailors should not expect to be told they cannot continue. While fiscal pressures will necessitate continued scrutiny of all investments, we are committed to our original fiscal year plans to meet Sailor education requirements.

Additionally, we continue to invest in related programs that ensure the success of each Sailor who benefits from these funds. Our course completion rate is well over 90 percent, which we attribute in part to the exceptional support our Sailors receive from trained Navy education counselors. Each Sailor, working with a qualified counselor, must develop an appropriate educational plan, which the counselor must approve before TA funding can be approved and classes begin. Counselors ensure that Sailors are prepared for academic requirements associated with each Sailor's approved plan and help them streamline an attainable degree completion process. [See page 20.]

General MILSTEAD. The Marine Corps is not able to determine if any marines attempted to enroll in courses but were subsequently impacted by the cancellation of the Tuition Assistance (TA) program between March 4, 2013 to April 8, 2013.

The Department of Navy announced the immediate cessation of Marine Corps enrollments in the TA program and the Marine Corps immediately ceased new enrollments on 4 March 2013. As of 8 April 2013, TA funding has been restored and new enrollments are being accepted as announced in the Marine Administrative Messages (MARADMIN) 203/13 Voluntary Education Services and Tuition Assistance. The TA program cannot be retroactively applied. Marines who had requested TA prior to 4 March were not denied funds. [See page 20.]

General JONES. Congressman Jones, our best estimate to determine how many Airmen might be affected by this decision moving forward is based on our fiscal year 2012 data. During the timeframe from 12 March 2012 through 30 September 2012, 76,144 Airmen used Military Tuition Assistance. Since suspending our program 11 March 2013, we estimate a similar number of Airmen will be affected through the end of fiscal year 2013 should the program remain suspended to the end of the fiscal year. [See page 20.]

RESPONSE TO QUESTION SUBMITTED BY MRS. DAVIS

Ms. WRIGHT. The Common Services Task Force held its first meeting on February 6, 2013, and is currently expected to complete its work in 120 days. As background, in November 2012, my office established this Task Force to review the total cost and methods of providing common services for military member and family support programs Department of Defense-wide. These programs include NAF procurement and accounting, lodging, fitness and family program management to, to name a few. The objectives of the Task Force are the following:

- Maintain the Department of Defense's strategy and commitment to the well-being of military members and their families, delivering the same or better levels of programs and services

- Improve effectiveness, efficiency, and economy in the delivery of programs within the purview of the Office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy, along with their related overhead and headquarters functions
- Drive down both the appropriated fund and the nonappropriated fund (NAF) unit cost of providing programs and services to military members and their families
- Through shared services or similar models for common support, enable greater economies of scale than the individual military departments can achieve independently
- Retain a portion of the initial savings to cover transition costs and offset program shortfalls

[See page 12.]

RESPONSES TO QUESTION SUBMITTED BY MR. SCOTT

General BROMBERG. With the passing of H.R. 933, Consolidated and Further Continuing Appropriations Act 2013, each of the Services is fully funding tuition assistance programs through Fiscal Year 13, up to $250 a semester hour and with a $4,500 annual cap.

The Military Services' tuition assistance program enables service members the opportunity to achieve their academic goals, contributes to their professional development, and facilitates transition from the Armed Forces.

Each Service is responsible for funding and administering its tuition assistance program in accordance with the law and the Department of Defense tuition assistance policy. [See page 21.]

General JONES. As of 11 March 2013 when the decision was made to suspend Military Tuition Assistance, the Air Force had expended approximately $109M for the program. [See page 22.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 13, 2013

QUESTIONS SUBMITTED BY MS. SHEA-PORTER

Ms. SHEA-PORTER. In your testimony, you note that while the Services' Yellow Ribbon Reintegration Program funding is protected under Overseas Contingency Operations, the OSD's Yellow Ribbon Program office will likely be impacted by sequestration and the CR and that this "will reduce our ability to support events for deploying/reintegrating service members and their families." Our New Hampshire National Guard has an outstanding Yellow Ribbon program that helps post-9/11 service members and their families address issues before, during, and after deployment. These programs need to be robustly funded. Can you talk about the specific impact of sequestration and the CR on our Nation's Yellow Ribbon programs?

Ms. WRIGHT. [The information was not available at the time of printing.]

Ms. SHEA-PORTER. How will Professional Military Education at the military academies or other defense educational institutions be impacted by sequestration cuts and furloughs? Many professors are civilians. Our cadets and midshipmen at the academies, and military officers at the other institutions, need to receive instruction to complete their degree requirements. It matters greatly if they are less well trained and educated because of these cuts. Are you extending the academic year? Will there be furloughs of the civilian professors? If so, how will you manage with the loss of 20% of teaching time per civilian professor? What other impacts will there be to Professional Military Education at the academies and other defense educational institutions?

Ms. WRIGHT. Unfortunately, the reality of the budget situation precludes excluding significant core programs from reduction, despite the negative impact on the development and sustainment of the All-Volunteer Force. Nearly all education and training programs are affected and degraded to some degree. Potential civilian furloughs will reduce faculty available for teaching classes and staff that support the academic mission of the PME schools. In some cases, military faculty may have to fill the void developed by the loss of furlough days of teaching time per civilian professor, leaving minimal time for curriculum development.

The Service Academies are similarly affected with broad cuts affecting many programs. They have implemented plans to assign military personnel from other duties at the Academies to cover academic training, but will not extend the academic year. The sequestration and the current CR will limit faculty research and professional opportunities negatively impacting PME faculty. Civilian faculty members, like their Service Academy colleagues, are expected to conduct scholarly research and remain engaged with their scholarly communities. Limiting faculty development may also adversely affect the relevancy and currency of PME curricula. The inability to do research and faculty development may lead to faculty losses as those individuals may seek better opportunities in the civilian academic world.

Finally, limited funding will impact a variety of programs focused on ensuring a diverse learning environment. An example is the Visiting Professors program, which contributes to accreditation. An uncertain budget environment precludes adequate planning and creates the perception of instability and could make the Academies a less attractive option for the highest quality candidates. Additionally, summer and military training opportunities will be curtailed along with outreach and recruiting efforts negatively impacting current and future classes of cadets and midshipmen candidates. Facility and infrastructure projects necessary to provide an effective educational environment will also need to be deferred.

Ms. SHEA-PORTER. In your testimony, you note that while the Services' Yellow Ribbon Reintegration Program funding is protected under Overseas Contingency Operations, the OSD's Yellow Ribbon Program office will likely be impacted by sequestration and the CR and that this "will reduce our ability to support events for deploying/reintegrating service members and their families." Our New Hampshire National Guard has an outstanding Yellow Ribbon program that helps post-9/11 service members and their families address issues before, during, and after deployment. These programs need to be robustly funded. Can you talk about the specific impact of sequestration and the CR on our Nation's Yellow Ribbon programs?

Dr. WOODSON. The OSD Yellow Ribbon Reintegration Program (YRRP) Office provides services and resources to the Reserve Components designed to take advantage

of the economy of scale and the benefit of standardization. These services and resources are funded through the OSD YRRP base budget and will be impacted by sequestration in the following ways (percentages are based on current projected budget cuts):

- Awareness of and access to the Hero2Hired (H2H) program to assist unemployed service members will be diminished. Specific impacts are decreased use of the H2H Mobile Job Store and kiosks at YRRP and other events; loss of a new H2H mobile application; and a reduced number of events for Employment Initiative Program outreach.
- OSD YRRP's Cadre of Speakers contract, which provides trained, vetted instructors and briefers for the Services' YRRP events, will be decreased currently the cadre support 30 events per month this will be reduced to 20 events per month.
- Funding for the OSD YRRP fulfillment contract will be cut by 39%; this contract provides standardized event materials and handouts for the Services, including hand-held scanners that provide accountability at YRRP events.
- OSD YRRP's ability to create and implement in-depth surveys of program effectiveness, as well as the creation of standardized training curriculum, will be reduced by half and this will delay the implementation of the YRRP overall program effectiveness evaluation.
- The field staffing contract funded through OSD YRRP will be reduced from 12 months to 10 months. Field staff provides assistance to Service event planners and resource providers throughout the Nation.
- No funding (100% reduction) will be available for advertising, market research and studies to support increased awareness of YRRP and the resources it offers to service members and their families.

Ms. SHEA-PORTER. General Bromberg, in your testimony, you talk about the sequestration's impact on Transition Assistance, and indicate that the sequestration cuts to the "Department of Labor, which assists the Department of Veterans Affairs and DOD with providing mandated transition assistance services, could impact compliance with VOW [Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011]." Please tell me specifically what program cuts you envision and how they could harm our soldiers as they transition to civilian life.

General BROMBERG. I cannot address the specifics of what cuts Department of Labor (DOL) is considering. I can say that any reduction in the frequency of the 3-day DOL Employment Workshop or a reduction in the number of DOL counselors would directly impact delivery of services. Reduced frequency of classes or lack of counselors would create a backlog of Soldiers required to complete transition services. This backlog could have the potential for Soldiers to separate before they meet Career Readiness Standards and be VOW Act compliant. Additionally, the VOW Act increased the mandatory components of the Transition Assistance Program (TAP) that Soldiers must attend. We increased the throughput which has increased demand for follow-on classes and training. We are expected to reduce Department of the Army Civilian TAP staff hours by 20% due to furloughs.

Warrior Transition Unit Soldiers, who often face expedited separation procedures, will find it even more difficult to find seating in TAP classes. These Warrior Transition Unit Soldiers will face an even higher risk of unemployment and other consequences faced by those in the high-risk populations. Lack of government employees due to furlough could require 1-day-a-week closure of TAP training facilities, decreasing frequency of the 3-day DOL Employment Workshop, Veterans Administration Benefits Briefing, and other TAP classes. Follow-on classes that teach interview skills, resume writing skills, salary negotiation, and dress for success would have to be curtailed in order to meet the basic tenets of the VOW Act.

Ms. SHEA-PORTER. I am concerned when you mention that sequestration cuts could impact compliance with the law. With respect to military personnel in particular, can you describe other instances in which the Army may not be able to comply with the law due to sequestration cuts?

General BROMBERG. I cannot address the specifics of what cuts Department of Labor (DOL) is considering. I can say that any reduction in the frequency of the 3-day DOL Employment Workshop or a reduction in the number of DOL counselors would directly impact delivery of services. Reduced frequency of classes or lack of counselors would create a backlog of Soldiers required to complete transition services. This backlog could have the potential for Soldiers to separate before they meet Career Readiness Standards and be VOW Act compliant. Additionally, the VOW Act increased the mandatory components of the Transition Assistance Program (TAP) that Soldiers must attend. We increased the throughput which has increased de-

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Ms. SHEA-PORTER. How will Professional Military Education at the military academies or other defense educational institutions be impacted by sequestration cuts and furloughs? Many professors are civilians. Our cadets and midshipmen at the academies, and military officers at the other institutions, need to receive instruction to complete their degree requirements. It matters greatly if they are less well trained and educated because of these cuts. Are you extending the academic year? Will there be furloughs of the civilian professors? If so, how will you manage with the loss of 20% of teaching time per civilian professor? What other impacts will there be to Professional Military Education at the academies and other defense educational institutions?

General BROMBERG. There is no intent to extend the Academic Years for 2012–2013 or 2013–2014 at this time. The current furlough plan for the Military Academy allows flexibility for civilian professors to take their furlough days in the summer months after the end of the current academic year and before the start of the new academic year; however, many will elect to follow a 2-day-per-pay-period furlough to minimize financial impacts.

The impact of furloughing civilian instructors as well as academic support staff will lead to reduced cadet contact hours, loss of instruction or condensed instruction, limited classroom preparation time, degraded new instructor training, changes in cadet schedules, reduced dedicated laboratory support for scientific labs and reduced weekday hours of operation for the library, closing the facility on Saturdays with limited hours on Sunday.

Furloughs may disrupt work to ongoing accreditation preparation and development of self-assessment reports for the Accreditation Board for Engineering and Technology (ABET) and the Middle States Commission for Higher Education (MSCHE) with scheduled assessments in Fall 2014 and Fall 2015 respectively. These accrediting bodies could cite the Academy deficient in the lack of predictable funding and inconsistent faculty work schedules related to furloughs.

Furlough requirements may reduce the number of civilian instructors available to teach summer term academic programs. This may divert available military instructors from supporting cadet summer training (Cadet Field Training, Cadet Basic Training and Cadet Leader Development Training) missions requiring additional Army task force support. Sequestration and furlough will also impact military training courses which support the Army accessions mission and readiness. Current Academy funding is insufficient to send the Graduating Class of 2013 to initial military training Basic Officer Leadership Course (BOLC) within the first 6 months following graduation.

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Admiral VAN BUSKIRK. Navy and its educational institutions are evaluating possible impacts to academic programs resulting from sequestration, to include furlough of civilian professors along with most other civilian personnel employed within the Department of Navy. There are currently no plans to change the current academic year for the U.S. Naval Academy (USNA) or other defense educational institutions. If a furlough is implemented, it would not take place until after the current academic year is complete, though it would impact the academic year commencing August 2013. Mitigation efforts are currently under review.

In addition to furloughs, the USNA may reduce summer training to include fleet experiences with submarine, aviation, surface warfare and Marine Corps communities; and seamanship and navigation training aligned with a reduction in USNA Yard Patrol craft operations and maintenance. The USNA has already canceled language, regional and cultural exposure for midshipmen during the spring semester and reduced opportunities during the summer training periods.

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General MILSTEAD. At the Marine Corps University, the most immediate impact will be the cancellation or reduction in the courses as follows:

- Reduction of Senior Enlisted PME student throughput
- Reduction of Senior Leader Development Program
- Senior Planner Course reduced from two to one per year
- Elimination of the Reserve Officers Course
- Elimination of all conferences and symposia

A significant long-term effect due to sequestration will be felt at Marine Corps Command and Staff College, the School of Advanced Warfighting, and the Marine Corps War College. While delivery of core professional military education (PME) curricula will continue, there will be a substantial decrease in depth of education due to:

- Absence of civilian faculty due to furloughs
- Cancellation of some classes due to reduced faculty availability
- Reductions in information education technology support
- Significant reduction in curricula related travel for all programs
- Reduction in international engagement opportunities

All civilian professors and support staff will be subject to furlough in accordance with policy.

The Marine Corps University does not plan to extend this academic year.

Sequestration impacts will likely have a wide ranging effect on the schools. Due to differences in both student body size and teaching methodology, each school will be addressed individually.

Command and Staff College (CSC). Through the end of the current academic year, CSC will not be significantly impacted. CSC has a balanced military and civilian faculty, and classes will continue as scheduled. Classes with a civilian faculty lead instructor will be completed before furloughs are scheduled to begin. The same is true with Spring exams. However, furloughs will have an impact on the capstone exercise NINE INNINGS, which is scheduled for May. The College's leadership will mitigate the impact by the close management of faculty so as to not to disrupt the exercise in any fundamental way.

If sequestration and furloughs continue past the August start date for the next academic year, momentum will be slowed going forward in faculty and curriculum development in both the short term and long term. We also anticipate having to modify next year's curriculum by providing more individual study and research time to balance the required furlough of faculty.

School of Advanced Warfighting (SAW). In light of a small (three professors) resident civilian faculty at SAW, the only viable plan is to furlough professors on days they are not scheduled to teach. As with CSC, anticipated furloughs will have a limited impact on the current class since we are nearing the end of the academic year. However, if furloughs continue through the end of the fiscal year, they will have a significant impact on the AY13–14 class. Reduced faculty availability will negatively impact seminar preparation, staff rides, and planning exercises.

Marine Corps War College (MCWAR). The current class should see limited impact, but the course will need to be restructured in order to accommodate furloughs of civilian faculty. As with the other schools, MCWAR will be attempting to accomplish 100% of their requirements in 80% of the time. This has second- and third-order consequences; specifically, limited feedback and mentoring time with the students.

Other impacts include:

- Travel restrictions. Reduced travel from sequestration and furloughs will have a negative impact on faculty development, university outreach programs to civilian institutions, and participation by visiting faculty designed to enhance and develop the curricula of the MCU schools. Lack of international travel is a concern as it plays an important role in the MCWAR and SAW curricula and the education of officers.
- Faculty accession/recruiting. Sequestration will adversely affect the ability to recruit and retain high-quality faculty. Lack of adequate, competent faculty will jeopardize MCU's regional accreditation from the Southern Association of Colleges and Schools (SACS) and the ability to issue masters degrees in three courses. Job security and stability is essential to maintain quality faculty. Sequestration and furloughs will degrade, if not eliminate faculty development opportunities, essential for the instructor currency.
- IT Support. Sequestration will jeopardize our ability to provide IT support for the new Warner Center for Advanced Military Studies, designed to house CSC, SAW and History Division. Construction for this facility begins April 2013. A 62% reduction in IT funding is anticipated if sequestration occurs.
- Curriculum development and review. Currently the Marine Corps University is undergoing a 2-year process of a zero-based curriculum review, designed to thoroughly assess all aspects of the curricula. This effort will be slowed or halted due to reduced faculty availability.

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General JONES. Sequestration cuts and furloughs will have limited impact on the United States Air Force Academy's Professional Military Education (PME) courses and civilian professors. Currently, PME requirements are covered both in Commandant of Cadets courses and in Dean of Faculty core academic courses.

Sequestration presently does not affect PME courses provided by Commandant of Cadets since they are taught by Active Duty squadron commanders during commissioning education periods.

If the Dean of Faculty does declare a shortfall in meeting the education requirements due to sequestration, the Commandant of Cadet programs would review existing capacity and lesson plans. Learning objectives that could no longer be taught in the Dean of Faculty core courses would be added to the PME courses.

United States Air Force Academy civilian professors will be subject to furloughs. Under furlough they will have 20% fewer hours during the 14-week furlough period beginning in June for contact with cadets for tutoring, lesson planning, and additional duties. As a result, our Active Duty members will cover the gaps. The United States Air Force Academy has no plan to extend the academic year due to sequestration cuts and furloughs.

Although the Air Force has taken significant steps to mitigate the short- and long-term impacts of the sequestration cuts and furloughs to Air University (AU), impacts to AU PME courses and civilian professors cannot be avoided entirely. Currently, all short-term temporary duties for officer and enlisted PME, e.g. Squadron Officer School and Noncommissioned Officer Academies will be either considered for reduction and/or cancelled. A reduction to our short-term PME schools means fewer Airmen will be armed with the competencies deemed necessary to execute their duties and responsibilities.

Long-term AU PME, which are usually courses 10-months or longer and require a permanent change of station, are considered mission critical. The Air Force will continue these education courses as scheduled. These include other sister service/joint Intermediate Developmental Education (IDE)/Senior Developmental Education (SDE) courses, Air Force Fellowships, and Advanced Academic Degrees (AADs). If the restrictions continue, this will have a long-term strategic effect on the credibility, retention, and academic credibility of the university's faculty and student production.

At this time, Air University has no plans to extend the academic year. However, should these restrictions become protracted, it would potentially delay academic

year 2014 graduation by 3 weeks, delay the start of academic year 2015 by 2 weeks, and possibly reduce student in-resident opportunities by 20%.

Other potential impacts include the potential for production will be delays for new curriculum across all programs, negatively affecting the currency and relevancy of PME. More importantly, the Air Force could have fewer strategists and warrior scholars at the Ph.D. level to leverage for mission accomplishment.

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