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HEARING

ON

NATIONAL DEFENSE AUTHORIZATION ACT  
FOR FISCAL YEAR 2012

AND

OVERSIGHT OF PREVIOUSLY AUTHORIZED  
PROGRAMS

BEFORE THE

COMMITTEE ON ARMED SERVICES  
HOUSE OF REPRESENTATIVES  
ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

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SUBCOMMITTEE ON MILITARY PERSONNEL HEARING

ON

**MORALE, WELFARE, AND RECREATION  
PROGRAMS OVERVIEW**

HEARING HELD  
FEBRUARY 9, 2011



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## **MORALE, WELFARE, AND RECREATION PROGRAMS OVERVIEW**

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HOUSE OF REPRESENTATIVES,  
COMMITTEE ON ARMED SERVICES,  
SUBCOMMITTEE ON MILITARY PERSONNEL,  
*Washington, DC, Wednesday, February 9, 2011.*

The subcommittee met, pursuant to call, at 2:10 p.m., in room 2212, 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, I am Congressman Joe Wilson, and I am delighted to welcome you to the first meeting of the Military Personnel Subcommittee of the House Armed Services Committee for the 112th Congress. And I am delighted we have an outstanding panel that we will be getting to.

Before I begin I want to thank the staff members who helped make this subcommittee so important for our service members, military families, and veterans. And a living example of bipartisanship is to my left, and that is that Mike Higgins is remaining on to be the professional staff member. He has traditionally done this even in another Congress. And so—like the 111th—and so I am very grateful that Mike is available, and he is so knowledgeable on issues relative to what we will be discussing today. And so I am so happy that he has agreed to stay on.

And of course on the majority side I am very grateful that John Chapla, a very distinguished VMI [Virginia Military Institute] graduate, is with us. And then we have Jeanette James, who has just been instrumental in promoting the military health issues for this committee. I want to thank also Craig Greene and Jim Weiss, and on the minority side Debra Wada. And so we have got people who truly are available to all of you. And I also want to thank the individual staff of different offices who are here.

And as we begin today I also want to thank—we do have our freshmen here. In fact, he is all of one right now. But, hey, all you need is Colonel Allen West. And so, Colonel, I want to welcome you to the subcommittee. And I know that we have a number of others who are on their way with so much going on simultaneously. At least we will not be interrupted by votes. And so this is going to be a remarkable occasion that we actually have an orderly committee meeting.

The Subcommittee on Military Personnel will begin the 2011 hearing cycle with two hearings on the Department of Defense,

DOD, nonappropriated fund activities. Today we will focus on morale, welfare, and recreation, MWR, programs. Tomorrow the subcommittee will turn its attention to the commissaries and exchanges, DOD's grocery and department stores.

The subcommittee has always viewed the wide range of programs that comprise the military morale, welfare, and recreation, or MWR, community as essential elements within a healthy military community. The subcommittee remains strongly committed to supporting these programs. However, it is clear that DOD has correctly crossed over into a new era of austerity marked by an increased fiscal scrutiny of all programs in an unrelenting pursuit of increased budget efficiency. As the recipient of appropriated funds, MWR programs will be subjected to increased pressure to maintain effectiveness while operating more efficiently.

While demands for increased effectiveness and efficiency are to be expected, I fear that misperceptions about the absence of a link between MWR programs and combat readiness will place these programs at a greater risk of being cut too deeply. I believe that vibrant MWR programs are critical to the health of the military community they support, and their superior combat capability is directly dependent on the strength of the military community.

We must not allow MWR programs to become easy targets for the budget cutters. Certainly there will be cuts, and identifying the programs to be reduced will require difficult decisions. It is my hope that MWR managers are prepared to make those decisions and demonstrate the willingness to find savings. But those managers must also be prepared to fight hard to factually justify the programs that are truly critical to service members and their families.

We hope to learn more about the strategy that MWR managers will pursue in the coming months to meet the demands of the new era of budget austerity.

Next, I would like to recognize Congresswoman Susan Davis. And I would like to, even before she speaks, thank her for her prior role as the chairman of this committee. She always was a person who conducted the meetings fairly, in a bipartisan manner, and I certainly want to continue the tradition of Congresswoman Chairman Susan Davis.

[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. Thank you very much, and thank you, Mr. Chairman. I certainly will look forward to serving with you, and I just want to say that I know that you always were very supportive of my role, and I intend to be supportive of yours as well. And I appreciate being here.

And I also wanted to thank, of course, our witnesses that are here today and to say that I, too, am very happy to have Mike Higgins sitting here between us because he is a tremendous source, and I also value all the other staff members who are going to be continuing. All have been very active on the personnel committee

in the past and bring great skills and great aptitude in this area. And so it is a tremendous resource for us to have them. They really provide so much information, and a real good source, I think, of thinking about ideas, and how we go forward, and what some of the challenges and the problems will be. And as we know in past years, we will have plenty of those. So I want to thank them as well.

Mr. Gordon and Mr. Patrick, welcome. I believe that this is your first opportunity to be with us before the subcommittee, and so I am glad that you are here.

Mr. Gorman, Mr. Larsen, and Mr. Milam, welcome back to you all as well.

Today is the first part of a 2-day set of hearings that will focus on morale, welfare, and recreation programs and the military resale community. We hold these hearings annually because these programs are important and extremely valuable to our military personnel and their families.

Ten years of conflict have placed a tremendous burden not only on those in uniform, but also on their families, and in particular, we know, their children. It is important in today's All-Volunteer Force that we ensure that the support they need is there for themselves and their families. And as the chairman has mentioned already, as we look at the budget climate ahead of us, we know that we have to ensure that the MWR and the military resale programs continue to provide a wholesome quality of life for those who volunteer to serve in uniform.

We know, of course, that we also must ensure that spending resources are spent efficiently and effectively. We certainly have a responsibility to do that. But we also have to think about the service member and their families.

I certainly look forward to an open and a frank discussion on these issues. The dedication and commitment of our MWR employees that they have displayed to our military families under the most challenging of conditions have been remarkable, and we are grateful for their contributions.

So thank you, Mr. Chairman. I look forward to hearing from our witnesses.

Thank you all for being here.

[The prepared statement of Mrs. Davis can be found in the Appendix on page 28.]

Mr. WILSON. Thank you very much, and, of course, we couldn't proceed without recognizing and thanking Congresswoman Madeleine Bordallo for being here, and she, of course, represents the strategic island of Guam. What a beautiful territory. If you ever get a chance to visit, Hawaii looks a lot like Guam.

And then I am very grateful we have been joined by—the freshman contingent has now doubled, thank goodness. Congresswoman Vicky Hartzler is here, and Congresswoman Hartzler is from Missouri and represents the extraordinary military facilities of Fort Leonard Wood. And so she will certainly be a great member of our committee, and she has already proven her dedication, we have discussed it, to the military personnel and military families in her district, and veterans.

We are grateful to have an excellent panel of witnesses. Mr. Robert L. Gordon is the Deputy Assistant Secretary of Defense, Military Community and Family Policy, Office of the Under Secretary of Defense for Personnel and Readiness.

Mr. Richard Gorman is the Chief Operating Officer of the U.S. Army Morale, Welfare, and Recreation Command.

We have Mr. Rogers Patrick, who is the Acting Director of the Fleet Family and Readiness Programs, Commander, Navy Installations Command; Mr. Timothy R. Larsen, who is the Director of Personal and Family Readiness Programs, Manpower and Reserve Affairs Department of the U.S. Marine Corps; and Mr. Charles E. Milam, Director of Air Force Services, Headquarters, U.S. Air Force. And it is a great day for us in that Mr. Gordon and Mr. Patrick, this is the first time that they have appeared before the committee, according to Mr. Higgins, and then—and he is always correct.

And, Mr. Larsen, Mr. Gorman, Mr. Milam, welcome back. And we may be joined at any time, we have a gentleman from Ohio, Congressman Mike Turner, to the hearing. He may be here to participate in the hearing, and I would ask for unanimous consent that he be permitted to do so following the members of the subcommittee. Without objection, so ordered.

I ask unanimous consent that a statement from Lions Club International be included in the record. Without objection, so ordered.

[The information referred to can be found in the Appendix on page 139.]

Mr. WILSON. And we will begin now with our witnesses.

**STATEMENT OF ROBERT L. GORDON III, DEPUTY ASSISTANT SECRETARY OF DEFENSE, MILITARY COMMUNITY AND FAMILY POLICY, OFFICE OF UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS**

Mr. GORDON. Thank you, Mr. Chairman and members of the subcommittee. I am delighted to testify before you today. I am grateful for this committee's strong support and will provide a quick update of our MWR activities.

I am pleased to report that in 2009, the CFI [Claes Fornell International] Group, whose methodology underpins the respected American Customer Satisfaction Index, conducted the first DOD MWR customer satisfaction survey. The results indicate that MWR is fine, but could use work, which I don't think is surprising. The results help us to target available funding in areas that provide the greatest benefit in terms of improving MWR customer satisfaction. Fitness and outdoor recreation were highlighted as areas needing improvement. The survey will be conducted biannually.

Thanks to the generous support of Congress, overseas contingency operation [OCO] funding provides free Internet access, recreation, entertainment, and library programs for troops in combat.

To remain flexible and provide child care surge capacity, we designed programs with civilian child care providers to help families find affordable, quality care close to home. In 2011, we will further expand child care for our families using local, State, and Federal child and youth delivery systems. Thirteen States will participate in the pilot.

DOD youth programs are particularly important now. About 117,000 military children have at least one parent deployed, and research suggests that they experience more stress than their peers. We fund a popular nonmedical counseling program for children up to 18 years of age to discuss issues affecting them, including bullying, self-esteem, and coping with deployments.

My written testimony outlines our ongoing work in greater detail. Please be assured that as we focus on efficiencies, we will take care of our most valuable asset, our service members and their families. Thank you for your support.

[The prepared statement of Mr. Gordon can be found in the Appendix on page 30.]

Mr. WILSON. Thank you very much.

Mr. Gorman.

**STATEMENT OF RICHARD GORMAN, CHIEF OPERATING OFFICER, U.S. ARMY FAMILY AND MORALE, WELFARE, AND RECREATION COMMAND**

Mr. GORMAN. Mr. Chairman, members of the subcommittee, I am privileged to appear before you today to share some of the ways we honor and support our soldiers for their service and their sacrifice.

Everything we do every day is designed to support soldiers. Sometimes the support is direct; at other times it is indirect through support to their families. But all we do is always with the soldier at the center of our focus. Your support through the difficult post-9/11 period has allowed us to be successful.

Morale, Welfare, and Recreation serve soldiers wherever they serve. That includes those at Camp Arifjan, as well as those at Fort Hood and all points in between.

MWR programs help soldiers maintain physical fitness and alleviate combat stress by temporarily diverting a soldier's focus from combat. It also increases readiness because mission accomplishment is directly linked to a soldier's confidence that their families are safe, resilient, and capable of carrying on during their absence.

Soldiers, families, and civilians are our greatest strategic asset and are indeed the strength of our Army. The Army has long recognized that if we do not retain the family, we simply will not retain the soldier.

I am also very happy to report today that Army MWR Funds' collective financial posture is sound and supports our soldiers and families today, and will into the future, with cash assets exceeding liabilities by a rate of 1.5 to 1.

We have seen the huge burden of 9 years of war, and we will continue to care for our soldiers and their families, a top priority for our Army.

On behalf of America's Army, I want to thank you for your continued and steadfast commitment, and I look forward to your questions.

[The prepared statement of Mr. Gorman can be found in the Appendix on page 57.]

Mr. WILSON. Thank you very much. As an Army veteran and father of three sons currently serving in Army National Guard, thank you very much.

Mr. Rogers Patrick.

**STATEMENT OF ROGERS PATRICK, ACTING DIRECTOR, FLEET AND FAMILY READINESS PROGRAMS, COMMANDER, NAVY INSTALLATIONS COMMAND**

Mr. PATRICK. Chairman Wilson, Ranking Member Davis, and distinguished Military Personnel Subcommittee members, I am pleased to discuss the current status of the Navy's Morale, Welfare, and Recreation program with you.

The Navy has continued to make significant strides in providing top-quality MWR programs. During 2009, MWR remained financially sound with resources totaling \$920 million. This consisted of 426 million in appropriated fund support and 494 million in NAF [nonappropriated fund] program revenue generated, with a net income of \$17 million.

Results from fiscal year 2010 were also positive, and I am pleased to report that after a 1-year deviation from the norm in 2009, Navy MWR has exceeded the 85 percent appropriate fund support metric for Category A programs and met the 65 percent metric for Category B programs in fiscal year 2010.

Navy Installations Command's unique organizational structure of bundling quality-of-life programs to include MWR, fleet and family support centers, the galleys, and housing for both families and bachelors into a single organization has enabled us to partner with our public-private venture housing corporate partners through neighborhood community centers. This quality-of-life model has lowered our program overhead costs and streamlined our communications processes. With support from the Congress, our President, and the Secretary of Defense, the Navy has funded more than 30 new child development centers, which will increase our current capacity by 7,000 spaces and reduce our waiting time for services to no more than 3 months.

MWR programs provide sailors with a firsthand demonstration of the Navy's commitment to their quality of life. MWR offers some of the best recreation programs and developmental outlets for our sailors' family members. Whatever the need, wherever the location, our patrons know they can count on MWR to deliver on our promise of high-quality facilities, services, and programs. Thank you.

I would like to submit the rest of my statement for the record, and I stand by to answer your questions.

[The prepared statement of Mr. Patrick can be found in the Appendix on page 85.]

Mr. WILSON. Thank you very much, Mr. Patrick.

We now have Mr. Timothy R. Larsen.

**STATEMENT OF TIMOTHY R. LARSEN, DIRECTOR, PERSONAL AND FAMILY READINESS DIVISION, MANPOWER AND RESERVE AFFAIRS DEPARTMENT, HEADQUARTERS, U.S. MARINE CORPS**

Mr. LARSEN. Chairman Wilson, Ranking Member Davis, distinguished members of the subcommittee, thank you for the opportunity to represent the Marine Corps and to provide a report on our MWR and family readiness programs.

We thank the Congress, especially this subcommittee, for your continued support and your recognition that these are critical programs to resiliency and readiness of marines and their families.

We have been engaged in a multiyear effort to transition marine and family programs, and this includes the establishment of family readiness officers, the redesign of our Exceptional Family Member and School Liaison programs, and numerous quality-of-life improvements at remote and isolated commands. Feedback from marines and families has been very positive, and we have built the requirement into our fiscal year 2010 baseline budget, with an increase of about \$110 million.

The current effort of program transitions as outlined by General Amos in his planning guidance is focused on enhancing the resiliency of marines and families. The Commandant's planning guidance also tasked us with ensuring that marines and their families have access to quality facilities and support programs as well as the resources necessary to provide a quality standard of living. His guidance also directs that we review and improve Family Readiness and Transition Assistance programs, and we move to more fully integrate behavioral health efforts within the Marine Corps.

We appreciate the support from Congress as well as our partnership with the OSD [Office of the Secretary of Defense] and the work that we do with sister services, all of which help us and contribute to our ability to provide and deliver quality services and programs for our marines and sailors. And on behalf of marines and families, I thank the subcommittee for your oversight and continued support of Marine Corps programs and look forward to your questions. Thank you.

[The prepared statement of Mr. Larsen can be found in the Appendix on page 103.]

Mr. WILSON. Thank you very much, Mr. Larsen, and we now have Mr. Charles E. Milam.

**STATEMENT OF CHARLES E. MILAM, DIRECTOR OF AIR FORCE SERVICES, HEADQUARTERS, U.S. AIR FORCE**

Mr. MILAM. Thank you, Mr. Chairman and fellow Military Personnel Subcommittee members, for the opportunity today to present the status of Air Force MWR programs. We appreciate the leadership and support for the readiness and quality of life for our airmen and their families. The men and women of Air Force Services are making remarkable contributions to ongoing overseas contingency operations and humanitarian efforts. We will not lose sight of our core function to provide mission-ready airmen; however, in order to focus on the mission, we must provide support for our airmen and their families; simply put, caring for people.

In my 25 years in Air Force Services, our scope of operations has never been bigger. Our MWR team nearly 48,000 strong now provides the most robust Caring for People programs in recent history. We have stretched our traditional MWR model to forge a stronger Air Force community, evolving and expanding our services to meet the constantly changing needs of our airmen and their families.

Beyond our traditional combat support and community service roles, we are enhancing our efforts in warrior and survivor care, family readiness and resiliency, food transformation, nonmedical counseling services, outreach programs, inclusive recreation, dignified transfers, and much more.

Last year's Year of the Air Force Family reemphasizes our commitment to a strong sense of Air Force community, and Air Force Services has key roles in our enduring road map for expanded programs and services in health and wellness, airmen and family support, education and development, and airmen and family housing.

As we build these better programs, though, we must also be vigilant about budget pressures to use fund troop dollars for purposes that ought to be supported with appropriated funds.

As the spouse of an Air Force officer who is currently deployed to Afghanistan and the father of two young children, I fully understand the challenges that we face and certainly the importance of taking care of our airmen and their families.

Thank you again for the opportunity to be here, and I look forward to working with this subcommittee. And I welcome any questions you may have.

[The prepared statement of Mr. Milam can be found in the Appendix on page 120.]

Mr. WILSON. Thank you very much, Mr. Milam, and thank you for your family's service, too. And you certainly have a good perspective of how important military families are.

Continuing the tradition of Congresswoman Susan Davis, we will have the 5-minute rule, and Mr. Higgins is going to be the master of this. And so he is the final arbiter.

And I want to thank all of you for being here. My interest, obviously, as a Member of Congress, and I am very grateful I represent Fort Jackson. I am almost as fortunate as Congresswoman Hartzler. And I represent Marine Corps Air Station Beaufort, Parris Island, Beaufort Naval Hospital, and I have—also as a family member I am very grateful. I have got three sons who served in the Army National Guard, I have got a son who is a doctor in the Navy, and I have got a nephew who is currently in the Air Force. So we are a joint service family.

I certainly think it is a reasonable expectation that budget pressures on installation commanders and other managers would require a reduction in appropriated funding for MWR programs. Those cuts could take the form of an across-the-board reduction against all MWR programs being diminished in effectiveness. But I hope and suggest that there may be a more strategic prospective that protects the funding levels for critical programs while eliminating programs that are not as important to the welfare of military families, and service members and veterans.

Mr. Gordon, is there a DOD-wide plan to review all MWR programs to prioritize which programs should receive appropriated funds and which programs that do not match up?

Mr. GORDON. I think the services have done a very good job assessing their programs to getting a sense of the state of those programs now and the degree to which they provide effective quality of life for our service members and their families.

One thing, I think, to note is that we have to be much more sharply focused on what families and service members want, first of all. And I had mentioned in my statement about the customer satisfaction survey. That helps to a great degree because we now know the points of emphasis for our families and our service mem-

bers, what they consider important in terms of morale, welfare, and recreation, and will use that.

But as important, maybe even more important, is our leadership, and we have the right leadership in place to make those sorts of assessments. You see some of it before you here. But that leadership has been very, very focused on ensuring the top priority for the human element of what we do in the Defense Department. As we all know, we are about machines and people, and as we usher in this 21st century, we have been at war now for 10 years, this notion of focusing on our human element, our service members, their families, because in terms of retention, in terms of readiness, it is absolutely essential.

So with the customer satisfaction survey, with the assessment that the services have done in terms of morale, welfare, and recreation activities, and then with the success of those programs.

I was in the Army for 26 years, and a dependent as well, who lived overseas in the American Augsburg Youth Activities Association. So I have seen the transition. I was just at Fort Campbell, and the services that are provided today are just outstanding. So with respect to leadership, with respect to assessment of programs, and with respect to the infrastructure in place, I think we are in good shape.

Mr. WILSON. I appreciate using the word "respect." Another way to phrase respect, too, is respect for family members, and so that is what you are doing.

Mr. GORDON. Absolutely.

Mr. WILSON. Thank you.

And actually for all other panel members, have there been funding reductions already? What is the effect? For each member. You can begin, Mr. Milam.

Mr. MILAM. We haven't seen the exact numbers yet, but we are working some cut drills just to anticipate some reductions. We are focusing on certainly the warfighter first and some of our key warrior and survivor care programs for our wounded warriors, our mortuary affairs operations, child care. We just completed a Caring for People Survey with over 100,000 responses from the total force to include Guard and Reserve, and civilians, and family members. That gives us a good indication of where we need to prioritize our resources.

So without really seeing the specific cuts, we can't identify the exact cuts that will take place, but we are working the drills as we speak.

Mr. WILSON. Mr. Gorman.

Mr. GORMAN. Yes, sir. Thank you.

We acknowledge the environment we are in and the need to be ever more fiscally conscious.

At the same time, we are blessed by the Army leadership's commitment to the Army Family Covenant. You are aware that General Casey came out of Iraq in April of 2007 to become our 36th Chief of Staff; believed at that point that the Army was out of balance and over the next 6 months put us to work to create the Army Family Covenant. The commitment to funding that is steadfast.

In 2007, our family and MWR programs were funded about \$749 million, and on the first of October 2007, the beginning of fiscal

year 2008, that commitment was doubled to 1.4 million, most of which initially in OCO, and in 2009 and beyond has been transferred into the base. So we are confident that the resources remain in place at least for as far as we can see.

At the same time, we also accept the responsibility to develop what General Casey calls a cost culture where we turn a new page in our approach to fiscal management, where it is not about executing dollars, but it is about what we get for the money we spend in terms of the value we provide our service members and their families in exchange or in turn for their magnificent service.

Mr. WILSON. Thank you.

Either one.

Mr. PATRICK. Yes, sir. The two points I would like to make for Navy, listening to the customer, we have been using CFI, the same contractor, for about 8 or 9 years now. So we have got some pretty good empirical data. We have been using it to shape our programs all along.

Once we focus on which programs are the most important, we are switching gears and looking at standardization, and trying to deliver the program consistently across our bases, and using the best practices of the bases we know do it exceedingly well, and try and economize in that fashion.

Mr. LARSEN. Sir, currently in this year, next year's budget, we have not taken any reductions in the appropriated funds. But last year as we did the POM [program objective memorandum], we did take some reductions through the POM process.

What the Marine Corps has done and put in place for the future, as we go through developing the budget through the POM process, they have a prioritized list of programs, and these family programs are on that prioritized list, and before any reductions are recommended or projected in those areas, there has to be a decision made by the leadership of the Marine Corps on whether or not they will take that.

We are doing an assessment of our programs top to bottom. There is about 100 programs. We are looking at all of those programs. We are getting input from commanders as they rack and stack those programs as far as from their perspective. We are getting input from family members. We are also getting input from marines. And we are looking at usage data. Before we decide we are going to reduce the funding in the programs, we want to see what the impact is going to be on mission and on the importance of those programs to the marines and families.

Mr. WILSON. I thank all of you, and we have just been joined by Congressman Austin Scott. Congressman Scott also represents very significant facilities in the State of Georgia. We want to congratulate him, too. A great honor. He was elected the president of the freshman class of the 112th Congress, one of the largest freshman classes in the history of our Nation. So the president of the class is pretty important, but he is even more important than usual. So congratulations.

And we go to Congresswoman Susan Davis.

Mrs. DAVIS. Thank you very much.

In many ways I think you answered one of my first questions about the viability of the programs, because one of the concerns

that I think we have is that there are some individuals, and I am sure some Members of Congress as well, perhaps some new Members, who would question whether or not we need to have commissaries and exchanges for our military families, and whether or not it wouldn't be fine for people to go shop in local community stores.

I think the issue that sometimes gets lost is that the non-appropriated funding that comes from these activities impacts the programs that you have all been just talking about. So I wonder if there is—perhaps one of the ways of helping us as well as we look to those programs and which ones have greater viability perhaps than others is what would it look like if, in fact, we didn't have that kind of nonappropriated funding, we didn't have those resources? Is there a way that you would talk about that so that people would understand how important they are?

Mr. GORDON. Right. You know, we build a sense of community with those programs first. It is a military community that has been at war for a long period of time. Sixty to seventy percent, depending on the service, of our service members and their families live off post. These programs bring them back together when we are talking about our commissaries and our exchanges. It is a place of meeting not only for our Active Duty, but for our Guard and Reserve and our retired service members. So that sense of community is absolutely essential.

But there is the effectiveness issue as well in terms of the 31.5 percent savings, in terms of a benefit for our commissaries, the fact that we have 923 child development centers where we can have our 180,000 of our 200,000 children who need that have a place to go. So it is a workforce issue as well.

I think it is an ecosystem that we have built. And within that ecosystem we have the efficiency, and we have the effectiveness, and we have the equity, and with this team, I would argue, we have the innovation to be able to build that sense of community to sustain readiness and retention.

Mrs. DAVIS. I don't know if anybody else wanted to comment further. Yes, Mr. Larsen.

Mr. LARSEN. Yes, ma'am.

To have these programs is part of the—I think they are critical. They are essential to the way we run the other programs. The non-appropriated fund programs support the other family programs that—some of which we get some appropriated funds for; some of them, depending on what category they are in, we share the funding between appropriated and nonappropriated funds. But as part of the nonpaid compensation that we get for the service members, it is critical for them.

We provide a savings and a value in the exchanges that they are able to buy things at about 27 percent less than in retailers outside the gates. So there is a real value to that, especially the young family members. The young service members with families really realize that benefit. We have programs in place like "My Cost Is Your Cost," where we sell things at cost, whether diapers, formula, baby food, some of those other items like that, milk and eggs, and bread and things like that, to really help defray some of the cost of living that some of these young families are experiencing.

The dividend that we realize from that funds these programs, and to take that away or to remove the appropriated funding from that would really restrict the ability to generate the non-appropriated funds, and it would cause us to have to put more money back into the programs.

So the connection between the appropriated, nonappropriated funding for these programs is very important. It is critical to our ability to provide these services.

Mr. GORMAN. I would just add, and I concur with everything said, that from a financial perspective, we earn about \$200 million a year on our garrisons in nonappropriated funds to be used to support families. About 75 percent of that money is provided by the dividend from the Army and Air Force exchange system. So the continued viability of both the commissary and the exchange system is critical.

I would also add that the lion's share of our appropriated funds are spent in recreation, but even more so in Army Community Services, which provides counseling and family services, and our Child and Youth Services program.

The survey of Army families, just completed this past summer, indicates that over 60 percent of our families are pleased with the way the Army is treating them after 9 years of war. And I think that really speaks for itself.

Our leadership, General Casey and Lieutenant General Lynch, the Commander of the Army Installation Management Command, frequently say that our Army is not going to break because of its soldiers, but it might break because of its families. So therefore, we need to stay resolute in our commitment to funding those things that help them feel good about who they are, what they do, and where they serve. Thank you.

Mr. MILAM. I would just echo everything that has been said, and certainly the dividend stream from AAFES [Army and Air Force Exchange Service] has an enormous impact on the quality-of-life programs and construction projects that we have in the Air Force. Taking that away or impacting that in any way would have a huge impact on quality-of-life programs.

Mrs. DAVIS. Thank you.

Thank you, Mr. Chairman.

Mr. WILSON. Thank you.

And Congressman Allen West.

Mr. WEST. Thank you, Mr. Chairman. And it really is an honor to sit here before each and every one of you. And having done 22 years of Active Duty service myself, coming from a father who served in World War II, a mother who did civilian service for 25 years with the Marine Corps district headquarters in Atlanta, an older brother who served in Vietnam, a nephew who is a captain serving in Fort Knox right now, and also a wife who is a military dependent—her father served two tours in Vietnam, two of her brothers served in the Air Force—and, of course, both of my daughters, who are 17 and 14 now, born out at Fort Riley, Kansas, spent time in Fort Riley, Fort Leavenworth, Camp Lejeune, and then also Fort Hood, Texas. So what you are talking about here is very near and dear to my heart, because my two daughters have been beneficiaries of the great Army Morale, Welfare, and Recreation pro-

grams. And also I spent 3 years working for the Installation Management Command [IMCOM] after I retired. So please give my regards to all of my friends at IMCOM out there at San Antonio Texas.

But one of the things I would like to bring up a question. This past Saturday I had the opportunity of attending a Navy League event down at Fort Lauderdale, and the Chief of Staff of the Army USSOUTHCOM—I mean, USSOUTHCOM [United States Southern Command] was there, Major General Ayala. We just talked about commissaries, and one of the things he brought up is the amount of soldiers, sailors, airmen, marines, and coastguardsmen we have in and around that headquarters. And he asked if they could get the opportunity of having a commissary built there for them, because there is something about a commissary system. It is not just about people going to a Walmart, or Costco, or whatever. It is a camaraderie that a commissary allows you to have, and then also when you think about a lot of the retirees there.

So one of the things I want to ask is if you could do that assessment of looking at having a commissary system down there for the United States Southern Command, because I think it is very important. I think that when you look at the cost-benefit analysis, you will see that you could generate a lot of funds with the retired community down there.

My real question is this: I saw how the Army on-post housing transformed when we went to the privatized system, and that was a great system because you were able to do a lot of things as far as the repairs and the responsiveness to the servicing of those quarters. And so I would ask is that something that we have shared across all of our services to look at how we can improve the responsiveness of our on-base, on-post installation housing?

Thank you, Mr. Chairman.

Mr. GORDON. Thank you, sir, and thank you for your family's service as well.

I am going to let the services answer about how much they are sharing among themselves, but we are trying to institute more programs actually at the Department of Defense where we are actually bringing together the services to exchange information, and ideas and best practices. We have a service-to-service meeting now where the Deputy M&RAs [Assistant Secretaries for Manpower and Reserve Affairs] come together. A real success story, for example, is the Army Spouse Employment program, where the Army talked about that program, and we are looking at making that program purple now and expanding that to all military spouses in terms of availability for jobs.

So I think with this new leadership, we are much more apt to get together to start to exchange ideas and best practices that are working. But let me defer to the services in terms of specifically housing.

Mr. LARSEN. Well, I don't think most of us on this panel don't really do housing, but I will just give you a couple of points that I might be aware of.

As a former installation commander, I was a little familiar with some of the issues with housing, but I would offer that all of the services have taken advantage of the PPV [public-private ventures]

and be able to do public-private ventures and improve the housing on the bases. If you go around and look across the board, when we have town hall meetings and we meet with service members, they routinely are very appreciative of what the services have done for them as far as the housing is concerned. And so I think we made huge progress in that area.

We are doing similar things in lots of other areas to see if we can get joint ventures with private companies to help us do different activities on our installations. So I think, in that regard, it does have some applicability to the members of the panel here. And so we are working together on a lot of these things. We have several efforts that are ongoing to share information. Actually, on a routine basis, the exchanges and commissaries are working together to try to improve the quality of services we provide to service members.

Mr. MILAM. The Air Force has undergone similar privatization on the installations, which, of course, more and more Air Force personnel and families have moved off base as a result of that.

One of our challenges from a quality-of-life and an MWR standpoint is how do we reach those families? And it almost becomes the model of the Guard and Reserve where we have our military living out in communities, and where we have less focus on the bricks-and-mortar piece of the installation on the base.

What we do know through several surveys is at the end of the day, our military members are going home if they live off base. They are not hanging out at the clubs like they used to back in the day. They are going back where their families live. And we also realize that that sense of community is established in the neighborhoods that you live in, where you go to church, where your kids go to school. So what we are challenged with as we look through our programs and our efficiency drills is how we reach them and continue to support them with our MWR programs.

Mr. WEST. Thank you, Mr. Chairman. I yield back to you.

Mr. WILSON. Thank you very much.

We next go to Congresswoman Madeleine Bordallo.

Ms. BORDALLO. Thank you, Mr. Chairman, and I am very pleased to be on this personnel committee again. I was with you last time, and, of course, Mrs. Davis.

I have a couple of very important questions for Guam. The first question is for Secretary Gordon or Mr. Patrick, and it is regarding a contracting issue for MWR services on Guam. I understand that your office may not be the contracting authority, but it will certainly impact the quality of MWR services on Guam and the relationship between MWR services and our local business community.

I understand that there may be a sole sourcing of the MWR service contract to an off-island firm when local companies that are HUBZone [Historically Underutilized Business Zone] certified are willing to do the work and are, in fact, currently performing this contract. I further understand that the contract may be sole-sourced because of time constraints or personnel shortages at the contracting authority, which I believe is FISC [Fleet and Industrial Supply Center] in Pearl Harbor.

This is simply unacceptable to me, gentlemen, and I have long stated that all contracts out in Guam should be competitively

awarded. So can I get your commitment to work with our local MWR folks and the Joint Region Marianas to address this matter? I want to ensure that we have fair competition for this contract. The people of Guam are very concerned about it, and there will be other contracts that will be implemented in the future.

So, Mr. Gordon, could I get your answer on that?

Mr. GORDON. Thank you very much, and I will certainly look into it. Competition is important.

Ms. BORDALLO. Very good.

Mr. GORDON. I will take this for the record as well to dig into it. I will look into it.

[The information referred to can be found in the Appendix on page 145.]

Ms. BORDALLO. Very good. Because this was a competitive awarded contract, and now all of a sudden it is sole-sourced.

And the second question I have—Mr. Chairman, do I have time for a second?

Mr. WILSON. Yes.

Ms. BORDALLO. Good.

The military on Guam has a strategically important footprint and perform critically important missions for our country every day. MWR plays an important role in sustaining the readiness of the force, and to that extent I am wondering what more proactive efforts can be taken to work with the airlines that fly in and out of Guam to provide improved discounted offers for morale leave? I do know that Continental Airlines offers some discounted ticket prices, but service members on the bases still have a difficult time taking advantage of Guam's location and proximity to other Asian destinations because of the general high fares out there. So is this something that could be looked into further? And, Mr. Gordon, you or anyone else that could answer that.

Mr. GORDON. I think there is a larger issue here, too, and I am glad that you brought that up. And the question is how we are partnering with our nonprofit and our commercial sectors given this new fiscal austerity that we are going to witness. So that is certainly worth looking into.

At the same time, I think the good news story is we are looking and reaching out for those sorts of partnerships. A perfect example is our child care arena where we are working with 13 States, for example, to do something about the shortage of roughly about 37,000 slots for child care. And it is these sorts of partnerships where we can once again reduce, for example, costs for our service members and their families, and at the same time get some efficiencies as a result that are worth looking into. So I will certainly do that as well.

Ms. BORDALLO. Good.

I think I have just a couple of seconds left here. This question, the third one, is for Mr. Milam with the Air Force. In your testimony you discussed the Food Transformation Initiative in the Air Force. Can you discuss to what extent appropriate sustainability practices are utilized in this initiative? Are you looking at providing food sources that within a 150-mile radius as is generally accepted sustainability practice?

Mr. MILAM. Ma'am, let me preface my response by explaining why we started Food Transformation, why we got into this. We are challenged, we have a platform, a food service delivery platform, in the Air Force that is over 60 years old. It has a 32 percent utilization rate, it costs over \$20 per plate to feed an airman, and, quite frankly, has the lowest customer satisfaction rate out of any of our MWR programs, about 67 percent. That is a D. That is not acceptable. So we are taking a hard look at transforming, how we do—how we deliver food in the Air Force.

To certainly improve the quality, the variety and the availability, we have contracted with ARAMARK Corporation, and we started out at six test locations that we have out there. The feedback that we have so far has been very positive. Across the board we are looking at about a 22 percent increase in utilization. In fact, last week I was at MacDill Air Force Base at Tampa, and, speaking with the personnel down there, they had an average customer rate of about 350 to 400. They are up to 1,300 customers per day. One of the problems they have is the throughput of bringing those people through, but the quality has certainly improved.

We are delivering this Food Transformation effort through the contract, through a delivery order focusing on both the appropriated fund, the flight line feeding, as well as some NAF functions that they have out there. So there is a benefit certainly to the military as is the contractor.

Overall there will be a savings with this initiative of about 25 percent for appropriated funds. So we are not only saving money, but we are improving the quality, the availability, and the variety of food. On average, we have increased food service at these locations from 66 hours per week to 112 hours per week.

This is a model that we want to adapt across the board. There is currently a GAO [Government Accountability Office] review, and I think they are going to report out to Congress around April time frame. We would like to continue our Food Transformation effort at other locations in the Air Force.

Ms. BORDALLO. Good. Thank you very much.

I yield back, Mr. Chairman.

Mr. WILSON. Thank you.

Congresswoman Vicky Hartzler.

Mrs. HARTZLER. Thank you, Mr. Chairman. It is an honor to be on this subcommittee. I am glad to be here today, and I am proud to represent Missouri's Fourth Congressional District, not only Fort Leonard Wood, but also the Missouri National Guard headquarters and Whiteman Air Force Base.

And as a former family consumer sciences teacher, child development is very important to me, and the family is very important, so I appreciate all of your priority and what you do to make family a priority in the armed services.

Mr. Milam, in looking at some data that was provided for us ahead of time regarding the childcare facilities, I just wanted to ask a question a little bit about the percentage rate for Category B funding. I know that at Whiteman Air Force Base we are very pleased with the stellar, brand new childcare facility there, the Susie Skelton Child Care Center. It is just absolutely beautiful, and I know it is very well received there on base. But from the

data that I look at, it looks like that the Air Force overall has only a 56 percent investment in child care, and I just wondered what your thoughts were, given how important it is. The Air Force seems to be a little out of step with providing services, contributing less funds, than the other services are to this category. So what are your thoughts on that, and what is the Air Force doing?

Mr. MILAM. The fees are matching, where we get 50 percent appropriated fund support, and then the parent fees are matched 50/50. So we are a little bit above, I believe, the OSD requirement for that.

Certainly child care is very important in the military, and I have two children age 5 and 6 who are in the program, so I fully understand that. When we survey our parents, certainly the most important thing for them is the availability of child care. So if someone gave me more money, I think one of the first things I would do is look at the availability in increased spaces, not only spaces in a physical structure on the installation, but perhaps providing additional childcare subsidies for our Guard and our Reserve units that are out there.

I believe our fees are fair, they are in line with the new DOD fees, with the nine-tier structure, and the support that we currently provide in the APF [appropriated funds] meets the standard. So what we are focusing on now, ma'am, is to ensure that we can deliver more child care, availability of child care, to our airmen and their families. That is the piece that will reduce the stress on our families is having child care. Now, certainly the cost of child care is a factor when we survey our families, but it is not the factor.

Mrs. HARTZLER. So I need a little clarity. I am just new here. I thought the goal was 65 percent, and it is 56 percent. So you are saying that you are not below the goal?

Mr. MILAM. The matching fee is 50/50. The goal to Category B activities is 65 percent. We are meeting that. Yes, ma'am.

Mrs. HARTZLER. Thank you, Mr. Chairman.

Mr. WILSON. Thank you very much.

We now have Congressman Austin Scott.

Mr. SCOTT. Thank you, Mr. Chairman.

And Mr. Gordon and Mr. Milam, I represent Robins Air Force Base in Georgia. And we are blessed in Georgia with many bases and certainly want to work with you to maintain that.

And my question really gets back to the MWR and any changes that are made. What guidance is the DOD going to give to the base commanders with regard to those changes, or are the individual commanders going to be allowed to work with their personnel and determine what changes should be made to accommodate those budget-related issues?

Mr. GORDON. From the DOD perspective, ensuring a consistency, first of all, that we are meeting basically category A, or category B, or category C, very important, but that consistency in policy as well. At the same time—and I then will let Mr. Milam discuss the Air Force—commanders have a great responsibility, and they are on the ground and really do understand the needs and requirements of their families and their service members.

I recently visited both Fort Carson and Fort Campbell, and one of the instrumental aspects in terms of providing care is also an

outreach to community. It is not just about what is going on, as we all know, on that post or base, but how well the command integrates with the community, because, once again, most of our service members and their families live off post. They live off base. So those commanders and that sort of assessment is absolutely instrumental.

At the same time I do think we have the policies in place to ensure a consistency across the force, and we have an emphasis basically on our service members and their families in terms of the overall platform of morale, welfare, and recreation and its importance to readiness and recruitment.

With that, I will turn it over to the Air Force, and we can get more specific.

Mr. MILAM. Certainly the programs that we look at as far as the efficiencies at the Air Force strategic level, there is not one size that fits all that I have found across our installations. In many respects when we have an issue with child care at one base, we may not have that at another base, or a recreation program may be vibrant at one location and not the other. So it is difficult to say, let us trim these programs across the board. That is not a fair assessment. What we have to do is look at the installation specifically. And I think the installation commander certainly has the authority to make his or her own changes.

Food transformation, for example, is a very, very positive impact on the airmen, but the current dining facility at Robins may certainly fit the needs or may be suitable for those airmen that we have today.

So, again, whatever changes we make in the Air Force may not be a blanket change across the Air Force. I think the installation commander will still have the authority to make those changes.

Mr. SCOTT. If I could just follow up with that. I do believe that the local base commanders in working with their people should be allowed the flexibility there, and I appreciate that and hope that we continue to pursue that. And just what a member of the Navy on the west coast desires as far as recreational facilities may be very different from what a member of the Air Force in central Georgia desires. And I think that if those decisions are left to the local base commander instead of coming out of Washington, I think that is the best way to serve our men and women in uniform on those bases. Thank you.

I yield back, Mr. Chairman.

Mr. WILSON. We are very fortunate. We have just been joined—I don't know if he is ready—by Congressman Dr. Joe Heck from the Republic of Nevada. So we are very grateful to have—Congressman, if you would like to ask questions, we are doing—and this is the hearing in regard to morale, welfare, and recreation programs, and if you would like to ask any questions, we would be happy to hear from you.

Dr. HECK. I will waive the motion.

Mr. WILSON. And actually you have come right at the time as we prepare to adjourn. But it is really very appropriate that you came, because I was going to mention as we conclude how much I appreciate the freshmen participating. So thank you very much, and I hope that you find your experience on this committee, serving on

the Armed Services Committee, rewarding. I know that as Congresswoman Davis was chairman, she certainly made sure that everybody had the opportunity to participate.

And so I thank all of you. And Colonel West was here earlier.

So a point that was made, Mr. Gordon, by you, and that is that your programs, as described so well today, are instrumental for a sense of community, which is the military. And then Colonel West was pointing out camaraderie, and to me I think of people serving in the military as part of the military family, and it is a military family that is providing for young people in families opportunity for young people to serve to the highest and fulfill to the highest of their ability. So I want to thank you for letting that occur.

And we do have time for Mrs. Davis to ask another question as we get ready to conclude. And then, Dr. Heck, if you do want to participate, we would be happy for a question, but it is your call.

Mrs. DAVIS. Thank you, Mr. Chairman.

And, Dr. Heck, surely this might give you a little breathing space if you had a question. One or two here really. This goes to you, Mr. Gordon.

One of the concerns I hear frequently, in fact I just heard it the other day when I was meeting with a number of sailors at 32nd Street in San Diego, has to do with special needs children and the families, the challenges that they face. During the National Defense Authorization Act review and our passage of that for 2010, we had a requirement in the bill that established the Office of Community Support for Military Families with Special Needs under the Under Secretary of Defense for Personnel and Readiness. I understand that this may not be directly in your lane; however, I want to ask you a little bit about any of your involvement in that, because it does feel as if those two departments, at least, would possibly be working together and developing that program.

What has been your involvement, and where are we?

Mr. GORDON. Good question. And the office does come under Military Community and Family Policy. It is run by Dr. Rebecca Posante. Where we are is we have staffed up. We have staffed up the office. She has her full complement basically of staff members.

Let me preface, moving on, by saying before I came to this job, I was in the nonprofit community where we were very focused on youth with disabilities. And so I don't come to this with a degree of naiveté about what we need to do in this area, because prior to this very focused on how we empower youths with disabilities, how we make people aware of their needs and what they can do in our society in terms of making it very productive, but also their needs in terms of, you know, key aspects based on what the disability is. And so in terms of special needs, we have got an office now with the kind of leadership that can focus on those key areas for our service members who have families with special needs.

So I would say first we have staffed up with the right people. I would say, second, we are going to start conducting, and we are engaged in this now, a survey of what those needs might be and how we might best address them.

One of the issues for our service members and their families is education, it is a perfect example, where our children are going with special needs and whether they are getting the quality care

that they need, and if there are alternative ways of doing that better. So that is one of the things that we are going to look at.

But I am happy to say that we have got the staff in place, we are coming up with a blueprint for action, and we look forward to working with the services and Congress on that.

Mrs. DAVIS. Great. I am glad to hear that, that it is moving along. In some ways the establishment of that office was also because we knew it is pretty difficult to answer all the needs of all the families out there, but if we have one particular place, that can be helpful.

Did the DOD then provide the \$50 million that was directed in the law to that office? Is the money there, and is it being utilized?

Mr. GORDON. Good question. I have to take that for the record, too, to make sure that it is. We have gotten what we need at this point in time to really get a good start. Whether the full funding was provided, let me take that for the record and get back to you.

[The information referred to can be found in the Appendix on page 145.]

Mrs. DAVIS. Great. Thank you.

I also wanted to mention we know that there was an Army family conference just recently, and they highlighted at that conference a number of needs. The high suicide rate, the lengths of deployment, short dwell time, to lack of PTSD [post-traumatic stress disorder] screening and rising divorce rates are some of the top areas within the Army. So I am wondering, Mr. Patrick, and Mr. Larsen, and Mr. Milam, if you have also identified, say, the top three or four concerns within your service, what they are.

Mr. MILAM. Yes, ma'am. We have a similar annual conference, it is our Caring for People conference, and last year we had a special group for the special needs families. They have identified several challenges.

I am proud to say that we now have a trained Exceptional Family Member program coordinator at all of our installations. We hired 35 full time, those with installations that had 175 or more special needs families; and those that had less, it became an additional duty at the Airman and Family Readiness Centers.

Beginning next month we will have a robust respite program for special needs families, up to 20 hours of care per week to give those families a break. And this is all about reducing the stress on those families, as you mentioned, and how we can do that.

But having those Exceptional Family Member program coordinators at the installation now takes some of the burden away from the families when they move from base to base. They can go to that single point of contact and have all of their personnel-related questions, their medical-related questions, and get pointed in the right direction, where before they never really had those services. So we have come a long way in the Air Force with a long way to go.

Mrs. DAVIS. Anybody else want to comment quickly? I think my time is up.

Mr. LARSEN. Yes, ma'am, very quickly.

The Exceptional Family Member program in the Marine Corps has been one of the priorities of the previous Commandant, and the passion for that program is shared by the current Commandant and his wife. The enrollment in the program is up by about 43 per-

cent over what it was. If you look at 2001, we had about 4,500 people that were enrolled in the Exceptional Family Member program. Today there are not quite 10,000. So there is a significant increase. We think there is still room to grow based on the propensity of some of these conditions that could be as much as about 16,000, so there is still room to continue to grow.

We have case workers, 1 per 225. We have respite care that is provided to all the members—the service members, families that are in the program, 40 hours a month for respite care. So we are doing a number of things to help address those needs.

Additionally, on the issue of suicide, and dwell time and some of those other factors, they have a significant impact on the readiness of the force and the ability for us to regenerate and be resilient. If you look at the Marine Corps this year, and we don't have a silver bullet, and we don't know the answer, but our suicide rate—our suicide rate is down, and the numbers are down from 62 last year to 39 this past year. So it is significantly reduced. Why? Because the leadership has been focused on it. The commanders are involved. We have done training of the individual marines. There is peer-to-peer training and different things that we have done. We have put things in place to really try to get—to make an impact on that serious situation, and I think we are making progress. We are not advertising that we have solved suicide or anything like that, but because of the engaged leadership of—the senior leadership of the Marine Corps, we have made an impact in some of those areas.

Mrs. DAVIS. Thank you.

Thank you, Mr. Chairman.

Mr. WILSON. Thank you.

Congressman Joe Heck.

Dr. HECK. Thank you, Mr. Chair. My apologies to you, and the committee members and the panel for my tardiness, but I am quickly becoming well versed in conflicting subcommittee meetings.

Mr. Gorman, my question is for you, hello, thank you for being here. I quickly glanced through your packet, and I saw that you mentioned—I don't know if you did in your testimony again, but in the writing about the Army OneSource Program. From someone whose family has used it, having been a deployed service member and relied on Army OneSource for simple things like finding a plumber when I wasn't home to fix a problem, I think that is a great program. I also saw that you refer to the Army Community Covenant program, excellent program. I am actually going to be participating in a covenant signing this weekend in Pinellas Park, Florida.

What I didn't see in there, and I hope this in your lane, the Strong Bonds program.

Mr. GORMAN. It touches us. Strong Bonds is actually a chaplains' program. We are their number one assist, if you will. Three of our four Armed Forces recreation centers, in Garmisch, Germany; in Seoul, Korea; and at the Haleakala in Honolulu, Hawaii, are the major sources of where those events are held.

General Chiarelli, the Vice Chief of Staff in the Army, at the Army Family Action Plan meeting 3 years ago, I guess it was, and in that process we always asked the delegates—we just finished

this year's program 2 weeks ago—give us five things that are working and five that are not. From one year to the next, behavioral counseling, or lack of it, went from being the most significant issue to not even on the list. General Chiarelli tied that to two reasons: One, through the graces of the OSD, we have the military family life consultants and Strong Bonds. It attempts to get in a collegial way at those at greatest risk for marital problems. The entire Army is focused on suicide reduction through a wide range of resiliency programs.

So I couldn't say enough for Strong Bonds. We don't per se operate the program, but we are in support in a big way.

Dr. HECK. And I appreciate it. It is a phenomenal program, and it goes exactly to the points that you mentioned about trying to reintegrate deployed family members as well as decreasing some of the suicide risks.

Do you see, if possible, a bigger role for your organization in trying to reach out and provide more of those programs in a more timely, cost-effective manner?

Mr. GORMAN. I see our role like our overarching challenge to ever be more efficient with the dollars we are blessed to have; to help the chaplains use each dollar more effectively for the purpose that they have got them, which is to identify the challenges our young men and women and their families feel and help address them.

Dr. HECK. Thank you, Mr. Chairman.

Thank you, Mr. Gorman.

I yield back.

Mr. WILSON. Thank you, Dr. Heck, for your being so proactive and involved. This is great.

I would like to thank all of our panelists for being here today, the witnesses. And we appreciate all that you do for our service members, military families, and veterans. And at this time we shall be adjourned.

[Whereupon, at 3:24 p.m., the subcommittee was adjourned.]

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**A P P E N D I X**

FEBRUARY 9, 2011

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**PREPARED STATEMENTS SUBMITTED FOR THE RECORD**

FEBRUARY 9, 2011

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**Statement of Chairman Joe Wilson (R–South Carolina)**  
**House Subcommittee on Military Personnel**  
**Hearing on**  
**Morale, Welfare, and Recreation Programs Overview**  
**February 9, 2011**

The Subcommittee on Military Personnel will begin the 2011 hearing cycle with two hearings on Department Of Defense’s non-appropriated fund activities. Today, we will focus on Morale, Welfare, and Recreation programs. Tomorrow, the subcommittee will turn its attention to commissaries and exchanges—DOD’s grocery and department stores.

This subcommittee has always viewed the wide range of programs that comprise the military morale, welfare, and recreation, or MWR community as essential elements within a healthy military community. The subcommittee remains strongly committed to supporting these programs.

However, it is clear that the DOD has correctly crossed over into a new era of austerity marked by increased fiscal scrutiny of all programs and an unrelenting pursuit of increased budget efficiency. As a recipient of appropriated funds, MWR programs will be subjected to increased pressure to maintain effectiveness while operating more efficiently.

While demands for increased effectiveness and efficiency are to be expected, I fear that misperceptions about the absence of a link between MWR programs and combat readiness will place those programs at greater risk of being cut too deeply. I believe that vibrant MWR programs are critical to the health of the military community they support and that superior combat capability is directly dependent on the strength of the military community.

We must not allow MWR programs to become easy targets for the budget cutters. Certainly, there must be cuts and identifying the programs to be reduced will require difficult decisions. It is my hope that MWR managers are prepared to make those decisions and demonstrate the willingness to find savings. But those managers must also be prepared to fight hard to factually justify the programs that are truly critical to service members and their families.

We hope to learn more about the strategy that MWR managers will pursue in the coming months to meet the demands of this new era of budget austerity.

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**HONORABLE SUSAN DAVIS**

**HOUSE ARMED SERVICES COMMITTEE  
SUBCOMMITTEE ON MILITARY PERSONNEL**

**MORALE, WELFARE AND RECREATION OVERVIEW**

**February 9, 2011**

Thank you, Mr. Chairman. I would like to join you in welcoming our witnesses here today.

Mr. Gordon and Mr. Patrick, welcome, I believe this is your first opportunity before the subcommittee. Mr. Gorman, Mr. Larsen, and Mr. Milam, welcome back.

Today is the first part of a two-day set of hearings that will focus on morale, welfare, and recreation programs, and the military resale community. We hold these hearings annually, because these programs are important and valuable to our military personnel and their families. Ten years of conflict has placed a tremendous burden not only on those in uniforms, but also on their families, and in particular their children. It is important in today's all volunteer force that we ensure that the support they need is there for themselves and their families.

As the budget climate begins to change, we need to ensure that MWR and military resale programs continue to provide a wholesome quality of life for those who volunteer to serve in

uniform. That is not to say that we should not ensure that we are also spending resources efficiently or effectively, we all have a responsibility to ensure both the taxpayer and the service member funds are being spent wisely.

As always, I look forward to an open and frank discussion on these issues. The dedication and commitment our MWR employees have displayed to our military families, under challenging conditions has truly been remarkable, and we are thankful for their contributions.

Thank you, Mr. Chairman. I look forward to hearing from our witnesses.

**NOT FOR PUBLICATION  
UNTIL RELEASED BY  
THE HOUSE ARMED  
SERVICES COMMITTEE**

**STATEMENT  
OF  
MR. ROBERT L. GORDON III  
DEPUTY ASSISTANT SECRETARY OF DEFENSE  
(MILITARY COMMUNITY AND FAMILY POLICY)  
BEFORE THE  
SUBCOMMITTEE ON MILITARY PERSONNEL  
OF THE  
HOUSE ARMED SERVICES COMMITTEE**

**FEBRUARY 9-10, 2011**

**NOT FOR PUBLICATION  
UNTIL RELEASED BY  
THE HOUSE ARMED  
SERVICES COMMITTEE**

Mr. Chairman and members of this distinguished Subcommittee, thank you for inviting us to testify before you.

In my role as the Deputy Assistant Secretary of Defense for Military Community and Family Policy, I recognize the Commissary, Exchange and Morale, Welfare and Recreation (MWR) programs, including child care and youth activities, are fundamental to readiness of Service members and their families. These programs are elements of non-pay compensation and quality of life for military members and a valued retirement benefit.

President Obama, Secretary Gates, Admiral Mullen and Dr. Stanley are clear in their direction: quality of life for our members and their families remains a top priority. In an unprecedented commitment to military families, on January 24, President Obama announced 50 initiatives by 16 federal agencies to help support military families with programs designed to concentrate on improving psychological health resources for military families, ensuring excellence in education for children of Service members, developing career and education opportunities for military spouses, and increasing the availability of child care. Mrs. Obama announced a year-long campaign to promote the plan and draw more attention to the needs of military families. In the words of the First Lady, "These are lasting commitments by the government to address your needs and concerns for years to come."

The President's Budget request to operate fiscal year 2011 commissary, exchange, and MWR programs reflects our strong commitment to provide a secure standard of living and quality of life to those who serve in uniform and their families. These challenging times require that we make every dollar count. We are rebalancing the programs to align funding and policies with current priorities and to gain efficiencies in the organizations that oversee the programs.

The state of Military Resale and MWR is healthy. Through targeted programs and partnerships, we are improving the availability of services and lowering out-of-pocket expenses for members and their families, including the Guard and Reserve. We thank

Congress for the new authorities, which enabled many of these changes. Our challenge today is to scale and shape these programs to support the readiness of the force and to improve efficiencies.

To ensure we are on-target in investing in programs needed by Service members and their families, we initiated an extensive strategic planning process for family readiness and MWR programs, beginning with a thorough assessment of existing needs, programs, and related issues. A variety of methods were used to gain input from key stakeholders across the system, including family members, support professionals, non-governmental organizations, land-grant universities, and senior DoD leadership. There are many important initiatives that will emerge from this strategic direction.

We place great confidence in the leadership of the commissary, exchange, and MWR organizations who also testify today. Through their example and energetic leadership, the organizations are working together and partnering with industry and other quality of life programs to support the military community.

#### **MORALE, WELFARE AND RECREATION**

Participation in recreation, fitness, sports, cultural arts and other leisure activities is the key to active living, which leads to improved personal health and well-being, and helps build strong military families and healthy communities. Active living can also reduce stress, loneliness, obesity, and depression and builds positive self-esteem and esprit de corps, so critical in the military environment.

#### **MWR Oversight**

In March, the Department hosted an MWR Strategic Planning Offsite with 35 senior civilian leaders from the Military Departments and their headquarters to discuss the current status and future of MWR programs. The group reached unanimous consensus to improve MWR customer satisfaction, support troops in combat and families back home, and address appropriated funding for MWR. The continued vitality of the MWR program depends on sound management, meeting command and customer needs, a

predictable stream of nonappropriated revenue, and solid appropriated fund support of Category A (mission sustaining ) and B (community support) activities.

MWR Nonappropriated Fund (NAF) Financial Condition: The Department is currently reviewing the Services' FY10 funding data and will provide the FY10-12 data to Congress when this review is complete. The Services' consolidated MWR NAF instrumentalities are in sound financial condition. In fiscal year 2009, NAF net income was \$216 million, compared to \$117 million reported for fiscal year 2008. Based on FY 2009 reports, the Army and Navy profits surpassed FY 2008, while the Air Force profits are stable and the Marine Corps profits decreased.

MWR Appropriated Funding (APF): In FY 2009, \$2.7 billion of APF funding represented 61 percent of total MWR funding with the remaining 39 percent supported with NAF. The direct baseline support (excluding indirect support and Overseas Contingency Operation funds) was \$1.097 billion for MWR activities and \$731 million for child and youth programs. In FY 2010, the direct baseline support increased to \$1.12 billion for MWR activities and \$939 million for child and youth development programs.

The majority of the Services met the minimum DoD standard percentages of APF support for Categories A and B in FY 2009. Category A mission support activities (fitness, libraries, recreation centers, single Service member programs, intramural sports, and unit activities) should be entirely funded with appropriations. The Department sets a minimum standard requiring at least 85 percent of total expenses being supported with APF. In FY 2009, all Services met or exceeded the Category A standard.

Category B community support activities (child and youth development programs, outdoor recreation, crafts and automotive skills, and small bowling centers) should be supported with a minimum APF of 65 percent of total expense. The Navy achieved 61 percent while the other Services met or exceeded the Category B standard during FY 2009.

MWR Recapitalization Programs: In addition to funding facilities construction programs reported to the Congress, nonappropriated resources support capital programs for equipment, information systems, and facility sustainment projects. Overall, MWR capital programs and investments in facilities have steadily increased over the past five years. However, the Military Departments have identified nearly \$2.4 billion of unfunded MWR NAF requirements for the next ten years. The Military Departments plan to address those requirements with emphasis on renovations, repairs, and maintenance to extend the useful life of facilities and, where new facilities are required, are pursuing multi-purpose/multi-use projects, public-private ventures, commercial borrowing, new revenue sources, and inter-program business ventures. The Army, Navy, Air Force and Marine Corps are engaged in a world-wide reassessment of MWR facility requirements to ensure optimal investment of funds and estimates may be adjusted as the studies progress. We will continue to report status to the Subcommittee with the annual nonappropriated fund construction program.

#### **MWR Customer Satisfaction Index (CSI)**

In August 2009, the Defense Department conducted the first military-wide assessment of MWR customer satisfaction with programs. Conducted by the CFI Group, whose methodology underpins the respected American Customer Satisfaction Index (ASCI), almost 25,000 active duty Service members had an opportunity to rate customer service, operation hours, facility condition, and quality of services. The result was an overall DoD customer satisfaction index score of 69 based on a 0-100 scale. Seven individual MWR programs were rated for customer satisfaction. Libraries scored the highest with 74; followed by Single Service Member Program (73), Outdoor Recreation (72), Recreation Centers (72), Leisure Travel (72), and Automotive Skills (72), and Fitness Program (69). The scores do not represent "percent satisfied"; instead the scores represent the average rating of three customer satisfaction questions on a 0 to 100 scale. Broadly speaking, scores in the 60s may be characterized as "fine but could use work," in the 70s as "good job but keep working on it" and in the 80s as "excellent - keep it up."

Applying the CFI Group sophisticated regression analysis, the assessment also measured the impact of MWR satisfaction on four desired outcomes: readiness, retention, organizational commitment, and unit cohesion. The findings indicated that MWR satisfaction has the greatest impact on “readiness” and indicates if MWR satisfaction increases, readiness also increases. Conversely, if MWR satisfaction decreases, readiness also decreases. The research also indicates improvement in fitness and outdoor recreation programs will have the highest impact on the overall satisfaction with MWR and consequently on the “readiness” outcome. The Customer Satisfaction Index is an important tool to rebalance resources within MWR programs in better alignment with our most critical challenges and priorities. The assessment will be updated biennially with the 2009 results providing the baseline.

#### **Keeping the Force Fit to Fight**

Installation fitness facilities are some of the most important facilities on base for troops to release stress after returning from deployment, combat obesity, and remain physically and mentally fit to fight and win. It is also becoming increasingly important to provide capacity and access for family members. As we try to meet the increasing demands, the complaints become increasingly frequent about the quality, availability, and inaccessibility of facilities.

The 2009 Customer Satisfaction Index Survey indicated that 80 percent of the respondents currently use DoD MWR fitness facilities with 57 percent using them daily or several times a week. However, fitness facilities ranked the lowest in customer satisfaction. Our fitness facility infrastructure is old - either surpassing or coming very close to the service life set by DoD standards. The weighted average age of over 8,200 indoor and outdoor DoD fitness facilities is 39 years; weighted average service life is 37 years. The Department appreciates the five MILCON fitness centers authorized in FY 2010. However, MILCON and O&M funding for fitness is not keeping pace with DoD facility funding standards. The long-term strategy to improve fitness facilities uses the DoD facility budget models for sustainment, modernization, operation, and restoration.

Requirements have been identified based on an analysis conducted by an engineering firm and benchmarked against the approved DoD facility budget models.

To improve fitness programming, which is as important as facilities, we have contracted with the Council on Accreditation, a nationally recognized accrediting body for a number of human service related fields, to benchmark DoD and the Service's fitness standards with those of the public and private sector. Areas measured include staffing, training and supervision, health and safety, equipment, programs and classes, and auxiliary services such as child care and retail services. This benchmark study will be the basis for revising DoD MWR fitness standards to ensure high quality programs are consistent and applied across all Services.

#### **Support to Troops in Combat**

Communication. The ability to communicate with family and friends is the number one factor to cope with longer and more frequent deployments. Currently, Service members have free access to the non-secure military Internet by using their military e-mail address, including aboard ships. They also have free Internet access to over 1,000 MWR Internet Cafes in Iraq and Afghanistan with over 9,000 computers and 4,000 phones. Assets from Iraq are being relocated to Afghanistan to increase the number of free computers with Internet access. MWR Internet cafes offer webcams and Voice over Internet Protocol phone service at less than \$.04 per minute. To enhance MWR-provided services, AAFES provides wireless service for customer convenience which requires a user fee. They have recently awarded a new contract to provide turnkey internet access to individual living quarters "in-room", WiFi hotspots, and designated locations at various military installations in Afghanistan and expect service and affordability to improve. In addition, the USO and American Red Cross provide Internet Services at their centers and canteens. Back home, computers and Internet service located in our family support centers, recreation centers, libraries, and youth centers help ensure families can connect.

With FY 2009 and 2010 Overseas Contingency Operations funding, the Department purchased 135 portable Morale Satellite Units to support remote forward operating bases that cannot be supported with MWR Internet Cafés. Similar to MWR Cafes these computers provide free unclassified, mobile communications between troops and families and provide access to often restricted but popular social network sites. The systems run off Humvees and include 4-6 laptops with webcam capability and dedicated bandwidth and can be set up and taken down in 20 minutes. All 135 units are expected to be in Afghanistan by the end of February. Our thanks goes to the Marine Corps Community Support office for managing this important program for the Department. I've attached a couple of photos that demonstrate how popular these units are. Portability of the units is a great benefit in that they can be quickly deployed to wherever the need is the greatest.

Additionally, the exchanges contract for telephone services in combat zones as part of their worldwide telephone services contracts; operating 60 calling centers with 1,047 phones in Iraq, Afghanistan, and Kuwait, plus calling centers on-board ships in theater. Rates are 45 cents per minute afloat and 15 cents per minute ashore. The number of phone centers declined due to the drawdown in Iraq and the migration of customers from landline to wireless cell phones and Internet-based services. The exchanges contract with providers so individuals may purchase those services at competitive rates.

Recreation and Fitness. Sustaining morale and readiness and reducing stress is the essence of MWR support to troops in combat. Service members have access to a full spectrum of MWR activities specifically implemented for forces deployed to fight. Activities encompass cardiovascular and weight equipment, including the popular, self contained "TRX" suspension training kits, sports and recreation equipment, portable movie theaters, and large screen televisions with DVD and video projection players. MWR recreation kits are sized to fit the needs of the deployed unit. Established locations and ships have full fitness centers and libraries. The Department shipped over 264,400

paperback books and 231,974 Playaways (self-contained digital audio books) in FY 2010. Playaways now surpass paperback books in popularity with troops citing ease of use, convenience, and ability to read at night without electricity. Included in the Playaway inventory were 17,678 Dari and Pashto basic language/Afghan culture and 5,535 Arabic language Playaways.

Professional entertainment. Entertainment continues to build morale and nowhere is this more important than in the austere locations where Service members are performing duty. Armed Forces Entertainment (AFE), in cooperation with the USO and the Services' entertainment programs provide much welcomed celebrity and professional entertainment to our forces overseas. In FY2010, AFE conducted 77 tours with 475 performances in over 40 countries at more than 350 sites.

#### **MWR Outreach**

YMCA Membership Program. Families of deployed Guard and Reserve personnel and active duty assigned to independent duty typically do not have access to installation MWR programs. Therefore, to promote a fit, healthy lifestyle, reduce stress, and expand the military MWR benefit to those families during the deployment, we contract with the Armed Services YMCA to offer free YMCA family memberships at local, participating YMCAs throughout the United States and Puerto Rico. Wounded Service members assigned to a Community Based Warrior in Transition Unit can also join the YMCA to aid in their recovery and encourage family recreation throughout the recovery period. Free Child Watch is provided when families visit the YMCA and 7,020 military families have also taken advantage of an additional 16 hours per month per child of respite child care at 264 participating YMCAs; 265,000 hours of respite care have been provided. The YMCA Outreach program remains very popular with over 41,200 military and 64,364 family members taking advantage of this benefit to date. Numerous testimonials attest to the fact that the opportunity to join the YMCA has significantly aided families, reduced stress, and provided a much needed break for families of deployed personnel.

Affordable Vacation Getaways. The Armed Forces Recreation Centers (AFRC) and local installation lakeside cabins, beach houses, mountain condos, and other “best kept secrets” offer affordable destinations for family vacations and relaxation. We developed professional videos to advertise and market AFRC; these and links to each of the Service’s “best kept secrets” and other MWR programs and services are available at MilitaryOnesource.com.

DoD MWR Online Library. Overseas Contingency Operations funding supports the Free DoD Online Library, which is available anywhere/anytime through Military OneSource and the Services Library Portals. Users conducted over 44 million on-line activities in FY 2010. Resources include free downloads of audio and e-books and access to up-to-date data bases offering education and career transition support, free SAT, ACT, GRE and CLEP testing, auto repair, finances, home improvement, genealogy, animated children’s books, newspapers, and more. The program supports voluntary education, career transition, spouse employment, special needs families, home schooling, language diversity, child and youth development, and recreation needs. Feedback continues to be outstanding with many appreciative customers.

#### **Inclusive/Adaptive Recreation**

The ability of injured Service members to engage in recreation and sports is a very important component of rehabilitation and reintegration. Under a contract with Penn State University, 297 MWR specialists have completed Joint Service training on recreation inclusion for wounded warriors. Feedback is exceptional, training continues in 2011, and installation MWR specialists are successfully working with medical personnel, wounded warrior units, community parks and recreation, and non-profits to ensure inclusive and adaptive sports and recreation are part of installation MWR and community recreation programs.

Thanks to the support of Congress the United States Olympic Committee’s, the DoD Paralympics’ Military Program continues to provide rehabilitation support and mentoring to injured Service members/veterans who have sustained various types of

injuries. Over 6,800 members have been introduced to various sports opportunities through camps, clinics and competitions since April 2008 and 240 individuals are pursuing higher levels of athletic performance and achievement. Paralympics' military events are conducted at four DoD and 14 VA Medical Treatment Facilities, 29 Army Warrior Transition Units, 7 Marine Corps Wounded Warrior Battalions/Detachments, and 3 Navy and 3 Air Force locations. One hundred eighty-seven wounded Service members and veterans competed in the inaugural "Warrior Games" in May in Colorado Springs with Paralympics' competition in seven sports. With an additional 1,000 attendees including family, friends and senior military and government officials, the games were successful. Training is well underway for the second annual Warrior Games Competition this May.

#### **Personal Information Services Policy**

Personal information services include, but are not limited to, Internet, telephone, and television access via any delivery method such as wireline or wireless mode. The Department has implemented 10 U.S.C. 2492a, which imposes limitations on Department entities competing with the private sector in offering personal information services and is drafting policy for other related personal information services responsibilities for MWR, exchanges, and lodging programs. The policy has not been published pending clarification of security requirements for an additional layer of protection in overseas contingency locations.

#### **Air Force Food Transformation Initiative**

The Department approved a waiver for the Air Force to use a NAFI Memorandum of Agreement to contract with a national food service organization to operate APF dining facilities and certain MWR food and beverage operations at six Air Force installations. Using a competitive bid process, Air Force selected ARAMARK, a leader in providing professional food services and facility management for business and industry, college and universities, school districts, etc. The contract began in October 2010. The waiver recognizes that Air Force is partnering with Ability One, has an acquisition strategy that

requires right of first refusal be given to qualified employees of small business predecessor contracts and NAF employees as applicable, and will not include installations with existing Randolph Sheppard Act dining facilities' contracts. At Congress's request, the Government Accountability Office has begun their review of the implementation and management of the contract and is expected to report its findings six months after implementation. Air Force will not move forward with expanding beyond the six bases until 90 days after the Comptroller General has submitted the report to the congressional defense committees.

## **CHILDREN AND YOUTH PROGRAMS**

### **Child Care**

The Department continues its abiding commitment to quality of life and military readiness concerns in the delivery of child care programs and in meeting the increased demand due to high deployments and operation tempo. DoD is proud of its support programs and their multifaceted delivery systems and continues to seek improvement in accessing quality and affordable child care. The overarching goal is to provide a holistic and systemic approach not only for quality, affordable child care but to provide peace of mind to families regardless of where they may live.

Child care is a key factor directly impacting family readiness and retention of Service members. To date, over 43 percent of Active Duty and Reserve members have 1.1M children, ranging in age from birth to 12 years, of which 700,000 children are under age 5. In addition to changes in military family demographics, deployments to Iraq and Afghanistan have called for flexible child care options for families of deployed Service members. The DoD Child Development System (CDS) is serving over 200,000 military children from birth to 12 years of age, operating 800 child development centers at over 300 locations worldwide and approximately 6,000 family child care homes. DoD Child Development Centers (CDCs) maintain high standards of quality child care: 98 percent of eligible programs are nationally accredited.

Recognizing an investment in child care is also an investment in readiness, the Department continues to expand its partnerships with civilian child care providers. Three programs sponsored by the Services and DoD and managed by the National Association of Child Care Resource and Referral Agencies, Military Child Care in Your Neighborhood, Operation Military Child Care, and Operation Child Care, are designed specifically to assist military families who do not have access to a DoD CDS space and need help in finding affordable care in their local communities. In addition, respite child care is provided through participating YMCAs, offering this support for geographically isolated families and meeting the growing needs of deployed, Guard, and Reserve families.

In late 2010, to further expand child care capacity for Active, Guard and Reserve families that are geographically dispersed or otherwise unable to access childcare programs on a military installation, the Military Community & Family Policy office launched a new initiative to improve awareness and availability of quality child care using existing local, state, and federal delivery systems including existing child care facilities, schools, recreation and after-school programs, and home-based care. Thirteen states have been selected to participate in the pilot. The states are: Alaska, California, Colorado, Delaware, Florida, Indiana, Kansas, Kentucky, North Carolina, Texas, Virginia, Vermont, and Washington.

DoD is coordinating this effort with a number of federal partners including the Health and Human Services' Administration for Children and Families, the Department of Education and their Office of Special Education Programs, and the Department of Agriculture. Each partner will play a significant role in developing strategies and implementation guidelines.

DoD continues to execute a robust construction program designed to increase child care capacity in order to meet the goal of an 80 percent demand accommodation rate. Construction projects approved in FY 2008 and FY 2009 will add an additional 21,000 child care spaces. The American Reinvestment and Recovery Act (ARRA) of

2009 appropriated \$80 million to each of the Military Departments for the construction or replacement of CDCs for a total of 3,950 spaces. Two MILCON projects in FY 2010 facilitated the construction and/or replacement of approximately 414 child care spaces. It is estimated that the 80% of demand accommodation goal will be met by the Services by FY 2012 (this does not account for needed funds for recapitalization or increased operations tempo).

Section 2810, National Defense Authorization Act for Fiscal Year (FY) 2006 authorized the use of minor military construction for CDCs. Congress authorized a limit of \$5 million in Operations and Maintenance (O&M) funds or up to \$8 million in military construction (MILCON) funds for projects that corrected a life-threatening deficiency. This authority provided a means to serve additional families in an expeditious manner, based on where the greatest need was identified. The authority was renewed in FY 2008 and expired at the end of FY 2009. The temporary program to use minor military construction for CDCs was highly successful and allowed the Services to increase the availability of quality, affordable child care for military Service members and their families. The Department and the Services were most appreciative of the flexibility this authority allowed to increase spaces on a rapid basis using O&M funds.

DoD's CDS is built upon research-based quality indicators to ensure developmentally appropriate practices and materials are rooted in the daily operation. To sustain high-quality programs, the Department is committed to providing adequate funding, strict oversight, on-going training, and professional development for staff, wages tied to completion of training components, strong family involvement, and centers that meet national accreditation standards.

#### **Youth Programs**

Recognized as providing dynamic, innovative and successful youth programs, DoD is proud of the vital programs and services offered to more than 500,000 children and youth of military Service members between the ages of 6-18, not only across the United States but around the globe. The DoD has a long history and has earned the

reputation for providing positive programs for youth during out-of-school hours. Approximately 117,000 children between 6 – 18 years of age have at least one parent currently deployed. Research suggests that children and youth of deployed parents experience more stress than their peers. While military youth are often described as resilient, the cumulative effects of multiple moves and significant parent absences can erode this resilience. The Department believes its policies and programs must provide a firm foundation and expand to the ever changing needs of military youth today. As a result, the Department offers programs and services to recognize the achievements of youth and develops partnerships with other youth-serving organizations that augment and offer valued resources to support the military youth community. Military Youth Programs prepare youth to meet the challenges of military life, adolescence, and adulthood with programs such as physical fitness and sports, arts and recreation, training in leadership, life skills and career/volunteer opportunities, mentoring, intervention and support services. DoD promotes programming to support character and leadership development, sound education choices, and healthy life skills.

There were 25 youth facilities funded with NAF between FY 2008 – 2010, contributing to meeting the needs of military youth and supporting military families in state-of-the art facilities.

The Department enthusiastically supports and joins the First Lady Michelle Obama's efforts to combat Childhood Obesity and improve the health of our Nation's children. The DoD Childhood Obesity working group has developed a strategic action plan to support the President's goal of eradicating childhood obesity in a generation. This multidisciplinary working group is composed of subject matter experts in the fields of public health; nutrition; early childhood and youth development; pediatrics; prenatal care; mental health; MWR and fitness; food services; recruitment and education. We believe this has enormous promise for improving the health of our children and giving support to our parents to make healthy choices and life style changes

**Child and Youth Behavioral Military and Family Life Consultant (CYB-MFLC)**

The ODASD(MC&FP) established the Military and Family Life Consultant (MFLC) program to provide private and confidential non-medical, short term, situational, problem-solving counseling services. This non-medical counseling is designed to address issues that occur across the military lifestyle and help families cope with the normal reactions to the stressful/adverse situations created by deployments and reintegration. Consultants provide training, and educational presentations/workshops to Child and Youth Program staff and parents. Support is also provided to children and adolescents up to age 18 on topics such as identifying feelings, problem solving, bullying, conflict resolution, self esteem, coping with deployment and reunification, sibling/parental relationships, managing anger, time management, separation from parent(s), and divorce.

The Department continues to provide positive youth development programs that support the achievements of youth. As we look to the future, the focus will be on serving more youth while continuing to emphasize consistent, coordinated efforts to encourage and provide positive youth development.

In summary, the Department is sustaining a robust program to accelerate and expand child care capacity and youth program support. As we continue to find ways to support and build strong military families, we remain vigilant of the ongoing need of more child care and youth services. We will continue to make prudent choices of allocating resources to take care of our youngest assets – our military children.

**DEFENSE COMMISSARY AGENCY**

Active duty members and their families consistently rank the commissary benefit as one of their top benefits, second only to health care. The Defense Commissary Agency (DeCA) operates 249 commissaries around the world, supported primarily with appropriations. The commissaries annually sell almost \$6 billion in groceries, meat, poultry, produce, dairy products, and household goods. The products are sold at cost plus

a 5 percent surcharge paid by customers. Within this pricing structure, the Department's goal is to sustain a 30 percent saving on comparable private sector market baskets. The surcharge collections are used to recapitalize commissary facilities, equipment, and store information technology. Military Department appropriations fund commissary facilities at new locations, as well as requirements necessary to support significant mission changes.

### **Commissary Oversight**

The Military Departments, through their representation on the DeCA Board of Directors, advise on the funding and operation of the commissary system and assist in the overall supervision of DeCA. Specifically, the DeCA Board validates the requirement for each commissary store, recommends the allocation of operating and capitalization resources, and evaluates DeCA's performance. I look forward to continuing this collaboration and consultation with senior Service representatives and consider it crucial to keep the commissary benefit on solid footing.

Through the DeCA Board, the Military Departments are working together to guarantee each taxpayer and surcharge dollar is well spent. Recognizing the commissary store is a magnet within the military community; DeCA is taking a leading role to promote quality of life, family events, nutrition, and wellness programs in partnership with the exchanges, DoD schools, TRICARE Management Activity, Guard and Reserve units, and MWR. DeCA continues their highly successful on-site grocery sales conducted at Guard and Reserve locations during training and family weekends. Since beginning the on-site sales, the Defense Commissary Agency has delivered the commissary benefit to more than 464 Guard and Reserve locations.

The DeCA Board is closely monitoring effects of global restationing, grow the force, and BRAC 2005 decisions on requirements for commissaries. The needs of active duty members are the primary consideration when making decisions about locating commissary stores. As a general rule, commissary operations are discontinued when an installation is closed. Where active duty populations are growing, new stores may open

and existing stores may expand facilities and operations, provided Service appropriations fund these mission-directed requirements.

### **Commissary Funding**

The FY 2011 President's Budget fully funds the DeCA FY 2011 request for \$1,370.5 million to operate the commissary system. The operating budget supports 252 commissaries around the world, six overseas combined stores operated by exchanges, 10 distribution centers overseas, and the DeCA headquarters, region, and zone offices in the U.S. and overseas. DeCA is a service-oriented agency with labor costs representing 75 percent of the annual operating budget.

FY 2011 commissary sales are budgeted at over \$6.1 billion, with \$326.41 million planned for surcharge obligations to fund store maintenance, information systems, equipment requirements and the commissary construction program.

In the beginning of FY 2010, the Surcharge Ten-Year Plan was updated in accordance with current Integrated Program Budget Submission projections and requirements. The surcharge shortfall was reduced to \$100 million based on rising surcharge revenues tied to increased sales, shifting requirements properly funded with appropriations, and lower construction costs. Consequently, there are no plans to raise the surcharge rate above the five percent currently paid by the commissary patrons.

### **Commissary Performance**

DeCA operates under Balanced Scorecard performance metrics. DeCA is improving the quality and availability of goods, maintaining sales levels, reducing costs, and pursuing efficiencies through business system and process changes. These improvements translate to superior customer satisfaction and 31.5 percent savings for the commissary customer. The performance of the commissary system reflects the combined efforts of the approximately 18,000 DeCA employees.

## **ARMED SERVICE EXCHANGES**

The Services run three independent, world-wide exchange systems that operate retail complexes on 297 military installations. Catalogs and Web sites sell a wide range of merchandise and services to the military community. The Exchanges also provide resale activities and telecommunications to support military missions on board 160 ships and in 93 contingency operations, including deployed locations and disaster relief areas.

The Army and Air Force Exchange Service (AAFES), the Navy Exchange Service Command (NEXCOM), and the Marine Corps Exchange (MCX) are operated predominantly with self-generated nonappropriated resources and with Service appropriations authorized for limited purposes. The exchanges price their goods to average at least 15 percent savings to the customer and produce revenues at a level set by their Service to sustain exchange capitalization requirements and help finance their MWR programs.

### **Exchange Oversight**

The Military Departments have operational and fiduciary responsibility for funding the three exchange systems and each Service supervises its exchange through a board of directors.

Telecommunications Contracts in Combat Zones. The Department is committed to providing free telephone benefits and low cost telecommunications services so deployed and hospitalized members can remain connected to family and friends. The estimated value of telephone benefits provided at no cost to Service members is \$17.42 or 96 calling minutes per month, which does not include the value of Internet services.

As required by the law, we review contracts for all types of telephone services offered in combat zones in order to minimize costs to members and provide flexibility in phone card usage. We thank the Subcommittee for clarification contained in the FY2011 National Defense Authorization Act. By eliminating the requirement to review cell

phone contracts, you have improved the capability of the Exchange Services to respond quickly to requirements for cell phone service.

#### **Exchange Funding**

The FY 2011 President's budget requests \$217 million of support for exchanges, with \$188 million to fully support transportation requirements to ship U.S. procured goods to overseas locations, as is required by the law. The exchanges are responding to changing requirements for deployment support, including scaling back activities in Iraq and providing more austere support in Afghanistan. The audited FY 2009 NAF financial statements report the exchanges are in sound financial condition.

#### **Exchange Performance**

The exchanges have standardized performance measures against program and financial goals established by their Military Services, which we review annually. In 2009, AAFES and NEXCOM fell short of sales goals, but exceeded profit goals. Marine Corps sales and profits surpassed targeted goals. Compared to 2008 performance, both AAFES and NEXCOM reported improved profitability and the Marine Corps profits returned to 2007 levels after a banner year in 2008. The Exchanges are improving, streamlining, and modernizing operations using new technologies and business partnerships. Exchange cooperative efforts are underway in systems, logistics, and supply. Business and cooperative partnerships are also being used to optimize catalog and internet operations.

The improved AAFES and NEXCOM 2009 profitability allowed the exchanges to maintain distributions of MWR dividends at 2008 levels, while retaining more funding for capitalization requirements. AAFES and NEXCOM continue to report sufficient funding for NAF capitalization requirements identified for the next ten years. The Marine Corps' 2010 major construction is unusually large due to commercial borrowing to recapitalize high revenue-producing main stores. In 2010, the Marine Corps revised its ten-year recapitalization shortfall estimates, having previously reported no shortfall.

All three exchanges are exceeding the goals set by their boards for customer savings and satisfaction. The exchanges are responding to customer- identified opportunities to improve quality and value, while recognizing consumers are “de-luxing” in the wake of the recession. Customer feedback is also sought on-line and in-store at point of sale. When benchmarked to department and discount stores, customer satisfaction scores continue to improve and average savings to customers are 20 percent or better – well above the 15 percent target.

As a companion to customer satisfaction, the exchanges also measure employee satisfaction, which is high and continues to improve. The exchanges employ nearly 62,000 people, who serve in nonappropriated fund personnel systems, with family members representing 29 percent of the workforce and job opportunities provided to Wounded Warriors and veterans.

#### **EXECUTIVE RESALE BOARD**

Where the commissary and exchange interests intersect, Congress showed great foresight by establishing the Executive Resale Board. With many of its members also serving on the DeCA and the exchange boards, the Executive Resale Board is taking an increasingly active role to ensure complementary approaches where there are mutual interests.

Vendor Base Access. The post-9/11 environment increased demands for controlled access to our military installations. Employees of vendors who service the commissary and exchange activities experience delays and added costs in order to gain access to military installations. The interests of the resale community are being considered as the Under Secretary of Defense for Intelligence designs, tests, and evaluates the access control systems and develops inter-operable credentials with other federal agencies.

Sustainability. The Department is committed to minimizing waste and pollutants on military installations. In consonance with the Military Departments’ environmental

management, each of the retail activities is supporting Service initiatives to achieve a 50% reduction of solid waste, including plastic bags, by 2015. The Resale Activities are testing incentives to reduce usage and improve recycling of plastic bags, offering reusable bags, and lowering the petroleum content of plastic bags.

#### **MIGRATING TO THE NEW GLOBAL POSTURE AND DOMESTIC STRUCTURE**

Access to the benefits is a pressing concern as we close and realign overseas and domestic bases. The Department recognizes our obligation to work with the affected communities. With our resource constraints, resale and MWR programs can only be provided at locations where there is a sufficient concentration of active duty members who use our activities. By divesting resale and MWR operations that are no longer required to support active duty missions, resources can be redirected to support the military communities that are experiencing a significant increase of active duty Service members.

As a general rule, we do not continue resale operations after an installation closes. At the installations closing under BRAC 2005 and based on our experience in previous BRAC rounds, it is unusual for Local Redevelopment Authorities to seek continuation of resale activities. As we evaluate specific locations, our primary consideration is the impact of closure and realignment on active duty personnel and their families who use the commissary and exchange.

Commissary, exchange, and MWR programs are realigning and rescaling to coincide with the changes in Germany and the Republic of Korea. Where new missions or significant troop movement create facility requirements, appropriations and funds available under host nation agreements are sought. At closing installations, agreements with host nations govern payment for the value of our facilities.

Effective October 1, all twelve joint installations created under BRAC legislation established full operational capability. The Department is working with the Military

Departments and installation commanders to ensure all Component equities are represented and implementation procedures and end-state programs conform to joint base guidance for nonappropriated fund activities and civilian human resources. Common output level standards for lodging, MWR, children and youth, and family and warfighter services programs are monitored quarterly to ensure the joint installations are meeting the standards.

#### **TAX PREVENTION AND RECONCILIATION ACT OF 2005**

When implemented in January 2012, the Tax Prevention and Reconciliation Act of 2005 will require the Defense Commissary Agency and nonappropriated fund instrumentalities withhold and remit to the IRS a 3 percent income tax from payments owed to vendors. Our quality of life activities will bear the costs necessary to modify systems. Our trading partners, especially small businesses, may pass the burden back to customers by raising prices or declining service to the military market.

#### **NONAPPROPRIATED FUND PERSONNEL SYSTEMS**

Thank you for your advocacy on behalf of our programs and our NAF workforce. Our MWR and exchange workforce of nearly 135,000 NAF employees continues to play a vital role in improving quality of life for our Service members and their families. There are currently approximately 400 NAF civilians deployed in combat zones. In addition to staffing the functions that provide valuable benefits to Service members and their families, the NAF workforce is a source of employment opportunity to the military community. Approximately 20 percent of the NAF workforce is composed of active duty military members' spouses. In recent years, NAF employers have taken an increasingly active role in the Department's efforts to place Wounded Warriors in civilian positions.

#### **CONCLUSION**

Be assured that as we move our defense enterprise toward a more efficient, effective, and cost-conscious way of doing business, we will take care of our most valuable asset: our Service members and their families. I look forward to working with

Congress in this effort. In conclusion, thank you for your support of the dedicated men and women who chose the highest calling of public service in defense of our nation. We share a passion for improving the quality of life of our Soldiers, Sailors, Airmen and Marines and their families.



Marines aboard Forward Operating Base Nalay use Morale Satellite computers and phones, which Marines from the Warfighter Express Services Team set up during a mission from Sept. 26 through Oct. 10, 2010. The 1st Marine Logistics Group (Forward)'s WES Team travels throughout the remote locations of southern Helmand province, Afghanistan to provide service members with some of the comforts from home such as ways to easily communicate with family and a mobile Post Exchange. On this particular Mission, the WES Team was able to support 1,589 service members."





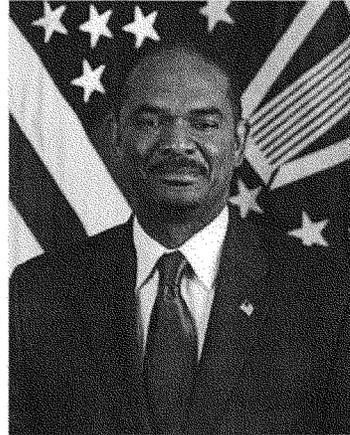
**Robert L. Gordon, III**

**Deputy Assistant Secretary of Defense (Military  
Community and Family Policy)**



Mr. Robert L. Gordon, III, a member of the Senior Executive Service, is assigned to the Office of the Secretary of Defense, serving as the Deputy Assistant Secretary of Defense for Military Community and Family Policy, effective July 19, 2010.

Mr. Gordon is responsible for policy, advocacy, and oversight of all community support to service members and families; quality of life issues; state liaison initiatives; family programs and the 24/7, 1-800 family assistance services; child development and youth programs; military spouse career advancement; the off-duty, voluntary education program for military personnel; tuition assistance; morale, welfare, and recreation; defense resale for commissaries and exchanges; and family violence prevention and intervention. Included within the purview of his office is advocacy for quality education for all military students and defense-wide policy responsibility for the Department of Defense Education Activity that serves approximately 84,000 students in 192 schools in 14 districts located in 12 foreign countries, seven states, Guam, and Puerto Rico. His oversight includes the Armed Forces Retirement Home, casualty and mortuary affairs, and military funeral honors.



Prior to his appointment, Gordon served as the Chief People and Program Officer and Senior Vice President for Civic Leadership at *City Year*, where he was responsible for the organization's people programs including: recruitment, human resources, program and service, research and evaluation, the development of *City Year*'s 1,600 member corps of young leaders, the appointment of more than 12,000 alumni as 'leaders for life,' and the engagement of children and teens in service and civic leadership.

A 1979 graduate of the United States Military Academy at West Point, Gordon was commissioned a second lieutenant in the Field Artillery. His 26-year Army career includes command and staff positions, duty as the Aide-de-Camp to then Brigadier General Colin Powell, service as an instructor and assistant professor of American Politics, and the Director of American Politics at West Point in the Department of Social Sciences. As a 1992–1993 White House Fellow, he served as the Special Assistant to the Secretary for Veterans Affairs and the Director of Special Operations, Office of National Service, The White House, to help found the *AmeriCorps* program. Gordon then served as the executive director and co-founder of the *Service America* program at West Point, and he has advised foreign governments on

national service systems. Most recently, Gordon was the chair of *ServiceNation: Mission Serve*, an initiative that created partnerships between the military and civilian service sectors to fill critical gaps of need in the military community.

Gordon's military education includes the Field Artillery Officer Advanced Course, the United States Army Command and General Staff College, and the National War College. He earned his BS from the United States Military Academy and an MA in public affairs from Princeton University's Woodrow Wilson School for Public and International Affairs.

His awards and decorations include the Legion of Merit, Defense Meritorious Service Medal, Meritorious Service Medal, and Army Commendation Medal with five oak leaf clusters, the Outstanding Volunteer Service Medal, the Army Achievement Medal, Parachutist Badge, Ranger Tab, and two awards of the Honorable Order of Saint Barbara.

RECORD VERSION

STATEMENT BY

MR RICH GORMAN  
EXECUTIVE DIRECTOR / CHIEF OPERATING OFFICER  
FAMILY AND MORALE, WELFARE AND RECREATION COMMAND

BEFORE THE

SUBCOMMITTEE ON MILITARY PERSONNEL  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES

FIRST SESSION, 112<sup>TH</sup> CONGRESS

ON ARMY FAMILY, MORALE, WELFARE AND RECREATION  
PROGRAMS

FEBRUARY 9, 2011

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UNTIL RELEASED  
BY THE COMMITTEE ON  
ARMED SERVICES

**STATEMENT BY  
MR. RICH GORMAN  
EXECUTIVE DIRECTOR / CHIEF OPERATING OFFICER  
FAMILY AND MORALE, WELFARE AND RECREATION COMMAND  
ON ARMY FAMILY, MORALE, WELFARE AND RECREATION PROGRAMS**

Mr. Chairman and Members of the Subcommittee, I am privileged to appear before you to share some of the ways we honor our Soldiers for their service and sacrifice. In architecture, a keystone is the wedge-shaped piece at the crown of an arch that locks the other pieces in place. In the Army, Soldiers are that keystone; they lock all the other parts in place. Everything I do every day is designed to support Soldiers. Sometimes the support is direct; at other times it is indirect through support for their Families. But it is always with the Soldier uppermost in mind.

**SUPPORT TO DEPLOYED SOLDIERS**

Morale, Welfare and Recreation (MWR) serves Soldiers wherever Soldiers serve. That includes those at Camp Arifjan as well as those at Fort Wainwright -- from Camp Liberty to Fort Leonard Wood -- in Afghanistan and Fort Bragg. It was once heralded that "the sun never sets on the British Empire;" I can claim without exaggeration that is now true of MWR programs. I am proud to say Soldiers can expect a basic level of MWR support wherever they may be assigned.

MWR programs help Soldiers maintain physical fitness, alleviate combat stress by temporarily diverting Soldiers' focus from combat situations during deployments, and foster total Army Family readiness, as mission accomplishment is directly linked to Soldiers' confidence that their Families are safe and capable of carrying on until they return home from deployment.

Emergency Essential Civilian MWR professionals, continue to deploy to serve Soldiers in forward deployed units. Their most significant task is coordinating

entertainment throughout the deployed theater. From scheduling performances, securing venues, and transporting entertainers to coordinating logistical and promotional requirements, MWR professionals gain the ultimate recreational experience serving in the deployed theater. Our recreation facilities feature theaters, electronic game stations, traditional board games, ping-pong, paperback book libraries and preloaded audio books.

Fitness facilities include pools, cardiovascular and strength training equipment, and assorted free weight equipment. Soldiers too remote to visit recreation or fitness facilities can take advantage of easily transportable Recreation, Theater in a Box, and Internet/Electronic Game Kits. These isolated Soldiers also have access to TRX Fitness Kits to help maintain their personal strength. Most recently, 2,275 Recreation Kits, 605 Internet/Electronic Game Kits, 315 Theater in a Box Kits, and 24,075 TRX Fitness Kits have been issued to Soldiers to contribute to their overall well-being and readiness.

The Edelweiss Lodge and Resort, Hale Koa Hotel, and Shades of Green continue to provide discounted guest room and food and beverage packages for Service members and their sponsored guests during mid-tour leave or upon return from either Afghanistan or Iraq. These rest and recuperation programs remain a popular destination choice for Soldiers and their Families.

#### **SUPPORT TO FAMILIES**

Families have been, and will continue to be, a top priority for the Army. "The quality of the lives of our military and their Families means a great deal, because in the history of our all-volunteer forces, we've never asked so much of so few. We've seen the huge burden of eight years of war on our troops - tour after tour, year after year, missing out on moments that every parent treasures: a baby's first steps, the first words, the day the training wheels come off the bike, birthdays, anniversaries." These were the words of the First Lady in speaking to a group of military spouses at Bolling Air

Force Base last year. This year, the President underscored Executive Branch support for military Families when he announced, on January 24<sup>th</sup>, a comprehensive Federal approach to supporting military Families through 50 initiatives by 16 Federal agencies. These programs focus on the four strategic priorities that address the primary challenges facing military families: enhancing well-being and psychological health, ensuring educational excellence for military children, developing career and educational opportunities for military spouses, and increasing the availability of child care.

No less than the First Family, the Congress continues to demonstrate strong support for Soldiers and their Families in myriad ways. Added evidence of that support is the recent establishment of the Congressional Military Family Caucus, to which many of you belong. You have long recognized that service in the military is not just a job, but rather is a Family commitment to the Nation. The Caucus plan to educate Members and staff on resources for military Families and on the special challenges those Families face will help raise awareness and focus legislative efforts.

Soldiers, Families, and Civilians are our greatest strategic asset and are the strength of our Army. The Army has long recognized that if we don't retain the Family, we won't retain the Soldier. Leadership has taken bold steps to ensure we retain Families by improving quality of life through a smorgasbord of meaningful initiatives, a few of which I would like to highlight.

**The Army Family Covenant:** In October 2007, the Army leadership unveiled the Army Family Covenant, to express the Army's commitment to caring for Soldiers and Families by providing a strong supportive environment where they can thrive and that will enhance their strength and resilience. The Army Family Covenant has institutionalized the Army's promise to provide Soldiers and their Families with a quality of life that is commensurate with their service to the Nation. The Soldier Family Action Plan provided the original roadmap to operationalize the Army Family Covenant through actions and initiatives that enhance Soldier and Family well-being. Many of these actions and initiatives are now complete. Senior leaders are now providing guidance on a new

generation of well-being initiatives. Soldier and Family quality of life continues to improve in areas such as: Soldier Family Assistance Centers, Survivor Outreach Services, improved services to the geographically dispersed, Exceptional Family Member respite care, Army OneSource, Child, Youth and School Services (CYSS), Child Development Center and Youth Center construction, and more.

The Army Family Covenant continues a legacy of service and support to Soldiers and Families. It reflects a continuum of Army dedication to sustain and to partner with Soldiers and their Families to build an environment where they can prosper and realize their potential.

**The Army Family Action Plan (AFAP):** The Army Family Action Plan (AFAP) seeks input for the most significant issues that affect the quality of life of the force. For 27 years, delegates from the active Army, National Guard, and Army Reserve have gathered to review critical quality of life issues. These issues are solicited directly from Soldiers, Family members, retirees, and Civilians worldwide across all Army components. They are provided to leaders at all levels and worked toward resolution. The AFAP process starts at the installation or organization level and is reassessed at select mid-level conferences prior to vetting at the Department of Army level. The Army Family Action Plan (AFAP) continues to be the grassroots effort to identify, elevate and resolve issues of concern to Soldiers, Families and Civilians. The Army is the only military service that has instituted such a program.

To date, AFAP results include 123 legislative changes, 172 Army and Department of Defense (DoD) level policy changes, and 192 changes to programs and services. Approximately 61 percent of AFAP issues are applicable across the DoD, and 90 percent of AFAP issues are worked at local levels to improve local Army communities.

The Army Senior Leadership believes in AFAP. It provides leaders with real-time information on community satisfaction, concerns, and challenges. The AFAP contributes to readiness and retention by having Soldiers and Families actively involved

in planning for their own quality of life. In addition to providing a mechanism that alerts leadership at installation, command, and headquarters levels to concerns of the force, AFAP monitors the progress of issues through a formal protocol that requires leadership involvement and approval. For Soldiers, Families, retirees, and Army Civilians, AFAP is their "voice" in the Army's future.

On March 26, 2010, the Army provided a briefing to the Congressional Military Family Caucus on AFAP that included background information, how issues are elevated from Families on installations, how they are resolved, and how AFAP fits into the broader Army Family Covenant. The event also featured an Army spouse who is active in the AFAP process and provided an "on-the-ground" perspective of the AFAP.

**Survivor Outreach Services (SOS)**: Nothing reflects the Army's dedication to those who have given the ultimate sacrifice more than our service and care for their Families left behind. Readiness includes being prepared for the possibility of death. Survivor Outreach Services (SOS) are a key component of Army support to the Soldier and the Family before, during, and after a loss; services are delivered through a holistic and multi-agency approach that decentralizes services to installations and communities closest to where surviving Families live.

In October 2008, the Army began offering enhanced services to Families of the fallen through SOS, a unified program that embraces and reassures Survivors that they are continually linked to the Army Family for as long as they desire. The SOS process is available to Survivors of all conflicts and delivers on the commitment to Families of the fallen by providing access to support, information, and services closest to where the Family resides. SOS personnel have been fielded and are actively in touch with Surviving Families. The Army has successfully integrated the program across all Components -- Active, Guard, and Reserve. SOS support is available stateside and overseas, as well as in geographically dispersed locations. Support is provided to any Survivor at the nearest location without regard to Service affiliation.

SOS Families receive information regarding benefits and entitlements and have access to long-term financial and emotional support. We continue to provide legal support to Survivors in matters directly relating to the death of the Servicemember. To enhance and expand program capabilities, the SOS staff leverages the services of non-governmental organizations.

Service delivery strategies include web-based accessibility, outreach, individual/face-to-face, and group services. An SOS "landing page" is accessible through the Army OneSource website with social networking, resource links, and monitored feedback loop capabilities to provide support to Survivors. SOS has a "Survivor Island" on Second Life through Army OneSource. Survivors can interact with each other and post memorials of their loved ones on the Virtual Hall of Heroes, a private location which is not open to the general public.

**Army OneSource (AOS):** The Army OneSource is a comprehensive, multi-component approach for community support and service delivery to meet the diverse needs of active, Army Reserve, Army National Guard, and geographically dispersed Soldiers, Families, and employers. The AOS is the centerpiece of the Army's efforts to integrate Family programs and services; it captures the resources that are already in place and uses personal contact and technology to improve on the delivery of service so that Families receive support closest to where they live.

The AOS is the single portal access for information, programs, and services and connectivity. Services may be accessed through existing offices and facilities, web based portals, community partners, and other government organizations. Services are available on the internet at <http://www.armyonesource.com>. The AOS uses the popular branding of the DoD Military OneSource to enhance its 24/7 telephone and counseling capability.

AOS is also home to a virtual environment - the AOS Virtual World -- through the Second Life application. The Army presence in Second Life allows the geographically dispersed to meet in a virtual environment to socialize, participate in in-world events,

take classes, learn about Army programs, or take solace in the Survivor area of the space. Additionally, AOS offers blogs and a forum covering a variety of Army topics. Blogs and forums offer users the ability to interact with subject matter experts and their peers to discuss and learn about a number of relevant topics. Translated into nine languages, the site averages nearly two million page views monthly. There are over 450 thousand members registered for the AOS website generating over 503 million hits a year.

Additionally, to ensure Soldiers and Family members are able to access local programs and services where they live, the site offers a Services Locator tool. The Locator provides a map to show the geographic location, directions, and contact information for each listed service provider. Services may be found by entering in a city/state combination, service category, or zip code.

For the Soldier or Family member on-the-go, the Services Locator has been extended to the Apple iPhone and iPad mobile devices through the Army OneSource Mobile application (app). Using either a 3G or Wi-Fi connection, the mobile app taps into the search, mapping, and direction-finding capabilities built into these devices and integrates them with AOS. Adding a service to a personal contact list is as easy as pressing a button.

AOS is also the central location where all active Army Family Action Plan (AFAP) issues are held and tracked. Visitors to the AOS web portal can search for active issues using a variety of search criteria. Questions are directed to AFAP staff, and issues can be forwarded to a friend or colleague via email. The AFAP Active Issue search capabilities on AOS have also been extended to the Apple iPhone and iPad mobile devices. Through the same AOS Mobile app, Soldiers and Family members can search for and learn about important Army issues that have the attention of senior Army Leadership.

The Army implemented the eArmy Family Messaging System, which is a state-of-the-art, multi-media tool for commanders to improve communication with Soldiers and Family members by broadcasting messages through various communication devices. To date, over 590,000 calls, 84,000 text messages and 610,000 emails have been delivered to more than 432,000 Soldiers and Family members registered to the system.

**Exceptional Family Member Program (EFMP):** The Army EFMP is a mandatory enrollment program implemented through Army Regulation 608-75. Enrollment in EFMP allows assignment managers to consider the documented medical and special education needs of Exceptional Family Members (EFMs) in the assignment process. When possible, Soldiers are assigned to areas where their EFM's medical and special needs can be met.

The Army provides comprehensive, coordinated services to Families with special needs through the EFMP. These services include: Information and Referral (information about the availability of community support services and educational resources); Advocacy (information on advocacy services and rights and responsibilities under the law, support groups, and linkage with appropriate medical providers and school officials); Recreational and Cultural Programs (coordination with military community recreation and civilian agencies to ensure availability and accessibility for Family members with disabilities); and Respite Care. EFMP Respite Care provides a temporary rest period for Family members responsible for regular care of persons with disabilities. Care may be provided in the respite care user's home or other settings such as special needs camps and enrichment programs. The Army has conducted training for EFMP managers worldwide to ensure consistent respite care implementation across all garrisons. In addition, AOS now hosts an EFMP respite care web page. To ensure a total Army effort, we are now developing an integrated data system for all components.

**Army Spouse Employment Partnership (ASEP):** The Army recognizes the importance of spouse satisfaction in Family decisions. Many Soldiers make retention

decisions based on their Families' financial stability. Approximately 61 percent of Army spouses are in the labor force and contribute between 20-47 percent of their Families' income. The perception of a spouse's quality of life --- including financial well-being and the ability to realize personal and professional goals --- is a contributing factor in the retention of our "All-Volunteer Force." Frequent reassignments and relocations make it difficult for spouses to sustain steady employment and develop long-term careers. ASEP helps spouses overcome these obstacles.

The ASEP program is a self-sustaining and expanding partnership that is mutually beneficial to the Army and to corporate America. The partnership provides Army spouses with opportunities to attain financial security and to achieve their employment goals through career mobility and enhanced employment options. Corporate partners can now tap into a pool of readily available, diverse, and talented candidates. Many businesses have added ASEP dedicated landing pages as well as a specialized tracking mechanism focused on military spouses to their web pages. The ASEP program partners are also tailoring human resource strategies to the unique needs of Army spouses by implementing adaptive recruiting and hiring processes within their organizations and creating employment continuity programs and career portability with no loss of tenure or benefits.

The ASEP program experienced significant growth in 2009. By the end of FY2009, seven Korean corporations joined forces with ASEP, bringing the total number of corporate partners to 57.

**Family Readiness Groups (FRGs):** The FRG is a unit commander's program that includes unit Soldiers, civilian employees, Family members (immediate and extended), and volunteers. FRGs are critical to maintaining the strength, morale, and information chain for Soldiers, Families, and commands and are vital to the morale and support of Soldiers and Families regardless of the unit's position in the Army Force Generation cycle.

The FRG has four mission-essential tasks: act as an extension of the unit in providing official, accurate command information; provide mutual support between the command and the FRG membership; advocate more efficient use of available community resources; and help Families solve problems at the lowest level. These tasks facilitate Family readiness, which allows Soldiers to focus on the mission knowing their Families have resources to successfully cope with the challenges of Army life. Structured according to the needs of the unit, some FRGs are large, active, and all-encompassing, while others are small, and tailored only to the immediate requirements of a non-deployed unit.

As part of the Army OneSource web system, virtual Family Readiness Groups (vFRGs) provide all of the functionality of traditional FRGs in an ad hoc, online setting to meet the needs of geographically dispersed Families. vFRGs leverage technology to link the deployed Soldier, Family, FRG leader, unit and rear detachment commanders, and other Family readiness personnel on their own controlled-access web portal to facilitate the exchange of information and to provide a sense of community. Unit commanders are responsible for maintaining vFRG content and user access for the 2,299 unit sites with more than 299,000 Soldier and Family member registered users.

**Family Readiness Support Assistants (FRSAs):** FRSAs provide administrative and logistical support to commanders and volunteer FRG leaders on matters pertaining to Family readiness for the operating force. FRSAs lend consistency to the unit FRG and rear detachment team. Primary missions of FRSAs are coordinating training for Family readiness support, maintaining the critical communication link between the commander and FRG leaders, and information and referral to community resources.

FRSAs are paid employees and a valued component of the unit commander's Family readiness program. As members of the battalion commander's staff, FRSAs coordinate FRG activities within units and update commanders on program status and services available to Soldiers and their Families. FRSAs link Family members with other Army support agencies and programs.

**CHILD, YOUTH & SCHOOL SERVICES**

Child, Youth & School Services (CYSS) offers programs that are a key component of the Army Family Covenant because they reduce the conflict between mission readiness and parental responsibility. When Soldiers are on the job – either at a garrison or deployed around the world – they don't need to wonder whether their children are well cared-for. We want them to know their children have top-quality child care and first-class youth programs, as in the mantra of this command: "People First...Mission Always."

We have provided the resources for our garrison Child Development Centers and Family Child Care Homes to extend their operating hours to better accommodate the current high operational tempo. We have also extended hours to cover mission-related evening and weekend child care requirements, and even offer 24/7 services and crisis care where necessary. Soldiers who work an extended duty day are not charged for the extra child care hours.

Families of deployed Soldiers receive child care discounts and 16 hours of free respite child care per month, per child. This respite child care literally gives parents a break so the stay-behind spouse – who has become the equivalent of a single parent – has time to tend to personal needs or take breaks from the everyday stresses of parenting. Our Families are grateful for this well-deserved service.

On-site Child and Youth Behavioral Consultants offer non-medical, short-term, situational, problem-solving counseling to CYSS staff, parents, and children within CYSS facilities, programs, and summer camps. One-hundred twelve Child and Youth Behavioral Consultants are presently assigned at 60 garrisons.

Families of our Wounded Warriors are especially vulnerable, and we provide child care for them during medical appointments and support group meetings. Army

Families of Fallen Soldiers receive child care during the bereavement period and special consideration thereafter.

When Soldier parents are absent, many children no longer have the transportation that allows them to participate in after school programs and sports. The Army Family Covenant has enabled us to add more school bus routes and transportation options to assist children in accessing these vital activities.

Army Child and Youth fees for School Year 2010 - 2011 were recently raised in accordance with DoD policy. With DoD approval, the Army will phase in the fee increases to help mitigate the financial impact on Army Families and establish single fees in each income category. This will result in more consistency and predictability as Families move throughout the Army.

In the area of school support services, I believe we have contributed something particularly significant. We developed and distributed to our Army Senior Leaders the School Support Services Strategic Plan for 2009 to 2014 to position ourselves to be "A Driving Force for Student Success." This strategic plan builds a support system that addresses learning environments, academic skills, and personnel management skills to ensure positive outcomes for our Army children and youth.

It is often said that when Soldiers receive their Permanent Change of Station orders, they want to know two things about their new duty station: "Where will my Family live?" and "What is the quality of the schools?"

The Army has added emphasis on the support we provide to school personnel who work with our military students. Longer and multiple deployments are increasing the stress on our Families, and the support they need includes strengthening the connection with those who teach and monitor our children every day in school settings. We have 141 School Liaison Officers throughout the Army who are dedicated to being the link among students, parents, school districts, and commands to address and solve

problems related to our mobile military population. We have increased the number of school districts to 401 that have signed a memorandum of understanding to help minimize academic disruptions for transferring military students. We have also expanded training to help school officials understand challenges faced by military students.

Thirty-five states have signed the Interstate Compact on Education Opportunity for Military Children, which removes barriers to educational success imposed on children of military Families due to frequent moves and the deployment of their parents. It addresses four broad categories: eligibility, enrollment, placement, and graduation. The Compact impacts 88 percent -- more than 542,000 children -- of active duty Soldiers residing in member states.

Military Family Life Consultants (MFLCs) in installation schools offer non-medical, short-term, situational, problem-solving counseling for school personnel, parents, and students. There are 166 MFLCs presently assigned to 26 garrisons serving 190 schools.

Similarly, the implementation of the Army's "Study Strong" online 24/7 Academic Tutoring program has met with resounding success. The ability of our military-connected kindergarten to 12<sup>th</sup> grade and college introductory-level students to access a live, one-on-one tutor in topics such as math, science, English, and social studies is evidence that features of the Army Family Covenant apply to the "whole Family" -- including our children and youth.

We remain grateful for your support of our Child and Youth Construction Program, which will significantly reduce our child care shortfall. Our Military Construction Program reflects this commitment: 49 Child Development Center MILCON projects were funded in fiscal years 2008 and 2009, with an additional five Centers programmed for fiscal years 2012 through 2016. In addition, we used the temporary authority provided in the Fiscal Year 2006 National Defense Authorization Act (NDAA),

as amended in the Fiscal Year 2008 NDAA, to build 79 Child Development Centers in fiscal years 2008 and 2009 with Operations and Maintenance funding.

Additionally, we funded six Military Construction Youth Center projects and 18 Nonappropriated Fund (NAF) Youth Centers in fiscal years 2008 through 2011. We thank you for your support to enable the Army to rapidly meet installation child care and youth program requirements.

We recognize the need to ensure the health, safety, and well-being of the children in our care and take great pride in the fact that 98 percent of our eligible Child Development Centers and Army School Age Programs are nationally accredited. This milestone represents the culmination of years of hard work and addresses quality as well as quantity.

Like many of our programs, the Child, Youth, and School Services (CYSS) Program is a force multiplier that helps reduce lost duty time, impacts Soldiers' decisions to remain in the Army, and shows our Families we care about them. These programs are critical to mission readiness; they contribute to productivity and retention today and help build productive citizens for the future.

#### **COMMUNITY SUPPORT TO FAMILIES**

The Army can't do it alone. Americans recognize that Soldiers and Families make considerable sacrifices as they serve to defend the Nation. We are thankful for all the citizens and community-based organizations that have stepped up to support Soldiers and their Families.

**The Army Community Covenant:** Launched in April 2008, the Army Community Covenant fosters and sustains effective state and community partnerships and formalizes support from communities across America to improve the quality of life for Soldiers and their Families – Active, Guard, and Reserve.

A community's public commitment to build partnerships that support the strength, resilience, and readiness of Soldiers and their Families begins with an Army Community Covenant signing ceremony. Since its inception, over 662 communities have signed covenants in all 50 states, three territories, the District of Columbia, the Republic of Korea, and Europe.

The Army Community Covenant continues to gain momentum. We are refocusing our efforts away from signing ceremonies and toward community-based action. Our goal is to use the Community Covenant platform to inspire communities to organize comprehensive, multi-agency, and versatile mixtures of tailored and networked community support for service members and their Families that complement existing programs and services already offered by the Army.

A perfect example of this new focus is the Community Covenant Brownsville, Texas, for the Rio Grande Valley. The faith-based organization H.A.R.P. (Hispanic Active Relationships Project) developed a collaborative network to support Soldiers and Families in their community and initiated this event. H.A.R.P. conducted a focus group of spouses of currently deployed National Guard Soldiers to identify their issues and needs and then met with city and county officials to address those needs. The Covenant signing formalized the support efforts from the community dedicated to helping military members and their Families. This type of collaboration is what we hope to achieve through the Community Covenant initiative.

#### **SUPPORT FOR SINGLE SOLDIERS**

Soldiers are the centerpiece of the Army – *single* Soldiers no less than their *married* counterparts. Although recent years have witnessed the growth of programs designed to support the 58 percent of married Soldiers, this progress will not be at the expense of single Soldiers.

**Better Opportunities for Single Soldiers (BOSS):** The Army's BOSS program is an MWR program designed to be the collective voice for single Soldiers within the chain of command. Through its three core components -- quality of life, recreation and leisure, and community service -- the program serves as a tool by which commanders can gauge the morale of single Soldiers, increase retention, and sustain readiness. Additionally, BOSS sponsors a variety of activities before, during, and after deployment to maintain the morale of single Soldiers affected by increased operational tempo and deployment issues.

In fiscal year 2009, the Army realigned the focus for BOSS utilizing the Army Force Generation (ARFORGEN) model. BOSS also unveiled a new logo representing a refreshed look for the program, which celebrated its 20th anniversary in 2009.

The BOSS program is a combat multiplier. It provides essential support to single Soldiers, including single parents and geographical bachelors, that is not provided through other programs. BOSS benefits the command by enhancing Soldiers' morale and welfare, serving as a conduit for information between Soldier and command, and improving esprit de corps. BOSS benefits the community by contributing to installation volunteer programs; building good rapport with communities; better integrating single Soldiers into their communities; and building a positive image of single Soldiers. BOSS benefits Soldiers by improving leadership skills and providing leisure and recreation events for a "Battle Minded" Soldier.

#### **RECREATION PROGRAMS**

Soldier and Community Recreation programs strengthen the military community through programs that efficiently use resources, are not facility-bound, are market-driven, and focus on Soldier readiness at home and during deployment. We offer Soldiers and their Families opportunities for skills development, physical fitness, and mental well-being; these lead to retention, readiness, and recruitment; and build better Soldiers and well-balanced Families.

**Fitness:** Physical fitness remains paramount to maintaining Soldier readiness. Fitness programming satisfies established priorities among Soldiers, Family Members, Civilians, and Retirees. Army Baseline Standards establish predictable levels of quality service, identify minimum resource requirements, and provide guidance on program delivery to ensure all demographics are targeted, to include Family Members. The Army Bulk Buy Program realizes cost savings in purchasing key cardio and strength equipment on an Army-wide scale. Active Duty Soldiers and Reservists on AD status in Remote and Isolated locations, where Army brick and mortar options are not available, may obtain memberships to local YMCAs or similar commercial options to satisfy their fitness needs.

Quality fitness opportunities abound in the deployed theater as well. In established base camps, the Bulk Buy Program provides the same benefits traditional CONUS and OCONUS Garrisons receive. Soldiers in forward-deployed locations that lack the facilities and equipment found in established base camps, receive personal fitness training aides, comprised of elastic bands and hand grips, that enable them to use isometrics, resistance, and their own body weight and strength to maintain their fitness.

Beginning with the American Recovery and Relief Act of 2009, the Department has been authorized to use Operations and Maintenance funding for sustainment, restoration, and modernization of fitness center projects. In addition, the Congress authorized and funded two MILCON fitness projects at Fort Stewart, GA (\$ 22.0 million) and Fort Carson, CO (\$ 35.3 million) in fiscal year 2009. The fiscal year 2011 President's Budget includes one fitness project in Ansbach, Germany for \$ 13.8 million. Since fiscal year 2002, we have constructed fitness facilities in Wiesbaden, Germany; Fort Rucker, AL; Hunter Army Airfield, GA; Fort Benning, GA; Fort Drum, NY; and Forts Hood and Bliss, TX. In addition, the host nation funded three fitness centers at Camp Humphreys in the Republic of Korea. These projects have substantially improved the quality and quantity of our Army fitness programs.

**Warrior Adventure Quest (WAQ):** WAQ is a training tool designed to help redeploying Soldiers avoid accidents by adjusting safely from the high-paced, high-adrenaline combat environment to garrison or home life. This tool demonstrates that high-adventure recreation can be a coping outlet to help Soldiers realize their own new level of normal and move on with their lives.

WAQ combines existing MWR high-adventure outdoor recreation activities (e.g., rock climbing, mountain biking, paintball, scuba, ropes courses, skiing, and others) with an after-action debriefing tool. Currently, WAQ is conducted in platoon-level groups within the first 120 days after return to home station. After three short pilot test programs were conducted successfully in September 2008, the program began in earnest in January 2009. As of December 28, 2010, there are 36 garrisons conducting WAQ activity programs, while another five garrisons are in various planning stages preparing to implement by the end of the calendar year. The program has so far served approximately 2,147 platoons or 53,184 Soldiers.

A series of measurements are in place to test the effectiveness of the program. So far, survey results from Soldiers who have participated in the WAQ program show significant positive indicators.

**The Warrior Zone, Soldier Club for Today's Soldier:** The Warrior Zone is a state-of-the-art facility for interactive gaming and computer communications. The key feature is its technology, which offers live-action video capability for regional, Army-wide, and deployed units to participate in on-line, multi-player competitions. The effect is to enable deployed Soldiers to game with fellow service members located in Warrior Zones worldwide.

The Warrior Zone concept developed from ten U.S and overseas focus groups comprised of active duty Soldiers. Focus groups involved structured small group discussions designed to gain in-depth information about specific issues that cannot be

easily obtained from single or serial interviews. The sample market included personnel from across all enlisted and junior officer ranks.

Warrior Zone facilities will have the capability to provide Soldiers with Wi-Fi technology; movie viewing in a relaxed-home theater-atmosphere; food and beverage lounges with sports viewing on multiple flat screen TV's; a BOSS office; education classrooms; and standard recreation center activities such as billiards, chess, poker, and table tennis. They may also include state-of-the-art sound and lighting for commercial, high-tech entertainment and sporting events, Wi-Fi access, special events, and outdoor covered patios for group picnics, social activities, and meeting space.

Standard Warrior Zone design will dictate the size of facilities depending on troop strength and the population at any given location. Each site selected for the facility will take into account proximity to troop housing on post and should be within walking distance, to create a less risky environment than off-base venues. A small Warrior Zone that opened at Fort Riley, KS, has proven to be a good learning ground for gaming/video and technology configurations. Warrior Zones at Joint Base Lewis-McChord, WA, and Fort Riley, KS are scheduled for completion in fiscal year 2011.

**Inclusive Recreation for Wounded Warriors:** To support our Wounded Warriors, we have contracted with the Pennsylvania State University Outreach Programs to provide "Inclusive Recreation for Wounded Warrior" training sessions. The four-day training is designed for Recreation personnel to integrate active duty Wounded Warriors into existing MWR Recreation programs and services. Training involves recognizing the unique needs and characteristics of Wounded Warriors who have sustained war-related injuries (e.g., post traumatic stress disorder, traumatic brain injury, and amputations) and learning skills and tools to respond to their needs. The course focuses on the "real life" needs of Wounded Warriors and their families and offers personal perspectives by individuals who have experienced psychological and physical disabilities. Through a variety of small-group work, guest speakers, instruction, assigned readings, multimedia presentations, and hands-on activities, students

learn how to adapt, design, or modify their recreation programs to promote greater inclusion of and participation by Wounded Warriors. A byproduct of this course will be better integration of retirees and exceptional family members who may have disabilities into Army recreation programs.

The U.S. Paralympics are conducting three Train-the-Trainer (T3) clinics at Joint Base Lewis-McChord, WA, West Point, NY, and Fort Campbell, KY, to assist Warrior Transition Units (WTUs) and MWR to set up and align adaptive Sports and Recreation programs for wounded, ill, and injured Warriors. U.S. Paralympics coaches and athletes are providing an introduction to adaptive sports, as well as instruction on how to coach adaptive sports and related activities to give cadre and MWR staff the skills and knowledge to teach and facilitate adaptive sports programs for Wounded Warriors.

**World Class Athlete Program (WCAP):** WCAP is a program that provides outstanding Soldier-athletes with the support and training to compete and succeed in national and international competitions, including Olympic and Paralympics Games, while maintaining their professional military careers. Based in Public Law, WCAP supports the Army by reinforcing a positive image, providing Army athletes with national visibility, and having a positive impact on recruitment and retention

Currently, there are 59 Soldiers assigned to the program, participating in 14 different sports. Over 75 Soldiers participate in Total Army Involvement in Recruiting missions annually, supporting the U.S. Army Accessions Command by conducting clinics and speaking at numerous high schools, colleges, and athletic programs across the Nation. Four WCAP Soldier-athletes -- First Lieutenant Christopher Fogt, Sergeant John Napier, Sergeant William Tavares, and Sergeant Jeremy Teela -- competed at the 2010 Winter Olympic Games in biathlon and bobsledding. Sergeant Tavares coached the U.S. four-man bobsled team to a Gold Medal and the U.S. Women's bobsled team to a Bronze Medal. Sergeant Teela finished 9<sup>th</sup> in the biathlon10K sprint -- to become the Army's highest-ranked U.S. Olympic biathlon finisher ever.

### ENTERPRISE INITIATIVES

As a subordinate command of the Army Installation Management Command, the Army Family and Morale, Welfare and Recreation Command (FMWRC) continues to expand its Enterprise Buy Initiatives to more effectively leverage our buying power to yield Army-wide cost efficiencies by standardizing products and reducing product pricing. Expanding on our already successful array of initiatives, we have now consolidated purchasing of required items such as electronics, furniture, and commonly-used recreation equipment. We also continue to foster our lucrative and equally beneficial partnership with the Army and Air Force Exchange Service (AAFES) to combine purchasing power and leverage our strengths in the areas of supply chain opportunities, cross-marketing, and risk management.

### BUSINESS INITIATIVES

Business programs maintain their own facilities and fund other critical MWR programs that are not capable of being self-sustaining. The Business Initiatives Group is currently working on an MWR and AAFES logistics and warehousing optimization initiative in both Hawaii and the Republic of Korea to reduce overall costs and streamline operations. Also during fiscal year 2009, the Army Lodging Success program provided a savings of \$3.4 million for travelers, compared to lodging costs in the public sector. In addition, the Temporary Change of Station Program saved the Army \$44 million.

Business Operations guided the Joint Services Prime Vendor program to a 13.2 percent savings in fiscal year 2009. They also supported the Army Family Covenant by offering discounted bowling and golf recreational opportunities for Soldiers and Families affected by extended deployments.

**Joint Services Prime Vendor Program (JSPVP):** The JSPVP was established in the early 1990's as a centralized food procurement program for Nonappropriated Fund

(NAF) foodservice operations within the Army, Navy, Navy Exchange Service Command, Marine Corps, and Coast Guard to provide price stability and cost avoidance opportunities through leveraged purchasing power. The primary objective of the JSPVP is to provide NAF activities quality products at low prices through contracts with foodservice distributors and manufacturers. The combined annual buying power of over \$140 million allows the JSPVP to achieve savings over street pricing and to establish pricing agreements with manufacturers for bulk purchases.

Contracts are centrally administered and managed by NAF contracting personnel at FMWRC. The contracts contain a base year and nine one-year options. FMWRC currently administers 32 contracts with 40 food distributors on a cost-plus basis for food and food-related products.

Rebate agreements are in place with over 150 manufacturers. Rebates are earned for purchases made through the prime vendors and are paid directly to the ordering activities on a quarterly basis. Overhead cost avoidance and lower inventory requirements increase savings and cash flow for MWR activities. Fiscal year 2009 combined purchases totaled \$140.3 million and generated a savings of \$18.5 million.

**Food, Beverage, and Entertainment (FBE) Programs:** FBE programs play a vital role in cultivating a sense of belonging for Soldiers in the community; those that give Soldiers and Families “what they want” remain a priority MWR program focus. Continuously improving programs and providing desired services such as catering and entertainment functions ensure FBE operations continue to meet the needs of authorized patrons. Professional assessments of all installation FBE operations are performed to determine improvements needed to enhance MWR food operations. MWR FBE operations strike a balance between improving quality of life and financial performance. They closely mirror those activities that Soldiers and Families experience at home and provide another link to home and Family.

- **Club Strategy:** Our club strategy is a holistic approach to Family and Morale, Welfare and Recreation (FMWR) program delivery and includes far more than the traditional idea of a military club. The primary goal of our club strategy is to re-vitalize the clubs by bringing like-minded individuals together in a social setting, while providing an environment conducive to the growth of esprit de corps, sense of community, and informal Soldier mentoring. The strategy is not limited to business activities and will be applicable across all FMWR program areas. Success of this concept will be measured by an increased utilization of FMWR programs by Soldiers, Families, and other authorized patrons.
- **The Name Brand Fast Food (NBFF) Initiative:** NBFF enables Army installations to provide nationally recognized quick-service chain restaurants in MWR facilities. AAFES and MWR are partners in this joint venture and work closely to conduct installation assessments to determine food service needs. There are currently 12 units in operation -- seven in the Republic of Korea, and five in the U.S.
- **The Name Brand Casual Dining Initiative:** This initiative provides Army installations the ability to offer Soldiers and Families nationally recognized casual dining chain restaurants in stand-alone and MWR facilities. The initiative provides installations with familiar American-style restaurants. Currently, Huddle Houses are being operated at Fort Gordon, GA, and Fort Polk, LA; a third Huddle House opened on October 15, 2010 at Fort Benning, GA. Construction of a Chili's at Fort Hood, TX, commenced on October 25, 2010 with a May 2011 target opening date. Altogether, name-brand casual dining operations are scheduled for 22 stateside installations, including Fort Bragg, NC; Fort Campbell, KY; Fort Polk, LA; Fort Riley, KS; Fort Stewart, GA; and others.
- **FMWR Branded Restaurant Operations:** FMWR Branded Restaurants are comprehensive packages that can be customized to fit the needs of the installation, whether with a retrofit of an existing facility, in-line service counter, or

brand new construction. FMWRC offers market assessment, architectural design, menus, recipes, training, in-house marketing promotions, and much more. There are currently 97 FMWR Branded Restaurants in operation under the eight brands in the portfolio, with two projects in construction, four in contracting, six in design, and five more in planning stages. In addition to Army locations, FMWRC supports and receives income from a joint services partnership with the Marine Corps with locations at Marine Corps Air Station Beaufort, SC; Marine Corps Recruit Depot Parris Island, SC; and Marine Corps Base Quantico, VA.

**Bowling:** Bowling is another example of an MWR program attractive to Soldiers and Families, adults and children. Army bowling centers are Soldier and Family entertainment centers that provide a variety of amusement opportunities, to include glow bowling, party rooms, video arcades, and billiards, along with Strike Zone snack bars. In fiscal year 2009, the bowling program served up roughly seven million games at the Army's 86 bowling centers worldwide. In Wiesbaden, Germany, a new bowling entertainment center is under construction, along with a project validation assessment being conducted for a new center at Ansbach, Germany.

To support the Army Family Covenant, bowling centers are focusing on quality Family recreation and youth bowling education. Educational programs targeting children of all age groups, such as Bowlopolis for ages 12 and under, and United States Bowling Congress youth lessons for teens are rolled out each year as an effort to grow the game. To assist our Wounded Warriors, bowling managers are being trained to coach adaptive techniques that allow the Soldiers to continue participating in the sport.

**Golf:** The Army Golf Program provides "First Choice" golf courses to meet the continued demands of our Soldiers and their Families with a focus on quality and value. The program generates income to facilitate capital reinvestment and support to other MWR programs. In fiscal year 2009, over one and a half million rounds of golf were played at the 53 separate golf courses operated by the Army.

Future program plans include continuing education for our golf course managers and superintendents, standardizing facility construction projects, and increasing accessibility and instruction for disabled patron play. In addition, new operating guidance focused on revenue trend analysis, participation benchmarks, and customer satisfaction will be implemented during fiscal year 2011.

### **FINANCIAL ASSESSMENT**

Operationally, Appropriated (APF) and Nonappropriated Fund (NAF) support to the Army's MWR program for fiscal year 2009 totaled \$2.6 billion, including construction. This represents a \$600 million increase over fiscal year 2008. NAF revenue was \$1.076 billion, a \$27 million increase from fiscal year 2008. The APF support was \$1.6 billion, including construction; this was a \$500 million increase over the previous year.

The Army MWR Funds' collective financial position is sound as of September 30, 2009, with liquid assets (including cash reserved in sinking funds) exceeding current liabilities at a rate of 1.5 to 1.

The DoD standard is to use Appropriated Funds to fund 100 percent of costs for which they are authorized. The metrics specify funding minimums of 85 percent for Category A (CAT A) activities and 65 percent for Category B (CAT B) activities. In fiscal year 2009, APF support for CAT A was 89 percent, five percent higher than it was in fiscal year 2008. APF support to CAT B, to include overhead proration, was 81 percent for fiscal year 2009, versus 77 percent for fiscal year 2008.

### **CONCLUSION**

Economy, efficiency, and effectiveness have long been goals of Army MWR programs, although their relative priority has changed over time, driven by deployment,

budget, and staffing requirements. Best business practices, coupled with determined fiscal stewardship and budget realities, have helped us do things economically. Continually evolving standards and metrics ensure we do many things efficiently – we can demonstrate that we are doing things right. And empirical and anecdotal evidence shows we increasingly do the right things for our Soldiers, Civilians, and their Families. While maintaining focus on sustaining our successes, we are also continually asking, “What are we missing? -- What do we need to change?”

We recognize change is constant and inevitable; it defines our present and frames our future. I have always maintained that change is change, but better is better. Where it makes sense, we will embrace change to address what’s missing. But our focus will remain not on “change” but on “better” as we strive, with your help, to keep our promise to provide Soldiers and Families with a quality of life commensurate with their service and sacrifice. On behalf of America’s Army, I thank you for your continued and steadfast support, and I look forward to your questions.

**RICH GORMAN**  
**EXECUTIVE DIRECTOR / CHIEF OPERATING OFFICER**  
**FAMILY AND MORALE, WELFARE AND RECREATION COMMAND**

Effective 18 May 2006, Rich Gorman assumed duties as Chief Operating Officer, U.S. Army Community and Family Support Center, now known as the Family and Morale, Welfare and Recreation Command. In this capacity, Mr. Gorman provides oversight, guidance and supervision of morale, welfare, and recreation programs and services in the areas of Business Programs, Nonappropriated Fund Construction, Nonappropriated Fund Contracting, Human Resources, and Hospitality Management Directorate which includes the Armed Forces Recreations Centers (Hale Koa Hotel® in Hawaii, Shades of Green® in Florida, Dragon Hill Lodge® in Korea, and the Edelweiss Lodge and Resort in Germany), Army Lodging (worldwide), and the Army Recreation Machine Program (worldwide). Mr. Gorman serves as the senior nonappropriated fund employee of the Army for a workforce of 40,000 employees worldwide and advocates for nonappropriated fund employee benefits and conditions of employment.



Prior to assuming duties as Chief Operating Officer, Mr. Gorman had served as Director for Hospitality Management (U.S. Army Community and Family Support Center) and oversaw worldwide Armed Forces Recreation Center and Army Recreation Machine Program operations (May 05 – May 06).

Mr. Gorman's additional Army civilian responsibilities have included direct management of two of the Department of Defense's premier Joint Service facilities (Armed Forces Recreation Centers): Dragon Hill Lodge® (Seoul, Korea, Jun 98 – Mar 05) and Armed Forces Recreation Center (AFRC)-Europe (Garmisch and Chiemsee, Germany, 1989 – 1996). He has managed a world-wide Army Recreation Machine Program operation (the second-largest revenue-generating activity in Army MWR, Aug 97 – Jun 98) and brought about major realignments in the European theatre by transitioning its headquarters from Germany to Fort Carson, Colorado. Mr. Gorman served as Director of Operations, Hospitality Directorate at HQDA-level (Feb 96 – Aug 97). Mr. Gorman assumed the position as Director of Hospitality Management with management and oversight responsibilities for the Armed Forces Recreation Centers and the Army Recreation Machine Program (May 05 - May 06). His career progression and leadership experience have honed him for this important oversight mission and places him in a position to meet greater challenges with likely success.

Mr. Gorman is an experienced leader with keen business acumen evidenced by the successful and proven programs and services that he manages and influences. Mr. Gorman's desire for excellence in all facets of MWR business management, profitability, planning, personnel administration, and the full realm of managing revenue-generating operations are an asset to the Department of the Army and the Family and Morale, Welfare and Recreation Command.

Mr. Gorman and his wife have three children.

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SERVICES COMMITTEE

STATEMENT OF  
MR. ROGERS PATRICK  
BEFORE THE  
HOUSE ARMED SERVICES COMMITTEE  
SUBCOMMITTEE  
ON  
MILITARY PERSONNEL  
FEBRUARY 9, 2011

NOT FOR PUBLICATION UNTIL  
RELEASED BY THE  
HOUSE ARMED SERVICES COMMITTEE

**Introduction**

Mr. Chairman and Military Personnel Subcommittee members, I am pleased to have this opportunity to discuss the Navy's Morale, Welfare, and Recreation (MWR) program with you. The Navy has continued to make significant strides in providing top quality MWR programs. Navy MWR and Child and Youth Program (CYP) teams enhanced existing programs and maintained a wide array of outstanding programs to meet the needs of our Sailors and their families, whether at home or deployed.

MWR remains financially sound, as evidenced by Nonappropriated Fund (NAF) operating results exceeding the breakeven point and by re-investing significant NAF assets in capital improvements. In Fiscal Year 2009, Navy MWR executed \$426.4 million in Appropriated Fund (APF) support. Navy exceeded the Department of Defense (DoD) minimum standard of 85 percent for APF support in Category A programs. APF support for MWR Category B programs was 61 percent, which is below the DoD minimum standard of 65 percent. FY 2009 was an anomaly and FY 2010 figures show Category A support at 88% and Category B at 65%.

Communicating with our Sailors about our programs is essential to MWR success. The latest tool developed by Navy MWR to reach out and tell our story to Sailors is our new "Navy Life" iPhone application. This latest tool is an important part of our communications strategy and uses the latest technology to present information on vital quality of life programs and services to the Navy family.

MWR programs provide Sailors with a firsthand demonstration of the Navy's commitment to their quality of life. From a wide array of support for our front line units in harm's way to state of the art fitness and recreation programs ashore, Sailors remain our top priority. But this focus does not, and should not, come at the expense of families. MWR offers some of the best family recreation programs and developmental outlets for our Sailors' family members. Whatever the need and wherever the locale, our patrons know that they can count on MWR to deliver on our promise of high quality facilities, services, and programs.

**Overview**

"Times of change" are "times of challenge," but they also result in great opportunity. FY 2009 was one such year for Navy

MWR. There were exciting developments on many fronts, but particularly among our cornerstone programs, including deployed support, child and youth programs, and fitness. All three have seen growth, major facility and program investment, and new programming that not only addresses current demand, but builds a foundation for providing even better MWR services in the future.

Some of the many key MWR developments in FY 2009 and some follow-on developments in FY 2010 are included in the following.

#### **Support For Deployed Units - Our First Priority**

The variety, quality, and scope of MWR opportunities that we have been able to develop and provide to our forward-deployed units who are often isolated, either at sea or on land, is truly impressive. In 2009, MWR planned, ordered and distributed 160,620 recreation and fitness items to nearly 300 ships, as well as to 100 forward-deployed Navy ground forces in the Fifth Fleet area of responsibility (AOR). This effort improved the quality of life for more than 190,000 deployed Sailors. These items included cardiovascular and strength training equipment, portable fitness kits, electronic gaming units, flat screen televisions, portable movie packages, paperback and audio books, portable basketball courts for large deck ships, pitching machines, fishing gear, and general sports equipment. Our world-wide network of deployed support personnel, at 13 homeports and various other locations throughout the world, ensured that the equipment was obtained and delivered where it was most needed.

To keep all of this equipment in good repair, MWR coordinates an extensive fitness equipment repair program for afloat and forward-deployed commands. MWR maintains a complete parts inventory at Fleet Concentration Areas (FCAs) for a timely response to shipboard equipment issues. MWR also routinely evaluates shipboard fitness equipment performance with the purpose of minimizing downtime while at sea.

In FY 2009, MWR support personnel worked directly with the Naval Sea Systems Command (NAVSEA) in building shipboard fitness centers on several new pre-commissioning vessels, including USS NEW YORK, USS MAKIN ISLAND, and USS GEORGE H.W. BUSH, as well as on hospital ships. They also tested ten different types of treadmills and other cardio gear for use on ships and submarines, and worked with the submarine community in developing a prototype treadmill for use aboard submarines.

In FY 2010, the Afloat Civilian program continued to provide essential quality of life and readiness programs at sea. Our 33 Afloat Recreation and Fitness Specialists spent a combined 4,775 days at sea providing 5,231 Athletic/Leisure programs, 505 trips and tours, 12,480 one-on-one personal fitness training sessions, 1,240 large group exercise classes, 72 instructional seminars (e.g. nutrition classes). Over 94,000 Sailors and Marines (stationed on aircraft carriers, large deck amphibious ships and hospital ships) were recipients of these services.

In the Middle East, the deployed forces team planned and delivered holiday gift boxes for 10,000 Sailors in the Fifth Fleet AOR. They also coordinated "Operation Sand Trap," which provided Navy ground forces with thousands of units of golf equipment donated by corporate sponsors. Navy MWR also coordinated programs and support for other services in the AOR, including: shipping 10,000 audio playaway books to 80 sites; continuously supplying 8mm movies (monthly and early release tapes) to 60 sites; escorting Armed Forces Comedy Tour personnel to ships and oil platforms; and coordinating the renovation of laundry facilities in the United Arab Emirates in collaboration with the USO.

To help our Sailors stay mentally sharp, the Navy General Library Program (NGLP) upgraded 1,028 Library Multimedia Resource Center laptops for 195 warships. NGLP also provided 155,000 paperback books and 28,000 playaway audio books to fleet and forward-deployed shore units. Library outfitting for new ships totaled \$1 million in computers, small electronics and library materials. Use of contracted e-content databases and search engines totaled 2.6 million hits. Customers downloaded 675,000 audio books, e-books, articles and other various full-text items. Much of this activity occurred because access was provided through our deployed library program.

Movies remain the most readily available, consistent, and important entertainment program for our afloat and deployed forces. Last year, the Navy Motion Picture Service (NMPS) processed 313,000 videotapes while providing service to 818 Navy, Marine Corps, Military Sealift Command, and Coast Guard shore and afloat commands, generating more than 23 million fleet viewing hours. In addition, NMPS shipped 23 early tape releases and 4 Theater-in-a-Box units; replaced 116 players for forward-deployed forces; refit 25 ships with Cinema-At-Sea Initiative (CASI) systems; replaced 425 shipboard TVs with LCD flat screens; and shipped three CASIs to new ships. NMPS is also

partnering with the Defense Media Activity to develop a digital platform to be used to replace analog shipboard closed-circuit television systems. This will enable format conversion of shipboard movies from videotape to DVD.

#### **MWR Programs Ashore**

The variety and depth of MWR programs offered in our programs ashore is just as extensive as what we provide to afloat units. Examples include:

##### Fitness

Fitness continues to be a cornerstone program for MWR. In FY 2009 Navy operated 112 staffed fitness centers located on Navy installations; 98 percent of these programs are in full compliance with DoD standards.

Navy MWR made steady progress on the Military Construction (MILCON) front in FY 2009, with new fitness centers opening at Naval Construction Battalion Center Gulfport, Joint Reserve Base New Orleans, and Naval Air Station (NAS) Whiting Field. Additionally, projects are underway at Naval Station (NAVSTA) Guam/Joint Region Marianas, NAVSTA Pearl Harbor, NAVSTA Newport, NAS Meridian, NAS Kingsville, and NAVSTA Guantanamo Bay. The FY 2010 MILCON program will provide centers at NAS Fallon and NAVSTA Mayport. Navy also was able to make major improvements to ball fields, running tracks, swimming pools, and other highly visible fitness areas, with 39 new renovation and upgrade projects totaling \$25 million. These combined efforts have resulted in the most robust MILCON/Sustainment Restoration and Maintenance (SRM) fitness program in the history of Navy MWR.

Matching this success on the facility improvement front, the fitness program staff developed and successfully implemented several new initiatives to expand the reach of Navy fitness. This included a joint effort with the Navy's Physical Readiness team to develop and deliver a Command Fitness Leader (CFL) Certification Course enterprise-wide. The team accomplished the following: trained 140 instructors across the Navy; facilitated the scheduling of over 100 course offerings for Calendar Year 2009 and into 2010; screened over 1,500 applications; registered 1,339 personnel; and certified 1,250 Sailors as CFLs since January 2009.

The Senior Health Assessment Program Enterprise (SHAPE) is an age-specific fitness pilot program provided under a contract

with Indiana University. SHAPE is oriented toward the health, nutrition, and fitness needs of the Navy's forty and over population. The program completed its second year in FY2009 at three pilot sites (NAVSTA Pearl Harbor, NAVSTA San Diego, and Joint Forces Staff College), and the metrics are showing very positive results. Outcomes were tracked and participants demonstrated significant improvement in all areas measured, thus reducing the risks for preventable disease and lost time due to illness or injury. Some of the most encouraging results included a 13 percent improvement in cardio-respiratory fitness; 10 percent increase in muscular strength; 16 percent improvement in flexibility; and a 7.5 percent decrease in body fat. Additionally, SHAPE staff delivered 11,000 one-on-one and group fitness training sessions.

Last year, the Navy fitness team increased its focus on educating Sailors and family members on nutritional issues by developing multiple educational items for distribution and use. Some prime examples include *"Nutrition For Your Child: A Guide For Parents To Optimize Their Children's Nutrition In All Phases Of Life."* The guide is pending production and distribution this year. The fitness group partnered with our Galley staff to successfully create and implement the curriculum for the first Mission Nutrition Facilitator Course in June 2009. Two more courses were conducted in 2010.

The Navy fitness team is dedicated to improving the fitness and health of all our Sailors and their families, and will continue to develop important new initiatives to continue on the path to "Fitness for Life."

#### Wounded Warrior Initiatives

Navy MWR remains committed to supporting the needs of our wounded warrior population, as well as other segments of our population with special needs. Through Navy MWR's participation in Penn State University's Inclusive Recreation for Wounded Warriors course, we have exposed 20 Navy MWR professionals annually to ideas of injured service members, as well as exceptional family members, retirees and others with either temporary or permanent disabilities. In addition to this managerial level training, Navy MWR piloted an introductory half-day course targeted at front-line employees to better equip them for serving customers with disabilities in existing Navy MWR programs and facilities.

Navy MWR Inclusive Recreation grants provided \$150,000 to 17 local and regional activities. Projects have included wounded warrior bowling instructor training, the purchase of remote controlled bowling balls at the San Diego bowling center, and improved access to the lanes at numerous centers. Other projects included the purchase of inclusive recreation gear and equipment for outdoor recreation and aquatics, and programmed events and trips. Navy Region Southwest continues to work with the Navy Medical Center in San Diego to offer recreational activities such as the Wounded Athlete Program, which provides ambulatory sports and fitness activities. Navy MWR continues to work with the National Amputee Golf Association to offer clinics for disabled golfers.

We have been actively retrofitting many MWR facilities to ensure access and usability for disabled persons. Thanks to funding assistance from OSD, most installation MWR programs now have pool lift chairs to improve access for our wounded warriors and other physically challenged patrons.

#### Warfighter and Family Services

In 2009, DoD implemented a policy change to add Warfighter and Family Services (WFS) as a Category A MWR activity, which greatly expanded our ability to support family members. The Navy's Fleet and Family Support Programs (FFSP) assist Navy leadership in achieving mission readiness by providing Sailors and their families with a wide range of support services. FFSP focuses on deployment support, crisis response, career support, and counseling for individuals, families and commands.

**Deployment Support:** Includes tailored consultation and educational workshops in Mobilization/Repatriation, Ombudsman Coordination/Support, Relocation Assistance, and Life Skills Education.

**Crisis Response:** Provides consultation and prevention education in Emergency Preparedness/Response, Critical Incident Intervention, Clinical Counseling, Family Advocacy case management and intervention, Domestic Abuse Victim Advocacy, Sexual Assault Prevention and Response, and New Parent Support Home Visitation.

**Career Support & Retention:** Includes educational workshops in Transition Assistance, Family Employment Readiness, Exceptional Family Member Program and Personal Financial Management program areas.

Child and Youth Programs

Navy Child and Youth Programs (CYP) offer multiple delivery systems that include Child Development Centers (CDC), Child Development Homes (CDH), Child Development Group Homes, School Age Care, and a resource and referral program.

In FY 2009, Navy programs cared for more than 120,000 children, ages 6 weeks to 18 years, in 128 CDCs, 103 youth centers, and 3,115 on-base and off-base licensed CDHs. These services achieved 69 percent of DoD potential need criteria, and attained a 100 percent DoD certification rate for operational excellence. In FY 2010, Navy programs also cared for more than 120,000 children in 132 CDCs, 103 youth centers, and 2,623 on-base and off-base licensed CDHs. These services achieved 74 percent of DoD potential need criteria, and attained a 100 percent DoD certification rate for operational excellence. The 100 percent DoD certification rate demonstrates to our Navy families that their children are receiving top-quality care that equals or exceeds the highest national standards.

Quality, affordability, and access have been the three major goals that Navy CYP has always strived to achieve. While CYP has been very successful in achieving the first two goals, as consistently validated by parents and outside organizations, reaching the third DoD goal of providing access to meet 80 percent of the potential need, has been more elusive. With strong financial support from the President, Congress, OSD and Navy, we have put in place an aggressive expansion plan that will allow us to meet our space requirements.

Navy has funded more than 33 new CDCs that will eventually increase capacity by over 7,000 spaces. This will reduce waiting time to three months or less, and allow us to meet DoD requirements to have room available for at least 80 percent of the potential need.

CYP also continues to provide for family members of our deployed forces with 25,000 hours of respite child care, as well as respite care for families with children with special needs as part of the Exceptional Family Member Program. This type of care is critical to our families, as those who may not have found appropriate child care support in the past now rely on this interim support.

CYP programs in high deployment locations continue to offer the Child and Youth Behavioral Program, including consultants who support children, youth, and their families with a broad range of support programs focused on school adjustment; deployment and separation, reunion adjustment; and fear, grief and loss.

To ensure that our employees keep their skills up to date, CYP initiated a centrally funded tuition assistance program. This new program strongly encourages CYP staff members to pursue courses that will allow them to move ahead in their careers.

The School Liaison Officer Program is now offered in all Navy regions and at major installations, and has grown into a powerful source of support for our families. This program is a valuable asset in helping Navy families address dependent education issues that arise from frequent moves and deployments.

Our Navy "Fit Factor" program is right on target in addressing the President's concerns about combating youth obesity. This program has been very successful in increasing youth interest, parent engagement, and family awareness in the importance of making healthy lifestyle choices. We are seeing positive results in the performance of Navy youth in their fitness measurement results.

#### Movies

The Navy Movie Program ashore is extremely popular with Sailors and their families. Like its counterpart in the Fleet, the ashore program is flexible and adaptable, offering consistent high quality movies at venues such as commercial-style base theaters, Liberty Centers, Recreation Centers, Youth and Teen Centers.

Navy Motion Picture Service (NMPS) processed 320,000 videotapes and 6,200 35mm prints that were viewed by more than 4.1 million ashore program attendees. In addition, overseas bases were provided 47 first-run features just one-week after U.S. release. Moreover, CONUS base theaters treated 43,000 customers to 11 free sneak previews one-week before those movies opened at commercial cinemas.

#### Entertainment

The Navy Entertainment Program provides a much needed touch of home for our Sailors and families, both ashore and afloat.

Performances during the past year included comedians, specialty performers such as the Harlem Globetrotters and various professional athletes, Hollywood personalities including James Cameron and Avatar cast members, and celebrity bands and chefs to perform at more than 20 ship visits in forward deployed areas.

The program also awarded over \$250,000 in grants to help support bases in procuring and funding stateside entertainment acts for their special events and family programs.

#### Library Program

It was also a year of growth and innovation for the shore library program, which saw usage increase to more than two million patrons.

Navy MWR libraries achieved 88 percent compliance with DoD core program standards, with six locations meeting 100 percent compliance. Two Navy libraries, NAS Sigonella and FLEACT Yokosuka attained DoD premier library status, the highest status attainable under DoD guidelines.

Navy participated in OSD's Joint Library Initiative, providing expanded and enhanced program services to all Sailors and their families. These services included educational resources, children and young adult reading programs, as well as popular gaming systems and management software for libraries at joint bases.

#### General Recreation Programs

General recreation programs are geared to the wide variety of popular leisure pursuits that are of interest to our Sailors and families. They range from family-oriented community recreation to programs for single Sailors in the 18 to 25 year-old age group, and include programs such as entertainment shows, discount tickets and vacation options, bowling, marinas, golf, auto skills shops, and outdoor recreation.

#### - Liberty Programs

Liberty programs provide recreation programming for junior-ranking Sailors at 76 Navy installations around the globe. Liberty offers affordable, productive, off-duty recreational alternatives to tobacco and alcohol usage. Liberty helps young

Sailors meet others with similar interests, discover the local area and develop healthy lifestyle habits through targeted recreational programming and Liberty recreation centers. This continues to be one of MWR's most active initiatives and every Liberty Program has received significant funding to upgrade equipment and facilities.

Staying in touch with this 18-25 year old population is always challenging, however, Liberty continues to reach out in ways that single Sailors communicate. In addition to being highly visible and approachable onboard installations, Liberty Programs have begun to engage with their target populations via social media outlets, most commonly via Facebook.

- Marinas/Sailing:

These programs offer opportunities to our patrons who are active in sailing and other nautical interests. Navy marina programs have a direct influence on those interests. Marina and sailing services include private berthing, pump-out stations, resale activities, rentals of various types of boats, and personal watercraft. The reduction of 3 facilities as a result of BRAC closures was offset with a gain of 2 facilities at Joint Bases. With more than 2,200 slips at 32 marinas, Navy marinas generated \$8.8 million in revenue in FY 2010, up 11% over FY 2009.

Navy marinas have implemented best management practices by engaging in environmentally sound operating and maintenance procedures as part of the "Clean Marina Initiative" certification program. Certification is achieved through each state based on the National Oceanic and Atmospheric Administration (NOAA) program. To date, 26 Navy marinas are certified, with the remaining five awaiting only their state inspection results.

- Bowling

Navy MWR is providing modern and quality bowling programs as entertainment centers for Sailors and their families. In FY 2010, patrons bowled 4.5 million games at 60 bowling centers, an increase of 4% over FY 2009, and produced \$5.7 million in cash flow. As a result of BRAC actions, three centers were transferred and two were gained by Navy.

MWR has successfully increased patronage by offering league, open and tournament bowling, cost-saving family bowling packages, skills development, and programs for youth day camps,

branded food and beverage concepts, pro-shop, electronic video games and amusement center, cyber-café, and state-of-the-art sound-lighting-video systems. Several Navy bowling centers have also been programming recreational events in support of wounded warriors.

- Golf

Golf remains one of our most popular recreational offerings ashore. In FY 2009, Navy MWR delivered 1.1 million rounds of golf to players at 34 Navy golf courses, and in FY 2010 Navy MWR delivered nearly 1 million rounds of golf. Navy golf program revenue remained constant at \$46.8 million in FY 2010, with an increase of cash flow by .6%.

To maintain our golf program at a competitive level, in FY 2009 we constructed a new clubhouse facility at SUBASE Kings Bay and constructed golf cart paths at CBC Port Hueneme.

The Navy golf program remained active in achieving energy conservation and developing several initiatives, including charging electric golf carts in off-peak energy times, pursuing Audubon Sanctuary certification, and developing projects to conserve water in the maintenance of Navy golf courses.

- Information, Ticket and Travel (ITT)

MWR ITT offers the Navy family a variety of travel and recreation opportunities at great value. The program generated over \$7.7 million in revenue for MWR in FY 2009, and \$7.4 million in FY 2010. Access to ITT tickets for attractions and special events, hotels and resorts, and travel services provides Sailors and their families with many budget-savvy options for enjoying their off-duty hours.

ITT is another program area where we have been exploring a variety of new delivery vehicles, completing various online and print-on-demand ticket testing and implementation for big attractions such as Disneyland and all SeaWorld and Busch Garden locations in multiple ITT offices to include San Diego, Norfolk and Jacksonville metro areas.

MWR also established a Navy ITT Board comprised of regional ITT representatives from Hawaii, the Northwest, Southwest, Midwest, Naval District Washington, Mid-Atlantic, and Southeast regions, and headquarters ITT managers. The Navy ITT Board focuses on the future and how Navy can best align its 93 ITT

programs with industry standards and trends, emerging technology, new products, and improved internal and customer processes.

- Recreational Lodging

Navy recreational lodging programs continue to offer a myriad of enhanced facilities, services and amenities to the DOD community. Current goals of improving program and worldwide identity created the official brand name "Navy Getaways-Stay, Play & Relax.". The program focal point is to shift from decentralization to program centric leveraging of global concepts and initiatives. This core approach will improve facilities, enhance services, and increase utilization while minimizing program expenses. Planned initiatives include the delivery of a web-based property management system, beginning in the spring of 2011. This single initiative will allow us to fulfill the number one request from our customers, and provide immediate increases in availability and projected program revenues that will further support future redevelopment and recapitalization.

Additionally, in 2010 we shared successes in delivering the Navy's only cottages in the fleet concentration area of San Diego, California, located at NAS North Island, completed major renovations at Pacific Beach Resort, Pacific Beach, Washington, and completed final touches on a new construction project at Oak Grove RV Park and Campgrounds in Pensacola, Florida.

Navy MWR Food and Beverage

MWR food and beverage programs remain an essential support element for our Sailors and their families by providing high quality service at reduced prices and by generating funds that help support other MWR programs. MWR food and beverage operations include ashore galleys, MWR Category C food and beverage activities, flag messes, and auxiliary resale outlets. By way of comparison, the ashore galley program is made up of 77 galleys that serve over 30.5 million meals annually, while MWR foodservice is made up of 440 outlets, including 99 branded concepts.

Our partnership with the Navy Exchange Service Command (NEXCOM) remains very strong. Navy MWR uses NEXCOM's contracting services to provide national branded concepts from their portfolio to expand our foodservice offerings.

Avoiding market saturation and duplication continues to be very important. Using industry best practices and the Navy's Food Service - Regional Operational Advisory Group (FS-ROAG), we quantify the number and type of foodservice outlets at each installation in order to optimize the number that can be supported by our customers.

#### **Overall Financial Condition of MWR**

MWR remains financially sound, as evidenced by NAF operating results surpassing breakeven and by being able to re-invest significant NAF assets in capital improvements. MWR appropriated funds (APF) are provided through the Base Operating Support (BOS) budget line in the Operations and Maintenance account. The funding environment continues to challenge us to seek efficiencies, while at the same time the importance of providing programs for Navy families remains critical.

Navy MWR financial operations totaled approximately \$920 million in FY 2009. This amount, which included APF (direct and indirect), internally-generated NAF revenue, and Navy Exchange dividend distributions, represented an increase of approximately \$3 million from FY 2008.

For FY 2009, total NAF generated internally and through Navy Exchange dividends totaled \$494 million, while net NAF expenses totaled \$477 million, producing net income of \$17 million.

For FY 2009, Navy MWR executed \$350 million in direct APF, \$71 million in indirect APF, and about \$6 million in Overseas Contingency Operations (OCO) funding; totaling approximately \$427 million in overall APF support.

In FY 2009, Navy exceeded the DoD minimum standard of 85 percent for APF support in Category A Mission Essential Programs by achieving 88 percent. For Category B Community Support Programs, the Navy's overall APF support was 61 percent, slightly below the DoD 65 percent minimum standard. In FY 2010, Navy exceeded the DoD minimum standard with an 88 percent metric for APF support in Category A Mission Essential Programs. For Category B Community Support Programs, Navy was able to meet the DoD minimum standard of 65 percent.

Navy was able to meet the minimum support metric in 2010 by aggressively realigning resources to support Category B programs. Navy's funding strategy continues to be programming

APF to MWR Category A core programs first. With the exception of Child and Youth Programs and Information, Tickets and Tours, Category B programs are considered non-core programs. Non-core programs are more heavily dependent on internally-generated NAF for funding. The strategy of supplementing APF with NAF in Category B programs allows MWR to be responsive to Sailor needs by maximizing the number of available program choices.

In FY 2009, Navy MWR continued its implementation of a capital funding strategy designed to leverage system assets to significantly increase the amount of NAF capital funding available. Under this strategy, existing cash balances from the central capital fund are used for capital investment. For FY 2009, cashflow dollars spent in support of the MWR capital program for facility enhancement and information technology, totaled \$69 million.

#### **Nonappropriated Fund Construction (NAFCON) Program**

We greatly appreciate the congressional support we received with approval of the Navy's FY 2009 NAF Construction (NAFCON) Program. This program included seven new major quality of life construction initiatives, representing a capital investment of nearly \$30 million. Seven minor construction and/or renovation projects increased our total NAFCON investment to \$34.2 million.

Our FY 2009 program focus reflected additional investment in business-based operations and community support facilities. Specific projects included a golf clubhouse, recreational vehicle parks, All Hands consolidated clubs, youth centers, and car wash and bowling equipment replacement projects. The need to dedicate a significant portion of available resources to capitalization will continue into the future as we address our aging NAF facilities, which average nearly 60 years.

We also appreciate the congressional support we received for the Navy's FY 2010 NAFCON Program. This program included 12 new major quality of life construction initiatives, representing a capital investment of over \$45 million. An additional programmed renovation project increased our total NAFCON investment to \$46 million.

#### **Marketing**

Providing information about Morale, Welfare, and Recreation (MWR) and Child and Youth Programs (CYP) is critical to supporting our Sailors and their families. Accordingly, we are

aggressively communicating with customers by soliciting their input on areas that need improvement, employing the most advanced communications options available, and including feedback options to measure the effectiveness of our efforts.

The CNIC MWR marketing team continues to use the power of social networking by communicating with our extended Navy family through our Fleet and Family Readiness (FFR) programs' Facebook page, which features articles on quality of life programs, photos and videos. To date, the FFR Facebook page has more than 21,500 fans.

The CNIC Fleet and Family Readiness "Navy Life" iPhone application is available for download from Apple's app store or via iTunes. This tool is an important part of our communications strategy and uses the latest technology to present information on vital quality of life programs and services to the Navy family. Active links direct visitors to the Navy Gateway Inns and Suites reservations Web site, Navy Housing One-Stop, Military OneSource, Navy Exchange, and more.

The marketing team is also employing text messaging to communicate information about quality of life programs directly to Sailors, retirees and their family members, with more than 7,600 customers signed up across all regions.

Obtaining feedback on MWR programs and services remained an important marketing tool. Navy-wide assessments were administered in 2010 to measure patron satisfaction with various MWR programs and to measure employee job satisfaction. The MWR customer satisfaction assessment was 78 on a scale of 100, which is considered excellent according to the Claes Fornell International (CFI) Group, an independent expert in the customer satisfaction measurement industry, which conducted the survey. The MWR employee satisfaction assessment, also conducted by the CFI Group, resulted in a score of 74, which is above the industry standard.

In short, great programs deserve great marketing and we are taking aggressive steps to make that happen by improving communications with customers. We are soliciting input on areas that need improvement, employing the most advanced communication options available, and including feedback options to measure the effectiveness of our efforts.

#### **Building Future Leaders in MWR**

The Fleet and Family Readiness (FFR) Training Branch, which provides support to the MWR and CYP programs, continues to evolve from the traditional classroom-based training program into a blended, performance-based learning culture that responds to leadership identified business based issues and delivers performance-based learning solutions via classroom, asynchronous and synchronous online learning experiences, on-the-job learning tools, and employee mentoring that support the readiness of today's Sailor.

The focus is on developing MWR professionals into mentors who guide the career path of novice leaders within the organization. This new development will help support the development of existing star performers.

Collectively the FFR Training Branch is partnering with MWR to deliver valued learning experiences that deliver measurable performance improvement in all areas of the organization. This will help ensure that we provide service experiences for our Sailors, their family members and other eligible patrons that exceed their expectations at every installation around the globe.

#### **Summary and Outlook**

Every year brings new challenges and new opportunities. Navy MWR continues to do an outstanding job of taking care of our Sailors and their families in a wide variety of programs and venues. We continue to improve the key facilities in which MWR provides programs, and we are greatly expanding Child and Youth programs to meet ongoing demand. We are looking for innovative methods to reach out to our wounded warriors and provide them with quality MWR services. Our fitness programs operate at high standards and we aspire to achieve greater results. We are continually engaged with our patrons to ensure we are providing the services they require, at a quality level equal to or exceeding the best in the industry. As a result, MWR continues to be a key tool for enhancing the ongoing readiness and retention of Sailors throughout the Navy.

The Navy appreciates the great value that our Sailors and the Congress place on MWR and Child and Youth Programs, and we will continue to do our utmost to meet those high expectations. Thank you for your continued support.



**Commander, Navy Installations Command  
Deputy Director, Fleet and Family Readiness Programs  
Mr. J. Rogers Patrick**



After graduating in 1977 with a Bachelor of Science degree in Recreation Management from the University of Florida, Mr. Patrick started working for U.S. Navy Quality of Life Programs at the installation level in Jacksonville, FL. Today, Mr. Patrick's management oversight extends over 1,200 food service establishments, 120,000 "hotel rooms", 60,000 Family Houses, and 5,000 recreational facilities.

As the Deputy (and currently Acting) Director, Fleet and Family Readiness Program at Commander, Navy Installations Command his areas of responsibility as Program Manager and Budget Submitting Officer (BSO) include: Morale, Welfare and Recreation (MWR), Child and Youth Programs, Fleet and Family Support Programs, Family and Bachelor Housing, Visitors Quarters, and Ashore Galley Operations located on 73 Installations and 285 combatant ships, with resources totaling 2.1 billion dollars and over 17,000 employees.

Prior to his current assignment Mr. Patrick served in various locations as Athletic Director, Management Analyst, Director of the Navy Sports Program, MWR Director, Regional MWR Program Manager, Regional Quality of Life Director and Assistant Chief of Staff for Community Support Programs.

He has worked for Naval Air Station Jacksonville, Naval Air Station Cecil Field, Naval Station Mayport, Chief of Naval Personnel, Naval Air Station Pensacola and Navy Region Gulf Coast, Naval Station Pearl Harbor and Navy Region Hawaii.

Mr. Patrick has earned both the Navy Meritorious Civilian Service and Superior Civilian Service Awards.

NOT FOR PUBLICATION  
UNTIL RELEASED BY  
THE HOUSE ARMED  
SERVICES COMMITTEE

STATEMENT OF  
TIMOTHY R. LARSEN  
DIRECTOR OF PERSONAL AND FAMILY READINESS DIVISION  
MANPOWER AND RESERVE AFFAIRS DEPARTMENT  
HEADQUARTERS, UNITED STATES MARINE CORPS  
BEFORE THE  
SUBCOMMITTEE ON MILITARY PERSONNEL  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
MILITARY RESALE AND MORALE, WELFARE AND RECREATION OVERVIEW  
9-10 February, 2011

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THE HOUSE ARMED  
SERVICES COMMITTEE

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to report on the status of Marine Corps Community Services (MCCS), which includes Morale, Welfare, and Recreation (MWR); Marine Corps Exchange (MCX); and Warfighter and Family Services programs. We thank Congress, especially this Subcommittee, for your continued support for these programs. The combined effect of these programs strengthens the unit individual and is critical to the readiness and retention of Marines and their families.

#### Introduction

***"We will keep faith with our Marines, our Sailors and our families."***

In his Planning Guidance, our new 35th Commandant of the Marine Corps, General Amos, said,

"We will ensure that Marines, Sailors and their families have availability and access to quality facilities and support programs, as well as resources and benefits that provide a quality standard of living. This same effort will be applied equally to our single Marines, who make up half of our Corps. To ensure effectiveness and efficiency, we will evaluate all Marine Corps Family Team Building Programs to determine where they require expansion to further assist our families and where they can be streamlined to reduce redundancy. We will make concerted efforts at attracting, mentoring and retaining the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. Lastly, we will conduct a thorough "bottom up" assessment of our Transition Assistance Program to ensure it is providing the right educational and occupational assistance to Marines leaving our active duty ranks, thus fulfilling our

commitment to return better citizens back to communities across our Nation."

Specifically, the Commandant directed us to take the following program actions:

- **"Review and improve family readiness** - evaluate all Marine Corps Family Team Building Programs and make recommendations on optimum span of control, where we require further assistance to our families, and where we should streamline to erase redundancy;
- **Review and improve transition assistance** - conduct an assessment of our Transition Assistance Program and recommend a plan to revolutionize our approach to better meet the needs of departing and retiring Marines; and
- **Integrate Behavioral Health efforts** - present recommendations on how best to integrate more fully Behavioral Health programs/issues (Combat and Operational Stress Control (COSC), Suicide Prevention, Family Advocacy, Sexual Assault, and Substance Abuse Prevention) within the Marine Corps."

Although the past several years have been devoted to transitioning programs to a wartime footing, we are now in a period of review to ensure appropriate program balance and effective performance in accordance with the Commandant's Planning Guidance. I am proud to have the opportunity to highlight some of our significant accomplishments and new initiatives.

#### Marine and Family Program Update

During the past three years, the Marine Corps has made significant investments into programs that serve our Marines and

families. Connecting them to their assigned unit and to larger installation information and referral sources is the primary duty of Family Readiness Officers (FROs). A program assessment conducted by the Inspector General of the Marine Corps in October 2010 revealed that commanders consistently indicated that the enhanced Unit, Personal and Family Readiness Program, with the FRO support, has greatly improved, strengthens units, and is a force multiplier. Marines and families think the program is great and that the Marine Corps puts its money where its mouth is!

The most tender of our families, those enrolled in the Marine Corps Exceptional Family Member Program (EFMP), have also shared a resounding endorsement for improvements made to their level of support and our focus on providing a continuum of care. Year after year since our program expansion, we have gained the trust of our families and this is demonstrated in our increasing enrollments and reduction in assignment gaps or incompatibility problems experienced by families relocating to new duty stations. Our EFMP sponsors will always be the best advocate for their special needs family member, but when they need help obtaining benefits and services under federal and state education and disability laws, our EFMP attorneys are ready to

advise families on unique legal areas, such as special needs trusts and landlord-tenant issues related to accommodations.

To help school-age children of Marines flourish in new school environments, our installation School Liaison Program partners with Local Education Agencies (LEAs) to raise the educational capacity and standard of all - not just military children. Supporting more than 80 school districts surrounding major Marine Corps installations, our School Liaisons provide LEAs with information on the needs of Marine Corps families and access to beneficial training and counseling services to support teachers and students. Marine parents have the comfort of talking with and being supported by "a local education expert" who provides meaningful insights and support tools to new transfers and those with questions on local education policies.

Whether parents are working, experiencing family emergencies, or needing respite from single parent responsibilities connected to deployments, child care services remain a high priority quality of life requirement. In 2010, we provided 13,431 child care spaces and met 73 percent of potential need requirements. Within these totals, we are caring for approximately 2,500 special needs children. The Marine Corps, with your support, is executing an aggressive Military

Construction program and is opening 6 new Child Development Centers in Fiscal Year 2011 and 5 more in Fiscal Year 2012.

We know that an important relationship exists between on-base and qualified off-base availability. To help further define requirements, we have contracted for the development of a Child Development Program and Facility Master Plan. Using market assessments and analysis tools and techniques, the plan will evaluate on- and off-base access, unmet need, and will provide prioritized recommendations for meeting the need across the Marine Corps. We anticipate results this summer.

In 2011, we will also work with Marine Forces Reserve and Marine Corps Recruiting Command to identify opportunities to enhance availability of child care for Marines and families serving on independent duty and locations that are separated from military bases and stations.

The Marine Corps Semper Fit program was reorganized in the late 1990s and is comprised of the basic categories of sports, fitness, and recreation. Although these categories are still sound and some enjoy high utilization, we have learned through program review, listening to Marines and families, and benchmark studies, that some programs require redesign and improved

capabilities. These actions are important if we are going to meet the future needs of generation X, Y and Z Marines and families and contribute to the readiness, resiliency, and retention of Marines and families. Therefore, we are beginning a multi-year program enhancement plan beginning with the restructure of our Headquarters Marine Corps program office. Enhancements include expanding recreation programming, combat conditioning/functional fitness for combat readiness, therapeutic recreation for wounded warriors and exceptional family members, more flexible sports intramural programs, and offering sports programs that contribute to the physical training needs of a unit.

Finally, as discussed previously, the Marine Corps intends to more fully integrate behavioral health services, as well as improve the transition services provided to separating Marines. For Behavioral Health Programs, we are taking action to develop an integration framework that will address risk factors, enhance legacy programs, and support future operations. Leveraging Marine Corps leadership involvement and attention is critical to success. In all behavioral health areas, standards of care and use of evidence-based practices will be paramount. Our youthful demographics share certain risk factors across the behavioral continuum. As we better integrate our programs today, the

training conducted for Marines will become less redundant and time consuming but also more realistic and engaging.

For the Transition Assistance Program, we have conducted multiple program assessments and established planning actions to make our program meet the needs of Marines. With our predominate first term force, we are committed to reaching our Marines at designated touch points and helping them develop roadmaps that support their Marine career, and better equip them to reintegrate into civilian life upon leaving active service. Today, our program is primarily a training event. In the future, our transition assistance will become a personal and professional development process that begins at initial accession and continues post separation. The Commandant wants to revolutionize the transition assistance process and embrace best practices.

**Marine Corps Exchange (MCX) and Temporary Lodging**

The Marine Corps Exchange (MCX) is inextricably linked to our mission of taking care of Marines and their families and is an important part of the overall non-pay compensation package. For Marines, operational success is measured on the program's value and contributions to critical mission outcomes of readiness and retention, as well as our ability to provide

unparalleled customer service, premier facilities, and valued goods and services at a savings. Like other MCCS facility master planning efforts, the Marine Corps Exchange (MCX) is executing branding strategies, and our aggressive re-investment into main stores is near completion. We are also expanding the branding strategies to focus on our Marine Marts and Temporary Lodging Facilities (TLFs). All Marine Corps design standards are focused on energy efficiency and sustainability.

During 2009, we witnessed one of the toughest retail economic climates in recent history, yet the MCX exceeded all established performance measures. We are finishing strategies we began five years ago including initiating centralized buying, aggressively recapitalizing our Exchange stores, and branding the customers' shopping experience. We continue to pursue program efficiencies through cooperative efforts and partnerships, and we will be focusing on improving our supply chain over the next several years.

Total exchange sales in Fiscal Year 2009 were \$921.5 million. MCX profits were \$63.1 million, and the exchange dividend for MWR was \$42.7 million. Financial projections for Fiscal Year 2010 include sales of \$929.8 million. MCX profits

are projected to improve to \$72.2 million. The Exchange dividend for MWR is projected to be \$49.5 million.

Continuing our discussion of positive indicators, our 2010 Customer Satisfaction survey showed increases for both customer and associate satisfaction (one point for customers (78) and two points for associates (73)). The 2009 results of our market basket survey, which we conduct annually in a cooperative effort with the Navy Exchange and Army and Air Force Exchange Service, showed a savings of 27 percent, all while maintaining a consistent gross margin.

Targeting young Marines and families on a tight budget, we deliver a valued program called "Our Cost is Your Cost" that offers items such as diapers, formula, baby food, bread, and milk for purchase to our patrons at MCX cost. Smoking cessation products are also included in this program. The MCX promotes motorcycle safety by offering a one-time 25 percent discount on motorcycle safety equipment when a Marine completes a base motorcycle safety class. These programs demonstrate our clear commitment to serving and taking care of our Marines and families.

In October 2009, we opened or remodeled 2 main MCX stores bringing the number of "on-brand" facilities to 8 of 17. In 2010, we completed four Marine Mart projects, and we have four MCX projects that are expected to open in late 2011 through early 2012.

The Master Plan process is an organized, deliberate approach to determining enterprise-wide facility requirements. In fact, we are developing Master Plans for many of our programs to ensure we have the best site picture on installation requirements. We developed a Temporary Lodging Facility (TLF) Master Plan that provides, in priority order, the requirements for new properties, additional rooms at existing properties, and renovation requirements to meet the new design standards. The new TLF standard features extended stay rooms, a small fitness center, complimentary breakfast, Wi-Fi, and other amenities popular in the hotel industry's mid-service type properties. Construction is currently underway on a 50 room addition at the Lejeune Inn at Marine Corps Base, Camp Lejeune, North Carolina, and a 102 room replacement at the Miramar Inn at Marine Corps Air Station, Miramar, California. We have also completed the upgrades of the lodging property management system and implemented on-line reservation services for our guests.

Deployed Support Update

Deployed support is one of the most important services we provide. We do it in four areas: Exchange; Recreation; Fitness; and Communication. These services not only boost and maintain morale but also help to reduce mission related stress.

- Exchange. Ongoing missions in Afghanistan include the operation of two Direct Operation Exchanges at Camps Leatherneck and Dwyer, and one Tactical Field Exchange at Camp Delaram II. The 2010 operational sales for these locations will exceed \$40 million.
- Fitness. We assist with the layout and design of fitness facilities and identifying appropriate fitness equipment and maintenance requirements.
- Recreation. We assist in providing recreational and sports equipment to units throughout Helmand Province with the joint support of USFOR-AJI. This transportable equipment includes: sports/recreation cooler kits filled with sports gear and board games, Electronic game kits, and Theater-in-a-Box kits. Reading materials are distributed, such as Playaways (electronic books) and paperback books.
- Communication. Morale Satellite services are available to forward operating bases, combat outposts, and other austere locations. With OSD funding assistance, we have delivered 11 satellite communications systems to units in

Afghanistan. Each system has two phones that each provide 6000 free minutes per month to deployed Marines. They also provide an Internet and web-cam capability to forward operating bases. From 1 Jul 2010 - 31 Dec 2010, there have been over 4415 phone calls using approximately 556 hours of air time; 11,105 Internet sessions using web browsing and voice/video chat. During Thanksgiving Day, the Marines used the MoraleSat system phone service and made a total of 447 telephone calls for 3465 minutes, and on Christmas Day, the Marines made 368 telephone calls for 2921 minutes. Other communications support includes MotoMail that was first offered in 2004. It continues to serve deployed Marines and the delivery of electronic mail and photos are available within approximately 24 hours of being sent. Since December 2004, 3.8 million letters have been created and delivered.

**Non-Appropriated (NAF) Facility Construction and Renovation**

During Fiscal Year 2009, we completed a total of 22 NAF projects at an approximate cost of \$87.9 million. In Fiscal Year 2010, we completed a total of 13 NAF projects at an approximate cost of \$44.5 million. These 35 facilities were internally funded by NAF generated from NAF business operations. We intend to develop program-specific facility master plans

similar to our accomplishments with our MCX, Marine Marts, and our TLF programs. Although master planning is time intensive and requires upfront investments, we have found the process improves both our organizational facility efficiency and effectiveness.

**Appropriated Fund (APF) Financial Results**

Our appropriated fund (APF) budget continued to support the DoD MWR 85/65 percent minimum funding standards for Categories A and B programs, respectively. For Fiscal Year 2009, the Marine Corps achieved APF support of 89 percent for Category A programs and 83 percent for Category B programs. For Fiscal Year 2010, the MWR Metric Report format changed to account for the inclusion and separate reporting of Category A Warfighter and Family Services programs, Category B Child Development and Youth programs, and Category B Basic Community Support programs. Under this new Fiscal Year 2010 reporting, the Marine Corps achieved APF support of 92 percent for Non-Warfighter and Family Services Category A programs. The Category A Warfighter and Family Services programs were funded at 100 percent APF. The Category B Child Development and Youth Programs were funded at 81 percent APF, and the remaining Category B programs reported under Basic Community Support were funded at 88 percent APF.

In Fiscal Year 2009, MWR APF direct support increased by \$81 million. Overall, the Marine Corps executed \$181 million more in total MWR APF in Fiscal Year 2009 than originally budgeted. This trend continued in Fiscal Year 2010 where MWR APF direct support increased by \$70.1 million over Fiscal Year 2009. Overall, the Marine Corps executed \$134 million more in total MWR APF in Fiscal Year 2010 than originally budgeted.

**MWR Financial Results**

In Fiscal Year 2009, our MWR sales were \$164.3 million and profits were \$20.7 million. In Fiscal Year 2010, our MWR sales are projected to be \$167.4 million and \$43.6 million in profits. Final results are due in the May/June timeframe.

We are confident that we will continue to provide a quality, high performing MCCS organization. This will be accomplished through our aggressive pursuits of efficiency measures that ensure we remain responsible stewards of resources to best serve our Marines and their families.

**Conclusion**

Your Marines continue to serve with distinction around the globe, aboard ships, and in numerous countries around the world, and we are keenly aware that the well-being of our families is

inextricably linked to the readiness of our Corps. The Commandant of the Marine Corps has given us his guidance and expectations for future program performance and with your continued support we are ready to meet those expectations.

We appreciate the support of local, state and federal agencies, as well as partnerships with the Office of the Secretary of Defense and our Sister Services which are an important part of our planning and ability to deliver adequate services, regardless of duty station or assignment. On behalf of Marines and families, I want to thank you for your oversight and continuous support to help shape and sustain these vital quality of life services, especially during a time of war and the increasingly constrained fiscal environment. Thank you for the opportunity to address these important issues with you in this very important venue.



**Timothy R. Larsen**  
**Director, Personal and Family Readiness Division**

Timothy R. Larsen is serving as the Director, Personal and Family Readiness Division, Manpower and Reserve Affairs Department, Headquarters, U.S. Marine Corps. He has been in this position since 2007.

Mr. Larsen is from Denver, Colorado. After graduation from Brigham Young University, he was commissioned a second lieutenant in the United States Marine Corps through Platoon Leaders Course in 1973. Mr. Larsen held a variety of command and staff positions in the Marine Corps, commanding at every level from platoon through Joint Task Force level. He retired as a Major General on 1 November 2007.



In the operating forces, his command assignments include; rifle platoon, weapons platoon, Headquarters and Service Company, 3d Battalion, 7th Marines and Rifle Company, 1st Battalion, 7th Marines, 1st Marine Division (1974-1976); Weapons Company, 1st Battalion, 6th Marines, 2d Marine Division (1982-1983); 3d Battalion, 9th Marines, 3d Battalion, 4th Marines, 1st Marine Division (1994-1996); 4th Marine Regiment, 3d Marine Division (1997-1999); Assistant Division Commander, 1st Marine Division (1999-2001); and Commanding General, Coalition Joint Task Force-Kuwait (Forward) (2000-2001).

His other command assignments include the Marine Detachment, USS Saratoga, CV-60 (1976-1978); Marine Corps Recruiting Station, Phoenix, Arizona (1984-1987); Marine Corps Jungle Warfare Training Center (1997-1998); Camp Schwab, MCB Butler, Okinawa, Japan (1997-1999); and Commanding General, Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan (2001-2003); Deputy Commander, United States Forces, Japan, (2003-2007).

His staff assignments include battalion adjutant, company executive officer (1974-1976); fire support coordinator (1982-1983); battalion operations officer (1983-1984); Strategic Initiatives Officer, Policy and Strategy Division, Plans and Policy Directorate (J5), United States Central Command (USCENTCOM) (1988-1991). Major General Larsen deployed to Saudi Arabia with USCENTCOM during Operations Desert Shield and Desert Storm. Other staff assignments include G3 Plans Officer, 1st Marine Division (1993-1994); and Assistant Chief of Staff for Operations (G3), 3d Marine Division (1996-1997). He has attended several military schools to include; Marine Corps Amphibious Warfare School (1982); College of Naval Command and Staff, Newport, Rhode Island (1988); Japanese Language Course, Defense Language Institute, Monterey, California (1992); and Japanese National Institute for Defense Studies (NIDS), Tokyo, Japan (1993). Additionally, he holds an M.A. in International Relations from Salve Regina University (1988) and a M.A. in National and Strategic Studies from the Naval War College (1988).

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DEPARTMENT OF THE AIR FORCE  
PRESENTATION TO THE MILITARY PERSONNEL SUBCOMMITTEE  
COMMITTEE ON ARMED SERVICES  
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: MORALE, WELFARE AND RECREATION (MWR) OVERVIEW

STATEMENT OF: MR. CHARLES E. MILAM  
DIRECTOR OF SERVICES  
UNITED STATES AIR FORCE

FEBRUARY 9, 2011

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

**INTRODUCTION**

Thank you, Mr. Chairman and fellow Military Personnel Subcommittee members, for the opportunity today to present the status of Air Force MWR programs. We appreciate the leadership and support this Subcommittee continually provides on matters affecting the readiness and quality of life of our Airmen and their families. This has been another challenging year for the remarkable men and women of the United States Air Force. Overseas Contingency Operations and humanitarian support missions have continued to extend demands on our people and their families. Recognizing how important it is to “take care of families, so Airmen can focus on the mission,” we have expanded the scope of services we provide and enhanced our MWR programs to meet the full spectrum of challenges our Airmen face today. We continue to emphasize both of our primary objectives, supporting Air Force missions around the world and providing world-class community support at our home stations.

Although time does not permit me to recognize the work done by each of our nearly 47,000 member team of MWR professionals, I am pleased to highlight some of our traditional combat support and community service efforts, as well as new initiatives addressing warrior and survivor care, resiliency, fitness, food service and recreation. Our strategic direction—based on our current and more robust quality of life research—will target the emerging needs of our total force; ensuring relevant solutions for today’s and tomorrow’s Air Force community.

**MISSION SUSTAINMENT**

In 2010, 1200 of our Force Support warfighters deployed and supported contingency operations globally, providing hot meals, lodging, fitness, protocol, and recreation programs while deployed in support of United States and coalition missions. Our focus remains the same, but our mission has changed. Our footprint in Iraq has been reduced and we are now supporting a more mobile concentration of forces and Provisional Reconstruction Teams in Afghanistan. This evolving landscape has a unique set of challenges. We continue to seek innovative solutions not only to meet the basic needs of food and shelter, but also to give our Airmen outlets to relieve the increased stressors of living in a deployed and often hostile environment.

**FITNESS**

We rely on our fitness centers to keep our Airmen functionally and physically fit for the increased demands on today's battlefield. There is a significant correlation between fitness and operational readiness. Our fitness centers have become centers of activity for base communities, where Airmen can exercise, socialize and relax in a safe and healthy environment. With the recent revisions to the Air Force fitness program, to include the stand-up of fitness assessment cells and twice-a-year fitness testing, the importance of and focus on our fitness centers is all the more critical. Striving to fulfill the Air Force Chief of Staff's vision to sustain a "culture of fitness," we continue to cultivate and maintain mission readiness through comprehensive fitness and sports programming, equipment and facilities. While we started construction on six projects totaling \$75.3 million in fiscal years 2009 and 2010, we have no new major construction projects programmed for fiscal years 2011-2013. We also funded fitness equipment and 76 repair and minor construction projects totaling \$25.3 million in 2010 with an additional \$71M for 193 repair and minor construction projects, fitness equipment, and other fitness initiatives for execution in 2011.

**LODGING**

In November 2009, we completed a "right sizing" study to evaluate the current condition of lodging facilities and help determine the way ahead for future construction requirements. As a result, we accomplished project validation assessments for temporary lodging and visiting quarters at 12 installations, and expect to initiate design on nine projects during fiscal year 2011. In 2009, we also standardized room rates Air Force-wide. This allows us to continue an aggressive program of refurbishing guest rooms, which totaled \$102.8 million during fiscal year 2009 and \$108 million in fiscal year 2010.

**LIBRARY**

Our library program distributed over 37,000 paperbacks and periodicals annually to over 250 contingency operations and remote sites around the world. Eight Learning Resource Centers in Southwest Asia provide educational resources and college-level practice tests, database access, and research materials for deployed military members enrolled in voluntary education

programs. We also purchased science, biography, international security, and global issues databases now available on the Air Force Portal.

The Air Force Library program added new downloadable e-book and audio titles to MyiLibrary, NetLibrary, and Safari databases that host over 14,000 online titles. All Air Force general libraries offered robust summer reading programs to children and teens, helping students retain and enhance their reading skills over the summer. The TUTOR.COM service, which is Department of Defense funded, provides 24/7 online tutoring for kindergarten through high school and college-level students in all major subject areas.

#### **WARRIOR AND SURVIVOR CARE**

We are dedicated to building a culture of understanding and concern for wounded, ill and injured Airmen. Our wounded warriors get care that allows them to continue their lives and careers and gives them the opportunities to assist others.

This year we will again celebrate the achievements of our wounded warriors. The 2011 Warrior Games are scheduled on 17-21 May 2011 at the Olympic Training Center and United States Air Force Academy in Colorado Springs, Colorado. To get our Air Force wounded warriors ready for the 2011 Warrior Games, we will hold two training camps in San Antonio, Texas. By mid-January we had already received thirty applications from Air Force wounded warriors. During the Warrior Games, Airmen will compete in shooting, swimming, archery, volleyball, cycling, track and field, and basketball. Last year the Air Force team earned 26 medals and will compete for the Chairman's Cup again this year. This event provides a focal point for Warrior and Survivor care and incorporating athletics into our military service programs. Once again, this would not be possible without your support for all Wounded Warrior programs.

The Air Force has hired 32 Recovery Care Coordinators to support 30 locations across the Air Force. Recovery Care Coordinators serve as the focal point for non-clinical case management for wounded, ill and injured Airmen, developing comprehensive recovery plans and creating timelines for personal and career accomplishments. Additionally, the Air Force implemented new personnel policies regarding retention, retraining, promotions, assignments and evaluation of Wounded Warriors. These policy changes help our Airmen continue pursuing their Air Force career goals during recovery. One Air Force wounded warrior, Senior Airman

Michael Malarsie, met with senior leaders and attended the Blinded Veterans Association Conference in Washington DC. He continues to represent the Air Force and assist other Airmen, despite suffering the loss of one eye and severe damage to the other, rendering him completely blind.

#### **MORTUARY SERVICES**

Air Force Mortuary Affairs Operations, headquartered at Dover Air Force Base, Delaware, continues to enhance our ability to fulfill our nation's sacred commitment of ensuring dignity, honor, and respect to our fallen service members, as well as providing care, service, and support to their families.

In April 2009, the Department of Defense implemented the policy to allow media and family access to dignified transfers of the remains of fallen as they arrive at Dover. Since that time, 934 fallen have been returned home, with over 3,927 family and friends attending the dignified transfers. Approximately 87 percent of the families chose to allow some form of media coverage.

A significant development during 2010 was the completion of the Families of the Fallen Campus at Dover Air Force Base. This center provides a warm, home-like atmosphere to host family members while they await the dignified transfer of their loved one. The facility offers gathering areas, private meeting rooms, a children's room, and a kitchen. In January 2010, the Secretary of the Air Force accepted a gift from the Fisher House Foundation to construct a new facility on Dover Air Force Base. The Fisher House for the Families of the Fallen was dedicated on 10 November 2010. This 8,462 square foot facility has nine lodging suites for families of the fallen who travel to Dover for the dignified transfer, and also a 1,713 square foot meditation pavilion. The campus now provides families of the fallen a secure, peaceful location to mourn and grieve the loss of their loved one.

#### **RECREATION PROGRAMS**

Our recreation programs have historically served as gathering points in Air Force communities that are often geographically separated from major cultural centers. We have shifted our focus to reach out to Airmen and family members trying new activities and opportunities specific to the location where they are assigned. Our golf and bowling programs

have taken advantage of industry downturns in use patterns to place more emphasis on beginner instruction programs.

At Mountain Home AFB, Idaho, we train Airmen to be volunteer guides leading white-water rafting trips. These programs offer opportunities for participants to graduate as certified experts and give back to our programs as volunteer instructors. These Airmen-led trips allow us to offer inexpensive opportunities to other Airmen who could not otherwise afford them in the civilian community. Our outdoor programs take full advantage of the wide range of locations the Air Force serves world-wide. The 7,000 activities organized annually run the gamut from snowmobile trips through Yellowstone National Park, scuba diving in Guam, snowboarding in the Alps, to climbing Mt Fuji in Japan.

#### **INCLUSIVE RECREATION**

The Air Force continues its progress towards making our facilities, programs, and services more inclusive to support both wounded warriors and others with physical challenges. We have benefited from Department of Defense funding support for the Inclusive Recreation for Wounded Warriors training at Penn State University and targeted support for pool lifts, adaptive golf carts, bowling equipment and accessible playgrounds.

#### **CARING FOR PEOPLE**

We are merging Airman & Family Readiness and Child and Youth Programs into our Airman and Family Services organization. In April 2010, we followed up on the success of the inaugural event and hosted the second annual Caring for People Forum, which focused on resiliency. This event brought together over 200 professionals who affect the programs and services available to Airmen and their extended family members in six key areas: deployment support, family support, school support, special needs child support, Guard and Reserve family support and single Airman support. Attendees worked to identify initiatives to support the larger concept of Air Force family, which includes Airmen, spouses, children, parents, friends and employers of Guard and Reservists. We also hosted a Single Airmen Summit to provide a mechanism to identify current issues affecting our Airmen. We also established Caring for People coordinator positions at nine high-deployment locations to provide direct support to families throughout all phases of deployment.

To strengthen our efforts in that area, our new Air Force Resiliency Division is building a corporate program with two distinct yet integrated focus areas: Airmen resiliency and family resiliency. The program will address the span of issues Airmen can expect to encounter over the course of their career. The goal is to develop skills that foster happier, more productive Airmen who can better cope with everyday life and the stressors unique to a military lifestyle. We opened a Deployment Transition Center on 1 July 2010 at Ramstein Air Base, Germany; as of 20 January 2011 over 1000 Airmen have spent time here en route home from deployments. The new facility augments current post-deployment programs and provides a unit-based approach to decompression and reintegration activities for Airmen returning from deployed locations globally.

From July 2009 to July 2010, we celebrated the Year of the Air Force Family, focusing on four pillars of emphasis: health and wellness, Airman and family support, education and development, and housing and communities. From the initial declaration of the Year of the Air Force Family, the Air Force Secretary and Chief of Staff made it clear that developing and caring for Airmen and families remains one of their top priorities. As part of our MYAIRFORCELIFE.COM initiative, we hosted artistic competitions to illustrate why the Air Force is such a great place to live, work and play. We received over 5 million website hits in 2010. Based on the success of the MYAIRFORCELIFE.COM website, we are converting it to a patron facing website portal to support future programs. Leaders at all levels engaged and recognized the achievements and contributions of the Air Force family through programs, special events and initiatives. Additionally, Air Force service providers examined ways to expand existing programs to meet the ever-changing needs and expectations of Airmen and their families.

In January 2010, the Air Force launched the *FitFamily* program to raise awareness of the importance of family fitness and proper nutrition, and thereby encourage healthy lifestyles for all family members. *FitFamily* meets two of four goals of the White House Task Force on Childhood Obesity. The program advocates for Air Force families to “Get Up, Get Out and Get Fit – Together” by registering online as teams, and achieving various participation levels through family fun activities, sports and fitness events, and healthy food selections.

With an increased focus on Airman Resiliency, our Airman and Family Services staff maximized the impact of the Department of Defense-established Military Family Life Consultant

program. These consultants augment existing military support services and provide non-medical, short-term, situational, and problem-solving counseling services. Our 95 adult consultants, along with our 98 child and youth behavioral counselors, address issues that occur across the military lifestyle; they help Service members and their families cope with the normal reactions to stressful and adverse situations. In addition, 28 consultants provide support to on- and off-base schools serving Air Force children, 20 help with summer camp programming, and three provide personal financial counseling. We remain ready to meet the Military Family Life Consultant needs of our Reserve and Guard components through on-demand assignments to support pre-deployment, deployment, and reintegration events for Service members and their families. Although the year-long series of events has come to a close, Air Force leaders and agencies have come away with a much greater understanding about our successful Air Force family practices and the necessary requirements for supporting Airmen and their families in the future.

#### **AIRMAN & FAMILY READINESS**

Our Airman & Family Readiness Centers provide consultation services to help commanders enhance individual, family, and community readiness, quality of life, and motivation to serve. We continued our partnership with the Air Force Aid Society to enhance deployment support programs for the community, including “give parents a break,” respite child care and “car care because we care.”

We also standardized our Air Force Key Spouse Program to enhance the official communication network between unit leadership and families at all of our installations. The program promotes readiness and a sense of community, serving as a link between unit leadership and families on a consistent basis and particularly during emergencies, separations and deployments. As of December 2010, 98 percent of our organizational units had at least one trained Key Spouse; we remain focused to reach the remaining units this year. We developed Airman & Family Readiness services to help spouses meet the challenges in training for and finding suitable employment opportunities and, as they relocate, continuing and progressing in their chosen career fields. Our discovery resource centers continued to provide families with a gateway to community-specific information and referrals for transition assistance resources.

The Air Force has maintained a strong partnership with the Military Child Education Coalition for over 10 years. This past year, we conducted a variety of parent and school personnel awareness training sessions that help school personnel understand the challenges of the military lifestyle. Subjects included the effect of parental deployment, working with military children when a parent has been disabled or killed, and the specific challenges faced by mobile military-connected students with special needs. Air Force directed centralized funding will begin this year for 53 civilian school liaison officer positions at all bases that did not already have a position in place. This additional key manpower will enhance our ability to advocate for our Air Force children and youth.

We have also focused additional attention this year on increasing support to those Airmen with exceptional family members. An Airman & Family Readiness center staff member has been designated at each installation to support special needs families and \$100,000 in print media resources was purchased.

Our Personal and Family Readiness programs assisted over 130,000 members with sustainment and reintegration services. As our economy began the slow process of recovery, we provided 3,200 financial education courses and individual consultations to over 24,000 Airmen, bolstering our families' ability to cope with the financial pressures affecting their fiscal readiness. During Military Saves Week, 5,500 Airmen took the "Saver's Pledge" setting the foundation for increased financial stability.

#### **CHILD AND YOUTH DEVELOPMENT PROGRAMS**

Thanks to your continued support and the assistance of the Department of Defense we remain focused on providing readily available, quality and affordable child-care and youth programs as a workforce solution to the issue of mission readiness. The funding authority provided through the temporary legislation for child care construction, combined with seven military construction projects, provided an additional 2,960 Air Force child care spaces. Additionally, the stimulus package funding for 2009 included eight child development centers, further increasing our child-care capacity by 836 spaces. We have made similar investments in our child-care personnel and equipment and are on track to reduce our known shortfall of child care to zero once all construction is complete.

Our child and youth programs take care of over 118,000 children, providing everything from hourly care to extended child-care for children six weeks to 18 years old. Our Air Force Returning Home Care supports Airmen returning from deployment by providing 16 hours of free child-care. The Air Force Family Child Care Subsidy Program provided an average subsidy of \$143 per month per child for over 2,000 military members when a space in the child development center or school age program is either unavailable or does not meet their needs.

We are piloting our newest initiative, the Supplemental Care Program, at three installations. This program responds to the needs of “emergency responder” parents required to work 12-hour shifts outside of regular duty hours. It augments a member’s existing child-care arrangement by providing care at no cost to the member during duty that falls outside of traditional child-care hours. Additionally, we have maintained our partnership with the National Association of Child Care Resource and Referral Agencies, which helps the Air Force provide outreach child care support to our families unable to access on-base military child-care. The Military Child Care in Your Neighborhood and Operation Military Child Care programs provided our active duty, Guard and Reservist families with an alternative quality child care placement and fee assistance to offset the cost of care in the community.

Our Air Force Youth Programs remained steadfast in their commitment to offer innovative, community-responsive youth development opportunities for Air Force children from elementary school through high school. We continued our focus to support geographically separated youth, and took full advantage of our ongoing national partnerships to reach additional families living both in civilian communities and on Air Force installations. Last June, we recognized our Air Force Youth of the Year in collaboration with the Boys & Girls Clubs of America. Fifty-two installation level Youth of the Year winners attended the ceremony in Washington DC and participated in teen leadership activities.

Funding continued in support of the *Mission: Youth Outreach* program that provided a one-year free membership in a local Boys & Girls Club to active duty, Guard and Reserve families who do not live near a military installation. Our continued partnership with the USDA 4-H has provided increased access to a variety of resources and educational youth programs.

Our Air Force Youth Programs offered a vast array of residential, specialty, and other base-specific summer camp opportunities to nearly 25,000 youth again last year, to include support specifically targeted for children of our deployed members and Guard and Reserve

families. Camping opportunities included our Air Force Space Camp, Aviation Camp, 4-H adventure camps, youth performing arts camps and a host of other camps focused on topics such as literacy, bowling, leadership, cooking, and dance. This year, we partnered with "Destination Imagination," a creative team-based problem-solving program that will provide our Air Force youth with opportunities to compete at local, regional and global events.

#### **STRATEGIC INITIATIVES**

Air Force Services is focused on transforming our operations to ensure that we meet the needs of Airmen and families now and in the future. To meet the needs of tomorrow's Airmen and family members, we have focused on being a model of innovation, efficiency and resource stewardship.

We recently completed the second generation of our Caring for People Survey. This survey measures quality of life satisfaction levels of the Air Force community to include Airmen, spouses, Air Force civilians, and retirees; across multiple domains including medical care, housing, and support for families. The 2010 survey was more extensive in scope and included questions related to customer satisfaction with all Services programs and activities. The research will provide us with a clear understanding of how our programs contribute to readiness and retention, enabling us to focus our resources where they matter most. We expect the findings from the study to be available by late spring.

#### **FOOD TRANSFORMATION**

The initial Caring for People Survey highlighted the need to improve our method for providing base-level food service. We discovered our dining facilities and clubs are collectively under-utilized, inefficient, and have not adjusted to meet the changing demands of today's Airmen and families.

In response, we adopted the Food Transformation Initiative to serve our Airmen and families better. The Food Transformation Initiative is developing an entirely new model for feeding our Air Force community patterned after concepts seen in university and corporate campuses. This new model offers improved food quality, availability, and variety in a more efficient manner. It includes efforts to bring food outlets to where Airmen need them the most, allowing us to consolidate unnecessary infrastructure and align operations to where our Airmen

live and work. The expanded market is also contributing to a greater sense of community through increased utilization from the base populace.

The Air Force contracted with ARAMARK to pilot this program at six installations: Little Rock AFB, Arkansas; Fairchild AFB, Washington; MacDill AFB, Florida; Patrick AFB, Florida; Elmendorf AFB, Alaska; and Travis AFB, California. These phase 1 bases were implemented on 1 Oct 2010. Hours of operation in our main dining facilities increased from an average of 58 hours to 112 hours each week. Improvements in food service quality and availability led to a 22% increase in customer counts during the first three months of operation. Junior enlisted members on a meal card are taking increased advantage of their meal card benefit, with meal counts increasing 24%. The independent CFI Group recently confirmed that customer satisfaction at the six food transformation bases is running significantly higher than the Air Force average and substantially ahead of the levels at these bases two years ago. The Government Accountability Office review required by HR111-491 is ongoing, with site visits to pilot bases currently underway. We will continue to work with our Major Commands and their pilot bases to enhance the Food Transformation Initiative to insure we provide a quality food service program that meets mission requirements while maintaining our existing funding profile. The next installations being considered for the test phase are Cannon AFB, New Mexico, Davis-Monthan AFB, Arizona, F.E. Warren AFB, Wyoming, Moody AFB, Georgia, Offutt AFB, Nebraska, Tinker AFB, Oklahoma and Vandenberg AFB, California.

#### **NONAPPROPRIATED FUND TRANSFORMATION**

Nonappropriated Fund Transformation is a multi-year initiative to improve business practices by reengineering processes, leveraging technology, and creating an automated, integrated business enterprise. In June 2010, we completed phase one: a 5-year effort to centralize nonappropriated fund accounting and payroll services at the Air Force Services Agency Shared Service Center in San Antonio, Texas. The center creates significant efficiencies and service improvements that flow directly to our Air Force communities. The next phase delivers modern business solutions to our Force Support activities, which will allow them to operate more efficiently and improve customer service. Efforts are currently underway for an enterprise-wide golf management system as well as one to support Child and Youth Programs. These systems will provide the activities with modern point-of-sale systems that include

inventory management, online program registration, and reservation system for our customers. We will spiral on the capabilities of these systems to support recreation, bowling, fitness and libraries in the future.

#### **EMPLOYEE RETIREMENT PLAN**

A recent improvement in the global economy directly affected the nonappropriated fund defined-benefit retirement plan, as well as the funds available in the Employee Retirement Plan Trust. The portfolio increased in market value by \$13.1 million from 30 September 2009 to \$262.9 million on 30 September 2010. The Employee Retirement Plan Trust was 92 percent funded as of 30 September 2010, up from 91 percent a year ago; it remains financially strong.

#### **NONAPPROPRIATED FUND CONSTRUCTION**

In 2010, we completed six major Morale, Welfare and Recreation construction projects valued at \$29 million and three major lodging construction projects valued at over \$207 million. The construction projects include bowling center and youth center additions at Langley Air Force Base, Virginia, a new golf clubhouse at Nellis Air Force Base, Nevada, an auto hobby shop at Incirlik Air Base, Turkey, and visiting quarters at Kunsan Air Base, Republic of Korea and Hurlburt Air Force Base, Florida. During this year, we expect to open a new \$40 million visiting quarters facility at Langley Air Force Base, Virginia, and a new \$42 million combined visiting quarters and temporary lodging facility at Buckley Air Force Base, Colorado. Forty-five additional projects, valued at \$289 million, are currently approved for design. We funded five Morale, Welfare and Recreation construction projects totaling \$18.7 million for fiscal year 2011, including a bowling center at Eielson Air Force Base, Alaska. With continued support from Army and Air Force Exchange Service dividends and other sources, we are projecting an annual \$30-\$35 million nonappropriated fund program for fiscal years 2012 and 2013. In addition, we allocated \$5 million to the Major Commands in 2010 for small projects including a golf course snack bar renovation at Arnold Air Force Base, Tennessee, a FAMCAMP upgrade at Ellsworth Air Force Base, South Dakota, and a bowling snack bar renovation at Mountain Home Air Force Base, Montana. In 2011, we will increase funding for this program to approximately \$7.5 million.

Recognizing the changing demographics and lifestyles of today's Airmen and families, we are about to commence a comprehensive needs assessment of all Services programs. Our goal is to determine how best to provide MWR programs and services in a budget-constrained environment. For instance, we are looking at ways in which we can leverage the internet to bring our programs and services to our Airmen where they live. Also, we see tremendous opportunities for partnering with off-base businesses, non-profit organizations, and local governments to expand services and optimize resources. This Air Force-wide assessment will help us to leverage our resources and better meet the needs of the Airmen we serve.

#### **CONCLUSION**

Mr. Chairman, I would like to conclude by thanking the men and women of our workforce. Our mission to provide combat support and community service remains largely unchanged, but we continue to explore new means of providing innovative, timely and relevant support to our Airmen that defend this nation. We contribute to a strong Air Force community by delivering mission-sustaining quality of life services that take care of our people. I realize that this would not be possible without the wonderful support from the Military Personnel Subcommittee. On behalf of the men and women of Air Force Services, I thank you for your support.



## BIOGRAPHY



**UNITED STATES AIR FORCE**

### CHARLES E. 'CHUCK' MILAM

Mr. Charles E. Milam, a member of the Senior Executive Service, is Director of Air Force Services, Headquarters United States Air Force, Washington, D.C. His organization's mission is to increase combat capability and improve productivity through programs promoting readiness, esprit de corps and quality of life for Air Force people. Mr. Milam provides policy, technical direction and oversight for the \$2-billion worldwide Services program, which includes physical fitness, peacetime and wartime troop feeding, Air Force Mortuary Affairs Operations, Armed Forces entertainment, Air Force protocol, lodging, libraries, child development centers, youth centers and a wide spectrum of recreation activities. He provides oversight for uniforms, awards and recognition, Airman and family readiness, the Sexual Assault Prevention and Response (SAPR) program and other commander-interest programs that contribute to military force sustainment.



Mr. Milam began his career with Civil Service in 1980; since that time he has held several Air Staff-level, major command and base-level positions in Morale, Welfare and Recreation, Services and Installation and Logistics organizations. His assignments have included Pirmasens and Zweibrucken Army Posts, Lindsey Air Station and Ramstein Air Base, all located in Germany; Langley AFB, Va.; Vance AFB, Okla.; Edwards AFB, Calif.; Bolling AFB, Washington, D.C.; the Pentagon; the U.S. Air Force Academy and Headquarters Air Force Space Command. Mr. Milam served as the Air Force's representative on the U.S. Olympic Committee Board of Directors from July 1998 through November 2003 and is currently the Air Force's adviser to the USOC. He is a two-time recipient of the Air Force Services Senior Civilian Manager of the Year award. Prior to his current assignment, Mr. Milam was Deputy Director, Air Force Services, Headquarters Air Force.

#### EDUCATION

- 1985 Bachelor of Science degree, business and management, University of Maryland, Md.
- 1993 Master of Science degree, international relations, Troy State University, Ala.
- 2000 Federal Executive Institute, Leadership for a Democratic Society, Charlottesville, Va.
- 2000 Air War College, via seminar and correspondence, Pentagon, Washington, D.C.
- 2004 Graduate, Defense Leadership and Management Program, Washington, D.C.
- 2005 Juris Doctorate degree, British-American University, Colo.

2007 USAF Strategic Leadership and Development Program, University of Tennessee

#### CAREER CHRONOLOGY

1. October 1980 - March 1983, recreation assistant, Pirmasens Army Depot, Husterhoeh Kaserne, Pirmasens, Germany
2. March 1983 - December 1985, outdoor recreation specialist, Pirmasens Army Depot, Husterhoeh Kaserne, Pirmasens, Germany
3. December 1985 - May 1987, Director, Outdoor Recreation, Zweibrucken Army Kaserne, Zweibrucken, Germany
4. May 1987 - February 1988, Chief, Recreation Services, Miesau Army Depot, Miesau, Germany
5. February 1988 - July 1989, Chief, Outdoor Recreation, 1st Services Squadron, Langley AFB, Va.
6. July 1989 - April 1991, Director of Services, 71st Flying Training Wing, Vance AFB, Okla.
7. April 1991 - October 1992, Director of Services, Lindsey Air Station, Wiesbaden, Germany
8. October 1992 - October 1994, Chief, MWR and Services Inspections, Headquarters U.S. Air Forces in Europe, Ramstein AB, Germany
9. October 1994 - February 1996, Chief, Business Flight, 86th Services Squadron, Ramstein AB, Germany
10. February 1996 - March 1997, Director of Services, 95th Mission Support Group, Edwards AFB, Calif.
11. March 1997 - July 1998, Director of Services, 11th Mission Support Group, Bolling AFB, Washington, D.C.
12. July 1998 - June 2000, Chief, Programs Division, Directorate of Services, Headquarters U.S. Air Force, Washington, D.C.
13. June 2000 - May 2001, Chief, Strategic Plans Division, DCS, Installations and Logistics, Headquarters U.S. Air Force, Washington, D.C.
14. May 2001 - August 2006, Director of Services, 10th Mission Support Group, U.S. Air Force Academy, Colo.
15. August 2006 - May 2007, Deputy Chief of Services, Directorate of Manpower, Personnel and Services, Headquarters Air Force Space Command, Peterson AFB, Colo.
16. May 2007 - July 2008, Chief of Services, Directorate of Manpower, Personnel and Services, Headquarters Air Force Space Command, Peterson AFB, Colo.
17. July 2008 - March 2009, Deputy Director, Air Force Services, DCS, Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington, D.C.
18. March 2009 - Present, Director, Air Force Services

#### AWARDS AND HONORS

1990 Supervisor of the Year  
 1991 Outstanding Boss of the Year  
 1992 Civilian of the Quarter  
 1992 Special Citation for Recreation Professionals, European Recreation Society  
 1996, 1997, 1998, 2000, 2001, 2006 and 2008 Meritorious Civilian Service Award  
 1997 Executive Fellow Award, Armed Forces Recreation Society  
 1998 and 2004 Senior Civilian of the Year Award, Air Force Services  
 2005 and 2008 Special Act or Service Award  
 2006 Exemplary Civilian Service Award

Current as of April 2009



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**DOCUMENTS SUBMITTED FOR THE RECORD**

FEBRUARY 9, 2011

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Statement of Sid L. Scruggs III on behalf of Lions Clubs International  
For more information contact: Charlie DeWitt  
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**Lions Clubs International Foundation**  
**Morale, Welfare, and Recreation Programs Overview**

Testimony of Sid L. Scruggs III  
International President, Lions Clubs International

Before the U.S. House Subcommittee on Military Personnel  
Armed Services Committee

February 9, 2010

RE: Lions Clubs International Foundation  
Testimony for House Armed Services Committee – Military Personnel Subcommittee

**Morale, Welfare, and Recreation Programs Overview**

February 9, 2011

The Honorable Joe Wilson, Chair  
2340 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Susan Davis, Rnk. Mem.  
2340 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Wilson and Ranking Member Davis:

On behalf of the 400,000 North American Members and volunteers of Lions Clubs International, I would like to express support for volunteer programs designed to improve the morale, welfare and recreation for military personnel and their families. We appreciate the opportunity to provide our perspective on this issue, and congratulate your leadership in examining the programs that improve the lives and health of military families.

Volunteer organizations across the country are doing their part to provide programs to enhance the morale, welfare and recreational programs of military personnel. Lions Clubs in Minnesota, for example, saw a need to help veterans and their families so they worked with Minnesota's Veteran's Affairs Department to establish "Project New Hope." Through this Lions-funded project, veterans and their families attend retreats free-of-charge and receive time and counseling to reconnect and grow together. Lions at the camp work hands-on -- organizing the retreats, cooking and cleaning, and providing daycare and counseling around the clock. This program is open to all combat veterans, and we are working to take the program nationwide.

Another major challenge to the welfare of military personnel is the effect of long deployments on school-aged dependents. In 2009 over 2 million children had a parent either in the active duty or active reserves or a component of a reserve unit. Several studies show the effects of longer deployments, from a RAND study that Children in military families experienced emotional and behavioral difficulties at rates above national averages, to an American Academy of Pediatrics Study showing children had more emotional difficulties compared with national samples.

The increasing mental-health needs of military children are taxing both the military and civilian health care systems. Children with parents in the military sought disproportionate outpatient mental health care last year, twice the number from the start of the Iraq war, internal Pentagon documents show.

These emotional and behavioral challenges are reflected in their studies at school. Further, as a microcosm of the civilian community, addressing the needs of the DoD dependents can be the critical first step to addressing the needs of their civilian counterparts.

Lions Clubs International supports the expansion of basic child behavioral and emotional health funding associated with longer deployments of military personnel. With our volunteer capabilities

and expertise on the social and emotional learning needs of school-aged children through the Lions Quest program, we are in a unique position to help.

As a national leader in training programs to develop social and emotional learning (SEL) skills in children, Lions understands how to address the challenges for the emotional health of military dependents, and we are in the process of developing The Defense Child Health, Integration, Learning, and Development Program (Defense CHILD) that would serve these children as they confront unique social and emotional stresses and other challenges due to deployments and other factors. The program design would be mindful of improving family readiness consistent with the official directive of increasing accessibility to and quality of health care services as well as ensuring excellence in schools, youth services and child care through school and district leadership development and training programs.

Lions Clubs “Lions Quest” program takes proven practices developed from years of studies by experts at the Center for Academic, Social and Emotional Learning (CASEL) and scientific advances in SEL and explain their practical implications for youth, teachers, and parents. Lions Quest SEL program focuses on the benefits of preschool through high school SEL training and programming as it coordinates with other educational programs.

We should stimulate growth among schools and military institutions nationwide through valuable SEL programs, and to create opportunities for kids to participate in activities that increase their social and emotional skills. Not only do Lions Clubs valuable SEL curricula contribute to the social and emotional development of youth, but they also provide invaluable support to students' school success, health, well-being, peer and family relationships, and citizenship.

With greater social and emotional desire to learn and commit to schoolwork, participants will benefit from improved attendance, graduation rates, grades, and test scores, and becoming productive members of society.

#### **About Lions Clubs International**

Lions Clubs International represents the largest NGO service organization presence in the world. Awarded and recognized as the #1 NGO organization for partnership globally by The Financial Times in 2007, Lions Clubs International also holds the highest four star (highest) rating from the CharityNavigator.com (an independent review organization). Lions and its official charity arm, Lions Clubs International Foundation (LCIF), have been world leaders in serving the vision, hearing, youth development, and disability needs of millions of people in America and around the world, and we work closely with other NGOs such as Special Olympics International, Habitat for Humanity, the Carter Center, and others to accomplish our common service goals.

Lions Clubs remains committed to programs that benefit our military personnel and their families. Today, our military faces many ongoing challenges, and Lions Clubs International understands the importance not only of academic excellence, healthy living, and community service but of instilling those values among members of our next generation, and we are committed to forming more effective alliances and partnerships to increase our domestic impact.

### About Sid L Scruggs III

*Sid L. Scruggs III was elected President of Lions Clubs International at the 93<sup>rd</sup> International Convention in Sydney, Australia. A member of the Vass Lions Club of Vass, North Carolina, President Scruggs has held many offices within Lions Clubs International, including club president, multiple district extension chairperson and district governor.*

*Scruggs is actively involved with dog guides for the blind and serves as Chairperson for the Governor Morehead School of the Blind Board of Directors, a member of the Board of Directors of the Raleigh Lions Clinic for the Blind, Inc., a life Member of the North Carolina Lions Foundation, a life member of American Airlines Grey Eagles Association, and a life member of the United States Naval Academy Alumni Association. North Carolina Governor Mike Easley presented him with the "Order of the Lone Leaf Pine" for his work with the blind and his humanitarian service.*

*In recognition of his service, Scruggs has received four Lion of the Year awards, the 100% Club President Award, eight New Club Extension Awards, the Governor of Excellence Award, the Key of Nations Award, an International President's Leadership Award, eight International President's Awards and the Ambassador of Goodwill Award, the highest honor presented by the International Association of Lions Clubs.*

### **Career**

*Known as the "Flyin' Lion," President Scruggs is a retired commercial airline pilot and Lt. Commander in the United States Navy. After graduation from the United States Naval Academy in 1960, he was assigned to teach sailing and seamanship before entering the Naval Aviation program at Pensacola, Florida. He eventually served two tours in Vietnam onboard several aircraft carriers. While serving as a flight instructor in the Advanced Jet Training Command, he left the Navy to take a pilot's job with American Airlines where he flew several types of airliners and became a Flight Standards Superintendent.*

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**WITNESS RESPONSES TO QUESTIONS ASKED DURING  
THE HEARING**

FEBRUARY 9, 2011

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#### **RESPONSE TO QUESTIONS SUBMITTED BY MRS. DAVIS**

Mr. GORDON. Although Section 563 (c) of the NDAA 2010 authorized \$50M for the programs for Fiscal Year 2010 appropriations did not follow. However, the Department took the following actions to comply with the NDAA:

- Provided the Services bridge funding in FY 2010 and FY 2011 to establish case managers (120) within the Exceptional Family Member Program (EFMP)
- Drafted a new policy for the Exceptional Family Member Program (EFMP). The policy will include elements regarding the assignment of members with families with special needs and support such families. We anticipate a draft will be ready for review by the Military Departments Service review in Spring 2011.
- Initiated three research studies:
  - Availability and accessibility of services for children with autism (due in spring 2011).
  - Availability and accessibility of Medicaid to military families with special needs (anticipated completion September 2011)
  - Benchmark study to assist in establishing community support programs for military families with special needs (anticipated completion November 2011).
- Developed professional materials to communicate the EFMP to military families. Materials to be disseminated to all military installation family centers in Spring 2011. These professional materials include materials with the EFMP joint logo such as a pop-up banner, table cloth, outdoor banner, notebooks and lapel pins.
- Developed electronic learning modules, which will be available to families with special needs and to providers on DoD and Military Department websites. The eLearning modules will educate families on the benefits and services available to them and the member with special needs. Anticipate summer 2011 completion.
- Initiated a Functional Analysis of the EFMP including a study of the Military Departments' databases and case management systems as a first step in developing a joint database/case management system. The Functional Analysis will be conducted during FY 2011 to examine existing systems and project future needs for sharing information. This is a long term project to assist in the development of a joint database. The final outcome will network EFMP community support, personnel activities and military health systems to provide information as needed for assignments and for community support.

We are working with the Military Departments to validate the level of EFMP staffing necessary to meet the intention of the law for individualized services, and to ensure that the Military Departments have adequate funding for these positions beginning in FY 2012. [See page 20.]

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#### **RESPONSE TO QUESTION SUBMITTED BY MS. BORDALLO**

Mr. GORDON. The Department of Defense will ensure fair competition and opportunity to all qualified firms. The Department of Navy responded in detail to Congresswoman Bordallo on February 9, 2011 regarding her concern for federal contracting opportunities for companies on Guam in general and about a Morale Welfare and Recreation (MWR) contract currently being performed by a local company in particular. [See page 15.]



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**QUESTIONS SUBMITTED BY MEMBERS POST HEARING**

FEBRUARY 9, 2011

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#### QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. Each year, the Department of Defense spends billions of dollars to provide services to military personnel and their families through the Defense Health Program. Included in these services are caregivers who look after the children of military personnel and provide other family related services. Background checks for service providers, and a system of ensuring the accuracy and timeliness of those checks, should be an integral part of this system to guarantee the safety and security of the children and families these programs serve.

What is the Department doing to ensure that individuals participating in childcare programs under the Defense Health Program are qualified service providers who have undergone a thorough and current background investigation?

Mr. GORDON. As background, child development programs operate under policies established by the Office of Military Community and Family Policy. Therefore, childcare providers do not fall under the Defense Health Program. The Department of Defense (DOD) is committed to ensuring the safety of children left in our care. It is our policy that employees and contractors in our Child Development Centers are required to undergo extensive background investigations.

Mr. WILSON. Does the Department require that contractors providing childcare services to military personnel subject caregivers to a background check?

Mr. GORDON. Yes, all contractors, as well as employees, providing childcare services are required to undergo background checks.

Mr. WILSON. If so, what procedures are in place to ensure this requirement is adhered to?

Mr. GORDON. A higher headquarters Service representative inspects for compliance during the annual unannounced certification inspection.

Mr. WILSON. As part of the background check, what information and databases are required to be checked?

Mr. GORDON. All child care employees undergo a Child Care National Agency Check with Inquiries (CNACI) as a condition of employment. The CNACI requires a search of virtually all federal law enforcement records, including those maintained by the FBI, DOD, the State Department, the Central Intelligence Agency, the Office of Personnel Management (OPM), Customs and Immigration Enforcement, and the Treasury Department. It also includes a search of local law enforcement records and Military Installation records and a check of state criminal history records for all states in which the subject of the investigation has resided during the preceding 10 years.

Mr. WILSON. How often are these background checks required to be updated?

Mr. GORDON. Background checks are re-accomplished every five years. Each Service ensures compliance with the background check policy during the annual certification inspection conducted by the Service higher headquarters staff.

Mr. WILSON. Under what procedures does the Office of Military Community and Family Policy examine childcare service contract applicants?

Mr. GORDON. MC&FP relies on the Contracting Officer's Representative (COR) of the Service that functions as the Executive Agent of the contract to perform these duties.

Mr. WILSON. Have any no-bid contracts been awarded for childcare services in the past two years? If so, please provide the Committee with details on these contract awards to include: the procedure and criteria under which that contract was awarded; whether the contract is still in place; and a copy of the signed contract.

Mr. GORDON. We are unaware of any "no-bid" contracts that have been awarded for childcare services in the past two years.

#### QUESTIONS SUBMITTED BY MR. JONES

Mr. JONES. The Department has a very active program to assist family members who are moving from base to base. I think we can expect continued high levels of relocations considering the number of moves due to BRAC, returns from the Middle East and transitions out of the military. Can you provide me with an overview of your plans to support all of this increased mobility? I am interested in your internet outreach program such as adding training and coordinating with the Defense Per-

sonal Property Program so that the relocation personnel can better assist families in the use of the Move Dot Mil portal.

Mr. GORDON. The Department has robust “high-tech/high-touch” programs to assist Service members and their families who are relocating from base to base. We have over 300 Relocation Personnel Specialists who are located in Family Support Centers worldwide to provide personal, high-touch assistance to members and families. The services provided include counseling on:

- Financial Management
- Moving/Renting
- Household Goods
- Education/Schools
- Special Needs Family Members
- Stresses of moving and how to recognize them
- Spouse Employment Assistance
- Cultural adaptation
- Community orientation

Additionally, the Military Departments have active sponsorship programs that facilitate the adaptation of members and their families undergoing a Permanent Change of Station (PCS) move into new working and living environments, to minimize the anxiety associated with a PCS, and to afford members and their families the greatest opportunity for a successful and productive tour of duty at their new location. Sponsors at the new location provide personalized outreach, information, and assistance to relocating members and their families.

The two high-touch programs above are augmented by three web-based, high-tech applications available on the MC&FP MilitaryHOMEFRONT website ([www.militaryhomefront.dod.mil](http://www.militaryhomefront.dod.mil)):

1. The MilitaryHOMEFRONT website offers a “Plan My Move” application that is available 24/7 for members and families who are relocating to a new installation. The application includes a customizable calendar and other tools, including pre- and post-move checklists to assist members and families with planning and tracking the many elements involved with a PCS move.
2. MilitaryINSTALLATIONS provides information on the new installation to include phone numbers and contact lists base wide. Both “Plan My Move” and MilitaryINSTALLATIONS refer users to the Move Dot Mil portal to establish their move of household goods.
3. The eSponsorship Application and Training (eSAT) is designed to support military service members assigned the responsibility of unit sponsorship. The application contains online training, tools, and resources for sponsors and links to all Department websites supporting the PCS process, including Military OneSource. eSAT contains a downloadable checklist of the sponsor’s duties and a printable certificate of completion of training.

Mr. JONES. The Air Force has taken several measures to improve the quality of food offered at on-base establishments. I have heard good things about your initiative to improve dining operations on base. How is this “Food Transformation Initiative” going and should it be accelerated?

Mr. MILAM. Food Transformation is having a positive impact on our Air Force Food Service capabilities. Meals served at our dining facilities at the six pilot base locations have increased 22% since we implemented Food Transformation in October 2010. Results from the Air Force Caring for People survey conducted in December 2010 show customer satisfaction has increased at our locations where we have implemented Food Transformation. Using the nationally recognized American Customer Satisfaction Index (ASCI) as the measurement tool, Food Transformation locations scored a 76 in customer satisfaction, as compared to a score of 68 overall for Air Force dining facility programs.

The Air Force continues to refine and improve our Food Transformation initiative. We are proud of the progress made to date, but realize we must continue to dedicate our time and full attention to this transformational initiative. Maintaining our current implementation schedule is a key to our long-term success. Our second portfolio of bases is scheduled for implementation in October 2011, with semi-annual implementation of Food Transformation to our bases envisioned for the following out-years. At the present time, we do not plan to accelerate implementations until we have garnered more experience in our transformed food service operations, and fully understand and have implemented solutions to the lessons we have learned from our current implementations.