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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

SUBCOMMITTEE ON MILITARY PERSONNEL HEARING

ON

MILITARY PERSONNEL OVERVIEW

HEARING HELD
MARCH 17, 2011



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MILITARY PERSONNEL OVERVIEW

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MILITARY PERSONNEL,
Washington, DC, Thursday, March 17, 2011.

The subcommittee met, pursuant to call, at 11:16 a.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. Good morning, ladies and gentlemen. Thank you for being here today for a subcommittee meeting of the Military Personnel Subcommittee of the House Armed Services Committee. This is a very important hearing as to military personnel overview.

Today the subcommittee will turn its attention to the important issue of maintaining an All-Volunteer Force that is not only faced with continuing to fight even after 10 years of war, but also is now in a period of fiscal constraints and manpower reductions.

The Department of Defense has completed an efficiency review, which will result in \$100 billion being reinvested into the services over the next 5 years.

The Department is also facing an additional \$78 billion cut over 5 years to its top-line, with proposed cuts by the Department to a variety of programs to include end strength reductions for the Army and Marine Corps in 2015 and 2016.

Today's hearing will focus on actions the services have taken to create efficiencies in personnel employment programs, to include pay and compensation, and the policies and programs that still need to be examined to successfully continue down a path of fiscal responsibility without undermining the readiness of the All-Volunteer Force.

We will also examine how the proposed reduction of end of strength for the Army and Marine Corps will impact individual dwell time in light of unknown force requirements in the future.

We are also concerned about the manpower reductions that all services will undertake and how they will employ voluntary and involuntary separation measures to achieve those reductions and how they will reduce the nondeployable populations in their services.

We are joined today by an excellent panel consisting of the Under Secretary of Defense for Personnel and Readiness and the four personnel chiefs of the military services to help us explore these issues.

I would request that all witnesses—and it is going to be tough—maintain an oral opening statement at 3 minutes. And Craig Greene is really tough on this, and so good luck.

But, hey, he is the impartial scorekeeper.

Without objection, all written statements will be entered into the record, to include statements submitted by the Reserve Officers Association, the Military Coalition, the Fleet Reserve Association, and the National Military Family Association.

I would also like at this time to introduce our panel. The Honorable Dr. Clifford Stanley, the Under Secretary of Defense for Personnel and Readiness. Lieutenant General Thomas P. Bostick, the Deputy Chief of Staff G-1, Headquarters of the U.S. Army. Vice Admiral Mark E. Ferguson, III, Chief of Naval Personnel, Deputy Chief of Naval Operations, Total Force, U.S. Navy. Lieutenant General Robert E. Milstead, Jr., the Deputy Commandant for Manpower and Reserve Affairs, Headquarters of the U.S. Marine Corps. Lieutenant General Darrell D. Jones, the Deputy Chief of Staff, Manpower and Personnel, Headquarters of the U.S. Air Force.

And I would especially like to welcome General Milstead and General Jones, who will be testifying for the first time in their new roles and very important positions that you have.

I at this time will defer to the Ranking Member, the distinguished member of Congress from California, 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, Mr. Chairman.

And to all of you, we appreciate your being here.

Dr. Stanley, welcome back.

And, Lieutenant General Bostick, and Vice Admiral Ferguson, Lieutenant General Milstead, and Lieutenant General Jones, to all of you, we are glad you are here.

After nearly 10 years of war I look forward to hearing from you on the state of our military personnel and their families and the impact that the current economic climate is having on them.

In recent years the services have enjoyed both a robust recruiting environment and budget. This has led to record achievements in recruiting and retention objectives, as well as an increase in the quality of our recruits.

But recent indicators are sending a different signal. I am concerned that as job growth continues to improve and budget reductions are being implemented, the services may find themselves back to where we were just a few short years ago—a difficult recruiting environment.

The major difference will be that we may not have the budgetary headroom to quickly change course. I hope we will address this issue.

I am also concerned that the budget reductions will have an adverse impact on our quality-of-life programs for our servicemembers and their families. While the services all made a good faith effort to ensure that that the spending was included in

the baseline budget, personnel and operation and maintenance funding seem to be in the first place where the services seek to reduce expenditures.

Many of our quality-of-life programs are vital. We know that. They are vital to our servicemembers and their families, especially during these last 10 years of high tempo deployment.

As the demand for these services remains constant and the budget continues to decline, we are going to face difficult choices. But we must remember that it is our men and women in uniform that makes our military the best in the world.

Thank you all once again for being here.

And, Mr. Chairman, I look forward to their testimony.

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

Mr. WILSON. Thank you, Mrs. Davis.

And even before we begin, I have had the privilege and opportunity of meeting with each of you. And when I think of military personnel and military service, to me it is an opportunity for young people to achieve to their highest possible level.

And it is very personal. My dad served with the Flying Tigers in the Army Air Corps, so—and I have a nephew who is in the Air Force. So I know how meaningful it has been.

And then I have—I served 31 years, General Bostick, in the Army National Guard. I have three sons in the National Guard, and each one, they actually enjoy going to drill. So this is very positive.

And then I am so grateful that another son is a doctor in the Navy. And so I know how uplifting. And then my late father-in-law and late brother-in-law were marines. So we are joint service.

With that, I would like to proceed to Secretary Stanley.

STATEMENT OF HON. CLIFFORD L. STANLEY, PH.D., UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

Secretary STANLEY. Well, good morning, Chairman Wilson, and Ranking Member Davis, and members of the committee.

First of all, I want to respectfully request my witness statement be made a part of the record. And with this hearing I will have officially reached the 1-year mark in my tenure as the Under Secretary of Defense for Personnel and Readiness.

But during this past year, I have focused on honoring, protecting, and improving the lives of our soldiers, sailors, airmen, and marines.

This next year will demonstrate that while my focus has not changed, I will continue to refine my priorities to better serve our servicemembers and their loved ones.

I look forward to continuing to work with you and this subcommittee as we support our total force of Active, National Guard, and Reserve servicemembers, as well as our civilian workforce and the dedicated families that support them.

My focus: Total force readiness, caring for our people, and creating a culture of relevance, effectiveness, and efficiency. I view total force readiness as a mental, physical, emotional, and spiritual preparedness and resilience.

And this involves enabling training, equipping, and supporting the total force when they are deployed and ensuring that they and their families have the care and support they need and deserve when they are at home.

We have committed ourselves to supporting the Secretary of Defense in preparing the force to manage risk, preserve assets, and meet the challenges of a dynamic operational environment. We must increase the emphasis on agility, flexible force structures, responsive force-shaping policies, and integrated personnel management processes.

We will continue to experience global competition for our educated and skilled workforce. Therefore, it is more imperative than ever for the Department of Defense to have personnel policies that attract, retain, train, educate, and sustain the right people.

As we examine the total force, an All-Volunteer Force that first emerged in 1973, we intend to go beyond the scope of our Active, Guard and Reserve force, and in particular we are looking at the role of civilians in supporting the force, and most especially how families and volunteers fit into the total force equation.

I also cannot overemphasize enough how essential it is that we continue to work in providing quality of life commensurate with the quality of service for our military, and most especially their families, and we will work to do everything possible to support our military families.

It is our families, as you well know, who support our servicemembers, who support our Nation.

I want to thank the subcommittee for all you do for our dedicated servicemembers, and I look forward to your questions.

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

Mr. WILSON. Thank you very much.

At this time, General Bostick.

**STATEMENT OF LT. GEN. THOMAS P. BOSTICK, USA, DEPUTY
CHIEF OF STAFF, G-1, U.S. ARMY**

General BOSTICK. Chairman Wilson and Ranking Member Davis, distinguished members of the Subcommittee on Military Personnel, thank you for this opportunity to appear before you.

Chairman Wilson, I just want to thank you for your personal service in our military and also thank you for your sons and all that they have done to serve in uniform. We appreciate that.

And, Representative Davis, I want to thank you for your focus on our people. We had a former Chief of Staff Abrams that used to say that people are not in the Army, they are the Army. So we agree with you and we are going to focus on our people, both our soldiers, civilians and their families.

On behalf of the Secretary of the Army, the Honorable John McHugh, and our Chief of Staff, General George Casey, I would like to thank you for your unwavering support and demonstrated commitment to our soldiers, Army civilians, and family members. Our All-Volunteer Army is now in its 10th year of continuous combat operations. More than 1.1 million soldiers have deployed into combat, and this has impacted not only the soldiers, but their families as well.

Additionally, Army civilians shoulder the majority of the burden in the generating-force mission, and 30,000 civilians have deployed into harm's way.

Despite this unprecedented operational tempo, the Army is on track to achieve sustainable deployment tempo for our forces and restore balance to the Army by 2012. Both the Secretary and the Chief of Staff of the Army have set two priorities for the coming year: First, maintain our combat edge while we reconstitute the force; and, second to build resiliency in our people.

To maintain our combat edge and sustain the All-Volunteer Army, we must continue to recruit and retain citizens and soldiers with the greatest potential for service. With the support of the Congress and the Nation, we are very proud to report that America's Army exceeded its enlisted goals of recruiting and our retention missions for fiscal year 2010, and we are confident that we will meet the goals for fiscal year 2011.

We also achieved all benchmarks with regard for recruiting highly qualified soldiers. Moreover, all components of the Army exceeded their reenlistment goals. Your support of initiatives and incentives remains key to our multi-year success.

As the pace of the economic recovery increases, we will continue to carefully review incentives and seek your support to ensure we remain highly competitive in the evolving job market. The Army has already reduced bonuses dramatically for new accessions, as well as the retention mission. Average recruiting bonuses dropped from over \$13,000 in fiscal year 2009 to just under \$3,000 today and are only used to incentivize longer-term enlistments in a small percentage of critical skills.

These incentives are only used to ensure the success of the total Army recruiting and retention mission and to shape the force to meet specific grade and skill requirements.

Despite our success in recruiting, the Army and the Nation face a significant challenge in this area due to increased obesity and decreased high-school graduation rates in certain parts of the country.

Currently less than 3 in 10 17- to 24-year-olds are eligible to serve, primarily due to physical and educational requirements. Only 1 in 5 youth fails to graduate high school; 1 in 5 youth 12- to 19-year-old is currently overweight compared to 1 in 20 in the 1960s and this trend is projected to grow 1 in 4 by 2015. As a Nation together we must continue to address these concerns.

The Army implemented a civilian workforce transformation effort that will invigorate and strengthen the civilian workforce by addressing critical issues of structure, accession, development, retention, and succession planning. This initiative will give civilians the tools and resources to plan and achieve their career goals while at the same time providing Army leaders a workforce with the right skills and experiences to meet current and future missions.

The Secretary of the Army and the Chief of Staff of the Army have directed that we continue to provide services and programs to build resiliency in our soldiers, civilians, and families, and to maintain or increase as necessary the quality of care, support and services that they require. We look forward to working with you as we

move on a broad front to address the challenges of 10 years of war for our soldiers, civilians, and their families.

To conclude, I want to thank you for your continued support, which remains vital to sustain our All-Volunteer Army through an unprecedented period of continuous combat operations. Now, as we prepare to draw down the Army and prepare for the complex strategic environment of the future, we will continue to work toward restoring balance and sustaining the high-quality Army.

Chairman and members of the subcommittee, I thank you for your generous and unwavering support for our soldiers, civilians and families and I look forward to answering your questions.

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

Mr. WILSON. Thank you very much.

And, Admiral Ferguson.

**STATEMENT OF VICE ADM. MARK E. FERGUSON III, USN,
CHIEF OF NAVAL PERSONNEL, DEPUTY CHIEF OF NAVAL
OPERATIONS, U.S. NAVY**

Admiral FERGUSON. Chairman Wilson, Ranking Member Davis and distinguished members of the committee, good morning and thank you for the opportunity to review our fiscal year 2012 budget request.

We believe our request appropriately balances risk in supporting the readiness requirements of the fleet and the joint force, growth in new and emerging mission areas, and the essential programs that provide for the care of our sailors and their families.

The extraordinary people of our Navy are serving around the globe with nearly 50 percent of our ships underway or deployed. Sailors remain engaged on the ground in Iraq and Afghanistan, and more than 24,000 Active and Reserve sailors are serving in the Central Command region.

Our forward-deployed Naval forces give us the flexibility to respond around the globe at a moment's notice. They provide deterrence, support maritime security, as well as conduct combat operations, and are able to rapidly respond to a humanitarian crisis, as we have seen in Indonesia, in Haiti, and now Japan.

Our unique capabilities and our extraordinary people stand watch every day from the Middle East to the Mediterranean to the Western Pacific.

Our sustained operational tempo continues to place stresses on the force. Providing a continuum of care for our sailors and their families remains our constant priority. Our safe harbor, operational stress control, and medical home port programs are critical elements of this continuum.

We continue to adapt these programs to meet the needs of our sailors and their families. We monitor the health of the force through surveys and retention data, and pleased to report that sailors indicate they are satisfied with their leadership, their benefits, and their compensation. Your support has made this possible.

In developing our fiscal year 2012 budget, we review current operations, our procurement profile, and our readiness requirements. This review indicated a need to add approximately 6,800 billets to the operating forces.

To source these billets without additions to our overall end strength, we reduced or consolidated approximately 8,400 billets in the fleet, squadron staffs and shore activities.

Additionally, the Navy has placed end strength previously funded by supplemental appropriation into our baseline program for fiscal year 2012 and beyond. We assess our end strength request of 325,700 will meet our projected requirements.

We continue to attract, recruit and retain the Nation's best talent and have met or exceeded nearly all of our recruiting and retention goals for the year.

In addition, your Navy has received over 20 national awards over the past 12 months recognizing accomplishments in the areas of workplace flexibility, training, diversity, recruiting, and workforce development.

On behalf of the men and women of the United States Navy and their families, I extend my sincere appreciation to the committee and the Congress for your support.

Thank you, and I look forward to your questions.

[The prepared statement of Admiral Ferguson can be found in the Appendix on page 105.]

Mr. WILSON. Thank you very much.

And, General Milstead.

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

General MILSTEAD. Good morning.

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

The Marine Corps is our Nation's expeditionary force in readiness, and we are ready to respond to today's crisis with today's force, today.

In addition to the over 20,000 marines engaged in combat in Afghanistan, marines are already providing humanitarian assistance to those impacted by the earthquake and the tsunami disaster in Japan. We began deploying forces less than 24 hours after the disaster hit and our numbers will soon total 2,200.

The individual marine is our corps' most sacred resource, and the quality of our force has never been better. Part of my job is to make sure it stays that way.

Regardless of any future force reductions and structure changes, the challenge of shaping our force with the right grades, combat experience, and skills to fulfill operational requirements will remain.

We appreciate your continued support for the tools and funding to succeed.

The top priority of the Commandant and mine is to keep faith with our marines, sailors, and their families through program improvements, and with your support we are doing just that.

The Marines are proud of their eagle, globe, and anchor and what it represents to our country, and with your support a vibrant Marine Corps will continue to meet our Nation's call.

I look forward to answering your questions.

[The prepared statement of General Milstead can be found in the Appendix on page 128.]

Mr. WILSON. Thank you very much.
And, General Jones.

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

General JONES. Mr. Chairman, Ranking Member Davis, and members of the subcommittee, thank you for the opportunity to appear before you today and represent all the men and women of the United States Air Force.

These tremendously talented men and women, the officers, enlisted, and Air Force civilians of the total force are the backbone of our service.

In an era of evolving requirements and constrained budgets, our Air Force faces an ever-increasing set of challenges. As the Deputy Chief of Staff for Manpower, Personnel and Services, I will do everything I can to deliver fully qualified and ready airmen to the joint warfighter while meeting the essential needs of the airmen and their families.

We are dedicated to properly managing our end strength. Unfortunately, with retention at a 16-year record high, we are compelled to use voluntary and involuntary programs.

We expect to exceed our end strength in fiscal year 2011 by roughly 1,500 officers and could experience additional growth through fiscal year 2012 if we do not actively manage our force levels.

Our force management strategy is not a quick fix, but a tailored, multi-year effort. Beyond existing force management legislative authorities, we are working with the Office of the Secretary of Defense to seek additional legislative authorities to provide the tools to better manage our end strength.

America deserves the very best Air Force in the world and that is what you have. As a result, it is our job to recruit, develop, and retain the highest-quality airmen from the broadest landscape to maintain that status.

Even though quality and retention are high, we are obligating a portion of our budget for bonuses to recruit the right skill sets and retain experienced airmen in critical warfighting skills. Without these funds, we will handicap our commanders and their ability to carry out the full range of the missions that America demands of our Air Force.

We are committed to streamlining and strengthening the resilience of our airmen and their families. Our goal is to build resilient airmen who have the ability to withstand, recover and grow in the face of stressors and changing demands.

We remain fully committed to caring for our wounded airmen. We continue to provide support and assistance through the Air Force Survivor Assistance Program, the Recovery Care Program, and the Air Force Wounded Warrior Program, and we will do so for as long as needed.

With your support, the warrior and survivor care programs will continue.

In closing, today's airmen are an unsurpassed dedicated group. They enable us to have the competitive advantage against our adversaries and deliver dominance in air, space and, cyberspace. We continue to recruit, train, and retain America's finest and we will provide the care and the service that they and their families need.

We appreciate your unfailing support to the men and women of our Air Force, and on behalf of the Chief of Staff of the United States Air Force, I look forward to answering your questions.

[The prepared statement of General Jones can be found in the Appendix on page 153.]

Mr. WILSON. Thank you very much.

And we will now begin the 5-minute rounds, and beginning with me, and strictly adhere as best we can to this. And Mr. Greene will be the scorekeeper.

So at this time I would like to point out that I am a strong supporter of the all-volunteer military. I have seen it work. I know and you—we do have America's finest. The new generation out there is so committed. They do remember the attack on our country on September 11, 2001, and so they are motivated to serve.

I also am very, very concerned in the last 60 days events have occurred that I just didn't anticipate. First, we know of the instability of North Africa, the Middle East, the Persian Gulf, our great ally Bahrain that is so crucial. There is instability that certainly we need to be reconsidering what force structure is.

Then we had the multiple catastrophes, disasters in Japan. Here one of the most advanced countries on Earth, and our sympathy to the people of Japan. But we saw what happened to us with Hurricane Katrina, and again massive areas of their country, just as Katrina was massive areas of our country. The military is just crucial, as we see, trying to protect the people of Japan, and we are backing them up. I want to thank all of you.

Additionally, we are fighting cowardly combatants in Iraq and Afghanistan simultaneously. With that in mind—and, Secretary, we will go in the order whoever can answer—I am very concerned about a force reduction and the instability that is just worldwide.

Secretary STANLEY. Congressman Wilson, let me just take the first stab at that and then turn it over to the services.

We are also—it is not a matter of just being concerned, it is actually a top priority. I was fortunate to have been on active duty in a manpower billet at Headquarters Marine Corps when we went through this process in the 1990s.

And so we kind of—I remember vividly what happened then, what worked, what didn't work. And so as we look at right now, looking at our management tools, helping the services out, and even going to Congress to ask for help maybe with either voluntary or, you know, boards and so forth—with separation, to get the right force structure in place.

And this is what General Jones alluded to, but there are other things that go along in the equation.

I am going to turn it over to services and have them also address this.

General BOSTICK. Chairman, as you know, the Congress approved a 22,000 temporary end strength increase for the Army, and

in that we will come down in September of 2013. And we think we have the tools in place in order to do that properly.

And we really needed that because of the end of stop-loss and because of the nondeployable situation that ran in our wounded warriors. So we deeply appreciate that. And based on the demand that we see ahead of us, we feel that we have the tools in place to bring that force down.

The second reduction, in 2015, is going to be much more difficult for us, and as the Secretary of Defense said, it is conditions-based for us, and we are going to hold 547 through fiscal year 2014, and over the next 15 months, in 2015 and 2016, we will draw down that 27,000.

And the key for us is, what is the environment at that time? And we are doing our plans with the G-3 and the other leaders in our department to make sure that we do it appropriately and our number one mission, which is to fight and win the wars for the country, that we can do that both at home and abroad.

Admiral FERGUSON. Well, thank you.

In the Navy we continuously plan and assess our manpower requirements versus force structure and the demands placed on the force. And we are in a period where we have, you know, we, the Navy drew down from the period of 2003 to 2010 by about 45,000 that we came down. And so the last few years, we are in a very stable profile tied to our force structure, and the 2012 proposal has us continuing on a fairly stable.

As we go forward and should there be changes in force structure or reduction in commitments, then we will continue adjust both the size of the force, and we feel we have the adequate tools at this point to do so.

General MILSTEAD. Yes, sir. You know, the Marine Corps did grow. We grew from 175,000 to 202,000, we grew 27,000 for this fight, this dual-front fight. We have just finished our Force Structure Review Group. It is capabilities-based. We feel that we can bring the corps down to 186,800; that is about 15,000.

Again, it is capabilities based, but it is important to stress to you that we have no intention of reducing our size until either 2014 or we are done with Afghanistan. So until we are done with Afghanistan, we have no intention on reducing our corps.

And again, it is capabilities-based, and so we feel that that will allow us to do what the Nation expects us to do.

Mr. WILSON. Thank you all very much.

And we will proceed to Mrs. Davis.

Mrs. DAVIS. Thank you very much again for being here and for responding, I think, to that.

I want to thank you for the response in Japan. I think that we always have to have that capability. I think it is one of the most important things we do, is responding to our friends and allies around the world, especially in such a calamitous time as they are experiencing, and it is good that we are there and that we are able to do it.

I wanted to just turn to a few issues that I hear about, and when I go on base in San Diego probably more than anything else I have sailors who come up to me and talk about their own personal situations, especially with their children. And I wanted to ask you about

the National Defense Authorization Act of 2010, which required the establishment of the Office of Community Support for military families with special needs.

Dr. Stanley, that was under you, I believe, and I am wondering who you have designated as the director of the office and when you think we will be able to learn what programs and what policies are being implemented to assist families with special needs?

Secretary STANLEY. Well, thank you, Congresswoman Davis.

First of all, we have established the office within our Military, Community, and Family Policy Office. That office has been stood up. We have actually started working with the services to determine what the services' requirements may be and are. We have also launched about three different studies to actually help us as we go through the process of working with the services, you know, on exceptional family members.

The money that was associated with that did not come with that, so we work with the services in providing them money to assist them in the Exceptional Family Member Program.

Mrs. DAVIS. Do you happen to know about what they are able to utilize in terms of those dollars? I think \$50 million was in the authorization, \$40 million was allocated to the services to carry out the task.

Secretary STANLEY. I would have to get back to you, Congresswoman. I can take that for the record on the actual amount.

[The information referred to can be found in the Appendix on page 251.]

Mrs. DAVIS. All right. Thank you. I know that the different times that we have met, I have always wanted to check in on that and find out what is happening. It is not something that is known, of course, to the families at this time, but we are hoping that they will become more aware of it and we will have many vehicles for getting that information out.

Probably not wanting to set too high an expectation, but on the other hand it should be available to them and we need folks who are helping.

Secretary Stanley, I wanted to ask you also about programs which are helping in the transition. San Diego's veterans community has been very interested in a program at Camp Pendleton, and I wanted to just commend Pendleton for that.

The program, Veterans in Piping, where a partnership has been established between the Marine Corps and the United Association that takes marines who are about to leave the service and places them into a 16-week apprenticeship program.

This program helps marines get good-paying jobs, of course, when they leave the service, but the training is carried out without any real cost—direct cost—to the government or to the Marine Corps. About 97 marines have graduated from the program and it sounds like almost everyone who has participated has gotten a job on leaving.

So I wanted to know whether you support the program and would you and the Administration support a revision to Title 10 that explicitly allows, but by no means would require the services to have this kind of program available on base?

Secretary STANLEY. Okay. Thank you, Congresswoman. I appreciate the question and I actually know the people personally who are actually running the program, a couple of retired Marine generals, and have met with them, and I am very supportive of the program.

Have not followed up on it recently. Put them in contact with not only my Wounded Warrior—our Wounded Warrior office but also the Department of Labor. I would have to circle back with them to see where it is right now.

I will say that I would have to take it for the record on whether or not that should be a Title 10, you know, entitlement, but I certainly am supportive of the program and the success they have already enjoyed. I am very supportive.

[The information referred to can be found in the Appendix on page 251.]

Mrs. DAVIS. All right, thank you.

I will let that go there, but I—the enthusiasm for this program is such that we really do need to follow up and make certain that we are not having some issues where we are not able to allow people to do that when it really would be of such great benefit to them as they are leaving. So I thank you for that.

And I will go ahead and turn back my time, Mr. Chairman.

Mr. WILSON. Thank you.

And Congressman Allen West, of Florida.

Mr. WEST. Thank you, Mr. Chairman and Madam Ranking Member.

And to the panel, I can't tell you the privilege it is to having been in uniform and now have the opportunity to be on this side, but to continue to serve the men and women that make this country great and protect our freedoms.

And, General Bostick, just to let you know, my young nephew is the artillery assignments officer down at Fort Knox, Kentucky, so kind of had to talk to him about his perspectives on personnel.

But, you know, when I look at the history of U.S. military operations, especially in the 20th century, we seem to have peaks and valleys. And, you know, one of the big concerns that I look at is how we ramp up for certain things and then the next thing you know we ramp back down. And we always seem to get ourselves caught, you know, excuse me, with our pants down.

And we have seen that. I saw that when I was a brigade S-3 and a battalion XO [executive officer] post-the Soviet Union collapse, post-Desert Shield/Desert Storm, all of a sudden we start to riff and ramp down.

So as I look at now—and this kind of dovetails off what the chairman brought up—how we have a more deployed military, to include our Reserve Component forces, we want to try to have that 1:3 dwell time out there.

The fact that we have so severely cut the Navy, from 546 ships down to 283 ships, but now we see the maritime threats that we have out there, which definitely dovetails over to the Marines. And of course we have an Army that is stretched thin, we have an Air Force that is—you know, needs to get back to being a force projection platform.

My concern is this, and this is my question. General Cavazos, who was a great mentor for me, always said that quantity has a quality all its own.

So in looking at that, do you believe that your total force is at a steady state to support the full spectrum of the operations and challenges that we see on this modern, complex, and very fluid 21st century battlefield, because the world as we knew it on the first of January 2011 is already a totally different world, and it seems that it changes just about week to week.

So I just want to make sure that we don't find ourselves going into one of these valleys, because the people that ultimately will have to suffer because of that are the men and women we put in uniform, so.

Secretary STANLEY. I will give my service counterparts here an opportunity to think about that a little bit as I take a stab into that.

Total force, as I alluded to first of all, deals with not only those on our Active, but also our Guard and our Reserve. I think they are an important part of the equation. But also we have civilians who are also a part of this.

And so as we look at what we are doing, that is how we are shaping and approaching this. The assessment—your question is actually a part of the assessment process that we are going through right now.

I am going to defer my time to the services. I know it is precious.

General BOSTICK. Congressman, I would agree with you that we have taken some risk in our ability to operate on the higher end of the spectrum due to the requirements to fight as we are in the operations in Iraq and Afghanistan.

We know that we need to train at the higher end, and for the first time, recently we had a brigade combat team at the National Training Center that was able to train at the high intensity of combat end of the spectrum.

So we are rusty in that. We know that. And as we come out of Iraq and Afghanistan we are certainly training in that area.

We are also concerned that we get the dwell time that our soldiers and families need. As you pointed out, for the first time we believe that we will have 2 years of dwell for our soldiers and families. When the soldiers deploy in October of this year, when they come back for the first time they can expect that they will have 2 years of dwell. And that hasn't happened from any of them for quite some time.

The other thing we found that we have to do, to address your point on contracting and expanding military, is that we have to look at new ways to expand our force. We have to look at lateral exits and lateral entry. We have to look at sabbatical assignments where you can go get a Ph.D. and be away from the Army for 3 years and then come back in. We have to look at continuum of service, where you can leave the Active Army and go into the Guard and Reserve or you can come from the Guard and Reserve, come in Active.

So all of those types of ideas is what we are looking at now because we have the same concern, that we might have to ramp up

very quickly and how do we do that, particularly in our Officer Corps, which once they leave generally do not come back.

Admiral FERGUSON. Congressman, for the Navy the CNO [Chief of Naval Operations] has testified that a floor of approximately 313 ships is what we will need to sustain a global Navy at demands that we see today and the threats into the future. And we are on a building profile to reach that point in our budget submissions.

We believe a balanced force with an integrated Reserve that is operational rise, that has the continuum of service which we are working to is vital. But we are making new investments. We are increasing our investment in the cyber area. We are investing in ballistic missile defense, and we are reinvesting in our warfare capabilities in anti-submarine warfare, electronic warfare, in the high end in our budget submission.

We are able at the force structure that we have to call on our Reserves to surge, which they have been invaluable in that and have been able to sustain in most of our areas, about a 2.8 to 3:1 dwell time. So we feel we are in balance at this point.

General MILSTEAD. Sir, you expect your Marine Corps to be most ready when the Nation is least ready. That means we have to be ready today. That does not facilitate tiered readiness, as you spoke of. We can't have peaks and valleys. We have to be ready and we have to be ready today.

I will tell you this is the healthiest Marine Corps that I have seen, and I am just beginning my 36th year of service. It is the healthiest corps I have seen in 36 years.

And it is all about the people, as General Bostick mentioned. What sets us aside as a corps is people. And, you know, what it takes to be a marine today is what it will take to be a marine tomorrow.

So we will continue to recruit that high-quality young men and women that feels called to serve their Nation, something greater than them. And I have no qualms about what the future holds for our corps.

Mr. WILSON. At this time we need to proceed, but, General Milstead, I want you to know that the next person is very interested in the marines being stationed in her very beautiful and strategically located island of Guam.

Congresswoman Madeleine Bordallo.

Ms. BORDALLO. Thank you very much, Mr. Chairman. You have always been so supportive of our military buildup on Guam.

And I just have two quick questions. As Guam is the closest U.S. neighbor to Japan, I want to thank all the services for the support you have given during this disaster.

General Bostick, I want to ask you about a problem we have been experiencing on Guam now for some time. This provision—or it is relevant to the section 621 of last year's defense authorization bill, and this provision provided a 1-year extension of authority to provide travel allowances for inactive duty training outside normal distances.

Now, members of the Guam National Guard live just north of Guam in the Northern Marianas Islands. These men and women have limited transportation options for training on Guam and often spend a lot of money out of pocket to get to and from drills.

I have asked for a pilot program to be launched in Guam that would allow these servicemembers to utilize this authority to defray the cost of travel.

This is an important readiness issue, as well as key recruiting and retention matter for our Guam National Guard. All we hear from past correspondence is that we are working on it.

So my question for you is, what must be done to get this program started? What can the committee do to assist in regards to this matter? And can I get your commitment to work with me on this initiative?

General BOSTICK. First, Congresswoman, you do have my commitment. This was brought to my attention. And the primary thing that we have to work is the joint travel regulation, which doesn't authorize this flight travel.

But we have the issue, we are talking with your team and the team in the Department, and I believe we can find a way to resolve this.

But I concur with the issue. We are working it, and I will personally get back to you on it.

[The information referred to can be found in the Appendix on page 251.]

Ms. BORDALLO. Is this because we are located outside of the mainland United States?

General BOSTICK. No, it is just—we work exceptions to all of our regulations and policies, as you know, all the time. So it is just something that we have to come to closure on.

Ms. BORDALLO. Well, thank you very much for your commitment, and we will remember that.

My second question is to General Milstead. In the Secretary of Defense's recent posture hearing before this committee, he mentioned a reduction in Army and Marine Corps end strength in the out-years of the FYDP [future years defense program].

What impact will these reductions have on the proposed Marine units that will be realigned to Guam over the coming years? And could this impact the bed-down of marines on Guam in terms of what units and skill sets will be placed on Guam?

What impact might these reductions have on our ability to participate in operations such as humanitarian assistance, disaster relief or mil-to-mil engagement in the Pacific?

General MILSTEAD. Yes, ma'am. We indeed were directed to reduce our corps 20,000 over the years 2014 and 2015. And as I mentioned earlier, we have completed our Force Structure Review Group where we briefed the Secretary and he agreed that we would go down about 15,000, and it would be 186,800, not to commence until we are complete with combat operations in Afghanistan.

As far as how that will affect specifically our bed-down per units on Guam, I would like to take that for record if I may and that is a PP&O [plans, policies, and operations] piece, and I will get you a good solid answer that I am not prepared to provide at this time.

[The information referred to was not available at the time of printing.]

Ms. BORDALLO. Very good. We will wait for that information.

And thank you, Mr. Chairman, for always being so supportive of our buildup on Guam.

Mr. WILSON. Well, I have been there, so I know how good it is and what a strategic location it is, and wonderful people. So thank you for your service.

We will proceed to a second round in coordination with the Ranking Member, and what we will do is each person will ask another question.

As we proceed, I am very grateful that Congressman West brought up maritime challenges. And, Admiral, many of us thought that piracy was something that occurred 250 years ago with the Barbary pirates. We are aware how shocking that really you have to face piracy today, which is affecting world commerce, and safety, and security. And that is in addition to a threat from Iran.

So I want to thank Congressman West for bringing up the increasing maritime threat.

I know firsthand that Active Duty personnel, Guard personnel, and Reserves are grateful to serve. They are grateful to be deployed. I know firsthand, my former National Guard unit, the 218th Brigade, served for a year in Afghanistan, 1,600 troops led by our current—our new adjutant general, Bob Livingston. It was the largest deployment since World War II. But the people were very proud of their service.

But something that has to be kept in mind is dwell time. And as we look at reduction or downsizing, beginning with Secretary Stanley, I would like to know what the goal of dwell time is? This is of great concern to members of the military and their families.

Secretary STANLEY. Thank you, Chairman Wilson.

Secretary Gates set dwell time goals of 1:5 for Active and 1:2 for—excuse me, 1:5 for our Reserve, 1:2 for actually our Active Component. I actually think that is 1:3, I think I just wrote it down just 1:3.

And the services now are moving in the direction of getting there, and I am going to allow the services to address that if that is okay.

Mr. WILSON. Yes.

General BOSTICK. We would certainly like to get to 1:2 for the Active, 1:4 for the Reserve component. There has been discussion about going to 3 years, and it is really a 1:3. So it is 1 year or—we think if you go to 1:3 it could be 9 months deployed, for example, and 27 months back home. So that is a 1:3 ratio, not necessarily 3 years back.

Right now we are at 1:2 for the Active Force, and we believe that it takes 2 to 3 years to get your family and yourself settled after a tour of 1 year in length. So it is important for us to get as a minimum to 2 years back home. And we think for the units that deploy in October of this year, we will see that when they return.

And so it is very much of interest for us. We are working towards that.

What really matters for us, though, is the end strength is important, but it is, what are the demands? What are the demands on the force? If those demands come down then within the end strength that we are directed to go to, we could still meet a 1:2—dwell and a 1:4 for the Reserves.

Admiral FERGUSON. Chairman Wilson, we are meeting, as I stated earlier, on the broad force, we are seeing selected units go under

increasing stress. And I want to mention our special operations forces, explosive ordnance detail, and our special operators in particular because their training ranges and what they need to do to work up is not co-located at their home site, that they spend a greater amount of time away from home in preparation to deploy and then in actual deployment.

So we have concerns about those particular forces. They are very small. But in the broader force we manage it very carefully. We set fairly strict policies and track their PERSTEMPO [personnel tempo] and dwell. And to break certain boundaries, the Chief of Naval Operations has to approve those.

And so we feel comfortable, but do see some concern with those forces that are carrying the fight in theater for us.

Mr. WILSON. And they are so effective.

Excuse me, General Milstead I believe is next.

General MILSTEAD. Yes, sir.

For the Marine Corps our goal for our Active Forces is a 1:2 dwell, and then post-Afghanistan our goal will be a 1:3. For the Reserves currently in combat it is a 1:4, and post-OCO [overseas contingency operations] our goal will be a 1:5.

Mr. WILSON. Thank you.

And, General Jones.

General JONES. Mr. Chairman post-conflict our goal would be 1:4 dwell time for our airmen, who are very much in the fight. Thirty-seven thousand airmen are deployed today; 29,000 of those are in the CENTCOM [United States Central Command] AOR [area of responsibility].

But also we have to remember that in the Air Force we have a large number of our forces who are supporting COCOM [combatant commands] requirements every day. In fact, 43 percent, about 217,000 people at places like Creech Air Force Base in the Nevada desert, which as you walk through the front door you see the sign that says, "You are now entering the CENTCOM area of responsibility," because they are able to do their mission in a distributed fashion, actually flying the remotely piloted aircraft over the conflict. So we are very much involved.

We need to provide—as we have bands and buckets with our different dwell times, from 1:1 to 1:2 to 1:3, we try to focus very hard on getting those airmen that are in the hot—the short dwell times, the 1:1 and the 1:2, to incentivize them, to give them the special bonuses to reenlist, to keep the numbers up, because only by keeping the numbers up in those specialties can you increase their dwell time and shorten the amount of them that they have back home—or excuse me, increase the amount of time they have back home with their families.

Mr. WILSON. Thank you, and I appreciate you mentioning unmanned aerial vehicles. I always hope with two sons in Iraq that there was one over their head. So let them know at Creech, we appreciate them.

Congresswoman Davis.

Mrs. DAVIS. Thank you.

I know everybody is really struggling with some of the personnel accounts and trying to find efficiencies out of those. We also know

that we haven't given our managers a lot of room to maneuver with them as well, so much of it is driven by formula.

But I wanted to just ask about one in particular because I hear about this more as a work-life family balance issue often, and that is the permanent changes of station moves.

It has been considered as one of the efficiencies that we need to look at, particularly in terms of travel expenses. But I also wondered about some of the other issues. Because particularly for women who are in the services and are deciding whether or not they are going to stay in the service, the fact that they and often their spouse have to move a great deal makes a difference.

We know there are reasons for that in the different services, but I am wondering to what extent you think that that is actually a good place to be looking to see whether there is a way to better create that work-life balance while at the same time dealing with that as a budgetary issue. Or is that, you know, just not a possibility in the way that we might think, certainly in terms of those efficiencies?

Secretary STANLEY. I am just going to just make one comment, Congresswoman Davis. We actually have started those discussions, and I don't know if we have even begun to have those discussions with the services yet, as we look at how we approach that very important subject, as we look at the balancing and looking at how our forces. Because as I said in our opening statement, families, they are part of this equation, moves and everything.

So I don't know where the services are yet on it because we haven't had mature discussions on it yet. I will defer to them.

Mrs. DAVIS. Anybody want to comment?

General JONES. Ma'am, in the Air Force we have increased the length of PCS [permanent change of station] moves or the amount of time you get to stay at your base over the years and that is important because, as you point out, with the work-life balance, around 19 percent of our force are women in the Air Force, officers and enlisted, and about 48,000 of those are joint spouse couples married to another servicemember.

And we try very hard to manage the assignments of those officers and those enlisted members where they can continue to progress at their base and get them in the same general location.

In some career fields that is easy, in some career fields that is obviously more difficult. And women in the same career field, it increases the difficulty.

But we feel like we work that very, very hard, and that is something we would like to consider to work and try to add that stability. And I can tell you as a dependent when I was young, having gone through it with my own family, and now watching my son go through it in the Air Force, we need to focus on those family things because that is what keeps us in the Air Force and their ability to serve their family and also serve their Nation.

Admiral FERGUSON. I agree with General Jones. And we also approach it similarly, as a family readiness issue, a work balance and a quality-of-life issue.

I would like to present another aspect of it for your consideration, and that relates to continued operation under a continuing

resolution. Because of the manpower counts that we operate under, about 96 percent are nondiscretionary pay bonuses allowances.

And as we approach the end of the year, if we were to continue for the entire fiscal year under a continuing resolution, in the Navy we would be forced to start to halt moves, to use those funds to pay for pay, base pay and bonuses and other things that are required.

And so the uncertainty of our funding stream presents a challenge to our families who start to plan on moves and relocations and children starting school in the fall. And so I would just offer that that is a great concern to us, that if we start to progress later into the spring under a continuing resolution, we will have to take actions to delay moves and to slide them into next fiscal year in order to ensure we have sufficient funds to cover our accounts.

Mrs. DAVIS. I hear that is a hot topic on the Internet, on Facebook right now among our servicemembers.

Anybody else?

General BOSTICK. Congresswoman Davis, as you said, much of our budget is must-fund for the Army, 96 percent of our budget is must-fund, so PCS and tuition assistance and education and other things that are very important to our soldiers and families are in that 4 percent.

I don't think there is a lot of wiggle room in PCS moves. Part of our Army force generation model that is a rotational model in about 50 percent of the force coming back from a brigade combat team is going to have to move to schools and move to training, move to other assignments as they move higher in grade.

What we have been sensitive to is spouses and children that need to complete school, or spouses that are in a position or a job where they want to retain that position, or families that while their husband or wife is deployed, their soldier is deployed, allowing them to remain in an area where their housing is stable, their school is stable, and their job is stable.

General MILSTEAD. Yes, ma'am, I will just close it out. And I will agree with everything that has been said, you know. About 47 to 48 percent of our corps is married. There is little flexibility in the MILPERS [military personnel] accounts, absolutely. It is a rob Peter to pay Paul. And so then you have to maintain that balance and make sure that you don't take away from the other things.

As Admiral Ferguson pointed out, the continuing resolution is a significant issue here. With the Marine Corps, if we were to remain on the CR [continuing resolution], we are looking at somewhere close to \$500 million. And we are going to have to rob Peter. And Peter is going to be procurement accounts. It is going to be other things.

So, you know, I would just reinforce what my Navy brother said.

Thank you.

Mr. WILSON. Thank you all. And we will be concluding with Congressman Allen West of Florida.

Mr. WEST. Thank you, Mr. Chairman, Ranking Member.

Recently I had the opportunity to go down to SOUTHCOM [United States Southern Command] headquarters down in Miami. And when you sit there, you get the Major General (Select), Chief of Staff USMC [United States Marine Corps] really did a great job hosting me.

When you sit down at SOUTHCOM you get the sensing that this is kind of the economy of force AOR. But when you get the ops and intel brief, you really get concerned about some of the actors that are starting to come into that AOR because, you know, the bad guy always looks for the soft underbelly.

My first question is, you know, how are we looking at our allocation of forces that we have in the SOUTHCOM AOR? And how quickly we can increase the allocation of forces to the SOUTHCOM AOR?

And then the second question is, after the visit I had to Guantanamo Bay—and I have to tell you these soldiers, sailors, airmen, and marines down there are doing a fantastic job and I think that we need to make sure we get that message out.

But as we talk about drawing down forces in Afghanistan, as you know, we have the prison facility there in Bagram where we are expanding that to Parwan, if we are going to draw down forces in Afghanistan, what happens with the—some very bad actors, high-value detainees that we have there.

Are we looking down the road as we lessen our capability to deal with the detention facility in theater in Afghanistan, how do we increase a level of personnel, not ad hoc personnel, but how do we increase a permanent cadre of personnel at Guantanamo Bay, and also the facilities for the families down there as well? So those are my two final questions.

I yield back.

General BOSTICK. I would just say we don't see it as an economy of force. I think with each of the combatant commanders we provide them the joint personnel and all of their requirements. At least from the stable authorizations in the joint arena, we have been providing the Army portion of that.

In terms of how quickly we could ramp up, that is a good part of the reason our chief and secretary drove us to the Army force generation model. Right now we meet all demands that we are asked to meet, and when we run out of forces, we cannot meet others.

We are trying to get to a supply-based force of 1 corps, 5 divisions, 20 brigade combat teams and about 90,000 enablers to provide places like Afghanistan and Iraq or other locations. But we are not at the point where can surge anywhere. And we are trying to build that surge capability. And once the demand comes down in Iraq and Afghanistan and if a surge requirement were necessary, that is part of the Army force generation model design.

Admiral FERGUSON. Congressman, I would offer that we recognized that about 2 years ago when we stood up the 4th Fleet staff down in Florida under Admiral Guillory. And he reports directly to SOUTHCOM because there is a necessity for an ongoing planning effort and operational awareness of what is happening in theater, and he provides that as well as the close contact with the countries of the region.

There is a great flexibility in naval forces. You know, the first forces on the scene in Haiti were naval forces and the ability to surge from our various ports on the East Coast or even forces returning from theater I think can meet the allocation.

And like the other services, we are responsive to the combatant commander in how that allocation process works. But the ongoing relationship piece I think is the important part that we recognize.

General MILSTEAD. I would just add again to what Admiral Ferguson said.

There is great flexibility in the Navy-Marine Corps team. Theater security cooperation efforts in that area can have a great return on investment.

When something happens, probably the COCOM's first question is, you know, where is the MEU [Marine expeditionary unit] and where is the carrier battle group? I think that these give you that sort of flexibility. You know, again, our FSRG [force structure review group], our 186,800, that is the number, and we feel it will allow us to still do those things and source those MEUs and remain a flexible force and be continually ready to go.

And I guess the last thing I would say is we are also looking at operationalizing our Reserve. I think there is more opportunity to use them in an operational role.

Thank you.

General JONES. Sir, we are very pleased to have Air Force General Doug Fraser down commanding SOUTHCOM and he is doing a great job. And we just spoke with him the other day, and we are trying to give General Fraser everything he needs for the AOR that he supports.

But one of the great jewels the Air Force is fortunate to support is the Inter-American Air Forces Academy in San Antonio that allows us to bring members of South American and Central American air forces and other—and police forces up and train them alongside their U.S. counterparts, and allows for those long-term relationships for when we do need contacts in those areas.

And so we can provide support through many avenues taking that approach.

Mr. WEST. Any thoughts on Gitmo and how we can—that personnel challenge if we draw down our force in Afghanistan, which means that will effect the detention facility there?

Secretary STANLEY. I don't have any thoughts on it because that is not in my domain of what I have worked operationally, if you know what I mean.

Mr. WEST. Yield back.

Mr. WILSON. Thank you very much. As we conclude, I want to thank all of you. And I want to thank Congressman West.

As we were thinking of uncertainty, we have uncertainty to our southern border, whether it be the humanitarian efforts that all of you were so helpful with, with the people of Haiti, but then the instability of our great neighbor, a country that is very important to all of us, Mexico.

So thank you for what you do, and I am delighted to hear about the 4th Fleet.

So at this time, unless there is anything further, we shall adjourn. Thank you.

[Whereupon, at 12:19 p.m., the subcommittee was adjourned.]

A P P E N D I X

MARCH 17, 2011

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 17, 2011

Statement of Chairman Joe Wilson (R-South Carolina)
House Subcommittee on Military Personnel
Hearing on
Military Personnel Overview
March 17, 2011

Today the Subcommittee will turn its attention to the important issue of maintaining an all volunteer force that is not only faced with continuing to fight, even after ten years of war, but also is now in a period of fiscal constraints and manpower reductions. The Department of Defense has completed an efficiency review which will result in \$100 billion being reinvested into the services over the next five years. The Department is also facing an additional \$78 billion cut over five years to its top line with proposed cuts by the department to a variety of programs to include end strength reductions for the Army and Marine Corps in 2015 and 2016.

Today's hearing will focus on actions the services have taken to create efficiencies in personnel programs to include pay and compensation and the policies and programs that still need to be examined to successfully continue down a path of fiscal responsibility without undermining the readiness of the all volunteer force. We will also examine how the proposed reduction of end strength for the Army and Marine Corps will impact individual dwell time in light of unknown force requirements in the future.

We are also concerned about the manpower reductions that all services will undertake and how they will employ voluntary and involuntary separation measures to achieve those reductions and how they will reduce the non-deployable populations in their services.

Statement of
Representative Susan Davis
Military Personnel Overview and DOD's Proposed Personnel
Efficiencies
March 17, 2011

Thank you, Mr. Chairman. Dr. Stanley, welcome back, we appreciate you being back here again this week. Lieutenant General Bostick, Vice Admiral Ferguson, Lieutenant General Milstead, and Lieutenant General Jones, welcome. After nearly ten years of war, I look forward to hearing from you on the state of our military personnel and their families and the impact that the current economic climate is having on them.

In recent years, the Services have enjoyed both a robust recruiting environment and budget. This has led to record achievements in recruiting and retention objectives, as well as an increase in the quality of recruits. However, recent indicators are sending a different signal. I am concerned that as job growth continues to improve and budget reductions are being implemented, the Services may find themselves back to where we were just a few short years ago—a difficult recruiting environment. The major difference will be that we may not have the budgetary head room to quickly change course.

I am also concerned that the budget reductions will have an adverse impact on our quality of life programs for our service members and their families. While the Services all made a good faith effort to

ensure that this funding was included in the baseline budget, personnel and operation and maintenance funding seem to be the first place where the Services seek to reduce expenditures. Many of our quality life programs are vital to our service members and their families, especially during these last ten years of high tempo deployment.

As the demand for these services remains constant and the budget continues to decline, we are going to face difficult choices, but we must remember that it is our men and women in uniform that makes our military the best in the world.

Thank you, Mr. Chairman.

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Prepared Statement

of

**The Honorable Clifford L. Stanley
Under Secretary of Defense (Personnel and Readiness)**

Before the

House Armed Services Military Personnel Subcommittee

March 17, 2011

Mr. Chairman, Ranking Member Davis and members of this distinguished Subcommittee, thank you for inviting us to testify before you on the Military Personnel Overview.

It has been a year to the date since I appeared before this subcommittee as the new Under Secretary of Defense (USD) for Personnel and Readiness, and it has been a year of building a team. We now have Dr. Jonathan Woodson as the Assistant Secretary of Defense for Health Affairs in place to help address the many challenges in the Military Health System, as well as some other new key leaders within USD Personnel and Readiness. It has also been a year of changing the culture, working on our critical thinking, and striving to improve timeliness and the quality of products that better inform decision making across the Department and enhance relationships with the Congress. During this past year, I've focused on honoring, protecting and improving the lives of our Airmen, Soldiers, Sailors, Marines and their families. This next year will show that while my focus has not changed, I've refined my priorities to better serve our Service members and their loved ones.

As the Undersecretary of Defense for Personnel and Readiness my focus is: *Total Force Readiness, Caring for Our People*, and creating a *Culture of Relevance, Effectiveness and Efficiency*. I view *Total Force Readiness* as a mental, physical, emotional and spiritual state of preparedness and resilience. This involves enabling training, equipping and supporting the Total Force when they are deployed and ensuring that they and their families have the care and support they need and deserve at home. *Caring for Our Total Force and their families* are both a mission imperative and an ethical responsibility. Our Personnel and Readiness organization strives for the same sense of selfless service demonstrated by Service members and their families. To achieve a *Culture of Relevance, Effectiveness and Efficiency*, we need to prepare the force to manage risks, preserve assets and meet the challenges of a dynamic operational environment. We need to increase emphasis on agility, flexible force structures, responsive force-shaping policies, and integrated personnel management processes. We will continue to experience global competition for educated, skilled and an experienced workforce. Therefore, it is more imperative than ever for DoD to have the right personnel policies to attract, retain, train, educate and sustain the right talent.

To achieve our critical missions in support of the Warfighter, I am focused on several key priorities. My top priority is the future sustainment and enhancement of the Military Health System and Wounded Warrior Support to ensure quality health care for our Service members, their families and retirees. In addition to the specific initiatives included in the Department's FY 2012 budget, I believe we need to do a 'deeper dive' into healthcare reform, to include Wounded Warrior support. The four azimuths for this 'deeper dive' into healthcare reform are to assure readiness; improve population health; enhance the patient experience of care; and responsibly manage the cost of care.

My second priority is to look at how we support our military families, with an emphasis on education – both for our children and spouses. Given the hardship and stress put on military families due to frequent moves, I believe it is imperative that military children and spouses have the best educational opportunities. The third priority focuses on our civilian workforce, to include civilian hiring, career and leadership development, support for our Civilian Expeditionary Workforce, and the transition to a more systematic approach to fully integrate civilians in Total Force planning and requirements. In 2010, the Department made positive and meaningful progress toward reforming its civilian hiring practices. Nevertheless, I continue to push hiring reform towards an aggressive reduction in the number of days it takes to hire a civilian employee. I am increasing our emphasis on a civilian competency development framework, enhanced leadership development programs, and senior executive talent management initiatives. Also, my efforts continue to effectively source expeditionary mission challenges with a ready, trained, and cleared civilian workforce. Finally, my overarching focus as the USD (P&R) is *Readiness and Relevance*. Each day I strive to work to ensure that we do all we can to gain and maintain readiness of the Force, while remaining the most relevant in everything we do to help our War fighters and their Families.

ACTIVE COMPONENT***Recruiting***

For the second year in a row, all active Services not only met their numerical recruiting goals, but also exceeded their recruit quality targets—with highest marks since 1992. Previous years were marked by a growing economy, low unemployment, reluctance of influencers of youth (e.g., parents and teachers) to recommend military service, low propensity among youth to serve in the military, and increased recruiting goals of the Army and Marine Corps to support overseas contingency operations. Even in that demanding recruiting environment, the All-Volunteer Force (AVF) proved itself successful, with the Services meeting or exceeding recruiting goals since 2005.

In FY 2010, the Services exceeded their recruiting goal of 165,000 by 434, accessing 160,601 first-term enlistees and an additional 4,833 individuals with previous military service. Thus far this year, active duty recruiting efforts show continued success. Through January, all Services met or exceeded both quantity and recruit quality objectives for the active duty force. The Army recruited 21,485 new soldiers, with a 21,000 recruiting goal, for a 102% year-to-date accomplishment rate (Table 1). Notably, for the third year in a row, the Army is exceeding the DoD Benchmark of 90 percent of new recruits being High School Diploma Graduates, with 100% of Army recruits holding that credential year to date. Additionally, the Navy, Marine Corps, and Air Force are each exceeding these benchmarks as well (Table 1.)

Table 1. FY 2011 Active Duty Enlisted Recruiting Through January 2011

Active Duty Enlisted Recruiting Through January 2011	Quantity			Quality	
	Accessions	Goal	Percent of Goal	% High School Diploma Graduate (HSDG); DoD Benchmark = 90 percent	% Scoring at / above 50th Percentile on Armed Forces Qualification Test; DoD Benchmark = 60 percent
Army	21,485	21,000	102%	100%	62%
Navy	9,651	9,651	100%	99%	88%
Marine Corps	8,526	8,504	100%	100%	76%
Air Force	9,550	9,550	100%	100%	99%
DoD Total	49,212	48,705	101%	99%	77%

While we have had, and continue to have, recruiting success, I do not take these recent successes for granted, nor do I assume the current favorable recruiting environment will continue. Already we are seeing growth in the economy and positive changes in the labor market, which historically present challenges to recruiting. There also are long-term trends that are disturbing. Although the overall youth population is large, only a relatively small proportion of American youth is qualified to enlist. It is an unfortunate fact that much of the contemporary youth population is currently ineligible to serve. Medical disqualification, with obesity a large contributing factor, removes about 35 percent, drug or alcohol abuse removes about 18 percent, and almost another 23 percent do not meet our enlistment standards for reasons including criminal misbehavior, low aptitude scores, or having more dependents than can reliably be accommodated in their early career.

Adding to these, other factors affecting recruiting efforts are that only about 75 percent of our young people graduate with a high school diploma; high numbers of youth going to college

directly from high school; and continuing concerns about overseas contingency operations with its associated high operations tempo.

It is important that we have a military that reflects the society it defends, both in the enlisted ranks and our commissioned officers. This is particularly important as less than 1 percent of the American public serves in uniform. To that end, we are pleased that some of our most prestigious colleges and universities are now re-thinking their previous positions with regard to ROTC programs. This will provide more opportunities for college students to think about seeking commissions in the U.S. military.

To meet these challenges, we continually review our recruiting programs to align funding and policies with current realities. Each of the Services has made significant adjustments to recruiting programs in light of our austere fiscal environment, and continues to look for additional cost savings -- but we must be cautious and resist the temptation to cut too deeply and too fast. Stable and adequate investments in recruiting resources are necessary to maintain our long term success. Although enlistment incentives can be adjusted quickly to meet market fluctuations and force management needs, history has shown that the time required to redeploy advertising/marketing campaigns and/or qualified recruiters is significant. I cannot emphasize this imperative too much. Additionally, the Department and the Services must retain the flexibility to manage their recruiting programs with the resources provided. Along with a core mission of providing essential market research to the Services, Joint Advertising, Market Research and Studies (JAMRS) also projects the Department-level message to influencers (parents, teachers, counselors, and coaches), a group that serves as a primary source of advice for enlistment age youth, a message that needs to continue. I feel that JAMRS is one of our most cost-effective recruiting programs.

The Montgomery GI Bill (MGIB) has been a cornerstone of our active-duty military recruiting efforts since 1985, and a major contributor to the success of the All-Volunteer Force. We are now in the second year of the new Post-9/11 GI Bill, the most extensive restructuring of post-service education benefits since the introduction of the original World War II GI Bill. The Post-9/11 GI Bill appears to enhance our recruiting efforts even more. We hope that the

provision in the new program that allows career Service members to transfer their unused GI Bill benefits to immediate family members, long requested by both members and their families, will mitigate negative retention impacts. Early results look favorable, with over 180,000 career Service members already approved to share their earned educational benefits with their family members. We are monitoring the effects of this implementation very closely to gauge impact on retention, particularly first-term retention.

As usual, we appreciate this Committee's untiring support of our recruiting programs and look forward to working together to ensure future success.

Military Decorations and Awards

The Department continues to work in concert with the Services to appropriately recognize and laud the accomplishments, both valorous and non-valorous, of our Soldiers, Sailors, Marines and Airmen. In today's all volunteer force, appropriately recognizing the accomplishments of our Service members, while simultaneously maintaining the time-honored prestige of our most revered military decorations, is fundamental to maintaining esprit-de-corps and a motivated force.

The Department is committed to recognizing the valorous acts of our Service men and women. The President of the United States awarded the Medal of Honor to U.S. Army Staff Sergeant Salvatore Giunta last November for his conspicuous gallantry during Operation ENDURING FREEDOM. The Department is diligently processing additional Medal of Honor nominations for the President's consideration, including nominations for other living Service members. Additionally, the Department recently completed its review of the Medal of Honor award process as requested by the House Armed Services Committee.

Force Management

Of the many possible futures that could come to pass in the next five years, the Department may find itself faced with force management challenges that are far greater than those we have experienced since 9-11. Ongoing operations in Iraq, Afghanistan and elsewhere, budgetary pressures, urgent equipment reset and modernization needs, economy-driven retention fluctuations, changing acquisition schedules, and the turmoil in the Middle East will each

contribute to the need for a force that is potentially far different from the one that exists today. Responsibly managing the required force reduction, while ensuring our warriors are properly transitioned to veteran status, is a responsibility taken very seriously and one which my organization is helping to facilitate. In this instance, more than most, the cliché is appropriate; the Department must ensure we have the right people, in the right place, at the right time.

As part of our ongoing efforts, the Department of Defense is examining different exit strategies to achieve the necessary force drawdown to realize the Secretary's and the Services' agreed upon budget reductions, while doing so with the full appreciation for the sacrifices of the Soldiers, Sailors, Airmen and Marines on behalf of our nation. Maintaining readiness while humanely reducing our force structure will be the major challenge in the years ahead.

The Department has proven itself adept at maintaining the all volunteer force through two major conflicts. There are significant incentives to bring in and retain the right force mix of personnel. The area where we could use your help is in creating a system of force management tools focused on a means to compassionately reduce the force as operations subside. These tools, some of which have previously expired in law, provide the necessary flexibilities to transition the Department from a fully engaged footing to one of more routine engagement around the globe. Drawdown programs and strategies provide targets to create a more balanced force and ensure we retain the right skills and talent to be a more productive and agile force able to meet emerging needs.

DoD will need to maximize use of existing statutory authorities and potentially propose new authorities to surgically shape the force. Our current authorities do not provide the level of fidelity required to target career fields for early retirement or early discharge boards. This will be necessary to address future force shaping needs to meet dynamic changes in missions resulting from an ever-changing environment. Having a range of options to grow or reduce the force in specific skill areas is vital to the full spectrum of missions. The large standing armies of the past had an inherent ability to react to emerging threats by leveraging mass against new demands. This depth, which served to mitigate risk, will not be present in the future force. Reduced numbers equates to reduced redundancies. Accession, retention, and development

decisions will need to be targeted with unprecedented fidelity in a constrained budget environment.

The bottom line is that the Department must aggressively manage a precise, surgical drawdown of the force to ensure readiness is not impacted, our warriors and their families are protected, and the Military Departments and combatant commands are able to meet their missions in a hyper-dynamic global environment.

Retention

Throughout this force adjustment, retention will be critical. Even during peak operations in Iraq and Afghanistan, the Department continues to be very successful in attaining enlisted retention goals. All Active Components met or exceeded their respective retention goals in every measurable category. The Services and the Department anticipate continued success in the upcoming year and are already meeting or exceeding the monthly goals for early FY 2011.

Despite the overall strength of enlisted retention over the last few years, there remain critical shortages in many low density / high demand skills and other “hard-to-retain” skills, such as explosive ordnance disposal specialists, linguists, intelligence and counterintelligence analysts, and pararescue operators, that justify the continuation and application of the statutory bonus authorities. The Selective Reenlistment Bonus (SRB) and the Critical Skills Retention Bonus (CSRB), as authorized by 37 U.S.C. 308 and 37 U.S.C. 355 respectively, are among the most effective as incentives to attract/retain qualified personnel in critical military specialties.

The Department’s process to manage bonuses is very well defined. A skill is critical if it meets one or more of the following: (a) technical skills requiring high training and/or replacement costs; (b) skills in high demand in the civilian sector; (c) challenging to recruit into; (d) crucial to combat readiness or capabilities; and (e) low density / high demand (those skills that are in high demand for current operations yet are low density due to less requirements during peacetime). All requests from the Services must have substantive justification that clearly outlines the need for the bonus for that skill, payment amount and method, and expected retention results. Designations do not exceed three years unless provided for by congressional

extension of the statutory bonus authority. The complementary authority of the CSRB is the Selective Reenlistment Bonus (SRB). The SRB is under the authority of the Service Secretaries and is not centrally managed by the Department. However, applications of the bonus authorities are reviewed at the Department level.

Stop Loss

The Army is the only Service with members currently extended under the Stop Loss authority. From a peak of 15,758 in 2005, the Army reduced the number of Soldiers affected by Stop Loss to approximately 577 at the end of Jan 2011. The Department is progressing as planned to completely end the use of the Stop Loss authority. Army units deploying after January 1, 2010, no longer used the Stop Loss authority. All Soldiers will be off of Stop Loss by the end of March 2011, except for a few receiving continued medical treatment prior to separation.

Two Stop Loss Special Pays have been enacted, which allow a payment of up to \$500 per month, for members whose service (retroactive to September 11, 2001) has been extended by use of the Stop Loss authority. These pays were appropriated and authorized by the Congress, and enacted by the President to recognize the significant sacrifices made by Soldiers, Sailors, Airmen, and Marines since 9-11. The Department implemented both pays, active and retroactive, and appreciates the support of Congress to compensate members for the unique circumstances presented by the use of this policy, while still preserving our ability to react with discretionary authority as dictated by future circumstances. The Department estimated 145,000 individuals are eligible for the Retroactive Stop Loss Special Pay Program and, as of March 4, 2011, we have paid approximately 81,000 personnel, totaling more than \$290 million. The Services and the Department used the additional time Congress provided to continue to engage in extensive and persistent outreach initiatives. Additional interviews were conducted with the military interested press and national media. The Army sent certified direct letters to remaining veterans that did not respond to previous notification efforts. We also reached out to recipients of Post 9/11 GI Bill education benefits through Veterans Benefit Administration (VBA) and Associate Organizations (Joint Hometown News, Guard and Reserve Public Affairs, and ROTC detachments). We will continue to seek media coverage opportunities to remind those eligible to

apply. Additionally, the extensions of the 2011 budget Continuing Resolution has allowed the Department to receive more than 16,000 additional claims from our brave servicemen and women. We thank you for your support in recognition of their sacrifices.

End Strength Management

Meeting end strength is a priority of the Department. The table below depicts the FY 2010 Active Duty authorizations (prescribed and actual) and FY 2011 authorized levels which the Department intends to achieve in order to meet all of its current mission requirements. The Secretary of Defense has authority granted under the terms of the President's National Emergency declaration to increase statutory strength levels prescribed by the National Defense Authorization Act if needed to meet a specific mission. The Services have implemented recruiting, retention, and force shaping policies and programs to achieve end strengths for FY 2011. These end strengths will provide the ground forces needed to meet the strategic demands, eliminate the need for the use of Stop Loss, and mitigate persistent capability shortfalls which will reduce stress and demands on Service members and families by increasing dwell time.

Table 2. Active Component End Strength Summary

Component	FY 2010 NDAA/SecDef Prescribed End Strength	FY 2010 Actual End Strength	FY 2011 NDAA End Strength
Army	562,400	566,045	569,400
Navy	328,800	328,303	328,700
Marine Corps	202,100	202,441	202,100
Air Force	331,700	334,196	332,200

Women in Combat

Another force management issue is Women in Combat. The Department is in the process of reviewing, in coordination with the Military Departments, the laws, policies, and regulations, including the collocation policies, which restrict the service of female members in the Armed Forces. The review is timely, in that the Military Leadership Diversity Commission's final report to the President and Congress, released earlier this month, included a recommendation

regarding the Department's combat assignment policy. Additionally, the review coincides with the Army's ongoing consideration of its policy that precludes collocating female Soldiers with units below the brigade level whose primary mission is to engage in direct ground combat. Both will serve to help inform the Department's judgment on this issue and our response to the Congress.

The Department looks forward to providing Congress with the results of the extensive review of all gender-restrictive policies upon completion, as required. Of course, such a comprehensive and expansive review, of such a longstanding time-tested policy, especially during a period of ongoing combat operations, must be conducted deliberately and methodically, but without delay.

Sexual Assault Prevention and Response

The Department's position on sexual assault is clear: One sexual assault is one too many. The department-wide policy on sexual assault prevention has been in place since 2005. In just this past year alone, we have made significant strides to prevent and respond to this crime. But we know we must do more.

Since 2006, the rate of reported unwanted sexual contact has been reduced by one-third, dozens more investigators, field instructors, prosecutors and lab examiners have been hired; more and more victims are stepping forward to report assaults and the percentage of alleged sexual assault offenders facing court-martial proceedings has increased.

While efforts are beginning to pay off, there is still work to do to integrate and improve our efforts. Please know I take this issue very personally and am committed to addressing it swiftly and comprehensively. Preventing sexual assault within our military is a leadership responsibility, and we must all be held accountable for eliminating it from our ranks.

Repeal Don't Ask, Don't Tell

On 22 December 2010, the President signed the enactment of the repeal of 10 U.S.C. §654, "Policy concerning Homosexuality in the Armed Forces." Subsequently, the Secretary of Defense directed me to lead the implementation process for the Department.

As the Secretary testified, the Department is committed to executing this change in a purposeful and responsible manner. By organizing a DoD Repeal Implementation Team, we have been able to synchronize the implementation of all the Services' policy changes, education and training, and communication strategies. It is important that we implement this change in law at once across the Department. Directed by the Secretary of Defense's Terms of Reference, the Repeal Implementation Team has "operationalized" the Comprehensive Working Group's *Support Plan for Implementation* and signed policy changes on January 28, 2011, and delivered standardized training materials to all Services on February 4, 2011. The predominant form of training will be by commanders and leaders, but the Services will also use various forms of training including Mobile Training Teams, Chain Teaching, Computer-Based Training, Digitally Assisted Training, or combinations of these techniques. The Department has purposefully told the Services to take the time necessary to get this done right, but not one minute more. As a result, the Services are carefully executing a deliberate and thorough roll out of the necessary training. The timing for each will vary due to their size, operational schedules and the most efficient and effective methods to deliver the training. Of note is the fact that each of the Services has completed their review of policies and has begun delivering training.

Rest assured, we are committed to making this historic change in a timely manner that is consistent with standards of military readiness, effectiveness, unit cohesion, and recruiting and retention of the Armed Forces.

Compensation

The Department continues its strong commitment to provide a secure standard of living and quality of life to those who serve in uniform, while at the same time balancing the demands of an All Volunteer Force engaged in hostilities around the world. Soldiers, Sailors, Airmen, and Marines continue to express healthy satisfaction with the full pay and benefits the Military

Services provide. The generosity of current military pay and benefits has generated high retention across each of the Military Services. This has occurred despite the stresses and burdens associated with the high deployment tempo and partially because of the current, challenging economy. As a result, today's military compensation compares very well with that in the private sector.

Over the past decade, the Department and Congress together have faced a host of challenges in ensuring military compensation remains adequate to recruit and sustain America's all volunteer force. A little over a decade ago, the Department did not always meet its recruiting and retention goals. The success of our combined efforts in improving the competitiveness of military compensation over the past several years resulted in the current and sustained success across each of the Services in meeting or exceeding overall recruiting and retention goals.

To ensure tomorrow's military remains as ready and capable as it is today, we must not take for granted today's recruiting and retention successes. Yet, at the same time, the Department recognizes the intense fiscal pressures the country faces and the need to control rising personnel costs. The Department is committed to efficient spending of the appropriation authorized for personnel. Through a comprehensive, holistic approach, the Department intends to leverage its compensation tools to sustain recruiting and retention success while also restraining entitlement growth.

Ensuring tomorrow's high-quality military also requires the Department to advocate for maintaining military compensation at levels competitive with the private sector. Highlighting this commitment to our personnel, in the fiscal year 2012 budget the Department requested an increase in military basic pay for all Service members of 1.6 percent, which equals the earnings increase seen in the private sector as measured by the annual change in the Employment Cost Index.

In the search for budget cuts and efficiencies, many groups, such as the National Commission on Fiscal Responsibility and Reform, the Defense Business Board, the Government Accountability Office, and others have compared military and private sector compensation,

noted differences in the structure of compensation packages, and offered advice and suggested changes. We know the military is different from the private sector. Military compensation has evolved over time and is successfully recruiting and retaining today's military force. In the search for efficiencies, all areas, including compensation, need to be continually reexamined.

As you may already know, the President tasked the 11th Quadrennial Review of Military Compensation (11th QRMC) to review four areas: combat compensation; compensation and benefits for the National Guard and reserves; compensation for wounded warriors, caregivers and survivors; and incentive pays for critical career fields, specifically mental health professionals, linguist / translators, remotely piloted vehicle operators and special operations forces. Additionally, the QRMC is assessing where military compensation ranks compared to the private sector.

This QRMC was given an unusually short period in which to conduct its review and develop recommendations. It has one year to complete the review (which began on May 11, 2010) and is required to preview its recommendations with the White House the month prior to completing the review. I am pleased to say that the QRMC is currently on track to complete its review on schedule.

Earlier this month, the research institutions supporting the QRMC provided their initial analyses to the QRMC. Based on that research, the QRMC has developed its initial findings and preliminary recommendations. These are currently being briefed to the senior leadership of the uniformed services. The final recommendations must be forwarded to the White House by April 11th.

It would be premature for me to discuss possible recommendations until they have been delivered to the White House. But I think I can safely say that the QRMC is finding that improvements could be made in how we compensate those sent into combat and how we compensate the guard and reserve that is more consistent with their current and future use. Once the recommendations have been delivered to the White House, the QRMC plans to brief the

committee's staff on its findings and recommendations, and will be available to answer any questions.

One area where we have noted success is in targeting special and incentive pays and bonuses. Unlike broad and expensive across-the-board basic pay increases, these pays provide us the flexibility to narrowly and efficiently target specific skills, occupational specialties, experience, and the quantity and quality of personnel filling those positions. At less than five percent of the military personnel budget, these efficient, targeted pays provide a significantly greater impact on the ability of the Department to meet its personnel needs. The amount spent on these pays has declined over the past few years. As we continue our search for efficiencies, we will continue to rely on the effective and efficient use of these pays.

Overall, the state of military compensation is healthy, and it contributes mightily to our success in achieving our recruiting and retention goals, after almost a decade at war. As we look forward, the Department continues to focus on restraining the growth of mandatory entitlements while leveraging cost-effective discretionary pays and bonuses. The Department is committed to carefully managing both the compensation tools and the resources provided by Congress and continuing to search for efficiencies throughout the compensation system.

Travel Simplification and Transformation

Although the Military Services and defense agencies attempt to be good stewards of taxpayer dollars while meeting their mission requirements, their efforts are complicated by layers of law, appellate decisions, and regulatory oversight pertaining to travel. Over a period of approximately 60 years, title 37 travel authorities have become overly detailed and prescriptive, seemingly covering almost every travel situation. An unintended consequence is that new legislation is required to address new travel situations, such as travel authorities for those caring for wounded warriors or for those accompanying service members to Yellow Ribbon events.

To simplify travel, we believe that the travel authorities that exist today should be considered for consolidation and reform. This will allow us to streamline travel and to look for ways to consolidate and replicate rule sets that garner efficiencies for the Department. Initiatives

such as elimination of receipts, simplifications of allowances, and others have the potential to provide the Department with efficiencies that will generate a savings without having the traveler bear the burden of the cost. Further, travel efficiencies can result from both a reduction of direct and indirect costs. Direct costs are the outlays for the conduct of travel, such as lodging and transportation. Indirect costs include outlays for managing the travel enterprise, such as the administrative costs of processing complex travel vouchers. With more flexible statutory authorities, the Department would be better able to leverage private sector practices. We are confident this will result in simplified travel rules for the traveler, reduced outlays for the Department, and increase mission flexibility for leaders.

This transformational endeavor is being overseen by the Defense Travel Management Office, the single focal point for commercial travel within DoD. The DTMO brings visibility and coherence at the enterprise level, and partners across the government and private sector to maintain an in-depth perspective of the travel industry and to determine the best practices and standards for DoD travel.

RESERVE COMPONENT*Envisioning the Reserve Component as Part of the Operational Force*

During a decade of sustained engagement in combat operations, the Reserve Components (RC) of our Armed Forces have been transformed, from a strategic force of last resort to an operational reserve force that provides full-spectrum capability to the Nation in addition to its traditional role as a strategic reserve. Repeated combat deployments, as well as peacekeeping and humanitarian relief missions, have produced an operationally resilient force that fully expects to be employed on a periodic basis. This new force represents a ten-year investment in resourcing commitments and the personal sacrifice of service members and their families. That investment can reliably provide the Department of Defense with essential operational capabilities and strategic agility. Good stewardship demands that we continue to capitalize on this investment in order to maintain Guard and Reserve readiness, relieve stress on the Active Component, and provide force structure options in a resource constrained future. Representing the views of numerous stakeholders across the entire Department, the QDR-directed Comprehensive Review of the Future Role of the Reserve Component provides a foundation upon which to build a cohesive execution strategy that preserves current Total Force competencies, efficiently integrates multiple capabilities, and leverages Reserve Component value.

1. Readiness Requirements

The FY 2012 budget request supports the Ready Reserve totaling about 1.1 million members, and contributing 43% of the total military end strength at a cost effective level of 9% of the total base budget. To maintain the Guard and Reserve as an integral part of the Operational Force into the future and ensure these forces are ready and available when needed, we must: (1) program the training and use of the Reserve Components into Service base budgets; (2) continue to use supplemental funding to deploy the Reserve Component for contingencies; and (3) develop a national strategic communication plan that explains to the American people why the Guard and Reserve are important to the Nation and how the Department plans to use those forces in the future.

2. Continuum of Service, End Strength and Readiness Management

Meeting Reserve Component end strength objectives is a priority of the Department. The table below depicts the current prescribed and actual end strengths for the Reserve Components. The Department's Continuum of Service efforts have contributed to the six DOD Reserve Components remaining within the variance allowed for their Congressionally-mandated end strength objective. The Services have implemented recruiting, retention, and force shaping policies and programs to achieve end strengths for FY 2011. We appreciate the Congressional support of the FY 2011 end strength levels and the legislative initiatives that assist in recruiting and retaining Reserve Component service members. These end strengths will provide the Reserve Components the forces necessary to meet strategic demands while maintaining a dwell consistent with Departmental policy.

Table 3. FY11 Reserve Component End Strength Objectives

Service	Objective	Actual as of Jan 11
Army National Guard	358,200	363,995
Army Reserve	205,000	205,849
Navy Reserve	65,500	64,677
Marine Corps Reserve	39,600	39,949
Air National Guard	106,700	106,643
Air Force Reserve	71,200	70,359

Personnel and medical readiness continue to be a priority for the Department. Of the end strength figures outlined above, approximately 72,000 are in the training pipeline for the Reserve Components and are not immediately available for mobilization. Additionally, as of the first quarter of FY 2011, the RC has a Fully Medically Ready rate of 63%, which is below the DoD goal of 80%. The lower RC Medically Ready rate is due to a significant number of members who are deemed Not Medically Ready (17%) - disqualifying dental condition is the principal factor. However, DoD is diligently working to make medical and dental services more available to RC members, and as of Q1FY11, all Components have met or exceeded the Dental Readiness goal of 75%, which will have a positive impact on overall medical readiness.

3. Dwell, Stress on Force

The RC provides an operational capability and strategic depth in support of the national defense strategy. It is imperative that predictability in the use of RC forces be maximized. On January 17, 2007 the Secretary of Defense established planning objectives for involuntary mobilization of Guard and Reserve units at 1 year mobilized to 5 years dwell time (1:5). Today's global demands require a number of selected Guard/Reserve units to be remobilized sooner than this standard. The intention is that such exceptions will be temporary and that we move to the broad application of 1:5 as soon as possible. Exceptions to policy began at the 1:4 threshold and for the past six months 10 percent of the members involuntarily mobilized have had less than a 1:4 dwell. This trend has consistently improved since the policy was established. This is due in part to widespread volunteerism and Service management of deployment cycles.

Training and Recruiting the Reserve Component as Part of the Operational Force

The Regional Integrated Training Environment (RITE) Concept is a joint effort that identifies and matches Services' training requirements to a vast network of local training facilities and resources. The purpose of the RITE initiative is to help sustain the total force readiness posture and surge capability as determined by service rotational readiness models while reducing overhead training costs through innovative management of facilities, training assets, advance simulators and Joint Virtual Live and Constructive (JLVC) capability, pooled, shared equipment, and coordinated through a web-based scheduling/visibility program. As the concept matures, collaboration will expand with key internal and external DoD stakeholders.

Employing a Rotational Reserve as Part of the Operational Force

Every day for the past nine years over 20,000 Reserve Component service members have served on active duty as volunteers. These individuals have the time and life style situation to serve more than the one weekend per month and two weeks per year that have long been considered standard for Guard and Reserve personnel. The Department should adopt methods to leverage this willingness to serve in order to fulfill the part-time and temporary demands of its Combatant Commands, major command headquarters, and the Defense agencies. One of several options to institutionalize differentiated service in the Reserve Component is for DoD to create Reserve Component units staffed by personnel willing to serve more frequently or for longer

periods of time in order to support such tasks as Theater Security Cooperation, Building Partner Capacity, HD, Defense Support to Civil Authorities, and the Services' institutional support missions. Service in these units would be voluntary; the member would join knowing full well the conditions of service. Realizing a differential service commitment would require the development of contracts or agreements that would commit willing Guard or Reserve members to serve in units requiring higher rates of mobilization or access. This type of differential service commitment has been in use successfully in high optempo units such as aviation for some time, but with the Reserve Component now playing a larger role in many ongoing mission areas, expanded utilization of differential service contracts would be beneficial. Such differentiation within the Reserve Component would provide an additional sourcing option for units, teams, and personnel for contingency operations or emergencies.

Future planning envisions an era of persistent conflict where some type of RC activation authority will be required to augment the AC to maximize effectiveness and efficiency of the Total Force. At present, we have sufficient authority to mobilize RC forces, however, as directed (by the Senate Armed Services Committee conference report S. Rept. 111-201, page 138) we have analyzed our access authorities to support long term utilization of the RC as part of the operational force. We foresee an authority gap when the nation is faced with persistent demands on the Total Force but does not have specific operational missions, a national emergency or war situation. This authority gap exists for some, but not all, of the full spectrum of military missions, including training, security force assistance and building partnership capacity, that our RC is specifically well suited to perform as a complementing part of the Total Force. We are reviewing potential changes to existing statute to close this authority gap to further increase dwell for the Active Component while maintaining RC readiness.

Reintegrating & Continued Care of the Reserve Component as Part of the Operational Force

1. Resilience Training & Preparation

Resiliency is at the core of the Yellow Ribbon Reintegration Program (YRRP) mission. Since its inception in 2008, there has been an ever increasing focus on resiliency building and training for the National Guard and Reserve forces. In response to growing awareness regarding

the connection between post-traumatic stress (PTS), substance abuse, criminal activity or suicide and “bounce back” ability, Reserve Component (RC) members and their Families are being offered training to enhance their resiliency skills. The RCs have incorporated resiliency skills into their training protocols which are available to activated service members. The objective of the YRRP is to ensure the readiness and well-being of National Guard and Reserve service members and their Families by providing dynamic events, information, services, referrals, and proactive outreach opportunities throughout the entire deployment cycle.

Resilience training, one component of a comprehensive program, has been added to assist members of the Armed Forces with building mental and emotional resiliency to successfully meet the demands of the deployment cycle. YRRP staff members have attended Service and DoD-wide training events and are scheduled to attend additional sessions in 2011 to ensure the unique requirements of the National Guard and Reserve are incorporated into the resilience training approach.

As part of the YRRP, services and information that foster resiliency are provided at the pre-deployment, during deployment, and the 30, 60, 90 day post-deployment events. The Yellow Ribbon Reintegration Program implemented a Cadre of Speakers program, hiring facilitators who specialize in resilience training and who are available to YRRP event planners across the country. These facilitators also work with Military and Family Life Counselors and chaplains to provide critical support around resilience issues at YRRP events, ensuring individual assistance is available for each family or service member as required.

Additionally, other sessions and resources focus on marriage and children, substance abuse awareness, financial counseling, anger management, employment assistance and Department of Veterans Affairs’ information regarding benefits and medical care eligibility. To find an event or additional resources, a RC member, commander, planner, or family member can access information at <http://www.yellowribbon.mil/>.

2. Family Programs

In both the Active and Reserve components, service members and their families have made tremendous sacrifices for our nation and they continue to do so. Guard and Reserve families rely on their local leaders and communities for support. DoD and its partners in governmental and non-governmental organizations have worked to coordinate support systems and communicate available resources to our service members and their families. We all know that the work to strengthen and support military families is never complete and DoD continually strives to identify gaps in our support and to link appropriate community resources.

Throughout a service member's continuum of service, DoD strives to put in place a viable support system. A coordinated network of support with defined processes serves the needs of military families in geographic locations closest to where they reside. Additionally, as stated in the *Presidential Report on Strengthening Our Military Families*, there have been positive reviews from states successfully implementing a one-stop resource to handle state-wide military family issues using *Inter-Service Family Assistance Committees (ISFACs)*. These locally-based committees work to build community capacity and strengthen networks of support. DoD plans to build on these grassroots efforts to benefit geographically dispersed Active, Guard, or Reserve service members and families.

3. Employment Initiative Program (EIP)

One of the greatest challenges facing our nation right now is unemployment and underemployment, and these related problems are especially severe for those in the Guard and Reserve or for those leaving active military service. Whether they are soldiers, sailors, airmen, coast guardsmen or Marines completing active duty, or members of the Guard and Reserve returning from deployment, many of these great men and women return home to an uncertain future because of the tough job market.

The promise of a secure job provides service members and their Families with stability and peace of mind. In the December 2009 Status of Forces Survey of Reserve Component Members, service members across six of the seven Reserve Components (Coast Guard Reserves not included) self-reported a 12% unemployment rate, although the highest unemployment rate

across all components was 22 percent among junior enlisted troops in the rank of E1 - E4. As this data is self-reported, many of these younger troops are likely to be students. The total number of respondents was 20,238 (from an estimated population of 822k) RC service members.

In accordance with NDAA 2011 requirement to provide transitioning service members with employment information, the Assistant Secretary of Defense for Reserve Affairs has focused resources on ensuring service members have a civilian job that provides stability in their civilian life and allows them the time and resources to contribute to our national defense by serving in the Guard and Reserve. During FY 10, the YRRP aligned with Employer Support of the Guard and Reserve (ESGR) and Family Programs. This was accomplished to create synergy and realize efficiencies for the service members and families served by YRRP, ESGR and Family Programs' missions. Since ESGR's creation in 1972, the focus has been on developing and promoting employer support for Guard and Reserve service. In FY 11, ESGR placed additional emphasis on the employment arena and now assists service members throughout the entire employment cycle. The current employment challenges led to the implementation of EIP.

The overall intent of EIP is to take full advantage of all ESGR, Yellow Ribbon, and Family Programs, in partnership with public and private entities, to enhance employment opportunities for service members and their families, especially focusing on those completing active duty tours and our Wounded Warriors. Of note, ESGR possesses a very strong network of over 4,700 volunteers located throughout the nation. EIP will leverage the volunteer network to meet the requirements of this mission.

At the national leadership level, DoD is working in a collaborative effort with Federal agencies - including the Department of Labor, Department of Veterans Affairs, Small Business Administration and the Office of Personnel Management - to create efficiencies, enhance the employment process and serve as an effective resource for service members and employers. In addition, ESGR has worked with specific associations to enhance the overall effectiveness of this program. One example is ESGR's work with the Society for Human Resource Management (SHRM). The more than 263,000 HR professionals of SHRM are instrumental in engaging with employers while determining meaningful employment opportunities for service members.

EIP has a high-tech and high-touch approach. The high-tech approach is comprised of the Employer Partnership of the Armed Forces website www.employerpartnership.org which provides employers with the ability to post available jobs and allow service members to post resumes and make a job connection. The high-touch approach comes through a series of employment related events being conducted with YRRP Events and State specific job events. ESGR is positioned to meet the challenge of ensuring service members have quality civilian job opportunities. Pilot programs conducted in FY 10, consisting of job fairs, transition assistance and job training sessions, proved valuable in helping service members at the local level. This community-based approach will be a pivotal element in EIP as it continues to develop.

READINESS OF THE TOTAL FORCE

Military readiness is not an abstract concept that can be reduced to colors on a chart - it involves a complex series of factors and indicators that must be evaluated and managed carefully. For example, our Services are achieving or exceeding their recruiting goals and have exceptional retention rates. In addition, the Force is combat experienced and proficient in a wide range of operations, including irregular warfare and stability operations. However, equipment readiness and training for conventional warfare have suffered during the same period. It is in this complicated environment that Personnel and Readiness works to maintain and sustain the Readiness of the Total Force through support to the Combatant Commanders, as well as the military Services.

Readiness and Deployments

Multiple deployments to Iraq and Afghanistan have increased the stress on our Service members and their families, and some would argue have reduced the readiness of the Department. However, our forces are combat experienced and proficient in a wide range of real world operations. They are no doubt the best trained and equipped force in the world. The All Volunteer Force is healthy, and our Services are achieving or exceeding their recruiting and retention goals with quality people. In short, our forces remain ready to execute the missions assigned to them by the President.

We have focused on preparing our ground combat forces for the operations they face in Iraq and Afghanistan. This means there is less focus on the type of training we have done in the past such as large scale ground maneuver warfare (i.e. tank on tank). We can and will rebalance this training when needed to make certain our forces are prepared to meet the needs of our Combatant Commanders in a complex and uncertain security environment.

We also carefully manage the dwell time of our forces across the Department, and have limited unit deployments and mobilizations to one year. We have also balanced the additional forces for Afghanistan against those coming available from the draw-down in Iraq. We have met the Operation New Dawn responsible drawdown plan goals. The Army had 25 Brigade Combat

Teams (BCTs) deployed to OIF and OEF in 2008, 21 BCTs deployed in 2010, and are projecting to have 50% fewer BCTs deployed in 2012 as compared to 2010. The Army projects the average unit boots on the ground to dwell ratio to improve to approximately 1:2 for Active component units and 1:4 for Reserve component units in 2012.

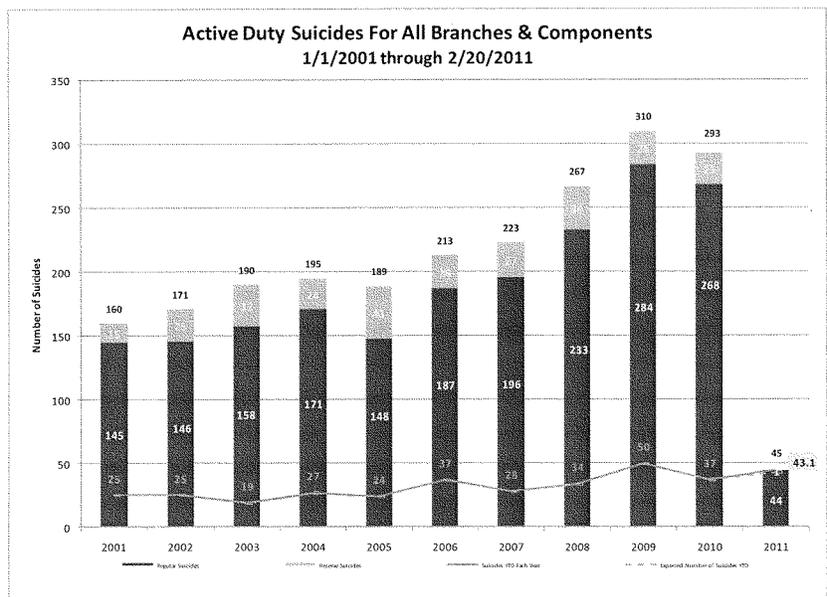
We are making excellent progress toward our dwell goal of two or more years at home for every year deployed with nearly 70% of the active force meeting or exceeding this goal.

Suicide Prevention

Suicide prevention is a very important issue within the Readiness portfolio. The loss of even one life to suicide is heartbreaking; it degrades the readiness of the force and has a profound impact on both the unit and the family members left behind. Many factors contribute to the suicide rate. One factor relates to leadership. Each Service acknowledges the important role that leaders, both officer and NCO, play in building resiliency among those under their command. In 2010, there were 294 service members who committed suicide while on active duty, down from a total of 310 in 2009. While this is not a significant decrease, we have arrested the steady increases in overall active duty suicides that began in 2006. I believe this is due largely to our increasing emphasis on resilience across the Department highlighted by programs such as the Army's Comprehensive Soldier Fitness. This program is designed to develop and institute a holistic fitness program for Soldiers, families, and Army civilians in order to enhance performance and build resilience. To date, the Army has trained 3, 253 Master Resilience Trainers to facilitate this goal. The other Services are developing or enhancing similar programs and benchmarking off the Army's success.

There have been several studies and task force reports (DoD, Army and RAND) released over the past year each with multiple observations and recommendations. The Deputy Assistant Secretary of Defense for Readiness is currently leading a team of senior Officers and Executives from the Department in an effort to examine these reports and devise an implementation plan based on the recommendations that will enhance our suicide prevention efforts across the Department.

Table 4. Total Suicides by Service/Component



Focus/Highlight RC and RC Suicide Prevention Strategy

The Army National Guard reported 112 suicides in 2010 (145 total with Army Reserve added) which was up significantly from the previous year (80 total Army Guard/Reserve), which is a cause for concern. This already complex issue becomes even more complex when dealing with our Reserve Component because of their continuous transition from military to civilian life. Nevertheless, the Department is committed to addressing this issue in our Reserve Component. We currently have a Director of Psychological Health in each of our 54 states and territories who acts as the focal point for coordinating the psychological support for Guard members and their families. The National Defense Authorization Act (NDAA) mandated that the Department expand suicide prevention and community healing and response training under the Yellow Ribbon Reintegration Program. We have made some progress here and are in the process of reinvigorating this effort with input from a Reserve Component Stakeholder Group comprised of

all of the Reserve and National Guard Components, Reserve Affairs Yellow Ribbon representatives and members of the Defense Centers of Excellence. Additionally, we are examining “peer-to-peer” programs, such as New Jersey Vet2Vet, to see what role these types of programs can play in reducing suicides.

The Suicide Prevention and Risk Reduction Committee (SPARRC)

The Suicide Prevention and Risk Reduction Committee serves as a forum for inter-Service and Veterans Affairs partnership and coordination. Chaired by the Defense Centers of Excellence, its members include the Suicide Prevention Program Managers from all Services, representatives from the National Guard and Reserves, the Department of Veterans Affairs, and other key governmental organizations. This organization has led the way in standardizing suicide reporting and data collection, forming key partnerships, growing the DoD/VA Suicide Prevention Conference into a nationally recognized event, and addressing several key suicide prevention issues. I plan to continue to mature this body, making it more inclusive and effective as a venue for collaboration across the Department of Defense and Veterans Affairs.

Drug Demand Reduction Initiative

Illegal and prescription drugs remain readily available to Department of Defense service members. The use of illegal drugs and the misuse of prescription drugs are both a symptom and problem that fuels the worsening of other conditions; such as deployment stress, suicides, and workplace safety resulting in degradation of unit readiness. Based on a recommendation of the Chairman of the Joint Chiefs of Staff, we are taking a new systematic approach to counter an emerging drug abuse problem in the military. The Department's current demand reduction approach will be expanded to include prescription drug testing and integrated with the Readiness Office's suicide and accident reduction efforts. As part of this effort, we plan to further target applicant testing, improve random drug testing in CONUS and in theater, and expand testing to include commonly abused prescription drugs.

Military Leadership Diversity Commission (MLDC)

The Military Leadership Diversity Commission, mandated by National Defense Authorization Act Fiscal Year 2009 and referred to as the MLDC, is scheduled to release its final

report directly to the President and the Congress in mid-March 2011. The draft final recommendations described on the MLDC public web site provide an insight into the content of the final report.

The draft report reflects over 12 months of work performed by 31 appointed commissioners in response to the MLDC Charter to conduct a comprehensive evaluation and assessment of policies that provide opportunities for the promotion and advancement of minority members of the Armed Forces, including those who are senior officers.

Specific recommendations define diversity as individual characteristics consistent with DoD core values; require diversity to become an institutional priority; make leading diverse groups a core competency; and call on Congress to mandate annual DoD diversity reports. Other key final recommendations address the following areas:

- Retention programs for women
- Activities that will expand the pool of qualified candidates
- Eliminating the “combat exclusion policy” for women
- Ensuring transparency throughout the promotion system
- Conducting senior-level annual accountability reviews, and
- Aligning organizational structures to ensure a focus on diversity.

My staff and I stand ready to accept the decision of the President and the Congress as relayed by the Secretary of Defense to address the findings and recommendations stated in the MLDC report.

Language, Regional, and Cultural Capabilities

The Department is continuing its work to ensure our Total Force is prepared for a full range of varying and complex missions that our current and future security environment requires which includes building expertise in foreign languages, regional and cultural skills. The FY 2011 budget focuses on sustaining gains achieved in previous years and continuing to build a solid infrastructure in which to meet future demands. Baseline funding of \$793 million in FY 2011 supports redirected language and culture instruction to achieve higher proficiencies for the Total Force in these skills. During the most recent programming cycle, the Department committed an additional \$36 million in FY 2011 to establish Language Training Detachments to provide and sustain commanders' needs for general purpose forces, support the Afghanistan/Pakistan Hands program, and expand the role of English language training for

partner nation personnel. Today, the Department is moving ahead on several fronts to develop strategic direction, create effective policies, and refine processes for generating language, regional, and cultural capabilities.

We recently published the Language, Regional and Cultural Strategic Plan that sets out our strategic direction in providing our warfighters with the capabilities needed to meet the diverse operational needs of the 21st Century. In January 2011, we convened a DoD Summit on Language and Culture. Nearly 300 leaders from across the DoD, other U.S. Government agencies, industry, and academia met to discuss and propose innovative solutions to the key challenges facing the Department and the greater Nation.

We also published counterinsurgency training guidance to require language and culture training for forces deploying to theater. The Department is tracking compliance with this training and tying language and cultural preparation of deployed forces to unit readiness reporting. This represents an enduring organizational change in how the Department views these capabilities. We are implementing a standardized requirements identification process. This process will identify the capabilities and capacity to ensure that the right mix of language and regional skills are developed to meet mission needs. In the past, demand signals were incomplete and did not always reach force providers.

The Department supports the efforts of our nation's educational system to produce more graduates with language and culture skills. It has established more robust language requirements for our Service Academies and established programs and incentives for our Reserve Officers' Training Corps. We are expanding the DoD Educational Activity foreign language program to provide a model for building foreign language skills pre-Kindergarten through 12th grade. These initiatives will ensure a strong return on investment. The results will be an increased capability in these skills which can be leveraged and expanded to meet needs in today's dynamic and complex world.

MILITARY HEALTH SYSTEM*Health Budgets and Financial Policy*

The Defense Health Program (DHP) budget request reflects that we are operating in an environment where financial resources are limited, and that specific actions must be undertaken to better manage the rise of health care costs. In many respects, our challenges in this area are not unlike those experienced by other public and private organizations that are similarly experiencing escalating health care costs—driven by an aging population, a continued increase in expensive new medical technologies and pharmaceuticals, and increased utilization of services. In our circumstance, however, we must also be aware that the exponential growth in health costs can pose a long-term threat to competing defense priorities.

DHP Future Health Care Costs TRICARE – MHS Costs

In the budget proposed by the Department, we have included a number of specific initiatives that both ensure we continue to provide the finest health benefit in this country for our active and retired service members and their families, and also puts us on a long-term path to proper financial stewardship of the taxpayers' dollar. First, we are focused on internal efficiencies. From targeted reductions in non-patient care contractor support to greater optimization of our medical supply chain, we are pursuing a range of initiatives that offer real reductions in our budget. Second, we are pursuing a more equitable management of benefits across all health care programs. We are continuing to align civilian provider payment policies with Medicare, as Congress has long directed. Finally, for working age retirees, we are proposing minor changes to out-of-pocket costs that are exceptionally modest and remain well below the inflation-adjusted out-of-pocket costs enjoyed in 1995, when TRICARE Prime was first introduced. We have incorporated numerous safeguards – grandfathering in all current enrollees to unique programs; phasing-in new reimbursement methodologies for providers; and excepting certain beneficiaries (survivors and medically retired Service members) from any enrollment fee changes – in order to protect our most vulnerable beneficiaries.

Health Affairs/TRICARE Management Activity Strategic Direction

I am also encouraged by the long-term strategic direction of our medical program. The Office of Health Affairs has adopted a strategic construct – the Quadruple Aim – that captures the core mission requirements of this unique health system of ours: (1) Improved Readiness; (2) Improved Health; (3) Enhanced Patient Experience; and (4) Responsible Management of Cost. The Health Affairs leadership, together with the Service Surgeons General, has put into place a sophisticated set of strategic imperatives and quantifiable measures that help inform me and the Service Secretaries and Chiefs on our progress in meeting the most important goals for our Service members and families – that includes how we are performing in the areas of psychological health and traumatic brain injury, delivery of preventive health services, focus on outcomes and overall satisfaction with the delivery of health care, to name just a few.

Mental Health Professionals

The mental health workload has increased across the Military Health System (MHS) for both active duty service members and family members. Among the reasons for this increased workload are PTSD, TBI, earlier identification of mental health issues, increased suicides and suicide attempts, and reduced stigma of seeking mental health care. This workload has increased the need for mental health providers. Currently, throughout the MHS, there are a total of 7662 military, civilian, and contract employees (full time equivalents) providing mental health care. This reflects a shortage of 1025 which puts the MHS at 88 percent fill compared to requirements. We are pursuing efforts to assist the Services in recruiting and retaining these critical mental health provider positions. These efforts include using Direct Hire Authority and Expedited Hiring Authority that Congress provided the Department to help recruit providers. Additionally, we are implementing the Physician and Dentist Pay Plan (PDPP) which will ensure we can pay critical shortage specialties, such as psychiatrists, salaries competitive with the private sector.

MENTAL HEALTH STAFFING

	<u>Needs</u>	<u>Assigned</u>	<u>Shortage in Red font</u>	<u>% Filled</u>
<u>ARMY</u>				
Psychologist	1,393	1,205	(188)	86.5%
Psychiatrist	563	436	(127)	77.4%
Social Worker	1,772	1,486	(286)	83.9%
MH Nursing (include NP)	489	426	(63)	87.1%
Other licensed MH Provider	103	24	(79)	23.3%
Tech/Counselor	703	818	115	116.4%
TOTAL	5,023	4,395	(628)	87.5%
<u>NAVY</u>				
Psychologist	361	307	(54)	85.0%
Psychiatrist	191	158	(33)	82.7%
Social Worker	242	205	(37)	84.7%
MH Nursing (include NP)	160	151	(9)	94.4%
Other licensed MH Provider	58	50	(8)	86.2%
Tech/Counselor	651	636	(15)	97.7%
TOTAL	1,663	1,407	(256)	84.6%
<u>AIR FORCE</u>				
Psychologist	425	321	(104)	75.5%
Psychiatrist	164	150	(14)	91.5%
Social Worker	437	416	(21)	95.2%
MH Nursing (include NP)	109	102	(7)	93.6%
Other licensed MH Provider	-	-	-	-
Tech/Counselor	866	871	5	100.6%
TOTAL	2,001	1,860	(141)	93.0%
<u>MHS -WIDE</u>				
Psychologist	2,179	1,833	(346)	84.1%
Psychiatrist	918	744	(174)	81.0%
Social Worker	2,451	2,107	(344)	86.0%
MH Nursing (include NP)	758	679	(79)	89.6%
Other licensed MH Provider	161	74	(87)	46.0%
Tech/Counselor	2,220	2,226	5	100.2%
GRAND TOTAL	8,687	7,662	(1,025)	88.2%

* NOTE: These numbers include military (officers and enlisted), civilian, and contract employees (Full time equivalents). These numbers do not include the 49, 807 mental health providers in the TRICARE network.
As of 31 December 2010

DOD/VA COLLABORATION

In order to take better care of our Service members, in particular, our Veterans who have served in combat, it is imperative that DoD and VA have a close and collaborative working relationship. While our two organizations have different missions, our priority is the same -- taking care of those who have served and sacrificed for our country.

In this effort, DoD and VA work together through a governance body, created by Congress, to ensure that we are in constant communication and work in collaboration. The formal governance council structure put in place to oversee development of policy and support DoD/VA joint initiatives and resource sharing, including information sharing is the Joint Executive Council (JEC), which is co-chaired by the Deputy Secretary of VA and the DoD Under Secretary for Personnel and Readiness. The JEC is the overarching council, linking the DoD/VA with two supporting councils: the Health Executive Council (HEC) and the Benefits Executive Council (BEC).

The Health Executive Council (HEC) is co-chaired by the Assistant Secretary of Defense for Health Affairs and the VA Under Secretary for Health and reports directly to the Joint Executive Council (JEC). The HEC meets bi-monthly and is responsible for implementing a coordinated health care resource sharing program. The HEC is chartered to oversee the development and implementation of health care related issues in the VA/DoD Joint Strategic Plan (JSP), oversee working groups and steering groups, identify opportunities to enhance mutually beneficial collaboration, and submit input to the JEC annual report on progress of the JSP for health issues. The HEC has charged 20 groups to focus on specific high-priority areas of national interest, achieving significant success in improving interagency cooperation.

Today, most healthcare information captured by the DoD and VA is done so electronically and deemed necessary for the continuity of care and benefits administration. Currently, this information is being shared only as viewable data, not computable. Although both Departments utilize electronic health records (EHRs) and have computer systems to automate administrative and healthcare functions, there is not a widespread adoption of EHRs in

the private sector among the many providers who deliver care to DoD and VA beneficiaries. Some information available in both DoD and VA EHRs is of utmost importance to the clinical communities treating and caring for DoD and VA beneficiaries. Interoperability of EHRs between the DoD and VA is the end-state goal of departmental healthcare information sharing. The purpose of EHR interoperability is to achieve a single logical (not physical) electronic health record view from the day an individual enters military service throughout their military career, and after they leave the military.

The Departments continue to identify opportunities to enhance DoD/VA electronic health data sharing. After a December 2010 review by the Vice Chairman of the Joint Chiefs of Staff (VCJCS), DoD and VA formed six teams to create a collaborative approach to the EHR Way Ahead. The teams—Enterprise Architecture, Data Interoperability, Business Process, Systems Capabilities, Presentation Layer, and Missions Requirements/ Functions—cover high-level activities needed to plan, develop and deploy final recommended solutions. In-progress reviews of the joint EHR modernization collaboration effort have been held with the Deputy Secretaries of the two departments and team findings are being elevated to the DoD and VA Department Secretaries for discussion and consideration.

We believe this careful, collaborative approach will, in fact, enhance our decision-making process and lead to a solution that can be implemented in a more timely and coordinated manner. The EHR Way Ahead addresses specific challenges with the current EHR, including outdated legacy technologies; ongoing performance and data availability problems; and difficulty in using healthcare industry standards.

World-Class Medical Care in the National Capital Region

The Base Realignment and Closure (BRAC) construction projects at Bethesda and Fort Belvoir will provide nearly three million square-feet of new world-class clinical and administrative space, cutting-edge technology, and Americans with Disability Act lodging to meet the rehabilitation needs of Wounded, Ill, and Injured service members. The new facilities will improve the infrastructure for casualty care and services and better align healthcare delivery with the population centers of the National Capital Region (NCR) beneficiaries. The projects are

on schedule to receive patients and clinical functions from Walter Reed Army Medical Center (WRAMC) by September 15, 2011, while casualty care and patient safety remain the top priorities related to the move. The majority of the BRAC construction at both sites is complete and patient care is being provided in the new inpatient and outpatient pavilions at Bethesda. The Department is paying close attention to the timeliness and milestones necessary to achieve the final moves.

The BRAC projects are only part of the larger transformation of Military Medicine in the NCR. The NCR contains a mix of nearly 40 Army, Navy, and Air Force Medical Treatment Facilities (MTFs), has almost 550,000 eligible beneficiaries, and runs on an annual operating budget of almost \$1.5 Billion. Its most important patients are the casualties returning from the war and their families. The Department is taking the opportunity to substantially enhance and transform this multi-Service military healthcare market to provide effective and efficient world-class healthcare. The Joint Task Force National Capital Region Medical (JTF CapMed) is a standing JTF that was established to oversee the rationalization and realignment of medical infrastructure to achieve greater effectiveness and cost efficiency through the integrated delivery of healthcare.

DoD's Comprehensive Master Plan (CMP) for the NCR, provided to Congress, last year, outlined how JTF CapMed will implement an Integrated Healthcare Delivery System (IDS) to provide this world-class healthcare that is also cost effective. The Department has provided JTF CapMed with command and fiduciary authorities to manage MTFs in the NCR to develop best practices, enhance interoperability and patient safety, and combine shared services such as contracting, personnel, and consolidated information technology – ultimately improving the *patient and family experience*. An example of clinical transformation is in the direct care pharmacy system intended to facilitate prescriptions and refills no matter where in the NCR they are presented, provide refills to Six Sigma quality standards, and alleviate traffic concerns at NCR BRAC sites.

The Department has requested \$109M in the President's 2012 budget (\$762M between FY12 - FY16) to recapitalize medical facilities at Bethesda that the BRAC did not address and

provide the new space required to convert to single patient rooms and expand support for the operating suites. These facility projects and the implementation of the NCR IDS are part of the Department's commitment to providing "world-class" healthcare in the NCR and fulfilling the requirements under section 2714 of the FY10 NDAA.

WOUNDED WARRIORS

Taking care of our wounded, ill and injured Service members is one of the highest priorities of the Department, the Service Secretaries and the Service Chiefs. Reforming unnecessary bureaucratic processes is crucial to ensuring Service members receive, in a timely manner, the care and benefits to which they are entitled.

Disability Evaluation System/Integrated Disability Evaluation System

The genesis of the Disability Evaluation System (DES) is the Career Compensation Act of 1949. The DES was relatively unchanged until 2007. As a result of public concern and congressional interest, DoD and the Department of Veterans Affairs (VA) chartered the Wounded, Ill and Injured (WII) Senior Oversight Committee (SOC) in November 2007. Based on recommendations of several commissions and task forces, the SOC immediately recommended that a new DES Pilot be created. The SOC vision for the DES Pilot was to create a "Service Member Centric" seamless and transparent DES, administered jointly by the DoD and VA.

DoD and VA launched the DES Pilot at the three major military treatment facilities (Walter Reed, Bethesda, and Malcolm Grow) in the National Capital Region (NCR) on November 21, 2007. The DES Pilot successfully integrated the DoD and VA disability systems into a single, seamless process that delivers DoD and VA benefits to wounded, ill and injured Service members. DoD and VA found the integrated DES to be a faster, fairer, more efficient system and, as a result, the SOC Co-chairs (Deputy Secretary of Defense and Deputy Secretary of Veterans Affairs) on July 30, 2010, directed worldwide implementation of the process beginning in October 2010 and to be completed at the end of September 2011. On December 31, 2010, the first Integrated Disability Evaluation System (IDES) site became operational, which marked the end of the pilot, and the name was formally changed to the IDES.

The IDES, similar to the pilot, integrates DoD and VA DES processes in which the member receives a single set of physical disability examinations conducted according to VA

examination protocols, disability ratings prepared by VA, and simultaneous processing by both Departments to ensure the earliest possible delivery of disability benefits. Both Departments use the VA protocols for disability examination and the VA disability rating to make their respective determinations. DoD determines fitness for duty and compensates for unfitting conditions incurred in the line of duty (Title 10), while VA compensates for all disabilities incurred or aggravated during military service for which a disability rating of 10 percent or higher is awarded and thus establishes eligibility for other VA benefits and services (Title 38). The systems are integrated, not merged. The IDES requires the Departments to complete their disability determinations before DoD separates a Service member so that both Departments can provide disability benefits at the earliest point allowed under both titles. Service members who separate or retire (non-disability) may still apply to the VA for service-connected disability compensation.

In summary, the IDES features a Service member-centric design, simpler, faster and more consistent evaluations and compensation, single medical exam and disability rating, seamless transition to Veteran status, case management advocacy, and establishment of a Service member relationship with the VA prior to separation. It also provides increased transparency through better information flow to Service members and their family and a reduced gap between separation/retirement from Service to receipt of VA benefits. Active component members completed the program 40 percent faster than a sample of legacy DES cases. As of March 6, 2011, cumulative IDES enrollment is 19,382 Service members with 6,082 completing the program by medical separation, retirement, or return to duty and 12,818 remaining enrolled.

The Department of Defense is partnering closely with the Department of Veterans Affairs as we aggressively move toward IDES implementation at all 141 CONUS and OCONUS sites by 30 September 2011.

The impact of each stage of the IDES expansion and cumulative DES population is shown below:

- Stage I-West Coast & Southeast (October-December 2010) - (Completed) 58%
- Stage II-Rocky Mountain & Southwest Region (January-March 2011) - 73%

- Stage III-Midwest & Northeast (April - June 2011) - 90%Stage IV-Outside Continental United States (OCONUS)/CONUS (July - September) -- 100%

IDES constitutes a major improvement over the legacy DES and both DoD and VA are fully committed to the Worldwide expansion of IDES. The Department is, however, continuously exploring new ways to improve the current system. The Secretaries of Defense and Veterans Affairs are currently exploring several options to shorten the overall length of the disability evaluation process from its current goal of 295 calendar days. In addition, the departments are also looking closely at stages of the disability evaluation system that are outside of timeliness tolerances and developing options to bring these stages within goal. We are committed to working closely with Congress in exploring new initiatives that can further advance the efficiency and effectiveness of the disability evaluation process.

Transition Initiatives

To strengthen our Transition Assistance Program (TAP) and reinforce its value to Service members and their families, the Department, in collaboration, with our partners at the Departments of Veterans Affairs (VA) and Labor (DOL) is committed to moving TAP from a traditional event-driven approach to a modern, innovative lifecycle approach. We are shifting from an end of military life-cycle event to an outcome based model that will measure success not only on the number of Service members who use the TAP process, but also on the number of transitioning service members and their families who find the TAP process beneficial in assisting them with their life goals, military career progression, and/or new careers/meaningful employment outside of uniformed service. We will be implementing this strategic plan with focuses on information technology, strategic communications, and resources and performance management. The end-state for the TAP overhaul will be a population of Service members who have the knowledge, skills, and abilities to empower themselves to make informed career decisions, be competitive in the global work force and become positive contributors to their community as they transition from military to civilian life.

As part of this effort, we launched the DoD Career Decision Toolkit in August 2010. The Toolkit was developed in collaboration with the Military Services and our TAP partners at the Department of Veterans Affairs and Department of Labor to help simplify the learning curve for

transitioning Service members with the information, tools, and resources they need to succeed in the next phase of their lives. The toolkit uses the latest technology to consolidate the very best teaching materials from all the Service branches and provides thousands of on-demand resources to Service members. It is interactive, simple to use and portable. The toolkit includes:

- More than 3,000 on-demand information and planning resources
- Transition subjects such as career exploration, financial planning, resume creation, interviewing skills and compensation negotiation
- Tools that enable Service members to catalogue their military skills, training, and experience in ways that transfer to civilian sector
- Post-Service benefits and resources
- Resources that allow users to self-assess individual transition needs and plan personalized options

We are developing an “end-to-end” virtual TAP delivery vehicle delivery platform that will provide the back-bone of the transformed TAP program, integrating the Guard and reserve components, as well as expanding services available to family members.

DoD has also played a supporting role with the Office of Personnel Management on the initiative to increase hiring veterans in all federal agencies. This is now recognized as President Obama’s Veterans Employment Initiative that directs all Executive Agencies to increase veteran employment. TAP is one of the programs we will use to educate and inform Service members about federal Service career opportunities.

MILITARY FAMILY & COMMUNITY SUPPORT***Family Support – Joint Family Support Assistance Program***

On January 24th of this year at a ceremony held at the White House, the President, Mrs. Obama and Dr. Biden formally released the results of the Presidential Study Directive on Military Families endorsed by all the Cabinet Secretaries. This report was the result of an unprecedented level of intense collaboration between federal agencies at the direction of the President, taking a whole of government approach to address the needs of military members and families by leveraging the collective resources and expertise of the entire Cabinet.

The work reflected in the report was conducted by the Military Family Interagency Policy Committee (IPC), which included representatives from every cabinet agency, and identified and addressed the most pressing military family issues faced by Soldiers, Sailors, Airman, Marines, and Coast Guardsmen in the active, Guard and Reserve ranks, Veterans, and especially families of the fallen. The IPC identified four priority areas that the Cabinet agencies would rally together to address:

- The first: improving the well-being and psychological health of military families by expanding access to counseling, protecting families from abusive financial practices and reducing homelessness among our veterans.
- The second: ensuring that military children are receiving the support and education they need thrive, especially when a parent is deployed and when making the difficult transition between different communities and schools.
- The third: expanding career development and educational opportunities for military spouses, including opportunities for federal employment and working with the private sector to harness the incredible talents of spouses and veterans.
- And the fourth: increasing the availability and quality of child care for service members with children, including the many single parents serving the military.

The IPC has now entered the implementation phase of the report, efforts which are now well underway.

Again, while the Presidential Study Directive and the work of the IPC represent an unprecedented level of collaborative effort that recognizes the service and sacrifice of our military members, veterans, and especially their families, supporting military families in the long term simply cannot be the work of government alone.

Child Care

The Department continues to build child capacity that supports Reserve Component families while the servicemember is deployed, geographically dispersed active duty military families, and servicemembers living in areas in the continental United States where on-installation military child care is unavailable. An initiative to expand the availability of quality child care programs is underway in 13 pilot states. These states were selected based on multiple factors such as residential/demographic information and locations where state's efforts to improve the quality of child care are in tandem with DoD. In addition, an analysis of state licensing and oversight standards for the pilot states will guide efforts to provide training and technical assistance to improve quality of child care. Central to the success of this strategy is the placement of a Child Care Liaison in each pilot state who will work to assist in developing state-specific strategies that recognize the unique challenges and assets of the state and local communities. This individual will be tasked with developing communication strategies among various state partners to reduce duplication of effort and ensure resources are effectively utilized.

Youth Programs

Military youth make tremendous sacrifices and they deserve high quality programs and services that meet their needs. The Department has been recognized for providing dynamic, innovative and successful youth programs to nearly 660,000 military children and youth between the ages of 6-18 years on a daily basis around the globe. We are proud of the vital programs and services offered for youth during out-of-school hours. Today, youth programs are available where military families live -- whether on military installations or in civilian communities. The programs are expanding by developing partnerships with other youth-serving organizations to augment the DoD programs; thereby offering a variety of additional resources to promote positive youth development. Military youth programs prepare youth to meet the challenges of military life, adolescence, and adulthood with programs and activities such as physical fitness and sports, arts and recreation, training in leadership, life skills and career/volunteer opportunities, mentoring, intervention and support services. DoD's enhanced youth programming also supports character and leadership development, sound education choices, and healthy life skills.

Family Readiness Programs

The Department provides family readiness programs through a network of Family Centers at installations worldwide that seek to prepare military families to effectively navigate the challenges of daily living experienced in the unique context of military service. Family Centers provide information and referral; training; and counseling opportunities to educate families about the potential challenges they may face; equip them with the skills to competently function in the face of such challenges; and increase awareness of the supportive resources available to them. The focus is to assist families with deployment; relocation; spouse employment; family life education including parenting; personal financial management; volunteer opportunities; and non-medical counseling.

In Fiscal Year 2007, Congress mandated that the Department implement a Joint Family Support Assistance Program (JFSAP) to augment existing family programs and provide outreach and support to Active Duty, Guard, and Reserve military members and families who are geographically separated from military installations. Congress also mandated that the JFSAP coordinate family assistance programs and activities provided by Military OneSource, Military and Family Life Counselor Program, counselors, the Department of Defense, other Federal agencies, State and local agencies, and non-profit entities. In 2008, the Department implemented JFSAP teams at National Guard Joint Force Headquarters in all states and Territories to work with military and civilian resources to provide support and services to military families in the communities where they live.

Family Advocacy Programs

The DoD Family Advocacy Program (FAP) addresses physical, sexual, and emotional abuse and neglect involving active component military personnel and family members who are victims and abusers. On each military installation with command-sponsored families, there is a FAP that provides services in prevention, identification, intervention and treatment of child abuse and neglect and domestic abuse. We evaluate the effectiveness of FAP through rates of family maltreatment and outcome measures for prevention and treatment. Through nine years of high stresses on our families due to wartime deployments our rates of such family maltreatment

have remained relatively stable but we continue to monitor this carefully because of the cumulative effects of such stresses. For two consecutive years 85 per cent of our new parents who have participated in the New Parent Support Program for at least 6 months have had no substantiated child abuse or neglect the following year, and 90 per cent of substantiated spouse abusers who completed FAP treatment have had no substantiated spouse abuse the following year, and we are working to develop additional outcome measures.

Military OneSource

Military OneSource offers free, convenient, 24/7/365 days access to confidential resource and referral support for Service members and their families to improve the quality of their lives and the effectiveness of military community support efforts. Military OneSource provides over 22,000 non-medical, short-term, solution focused counseling sessions per month delivered face to face, telephonically, and on line. The number of counseling sessions provided by Military OneSource has increased 930% since FY 05 with customer satisfaction consistently remaining well above 90%. Other Military OneSource services include relocation assistance, financial counseling, free tax filing services, document translation, child care and education resources, special needs consultation, elder care consultation, on-line library resources, and health coaching. Military OneSource Education and Career consultants assist almost 3,000 military spouses weekly with information regarding portable careers; education, training and licensing requirements; resume and interview preparation; and identifying employment resources. Additionally, we are increasing opportunities for military spouse careers through expansion of the Army Spouse Employment Partnership to Marine Corps, Navy, and Air Force spouses. Additionally, Military OneSource serves as a conduit to the Wounded Warrior Resource Center.

Wounded Warrior Resource Center

The Wounded Warrior Resource Center (WWRC), accessed via Military One Source, provides immediate assistance to wounded, ill and injured Service members, their families, and caregivers with issues related to health care, facilities, or benefits. The WWRC works collaboratively with the Military Services' wounded warrior programs and the Department of Veterans Affairs (VA) to ensure callers are promptly provided a specific plan of action to address their concerns within 96 business hours of contacting the WWRC. In FY10, 2046 cases

for wounded warriors were handled. The top three issues concerning callers were health care (38%), military benefits (20%), and VA (20%) benefits.

Dependents' Education Programs

The Department of Defense is committed to ensuring that all children of military families are provided an education that prepares them to be successful in their careers, leading contributors in their communities and productive citizens in the 21st century. The Department of Defense Education Activity (DoDEA) provides quality pre-kindergarten through 12th grade educational opportunities and services to eligible military dependents around the globe. DoDEA is committed to providing a rigorous college preparatory curriculum and is leading the nation in closing the achievement gap. DoDEA schools consistently score very highly on the National Assessment of Education Progress, otherwise known as the "Nation's Report Card".

Of the approximately 1.2 million military dependent children, DoDEA educates approximately 86,000 in 195 schools in 12 foreign countries, seven states, Guam, and Puerto Rico. Where DoDEA schools in overseas locations are not an option, DoDEA also assists eligible military dependent students through a tuition reimbursement program.

DoDEA has a proud history of providing quality education for children of military families, the majority of which has been taught in traditional classrooms. As an organization dedicated to continually improving the education experience for our students DoDEA launched its Virtual High School in Fall 2010 with approximately 45 course offerings as a supplemental program in a variety of curriculum areas. The DoDEA Virtual High School (DVHS) is serving approximately 891 students with enrollments totaling 940 thus far. Through the Virtual School Program, DoDEA has been able to accomplish the mission of addressing secondary education needs for students in transition, where courses are not offered in a local school setting or when student situations preclude enrollment via a local school such as due to medical illness, schedule conflicts or other challenges identified by the local schools.

Because the majority of children of military families are educated in public schools across our nation, DoDEA champions world-class education for military children in public

schools by supporting military-connected local education agencies (LEAs). Through an expanded authority, set to expire in 2013, DoDEA shares its expertise, experience and resources to assist military children during transitions, to sharpen the expertise of teachers and administrators in meeting the needs of military children, and to provide assistance to LEAs on deployment support for military children.

DoDEA, through its Partnership Program, has provided grants to over sixty LEAs school districts, in over eight hundred schools and serving more than 540,000, of which the nearly 41 percent are from military families. We are providing grants to help improve schools, even some that did not make their respective states' adequate yearly progress. All grants focus on enhancing student learning opportunities, student achievement, and educator professional development at military-connected schools. Some grants also have a counseling component that focuses on easing the challenges that military students face due to transitions and deployments. The grant seeks to build capacity to improve school climate as well as social and academic results in schools serving military children.

The demands of extended wartime add to the ever-present challenges faced by military families. Research suggests that the children of deployed parents collectively experience more stress than their peers. While they are often described as a resilient group, the cumulative effects of multiple moves and significant parental absences can erode this resilience. The Department is working collaboratively with the Department of Education to improve the understanding of the challenges facing military children, and what is necessary to ensure that military-connected students receive an outstanding education from "cradle through career." This effort requires a focus on not only military-connected students, but on their families, their communities, their schools and their teachers.

Further, performance data that would allow us to identify and ultimately make recommendations to improve the educational outcomes for military children attending public schools is currently not available. Data collection and analysis are critically important to directing educational resources to those schools who are most impacted by the enrollment of military children. As a result, I worked with the Department of Education in support of a new

means of collecting and reporting performance data of military-connected children as part of the reauthorization of the Elementary and Secondary Education Act.

DoD has extended the Military and Family Life Counselor (MFLC) program to support and augment military-connected schools. MFLCs provide non-medical support to faculty, staff, parents, and children for issues amenable to short-term problem resolution such as school adjustment issues, deployment and reunion adjustments, and parent-child communications. There are MFLCs serving in 255 military-connected public schools and 65 DoDEA schools. Since the end of 2009, DOD has provided children of active duty military with free, unlimited access to online tutoring, academic skills courses, and homework assistance in math, science, social studies, and English for kindergarten through 12th grade (K–12) students through Tutor.com. Professional tutors assist military dependent students with completing homework, studying for standardized tests, and writing papers. The program provided 162,570 sessions during fiscal year 2010.

Recognizing that supporting military children takes a school-wide effort, DoD offers professional development to help inform school staff of the academic challenges that these children face. These include training modules and sessions on special education, as well as “Students at the Center,” an interactive educational resource for military families, military leaders, and school leaders.

Finally, in an effort to ensure all of our students receive an education of the highest quality, I have directed two assessments on the effectiveness of DoD in meeting the educational needs of all military children and on the physical conditions of the public schools located on military installations. The first assessment will examine the effectiveness of DoD in meeting the educational needs of military families, layout the full scope of issues, and develop specific action plans for leveraging success and addressing deficiencies. We will pay particular attention to ensuring a world class preparatory instruction for science, technology, engineering and mathematics (STEM) and foreign language programs. The second assessment will address the physical condition of the 160 public schools located on our military installations in the United States.

MWR Support to Troops in Combat

Support is critical to helping troops communicate with family and friends, stay physically and mentally fit, and reduce stress and boredom. The Department funds over 1,000 free MWR Internet Cafes in Iraq and Afghanistan and 135 portable satellite units, known as Cheetahs, to support remote locations. Cheetahs run off Humvees and can be set up and taken down in 20 minutes. Other MWR support includes fitness, sports and recreation equipment, portable movie theaters, and large screen televisions with DVD and video projection players and professional entertainment. 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. The free DoD MWR Online Library offers free downloads of audio and e-books and access to up-to-date data bases offering recreation, education and career transition support. 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, MWR specialists are trained to work 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. The DoD Paralympics' Program continues to provide rehabilitation support and mentoring to injured Service members/veterans who have sustained various types of injuries. 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. As an adjunct, training is well underway for the second annual Warrior Games Competition in Colorado Springs in May.

DoD-State Initiatives

DOD continues to work with state governments to educate their policy makers on the life-challenges faced by Service members and their families and to ensure that state-level policies do not disadvantage military families due to their transient life style. States have addressed several key quality of life issues, to include the impact of frequent school transitions experienced by military children, the loss of income by military spouses as a result of military

moves, and the enforcement of the Congressionally-mandated DoD predatory lending regulation. The response from states has affirmed their commitment to supporting the well-being of the Nation's fighting force. For example, 35 states have approved the Interstate Compact on Educational Opportunity for Military Children, 38 states (plus DC) now provide eligibility for unemployment compensation to military spouses, and 32 states (plus DC) enforce the DoD predatory lending regulation. The Department is continuing this effort in the 2011 state legislative sessions with strong emphasis on support of military families through the issues listed above, plus provisions to protect military parents in child custody decisions and provisions that can expedite occupational licensure processes to allow military spouses to get to work faster in a new state. Additionally, the Department is partnering with the Uniform Law Commission and the PEW Trust on the States to inform State legislators of the new Uniform Military and Overseas Voters Act (UMOVA) which simplifies the absentee voting process by making it more uniform, convenient and efficient.

Military Voting Update

The Department "rolled out" three sets of online voting assistance tools in the 2010 election: an online registration tool, an online Federal Write-In Absentee Ballot (back-up ballot) tool, and, in partnership with 17 States, an online absentee ballot delivery tool (up from only 8 states in 2008). In fact, 31 States had an online blank ballot delivery process in place for the 2010 election, and all states provided ballots electronically upon request, providing tens of thousands of ballots almost instantaneously. This gave the voter more time to return the voted ballot by mail. Online and print advertising was used to implement an intensive voter outreach campaign to increase awareness and use of the tools on the F-V-A-P.gov website which stresses direct-to-voter assistance. The FVAP.gov website usage almost doubled over the 2006 election cycle, and the back-up ballot wizard usage increased three-fold. The Department responded to the MOVE Act requirement to provide expedited return of ballots from overseas military voters with a seven-day return standard and the Military Postal System Agency (MPSA) and USPS went beyond those requirements by providing Express Mail return delivery for all overseas voted ballots it carried.

As mentioned in previous testimony, election data shows that when adjusted for age and gender differences, the military is registering and voting at a higher rate than the general population and analysis of the preliminary 2010 data shows this tendency is continuing. The part of the absentee voting process where the greatest voting failure has occurred in the past is in ballot return. We do not have data yet from the states to see if the first year of MOVE Act implementation has improved military ballot return success rates. I look forward to sharing the results when available.

Special Needs: New Office

The FY 2010 National Defense Authorization Act, Section 563 (10 U.S.C., 1781c) required the Secretary to establish an Office of Community Support for Military Families with Special Needs (OSN); the Military Departments to expand coordination of assignment for military families with special needs for assignments to and within the United States, and to expand community support to military families with special needs. It also required an annual report on the gaps in services, ways to address the gaps and future legislation.

The OSN was officially established in September 2010 within the office of the Deputy Assistant Secretary of Defense for Military Community and Family Policy that is committed to military families with special needs. The Office has nine staff who have experience and educational backgrounds in special education, early intervention, physical and occupational therapy and communications. The Office submitted the first annual report to Congress in 2010 and is currently preparing the second report due April 28, 2011.

Voluntary Education Opportunities

DoD is committed to making educational opportunities available to our service members and does this through 350 military education sites worldwide to include Iraq, Afghanistan, Kosovo, Sinai, Qatar and Kuwait. During FY2010, our Voluntary Education program helped fund 857,786 enrollments by 322,964 service members, which resulted in our service members earning 43,510 diplomas and 1,783 certifications/licensures. Service members are “blending” their course work, taking both traditional and on-line courses, with approximately 71% of service members taking some courses on-line. Due to the growth in on-line enrollments and service

members attending schools off our military installations, DoD has established a policy requiring all postsecondary institutions participating in the DoD Tuition Assistance (TA) program execute a memorandum of understanding (MOU) with DoD which sets certain standards of conduct for all institutions, whether they are on- or off-base, traditional or on-line. DoD is also developing an automated tracking system to document all concerns and complaints by students, DoD personnel and schools. The system will track the complaint and record its resolution. DoD is also partnering with the Departments of Education and Veterans Affairs to address common issues concerning administration of federal education benefit programs as they relate to the three agencies involved and the benefits provided to Service members and veterans.

Conclusion

We are confronted with three fundamental and related challenges as we transition the end strength of our Forces and execute efficiencies within the Department and the Services. First, we must continue to attract and retain high quality, motivated individuals for Active and Reserve military service and we must maintain an enthusiastic and skilled civilian workforce. Second, we need to work together with this Congress in creating a system of force management tools focused on a means to compassionately reduce the force as operations subside. Third, we must constantly weigh sufficiency against the risks of an uncertain future. As we invest in our human capital, we must do so judiciously. While our future challenges may often seem without bounds, our resources are not. We are faced with hard choices, as a Department and as a Nation, of allocating our resources the best we can to win the war at hand while taking care of our most valuable asset – our men and women in uniform. I look forward to working with this Congress to meet these challenges over the coming year and beyond.



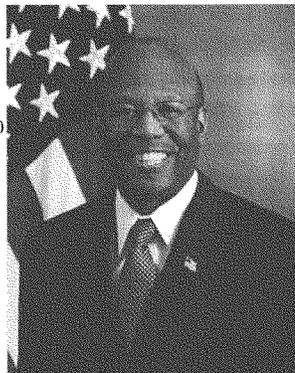
Dr. Clifford L. Stanley

Under Secretary of Defense (Personnel and Readiness)



Dr. Clifford L. Stanley was sworn in as the Under Secretary of Defense for Personnel and Readiness on February 16, 2010. He is the senior policy advisor to the Secretary of Defense on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.3 million Guard and Reserve personnel, 680,000 DoD civilians, and is responsible for overseeing the overall state of military readiness.

Before assuming his current position, Dr. Stanley was President of Scholarship America, the nation's largest nonprofit, private-sector scholarship organization. Prior to assuming this position at Scholarship America, he served on the senior leadership team of the University of Pennsylvania as the Executive Vice President. In that capacity, he was responsible to the president for the non-academic functions of the university, such as business, finance, facilities maintenance, and campus security.



Secretary Stanley, a retired United States Marine Corps infantry officer, served 33 years in uniform, retiring as a Major General. His last position was as the Deputy Commanding General, Marine Corps Combat Development Command, Quantico, Virginia. Additionally, he served as the Marine Corps Principal Representative to the Joint Requirements Board which supported the Chairman of the Joint Chiefs of Staff in carrying out his responsibilities.

Other leadership positions included: Commanding General, Marine Corps Air Ground Combat Center, Twentynine Palms, CA; Director of Public Affairs, Headquarters Marine Corps, Washington DC; Assistant Deputy Chief of Staff for Manpower and Reserve Affairs, (Manpower Plans & Policy); Commanding Officer, 1st Marine Regiment, Desk Officer in the Office of the Assistant Secretary Of Defense, East Asia and Pacific Region; Advisor to the Secretary of Defense on POW/MIA Affairs; Special Assistant and Marine Corps Aide for the Assistant Secretary of the Navy; and instructor at the US Naval Academy. Secretary Stanley was also a White House Fellow where he served as Special Assistant to the Director of the Federal Bureau of Investigation.

Throughout his career, both in and out of the military, Dr. Stanley has helped men and women exceed their expectations while building cohesive teams dedicated to high achievement and selfless service. Dr. Stanley has a proven track record of being a visionary and inspirational leader dedicated to diversity, families, and a true sense of taking care of others.

Dr. Stanley is a graduate of South Carolina State University. He received his Master of Science degree from Johns Hopkins University, graduating with honors. His formal military education includes Amphibious Warfare School, the Naval War College, Honor Graduate of Marine Corps Command and Staff College, and National War College. Dr. Stanley earned his Doctorate Degree from the University of Pennsylvania, and holds Doctor of Laws degrees from South Carolina State University and Spalding University.

STATEMENT BY

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DEPUTY CHIEF OF STAFF, G1
UNITED STATES ARMY

BEFORE

MILITARY PERSONNEL SUBCOMMITTEE
HOUSE ARMED SERVICES COMMITTEE
FIRST SESSION, 112TH CONGRESS
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Introduction

Chairman Wilson, Representative Davis, Distinguished Members of this Committee, thank you for the opportunity to appear before you on behalf of America's Army. The United States Army is a values-based organization that exists to serve the American people, to defend the Nation, to protect vital national interests, and to fulfill national military responsibilities. After nearly 10 years at war, our Soldiers, Civilians, and Families are stretched and strained, yet still resilient. Their dedicated service and sacrifice are deserving of the very best services, programs, equipment, training, benefits, lifestyle, and leadership available. The Army has reached its objective end strength, which combines "Grow the Army" and Temporary End Strength Increase (TESI). Now the Army must prepare to drawdown this force in a deliberate and careful manner. Thank you for your steadfast commitment to ensuring that the needs of our Soldiers, their Families, and our Civilian workforce are met by supporting our personnel initiatives to ensure growth, sustainment and well being of our All-Volunteer Force.

Strategic Overview

America's Army, our Soldiers, Families and Civilians are strained by nearly a decade of persistent conflict. More than 1.1 million Soldiers have deployed to combat, impacting not only the Soldiers, but their families as well. Additionally, Army Civilians shoulder a majority of the Generating Force mission, and 30,000 Civilians have deployed into harm's way. Despite this unprecedented operational tempo, the Army is on track to achieve a sustainable deployment tempo for our forces and restore balance to the Army beginning in FY12. We will continue to face multiple challenges on multiple fronts including an ever increasing non deployable population resulting from multiple deployments. This problem coupled with an inefficient disability system does not effectively support Army readiness, our Soldiers and their Families. We must continue to work a solution between the services, DoD and VA to streamline the disability system with improved coordination for health care, compensation, and benefits. We remain aware of the difficult economic conditions at home. These conditions will give greater impetus to our efforts to seek ways to improve efficiency and reduce overhead

expenditures that demonstrate wise stewardship of our taxpayers' dollars. With the continued support of the American people and Congress, we remain committed to the readiness, health and well being of our Soldiers, Civilians and Family members. As the Strength of the Nation, the American Soldier is the centerpiece of everything we do. Our efforts must remain focused on the preservation of our most precious resource, our people.

End Strength

The congressionally approved growth of the Army was completed ahead of schedule in 2009. However, after a decade of persistent conflict, a number of other factors – non-deployable Soldiers, temporary requirements in various headquarters and transition teams, our wounded Warriors, and elimination of stop-loss – have impacted our ability to adequately man units for deployment. As a result, the Secretary of Defense approved an additional temporary end strength increase of 22,000 Soldiers, 7,000 of whom were integrated in early FY11. The Army will return to the congressionally approved active component end strength of 547,400 by the end of FY13.

As of January 2011, 577 Soldiers were affected by Stop Loss, a 95.6% reduction from the January 2009 baseline of 13,217. By the end of second quarter FY11, the Army will have no Soldiers under Stop Loss. TESI and the implementation of voluntary stabilization programs for each component made significant contributions to the elimination of Stop Loss, while minimizing the detrimental impact to unit readiness.

We continue to make significant progress in our efforts to restore balance. Increasing time between deployments for our Soldiers and building greater predictability for Soldiers and Families continues to be one of our key concerns. Despite the short term impact of the recent surge of troops to Afghanistan, we expect the ratio of Boots on Ground (BOG) time to Dwell time to improve as demand decreases. This will ease the constant pressures on our forces as they move through the rotational cycle of the Army Forces Generation (ARFORGEN) model.

Recruiting and Retention (Officer and Enlisted)

Our Soldiers are the Army's most important resource, and our ability to meet the challenges of the current and future operational environment depends on our ability to sustain the All-Volunteer Force. The pace and demand of the operational environment over the last several years has caused us to focus on high-volume recruiting with an emphasis on quality benchmarks. The shift in the economy combined with our initiatives in marketing, advertising, and hard work of our recruiters has allowed us to be more selective. Despite the challenges of an Army engaged in two protracted conflicts, the Army exceeded its enlisted recruiting and retention missions for FY10 and is confident it will meet its goals for FY11. The Army National Guard reduced their accessions in FY10 to remain under the congressionally mandated end strength ceiling. The Army met its quality benchmarks for new recruits in FY10. The Army is expected to have enough Soldiers in the FY11 entry pool to achieve the entire FY11 recruiting mission before the end of March 2011. We are projected to build the FY12 entry pool to as much as 50% of the FY12 mission by the end of FY11. We will continue to monitor trends and make adjustments as required.

In FY10, with Congressional support, the Army spent \$4.4B on recruiting and retention. In FY11, the Army plans to spend \$4.4B to fund contracts written between FY07 and FY10 due to continued obligations of anniversary payments to Soldiers. Recently, incentive contracts have dropped dramatically for new accessions. Average recruiting bonuses dropped from over \$13K in FY09 to just under \$3K in FY11, and are only used to incentivize longer term enlistments in a small percentage of critical skills. These incentives are only used to ensure the success of the total Army recruiting and retention missions and to shape the force to meet specific grade and skill requirements. Our FY12 request of \$3.7B is based on a more favorable recruiting and retention environment with a high percentage of the budget dedicated to prior year payments. The amount budgeted for contractual payments is anticipated to decrease until FY15, when requirements will likely increase due to a stronger economy.

In FY10, the active Army experienced the highest percentage of high school diploma graduates since FY92 (increasing from 94.7% in FY09 to 98.3% in FY10). The Army met its skill-set needs, achieving over 99% Military Occupational Specialty (MOS) precision. We entered FY11 positioned for continued success, with 33,276 future Soldiers in the delayed entry pool. The last time the delayed entry pool topped 33,200 was in 1996.

The Army also has developed valuable new tools to screen non-high school graduates and other applicants for attributes indicating potential for success in a military career. Assessment tools such as the Army's Tailored Adaptive Personality Assessment System (TAPAS) offer the Army the option to consider high potential Soldiers regardless of their educational background. The TAPAS instrument enhances the selection of Soldiers regardless of their education credentials by screening out low motivated, high attrition risk applicants and provides a scoring of applicants to predict the likelihood of success as a Soldier. The TAPAS is under development by the Army but has already been used as a screening tool to evaluate and screen out a small number of low motivated CAT IV Army applicants. To date, more than 157,000 Army and Air Force applicants have been tested with the Army's TAPAS instrument and the Navy expects to begin to use the instrument with their recruits before the end of the second quarter of FY11.

Additionally, recruits scoring in the upper range (50-99%) on the Armed Forces Qualification Test (AFQT) remain well above the DoD policy (DoDI 1145.01, September 20, 2005) on quality marks of 60%, and recruits who scored in the lower range (30% and below) on the AFQT decreased 0.7%. The Army collectively decreased the number of ineligibility waivers provided for enlistments and appointments by 4.20% from the previous fiscal year.

Despite our success in recruiting, the Army and the Nation face a silent epidemic with increased obesity and decreased graduation rates in certain parts of the country. Currently, less than one in four 17-24 year-olds are eligible, primarily due to physical and educational requirements. One in five youths fails to graduate high school.

Increased obesity rates among young people also allow fewer potential recruits eligible to serve. One in five youths, 12-19 years old, is currently overweight, compared to 1 in 20 in the 1960s. This trend is projected to grow to 1 in 4 by 2015.

The Army continues to retain Soldiers at tremendously high levels, while engaged in the longest period of conflict for our all volunteer force. The Army surpassed the total Army retention goal, each year, since 2002. Soldiers reenlist for three top reasons which include their current command climate, job satisfaction and the quality of life in the service. Additionally, retention rates within the last 12 months are slightly higher due to the current state of the economy.

In FY10, the Active Army reenlisted 68,105 Soldiers towards an annual mission of 60,000. Soldiers extending to complete deployments with their units represented 8,100 of the total. The Army Reserve reenlisted 10,921 Soldiers, exceeding their annual goals by 6%. The Army National Guard accomplished their mission as well by achieving 106% of their assigned mission; a total of 32,156 Soldiers.

During FY10 and into FY11, retention bonuses were carefully monitored and adjusted to ensure that the Army met its retention goals while remaining fiscally responsible. As we posture for future reductions in the size of our force, the Army is using lessons learned from past reductions to ensure that today's decisions maintain the viability of tomorrow's all volunteer force. Retention policies will emphasize retention of Soldiers with high potential coupled with appropriate force alignment and structure.

The Army's programs to recruit and retain both Officers and Enlisted Soldiers with critical skills have been effective. For Enlisted Soldiers, the Enlistment Bonus, the Selective Reenlistment Bonus, Critical Skills Retention Bonus (CSR), and the Student Loan Repayment Program (SLRP) are proven tools that remain effective for filling critical skills. The SLRP is especially effective in attracting high potential recruits who

have some college experience or plan to attend college after the Army. All bonuses are being used very selectively.

The United States Military Academy (USMA) and ROTC both continue to offer pre-commissioning incentives. These consist of offering new officers their post, branch or graduate schooling. From FY06 through FY10, there were approximately 7,500 participants. These incentives have increased longevity by 40% for newly-commissioned, high-performing USMA and ROTC officers, and have improved the historical loss rates of recent years by adding three guaranteed years of active service to these officers' initial obligated service. This specific gain is based on rates for Army Competitive Category officers remaining on active duty after eight years of service from their commissioning date. The historical rate for continued service beyond the obligatory eight-year point is 47% of officers. The projected rates for year groups 2006-2010 who took the incentives cited are between 62% and 69% across all commissioning sources. In absolute terms we are retaining an additional 7,500 officers across these groups. When considering USMA alone, our improvements across this year group range from the historical average of 40% (beyond the eight year obligation) of West Point officers to between 54% and 59%. Again, in absolute terms we will retain an additional 1,700 West Point graduates through these initiatives.

The rapid growth of the Army over the past 10 years to meet the needs of a new modular and expeditionary force combined with the requirements of Overseas Contingency Operations in two combat theaters have resulted in an officer structure that is not optimally balanced to meet Army needs. Our accelerated growth of personnel to match the manning requirements of new unit designs has been very successful, but we are still working to achieve a balanced inventory of skills and grades for the force in steady state operating environment.

The Army's use of the CSRB for Captains contributed significantly to officer retention over the past several years. Retention rates within company grade officers, as well as Majors, allowed the Army to keep pace with officer requirements as we grew the force. Our under-accession in the mid 1990's officer year groups left the Army with too

few officers in these year groups to attain full manning strength at Major. Our adjustment of officer force structure combined with high retention and mandated end strength reductions will allow us to achieve full manning at Major grade much sooner than we originally predicted.

In response to adjustments to officer structure, the Army will balance modest reductions in officer accessions across all cohorts over the next four years. Both these actions will help to mitigate the effects of downsizing on the officers currently in career development at company grades. There will be opportunities to cross level skills in the active component, change components from active to reserve, and employ some company grade officers in field grade positions wherever there is potential for return on that investment. Involuntary separations will likely be used in force reductions; however, the Army is committed to utilizing voluntary or incentivized separations as available.

Individual Ready Reserve Mobilization

The Individual Ready Reserve (IRR) is a category of the Ready Reserve, and is composed of those members of the Ready Reserve who are not serving in Selected Reserve units or assignments, or in the Inactive National Guard. The availability of IRR Soldiers is important to the Army's mission of providing properly trained and equipped units of sufficient strength to meet contingency operations or mobilization requirements. Since September 11, 2001, approximately 538,000 Soldiers were members of the IRR. Of that total population 31,885 Soldiers were mobilized and a total of 12,524 Soldiers deployed to the CENTCOM Area of Responsibility after No Shows, Exemptions, and Early Release from Active Duty were factored. The Army applies specific screening criteria regarding involuntary mobilization of the IRR. These actions align with the January 2007 DOD policy on Utilization of the Total Force, the August 2008 DOD policy on Reserve Component Alert/Mobilization Decision Process Implementation, and take into account a Soldier's dwell time, Military Service Obligation (MSO), and previous deployments in support of Overseas Contingency Operations (OCO).

An effective IRR program is based on several factors, including the Soldiers' understanding of their obligations, access to benefits and support, and time to adjust personal affairs prior to mobilizations. In an ongoing effort to validate the readiness of the IRR, the Army continues to implement the IRR Muster program, and is piloting a new IRR affiliation program. Approximately five months after entering the IRR program, Soldiers will be ordered to muster duty. Afterward, Soldiers are required to muster each year they remain in the IRR. Through the muster program, the Army established a partnership with the Department of Veterans Affairs to use VA medical centers as muster sites for the added opportunity of connecting Soldiers to VA services. During FY10, the Army spent approximately \$2.57M to muster 12,500 Soldiers, contributing to 2,100 Soldiers returning to Army Reserve formations. The Army plans to muster 14,000 IRR Soldiers at an estimated cost of \$3.01M in FY11 and expect to impact 2,500 Soldiers returning to Army Reserve Formations.

The IRR affiliation program affiliates a Soldier with a local Army Reserve unit (and will potentially include Army National Guard units). While there is no obligation for the IRR Soldier to engage with the unit, the potential benefit of established communication between the unit and the Soldier will enhance HRC's ability to maintain accountability and reliable contact information on IRR Soldiers. Advantages to IRR Soldiers include the opportunity to participate in unit drills for retirement points, SRP annually, and use the unit's support structure to assist the Soldier and Family as needed while in the IRR.

Quality of Life

The strength of our Army is tied to the strength of Army Families. We must provide our Army the best possible care, support and services by establishing a cohesive holistic Army-wide strategy to synchronize and integrate programs, processes and governance. One of the programs to accomplish this is the Army Family Covenant.

The Covenant institutionalizes the Army's commitment to provide Soldiers and Families a quality of life commensurate with the quality of service they provide to our

Nation. The Army Family Covenant incorporates programs designed to build strength and resilience in our Families. These services and programs help mitigate stress from multiple deployments and frequent military moves.

The Covenant focuses on the following: standardizing Soldier and Family programs; increasing access to and quality of health care; improving Soldier and Family housing; ensuring excellence in our schools and, youth and child care services; expanding education and employment opportunities for Family members; improving Soldier quality of life in recreation, travel, and the Better Opportunities for Single Soldiers (BOSS) program; and improving relationships with local communities and marketplaces. From FY07 to FY10, the Army more than doubled its investment in Family programs. These various programs are intended to provide a broad spectrum of support and include important programs as Mobilization and Deployment Readiness, Family Advocacy, New Parent Support, Army Spouse Employment Partnership, Survivor Outreach Services, Family Assistance Centers (ARNG), Yellow Ribbon Reintegration, Army Reserve Teen Panel, Army Affiliated Child Care & Youth Programs and Core Community Recreation Programs and Services.

Civilian Personnel and Workforce Development

Department of the Army Civilian employees provide vital support to Soldiers and Families in this era of persistent conflict. They share responsibility for mission accomplishment by delivering combat support and combat service support – at home and abroad. Civilians comprise 23% of the Army force, yet are 60% of the generating force. This generating force performs support missions of training, supplying and engineering the force. Today, the Army Civilian Corps has over 311,000 appropriated fund employees with 4,130 currently serving in harm's way in the U.S. Central Command area of operations.

Since September 11, 2001, we increased the civilian workforce in military functions from 222,000 to 286,654 (plus 24,694 Civil Works) due to overseas contingency operations, Defense Health Program increases, Family and Soldier

Support initiatives, acquisition workforce growth, in-sourcing functions performed by contractors, military technician increases, and Military-to-Civilian conversions. In FY09, the Army saved significant resources by in-sourcing 949 contractor positions to Army Civilian positions. As of February 1, 2011, 7,736 Civilian positions were filled by in-sourcing, overall.

Approximately 25,000 Army civilian positions are affected by BRAC 2005. We expect a large number of transfers and some separations to occur between now and September 2011. In FY 2010 over 3,200 employees relocated with their positions; 1,920 employees were eligible for some type of retirement and chose to retire; 680 employees were placed in positions via the DoD Priority Placement Program (PPP); and 800 employees left their positions because they applied and were selected for positions within the DoD or other federal agencies. For those employees who are being displaced or separated as a result of BRAC, Army offers an outplacement service program to assist them in their transition to other jobs either within the federal service or to the private sector.

The Department of the Army implemented a Civilian Workforce Transformation plan that will invigorate development of the Civilian Workforce by addressing critical issues of structure, accession, development, retention and succession planning to ease the transition from one generation to the next. Examples of the Army's initiatives in the area of Civilian Workforce Transformation include:

- **Structure.** Introduction of an enterprise-based, requirements-driven, civilian structure that will better support all phases on the Civilian Human Capital Life-cycle.
- **Acquire.** An accessions program for all new Army Civilians provided through acculturation training, program evaluation and adjustments tailored to requirements.
- **Develop.** Progressive, sequential functional/leadership development training for Civilians consistent with Army values.
- **Distribute.** Central selection and placement of high performing Civilians against required Army Enterprise Positions.
- **Sustain.** Fully integrated IT structures that support Army Career Tracker and Civilian Development Programs.

By the end of FY11, the Army will document and promulgate a reformed Civilian hiring process, and will implement a comprehensive executive competency-based leadership development program. By second quarter FY11 the path and resource requirements for 100% of the workforce will be covered by professional career program management. Additionally, by first quarter FY12, the Army will initiate education, training, and an experiential development program for its enterprise leadership cohort. The Army will also fully deploy a competency-based management system for SES talent acquisition, development and succession planning.

The Civilian Workforce Transformation will provide Civilian employees with a defined "roadmap" for success with training and development opportunities to assist achievement of career goals. It will provide Commanders the right workforce with the right skills to meet current and future mission needs. It will provide the Army a predictable and rational method to articulate requirements and make decisions about resourcing in a fluid environment. It will provide the Nation with the investment in human capital required to effectively manage the Institutional Army.

Army Military Equal Opportunity Policy

The Army is the leader in Military Equal Opportunity (MEO) policy and practice. Commanders at all levels are responsible for sustaining positive MEO climates within their organizations, enhancing Army Readiness. To remain relevant within the ever-changing environment in which we operate, the Army is revising its MEO policy by integrating and institutionalizing equal opportunity goals, objectives and training practices. This effort will strengthen the foundation of the Army's Human Capital Strategy. Since FY09, the Army has invested \$3.2M to include \$0.8M in FY11, and expects to invest another \$2.0M in FY12 for MEO personnel services support, database and survey systems, outreach support, and training contracts for implementation.

Sexual Assault and Harassment Prevention

The Army's goal is to eliminate sexual assault and harassment by creating a climate that respects the dignity of every Soldier. The Army Sexual Harassment/Assault Response and Prevention (SHARP) Program reinforces the Army's commitment to eliminate incidents of sexual harassment and assault. This will be accomplished through a comprehensive policy that centers on awareness and prevention; training and education; victim advocacy; and response, reporting, accountability and program assessment. The Secretary of the Army and the Chief of Staff of the Army remain personally involved and reinforce to all Soldiers and leaders the importance of preventing sexual assault and harassment.

The Army launched a comprehensive sexual assault prevention strategy that requires leaders to establish a positive command climate where sexual assault is clearly not acceptable. The strategy further encourages Soldiers to execute peer-to-peer intervention personally, and to not tolerate behavior that could lead to sexual assault.

This strategy consists of four integrated phases and extends through calendar year 2016 as we work to be the nation's leader in sexual harassment and sexual assault prevention.

Phase I (Committed Army Leadership) provides training on best practices and allows commands the opportunity to develop prevention plans to support the Army strategy.

Phase II (Army-wide Conviction) includes educating Soldiers to understand their moral responsibility to intervene and stop sexual assault and harassment. This phase has been delivered to installations worldwide.

Phase III, which the Army is now focused on, is dedicated to "Achieving Cultural Change" and fosters an environment free from sexual harassment and sexual assault.

The final phase is "Sustainment, Refinement and Sharing." Here, the prevention program continues to grow while motivating national partners to support our efforts to

change generally accepted negative social behaviors. The end state is the total elimination of the crime of sexual assault.

A key component of I.A.M. Strong is a comprehensive effort to improve the investigation and prosecution of sexual assault cases. The Army formally investigates every allegation of sexual assault reported through an unrestricted report. Although this practice may contribute to a seemingly high number of investigations, more importantly, it demonstrates the Army's commitment to eradicate this crime within its ranks.

The Army enhanced its investigation and prosecution capabilities by hiring 30 additional special investigators and adding 15 special prosecutors; and hired 33 of 35 additional lab examiners at the U.S Army Criminal Investigation Laboratory which supports all of DoD and the military Services in processing forensic evidence.

During FY10, the Army conducted trial advocacy training for approximately 500-600 Judge Advocates responsible for the prosecution and defense of sexual assault cases. This training is delivered to Judge Advocates in the United States and in deployed environments. During FY 11, the Army's Office of the Judge Advocate General (OTJAG) will execute 38 training programs with emphasis on the prosecution of sexual assault cases.

The Army has approximately 774 collateral duty personnel serving as Deployable Sexual Assault Response Coordinators (SARCs) in brigades and higher and approximately 17,000 collateral duty personnel serving as unit victim advocates in battalions and below. In addition, the Army has 38 full-time civilian SARC and 171 collateral duty civilian installation victim advocates.

Suicide Prevention Program

The loss of any Soldier is a tragedy, particularly when it could have been prevented. There were 156 suicides by active-duty Soldiers during 2010, a slight decrease from 162 suicides in 2009. However, there were 147 suicides by Non-Active Duty members of the Army Reserve and National Guard. This represents an increase of

80 suicides over the 2009 report. The surveillance, detection and intervention systems that we use to monitor the Active Duty force have limited abilities to assist our Soldier/Citizens - who are not full-time and reside in civilian communities away from their units. Approximately 50 percent of these ARNG and USAR suicide deaths have no deployment history.

The Army Health Promotion, Risk Reduction and Suicide Prevention (HP/RR/SP) Report 2010 is the foundation for a systemic effort to address suicide. This report has identified critical gaps throughout the system that resulted in increased high risk behavior and adverse outcomes. Additionally, partnering with national mental health professionals refines and improves our programs, including the Army Study to Assess Risk and Resilience in Service members (Army STARRS). This is the largest study of suicide and mental health among military personnel ever undertaken.

Leaders across the Army are using all of these efforts to improve the health of the force, decrease high risk behavior and stem the rate of suicides. Only through increased vigilance and attention to each Soldier will this problem within our ranks cease to exist.

Army Substance Abuse Program

The Nation's persistent conflict has created symptoms of stress for our Soldiers, including an increase in alcohol and drug abuse. The Army Substance Abuse Program (ASAP) is a commander's program that uses prevention, education, deterrence, detection, and rehabilitation, to reduce and eliminate alcohol and drug abuse. It is based on the expectations of readiness and personal responsibility.

In March 2010, the Army conducted a counselor requirements analysis based on each installation's average daily client census with a ratio of 1 counselor: 30 patients. Patient caseload was as high as 60/counselor at some installations. The 1:30 ratio is an accepted ratio based on literature and counselor input. Applying this ratio yielded a requirement of 562 counselors assuming a 20% growth in number of patients.

An Army priority in this area includes the hiring of more counselors. There is a finite pool of qualified substance abuse counselors nationwide and the Army is competing with private industry, the Veteran's Administration and state and local governments. The Army currently has hired 319 of the 562 counselors needed. The Army is increasing the use of recruiting, relocation, and student loan reimbursement incentives to attract more qualified candidates, and are developing a ASAP Counselor Internship Program which will allow students with Masters degrees to work in a supervised internship for up to two years as they attain their licenses and substance abuse counselor certifications.

The Confidential Alcohol Treatment and Education Program (CATEP), began in July 2009 and offers confidential alcohol treatment to qualified Soldiers. For these Soldiers, the chain of command is not informed of the Soldiers enrollment as was previously customary. This pilot program was initially offered at Fort Lewis, Fort Richardson, and Schofield Barracks. An initial assessment was conducted in March 2010, and the Secretary of the Army directed that the pilot be expanded to include Forts Carson, Riley and Leonard Wood. The initial assessment showed moderate success in attracting Soldiers and placed more career NCOs and younger officers into treatment. Soldiers who participated in CATEP were very positive about the opportunity to take care of their issues without commander knowledge and were more motivated as patients. Some Soldiers informed their commanders about their enrollment and these commanders had a high acceptance of the program. The program will be assessed again during March and April 2011 and a decision will be made by the Secretary regarding expansion of the confidential treatment and education to the remainder of the Army. To date 632 Soldiers sought CATEP treatment and 432 were/are enrolled.

Women in the Army

On 13 Jan 94, the Secretary of Defense issued the Direct Ground Combat Definition and Assignment Rule. The rule remains in effect today and prohibits the assignment of women to units below the brigade level whose primary mission is to engage in direct combat on the ground.

The Army's current assignment policy (Army Regulation 600-13, 27 Mar 92) allows women to serve in any officer or enlisted specialty or position except in those specialties, positions, or units (battalion size or smaller) which are assigned a routine mission to engage in direct combat, or which collocate routinely with units assigned a direct combat mission.

On March 2, 2010, in the context of a changing operational environment, with emerging requirements and missions, the Army initiated a routine cyclic review of its assignment policy for female Soldiers. The purpose of the review was to assess the current Army policy alignment with DoD policy. The Army recently completed the "assessment" phase of the cyclic review and will submit results and recommendations to Army Senior Leadership for decision. If approved, the Secretary of Defense will be the final authority to implement these changes. Congress will be notified prior to any implementation.

Women in the Army have and continue to serve this Nation with honor and distinction in the roles, positions, units, and specialties in which they are allowed to serve. They are vital to the readiness and success of the Army, Department of Defense and the Nation. The Army will continue to honor this service, and move forward as required to meet the needs of the Nation and of the Total Force.

Congressional Assistance

As the Army prepares for reductions in the force, we will need appropriate legislative authorities to drawdown accurately and appropriately. Reformation of the physical disability system will require continued dialogue and possibly statutory change to provide our service members the transition they deserve. Once the economic environment improves, the Army will need to make greater use of incentives, and will need Congressional help to do so. The continued support of Congress for competitive military benefits and compensation, along with incentives and bonuses for Soldiers and their Families and for the civilian workforce are critical in helping the Army be the employer of choice.

Conclusion

We have invested a tremendous amount of resources and deliberate planning to preserve the all volunteer force. We must maintain vigilance to protect these investitures for the future of the force. We need these initiatives now and into the future to sustain the quality of life of our force. While we begin to transform to a smaller Army, we remain dedicated to improving readiness, building resilience and rebalancing the force by FY12. The well-being and balance of our Force are absolutely dependent upon your tremendous support. The Army is proud of the high caliber men and women whose willingness to serve, is a credit to this great nation. To conclude, I wish to thank all of you for your continued support, which has been vital in sustaining our All-volunteer Army through an unprecedented period of continuous combat operations. With your support, we will continue to work toward restoring balance and sustaining the high quality of our Army for the duration of the current fight, and into the foreseeable future. Chairman Wilson, and members of the sub-committee, I thank you again for your generous and unwavering support of our outstanding Soldiers, Civilian Professionals, and their Families.



United States Army

Lieutenant General THOMAS P. BOSTICK

**Deputy Chief of Staff, G-1
United States Army
300 Army Pentagon 2E446
Washington, DC 20310-0300
Since: February 2010**



SOURCE OF COMMISSIONED SERVICE USMA

EDUCATIONAL DEGREES

United States Military Academy – BS – No Major
Stanford University – MS – Civil Engineering
Stanford University – MS – Mechanical Engineering

MILITARY SCHOOLS ATTENDED

Engineer Officer Basic and Advanced Courses
United States Army Command and General Staff College
United States Army War College

FOREIGN LANGUAGE(S) Portuguese

PROMOTIONS DATE OF APPOINTMENT

2LT	7 Jun 78
1LT	7 Jun 80
CPT	1 Jan 82
MAJ	1 Jul 89
LTC	1 Jul 93
COL	1 Aug 97
BG	1 May 02
MG	15 Jul 05
LTG	2 Feb 10

FROM TO ASSIGNMENT

Oct 78	May 80	Platoon Leader, A Company, 54th Engineer Battalion, V Corps, United States Army Europe and Seventh Army, Germany
May 80	Mar 81	Battalion Maintenance Officer, 54th Engineer Battalion, V Corps, United States Army Europe and Seventh Army, Germany
Mar 81	Jul 81	Executive Officer, C Company, 54th Engineer Battalion, V Corps, United States Army Europe and Seventh Army, Germany
Jul 81	Dec 82	Commander, B Company, 54th Engineer Battalion, V Corps, United States Army Europe and Seventh Army, Germany
Jan 83	Jul 83	Student, Engineer Officer Advanced Course, United States Army Engineer School, Fort Belvoir, Virginia
Sep 83	Jun 85	Student, Stanford University, Stanford, California
Jun 85	Jun 88	Instructor, later Assistant Professor, Department of Mechanics, United States Military Academy, West Point, New York

LTG Bostick, Thomas P.

Jul 88	Jun 89	Student, United States Army Command and General Staff College, Fort Leavenworth, Kansas
Aug 89	Aug 90	White House Fellow, Department of Veterans Affairs, Washington, DC
Jun 90	Jun 91	Engineer Operations Staff Officer, Office of the Deputy Chief of Staff for Engineers, United States Army Europe and Seventh Army, Germany
Jun 91	Jun 92	S-3 (Operations), 40th Engineer Battalion, 1st Armored Division, United States Army Europe and Seventh Army, Germany
Jun 92	Jun 93	S-3 (Operations), Engineer Brigade, 1st Armored Division, United States Army Europe and Seventh Army, Germany
Jun 93	Jun 94	Executive Officer to the Chief of Engineers, United States Army Corps of Engineers, Washington, DC
Jun 94	Jul 96	Commander, 1st Engineer Battalion, 1st Infantry Division (Mechanized), Fort Riley, Kansas
Aug 96	Jun 97	Student, United States Army War College, Carlisle Barracks, Pennsylvania
Jul 97	Jun 99	Commander, Engineer Brigade, 1st Armored Division, United States Army Europe and Seventh Army, Germany and OPERATION JOINT FORGE, Bosnia-Herzegovina
Jun 99	May 01	Executive Officer to the Chief of Staff, United States Army, Washington, DC
May 01	Aug 02	Deputy Director for Operations, National Military Command Center, J-3, The Joint Staff, Washington, DC
Aug 02	Jun 04	Assistant Division Commander (Maneuver), later Assistant Division Commander (Support), 1st Cavalry Division, Fort Hood, Texas and OPERATION IRAQI FREEDOM, Kuwait
Jun 04	Jul 05	Director of Military Programs, United States Army Corps of Engineers with duty as Commander, Gulf Region Division, OPERATION IRAQI FREEDOM, Iraq
Oct 05	May 09	Commanding General, United States Army Recruiting Command, Fort Knox, Kentucky
May 09	Feb 10	Special Assistant to the Chief of Staff, United States Army, Washington, DC
Feb 10	Present	Deputy Chief of Staff, G-1, United States Army, Washington, DC

SUMMARY OF JOINT ASSIGNMENTS

	<u>DATE</u>	<u>GRADE</u>
Deputy Director for Operations, National Military Command Center, J-3, The Joint Staff, Washington, DC	May 01 - Aug 02	Brigadier General
Director of Military Programs, United States Army Corps of Engineers with duty as Commander, Gulf Region Division, OPERATION IRAQI FREEDOM, Iraq	Jun 04 - Jul 05	Brigadier General

SUMMARY OF OPERATIONS ASSIGNMENTS

	<u>DATE</u>	<u>GRADE</u>
Commander, Engineer Brigade, 1st Armored Division, United States Army Europe and Seventh Army, Germany and OPERATION JOINT FORGE, Bosnia-Herzegovina	Jul 97 - Jun 99	Lieutenant Colonel/Colonel
Assistant Division Commander (Support), 1st Cavalry Division, OPERATION IRAQI FREEDOM, Kuwait	Mar 04 - May 04	Brigadier General
Director of Military Programs, United States Army Corps of Engineers with duty as Commander, Gulf Region Division, OPERATION IRAQI FREEDOM, Iraq	Jun 04 - Jul 05	Brigadier General

LTG Bostick, Thomas P.

US DECORATIONS AND BADGES

Distinguished Service Medal
Defense Superior Service Medal
Legion of Merit (with 2 Oak Leaf Clusters)
Bronze Star Medal
Defense Meritorious Service Medal
Meritorious Service Medal (with 4 Oak Leaf Clusters)
Joint Service Commendation Medal
Army Commendation Medal
Army Achievement Medal (with Oak Leaf Cluster)
Combat Action Badge
Parachutist Badge
Recruiter Badge
Ranger Tab
Joint Chiefs of Staff Identification Badge
Army Staff Identification Badge

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

**STATEMENT OF
VICE ADMIRAL MARK E. FERGUSON III, U.S. NAVY
CHIEF OF NAVAL PERSONNEL
AND
DEPUTY CHIEF OF NAVAL OPERATIONS
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)
BEFORE THE
SUBCOMMITTEE ON MILITARY PERSONNEL
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
MILITARY PERSONNEL OVERVIEW
AND
DOD'S PROPOSED PERSONNEL EFFICIENCIES**

MARCH 17, 2011

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

Chairman Wilson, Ranking Member Davis, and distinguished members of the House Armed Services Committee, thank you for the opportunity to review Navy's Fiscal Year 2012 manpower and personnel budget request. We believe our budget request appropriately balances risk in supporting the readiness requirements of the fleet and joint force, growth in emerging mission areas, and essential programs that provide for the care of our Sailors and their families.

A Ready and Capable Global Navy

On a given day, more than 44,000 Sailors are deployed and nearly half of our 288 ships are underway around the globe. Our Navy has more than 14,000 active and reserve Sailors on the ground and approximately 10,000 at sea in the Central Command (CENTCOM) Area of Responsibility (AOR) supporting joint and coalition operations.

Overall, the tone of our force remains positive. Our 2010 Navy Total Force Survey results revealed Sailors are generally satisfied with the quality of their leadership, benefits, compensation, and the opportunities Navy provides for personal growth and development. With our sustained operational tempo, we remain vigilant concerning stress on our Sailors and their families and continue to carefully monitor the health of the force. The results of our 2010 Behavioral Poll indicate the majority of Sailors are coping with stress in positive ways by talking to family members and friends, taking advantage of the resources provided by chaplains and Fleet and Family Support Centers, and using their chain of command to proactively address concerns. Additionally, the majority of Sailors report being satisfied with the level of support provided by their leadership to help them and their families effectively cope with stress, to include both pre-deployment and post-deployment assistance.

Our FY12 budget request will enable us to continue to meet the operational demands of the fleet and the joint force while optimizing personnel readiness. Our active budget request of \$29B consists of \$27.2B for Manpower Personnel Navy (MPN) and \$1.85B in related Operations and Maintenance Navy (OMN). Our reserve budget request consists of \$1.96B for

Reserve Personnel Navy (RPN) and \$6.4M in related Operations and Maintenance Navy Reserve (OMNR). Our budget request supports active end strength of 325,700 and reserve end strength of 66,200.

To address critical manning challenges for our ships, squadrons, submarines, and other operational units, our FY12 budget increases manpower at sea and reduces manpower assigned to our shore infrastructure. While we believe this transition is manageable, it will present challenges to our ability to maintain sea-shore flow for some of our enlisted Sailors and sustain manning levels across the force in the near-term as we execute these billet shifts.

Additionally, Navy has placed end strength previously funded by the Overseas Contingency Operations (OCO) appropriation into our baseline program for FY12. We are also projecting a gradual reduction of Individual Augmentee (IA) demand in Iraq and Afghanistan as ground forces withdraw.

Navy Personnel Efficiencies

In developing our budget request, we reviewed current operations, our procurement profile, and readiness requirements. This review indicated a requirement to add a total of approximately 6,800 billets to the operational forces across the Future Years Defense Program (FYDP). This requirement includes the addition of 3,900 billets across the FYDP to support new warfighting platforms. In FY12 alone, we are adding billets for a new Riverine Squadron, Littoral Combat Ship (LCS) manning, and the E-2D Advanced Hawkeye.

Our review also indicated a requirement to add approximately 2,900 billets across the FYDP to support current warfighting platforms. In FY12, we are adding approximately 1,800 billets to existing platforms. For the submarine force, we are adding billets to support information technology, nuclear plant operations, and strategic weapons management. For the surface force, we are adding billets to support Ballistic Missile Defense and returning billets at sea to support damage control and firefighting capabilities, safety of navigation, preservation,

material condition, and underway watchstanding. Additionally, this budget adds billets at Regional Maintenance Centers for Sailors with sea-intensive specialties in response to the Fleet Review Panel. These assignments will provide Sailors the opportunity to further develop critical craftsmen skills, particularly in the areas of surface engineering, combat systems, and deck ratings.

To source these billets without additions to our overall end strength, we identified efficiencies in staff structure and shore activities, and reduced capacity in areas of the force commensurate with anticipated reductions in future demand for ground force enablers. This review resulted in a reduction or consolidation of approximately 8,400 billets in the Fleet, squadron staffs, and shore activities across the FYDP. Specific efficiencies will include:

- Disestablishment of a destroyer squadron staff, three submarine squadron staffs, a strike group staff, and a carrier air wing staff
- Consolidation of the staff of Commander, Second Fleet with U.S. Fleet Forces Command
- Horizontal staffing reductions across Navy shore activities
- Disestablishment of a helicopter anti-submarine squadron and consolidation of two patrol squadron special projects units and two Fleet air reconnaissance squadrons
- Reductions in recruiting, education, and training staffs, bands and NJROTC units.

Additionally, we reduced both billet seniority and structure in selected Restricted Line and Staff Corps communities. This efficiency produced additional billets for the operational forces. As part of the Office of the Secretary of Defense flag and general officer review, we proposed to eliminate nine and reduce the seniority of 15 flag officer billets, affecting 15% of our flag officer billet structure.

Building Resilience through a Comprehensive Continuum of Care

Our FY12 budget request of \$164.2M for Sailor and family care supports expansion of our comprehensive continuum of care to address the medical, physical, psychological, and family readiness needs of Sailors and their families. Navy's Operational Stress Control Program, Navy Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Workshop, Navy Safe Harbor, and our Medical Home Port Program continue to be the critical elements of this continuum.

Navy's Operational Stress Control (OSC) program addresses the psychological health of Sailors and their families by encouraging Sailors to seek help for stress reactions before they become stress problems, promoting strong leadership involvement, and increasing awareness of support programs and resources. The FY12 budget request supports our continuing focus of helping Navy leaders recognize and respond to stress reactions among our Sailors.

The Navy Reserve Psychological Health Outreach program was established to improve the psychological health and resiliency of reserve component (RC) Sailors and their families. Teams of psychological health outreach coordinators and outreach team members located at the five regional reserve commands provide psychological health assessments, education, and referrals to mental health specialists. In FY10, these teams conducted mental health assessments for more than 1,600 RC Sailors, made outreach calls to over 2,400 returning RC Sailors, and conducted approximately 300 visits to Navy Operational Support Centers (NOSCs) around the country, providing basic OSC awareness training to more than 23,000 RC Sailors and staff members.

The Warrior Transition Program (WTP) provides a place and time for Sailors serving as Individual Augmentees to decompress and transition from the war zone to life back home. Small group discussions facilitated by chaplains and medical personnel prepare Sailors for resumption

of family and social obligations, return to civilian employment, and reintegration with the community. In FY10, 376 WTP workshops for 7,056 Sailors were conducted in Kuwait.

The transition back home not only impacts the Sailor, but his or her family, employer, and community. Returning Warrior Workshops (RWWs) are designed to remove stigma that may prevent people from seeking appropriate support during the potentially challenging demobilization and reintegration process. More than 34 RWWs are planned through FY12 to direct Sailors and their families to the support programs that best address their needs.

Navy Safe Harbor remains the Navy's lead organization for coordinating the non-medical care of wounded, ill, and injured Sailors, Coast Guardsmen, and their families. Through its network of Recovery Care Coordinators and Non-Medical Care Managers at 12 locations across the country, Safe Harbor provides exceptional, individually tailored assistance to an enrolled population of over 600 wounded, ill, and injured. Over the past year, we have increased our support for community reintegration through the Anchor Program, which pairs members with volunteer RC Sailors in their communities, and initiated the Adaptive Athletics Program, designed to support long-term recovery and rehabilitation through whole-body training and education. Additionally, we signed Memoranda of Agreement with the Departments of Labor and Veterans Affairs (VA) to ensure greater access to employment services and support programs and provide assistance in navigating the transition from military medical care to VA medical care. The FY12 budget request supports our enduring goal to provide the highest quality care to our wounded, ill, and injured.

We remain committed to ensuring our Sailors and their families have ready access to high quality health care services. Our Medical Home Port Program is a team-based model focused on optimizing the relationship between patients, their providers, and the broader healthcare team. Mental health providers are embedded within our Medical Home Ports to facilitate regular assessment and early mental health intervention. This model enables Sailors to be treated in the

settings in which they feel most comfortable and reduces the stigma associated with the care they receive. Additionally, improving early detection and intervention in the primary care setting reduces the demand for time-intensive intervention in our mental health specialty clinics.

Suicide Prevention: All Hands, All of the Time

Our Sailors face challenges while deployed and at home making suicide prevention an “all-hands – all of the time” effort, involving the Sailor, family members, peers, and leadership. The results of our 2010 Behavioral Quick Poll indicate the majority of Sailors are confident in their ability to effectively respond to a Sailor who talks about suicide and the ability of their commands to support Sailors seeking help for suicidal thoughts or actions.

In 2010, we conducted more than 25 unit level suicide prevention coordinator briefings and training workshops around the world and provided training to more than 200 installation suicide prevention coordinators at our first Navy Suicide Prevention Coordinator Training Conference. We remain committed to creating an environment in which stress and other suicide-related factors can be more openly recognized, discussed, and addressed, and where seeking help is a sign of strength. This includes maintaining a solid foundation of suicide prevention coordinators, refreshing mental health provider skills, providing installation first responders with the skills necessary to respond to behavioral emergencies, and raising family awareness of suicide risk, warning signs, and support resources.

Navy’s calendar year 2010 suicide rate of 10.9 per 100,000 Sailors represents a decrease from the 2009 suicide rate of 13.3 per 100,000 Sailors. Though we recognize any loss of life to suicide is a tragedy, this rate is below the national rate for the same age and gender demographic of 18.7 per 100,000¹ individuals.

¹ National Center for Injury Prevention and Control (2007). Standardized U.S. suicide rates are adjusted for Navy demographics.

Sexual Assault: Not in my Navy

The goal of Navy's Sexual Assault Prevention and Response (SAPR) program is to eliminate sexual assault by fostering a culture of prevention, response, and accountability. This includes comprehensive education and training, collaboration with the Naval Safety Center on messaging that emphasizes the negative relationship between alcohol and sexual assaults, 24/7 response capability for victim support, standardized worldwide reporting procedures, and a system of accountability that protects all Sailors. We have also issued additional reporting guidance to Commanding Officers to ensure the first flag officer in their chain of command is aware of every sexual assault that occurs, as well as command actions taken to prevent future incidents. Although Navy reports of sexual assault increased in FY10, it is possible that this increase in reporting is the result of more Sailors coming forward to seek help, providing a preliminary indication that our outreach and education efforts are resonating with the force. We continue to monitor this trend closely and focus our education efforts on prevention and bystander intervention.

Our FY12 budget request supports an emphasis on sexual assault prevention while continuing compassionate support for victims. This prevention emphasis includes twelve SAPR workshops in fleet concentration areas worldwide, execution of a pilot prevention program focusing on young Sailors, our most at-risk demographic, and most importantly, a clear and consistent message from leadership at all levels that sexual assault will not be tolerated in the United States Navy.

Shaping Manpower for the Future Force

Our force stabilization efforts remain focused on maintaining a balanced force in terms of seniority, experience, and skills to meet Fleet and joint requirements while staying within our authorized end strength. As I have outlined in previous testimony, we continue to execute the following measures:

- “High-Year Tenure” separations for Sailors at selected paygrades and years of service
- “Perform-to-Serve (PTS)” reenlistment review process that requires conversion to undermanned specialties or separation in Zone A (0-6 years), Zone B (6-10 years), and Zone C (10-14 years)
- One-year time-in-grade retirement waivers for select senior enlisted and officers
- Early transition for enlisted, allowing them to separate up to 12 months before the end of their active obligated service
- Monthly probationary officer continuation and redesignation boards
- Annual performance-based continuation boards for senior enlisted in pay grades E7–E9 with more than 20 years of service

Due to high retention, we are experiencing an excess of active senior Unrestricted Line (URL) officers. To balance the force and ensure sufficient senior officers are available at the right time in their careers to serve in critical fleet billets, we will conduct in July 2011 an active Unrestricted Line Captain and Commander Selective Early Retirement Board (SERB). This board will consider URL Captains with at least four years time in grade and Commanders who have twice failed to select for promotion to Captain. At this time, we project approximately 120 URL Captains and 120 URL Commanders will be selected for early retirement.

We are projected to meet our FY11 authorized active end strength of 328,700 and reserve end strength of 65,500 by the end of the fiscal year.

Recruiting and Retaining a Highly-Skilled Workforce

Last year marked the third consecutive year that we achieved officer recruiting goals in the active component and enlisted recruiting goals in both the active and reserve components. The reserve component achieved 95% of our FY10 officer goal. While we anticipate that we will meet our aggregate recruiting goals this year, the increased demand for critical specialties in

support of operations in Iraq and Afghanistan will present a challenge, particularly within the reserve component.

The FY12 budget requests \$305M for our recruiting programs, a reduction of \$57.6M from FY11. These programs include accession incentives, advertising, and recruiter support for our active and reserve recruiters. To offset reductions in paid media advertising, we continue to expand our use of social media and other technologies to broaden our outreach efforts and generate recruiting leads. Navy Recruiting Command has over 100,000 active followers across 19 prominent social media sites, to include 15 Facebook communities of interest. However, it is the face-to-face contact with recruiters in the field that is the cornerstone of our sustained recruiting success in attracting high-quality, diverse individuals, particularly as the economy begins to improve. Our budget request ensures that the recruiting force remains appropriately sized and has the necessary resources to achieve continued success.

Accession bonuses remain critical to achieving our goals for health professionals, nuclear operators, and special warfare/special operations. To meet increased demands for these skills, we maintained bonus levels for nuclear officers and health professionals and continue to offer enlisted accession bonuses to special warfare/special operations and other critical ratings. A favorable recruiting environment has enabled us to reduce the number of ratings eligible for an accession bonus from 67 in 2008 to six in 2011. The FY12 active budget request for bonuses, special pays, and incentives, represents a decrease of \$32M from FY11.

We continue to closely monitor retention behavior across the force and project we will meet our FY11 overall officer and enlisted retention goals. While we have been able to make selected reductions in retention bonuses, Sailor retention behavior indicates we must continue to apply bonus programs to critical skill areas that require significant investments in training and education and are less responsive to changes in the economic environment.

Recruiting - Enlisted

In this fiscal year to date, we have met or exceeded our active and reserve recruiting goals each month. We continue to exceed Department of Defense (DoD) quality standards in all recruit categories as shown in Table 1.

Table 1. Active and Reserve Component Accessions and Quality

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
Total Active	34,180	34,140	100.1	9,651	9,622	100.3
Total Reserve	6,669	6,654	100.2	2,581	2,550	101.2
HSDG*	35,995	95%	97.4	10,538	95%	98.9
TSC** I-III A	30,653	70%	83.0	9,255	75%	86.8

*HSDG – High School Diploma Graduate; DoD standard is 90%; Navy standard is 95%

**TSC – Test Score Category (Aptitude Level); DoD standard is 60%; Navy standard is 75%

Last year, we were successful in meeting our recruiting goals for nuclear, special warfare/special operations ratings, and all OCO ratings, and are well-positioned to meet this year's targets as shown in Table 2. These ratings remain our top enlisted recruiting priorities.

Table 2. Nuclear, Special Warfare/Special Operations and OCO Accessions

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
Nuclear Field	2,981	2,981	100.0	914	912	100.2
SPECWAR/SPECOPS	2,153	2,144	100.4	450	444	101.4
Active OCO*	9,501	9,489	100.1	2,729	2,699	101.1
Reserve OCO**	1,825	1,822	100.2	630	623	101.1

*Active OCO ratings include CTI, CTN, CTR, IS, IT, HM, HMDA, LS, MA, OS, and the Seabee ratings (BU, CE, CM, EA, EO, SW, UT)

**Reserve OCO ratings include all of the active OCO ratings plus ND, HMF, and RP (8408 NEC)

Recruiting - Officer

We achieved our general and medical officer recruiting goals in the active component, but fell short of meeting these goals in the reserve component as shown in Table 3. Although we accessed more reserve officers in FY10 than FY09, a 13% increase in FY11 goals and high officer retention in the active component will continue to challenge reserve officer recruiting.

Table 3. Active and Reserve Officer Accessions

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
Active General Officer*	1,538	1,518	101.3	1,170	1,357	86.2
Reserve General Officer*	1,171	1,213	96.5	365	1,414	25.8
Active Medical Officer**	876	866	101.3	364	843	43.2
Reserve Medical Officer**	349	387	90.2	116	395	29.4

*Does not include accessions from the United States Naval Academy or Naval Reserve Officer Training Corps.

**Medical Officer includes Medical Corps, Nurse Corps, Dental Corps, and Medical Service Corps.

Health care professionals remain a recruiting priority through FY12, especially within the reserve component where several specialties are undermanned. To address shortfalls among reserve health professionals, the FY12 budget request supports an affiliation bonus for prior service medical department officers, as well as an accession bonus for direct commission nurse corps officers with specific qualifications. Additionally, certain health professionals are eligible for special pays, school loan repayment, and a monthly stipend while pursuing a critical wartime specialty.

Retention - Enlisted

We continue to experience high retention across the force as shown in Table 4.

Table 4. FY10 Active Navy Retention

Active Navy Retention	FY10 Achievement		
	Reenlisted	Benchmark	FY10
Zone A (0-6 yrs)	16,930	12,600	134%
Zone B (6-10 yrs)	10,845	8,300	131%
Zone C (10-14 yrs)	7,750	5,800	134%

Along with current economic conditions, our new policies are encouraging longer-term career behavior. Sailors are committing sooner to stay for longer periods of time. In addition, we are experiencing higher retention of female Service members, especially within our critical technical and warfighting skilled areas. Although this behavior affords Navy increased

predictability of future personnel readiness, higher retention also contributes to increasing competition for reenlistment opportunities.

Attrition, defined as Sailors who are discharged prior to the end of their contract, declined for both active and reserve. For active duty in FY10, we saw declines in misconduct-related discharges by 10% and training-related discharges by 12% from the previous year. Reserve enlisted attrition rates also continue to trend lower than the historical average of 28%. This is evidence of the higher quality force we are recruiting.

We remain challenged in meeting nuclear retention goals as a result of what we assess to be a growing demand for Navy's highly trained nuclear-qualified Sailors in the civilian industrial base. We remain focused on retaining Sailors with critical skills in high demand in the civilian sector, as well as Sailors in specialties that continue to experience high operational tempo in support of OCO, such as special warfare/special operations and independent duty corpsmen. Our Selective Reenlistment Bonus (SRB) programs remain an important tool to retain these highly-skilled Sailors.

We continue to closely monitor retention behavior and adjust SRB levels in response to observed behavior. Over the past 16 months, we adjusted SRB levels five times, reducing the number of skill areas eligible for SRB by 31% compared to FY10, and adjusting or maintaining existing bonus levels for those skills eligible for SRB. In FY11, only 34 ratings of 84 receive SRB, and the pool of eligible Sailors is 6.5% of our active enlisted force. This represents a reduction of over 54% in the pool of SRB eligible Sailors from FY09. We continue to structure our award plan to target high-demand skill sets that remain relatively insulated from changes in the economic environment, to include special warfare/special operations, intelligence, medical, cryptology, and nuclear ratings. Our FY12 active budget request includes \$95.9M for new SRB contracts, a reduction of \$35.7M from FY11.

The SRB budget for Selected Reserve Sailors was reduced by 31% in FY11, and further reduced by another 10% in our FY12 budget request, reflecting a total decrease of \$875K. This reduction is the result of a realignment of resources within the Navy Reserve Comprehensive Bonus Strategy to target RC officers and enlisted personnel in our most critical specialties.

Retention - Officer

Overall, active and reserve officer retention rates continue to increase in part due to targeted incentive pays, improved mentoring, more flexible career options, and increased emphasis on life-work initiatives. Female unrestricted line (URL) retention past the initial minimum service requirement (MSR) has increased in the last four years in both the surface warfare (from 19% for Year Group 2001 to 33% for Year Group 2004) and aviation communities (from 14% for Year Group 1998 to 27% for Year Group 2001)². We continue our efforts to improve the health of Selected Reserve (SELRES) officer communities by 2014 through initiatives such as targeted officer affiliation and retention bonuses, increased accession goals, and Continuum of Service programs focused on “Recruit Once, Retain for Life.”

We remain focused on junior officer retention, especially within select communities where we are challenged to meet our retention goals. Retention of junior officers for operational department head tours is a critical metric for monitoring the health of these communities. Although the overall loss rate for junior officers increased slightly from FY09 to FY10, the surface and submarine communities met their retention goals for the second year in a row.

After more than 10 years of war, we are seeing increased stress on our Naval Special Warfare community. Sustained operational tempo, decreased dwell time, and deployment unpredictability have contributed to a decrease in junior officer retention, particularly at the

² Because Minimum Service Requirement (MSR) is different for Surface Warfare (five years) and Aviation (seven years), two comparable year groups (i.e., includes women who are past their initial service obligation) were examined to more accurately capture overall URL female retention.

lieutenant commander (O-4) level. Mentorship and increased access to family support programs and operational stress control resources remain our primary tools to mitigate the effects of stress on these Sailors and their families. Additionally, our FY12 budget request includes \$7.4M for targeted incentive pays to retain these critical officers.

We have experienced slight improvements in medical community loss rates trends, largely due to competitive incentives and bonuses. Select subspecialties continue to require attention, to include dentistry, clinical psychology, social work, physician assistants, general surgery, preventive medicine, family medicine, and nurse anesthetists. Our FY12 budget request includes \$253.7M for special and incentive pays to retain these critical medical professionals.

We continue to conduct comprehensive reviews of many of our special and incentive pay and bonus programs to adjust bonus levels in response to retention behavior. In addition to adjustments to enlisted Special Duty Assignment Pay (SDAP) and SRB, we reduced officer bonuses in the aviation, surface warfare, and intelligence communities over the last year. Additionally, we restructured our Submarine Support Incentive Pay program to more efficiently address shortfalls at specific career points. We anticipate further reductions to retention bonuses for selected officer communities in FY11 in response to strong retention behavior. As we execute these actions, we will continue to monitor retention rates and adjust our incentive programs as necessary.

Learning and Development: Navy's Asymmetric Advantage

Education and training are strategic investments, enabling us to develop a highly-skilled force to meet the demands of the Maritime Strategy and the joint force. Our FY12 education and training budget of \$1.5B supports increased investments in curricula, training technology, and instructors for critical mission areas such as missile defense, cyber, and anti-submarine warfare. Additionally, we continue to focus training investments in LCS to include the Virtual Ship Centric Training Strategy. Initiated in 2010, this strategy includes a series of seaframe variant

unique and common simulators combined with actual seaframes to address multiple training needs for LCS. Simulators continue to present significant opportunities for increasing training capability, capacity, and effectiveness across the fleet, while minimizing stress on equipment and risk to the safety of our Sailors. The FY12 budget request supports continued investments in simulator technologies.

We remain committed to the professional development of our enlisted and officers. Navy offers several college-focused incentives, including the Navy College Fund, the Navy College Program for Afloat College Education (NCPACE), and tuition assistance (TA). We continue to use management controls to remain within our fiscal authority. As part of the transformation of our Voluntary Education Program, we established the Virtual Education Center (VEC) in July 2010. Prior to the VEC, requests for TA were processed at local Navy College Offices around the country. The VEC provides centralized management of TA requests, Sailors' academic transcripts, and virtual counseling. This transformation has decreased paperwork and processing time while increasing the accessibility of educational opportunities for Sailors.

To guide Sailors in their professional development, we created learning and development roadmaps that provide detailed information about required training, education, qualifications, and assignments throughout their careers. Last year, we completed all 86 enlisted roadmaps, and officer roadmaps for four subspecialties: financial management, operations research, education and training management, and foreign area officer. We continue to leverage civilian credentialing programs through Navy Credentialing Opportunities Online (COOL), bolstering the professional qualifications of Sailors in all ratings and increasing Sailor equity in their professional advancement.

To develop leaders who are strategically-minded, capable of critical thinking, and adept in naval and joint warfare, Navy has a progressive continuum of professional military education for E1 to O9. Junior enlisted personnel are able to pursue professional military education

through distance learning while senior enlisted personnel are afforded the opportunity to attend the Senior Enlisted Academy (SEA) which graduated 455 senior enlisted Sailors in FY10.

Officers have the opportunity to pursue advanced education through the Naval Postgraduate School (NPS), the Naval War College (NWC), other service and joint colleges, and several Navy fellowship and scholarship programs. For the 2010-2011 academic year, more than 1,700 active and reserve officers (resident and non-resident) are enrolled in NPS graduate degree programs, including 245 international students from 46 countries. We expect that about 304 officers will complete Joint Professional Military Education (JPME) Phase I and 235 officers JPME Phase II through in-resident courses in 2011. More than 3,000 non-resident opportunities to receive joint education are planned for FY11 through courses delivered in conjunction with graduate degree programs at NPS, Fleet seminar programs offered in 20 fleet concentration areas, and electronically via the web or CD-ROM. We continue to increase opportunities for reserve officers to pursue JPME through Fleet seminars and Advanced Joint Professional Military Education (AJPME), a 40-week blended academic program to obtain JPME Phase II credit. These non-resident opportunities provide the flexibility necessary for active and reserve officers to balance joint education requirements with personal and operational demands.

Cultural, historical, and linguistic expertise remain essential to fostering strong relationships with our global partners and enhancing our ability to effectively execute missions in multinational environments. In FY10, Navy's Language, Regional Expertise, and Culture (LREC) program provided language and cultural training to over 100,000 Sailors and 36 Flag Officers heading to overseas assignments. In addition, we recently expanded the Navy Reserve Language Culture and Pilot Program to include all Selected Reserve personnel. The FY12 budget request supports continuing efforts to enhance foreign language capabilities and regional expertise to include \$24.5M in FY12 and \$134.9M across the FYDP for Navy Foreign Language Proficiency Bonuses to incentivize proficiency in languages critical to Navy's missions. Our

request also supports expansion of opportunities for overseas study, language and cultural immersion, and professional exchanges with foreign navies for Naval Academy midshipmen and full implementation of an in-country language immersion training program for Foreign Area Officers. Additionally, we will continue to participate in Maritime Security Cooperation activities and support the joint force in Afghanistan and Pakistan with enhanced language and cultural capabilities through the AFPAK Hands Program.

Competing for the Best Talent

We continue our efforts to attract, recruit, and retain the nation's best talent to meet Navy's mission through recognition of Navy as a Top 50 organization. Top 50 organizations encourage innovation and focus on performance, while taking care of their people through programs and policies that support a culture of trust, respect, and collaboration. In December 2010, Navy received several awards for Business Excellence in Workplace Flexibility from the Alfred P. Sloan Foundation, recognizing initiatives introduced in nine different organizations across the Navy to promote flexible work options while achieving business goals. For the second year in a row, Navy received a prestigious *Workforce Management Magazine* Optimas Award for its "Navy for Moms" program, becoming the first organization to have won back-to-back awards in the 20-year history of this award and one of only eight organizations to have received an Optimas Award twice.

Navy continues to receive recognition for its high quality training and development programs. In the two years since Navy began participating in the American Society for Training and Development (ASTD) awards program, no organization has won more awards for "Excellence in Practice." Most recently, Navy was honored by *Training Magazine* as one of the premiere training organizations in the country, ranking seventh out of 125 organizations that were recognized. We remain committed to seeking out best practices across industry and benchmarking our programs against the best in the nation.

We continue to compete for the best talent in our nation's colleges and universities. The Naval Reserve Officers Training Corps (NROTC) program has 60 units located at 73 host institutions with 86 cross-town institution agreements. Of the total 159 NROTC affiliated colleges and universities, 16 schools rank in the top 25 of *U.S. News and World Report's* Best National Universities of 2011, including three Ivy League affiliations. While the NROTC program has more than sufficient capacity for our current requirements, the Navy recognizes the value of engagement and presence on the campuses of American's elite colleges and universities and appreciates the high quality educational experience provided to our future military leaders at these institutions.

We recognize the value of diverse ideas, perspectives, and experiences to remaining competitive in an increasingly global environment, and our Navy draws strength and innovation from this diversity. NROTC made significant increases in diversity enrollment over the past two years. As a result, the NROTC class of 2014 joins the U.S. Naval Academy class of 2014 as the most diverse classes in our history. In recognition of our efforts, Navy received *DiversityInc's* Top Federal Agency for Diversity Award, ranking number five of 30 agencies for excellence in leadership commitment, human capital, communications and supplier diversity. Additionally, Navy's Strategic Diversity Working Group (SDWG) was recognized as one of the nation's top ten national Diversity Councils by the Association of Diversity Councils.

Our internal survey data show that organizational support of life-work integration and the availability of flexible career options are key to attracting, recruiting, and retaining the talent of a new generation entering the workplace. Our Sailors and their families continue to benefit from comprehensive parental support programs, to include paternity and adoption leave, extended operational deferment for new mothers, and expanded childcare. We thank Congress for their support of these programs. We continue to assess innovative ways to support life-work

integration while meeting mission requirements through initiatives such as Career Intermission, telework, and other flexible work options.

Women in Submarines

This past year, the Secretary of the Navy and Chief of Naval Operations authorized the integration of female officers into the submarine force. This will enable our submarine force to leverage the tremendous talent and potential of the women serving in our Navy. For the first phase of integration, female officers will be assigned to two ballistic missile (SSBN) submarines and two guided missile (SSGN) submarines, which have the space to accommodate female officers without structural modifications. The first 18 female submarine officers commenced the standard 15-month nuclear and submarine training pipeline in 2010, and will begin arriving at their submarines at the end of this year. The plan also integrates female supply corps officers onto SSBNs and SSGNs at the department head level.

We continue to examine the cost effectiveness of design modifications to all classes of submarines to accommodate mixed-gender crews without adversely impacting habitability standards or operational capabilities, as well as the manning policies necessary to maintain a stable and sustainable population of women in the submarine force.

Repeal of Don't Ask, Don't Tell

Following the President's signature of the provision authorizing the repeal of section 654 of Title 10, United States Code, commonly referred to as "Don't Ask, Don't Tell" (DADT), Navy is actively preparing for final repeal. We will carry out the implementation process in a prompt, thorough, and deliberate manner. We are preparing the necessary policies and regulations to implement this change in the law and will provide training to Sailors and leaders at all levels. The central message of this training will emphasize the principles of leadership,

professionalism, discipline, and respect. Training will be provided using a tiered approach to ensure all personnel receive the appropriate level of training:

- Tier 1 training will be provided to experts who may deal frequently with repeal issues, such as chaplains, judge advocates, military law enforcement personnel, fleet and family support center personnel, personnel support professionals, equal opportunity advisors, recruiters, senior human resource officers, and public affairs officers. Community leaders within each of these disciplines will develop and deliver the required training.
- Tier 2 training will be provided to senior leaders and command leadership.
- Tier 3 training will be provided to active and reserve Sailors, Navy civilians who supervise military personnel, and Department of Defense contractors, as required by their position and responsibilities.

We are providing regular updates to the Office of the Secretary of Defense as we execute this training.

Continuum of Service

We continue to strive for a continuum of service approach to retention. Our goal for the continuum of service initiative is to achieve a seamless transition between the active and reserve components, and the civilian workforce, to meet mission requirements and encourage a lifetime of service. We are making progress in addressing the barriers impeding a quick and efficient transition between components to meet changing workforce demands. Since the establishment of the Career Transition Office (CTO) in May 2009, average transition time has decreased from more than 30 days to five days. We recently integrated our Fleet Rating Identification Engine (Fleet RIDE) application, a tool that provides a comprehensive assessment of Sailors' qualifications for Navy enlisted ratings, with our Perform to Serve initiative. This further facilitates the reserve affiliation process by providing each active component Sailor with

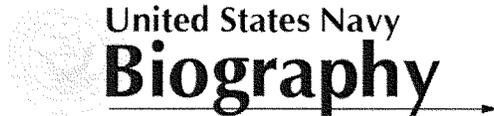
information about reserve opportunities and the ability to apply for a reserve component quota. Additionally, we established an Intermediate Stop (I-Stop) to enable transitioning Sailors to report directly to their gaining Navy Operational Support Center once they have made the decision to transition from active duty to the reserve component. Finally, we continue to work towards implementing a Total Force Integrated Pay and Personnel System. Our goal remains to transition Sailors between the active and reserve components within 72 hours.

Conclusion

Our mission remains to attract, recruit, develop, assign, and retain a highly-skilled workforce for the Navy. We continue to:

- Align the personal and professional goals of our workforce with the needs of the joint force, while ensuring the welfare of our Sailors and their families.
- Deliver a high-performing, competency-based, and mission-focused force to meet the full spectrum of joint operations.
- Provide the right person with the right skills at the right time at the best value to the joint force.

Our FY12 active and reserve budget requests support the critical programs that will ensure continued success in delivering the human component of the Maritime Strategy and key capabilities for the joint force. On behalf of all the men and women in uniform who sacrifice daily and their families who faithfully support them, I want to extend my sincere appreciation for your unwavering support for our United States Navy. Thank you.



United States Navy Biography

4/16/2008 - Present

Vice Admiral Mark E. Ferguson, III

Vice Admiral Ferguson assumed duties as Navy's 55th chief of naval personnel on April 16, 2008. He serves concurrently as the deputy chief of naval operations (Manpower, Personnel, Training & Education)(N1).

He is responsible for the planning and programming of all manpower, personnel, training and education resources for the U.S. Navy.

In addition, he manages an annual operating budget of \$29 billion and leads over 20,000 military and civilian employees engaged in the recruiting, personnel management, training and development of Navy personnel.



His previous flag officer assignments include chief of legislative affairs and assistant commander for distribution (PERS-4) at the Navy Personnel Command in Millington, Tenn.

A surface warfare officer, he completed nuclear propulsion training after graduating with distinction from the United States Naval Academy in 1978.

Afloat, he has served with both the Atlantic and Pacific fleets. His operational assignments include duty on board USS *South Carolina* (CGN 37) and USS *Fife* (DD 991). He also served as reactor officer on board USS *Dwight D. Eisenhower* (CVN 69). His command tours include USS *Benfold* (DDG 65) and Destroyer Squadron 18.

Ashore, he served as a special assistant to the Supreme Allied Commander, Europe; three assignments in the Office of Legislative Affairs; director of the Senate Liaison Office; and liaison to the House and Senate Armed Services Committees for all surface warfare, sealift and shipbuilding programs.

Ferguson holds a master's degree in computer science from the Naval Postgraduate School and completed a National Security Fellowship at the Harvard Kennedy School. His awards include the Navy Distinguished Service Medal, the Defense Superior Service Medal, the Legion of Merit and the Defense Meritorious Service Medal.

Updated: 23 February 2010

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HOUSE ARMED SERVICES COMMITTEE

STATEMENT
OF
LIEUTENANT GENERAL ROBERT E. MILSTEAD, JR.
DEPUTY COMMANDANT FOR MANPOWER & RESERVE AFFAIRS
UNITED STATES MARINE CORPS
BEFORE THE
SUBCOMMITTEE ON PERSONNEL
OF THE
HOUSE ARMED SERVICES COMMITTEE
CONCERNING
MILITARY PERSONNEL OVERVIEW
ON
MARCH 17, 2011

NOT PUBLIC UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to provide an overview on Marine Corps personnel.

I. Your Marines

Americans expect their Marines to be ready to respond when our country is threatened; to arrive on the scene anywhere in the world with minimal notice; and to fight and win our Nation's battles. To this end, the individual Marine is the Corps' most sacred resource and, as Deputy Commandant for Manpower & Reserve Affairs, Marines *are* my mission.

The young men and women who fill our ranks today recognize the global, protracted, and lethal nature of the challenges facing our Nation, and their dedicated service and sacrifice rival that of any generation preceding them. Marines and their families know that their sacrifices are making a difference, that they are part of something much larger than themselves, and that their Nation stands behind them.

II. End Strength

In FY10, the Marine Corps achieved both its accession and retention missions and maintained its 202,100 Active Component end strength. For FY11, we continue with this success, meeting all recruiting and retention missions, and the quality of our force has never been higher. At the end of FY11, we project an end strength of 202,576 (including estimated 326 Reservists who have served on active duty for three of the previous four years).

Even with our retention and overall end strength successes, the Marine Corps must continue to shape our force to meet continuing requirements, fill critical military occupational specialties (MOSs), and retain vital leadership with combat experience. Bonuses remain critical to this effort, allowing the Marine Corps to fill hard to recruit positions, such as crypto linguists

and reconnaissance. Enlistment bonuses also allow us to ship new recruits at critical times to balance recruit loads at the depots and meet school seat requirements. Finally, it is important to note that only eight percent of new recruits receive an enlistment bonus, and the Marine Corps budget for enlistment bonuses has decreased from \$75 million in FY08 to \$14.7 million in FY12.

Selective Reenlistment Bonuses (SRBs) similarly allow us to shape our career force. SRBs target critical MOSs and allow us to laterally move Marines to these MOSs. There are currently 14 of 211 occupational specialties where the on-hand number of Marines is less than 90 percent of what is required. It is critical that we meet our first-term retention goals. It should be noted that our SRB funding has decreased from \$468 million in FY09 to \$108.6 million in FY12.

Your Marine Corps already provides the “best value” for the defense dollar. At any given time, approximately 30,000 Marines are forward-deployed in operations supporting our Nation’s defense.

III. Marine Corps Reserve

Our reserves continue to make essential contributions to our Total Force efforts in Overseas Contingency Operations. Over the last few years, as we concentrated on building our Active Component to 202,100, we fell short of our Reserve Component authorized end strength of 39,600. In 2009 and 2010, we refocused our recruiting and retention efforts toward achieving this end strength. These efforts included increasing our reserve non-prior service recruiting mission, lowering our attrition, doubling our incentives budget from \$12 million to \$24 million, and expanding the population eligible to receive incentives. As a result, we achieved over 99 percent of our authorized end strength in FY10. Though our incentives budget has been reduced to \$8.7 million in FY11, we project an end strength of 39,559, less than one percent below our authorized level.

Our focus has now shifted to targeting our incentives to critically short specialties and grades within units identified for future deployments in support of operational requirements. Company grade officer recruiting remains our most challenging area. Historically, our Active Component has been the exclusive source of senior lieutenants and captains for the Marine Corps Reserve, and it remains a center of gravity in meeting our company grade requirements. Through our transition assistance and educational outreach programs, we continue to ensure that each transitioning Active Component Marine is educated on opportunities to continue their service in the Marine Corps Reserve.

To compliment the Active-to-Reserve Component company grade accessions, we continue to offer three recently implemented reserve commissioning initiatives: the Reserve Enlisted Commissioning Program; the Meritorious Commissioning Program – Reserve; and the Officer Candidate Course – Reserve (OCC-R). Since 2004, these three programs have produced a total of 330 lieutenants for the Marine Corps Reserve. The OCC-R program has been the most successful of the three reserve commissioning initiatives. It focuses on ground billets with an emphasis on ground combat and combat service support within specific reserve units that are scheduled for mobilization. The Reserve Officer Commissioning Programs and affiliation bonuses are keys to meeting grade strength requirements in critical billets by the end of FY15. We are also looking at increasing the ceiling for officer affiliation bonuses to attract officers to chronically hard-to-fill units.

Altogether, these programs, combined with our prior service recruiting efforts, should provide for at least 90 percent manning of critical combat arms and engineer company grade officer billets by September 30, 2015.

IV. Recruiting

The Marine Corps is unique in that all recruiting efforts (officer, enlisted, regular, reserve, and prior-service) fall under the direction of the Marine Corps Recruiting Command. Operationally, this provides us with tremendous flexibility and unity of command in order to annually meet our objectives.

Our recruiters continue to make their recruiting goals in all areas in support of our Total Force. Our focus is always to recruit quality men and women with the right character, commitment, and drive. To meet the challenges in today's recruiting environment, it is imperative that we maintain our high standards both for our recruiters and those who volunteer to serve in our Corps. We also remain mindful that the Marine Corps should reflect the diverse face of our Nation and be representative of those we serve.

In FY10, we achieved over 100 percent of our enlisted and officer recruiting goals for both the Active and Reserve Components. We accessed over 99 percent Tier 1 high school diploma graduates and over 72 percent in the upper Mental Groups of I-IIAs, both exceeding Department of Defense quality standards.

In FY11, we will again meet our annual recruiting mission, to include all quality goals. Additionally, we expect to have a strong population of qualified individuals ready to ship to recruit training as we enter FY12.

Filling company grade officer billets for our Selected Marine Corps Reserve units is traditionally our greatest challenge. As mentioned above, the OCC-R has proven to be the most successful of our reserve officer recruiting programs.

We thank you for the generous support you have provided to us and look forward to working with you to ensure success in the future.

V. Retention

Retention complements recruiting as one of the vital elements of building and sustaining the Marine Corps. For enlisted retention, we seek to retain the best and brightest Marines in both our first-term and career force to provide proven technical skills, experience, and non-commissioned officer and staff non-commissioned officer leadership needed to meet our demanding mission.

In FY10, the Marine Corps reenlisted 14,265 Marines. This achievement represented a 28 percent retention rate among the eligible First Term Alignment Plan (FTAP) population compared to a historical average of 24 percent. We also achieved an unprecedented 79 percent retention rate among the career Subsequent Term Alignment Plan (STAP) population, the highest ever, while maintaining all quality standards.

For FY11, retention achievement remains on track and exceptionally strong. As of March 2, 2011, we have achieved approximately 90 percent of our FTAP and 104 percent of our STAP goals, respectively.

Our continuing retention success remains largely attributable to two important, enduring themes. First, Marines are truly motivated to “stay Marine” because they are doing what they signed up to do — fighting for and protecting our Nation. Second, they understand our service culture is one that rewards proven performance and takes care of its own.

VI. Diversity

The Marine Corps is committed to making concerted efforts to attract, mentor and retain the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. Our diversity effort is structured with the understanding that the objective

of diversity is not merely to achieve representational parity, but to raise total capability through leveraging the strengths and talents of each and every Marine. The success of our pioneering Female Engagement Team program in Afghanistan, which is an offshoot of a similar effort we employed in Iraq, is one way that the Marine Corps utilizes diversity within our ranks for operational benefit.

We are currently developing a comprehensive, Service-wide strategy on diversity, an effort facilitated through our standing Diversity Review Board and a Diversity Executive Steering Committee chartered to establish the foundations for diversity success in the Total Force. The Marine Corps has established minority officer recruiting and mentoring as the highest priority in our recruiting efforts. Along with the other Services, we have provided timely input to the Congressionally sanctioned Military Leadership Diversity Commission and look forward to release of the Commission's final report scheduled for March 2011.

VII. Keeping Faith with Marines, Sailors and Families.

Just as our Marines are required to be in a constant state of readiness, so must our families. Our Nation has been at war for a decade, placing unprecedented burdens on Marines, Sailors, families, wounded warriors and the dependents of the fallen. We know that in order to develop, maintain, and sustain their personal and family readiness and resiliency, we must provide innovative programs and services that are timely and relevant. Our approach to caring for Marines, families and relatives of our fallen Marines is based on our unwavering loyalty. This concept also applies to single and married Marines, families, wounded warriors and Marines transitioning from the service.

In his 2010 Planning Guidance, our Commandant directed us to "look across the entire institution and identify areas that need improvement and effect positive change." Specifically, he directed us to evaluate all of our family readiness programs to determine which require enhancement and/or expansion and which can be streamlined to reduce redundancy. This is not just about efficiencies; it is also about effectiveness. As part of that mandate, we have been directed to continue our behavioral health program integration, institutionalize resiliency training, and reorganize and improve our Transition Assistance Management Program.

Family Readiness. In 2010, the Marine Corps increased baseline funding for family support programs by \$110 million to ensure an appropriate wartime footing. Programs benefitting from this measure include: Unit, Personal and Family Readiness Program; Marine Corps Family Team Building Program; Exceptional Family Member Program; School Liaison Program; and other miscellaneous Marine Corps Community Services Programs supporting remote and isolated commands, deployed Marines, and independent duty Marines and families. As we continue the process of providing Marines and their families with the most effective and relevant services, we are assessing all of our family support programs, identifying gaps and overlapping or duplicative efforts, and looking for opportunities to develop partnership programs and share resources with other agencies.

Some of our notable accomplishments include the following:

- Established over 400 full-time civilian Family Readiness Officers to facilitate family contact and provide critical information and referral services to support the resiliency needs of Marines and their families.
- Developed an inventory of Deployed Support and LifeSkills Education and Training courses to address the challenges of military, personal, and family life.
- Transformed the Exceptional Family Member Program to ensure that enrolled family members are provided a continuum of care, while providing the sponsor the opportunity for a successful career.

- Established school liaisons who form strong partnerships with schools and other supporting agencies to improve access and availability to quality education.
- Implemented program and infrastructure enhancements at remote and isolated commands, including investments in child care, single Marine programming, fitness and recreation centers, and recreational equipment to support deployed Marines.
- Increased Marine Corps child care capability from 64 percent to 73 percent with projection to meet 80 percent of potential need by FY12.
- Partnered with the Marine Corps Recruiting Command (MCRC) to conduct the first online survey of all MCRC personnel and their spouses in order to assess their views on key quality of life issues (financial, housing, health care, communication, and services) and to determine any perceived gaps in support.

Deployed and Warrior Support. Deployed support is one of the most important services we provide. Our Exchange, Recreation and Fitness, and Communication 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.
- ***Recreation and Fitness.*** We assist in providing sports, recreational, and fitness 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, Theater-in-a-Box kits, and fitness equipment for use in austere environments.
- ***Communication.*** Morale satellite services are available to forward operating bases, combat outposts, and other austere locations. We have delivered 13 satellite communications systems to units in Afghanistan. Each system has two phones that provide 6000 free minutes per month and five laptops that allow internet browsing, social networking and chat/video capabilities to deployed Marines.

Family Care Programs

Exceptional Family Member Program (EFMP). The most tender of our families, those enrolled in the Marine Corps EFMP, have strongly endorsed the improvements we have made to their level of support and to providing a continuum of care. Year after year since our program

expansion, we have gained the trust of our families. This is demonstrated through increasing enrollments and reduction in issues experienced by families relocating to new duty stations. I am proud to state that DoD and the other Services recognize our EFMP as a premier, full-service program based on the quality and efficiency of program operations.

Our EFMP sponsors will always be an advocate for their special needs family member, but when families need legal help, our EFMP attorneys are ready to assist with obtaining benefits and services under federal and state education and disability laws, special needs trusts, landlord-tenant issues and other legal areas.

In 2001, EFMP had 4,500 enrolled family members. This number has grown to over 9,850 today. We believe our prevalence for special needs in the Marine Corps is between 12,000-18,000 family members and that our enrollments will continue to increase.

In the past year, we have taken multiple actions to transform the program, including:

- Utilizing Family Case Workers to support families during relocation, deployments, and life events and to assist families with gaining access to medical, educational, and financial support services.
- Establishing installation-level Training Education Outreach specialists to provide training and support for families and the programs that support them.
- Utilizing a Continuation on Location policy that ensures the assignment and relocation process is sensitive to EFMP family needs and meets statutory stabilization requirements.

In addition, the Marine Corps continues to underwrite the cost of up to 40 hours of short-term respite care per month for enrolled families. To date, we have provided more than 450,000 hours of respite care. Since the cost is underwritten by the Marine Corps, families are able to use their TRICARE Extended Care Health Option benefit for needed therapies and equipment.

Nevertheless, challenges remain, such as:

- the lack of portability of services for adults with autism;

- the inability of military families to gain access to Medicaid;
- the difficulty in accessing therapeutic and mental health support, such as adult and pediatric care; and
- national economic impacts and subsequent state budget cuts, particularly at local and state levels, which may impede school districts' abilities to provide special education services.

To address some of the state access issues, we have partnered with the National Council on Disability to study this problem. Results are under review.

Children, Youth and Teen Programs. 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 six new child development centers in FY11 and five more in FY12. Nevertheless, as you might expect, the demand for quality child care on-and-off installation continues to grow and outweighs the availability of resources. To address this growing demand and help further define requirements, we are working on a Child Development Program and Facility Master Plan. This 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 work with Marine Forces Reserve and MCRC to identify opportunities to enhance availability of child care for Marines and their families serving on independent duty and at locations that are separated from military bases and stations. In addition, we are partnering with the Boys & Girls Clubs of America for developmental youth programs, and working to identify ways to better support our youth and teens affected by a parent's

deployment. We have reviewed the results of the National Military Family Association and RAND Study related to impacts on youth from deployments and are considering ways to address this situation.

School Liaison Program. To help school-aged children of Marines flourish in new school environments, our School Liaison Program partners with Local Educational Agencies (LEAs) to raise the educational capacity and academic performance of our military children. Supporting more than 80 school districts surrounding major Marine Corps installations, our school liaisons provide LEAs with information on Marine Corps families' needs and access to beneficial training and counseling services. Marine parents have the comfort of talking with and being supported by a local education expert who provides meaningful insight and support to new transfers and those with questions on local education policies. In addition, school liaisons provide Marine parents with connections to online curricular resources that are linked to state standards, permanent change-of-station checklists to assist with pre-relocation planning and registration in the receiving school districts, on-line tutoring and other resources.

Personal and Professional Development. Our Commandant has directed the Marine Corps to conduct a "bottom up" assessment of our Transition Assistance Management Program and our Lifelong Learning Program to revolutionize the process, embrace best practices, and ensure we are providing the right educational and career assistance to Marines leaving the Corps. Today, our program is primarily a training event. We have established a goal to transform this from an event into a process and to make the Marine Corps' Transition Assistance Management Program a model for DoD.

From 2009 to 2010, the Marine Corps conducted functionality assessments of the Transition Assistance Management Program and the Lifelong Learning Program and noted many deficiencies. In response, we established two Transition Assistance Operational Planning Teams in 2010 to assess existing programs. These teams identified issues, stakeholders and a conceptual framework for improved services and ways to integrate Marine Corps Community Services transition assets. Key stakeholders involved in this process include service member recruiters, commanders, Unit Transition Coordinators, and most importantly -- our Marines and their family members.

With our predominately first-term force, we are committed to reaching our Marines at designated touch points, helping them develop roadmaps that support their Marine careers, and better equipping them to reintegrate back into civilian life upon leaving active duty service. We have developed an end-to-end process improvement plan, are initiating actions, and are integrating existing capabilities that directly improve the quality of support provided to our Marines. In the future, our transition assistance will become a personal and professional development process that will reintegrate Marines into the civilian sector with the knowledge, skills, and abilities to better leverage their Marine Corps time and experience into meaningful careers. Some of our actions include:

- Establishing the new Personal and Professional Development program and incorporating “transition assistance” with a continuum of services designed to fully exploit the potential of all Marines and prepare them to transition to civilian life.
- Establishing formal processes to initiate periodic lifecycle contact to offer education, career, and financial advice/counseling to Marines and their families.
- Creating an Individual Development Plan, with execution and delivery of required transition services.
- Assisting Marines with navigating the Department of Veterans Affairs benefit process. Based on feedback from surveyed Marines, we know they want and need

this kind of assistance. To address this issue, we will modify existing websites to improve access and enhance opportunities for separating Marines to speak directly to Marine Corps support personnel who are trained to remove benefit processing barriers.

- Expanding public and private sector employment opportunities. We know from our surveys that Marines do not expect a "job handout". Rather, they want to be leaders and strong contributors to our Nation. They have told us that they want to improve their networking skills and learn how to connect with employers and mentors. We are in the process of revamping our transition workshops to focus on these needs and are working on ways to incorporate more networking opportunities into our job fairs.
- Connecting and expanding available educational opportunities. The Post-9/11 GI Bill provides Marines a wonderful educational opportunity. In an effort to expand this opportunity, we have initiated a Leader Scholar Program on the west coast which includes academic institutions who value Marines' service commitment and pledge to provide them special enrollment consideration; we now have 75 participating institutions and have a goal of 100 by the end of this year.
- Assisting Marines with education enrollment processes to enable them to gain access to academic institutions that provide business education skills that private industry demands.
- Improving the current Active-to-Reserve transition process to better educate Marines on reserve opportunities to retain the best talent. An enhanced, streamlined transition process will increase the number of valuable, trained Marines who consciously choose to affiliate with the Reserves.

We believe our efforts will result in an innovative program that addresses the Commandant's concerns, assists our families with their education and career goals, and meets the needs of our Marines as they progress through their military life cycle, whether a single enlistment or a lifetime of military service, and transition to a successful post-military career.

Behavioral Health Integration. Sixty-four percent of our Marines are under 25 years-old. Associated with this young force are inherent high-risk factors that include relationship and coping skills, isolation, combat-related wounds, and substance abuse. Furthermore, since 9/11, behavioral health needs have become increasingly complex with individuals often requiring assistance in a number of areas at one time. The anticipated drawdown of Marines deployed to

Afghanistan will likely result in additional behavioral healthcare requirements as Marines return and re-adjust to the garrison environment.

Marines with three or more deployments have been identified as particularly at risk. As a result, our Combat Operational Stress Control (COSC) Program is currently developing a policy that will direct commanders to conduct face-to-face interviews with Marines who have had three or more deployments. These commanders' interviews will identify Marines at some level of elevated risk, allow commanders to engage their Marines (pre-and-post-deployment), and provide an opportunity for intervention (medical and non-medical).

As directed by the Commandant, we continue to move forward with fully integrating our Marine Corps behavioral health programs - Family Advocacy, Combat Operational Stress Control, Suicide Prevention, Sexual Assault Prevention and Response, and Substance Abuse. We have established a Behavioral Health Branch at our headquarters for Marine and Family Programs, Manpower & Reserve Affairs, and are working to ensure that the programs and services that stem from this integration will be seamlessly woven into the larger support network of command structures and the health and human services across the Corps and are in concert with building resilience and strengthening Marines and families.

Sexual Assault Prevention and Response. Marine Corps' leadership has initiated aggressive actions to elevate and highlight the importance of the Sexual Assault Prevention and Response (SAPR) Program and institutionalize a zero-tolerance policy. SAPR is focused on several key initiatives:

- ***Prevention:*** Commanders are accountable for creating a climate in which sexual assault will not be tolerated and building trust within their units that enables victims of sexual assault to report the crime. Bystander intervention training has been identified as an evidence-based best practice for engaging Marines in their role in sexual assault prevention. New video-based bystander intervention training is in development with a completion date of April 2011.

- **Risk Reduction:** Alcohol has a tremendous impact on the prevalence of sexual assault. Research on best practices for addressing risk reduction, consent, and raising awareness within the Marine Corps is forthcoming in 2011.
- **Offender Accountability:** The Trial Counsel Assistance Program and a Joint Mobile Training Team were implemented in 2010 to provide training for 40 Marine Corps investigators and prosecutors on best practices in handling sex crimes. Following-up on the success of the Case Review Project in 2009, the Judge Advocate Division Military Law Branch is reviewing closed cases of sexual assault to develop lessons learned. This information will be disseminated in the form of training techniques for investigators and prosecutors.
- **Victim Advocacy:** During 2010, SAPR Program Managers were hired at 18 installations to heighten sexual assault prevention efforts by serving as master trainers and reporting coordinators. A 24/7 Helpline was established across all installations to provide victims with emotional support, information on reporting options, and critical resources.

Suicide Prevention. During Calendar Year 2010, we saw a nearly 30 percent decrease in the number of suicides within our Total Force (52 in CY2009; 37 in CY2010). Yet even one suicide is still one too many. It is premature for us to be able to identify what specific initiative(s) have resulted in this decrease. For the past several years, we have been, and will continue to be, engaged on multiple fronts:

- Established a DSTRESS Line pilot in TRICARE Region West for all our Marines, Sailors, and families which provides 24/7, anonymous counseling designed to assist with problems at an early stage. The phones are manned by veteran Marines, our former corpsmen, and by licensed counselors specifically trained in our culture.
- Leadership engagement and discussion of issues at senior leader forums and Executive Force Preservation Boards.
- Our “Never Leave a Marine Behind” suicide prevention training series is being expanded. In November 2010, we provided a junior Marine module as well as an update to the existing award-winning NCO module. In development for release in March 2011 are SNCO and officer modules that will help leaders to manage command climate in a way that builds resilience and encourages help-seeking in their Marines.
- Working with the American Association of Suicidology to develop training programs for unit-level prevention officers.

We believe our training and other prevention efforts will help our Marines and their family members maintain readiness and win their personal battles.

Combat and Operational Stress Control (COSC) - Resiliency Training. Stress issues affect all Marines and families regardless of deployment. Assisting Marines who show signs of stress and preventing combat and operational stress is one of our highest leadership priorities. To improve their resilience, we are working aggressively and creatively to build a training continuum that better prepares them for the inevitable stress of combat operations and to equip them with the necessary skills required in coping with the challenges of life as a Marine.

Instruction founded and focused on our core values helps provide some of this resilience and enables effective operations, especially in irregular warfare and complex environments. A program combining the “best practices” of mental, spiritual and physical fitness will instill in our Marines the resiliency to better endure the stressors of combat.

Our COSC program's goal is to help Commanders and Marine leaders maintain their warfighting capabilities and, with assistance from medical personnel, reduce the impact of negative stress reactions. By providing tools and resources to assist Marines with coping with the challenges of combat and the rigor of life as a Marine, our COSC program implements activities focusing on force preservation and readiness and the long-term health and well-being of our Marines and their families. COSC, with other behavioral health initiatives, aggressively combats these problems by strengthening Marines, mitigating stress, identifying those who are at risk, and providing treatment when necessary, with the overall goal of reintegrating Marines back into the force.

Our Operational Stress Control and Readiness Program (OSCAR) embeds mental health professionals in operational units and provides training that helps the OSCAR team identify and

mitigate negative stress reactions. The OSCAR team is comprised of three groups: Providers (mental health professionals), Extenders (other medical and religious personnel), and Mentors (selected unit Marines) who are trained to quickly intervene when Marines show signs of stress reactions. Currently over 1,500 Marines are trained as mentors.

In FY11, COSC will sustain and improve OSCAR training by conducting a RAND evaluation, working with units who utilized OSCAR training while in combat environments, and providing refresher training to OSCAR trainers. Extenders are receiving formal OSCAR training at Field Medical Schools, which began in January 2011 and which also supports institutionalizing OSCAR enhancing resiliency training.

Our COSC program continues to show positive results as indicated by outside evaluations and assessments. Despite increased exposure to heavy combat, Marines surveyed in Afghanistan in July 2010 indicated increased protective factors including unit resilience, small-unit cohesion, perceived readiness, and improved climate towards asking for help. This assessment also revealed increased training effectiveness in managing combat/deployment stress and significant reduction in stigma associated with seeking behavioral health treatment.

Casualty Assistance. The Marine Corps' Casualty Assistance Program is committed to ensuring that families of our fallen Marines are always treated with the utmost compassion, dignity, and honor. Our Casualty Assistance Program actively seeks opportunities to improve survivor assistance and has a demonstrated record of taking quick, effective action as needed.

The Headquarters Casualty Section is a 24-hour-per-day operation manned by Marines trained in casualty reporting, notification, and casualty assistance procedures. Next-of-kin (NOK) are notified in-person by a Marine in uniform - a Casualty Assistance Calls Officer (CACO) - and a chaplain whenever possible. Notifications are typically completed within four

hours of receipt of the casualty report. Marine CACOs are there for the NOK - to assist with burial arrangements, applications for benefits and entitlements, contact with benevolent and philanthropic organizations, and obtaining reports of investigation.

Within days of the incident, families are connected to representatives from the Tragedy Assistance Program for Survivors (TAPS), a nationally recognized provider of comfort and care to those who have suffered the loss of a military loved one and are experts at "taking care of the heart". TAPS services are no-cost and available 24/7.

Approximately 60 days following the death, we reach out to the NOK to help resolve any residual issues and let them know we are available to them for as long as they need us.

VIII. Wounded Warrior Regiment

In his 2010 Planning Guidance, our Commandant reiterated his commitment to "enhance the capabilities of the Wounded Warrior Regiment to provide added care and support to our wounded injured and ill (WII)." Moreover, he affirmed the need to sustain the Regiment for the long-term given the wounds of the war and that the Regiment also provides care for our Marines who are not combat wounded, but are injured in training or other accidents, suffer from diseases, and other tragedies. Congress and the Nation may rest assure that the Marine Corps, through the Regiment, will continue to meet the Commandant's intent and the needs of this Nation's wounded, ill, and injured (WII) Marines.

The Regiment serves the Marine Corps Total Force – active duty, reserve, retired and veteran Marines. It is positioned in locations around the country and abroad in order to establish a personal relationship with WII Marines and their families. Its strategic reach allows for resources and services to be delivered to WII Marines and their families regardless of their

recovery location. The Regiment maintains administrative and operational control of two Wounded Warrior Battalions located at Camp Pendleton, CA, and Camp Lejeune, NC. Each battalion has detachments located at military treatment facilities and Department of Veterans Affairs Polytrauma Rehabilitation Centers. The span of the Regiment extends across the globe from Landstuhl, Germany, to Okinawa, Japan, and throughout the continental United States.

The complexity of WII Marines' care requires a heightened level of coordination between various medical and non-medical care providers. There is no "one size fits all" approach to care and the Regiment delivers a cross-section of services and resources to WII Marines and families. We continue to refine our support capabilities and grow our care model to ensure we promote healing the "whole" Marine. Through synchronization of our programs and resources and external programs, we strive to help each WII Marine focus on their abilities to heal medically while strengthening their mind, body, spirit, and family through mandatory participation in programs covering a wide range of activities, such as academic endeavors, internships, physical fitness, and community service. Highlights of our program include:

- **Marine Section Leaders.** The Section Leader combines the discipline and standards of the Marine Corps with an understanding of the obstacles WII Marines face, while serving as their advocate to ensure coordinated medical and non-medical recovery efforts. Section Leaders are key to the recovery process as they oversee the integration of the Marine's medical recovery process with productive and meaningful non-medical activities that build strong minds, bodies, and spirits.
- **Recovery Care Coordinators.** The Regiment has a fully operational Recovery Coordination Program. Recovery Care Coordinators (RCCs) are assigned to certain active duty WII Marines to help them and their families develop Comprehensive Transition Plans to define and meet their individual goals for recovery, rehabilitation, and reintegration. RCCs and Section Leaders work together to help WII Marines transition. RCCs serve as the ultimate point of contact for WII Marines to help them identify needs, define goals, and meet their goals.
- **Medical Section.** The Regiment's Medical Section includes a Regimental Surgeon, Nurse Case Manager, and Clinical Services staff who work with public and private medical providers to ensure the best care for WII Marines, particularly in the areas of

Post-Traumatic Stress (PTS) and Traumatic Brain Injury (TBI). They also work hand-in-hand with the Bureau of Navy Medicine to environmentally scan for new and emerging treatment protocols and advise the commanding officer regarding medical issues and emerging technologies and treatments impacting WII Marines.

- **Warrior Athlete Reconditioning (WAR) Program.** The Regiment's WAR Program strengthens the Marine's body through physical activity and nutrition to develop life-long healthy habits. Under this program, Marines engage in both physical and cognitive activities outside the traditional therapy setting. Activities are individualized to the WII Marines' needs, and encompass over 18 areas – from aquatic training to yoga.
- **Family Support.** Support for WII Marines and families is unique and staff often perform non-traditional family support roles at all of its locations. Family support staff often work in hospital-type environments and rely on non-traditional resources, such as charitable organizations, Veterans Service Organizations, and federal and state agencies.
- **Reserve Support.** Our Reserve Medical Entitlements Determination Section maintains oversight of all cases involving reservists who require medical care beyond their contract period for service-connected ailments. The Regiment also has reserve-specific RCCs who provide one-on-one support and resource identification for reservists who often residing in remote and isolated locations.
- **Transition Support.** To enhance community reintegration, the Regiment's Transition Support Cell, manned by Marines and representatives from the Departments of Labor and Veterans Affairs, proactively reaches out to identify employers and job-training programs that help WII Marines obtain positions in which they are most likely to succeed and enjoy promising and fulfilling careers.
- **District Injured Support Cells.** Our District Injured Support Cells are mobilized reserve Marines located throughout the country to conduct face-to-face visits and telephone outreach to WII Marines and their families. They maintain oversight of the welfare and quality of life of all WII Marines convalescing at home and all OEF/OIF WII Marine veterans.
- **Sergeant Merlin German Wounded Warrior Call Center.** Our Sergeant Merlin German Wounded Warrior Call Center extends support to Marines and families through advocacy, resource identification and referral, information distribution, and care coordination. The Call Center has clinical services staff who provide immediate assistance and referral for Marines with psychological health issues and/or PTS/TBI. Outreach is an important aspect of our non-medical care delivery and management. The Call Center also conducts outreach calls to offer assistance on a wide variety of issues, such as service disability ratings, awards, employment, financial assistance, education, and benevolent organizations. A recent feature to the Call Center is the addition of social media experts who actively manage the Regiment's Facebook page.

The Marine Corps is committed to the long-term care of its wounded warriors and their families and will continue to provide for their care. As warrior care evolves and innovates, we will continue to adjust to ensure we are providing the best support possible. Your WII Marines are highly motivated, focused on their abilities, and remain in the fight. The Marine Corps is grateful for the exceptional support that you have provided to our Marines and the families who support them.

IX. Civilian Marines

Civilian Marines provide an invaluable service to the Corps as an integral component of our Total Force. With a population of 35,000, the civilian workforce is as lean and efficient as our active duty forces. The ratio of civilians to Marines is 1:6, compared to about 1:2 in the other Services and DoD-wide. Civilian Marines work in true partnership with our Marines and play an important role in current combat operations, research and development, and acquisition. They are critical assets which provide support to the Total Force, especially our Marines returning from deployment and their families, and to Base and Station operations. Civilians are the “force multiplier,” enabling our Marines to accomplish missions across all aspects of expeditionary operations and warfare. Dozens of civilians are currently forward deployed supporting combat operations. The civilian labor budget represents less than 5 percent of the Marine Corps FY12 budgetary submission, demonstrating that our “best value” for the defense dollar applies to our civilians as well as our Marines.

X. Conclusion

As we continue to deploy and fight in Afghanistan and other parts of the world, the Marine Corps will be required to meet many commitments, both at home and abroad. To

continue to be successful, we must always remember that our individual Marines are our most precious asset, and we must continue to attract and retain the best and brightest into our ranks. Marines are proud of what they do. They are proud of the “Eagle, Globe, and Anchor” and what it represents to our country. With your support, a vibrant Marine Corps will continue to meet our Nation’s call.

Thank you for the opportunity to present this testimony.

Lieutenant General Robert E. Milstead, Jr.
Deputy Commandant for Manpower and Reserve Affairs

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



Assigned to Marine Aircraft Group 39 at Camp Pendleton, Second Lieutenant Milstead joined HMA-169 flying the AH-1J and AH-1T Cobra helicopters. In June 1981, Captain Milstead was transferred to Separate Brigade Platoon, 2nd ANGLICO at Camp Pendleton where he served two years as the S-3 Officer. While assigned to 2nd ANGLICO, he attended both the U.S. Army Pathfinder School and U.S. Army Airborne Course, where he graduated with the "Iron Mike" as the Officer Honor Graduate. In July 1983, Captain Milstead returned to MAG-39 as the MAG-39 S-3A/WTI and as the Director of Safety and Standardization in HMT-303.

In July 1986, Major Milstead was transferred to Quantico, Virginia, to attend the Marine Corps Command and Staff College. Graduating with honors, he was reassigned to The Basic School serving as the Senior Instructor of the Command and Leadership Group, S-3A/Air Officer, and as Company Commander for two officer student companies. In September 1990, he reported to MAG-36 on Okinawa as the S-3A/Plans Officer. During this tour, he deployed to Turkey and Northern Iraq as the Executive Officer of III MEF CMAGTF 1-91 during Operation Provide Comfort.

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

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

In May 2001, Colonel Milstead assumed command of Marine Aircraft Group 29 at New River, North Carolina. During this command tour, the MAG-29 War Eagles deployed and participated in combat operations during Operation Iraqi Freedom. He relinquished command in August 2003, and was reassigned to Camp Lejeune as Chief of Staff, 4th Marine Expeditionary Brigade (Anti-Terrorism). In September, 2004 Colonel Milstead was reassigned to 2d Marine Aircraft Wing at Cherry Point as Commander, 2d MAW (Fwd) for deployment to Iraq. He was promoted to Brigadier General in Iraq on 17 February, 2005. 2d MAW (Fwd) returned to Cherry Point in February 2006. From March until June 2006, he served as the Commanding General, 2d Marine Aircraft Wing, prior to transferring to Headquarters, U.S. Marine Corps for assignment as the Director, Marine Corps Public Affairs. In May 2008, he was transferred to Quantico, Virginia and served as the Commanding General, Marine Corps Recruiting Command. In December 2010, Lieutenant General Milstead was appointed to his present grade and assumed the duties as Deputy Commandant, Manpower and Reserve Affairs, Quantico, VA.

Lieutenant General Milstead is a graduate of the U.S. Army Cobra TOW School, Marine Aviation Weapons and Tactics Instructor Course (WTI), and the Tactical Air Control Party Course. His personal decorations include the Defense Superior Service Medal, Legion of Merit with two gold stars in lieu of second and third awards with the Combat V, Meritorious Service Medal, Air Medal with 6 Strike/Flight Awards, Joint Service Commendation Medal, and the Navy Commendation Medal.

He is happily married. He and his wife, Suzanne, have three daughters and a son.

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

SUBJECT: MILITARY PERSONNEL OVERVIEW AND DOD'S PROPOSED PERSONNEL
EFFICIENCIES

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

MARCH 17, 2011

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

INTRODUCTION

In an era of evolving requirements, diverse mission sets and constrained budgets, our Air Force faces an ever increasing set of challenges as we seek balance between winning today's fight and countering the threats of tomorrow. This objective will not be achieved easily and will increase in complexity as we realize the cumulative impact of being at war continuously for the past decade. As the Air Force's Deputy Chief of Staff for Manpower, Personnel and Services, it is my mandate to help deliver fully-qualified and ready Airmen for the Joint warfighter while meeting the essential needs of these Airmen and their families. As part of this charge, I remain dedicated to ensuring we organize and develop our Total Force so we are prepared to meet the challenges of the 21st century.

END STRENGTH

The FY11 programmed Total Force end strength is 702,367 which is comprised of 332,200 active duty, 192,267 civilians, 71,200 Reserve, and 106,700 Air National Guard personnel. In the FY12 Budget, we have requested a Total Force end strength that will actually decrease to 693,099. Active duty end strength will only increase by 600 Airmen to 332,800, and our civilian end strength will decrease by just over 10,000 to 182,199 civilians. We will also increase the Reserve end strength by 200 to 71,400 while the Air National Guard remains unchanged at 106,700. Additionally, the FY12 budget captures efficiency efforts through reducing overhead and support functions, which will allow us to shift manpower resources to our warfighter and readiness programs. These programs include Combat Air Forces; Intelligence, Surveillance, and Reconnaissance; Building Partnership Capacity; and Total Force Integration

associations while, at the same time, allowing us to continue building upon our cyberspace superiority and developing and caring for Airmen and their families.

FORCE MANAGEMENT

Fiscal constraints and 16-year record high retention rates, compel the Air Force to develop voluntary and involuntary programs to manage our end strength levels. At the end of FY10, Air Force exceeded our end strength of 331,700 by approximately 2,300 officers while meeting enlisted end strength levels. We expect to exceed our FY11 end strength of 332,200 by approximately 1,500 officers and could reach well above this level by FY12 if we do not continue efforts to manage attrition. We must operate within our budget and we are committed to meeting our end strength by FY12. To do so, we have made tough decisions that will impact Airmen across the 30-year continuum of service. For new Airmen who fail to complete their initial skills training, we established Limited Initial Skills Training process that considers these officer and enlisted members for either retention or separation based on the needs of the Air Force. We encourage voluntary separations and retirements for more seasoned Airmen, both officers and enlisted, by offering both limited active duty service commitment waivers and time in grade waivers. Officer and enlisted personnel may also voluntarily apply to complete their service commitment in the Air Reserve Component through our PALACE CHASE Program or continue service in the Army through the Blue-to-Green Program. For prior enlisted officers, we implemented the recent authority granted in the FY11 NDAA, which authorizes officers to retire with 8 years of commissioned service rather than 10.

In an effort to manage the enlisted force within authorized end strength, we are continuing the Date of Separation (DOS) Rollback Program. This initiative identifies Airmen

who have chosen to transition from the Air Force for early separation. It also provides an avenue to accelerate the removal of Airmen who possess negative quality force indicators.

As the majority of our over strength is within our officer corps, we continue to expand force management initiatives through FY12. For FY11, we will conduct a Force Shaping Board for junior officers, a Reduction in Force (RIF) Board for mid-grade officers, and Selective Early Retirement Boards (SERB) for lieutenant colonels and colonels. Mid-grade officers eligible for the RIF Board will have the opportunity to apply for voluntary separation pay in lieu of meeting the board. Likewise, lieutenant colonels and colonels will have the opportunity to voluntarily retire in lieu of meeting the SERB.

We also re-instituted a Line of the Air Force captain promotion board for FY11 with a reduced promotion opportunity from "fully qualified" to 95%. In addition, the promotion rate for Line of the Air Force captains to the rank of major was reduced from 95% to 90%. For officers twice deferred for promotion to major and lieutenant colonel, we will limit the offers of selective continuation based on the needs of the Air Force. Along with these programs, we have reduced and delayed officer and enlisted accessions to control our total end strength.

Our force management strategy is not a quick fix, but a tailored, multi-year effect designed to manage the force along a 30-year continuum of service. Beyond existing force management legislative authorities, we are working with the Office of the Secretary of Defense to seek additional legislative authorities to provide us tools to better manage our force to authorized end-strength.

ACCESSIONS

We must protect accessions while taking care of our people as the impact of under-accessing Airmen is felt for the next twenty years. As previously mentioned, our force

management efforts include reducing officer and enlisted accessions. Although below desired sustainment levels, reductions are manageable within the short and long-term health of the force. For FY11, this included 2,135 enlisted accession reductions and 439 officer reductions. Reductions were realized in all officer competitive categories—with our rated force at 94% sustainment; non-rated line at 88% sustainment; and non-line at 93% sustainment. In FY12, our reductions are deeper for both our officers and enlisted. Enlisted accession reductions are set at 2,407 while officer reductions are set at 639. For the officer competitive categories, the rated force accessions were reduced to 90% sustainment; non-rated line reduced to 84% sustainment; and non-line to 89% sustainment.

RECRUITING, RETENTION, BONUSES, AND INCENTIVE PAYS

America deserves the very best Air Force in the world, and it takes recruiting, developing, and retaining the highest quality Airmen to maintain that status. To do so, our FY12 budget request includes \$30.5B in military personnel funding, to include a 1.6% pay increase. Although our recruiting quality and retention levels are at the highest in 16 years, we are obligating \$630M for bonuses to recruit the right skill sets and retain experienced Airmen for today's fight and the emerging missions of tomorrow. Without these funds we will handicap our commanders in their ability to efficiently and effectively carry out the full range of missions America demands of its Air Force.

Air Force recruiting continues to need high quality recruits, even during periods of high retention. Higher quality recruits increase the probability of success during their initial training. Basic Military Training attrition went from a high of 10.7% in FY07 down to 6.8% in FY10 due to higher caliber recruits. Additionally, as a Service, we need a continuing flow of high quality recruits to fill entry-level positions as current members progress into advanced positions and

eventually separate or retire. Continued support for maintaining high quality now will allow the Air Force to compete for the best and brightest along a broad spectrum, especially when unemployment improves and current retention returns to normal levels.

The Air National Guard (ANG) is focusing its recruiting efforts on precision recruiting to existing vacancies. Special emphasis is on the officer corps vacancies as the ANG continues its efforts to balance its officer and enlisted end strength levels. The ANG is currently projecting to be at or near its authorized end strength of 106,700 at the end of FY11.

The Air Force Reserve uses its bonus program to meet the demand for critical skills deemed vital to Air Force Reserve mission. Its bonus program has been pivotal to recruiting and retaining the right people to meet Combatant Commander requirements. Development of these skills usually requires long training courses. Members with these skills are normally in high demand within the private sector. With continued funding, the Reserve will be able to offer the appropriate combination of bonuses for enlistment, reenlistment, affiliation, and health professionals. Current indications illustrate the bonus program is positively benefitting recruiting and retention.

The Air Force has a relatively small budget for recruiting special skills into the service. On the enlisted side, these skills range from ground and airborne cryptologic language analyst; combat control; tactical air control party; survival, evasion, resistance, and escape; pararescue; special operations weather; and explosive ordnance disposal. The remainder of the Air Force's recruiting bonuses attract experienced health professionals in critical wartime specialties, such as physicians and dentists, and to meet specific experienced health care needs in nursing, pharmacy, public health, clinical psychology, and social work.

Even with high retention for the active duty officer force as a whole, there are still manning shortfalls and retention deficits in high-demand and new and emerging specialties that require bonuses as a part of a gap-closing strategy. These specialties, which contribute significantly to the joint fight, include contracting, control & recovery, public affairs, civil engineering, intelligence, logistics readiness and many of our medical professionals, including mental health and other critical wartime skills.

A 16-year high in active duty enlisted retention has necessitated moderate reductions in accessions and additional force management actions to include Date of Separation (DOS) Rollbacks, initial skills training eliminee separations, waiver of active duty service commitments, time-in-grade requirements and enlistment contracts which will continue FY12. Without these actions in FY10, our overall retention would have exceeded the goal by more than 4%. The Air Force finished FY10 at 100% of its retention goal in Zone A, 17 months through 6 years of service (YOS), exceeded the goal in Zone B, 6 YOS through 10 YOS at 109%, and was under its retention goal in Zone C, 10 YOS through 14 YOS at 93%. Selective Reenlistment Bonuses (SRB) are our most effective, responsive and measurable tool for targeted retention. The FY12 budget for new SRB contracts does change from FY11's budget of \$145.9M as we expect to offer SRBs to fewer than 90 enlisted specialties in FY12. Increased operations tempo and outside competition are impacting our ability to retain Health Professions Officers. Air Force Recruiting Service (AFRS) recruits Fully Qualified (FQ) Health Profession (HP) officers and Health Professional Scholarship Program (HPSP) candidates. Over the last five years, the Air Force has chosen to "grow our own" HP officers by focusing on accessions from the HPSP program versus FQ accessions.

Based on current economic forecasting, the Air Force is expected to experience consistent retention rates over the next few years. The Air Force analyzes average career lengths as the overall prediction for how long Airmen will stay in the service. Current retention rates exceed the Air Force goal by 13% for officers, and are slightly under the goal at 97% for our enlisted Airmen. These rates include voluntary and involuntary losses due to ongoing force management programs.

While active duty officer retention as a whole remained strong through FY10, we still need higher retention in targeted year groups for specific specialties including contracting, control & recovery, public affairs, civil engineering, intelligence, logistics readiness and certain medical specialties. In order to address officer retention concerns, contracting, control & recovery were approved by OUSD (P&R) in FY09 as critical skills and are currently receiving a critical skills retention bonus (CSR). The projected CSR costs for FY12 are approximately \$9M (\$2.8M budgeted for control & recovery and \$6.2M for contracting). The Air Force continues to closely monitor public affairs, civil engineering, intelligence, logistics readiness and other specialties which could receive long-term benefit from higher retention in targeted year groups.

The Air Force also uses Cumulative Continuation Rates (CCR) to track retention by AFSC and by reenlistment zones. The CCR shows the expected rate an Airman is likely to remain in the service from year-to-year or zone-to-zone. SRBs are also an effective tool for measuring targeted retention by AFSC and by zone. In FY09, SRB costs were \$227.6M of the total Air Force budget of which \$70.4M were comprised of anniversary payments, \$156M in new bonuses, and \$1.2M in accelerated payments. Conversely, in FY10 funding for new

bonuses fell from \$156M to \$141M and fell even further in FY11 and is now down to \$129.9M. Currently, 89 AFSCs are receiving SRBs in FY11

Our Service will continue to experience high retention through FY12 and likely into FY13. However, we must still overcome several skill imbalances as a result of previous actions to reduce endstrength by deliberately under-accessing in FY05 and building larger AFSCs for new and emerging mission sets. Additionally, the Air Force will continue using CSRBs and SRBs to manage retention and address shortfalls in critical skills and levels of skill in various AFSCs while also implementing force management tools to target losses in overage skill sets as we appropriately shape the force.

DIVERSITY

In a nation where about seventy-five percent of our youth are ineligible or unable to serve in an all-volunteer military, it is necessary to maintain a diverse Air Force to overcome today's increasingly complex challenges.

In the fall of 2010, we published strategic guidance to include a diversity policy directive and Diversity Roadmap, which provides priorities, goals and specific actions for implementation of diversity initiatives. Formalizing the Diversity Roadmap into an Air Force Instruction will provide the Total Force its final piece of strategic guidance. Woven into the instruction will be vetted recommendations of the Military Leadership Diversity Commission. We anticipate completion of the instruction by the end of September 2011.

We furthered the institutionalization of diversity by holding the inaugural Diversity Senior Working Group in October 2010. Showcasing senior leader commitment, the Chairman of the Joint Chiefs, Secretary and Chief of Staff of the Air Force, in addition to sixty senior leaders from the major commands and the Pentagon, participated. Participants were challenged

to promote diversity within their sphere of influence. For example, leaders can make diversity a personal commitment by participating in two outreach events per year, adding a diversity message in speeches, identifying key positions and implementing hiring practices with a diversity lens, analyzing mentoring programs and determining how to resource diversity within the major commands and wings.

As a result of our commitment to advocate equity, diversity and inclusion at the US Air Force Academy (USAFA), a Chief Diversity Officer (CDO) position was created and filled in December 2010. The CDO directs all diversity initiatives, policies, and programs at USAFA to advance inclusion as a core institutional value and increase diversity in all dimensions across its faculty, staff, and cadets. The CDO also advises the USAFA Superintendent and senior leadership on diversity, and will work with Headquarters Air Force to keep Congress current on USAFA diversity issues.

NUCLEAR HUMAN CAPITAL STRATEGY

Airmen must be specifically trained, educated, and experienced through professional development initiatives designed to create the capabilities and culture this no-fail mission demands, and our nation deserves. We implemented several new initiatives to enhance the development of our nuclear Airmen and improve the management of their assignments. Central to our efforts is the shift to assigning the most “qualified” Airman versus the most “eligible” Airman for our key nuclear billets.

Our new approach to managing enlisted talent gives us the capability to evaluate the entire pool of nuclear Senior Non-Commissioned Officers (SNCOs) and select the right Airmen for critical jobs, while also ensuring our nuclear SNCOs are vectored in the proper career sequence and that we are preparing them for future leadership roles in the Nuclear Enterprise.

This new approach, coupled with our new special experience identifier tracking codes, give our assignment teams the tools to identify Airmen with the requisite nuclear training and experience for key nuclear positions.

Our 2W2 (Nuclear Weapons Maintenance) and 21M (Munitions, Missile Maintenance) career fields have developed prioritization lists to ensure we assign the most qualified Airmen to positions by order of importance within the Nuclear Enterprise.

We also moved the screening of qualifications to serve in nuclear billets to earlier in our pipeline for our most stressed career fields. This led to greater efficiency in initial selection and training for nuclear-related positions, and more timely backfills for open positions.

DEPLOYMENTS

As of 1 March 2011, we have more than 38,000 deployed personnel, approximately 5,000 of which are fulfilling Joint Expeditionary Taskings working with our sister services. In order to meet the growing demands of Combatant Commanders, Air Force 179-day tours increased from 12% of all deployments in CY04 to 60% of all deployments today. In October 2010, the Chief of Staff of the Air Force established the Air Force's baseline deployment tour length to be 179-days, normalizing this for all Airmen by October 2012. Still, approximately 1,800 of our deployment requirements, or 7% of all deployments, require members to be away for 365 days.

Continuing to fill both the deployed and home-station mission continues to take its toll on our units. The end-result of the new 179-day deployment standard will keep Airmen on a standard deployments for an additional 60 days but will also provide them and their families more time at home between deployments. Additionally, the longer standard deployment will reduce the amount of pre-deployment training required over a career.

The Total Force includes not only our Air National Guard and Air Force Reserve, but also our Air Force Civilians. As the Department of Defense builds its civilian expeditionary workforce, Air Force civilians continue to be a part of the capability we offer to the Combatant Commander. Civilians are currently augmenting our Office of Security Investigations, intelligence, logistics, comptroller, as well as various headquarters support positions.

In total, more than 216,000 Total Force Airmen support daily Combatant Commander operations.

AIRMAN & FAMILY RESILIENCE

We are committed to strengthening the resilience of our Airmen and their families. Our goal is to improve leadership commitment toward building resilient Airmen who have the ability to withstand, recover, and grow in the face of stressors and changing demands—regardless of time, challenge, or location.

To heighten the focus on this area, the Air Force established a Resilience Division within Headquarters Air Force. This division will build a corporate program with two distinct yet integrated focus areas: Airman Resilience and Family Resilience.

With the goal of enhancing Airman resilience, we established the Deployment Transition Center at Ramstein Air Base, Germany, in July 2010. Since the Center's inception, more than 1,200 selected Airmen have participated in this two-day reintegration and decompression program enroute home from deployment.

We are working with the RAND Corporation to develop a longitudinal study on families that will begin in Summer 2011. This study will follow more than 5,000 families while tracking their resilience across a full deployment cycle, before, during, and after deployment. The

information received from this study will be invaluable on how we treat and provide care for Airmen and their families in the future.

We have also seen tremendous dividends from our FitFamily program. FitFamily meets two of four goals of the White House Task Force on Childhood Obesity. This program raises the awareness of the importance of physical fitness and healthy meals for the entire family. FitFamily encourages everyone 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.

EXCEPTIONAL FAMILY MEMBER PROGRAM (EFMP)

We continue to focus attention this year on supporting our 17,000 Airmen with exceptional family members. These Airmen and their families require more comprehensive support beyond the identification and assignment process. To address this gap, we have designated a staff member from the Airman & Family Readiness Center at each installation to provide information, referral and assistance to families with special needs. We have hired additional staff at 35 installations with the highest numbers of EFMP families to provide targeted focus on family member support. Additionally, to improve on the coordination of care for high-risk families, the Air Force will add 36 active duty social work billets beginning in FY12. Furthermore, we have increased our communication and marketing efforts at our Airman & Family Readiness Centers and Medical Treatment Facilities to ensure Airmen and families are aware of the enhanced resources available to them.

WOUNDED WARRIOR AND SURVIVOR CARE

We remain fully committed to caring for our brave Airmen who are wounded in battle, who contract serious illness or are injured while defending the nation’s freedoms. We also

recognize the importance of family to the healing process and continue to embrace the families of our brave men and women in uniform. The Air Force continues to provide non-medical case management, support, and assistance through the Air Force Survivor Assistance Program, the Recovery Care Program, and the Air Force Wounded Warrior Program – and will do so for as long as needed in partnership with our medical community. With your support, our Warrior and Survivor Care programs continue to prosper. As of February 28, 2011, we have 975 Air Force members enrolled in the Air Force Wounded Warrior Program. In keeping pace with our growing Wounded Warrior population, the Air Force has hired 33 Recovery Care Coordinators to support 31 locations across the Air Force. We have also increased our Air Force Wounded Warrior Program consultants from 12 to 21 positions.

Our Family Liaison Officers, Recovery Care Coordinators, Air Force Wounded Warrior Program consultants, and Community Readiness Consultants provide immediate and direct care for our Airmen and their families through recovery, rehabilitation and reintegration. Our partnerships with the Department of Defense and the Veteran Affairs are improving opportunities for our Airmen to continue as active duty Airmen or as civilians within the Air Force and Department of Defense. These partnerships support education and employment opportunities geared toward successful reintegration within the civilian communities.

Once again, we will celebrate the achievements of our Wounded Warriors during the 2011 Warrior Games scheduled for May 17 – 21, 2011 at the Olympic Training Center and United States Air Force Academy in Colorado Springs, Colorado. The Warrior Games provide a focal point for our recovering Airmen to incorporate athletics back into their day-to-day lives by preparing them mentally and physically to get back to their military service. During the

competition, Airmen will compete in shooting, swimming, archery, volleyball, cycling, track and field, and basketball.

DON'T ASK, DON'T TELL

As the Air Force Deputy Chief of Staff for Manpower, Personnel and Services, I am responsible for many post Don't Ask, Don't Tell repeal actions, including the education and training of our Total Force. Every Airman must understand what is expected in the post-repeal environment and that standards of professional conduct will not change. To achieve this goal, we are aggressively implementing a systematic training program and updating numerous Air Force Instructions to implement policy changes on separations, accessions, and recruiting. The dignity and respect of our Airmen will remain a top priority.

In the Air Force, all Airmen receive the opportunity to reach their highest potential in an environment free from personal, social or institutional barriers—sexual orientation will be no different.

SEXUAL ASSAULT, PREVENTION AND RESPONSE

Sexual Assault Prevention and Response remains a top priority as we work toward providing safe environments for our Airmen and families to work and live. We are focused on instilling a prevention-based program so these sexual offenses cannot and do not occur.

As part of our approach, consistent top-down messaging is critical. These messages continue to emphasize Air Force Core Values and the need for active Wingmen watching out for one another. Likewise, we have spent the last year building community empowerment through bystander intervention education. We provide training that ensures Airmen understand when to act if they observe behaviors or actions that may lead to sexual assault. An additional prevention

effort includes the development of a risk reduction guide which will be provided to senior commanders by fall of this year to assist them in providing safe environments.

As a service, from our most senior leaders to our newest Airmen, we remain committed to a zero-tolerance standard of sexual assault.

CONCLUSION

Today's Airmen possess an unsurpassed commitment and dedication to service and are a credit to the Joint warfighter and the U.S. Air Force. They enable our competitive advantage against our adversaries and deliver dominance in air, space, and cyberspace. For these reasons, we will continue to recruit, train, and retain America's finest to serve our great nation, and for their solemn devotion we have an obligation to provide the care and service they and their families deserve.



BIOGRAPHY

UNITED STATES AIR FORCE

LIEUTENANT GENERAL DARRELL D. JONES

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

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



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

EDUCATION

1979 Bachelor of Science degree, Mississippi State University
 1984 Master of Arts degree in business administration, Webster University, St. Louis, Mo.
 1984 Squadron Officer School, Maxwell AFB, Ala.
 1991 Air Command and Staff College, Maxwell AFB, Ala.
 1994 Air War College, Maxwell AFB, Ala.

ASSIGNMENTS

1. October 1979 - April 1982, assistant Chief, Quality Force Section; Chief, Customer Assistance Section; Chief, Quality Force Section; and Chief, Personnel Utilization Section, Consolidated Base Personnel Office, Williams AFB, Ariz.
2. April 1982 - August 1984, assistant for Resource Distribution, later, Chief, Assignment Analysis Branch, Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
3. August 1984 - August 1985, executive officer to the Deputy Chief of Staff for Personnel, Headquarters Air Training Command, Randolph AFB, Texas
4. August 1985 - August 1986, personnel adviser and board member, Secretary of the Air Force Personnel Council, Air Staff Training Program, Washington, D.C.
5. August 1986 - August 1987, Chief, Consolidated Base Personnel Office, 384th Combat Support Group, McConnell AFB, Kan.
6. August 1987 - September 1988, Director of Personnel, 384th Combat Support Group, McConnell AFB,

Kan.

7. September 1988 - June 1990, Commander, 384th Mission Support Squadron, and Chief, Mission Support, 384th Combat Support Group, McConnell AFB, Kan.
8. June 1990 - June 1991, student, Air Command and Staff College, Maxwell AFB, Ala.
9. June 1991 - May 1992, Chief, Entitlements, Compensation and Education, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
10. June 1992 - June 1994, Chief, World War II Commemoration Branch, later, Deputy Chief, World War II Commemoration Division, Directorate of Manpower Personnel and Security, Headquarters U.S. European Command, Stuttgart, Germany
11. July 1994 - June 1995, student, Air War College, Maxwell AFB, Ala.
12. June 1995 - June 1997, Chief, Force Structure Plans and Policies, Directorate of Military Personnel Policy, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
13. June 1997 - June 1999, Chief, Personnel Issues Team, Deputy Chief of Staff for Personnel, Headquarters U.S. Air Force, Washington, D.C.
14. June 1999 - May 2001, Commander, 62nd Support Group, McChord AFB, Wash.
15. May 2001 - July 2002, Director of Personnel, Headquarters Pacific Air Forces, Hickam AFB, Hawaii
16. July 2002 - June 2004, Commander, 66th Air Base Wing, Hanscom AFB, Mass.
17. June 2004 - June 2006, Director of Manpower and Personnel, Headquarters U.S. Central Command, MacDill AFB, Fla.
18. June 2006 - January 2008, Commander, 37th Training Wing, Lackland AFB, Texas
19. February 2008 - November 2009, Director of Force Management Policy, Deputy Chief of Staff for Manpower and Personnel, Headquarters U.S. Air Force, Washington, D.C.
20. November 2009 - December 2010, Commander, Air Force District of Washington, Andrews AFB, Md.
21. December 2010 - present, Deputy Chief of Staff, Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington DC

SUMMARY OF JOINT ASSIGNMENTS

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

MAJOR AWARDS AND DECORATIONS

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

OTHER ACHIEVEMENTS

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

EFFECTIVE DATES OF PROMOTION

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

DOCUMENTS SUBMITTED FOR THE RECORD

MARCH 17, 2011



Statement of
The Fleet Reserve Association
on
Military Personnel Policy, Benefits, and Compensation

Submitted to:
House Armed Services Committee
Subcommittee on Military Personnel

By

Master Chief Joseph L. Barnes, USN (Ret.)
National Executive Director
Fleet Reserve Association

March 17, 2011

THE FRA

The Fleet Reserve Association (FRA) is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Navy, Marine Corps, and Coast Guard. It is Congressionally Chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Secretary of the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the newly established FRA Education Foundation oversees the Association's scholarship program that presented awards totaling nearly \$120,000 to deserving students last year.

The Association is also a founding member of The Military Coalition (TMC), a 33-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

FRA's motto is: "Loyalty, Protection, and Service."

CERTIFICATION OF NON-RECEIPT OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

OVERVIEW

The Fleet Reserve Association (FRA) is an active participant and leading organization in The Military Coalition (TMC) and strongly supports the extensive recommendations addressed in the TMC testimony prepared for this hearing. The intent of this statement is to address other personnel issues of particular importance to FRA's membership and the Sea Services enlisted communities.

INTRODUCTION

Mr. Chairman, the Fleet Reserve Association salutes you, members of the Subcommittee, and your staff for the strong and unwavering support of programs essential to active duty, Reserve Component, and retired members of the uniformed services, their families, and survivors. The Subcommittee's work has greatly enhanced care and support for our wounded warriors, improved military pay, eliminated out-of-pocket housing expenses, improved health care, and enhanced other personnel, retirement and survivor programs. This support is critical in maintaining readiness and is invaluable to our uniformed services engaged throughout the world fighting the global War on Terror, sustaining other operational requirements and fulfilling commitments to those who've served in the past.

Concerns about a growing budget deficit, the reduction of troops in Iraq and a plan drawdown in Afghanistan are increasing pressure to slash the defense budget. However, the increased hostility on the Korean peninsula last November and the political instability in the Middle East reflect the fact that current and potential conflicts around the world require the military to be prepared not only in terms of new weapons systems but also with adequate personnel that are well trained and not stressed from continued deployments.

Our membership agrees with Chairman McKeon that "our troops not be used as a political football" and that Defense Authorization bills should be enacted before the start of the next fiscal year, especially during a time of war.

DEFENSE BUDGET

FRA supports a defense budget of *at least* 5 percent of GDP that will adequately fund both people and weapons programs. The current level of defense spending (4.7 percent including supplemental spending in FY 2010) is significantly lower than past wartime periods as a percentage of GDP and the Association is concerned that the Administration's five-year spending plan of one percent above inflation may not be enough for both people programs and weapon systems.

ACTIVE DUTY PAY

FRA appreciates that the military has been excluded from the pay freeze for federal employees announced by President Obama on November 29, 2010 and supports the proposed 1.6 percent pay increase that equals the 2010 Employment Cost Index (ECI). The United States however, is in the 10th year of war and there is no more vital morale issue for our current warriors than adequate pay.

A total of 92 percent of active duty personnel who responded to FRA's recent quality of life issues survey consider pay as "very important," which was the highest rating. The Association appreciates the strong support from this distinguished Subcommittee in reducing the 13.5 percent pay gap to 2.4 percent since 1999 and reiterates the fact that the ECI lags fifteen months behind the effect date of pay adjustments due to budget

preparation and associated Congressional action on annual authorizing and appropriations legislation. It should also be noted that the enacted FY 2011 1.4 percent pay increase and the proposed FY 2012 adjustment are equal the ECI, are the smallest pay increases in recent memory and do not further reduce the pay gap.

The Association recommends that this distinguished Subcommittee authorize an active duty pay increase at least equal to the ECI so as not to increase the pay gap between civilian and military pay.

END STRENGTHS

Sufficient end strengths for the military are vital for success in Afghanistan and to sustaining other operations vital to our National security. FRA is concerned about calls for reducing end strength in the out years to save money on the Defense budget while we are still engaged for almost 10 years of war in Iraq and Afghanistan. The strain of repeated deployments continues and is reflected in troubling stress-related statistics that include alarming suicide rates, prescription drug abuse, alcohol use and military divorce rates. These are also related to the adequacy of end strengths and the need for adequate dwell time between deployments – issues that have been repeatedly addressed in Congressional oversight hearings.

CONCURRENT RECEIPT

The Association regrets that the Administration failed to include concurrent receipt reform in its budget request as it has for the last two years, but strongly supports Chairman Wilson's bill (H.R. 186) that expands concurrent receipt for service members who were medically retired with less than 20 years of service (Chapter 61 retirees) and would be phased-in over five years. This proposal mirrors the Administration's proposal from the 110th Congress. In 2008, Congress voted to expand eligibility for Combat-Related Special Compensation (CRSC) coverage to Chapter 61 retirees and the proposed legislation would, in effect, extend eligibility for Concurrent Retirement and Disability Pay (CRDP) to all Chapter 61 retirees over five years.

FRA's recent survey indicates that nearly 70 percent of military retirees cite concurrent receipt as "very important." The Association also supports Rep. Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333) that would provide comprehensive concurrent receipt reform, and Rep. Gus Bilirakis' "Retired pay Restoration Act" (H.R. 303) that provides current receipt for retirees with a disability rating of 50 percent or less for retirees receiving CRDP.

USFSPA

FRA again urges Congress to take a serious look at the Uniformed Services Former Spouses Protection Act (USFSPA) with a goal of addressing inequities in the law and amending language therein to ensure that the Federal government is adequately

protecting service members against State courts that ignore provisions of poorly written law.

The USFSPA was enacted 29 years ago, the result of Congressional maneuvering that denied the opposition an opportunity to express its views in open public hearings. The last hearing, in 1999, was conducted by the House Veterans' Affairs Committee rather than the Armed Services Committee which has oversight authority for amending the law.

Few provisions of the USFSPA protect the rights of the service member, and none are enforceable by the Department of Justice or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language required for Justice or the Defense Department to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Some State courts also award a percentage of veterans' compensation to ex-spouses, a clear violation of U. S. law; yet, the Federal government does nothing to stop this.

Other provisions weigh heavily in favor of former spouses including divorce decrees in which the former spouse is awarded a percentage of the service member's retired pay which should be based on the member's pay grade at the time of the divorce - not at a higher grade that may be held upon retirement.

FRA believes that the Pentagon USFSPA study recommendations strike a balance providing needed improvements for the former spouse and service member and are a reasonable starting point for reform.

RESERVE EARLY RETIREMENT

The Reserve retirement age provision in the FY 2008 NDAA reduces the age requirement by three months for each cumulative 90-days ordered to active duty is effective upon the enactment of the legislation (January 28, 2008) and NOT retroactive to October 7, 2001. Accordingly the Association supports "The National Guardsmen and Reservists Parity for Patriots Act" (H.R. 181) sponsored by Chairman Wilson, to authorize Reservists mobilized since October 7, 2001, to receive credit in determining eligibility for receipt of early retired pay. Since September 11, 2001 the Reserve Component has changed from a strategic Reserve to an operational Reserve and the Association urges the Subcommittee to support this important legislation.

RETENTION OF FINAL FULL MONTH'S RETIRED PAY

FRA urges the Subcommittee to authorize the retention of the full final month's retired pay by the surviving spouse (or other designated survivor) of a military retiree for the month in which the member was alive for at least 24 hours. FRA strongly supports "The Military Retiree Survivor Comfort Act" (H.R. 493), introduced by Rep. Walter Jones.

Current regulations require survivors of deceased armed forces retirees to return any retirement payment received in the month the retiree passes away or any subsequent month thereafter. Upon the demise of a retired service member in receipt of military retired pay the surviving spouse is to notify the department of the death. Without consideration of the survivor's financial status, the Defense Finance and Accounting Service (DFAS) then stops payment on the retirement account, recalculates the final payment to cover only the days in the month the retiree was alive, forwards a check for those days to the surviving spouse (beneficiary) and, if not reported in a timely manner, recoups any payment(s) made covering periods subsequent to the retiree's death.

The measure is related to a similar Department of Veterans Affairs pay policy enacted by the in 1996 that allows a surviving spouse to retain the veteran's disability and VA pension payments issued for the month of the veteran's death. FRA believes military retired pay should be no different.

MILITARY RESALE SYSTEM

FRA strongly supports adequate funding for the Defense Commissary Agency (DeCA) to ensure access to the commissary benefit for all beneficiaries. As noted by Thomas T. Gordy, President of the Armed Forces Marketing Council, at a recent oversight hearing by the distinguished Subcommittee, "Since 2000, DeCA's budget has remained flat in real dollars, meaning they have done more with less for the past eleven years." He also reported that "With the \$1.31 billion DeCA received in 2010, it generated savings to military families in the amount of \$2.69 billion."

The Association also strongly supports the military exchange systems (AAFES, NEXCOM and MCX), and urges against revisiting the concept of consolidation. FRA instead urges a thorough review of the findings of an extensive and costly (\$17 million) multi-year study which found that this is not a cost-effective approach to running these important systems. The Association also supports an exemption for DeCA and the military exchange systems from a three percent contract withholding requirement mandated by Sec. 511 of the Tax Prevention and Reconciliation Act of 2005 that becomes effective on January 1, 2012. Unfortunately this law will have a negative impact on the military resale system and result in higher prices for products sold in commissaries and exchanges, significant new administrative requirements and reduced MWR dividends to support import programs on military bases. Accordingly, FRA urges this Subcommittee to support legislation addressing this issue sponsored by Chairman Wilson and Rep. Wally Herger.

FIT BUT NOT DEPLOYABLE

FRA appreciates the inclusion of Section 571 in the FY 2010 National Defense Authorization Act which addresses the discredited practice of finding a service member fit but non-deployable who is then given an administrative discharge without benefits. This provision requires approval by a Physical Evaluation Board (PEB) and requires the Secretary of Defense to make the final adjudication. The Association urges this subcommittee to provide continued oversight to ensure disabled service members are

adequately compensated for their injuries and illnesses incurred while serving their country.

PCS REFORM

A recent Navy Times poll indicates that nearly 41 percent of service members had more than one problem with their most recent permanent change of station move (PCS). FRA supports legislation sponsored by Sen. Mark Begich entitled "The Service Members Permanent Change of Station Relief Act" (S. 472) which would authorize reimbursement for shipping a second POV to Alaska, Hawaii and Guam; and increase PCS mileage rates from 24 to 51 cents per mile.

TRAVEL COST RE-IMBURSEMENT

FRA appreciates the FY 2008 NDAA provision (Section 631) that permits travel reimbursement for Reservist's weekend drills, not to exceed \$300, if the commute is outside the normal commuting distance. The Association urges the Subcommittee to make this a mandatory provision. This is a priority issue for many enlisted Reservists who must travel long distances to participate in weekend drills without reimbursement for travel costs. Providing this travel reimbursement would assist with retention and recruitment of Reservists – particularly during the current period of increased reliance on these personnel to sustain the war effort and other operational commitments.

FLEXIBLE SPENDING ACCOUNTS

Many military families need flexible spending accounts that are available to most civilian employees and to federal civilian workers. The accounts allow service members to invest their earnings that are matched dollar-for-dollar by the federal government up to a specific amount. DoD has authority to implement flexible spending accounts but has elected not done so which is why FRA supports legislation (H.R. 791) sponsored by Reps. Loretta Sanchez, Cathy McMorris Rogers, and Virginia Foxx; and Senate legislation (S. 387) sponsored by Sens. Barbara Boxer, Richard Burr, and Kristin Gillibrand. These proposals would mandate that DoD set up flexible spending accounts within six months after enactment and would require the Pentagon to study the feasibility of flexible spending accounts for the Reserve Component.

CONCLUSION

FRA is grateful for the opportunity to present these recommendations to this distinguished Subcommittee.

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T H E M I L I T A R Y C O A L I T I O N

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**STATEMENT OF
THE MILITARY COALITION (TMC)**

on

Military Personnel and Compensation Matters

**HOUSE ARMED SERVICES
SUBCOMMITTEE ON MILITARY PERSONNEL**

March 17, 2011

MR. CHAIRMAN AND DISTINGUISHED MEMBERS OF THE SUBCOMMITTEE. On behalf of The Military Coalition (TMC), a consortium of nationally prominent uniformed services and veterans' organizations, we are grateful to the committee for this opportunity to express our views concerning personnel and compensation issues affecting the uniformed services community. This testimony provides the collective views of the following military and veterans' organizations, which represent approximately 5.5 million current and former members of the seven uniformed services, plus their families and survivors.

Air Force Association
 Air Force Sergeants Association
 Air Force Women Officers Associated
 AMVETS (American Veterans)
 Army Aviation Association of America
 Association of Military Surgeons of the United States
 Association of the United States Army
 Association of the United States Navy
 Chief Warrant Officer and Warrant Officer Association, U.S. Coast Guard
 Commissioned Officers Association of the U.S. Public Health Service, Inc.
 Enlisted Association of the National Guard of the United States
 Fleet Reserve Association
 Gold Star Wives of America, Inc.
 Iraq and Afghanistan Veterans of America
 Jewish War Veterans of the United States of America
 Marine Corps League
 Marine Corps Reserve Association
 Military Chaplains Association of the United States of America
 Military Officers Association of America
 Military Order of the Purple Heart
 National Association for Uniformed Services
 National Guard Association of the United States
 National Military Family Association
 Naval Enlisted Reserve Association
 Non Commissioned Officers Association
 Reserve Enlisted Association
 Reserve Officers Association
 Society of Medical Consultants to the Armed Forces
 The Retired Enlisted Association
 United States Army Warrant Officers Association
 United States Coast Guard Chief Petty Officers Association
 Veterans of Foreign Wars of the United States

The Military Coalition, Inc. does not receive any grants or contracts from the federal government.

*Executive Summary**Deficit Reduction Proposals*

Cost-of-Living Adjustments (COLAs) -- A top Coalition priority is to guard against any discriminatory treatment of retired members of the uniformed services compared to other Federal COLA-eligibles and to ensure continued fulfillment of congressional COLA intent "to provide every military retired member the same purchasing power of the retired pay to which he was entitled at the time of retirement [and ensure it is] not, at any time in the future...eroded by subsequent increases in consumer prices."

Military Pay -- The Coalition urges against short-sighted proposals to freeze or cap uniformed services pay raises below private sector pay growth, and recommends a 2012 raise of at least 1.6% to match Employment Cost Index (ECI) growth.

Military Retirement -- The Coalition strongly opposes initiatives that would "civilianize" the military retirement system and inadequately recognize the unique and extraordinary demands and sacrifices inherent in a military career.

Reducing incentives for serving arduous careers of 20 years or more can only undermine long-term retention and readiness, with particularly adverse effects in times of war. Simultaneously increasing compensation for those who leave short of fulfilling a career would only compound those adverse effects.

DoD Schools -- The Coalition opposes closing or curtailing DoD dependent schools based primarily on budget concerns. The need for the schools should continue to be evaluated based on the capacity of local school districts to provide quality educational opportunities for military students.

Consolidation of DoD Retail Operations -- The Coalition supports continuing efforts to improve commissary and exchange program efficiency, but objects to initiatives that reduce benefit value for patrons and the associated retention value for the uniformed services.

Active Forces and Their Families

End Strength -- The Coalition urges the Subcommittee to:

- Sustain or increase end strength as needed to sustain the war and other operational requirements and enhance dwell time for servicemembers and families; and
- Sustain adequate recruiting and retention resources to enable the uniformed services to achieve required optimum-quality personnel strength.

Family Readiness and Support -- The Coalition recommends that the Subcommittee:

- Encourage DoD to assess the effectiveness of programs and support mechanisms designed to assist military members and their families with deployment readiness, responsiveness, and reintegration.
- Fully fund effective programs and ensure their costs are included in the annual budget process.
- Expand child care availability and funding to meet the needs of the total force uniformed services community.

- Monitor and continue to expand family access to mental health counseling.
- Promote expanded opportunities for military spouses to further educational and career goals, such as the My Career Advancement Account (MyCAA) program.
- Promote implementation of flexible spending accounts to enable military families to pay health care and child care expenses with pre-tax dollars.

Permanent Change-of-Station (PCS) Allowances -- The Coalition recommends the Subcommittee:

- Authorize shipment of a second privately-owned vehicle at government expense to Alaska, Hawaii, and U.S. territories.
- Authorize reimbursement of house-hunting expenses, as is done for federal civilians.
- Authorize payment of a dislocation allowance to service members making their final change of station upon retirement from the uniformed services.
- Increase PCS mileage rates to more accurately reflect actual transportation costs.
- Further modify the PCS weight allowance tables for personnel in pay grades E-7, E-8, and E-9 to coincide with allowances for officers in grades O-4, O-5, and O-6 respectively. The allowance for a senior E-9 enlisted leader without dependents remains the same as for a single O-3, despite the normal accumulation of household goods over the course of a career.

National Guard and Reserve

Operational Reserve Retention and Retirement Reform – TMC recommends:

- Authorizing early retirement credit to all Guard and Reserve members who have served active duty tours of at least 90 days, retroactive to September 11, 2001.
- Eliminating the fiscal year limitation which effectively denies full early retirement credit for active duty tours that span the Oct 1 start date of a fiscal year.
- Modernizing the reserve retirement system to incentivize continued service beyond 20 years and provide fair recognition of increased requirements for active duty service.

Yellow Ribbon Reintegration Program – The Military Coalition urges the Subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration and consistency of Yellow Ribbon services between states.

Reserve Compensation System – TMC recommends:

- Crediting all inactive duty training points earned annually toward reserve retirement.
- Parity in special incentive pay for career enlisted/officer special aviation incentive pay, diving special duty pay, and pro-pay for reserve component medical professionals.
- Authorizing recalculation of retirement points after 1 year of mobilization. A recent law change allowed certain flag and general officers to recalculate retirement pay after one year of mobilization. TMC believes this opportunity should be made available to all ranks.

Guard/Reserve GI Bill – TMC recommends:

- Restoring basic reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47-50% of active duty benefits.
- Integrating reserve and active duty MGIB laws in Title 38.
- Enacting academic protections for mobilized Guard and Reserve students including refund guarantees and exemption of Federal student loan payments during activation.

Family Support Programs – TMC recommends:

- Ensuring programs are in place to meet the special information and support needs of families of individual augmentees or those who are geographically dispersed.
- Funding joint programs among military and community leaders to support service members and families during all phases of deployments.
- Providing preventive counseling services for service members and families and training so they know when to seek professional help related to their circumstances.
- Authorizing and funding child care, including respite care, family readiness group meetings and drill time.
- Improving the joint family readiness program to facilitate understanding and sharing of information between all family members.

Retiree Issues

Concurrent Receipt – The Coalition’s continuing goal is to fully eliminate the deduction of VA disability compensation from earned military retired pay for all disabled retirees. In pursuit of that goal, the Coalition’s immediate priorities include:

- Phasing out the VA disability offset for all chapter 61 (disability) retirees, as previously endorsed by the President and the Subcommittee;
- Clarifying the law to resolve technical disparities that inadvertently cause underpayment of certain eligibles for Combat Related Special Compensation (CRSC); and,
- Clarifying the law to ensure a disabled retiree’s CRSC payment is not reduced when the retiree’s VA disability rating increases, until the retiree is afforded the opportunity to elect between CRSC or CRDP.

Disability Severance Pay – The Coalition recommends:

- Further expanding eligibility to include all combat-related injuries, using the same definition as CRSC; and ultimately
- Expanding eligibility to include all service-connected disabilities, consistent with TMC view that there should not be a distinction between the treatment of members disabled in combat vice members with non-combat, service-caused disabilities.

Former Spouse Issues – The Coalition supports legislative action to:

- Base the award amount to the former spouse on the grade and years of service of the member at time of divorce (not time of retirement);
- Prohibit the award of imputed income while on active duty, which effectively forces active duty members into retirement;
- Extend 20/20/20 benefits to 20/20/15 former spouses;
- Permit the designation of multiple Survivor Benefit Plan (SBP) beneficiaries with the presumption that SBP benefits must be proportionate to the allocation of retired pay;
- Eliminate the "10-year Rule" for the direct payment of retired pay allocations by the Defense Finance and Accounting Service (DFAS);
- Permit SBP premiums to be withheld from the former spouse's share of retired pay if directed by court order;
- Permit a former spouse to waive SBP coverage;

- Repeal the one-year deemed election requirement for SBP; and
- Assist DoD and Services with greater outreach and expanded awareness to members and former spouses of their rights, responsibilities, and benefits upon divorce.

Survivor Issues

SBP-DIC Offset – The Coalition recommends:

- Repeal of the SBP-DIC offset.
- Reinstating SBP for survivors who previously transferred payments to children when the youngest child attains majority, or upon termination of a remarriage.
- Allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.

Special Needs Trust – The Coalition recommends authorizing payment of SBP annuities for disabled survivors into a Special Needs Trust.

Final Retired Pay Check – TMC recommends authorizing survivors of retired members to retain the final month's retired pay for the month in which the retiree dies, as VA survivors are allowed to retain a disabled veteran's final-month disability pay check.

Morale, Welfare and Recreation and Quality of Life Programs

TMC urges the Subcommittee to:

- Seek report updates from DoD and the Services to ensure delivery of needed MWR and quality of life program support at gaining and losing locations affected by BRAC and rebasing.
- Direct DoD to report to Congress on all DoD and Service active and reserve component MWR Category A, B, and C Programs and Family Support/Readiness (Quality of Life [QoL] Programs), including the Yellow Ribbon Program.
- Protect recreational and alternative therapy programs that integrate MWR, fitness and other quality of life programs and infrastructure to facilitate warrior treatment and care and to promote psychological health and welfare of troops and their families.

Military Construction

The Coalition recommends the Subcommittee:

- Support military construction projects that modernize or replace the following infrastructure to meet increased personnel and operational deployment requirements:
 - child development centers (CDCs) and youth centers;
 - defense schools;
 - bachelor and family housing; and,
 - other traditional QoL program facilities.
- Encourage full funding of military housing repair and maintenance accounts to reduce backlogs and provide for safe, well-maintained housing units.
- Ensure that military housing privatization initiatives meet expected DoD-Service outcome goals and positively impact servicemember and family needs.

- Support a Health Facilities Program that modernizes or replaces Military Treatment Facilities (MTFs) and supports world-class health care delivery capability and capacity for all eligible beneficiaries.
- Ensure MWR, Milcon, housing, and family support construction policies and projects improve access for persons with disabilities.

Overview

Mr. Chairman, The Military Coalition extends our thanks to you and the entire Subcommittee for your strong support of our active duty, Guard, Reserve, retired members, and veterans of the uniformed services and their families and survivors. Your efforts have had a significant and positive impact in the lives of the entire uniformed services community.

This past year was extremely arduous, with service members still at war on two separate fronts in southwest Asia and the nation slowly recovering from the recent economic crisis. Congress and the Administration have had difficult choices to make as they attempted to stimulate the economy while facing record-breaking budget deficits.

We are grateful that both the Defense Department and Congress placed top priority on personnel issues last year. As we enter the tenth year of intense wartime operations, the Coalition believes that this prioritization should continue for FY2012.

Despite the extraordinary demands, men and women in uniform are still answering the call – thanks in no small measure to the Subcommittee’s strong and consistent support – but only at the cost of ever-greater sacrifices.

Dramatic increases in suicide rates reflect the long-term effects of requiring the same people to return to combat again and again – and yet again.

In these times of growing political and economic pressures, the Coalition relies on the continued good judgment of the Armed Services Committees to ensure the Nation allocates the required resources to sustain a strong national defense, and in particular, to properly meet the pressing needs of the less than one percent of the American population – service members and their families – who protect the freedoms of the 99 percent.

In this testimony, The Coalition offers our collective recommendations on what needs to be done to meet these essential needs.

Deficit Reduction Proposals

The National Commission on Fiscal Responsibility and Reform and several less publicized deficit-reduction panels have proposed a wide range of spending cuts, including proposed cutbacks in federal cost of living adjustments (COLAs); defense spending, including military pay and retirement; and federal health care programs, including TRICARE and TRICARE for Life.

The Coalition agrees with the fiscal commission’s key premise: “America cannot be great if we go broke.” The rapidly growing debt problem facing our country is all too real, and there is no easy fix. Solving this problem for the long term will involve shared pain by all Americans.

Congress has improved retention and readiness by addressing a number of quality of life issues for the military community over the last decade, authorizing TRICARE For Life and TRICARE Senior Pharmacy coverage, establishing concurrent receipt for most severely disabled and combat-disabled

retirees, improving pay and allowances for currently serving personnel, upgrading health coverage for the Guard and Reserve community, passing major GI Bill improvements, and eliminating the age-62 Survivor Benefit Plan reduction for military widows, among other important initiatives.

Now, ironically, critics decry the growth in personnel and health care spending since 2000. To put that in context, it's important to recall that there were compelling reasons why all of those changes needed to be enacted.

Twelve years ago, military leaders were complaining of retention problems as decades of pay raise caps had depressed military pay nearly 14 percent below private sector pay. Military retirees and their spouses were being unceremoniously dumped from military health coverage at age 65 and all disabled retirees were forced to fund their own VA disability compensation from their service-earned retired pay. Survivor Benefit Program (SBP) widows suffered a 34-percent benefit cut at age 62, and GI Bill benefits had eroded dramatically, among many other challenges.

Congress' actions to address those problems were spurred in no small part by national concern to protect the interests of military people whose severe and extended wartime sacrifices have been highlighted on every front page and every evening newscast for nearly a decade.

A more extended view of history demonstrates that public and congressional support for protecting military people programs can fade quickly in times of strained budgets or when a period of extended military conflict is (or is expected to be) coming to an end. That was true in the 1940s, '50s, '70s, '80s and '90s.

As Congress assesses how to fairly allocate necessary sacrifices among the various segments of the population, the Coalition urges that you bear in mind that:

- Assertions about personnel and health cost growth since 2000 are highly misleading, because 2000 is not an appropriate baseline for comparison. As mentioned above, that was the nadir of the erosion of benefits era, when military pay was nearly 14% below private sector pay, currently serving members had suffered a major retirement cutback, older retirees and their families were being jettisoned from any military health coverage, disabled retirees and survivors were suffering dramatic financial penalties, and retention and readiness were suffering as a result. Congressional action (and spending) to fix those problems was a necessary thing, not a bad thing.
- No segment of the population has been called upon for more sacrifice than the military community. Currently serving military members have been asked to bear 100% of our nation's wartime sacrifice while the broader population was asked to contribute to the war effort by "going shopping."
- Retired servicemembers, their families and survivors also have been no stranger to sacrifice. Hundreds of thousands of today's retirees served in multiple wars, including Iraq and Afghanistan, Gulf War I, Vietnam, Korea, and WWII eras, and the multiple conflicts and cold wars in between. Older retirees endured years when the government provided them no military health coverage, and those under 65 already have forfeited an average 10% of earned retired pay because they retired under pay tables that were depressed by decades of capping military pay raises below private sector pay growth.

- There is a readiness element to military compensation decisions beyond the budgetary element. Regardless of good or bad budget times, a military career is a unique and arduous calling that cannot be equated to civilian employment. Sufficient numbers of high-quality personnel will choose to pursue a career in uniform only if they perceive that the extreme commitment demanded of them is reciprocated by a grateful nation, and the unique rewards for completing such a career are commensurate with the unique burden of sacrifice that they and their families are required to accept over the course of it.
- Military members' and families' sacrifices must not be taken for granted by assuming they will continue to serve and endure regardless of significant changes in their career incentive package.
- History shows clearly that there are unacceptable retention and readiness consequences for short-sighted budget decisions that cause servicemembers to believe their steadfast commitment to protecting their nation's interests is poorly reciprocated.

Cost-of-Living Adjustments (COLAs)

The Fiscal Commission has proposed adjusting the Consumer Price Index (CPI) methodology to the so-called "chained CPI" calculation as a means of holding down COLA growth for military and federal civilian retired pay, Social Security and all other federal annuities over time.

Proponents of the chained CPI say it more accurately reflects changes in annuitants' cost of living by recognizing that their purchasing behavior changes as prices change. If the price of beef rises, for example, consumers may purchase more chicken and less beef.

The real issue with the chained CPI is whether one is measuring changes in prices or changes in quality of life. If one continues the logical progression of the argument, consumers might find themselves substituting hot dogs or pasta for chicken, etc.

The Bureau of Labor Statistics has estimated that implementation of the chained CPI would depress COLAs by about one-quarter of a percentage point per year.

The DoD actuary estimates that inflation will average 3 percent per year over the long term.

Using those two estimates, applying chained-CPI COLAs for a servicemember retiring at age 42 would yield about 10 percent less in his or her retired pay check at age 80 relative to the current COLA system.

Some members of the deficit commission previously have proposed delaying any COLAs on military retired pay until age 60 or later, barring COLAs on annuity levels above some set dollar amount, or reducing the CPI by one-half percent or a full percentage point per year.

The Coalition believes such initiatives would constitute a major breach of faith with military people and constitute a grossly disproportional penalty.

COLAs are particularly important to military retirees, disabled retirees, and survivors because they start drawing their annuities at younger ages than most other COLA-eligibles and thus experience the compounding effects over a greater number of years. To the extent that COLAs fail to keep up with living costs, real purchasing power continues to decline ever more dramatically as long as one lives.

A top Coalition priority is to guard against any discriminatory treatment of retired members of the uniformed services compared to other Federal COLA-eligibles and to ensure continued fulfillment of congressional COLA intent "to provide every military retired member the same purchasing power of the retired pay to which he was entitled at the time of retirement [and ensure it is] not, at any time in the future...eroded by subsequent increases in consumer prices."

Military Pay

The Fiscal Commission's co-chairs proposed freezing "non-combat" military pay and allowances for three years.

The Coalition is grateful that the President exempted the uniformed services community from the FY2011 federal pay freeze, and thanks the Subcommittee for its consistent commitment to restoring and sustaining pay comparability with the private sector – a fundamental underpinning of the All-Volunteer Force.

History has shown that capping military raises is a slippery slope that has never ended well.

Throughout the 1980s and '90s, military pay raises were consistently capped below private sector pay growth, causing a "pay comparability gap" which reached 13.5% in 1998-99, and contributed significantly to serious retention problems.

Congress has made great strides in the intervening years paring the gap by approving military raises that have been at least .5% above private sector pay growth.

Now that significant progress has been made and the "erosion of pay and benefits" retention-related problems have abated, some have renewed calls to cut back on military raises, create a new comparability standard, or substitute more bonuses for pay raises in the interests of deficit reduction.

The Defense Department is advocating a new comparability standard under which each pay and longevity cell would represent the 70th percentile of compensation for similarly-educated civilians. A 2010 Congressional Budget Office report asserted that, considering adjustments in housing allowances, military people actually are paid 10% more than their civilian counterparts in terms of Regular Military Compensation (RMC), composed of basic pay, food and housing allowances, and the tax advantage that accrues because the allowances are tax-free.

The Coalition believes these assertions are fundamentally flawed.

First, the RMC concept was developed in the 1960s, when all servicemembers received the same allowances, regardless of location, and the allowances were arbitrary figures that weren't actually based

on anything. In the interim, Congress has transformed the allowances into reimbursements for actual food costs and median locality-based housing costs.

If one were to use the RMC comparability methodology in this scenario, basic pay – the largest element of military compensation and the one that drives retired pay – would become a “flex” compensation element. With tax rates and allowances figures set independently, a year in which average housing allowances rose (e.g., based on growth in high-cost areas) and taxes increased could actually yield a requirement to cut basic pay (and future retirement value) to restore comparability.

Second, the Coalition is not convinced that the civilian comparison cohort or percentile comparison points proposed by DoD are the proper ones, given that the military:

- Recruits from the top half of the civilian aptitude population;
- Finds that only about 25% of America’s youth qualify for entry;
- Requires career-long education and training advancement; and
- Enforces a competitive “up-or-out” promotion system to ensure progressive quality enhancements among those with longer service.

A fundamental requirement for any pay comparability standard is that it should be transparent and understandable. The Coalition has asked for, but has never been provided by DoD, any data on what civilian comparison cohort was selected and why, and what rationale was used to establish a specific percentile comparison point.

Third, the Coalition believes it is essential to recognize that compensation is not simply the amount one is paid. It is pay divided by what’s required of the recipient to earn that pay. If we increase pay 25% but require 100% more sacrifice to earn it, that’s not a pay raise.

In that context, today’s conditions of service are far more arduous than anything envisioned 40 years ago by the creators of the all-volunteer force, who believed a protracted war would require reinstatement of the draft.

The Coalition agrees with the approach the Subcommittee has consistently taken – that the best comparability measure is a comparison of the military basic pay raise percentage with the percentage growth private sector pay, as measured by the Bureau of Labor Statistics’ Employment Cost Index (ECI).

The government uses the ECI for every other measure of private pay growth, and it’s very transparent to government leaders and servicemembers alike.

The statutory ECI-based pay raise for 2012 is 1.6% – the second-smallest raise in nearly 50 years, exceeding only the 1.4% raise for 2011. The Coalition believes this is the least a grateful nation should do to acknowledge the continuing, extraordinary wartime sacrifices of currently serving members and families.

The Coalition urges against short-sighted proposals to freeze or cap uniformed services pay raises below private sector pay growth, and recommends a 2012 raise of at least 1.6% to match ECI growth.

Military Retirement

Although the Deficit Commission did not make specific recommendations to revamp the uniformed services retirement system, they did recommend creating yet another commission to develop initiatives aimed at bringing military retirement “more in line with standard practices from the private sector.”

The Coalition’s experience is that such efforts to “civilianize” the military retirement program and wring budget savings from it pose a significant threat to long-term retention and readiness by decreasing the attractiveness of serving for two or three decades in uniform, with all of the extraordinary demands and sacrifice inherent in such extended career service.

Too often, critics ignore the reality that uniformed service is fundamentally different from civilian employment, and a unique package of powerful incentives is essential to induce top-quality people to serve for 20 to 30 years under conditions the majority of Americans are unwilling to endure even for one term of service.

In this regard, the deficit commission suggests changes such as those recommended by the 10th Quadrennial Review of Military Compensation (QRMC), which the Coalition believes fail utterly to recognize the fundamental purpose of the military retirement system in offsetting service conditions that are radically more severe than those experienced by the civilian workforce.

The QRMC proposed converting the military retirement system to a civilian-style plan under which full retired pay wouldn’t be paid until age 57-60; vesting retirement benefits after 10 years of service; and using flexible “gate pays” and separation pay at certain points of service to encourage continued service in certain age groups or skills and encourage others to leave, depending on service needs for certain kinds of people at the time.

Reduced to its essence, this plan would take money from people who stay for a career in order to pay additional benefits to those who leave the military short of a career.

If this system were in place today, a 10-year infantryman facing his or her fourth combat tour would be offered a choice between (a) allowing immediate departure with a vested retirement vs. (b) continuing under current service conditions for another 10-20 years and having to wait until age 57 for immediate retired pay.

The Coalition believes strongly that, if such a system existed for today’s force under today’s service conditions, the military services would already be mired in a deep and traumatic retention crisis.

Further, the QRMC proposal is so complicated that people evaluating career decisions at the 4-to-10 year point would have no way to project their future military retirement benefits. Gate pays available at the beginning of a career could be cut back radically if the force happened to be undergoing a strength reduction later in a member’s career.

In contrast, the current military retirement system makes it very clear from the pay table what level of retired pay would be payable, depending how long one served and how well one progressed in grade.

The sustained drawing power of the 20-year retirement system provides an essential long-term moderating influence that keeps force managers from over-reacting to short-term circumstances. Had force planners had such a system in effect during the drawdown-oriented 1990s, the services would have been far less prepared for the post-9/11 wartime environment.

Many such proposals have been offered in the past, and have been discarded for good reasons. The only initiative to substantially curtail/delay military retired pay that was actually enacted – the 1986 REDUX law – had to be repealed 13 years later after it was demonstrated to inhibit retention.

The Coalition strongly opposes initiatives that would “civilianize” the military retirement system and inadequately recognize the unique and extraordinary demands and sacrifices inherent in a military career.

Reducing incentives for serving arduous careers of 20 years or more can only undermine long-term retention and readiness, with particularly adverse effects in times of war. Simultaneously increasing compensation for those who choose to leave short of fulfilling a career would only compound those adverse effects.

DoD Schools

Last November, the plan endorsed by Fiscal Commission Co-Chairs Simpson and Bowles recommended closing DoD Dependent and Domestic Elementary and Secondary Schools (DDESS) and integrating the serviced children into local school districts to secure savings estimated at \$1.1 billion by 2015.

DDESS operates some 64 schools on 16 installations and services more than 26,000 students of military service members as well as DoD civilian employees.

The schools are provided at locations where civilian schools have been deemed inadequate to meet the needs of military students.

The Coalition opposes closing or curtailing DoD dependent schools based primarily on budget concerns. The need for the schools should continue to be evaluated based on the capacity of local school districts to provide quality educational opportunities for military students.

Consolidation of Commissaries and Exchanges

In November, the plan endorsed by Fiscal Commission Co-Chairs Simpson and Bowles recommended consolidating all DoD retail activities and raising prices in those facilities to achieve expected savings of \$800M by 2015.

The Coalition has supported multiple previous initiatives to improve retail program efficiencies while recognizing there are unique service needs to be accommodated as well in operations of the exchange and MWR systems. Creation of the Defense Commissary Agency and consolidation of some “back room” functions among the service exchanges have been productive.

The key to the Coalition has been that the benefit to store patrons should not be reduced. Several past efforts to reduce the commissary subsidy have been rejected because they failed to recognize the extraordinary benefit value of this key program, which delivers several dollars in savings to patrons for each dollar of the federal subsidy. That's a very powerful "benefit bang for the federal buck."

Raising store prices can only lead to a counterproductive spiral of reduced benefit value, lower patronage, and eventual undermining of one of the Defense Department's most cost-effective benefit programs.

The Coalition supports continuing efforts to improve commissary and exchange program efficiency, but objects to initiatives that reduce benefit value for patrons and the associated retention value for the uniformed services.

Active Forces and Their Families

In our overview, the Coalition expressed our collective concern over the stressors our service members and their families are experiencing due to the long, repeated deployments and unrelenting operations tempo. In order to sustain a sufficient, highly trained and highly capable active force, the continuing overriding requirement is to find additional ways to ease the terrible burden of stress on servicemembers and their families.

Military End Strength – Increased end strength is the only effective way to reduce stress on forces and families as long as deployment requirements not only continue, but actually increase.

The creators of the all-volunteer force never envisioned that the force would be deployed into combat one year out of three – let alone every other year, as has been the case with many ground units.

Regrettably, the scenario faced by today's forces is not unlike the World War II "Catch-22" situation described by Joseph Heller, in which aircrews braving horrendous enemy flak had their wartime mission requirements increased again and again, until they perceived that the sacrifices being demanded of them would never end.

Unfortunately, many in government and among the public seem to have become desensitized to the truly terrible sacrifices that the current mismatch between missions and force levels has already imposed on those in uniform. They acknowledge the problem, but most assume that servicemembers and families will simply continue to accept these – or even greater – levels of sacrifice indefinitely.

Many point to the achievement of service recruiting and retention goals as indicators that all is well.

Such perceptions grossly underestimate the current stresses on the force and the risk that poses for readiness and national security. The Coalition believes any complacency about retention is sadly misplaced, and that the status of the current force should be viewed in the context of a rubber band that has been stretched to its limit. The fact that it has not yet broken is of little comfort.

Well-respected studies have shown that 20 to 30 percent of combat returnees have experienced PTSD, TBI, or depression, and that the likelihood of a servicemember returning as a changed person rises with

each subsequent deployment. Other studies have shown that rising cumulative family separations are having significant negative effects on servicemembers' children.

These are not mere academic exercises. They are hard facts of life to those actually experiencing them.

A far truer, and truly tragic, indicator of these extremely troubling circumstances has been the significant rise in servicemembers' suicide rates.

So the Coalition is very grateful for the subcommittee's support for end strength increases for all services in the FY2010 Defense Authorization Act, and for fending off the efforts of those who proposed cutting force levels to fund hardware needs.

But we must not understate the reality that the increases approved to date will not significantly improve dwell time for military families anytime in the near future, given increasing operational requirements in Afghanistan, and recurring demands for humanitarian relief for natural and other disasters around the globe, whether in foreign lands or on home soil.

The Coalition urges the Subcommittee to:

- *Sustain or increase end strength as needed to sustain the war and other operational requirements and enhance dwell time for servicemembers and families; and*
- *Sustain adequate recruiting and retention resources to enable the uniformed services to achieve required optimum-quality personnel strength.*

Family Readiness and Support – A fully funded, robust family readiness program continues to be crucial to overall readiness of our military, especially with the demands of frequent and extended deployments.

Resource issues continue to plague basic installation support programs. At a time when families are dealing with increased deployments, they often are being asked to do without in other important areas. We are grateful that the Subcommittee included a provision in last year's defense bill that will help improve family readiness and support through greater outreach. The Department's establishment of a comprehensive benefits website for servicemembers and their families will help provide virtual assistance regardless of their physical proximity to installation-supported networks.

Additionally, we urge the Subcommittee to continue to press the Defense Department to exercise their authority to establish flexible spending accounts (FSAs) for servicemembers so they can participate in the same pre-tax program available to all other federal employees for their out-of-pocket health and dependent care expenses.

Quality education is a top priority for military families. Servicemembers are assigned all across the United States and the world. Providing appropriate and timely funding of Impact Aid through the Department of Education is critical to ensuring quality education military children deserve, regardless of where they live.

The Coalition recommends that the Subcommittee:

- *Encourage DoD to assess the effectiveness of programs and support mechanisms designed to assist military members and their families with deployment readiness, responsiveness, and reintegration.*
- *Fully fund effective programs and ensure their costs are included in the annual budget process.*
- *Expand child care availability and funding to meet the needs of the total force uniformed services community.*
- *Monitor and continue to expand family access to mental health counseling.*
- *Promote expanded opportunities for military spouses to further educational and career goals, such as the My Career Advancement Account (MyCAA) program.*
- *Promote implementation of flexible spending accounts to enable military families to pay health care and child care expenses with pre-tax dollars.*

Permanent Change of Station (PCS) Allowances – It’s an unfortunate fact that servicemembers and their families are forced to incur significant out-of-pocket expenses when complying with government-directed moves.

For example, the current Monetary Allowance in Lieu of Transportation (MALT) rate used for PCS moves still fall significantly short of meeting members’ actual travel costs. The current rate of 24 cents per mile is less than half the 51 cents per mile authorized for temporary duty travel. Also, military members must make any advance house-hunting trips at personal expense, without any government reimbursements such as federal civilians receive.

DoD states that the MALT rate was not intended to reimburse servicemembers for travel by automobile, but simply a payment in lieu of providing transportation in-kind.

The Coalition believes strongly that the MALT concept is an outdated one, having been designed for a conscripted, single, non-mobile force.

Travel reimbursements should be adjusted to reflect the reality that today’s all-volunteer servicemembers do, in fact, own cars and that it is unreasonable not to reimburse them for the cost of driving to their next duty stations in conjunction with PCS orders.

Simply put, PCS travel is no less government-ordered than is TDY travel, and there is simply no justification for paying less than half the TDY travel rate when personal vehicle use is essential.

Additionally, the government should acknowledge that reassigning married servicemembers within the United States (including overseas locations) usually requires relocation of two personal vehicles. In that regard, the overwhelming majority of service families consist of two working spouses, making two privately owned vehicles a necessity. Yet the military pays for shipment of only one vehicle on overseas

moves, including moves to Hawaii and Alaska, which forces relocating families into large out-of-pocket expenses, either by shipping a second vehicle at their own expense or selling one car before leaving the states and buying another upon arrival.

At a minimum, the Coalition believes military families being relocated to Alaska, Hawaii, and U.S. territories should be authorized to ship a second personal vehicle, as the Subcommittee has rightly supported in the past.

The Coalition recommends the Subcommittee:

- *Further modify the PCS weight allowance tables for personnel in pay grades E-7, E-8, and E-9 to coincide with allowances for officers in grades O-4, O-5, and O-6 respectively. While these allowances were increased slightly in the FY 2010 NDAA for E-5 through E-9 personnel, the personal property weight for a senior E-9 enlisted leader without dependents remains the same as for a single O-3, despite the normal accumulation of household goods over the course of a career.*
- *Authorize shipment of a second privately-owned vehicle at government expense to Alaska, Hawaii, and U.S. territories.*
- *Authorize reimbursement of house-hunting expenses commensurate with programs now supporting federal civilian personnel.*
- *Authorize payment of a dislocation allowance to service members making their final change of station upon retirement from the uniformed services.*
- *Increase PCS mileage rates to more accurately reflect actual transportation costs.*

National Guard and Reserve

Over 91,000 Guard and Reserve service men and women are serving on active duty (as of January 2011).

Since Sept. 11, 2001, more than 793,853 Guard and Reserve service members have been called up, including over 250,000 who have served multiple tours. There is no precedent in American history for this sustained reliance on citizen-soldiers and their families. To their credit, Guard and Reserve combat veterans continue to reenlist, but the ongoing pace of routine, recurring activations and deployments cannot be sustained indefinitely.

Guard and Reserve members and families face unique challenges in their readjustment following active duty service. Unlike active duty personnel, many Guard and Reserve members return to employers who question their contributions in the civilian workplace, especially as multiple deployments have become the norm. Many Guard-Reserve troops return with varying degrees of combat-related injuries and stress disorders, and encounter additional difficulties after they return that can cost them their jobs, careers and families.

Despite the continuing efforts of the Services and Congress, most Guard and Reserve families do not have access to the same level of counseling and support that active duty members have. In short, the Reserve components face increasing challenges virtually across the board, including major equipment shortages, end-strength requirements, wounded-warrior health care, and pre- and post-deployment assistance and counseling.

Operational Reserve Retention and Retirement Reform – Congress took the first step in modernizing the reserve compensation system with enactment of early retirement eligibility for certain reservists activated for at least 90 continuous days served since January 28, 2008. This change validates the principle that compensation should keep pace with service expectations and serve as an inducement to retention and sustainment of the operational reserve force.

Guard/Reserve mission increases and a smaller active duty force mean Guard/Reserve members must devote a much more substantial portion of their working lives to military service than ever envisioned when the current retirement system was developed in 1948.

Repeated, extended activations make it more difficult to sustain a full civilian career and impede Reservists' ability to build a full civilian retirement, 401(k), etc. Regardless of statutory protections, periodic long-term absences from the civilian workplace can only limit Guard/Reserve members' upward mobility, employability and financial security. Further, strengthening the reserve retirement system will serve as an incentive to retaining critical mid-career officers and NCOs for continued service and thereby enhance readiness.

As a minimum, the next step in modernizing the reserve retirement system is to provide equal retirement-age-reduction credit for all activated service rendered since Sept. 11, 2001. The current law that credits only active service since January 28, 2008 disenfranchises and devalues the service of hundreds of thousands of Guard/Reserve members who served combat tours (multiple tours, in thousands of cases) between 2001 and 2008.

The statute also must be amended to eliminate the inequity inherent in the current fiscal year retirement calculation, which only credits 90 days of active service for early retirement purposes if it occurs within the same fiscal year. The current rule significantly penalizes members who deploy in July or August vs. those deploying earlier in the fiscal year.

It is patently unfair, as the current law requires, to give three months retirement age credit for a 90-day tour served from January through March, but only half credit for a 120-day tour served from August through November (because the latter covers 60 days in each of two fiscal years).

In addition, the law-change authorizing early reserve retirement credit for qualifying active duty served after 28 Jan 2008 severed eligibility for TRICARE coverage until the reservist reaches age 60.

TMC recommends:

- ***Authorizing early retirement credit to all Guard and Reserve members who have served on active duty tours of at least 90 days retroactive to September 11, 2001.***

- *Eliminating the fiscal year limitation which effectively denies full early retirement credit for active duty tours that span the Oct 1 start date of a fiscal year.*
- *Modernizing the reserve retirement system to incentivize continued service beyond 20 years and provide fair recognition of increased requirements for active duty service.*

Yellow Ribbon Reintegration Program – Congress has provided increased resources to support the transition of warrior-citizens back into the community. But program execution remains spotty from state to state and falls short for returning Federal Reserve warriors in widely dispersed regional commands. Military and civilian leaders at all levels must improve the coordination and delivery of services for the entire operational reserve force. Many communities are eager to provide support and do it well. But Yellow Ribbon efforts in a number of locations amount to little more than PowerPoint slides and little or no actual implementation.

DoD must ensure that state-level best practices – such as those in Maryland, Minnesota and New Hampshire – are applied for all operational reserve force members and their families, and that Federal Reserve veterans have equal access to services and support available to National Guard veterans. Community groups, employers and service organization efforts need to be encouraged and better coordinated to supplement unit, component, Service and VA outreach and services.

The Military Coalition urges the Subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration and consistency of Yellow Ribbon services between states.

Reserve Compensation System – The increasing demands of qualifications, mental skills, physical fitness, and training readiness on the Guard and Reserve to perform national security missions at home and abroad and increased training requirements indicate that the compensation system needs to be improved to attract and retain individuals into the Guard/Reserve. The added responsibility of returning to active duty multiple times over the course of a reserve career require improvements to the compensation package and to make it more equitable with the active component.

TMC recommends:

- *Crediting all inactive duty training points earned annually toward reserve retirement.*
- *Parity in special incentive pay for career enlisted/officer special aviation incentive pay, diving special duty pay, and pro-pay for reserve component medical professionals.*
- *Authorizing recalculation of retirement points after 1 year of mobilization. A recent law change allowed certain flag and general officers to recalculate retirement pay after one year of mobilization. TMC believes this opportunity should be made available to all ranks.*

Guard/Reserve GI Bill – The Coalition is most grateful to Congress for passage of the Post-9/11 GI Bill. The Post 9-11 GI Bill incorporates a number of major Coalition goals for the GI Bill including benefits that match the cost of education, extension of the post-service usage period to 15 years, and

cumulative credit for Guard-Reserve service on active duty. However, volunteers who join the Selected Reserve were left behind in this legislation.

Benefits for joining the Selected Reserve were not upgraded or integrated in the Post-9/11 GI Bill as TMC has long recommended. Moreover, these benefits are not just about the principle of “proportional equity” but also are essential to successful recruitment programs for the Guard and Reserve.

TMC recommends:

- *Restoring basic reserve MGIB benefits for initially joining the Selected Reserve to the historic benchmark of 47-50% of active duty benefits.*
- *Integrating reserve and active duty MGIB laws in Title 38.*
- *Enacting academic protections for mobilized Guard and Reserve students, including refund guarantees and exemption of Federal student loan payments during activation.*

Guard/Reserve Family Support Programs – We have seen considerable progress in outreach programs and services for returning Guard-Reserve warriors and their families. Family support programs promote better communication with service members. Specialized support and training for geographically separated Guard and Reserve families and volunteers are needed.

TMC recommends:

- *Ensuring programs are in place to meet the special information and support needs of families of individual augmentees or those who are geographically dispersed.*
- *Funding joint programs among military and community leaders to support service members and families during all phases of deployments.*
- *Providing preventive counseling services for service members and families and training so they know when to seek professional help related to their circumstances.*
- *Authorizing and funding child care, including respite care, family readiness group meetings and drill time.*
- *Improving the joint family readiness program to facilitate understanding and sharing of information between all family members.*

Retiree Issues

The Military Coalition remains grateful to the Subcommittee for its support of maintaining a strong military retirement system to help offset the extraordinary demands and sacrifices inherent in a career of uniformed service.

Concurrent Receipt – In the FY2003 and FY2004 NDAA, Congress acknowledged the inequity of the disability offset to earned retired pay and established a process to end or phase out the offset for many disabled retirees. The Coalition is extremely grateful with the Subcommittee’s efforts to continue progress in easing the adverse effects of the offset.

We were very optimistic in 2009 that another very deserving group of disabled retirees would become eligible for concurrent receipt when the White House included a concurrent receipt proposal in the Budget Resolution – the first time in history any Administration had ever proposed such a fix.

The Administration’s proposal would expand concurrent receipt eligibility over a five year period to all those forced to retire early from Service due to a disability, injury, or illness that was service-connected (chapter 61 retirees).

The Coalition is dismayed that, despite the Subcommittee’s leadership efforts and White House support, the provision has not yet been enacted – an extremely disappointing outcome for a most deserving group of disabled retirees.

Our fervent hope is that the Subcommittee will redouble its efforts to authorize this initiative for the FY2012 Defense Authorization bill.

Additionally, the Coalition is concerned that an inadvertent problem exists in the statutory Combat-Related Special Compensation (CRSC) computation formula causes many seriously disabled and clearly eligible members to receive little or nothing in the way of CRSC. The Defense Department has acknowledged the problem in discussions with the Subcommittee staff, and the Coalition urges the Subcommittee to correct this technical problem.

The Coalition believes strongly in the principle that career military members earn their retired pay by service alone, and that those unfortunate enough to suffer a service-caused disability in the process should have any VA disability compensation from the VA added to, not subtracted from, their service-earned military retired pay and this remains a key goal in 2011.

The Coalition’s continuing goal is to fully eliminate the deduction of VA disability compensation from earned military retired pay for all disabled retirees. In pursuit of that goal, the Coalition’s immediate priorities include:

- *Phasing out the VA disability offset for all chapter 61 (disability) retirees, as previously endorsed by the President and the Subcommittee;*
- *Clarifying the law to resolve technical disparities that inadvertently cause underpayment of certain eligibles for Combat Related Special Compensation (CRSC); and,*
- *Clarifying the law to ensure a disabled retiree’s CRSC payment is not reduced when the retiree’s VA disability rating increases, until the retiree is afforded the opportunity to elect between CRSC or CRDP.*

Disability Severance Pay – The Coalition is grateful for the Subcommittee’s inclusion of a provision in the FY08 NDAA that ended the VA compensation offset of a service member’s disability severance for people injured in the combat zone.

However, we are concerned that the language of this provision imposes much stricter eligibility than that used for Combat-Related Special Compensation.

The Coalition recommends:

- *Further expanding eligibility to include all combat-related injuries, using the same definition as CRSC; and*
- *Expanding eligibility to include all service-connected disabilities, consistent with TMC view that there should not be a distinction between the treatment of members disabled in combat vice members with non-combat, service-caused disabilities.*

Former Spouse Issues – For a decade, the recommendations of the Defense Department’s September 2001 report to Congress on the Uniformed Services Former Spouse Protection Act (USFSPA) have gone nowhere. For several years, DoD submitted many of the report’s recommendations annually to Congress only to have one or two supported by the Subcommittee while many others were dropped.

The USFSPA is a very emotional topic with two distinct sides to the issue – just as any divorce has two distinct parties affected. The Coalition believes strongly that there are several inequities in the Act that need to be addressed and corrected that could benefit both affected parties – the servicemember and the former spouse.

But in order to make progress, we believe Congress cannot piecemeal DoD’s recommendations. We support a collective grouping of legislation that would provide benefit to both affected parties. Absent this approach, the legislation will be perceived as supporting one party over the other and go nowhere.

To fairly address the problems with the Act, all affected parties need to be heard – and the Coalition would greatly appreciate the opportunity to address the inequities in a hearing before the Subcommittee.

The Coalition supports legislative action to:

- *Base the award amount to the former spouse on the grade and years of service of the member at time of divorce (not time of retirement);*
- *Prohibit the award of imputed income while on active duty, which effectively forces active duty members into retirement;*
- *Extend 20/20/20 benefits to 20/20/15 former spouses;*
- *Permit the designation of multiple Survivor Benefit Plan (SBP) beneficiaries with the presumption that SBP benefits must be proportionate to the allocation of retired pay;*

- *Eliminate the "10-year Rule" for the direct payment of retired pay allocations by the Defense Finance and Accounting Service (DFAS);*
- *Permit SBP premiums to be withheld from the former spouse's share of retired pay if directed by court order;*
- *Permit a former spouse to waive SBP coverage;*
- *Repeal the one-year deemed election requirement for SBP; and*
- *Assist the DoD and Services with greater outreach and expanded awareness to members and former spouses of their rights, responsibilities, and benefits upon divorce.*

Survivor Issues

The Coalition is grateful to the Subcommittee for its significant efforts in recent years to improve the Survivor Benefit Plan (SBP), especially its major achievement in eliminating the significant benefit reduction previously experienced by SBP survivors upon attaining age 62.

SBP-DIC Offset – The Coalition believes strongly that current law is unfair in reducing military SBP annuities by the amount of any survivor benefits payable from the DIC program.

If the surviving spouse of a retiree who dies of a service-connected cause is entitled to DIC from the Department of Veterans Affairs and if the retiree was also enrolled in SBP, the surviving spouse's SBP annuity is reduced by the amount of DIC. A pro-rata share of the SBP premiums is refunded to the widow upon the member's death in a lump sum, but with no interest. This offset also affects all survivors of members who are killed on active duty.

The Coalition believes SBP and DIC payments are paid for different reasons. SBP is insurance purchased by the retiree and is intended to provide a portion of retired pay to the survivor. DIC is a special indemnity compensation paid to the survivor when a member's service causes his or her premature death. In such cases, the VA indemnity compensation should be added to the SBP annuity the retiree paid for, not substituted for it.

It should be noted as a matter of equity that surviving spouses of federal civilian retirees who are disabled veterans and die of military-service-connected causes can receive DIC without losing any of their federal civilian SBP benefits.

The reality is that, in every SBP-DIC case, active duty or retired, the true premium extracted by the service from both the member and the survivor was the ultimate one – the very life of the member. This reality was underscored by the August 2009 Federal Court of Appeals ruling in *Sharp v. U.S.* which found, "After all the servicemember paid for both benefits: SBP with premiums; DIC with his life."

The Veterans Disability Benefits Commission (VDBC) was tasked to review the SBP-DIC issue, among other DoD/VA benefit topics. The VDBC's final report to Congress agreed with the Coalition in finding that the offset is inappropriate and should be eliminated.

In 2005 then-Speaker Pelosi and other House leaders made repeal of the SBP-DIC offset a centerpiece of their GI Bill of Rights for the 21st Century. Leadership has made great progress in delivering on other elements of that plan, but the only progress to date on the SBP-DIC offset has been the enactment a small monthly Special Survivor Indemnity Allowance (SSIA).

The Coalition recognizes that the Subcommittee's initiative in the FY2008 defense bill to establish the SSIA was intended as a first, admittedly very modest, step in a longer-term effort to phase out the Dependency and Indemnity Compensation (DIC) offset to SBP.

We appreciate the Subcommittee's subsequent work to extend the SSIA to survivors of members who died while on active duty, as well as the its good-faith effort to increase SSIA payments as part of the *Family Smoking Prevention and Tobacco Control Act*.

The Coalition was extremely disappointed that the final version of that legislation greatly diluted the House-passed provision and authorized only very modest increases several years in the future.

While fully acknowledging the Committee's good-faith efforts to win more substantive progress, the Coalition shares the extreme disappointment and sense of abandonment of the SBP-DIC widows who are being forced to sacrifice up to \$1,154 each month and being asked to be satisfied with a \$70 monthly rebate.

For years, legislative leaders touted elimination of this "widow's tax" as a top priority. The Coalition understands the mandatory-spending constraints the Subcommittee has faced in seeking redress, but also points out that those constraints have been waived for many, many far more expensive initiatives. The Coalition believes widows whose sponsors' deaths were caused by military service should not be last in line for redress.

The Coalition recommends:

- ***Repeal of the SBP-DIC offset.***
- ***Reinstating SBP for survivors who previously transferred payments to their children at such time as the youngest child attains majority, or upon termination of a second or subsequent marriage.***
- ***Allowing SBP eligibility to switch to children if a surviving spouse is convicted of complicity in the member's death.***

SBP and Special Needs Trusts – Certain permanently disabled survivors can lose eligibility for Supplemental Security Income (SSI) and Medicaid and access to means-tested state programs because of receipt of SBP. Title 10 currently does not authorize DOD to make the payment of a SBP annuity into a trust, but only to a "natural person".

As a result, permanently disabled military survivors are unique in being unable to take advantage of Special Needs Trust authority specifically established by Congress to protect and assist disabled persons who are in need special services.

The Coalition recommends authorizing payment of SBP annuities for disabled survivors into a Special Needs Trust.

Final Retired Pay Check – Under current law, DFAS recoups from military widows' bank accounts all retired pay for the month in which a retiree dies. Subsequently, DFAS pays the survivor a pro-rated amount for the number of days of that month in which the retiree was alive. This often creates hardships for survivors who have already spent that pay on rent, food, etc., and who routinely are required to wait several months for DFAS to start paying SBP benefits.

The Coalition believes this is an extremely insensitive policy imposed by the government at the most traumatic time for a deceased member's next of kin. Unlike his or her active duty counterpart, a retiree's survivor receives no death gratuity. Many older retirees do not have adequate insurance to provide even a moderate financial cushion for surviving spouses.

In contrast to the law governing military retired pay treatment of survivors, the title 38 statute requires the VA to make full payment of the final month's VA disability compensation to the survivor of a disabled veteran.

The disparity between DoD and VA policy on this matter is indefensible. Congress should do for retirees' widows the same thing it did ten years ago to protect veterans' widows.

TMC urges the Subcommittee to authorize survivors of retired members to retain the final month's retired pay for the month in which the retiree dies.

Morale, Welfare, and Recreation (MWR) and Quality of Life (QoL) Programs

MWR activities and QoL programs have become ever more critical in helping servicemembers and their families cope with the extended deployments and constant changes going on in the force.

The availability of appropriated funds to support MWR activities is an area of continuing concern for the Coalition. We are especially apprehensive that additional reductions in funding or support services may occur due to slow economic recovery and record budget deficits.

BRAC actions pose an additional concern, as DoD is struggling to meet the September 15, 2011 deadline at many BRAC locations. Two reports issued by the Government Accountability Office indicate significant challenges remain in areas of funding, facilities, and overall management.

The Coalition is very concerned whether needed infrastructure and support programs will be in place in time to meet the needs of families.

TMC urges the Subcommittee to:

- *Direct the Department of Defense (DoD) to report to Congress on all DoD and Service active and reserve component MWR Category A, B, and C Programs and Family Support/Readiness (Quality of Life [QoL] Programs), including the Yellow Ribbon Program. The report should include:*

- *A current listing of individual program funding levels by category—actual program expenditures vs. program requirement;*
- *An assessment of the effectiveness of each program, including program standards and metrics; and*
- *A list of recommended changes to policy, including revisions in the current category program listings to more accurately support wartime mission requirements and the needs of the 21st Century all-volunteer force.*
- *Protect recreational and alternative therapy programs that integrate MWR, fitness and other quality of life programs and infrastructure to facilitate warrior treatment and care and to promote psychological health and welfare of troops and their families.*

Military Construction (Milcon) – TMC believes Milcon Programs, including modernization and recapitalization, are critical elements to maintaining force, unit, and family readiness, and that these programs need immediate attention to maintain and sustain a 21st Century military force.

The Coalition recommends the Subcommittee:

- *Support military construction projects that modernize or replace the following infrastructure to meet increased personnel and operational deployment requirements:*
 - *child development centers (CDCs) and youth centers;*
 - *defense schools;*
 - *bachelor and family housing; and,*
 - *other traditional QoL program facilities.*
- *Encourage full funding of military housing repair and maintenance accounts to reduce backlogs and provide for safe, well-maintained housing units.*
- *Ensure that military housing privatization initiatives meet expected DoD-Service outcome goals and positively impact servicemember and family needs.*
- *Support a Health Facilities Program that modernizes or replaces Military Treatment Facilities (MTFs) and supports world-class health care delivery capability and capacity for all eligible beneficiaries.*
- *Ensure MWR, Milcon, housing, and family support construction policies and projects improve access for persons with disabilities.*

Thank you for this opportunity to present the Coalition's views on personnel and compensation issues.



Statement for the Record

of the

NATIONAL MILITARY FAMILY ASSOCIATION

Before the

**Subcommittee on
Military Personnel**

of the

**UNITED STATES HOUSE OF REPRESENTATIVES
ARMED SERVICES COMMITTEE**

March 17, 2010

**Not for Publication
Until Released by
The Committee**

The National Military Family Association is the leading nonprofit organization committed to improving the lives of military families. Our over 40 years of accomplishments have made us a trusted resource for families and the Nation's leaders. We have been at the vanguard of promoting an appropriate quality of life for active duty, National Guard, Reserve, retired service members, their families and survivors from the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

Association Volunteers and Representatives in military communities worldwide provide a direct link between military families and the Association staff in the Nation's capital. These volunteers are our "eyes and ears," bringing shared local concerns to national attention.

The Association does not have or receive federal grants or contracts.

Our website is: www.MilitaryFamily.org.

Chairman Wilson and Distinguished Members of the Subcommittee, the National Military Family Association would like to thank you for the opportunity to present testimony for the record concerning the quality of life of military families – the Nation's families. In the 10th year of war, we continue to see the impact of repeated deployments and separations on our service members and their families. We appreciate your recognition of the service and sacrifice of these families. Your response through legislation to the increased need for support as situations have arisen has resulted in programs and policies that have helped sustain our families through these difficult times.

We recognize, too, the emphasis that the Administration is placing on supporting military families. The work of Mrs. Obama and Dr. Biden in raising awareness of the sacrifices military families are making has been well received by the Nation and appreciated by our families. The American people are beginning to understand how one percent of our population in the United States is being called upon to bear 100 percent of the burden of defending our Nation, giving up years of family life together, and how they need the support of the other 99 percent of Americans to continue carrying that burden.

The recent Presidential Study Directive-9, which called on Federal agencies to outline how they are presently or could in the future support military families, reinforced Administration support as well. The vision of the study, as contained in the report *Strengthening Our Military Families, Meeting America's Commitment*, is, "to ensure that:

- The U.S. military recruits and retains the highest-caliber volunteers to contribute to the Nation's defense and security;
- Service members can have strong family lives while maintaining the highest state of readiness;
- Civilian family members can live fulfilling lives while supporting their service member(s); and
- The United States better understands and appreciates the experience, strength, and commitment to service of our military families."

This vision resonates with all that our Association has tried to work for during our forty-two year history. We believe policies and programs should provide a firm foundation for families challenged by the uncertainties of deployment and transformation. Our Association cares about the health and resilience of military families. Innovative and evidence based approaches are essential to address the needs of military children. We realize support for service members and their families is not solely provided by the government. Families promote a service member's well-being. Communities uphold the families.

Our Nation did not expect to be involved in such a protracted conflict. Our military families continue to require effective tools and resources to remain strong. We ask Congress, policymakers, and communities to remain vigilant and respond in a proactive manner. Our Nation can express recognition for their sacrifices by promoting the well-being of military families.

We endorse the recommendations contained in the statement submitted by The Military Coalition. In this statement, our Association will expand on several issues of importance to military families:

- I. Family Readiness
- II. Family Transitions
- III. Family Health (Note: This statement expands on issues covered in our Health Care testimony submitted for this Subcommittee's hearing with military Associations on March 16, 2011)

I. Family Readiness

Policies, programs and services must adapt to the changing needs of service members and families. Standardization in delivery, accessibility, and funding are essential. Educated and resourced families are able to take greater responsibility for their own readiness. Recognition should be given to the unique challenges facing families with special needs. Support should provide for families of all components, in every phase of military life, no matter where they live.

We appreciate provisions in the National Defense Authorization Acts and Appropriations legislation in the past several years that recognized many of these important issues. Excellent programs exist across the Department of Defense (DoD) and the Services to support our military families. There are redundancies in some areas, and times when a new program was initiated before anyone looked to see if an existing program could be adapted to answer an evolving need. We realize all Americans will be asked to tighten their belts in this time of tighter budgets and some military family programs may need to be downsized or eliminated. When looking for efficiencies we ask your support for programs that do work, rewarding best practices and programs that are truly meeting the needs of families. In this section we will highlight some of these best practices and identify needs.

Child Care

Child care remains a concern for military families, as evidenced by a recent Pew Center on the States survey (www.pewknow.org/documents/2011_MilitaryFamiliesSurvey.pdf). We are pleased that in addition to building new Child Development Centers, DoD and the Services are taking innovative steps to address these concerns.

In December, DoD announced a new pilot initiative in thirteen states aimed at improving the quality of child care within communities, which should translate into increased child care capacity for military families living in geographically dispersed areas. Last year, DoD contracted with SitterCity.com to help military families find caregivers and military subsidized child care providers. The military Services and the National Association of Child Care Resource and Referral Agencies (NACCRRA) continue to partner to provide subsidized child care to families who cannot access installation based child development centers.

At our *Operation Purple® Healing Adventures* camp for families of the wounded, ill and injured, families continue to tell us there is a tremendous need for child care services at or near military treatment facilities. Families need child care to attend medical appointments, especially mental health appointments. Our Association encourages the expansion of drop-in child care for medical appointments on the DoD or VA premises or partnerships with other organizations to provide this valuable service.

We appreciate the requirement in the National Defense Authorization Act FY10 calling for a report on financial assistance provided for child care costs across the Services and Components to support the families of service members deployed in support of a contingency operation and we look forward to the results.

Our Association urges Congress to sustain funding and resources to meet the child care needs of military families to include hourly, drop-in, and increased respite care across all Services for families of deployed service members and the wounded, ill, and injured, as well as those with special needs family members.

Working with Youth

Older children and teens must not be overlooked. School personnel need to be educated on issues affecting military students and must be sensitive to their needs. To achieve this goal, schools need tools. Parents need tools, too. Military parents constantly seek more resources to assist their children in coping with military life, especially the challenges and stress of frequent deployments. Parents tell us repeatedly they want resources to “help them help their children.” Support for parents in their efforts to help children of all ages is increasing, but continues to be fragmented. New federal, public-private initiatives, increased awareness, and support by DoD and civilian schools educating military children have been developed. However, many military parents are either not aware such programs exist or find the programs do not always meet their needs.

Through our *Operation Purple*® camps, our Association has begun to identify the cumulative effects multiple deployments are having on the emotional growth and well-being of military children and the challenges posed to the relationship between deployed parent, caregiver, and children in this stressful environment. Understanding a need for qualitative analysis of this information, we commissioned the RAND Corporation to conduct a longitudinal study on the experience of 1,500 families. RAND followed these families for one year, and interviewed the non-deployed caregiver/parent and one child per family between 11 and 17 years of age at three time points over the year. Recruitment of participants was extremely successful because families were eager to share their experiences. The research addressed three key questions:

- How are school-age military children faring?
- What types of issues do military children face related to deployment?
- How are non-deployed caregivers handling deployment and what challenges do they face?

In January 2011, RAND released the report, *Views from the Homefront: The Experience of Youth and Spouses from Military Families* (www.rand.org/pubs/technical_reports/TR913.html), detailing the longitudinal research findings. The research showed:

- Older teens reported more difficulties during deployment and reintegration.
- Girls reported more difficulties during reintegration.
- There were few differences on military characteristics, but reserve component youth reported more difficulties during deployment.
- Reserve component caregivers reported more challenges with deployment and reintegration.
- The total number of months away mattered more than the number of deployments.
- There is a direct correlation between the mental health of the caregiver and the well-being of the child.
- Quality of family communication mattered to both children and caregiver well-being.

What are the implications of these findings? Families facing longer deployments need targeted support – especially for older teens, girls and the reserve component. Support needs to be in place across the entire deployment cycle, including reintegration, and some non-deployed parents may need targeted mental health support. One way to address these needs would be to create a safe, supportive environment for older youth and teens. Dedicated installation Youth Centers with activities for our older youth would go a long way to help with this. Since many military families, especially those with older children, live off the installation, enhanced partnerships between DoD and national youth-serving organizations are also essential. DoD’s current work with the 4-H program is an example of this outreach and support of military children in the community. DoD can encourage other organizations to share outreach strategies and work together to strengthen a network of support for military youth in their civilian communities. We must ensure, however, that, once we have encouraged these community organizations and services to engage with

families, we also encourage installations and installation services to be collaborative and not set up roadblocks to interaction and support.

To address the issues highlighted by our research, our Association hosted a summit in May 2010, where we engaged with experts to develop research-based action items. Our Blue Ribbon Panel outlined innovative and pragmatic ideas to improve the well-being of military families, recognizing it is imperative solutions involve a broad network of government agencies, community groups, businesses, and concerned citizens.

We've published the recommendations from the summit in *Finding Common Ground: A Toolkit for Communities Supporting Military Families*. The toolkit is organized in a format similar to our Association's well-received Military Kids and Teens Toolkits. It contains cards for each of the intended communities—including Educators, Friends and Family, Senior leaders, Employers, and Health Care Providers—whose help is so important to military families. It also contains the summary document with the recommendations formulated by our Blue Ribbon Panel and summit participants.

Our goal was to create a user-friendly resource, with easily-achievable action items and pertinent resources to guide everyone who wants to support military families, but may not know how. The toolkit lists concrete actions individuals, organizations, and communities can take to assist and support our military families. We hope that when someone receives a copy, they will go first to the card that most fits their relationship to military families and look for ideas and resources. We then hope they will take the time to explore other cards and the summit summary. While many of the suggested actions are simple, we've also presented some of the tougher things that require the building of partnerships and a longer-term focus. These actions are not exhaustive. It is our hope this toolkit will start conversations and stimulate action. Everyone can contribute – it doesn't need to be complicated or expensive. Just remembering to include military families in outreach is a start.

Our Association feels that more dedicated resources, such as youth or teen centers and enhanced partnerships with national youth-serving organizations, would be important ways to better meet the needs of our older youth and teens during deployment.

Families Overseas

Families stationed overseas face increased challenges when their service member is deployed into theater. One such challenge we have heard from families stationed in EUCOM concerns care for a family member, usually the spouse, who may be injured or confined to bed for an extended illness during deployment. Instead of pulling the service member back from theater, why not provide transportation for an extended family member or friend to come from the States to care for the injured or ill family member? This has been a recommendation from the EUCOM Quality of Life conference for several years.

Our Association asks that transportation be provided for a designated caregiver to an overseas duty station to care for an incapacitated spouse when a service member is deployed.

Military Housing

In our recent study conducted by RAND, researchers found that living in military housing was related to fewer caregiver-reported deployment-related challenges. Fewer caregivers who lived in military housing reported their children had difficulties adjusting to parent absence (e.g., missing school activities, feeling sad, or not having peers who understand what their life is like) as compared to caregivers who rented homes. The study team explored the factors that determine a military family's housing situation in more detail. Among the list of potential reasons provided for the question, "Why did you choose to rent?"

researchers found that the top three reasons parents/caregivers cited for renting included: military housing was not available (31%), renting was most affordable (28%), and preference to not to invest in the purchase of a home (26%).

Privatized housing expands the opportunity for families to live on the installation and is a welcome change for military families. We are pleased with the annual report that addresses the best practices for executing privatized housing contracts. As privatized housing evolves, the Services are responsible for executing contracts and overseeing the contractors on their installations. With more joint basing, more than one Service often occupies an installation. The Services must work together to create consistent policies not only within their Service, but across the Services as well. Pet policies, deposit requirements, and utility policies are some examples of differences across installations and across Services. How will Commanders address these variances under joint basing? Military families face many transitions when they move, and navigating the various policies and requirements of each contractor is frustrating and confusing. It's time for the Services to increase their oversight and work on creating seamless transitions by creating consistent policies across the Services.

We are pleased the NDAA FY10 calls for a report on housing standards and housing surveys used to determine the Basic Allowance for Housing (BAH) and look forward to reviewing the recommendations once the report is available. We hope Congress will work to address BAH inequities.

We ask Congress to consider the importance of family well-being by addressing BAH inequities.

Commissaries and Exchanges

Our Association thanks this Subcommittee for holding two hearings this year to discuss the importance of sustaining Morale, Welfare, and Recreation (MWR) programs and the commissary and exchange systems. We thank you, Mr. Chairman, for emphasizing the importance of MWR "as essential elements within a healthy military community." We agree with you that these programs must not "become easy targets for the budget cutters." The military resale hearing reinforced the importance of the commissary and exchange and stressed the need for them to remain fiscally sound without reducing the benefit to military families. Our Association couldn't agree more and appreciates the Subcommittee's commitment to preserving these quality programs for military families, especially during this era of increased budget austerity.

Our Association is concerned about one issue raised at the recent resale hearing: the potential negative repercussions of the *Tax Increase Prevention and Reconciliation Act of 2005 (TIPRA)* on the military community. This legislation included a provision, Section 511, mandating federal, state, and local governments to withhold three percent from payments for goods and services to contractors after December 31, 2010. While the implementation has been delayed until December 31, 2011, we believe this withholding requirement will have a direct impact on military families. We believe vendors who provide products sold in exchanges and commissaries will end up passing on the implementation costs to patrons and will be less willing to offer deals, allowances, promotions, and prompt payment discounts, which will thus diminish the value of the benefit for military families. The implementation costs for the exchange systems may also result in reduced dividends for MWR programs, which already operate on tight budgets. Although our Association realizes this tax issue does not fall under the Armed Services Committee jurisdiction, we ask Congress to repeal Section 511 of TIPRA in order to protect this important benefit for military families. If full repeal is not possible, we urge Congress to exempt the Defense Commissary Agency, Exchanges and MWR programs from the withholding requirement. Military families, who have borne the burden of this war for ten years,

should not have to incur additional costs at commissaries and exchanges due to the effects of this law, which will compromise their quality of life programs when they need them most.

The commissary benefit is a vital part of the compensation package for service members and retirees, and is valued by them, their families, and survivors. Our surveys and those conducted by DoD indicate that military families consider the commissary one of their most important benefits. In addition to providing average savings of more than 30 percent over local supermarkets, commissaries provide a sense of community. Commissary shoppers gain an opportunity to connect with other military families and are provided with information on installation programs and activities through bulletin boards and publications. Commissary shoppers also receive nutritional information through commissary promotions and campaigns, as well as the opportunity for educational scholarships for their children.

Active duty and reserve component families have benefitted greatly from the addition of case lot sales. Our Association thanks Congress for allowing the use of proceeds from surcharges collected at these sales to help defray their costs. Case lot sales continue to be extremely well received and attended by family members not located near an installation. According to Army Staff Sgt. Jenny Mae Pridemore, quoted in the *Charleston Daily Mail*, "We don't have easy access to a commissary in West Virginia and with the economy the way it is everyone is having a tough time. The soldiers and the airmen really need this support." On average, case lot sales save families between 40 and 50 percent compared to commercial prices. This provides tremendous financial support for our remote families, and is a tangible way to thank them for their service to our Nation.

In addition to commissary benefits, the military exchange system provides valuable cost savings to members of the military community, while reinvesting their profits in essential MWR programs. Our Association strongly believes that every effort must be made to ensure that this important benefit and the MWR revenue is preserved, especially as facilities are down-sized or closed overseas.

Our Association urges Congress to continue to protect the commissary and exchange benefits, and preserve the MWR revenue all of which are vital to maintaining a health military community.

We also ask Congress to repeal Section 511 of TIPRA. If full repeal is not achievable, we urge Congress to exempt the Defense Commissary Agency, Exchanges and MWR programs from this withholding requirement.

National Guard and Reserve

Our Association has long recognized the unique challenges our National Guard and Reserve families face and their need for additional support. Reserve component families are often geographically dispersed, live in rural areas, have service members deployed as individual augmentees, and do not consistently have the same family support programs as their active duty counterparts. According to the research conducted for us by the RAND Corporation, spouses of service members in the National Guard and Reserves reported poorer emotional well-being and greater household challenges than their active duty peers. Our Association believes that greater access to resources supporting National Guard and Reserve caregivers is needed to further strengthen our reserve component families.

We appreciate the great strides that have been made in recent years by both Congress and the Services to help support our reserve component families. Our Association would like to thank Congress for the NDAA FY11 provision authorizing travel and transportation for members of the Uniformed Services and up to three designees to attend Yellow Ribbon Reintegration Program events, and for the provision enhancing the Yellow Ribbon Reintegration Program by authorizing service and state-based programs to

provide access to all service members and their families. We appreciate your ongoing support of the Yellow Ribbon Reintegration Program and ask that you continue funding this quality of life program for reserve component families.

Our Association is gratified that family readiness is now seen as a critical component to mission readiness. We have long believed that robust family programs are integral to maintaining family readiness, for both our active duty and reserve component families. We are pleased the Department of Defense Reserve Family Readiness Award recognizes the top unit in each of the Reserve Components that demonstrate superior family readiness and outstanding mission readiness.

Our Association asks Congress to continue funding the Yellow Ribbon Reintegration Program and stresses the need for greater access to resources supporting our Reserve Component caregivers.

Flexible Spending Accounts

Congress has provided the Armed Forces with the authority to establish Flexible Spending Accounts (FSA), yet the Service Secretaries have not established these important tax savings accounts for service members. We are pleased H.R. 791 and S. 387 have been introduced to press each of the seven Service Secretaries to create a plan to implement FSAs for uniformed service members. FSAs were highlighted as a key issue presented to the Army Family Action Plan at their 2011 Department of the Army level conference. FSAs would be especially helpful for families with out-of-pocket dependent care and health care expenses. It is imperative that FSAs for uniformed service members take into account the unique aspects of the military lifestyle, such as Permanent Change of Station (PCS) moves and deployments, which are not compatible with traditional FSAs. We ask that the flexibility of a rollover or transfer of funds to the next year be considered.

Our Association supports Flexible Spending Accounts for uniformed service members that account for the unique aspects of military life including deployments and Permanent Change of Station moves.

Financial Readiness

Ongoing financial literacy and education is critically important for today's military families. Military families are not a static population; new service members join the military daily. For many, this may be their first job with a consistent paycheck. The youthfulness and inexperience of junior service members makes them easy targets for financial predators. Financial readiness is a crucial component of family readiness. The Department of Defense Financial Readiness Campaign brings financial literacy to the forefront and it is important that financial education endeavors include military families.

Our Association looks forward to the establishment of the Office of Service Member Affairs this July. We encourage Congress to monitor the implementation of this office to ensure it provides adequate support to service members and their families. Military families should have a mechanism to submit a concern and receive a response. The new office must work in partnership with DoD.

Military families are not immune from the housing crisis. We applaud Congress for expanding the Homeowners' Assistance Program to wounded, ill, and injured service members, survivors, and service members with Permanent Change of Station orders meeting certain parameters. We have heard countless stories from families across the nation who have orders to move and cannot sell their home. Due to the mobility of military life, military homeowners must be prepared to be a landlord. We encourage DoD to continue to track the impact of the housing crisis on military families.

We appreciate the increase to the Family Separation Allowance (FSA) that was made at the beginning of the war. In more than ten years, however, there has not been another increase. We ask that the

Family Separation Allowance be indexed to the Cost of Living Allowance (COLA) to better reflect rising costs for services.

Our Association asks Congress to increase the Family Separation Allowance by indexing it to COLA.

Continuing Resolution

As Congress begins the debate over the FY12 budget, our Association is concerned about the impact of the Continuing Resolution and the lack of an FY11 Defense Appropriations law on our military families. DoD has been forced to operate under Continuing Resolutions for more than five months. Short extensions do not allow the Services to adequately plan to fund upcoming programs or support services that are critical to supporting service members and their families. In March, Deputy Secretary of Defense William J. Lynn, III testified before the Senate Appropriations Committee Subcommittee on Defense and provided one example of how the Continuing Resolution is negatively impacting military families. In his written testimony, he stated, "Because of the [Continuing Resolution], the Navy has had to reduce its notice of Permanent Change of Station moves from the usual six months to two, which hurts Navy personnel and puts a greater strain on their families." Without final orders in hand, a service member is not able to prepare his family for a move by requesting medical records, school transcripts, arrange the movement of household goods, or put their name on the housing waiting list. This is one example of a myriad of programs which have been reduced or cut because they do not have funds to operate. A series of Continuing Resolutions hurts our military families. Our Association recommends Congress work quickly to pass the Defense Appropriations Act for FY11.

Our Association urges Congress to pass the Defense Appropriations Act for FY11 immediately. Funding delays cause the Services to cut essential programs, which negatively impacts military families.

II. Family Transitions

Policies and programs must provide training and support for families during the many transitions military families experience. Quality education for spouses and children, financial literacy, and spouse career progression need attention. When families experience a life-changing event, they require a responsive system to support them. Our Nation must continue to ensure our surviving family members receive the support they deserve.

Survivors

The Services continue to improve their outreach to surviving families. In particular, the Army's SOS (Survivor Outreach Services) program makes an effort to remind these families they are not forgotten. We most appreciate the special consideration, sensitivity, and outreach to the families whose service members have committed suicide. We would like to acknowledge the work of the Tragedy Assistance Program for Survivors (TAPS) in this area as well. They have developed unique outreach to these families and held support conferences to help surviving family members navigate what is a very difficult time with many unanswered questions. DoD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need, through all of VA's venues. We believe Congress must grant authority to allow coverage of bereavement or grief counseling under the TRICARE behavioral health benefit. The goal is the right care at the right time for optimum treatment effect.

We thank Congress for extending the TRICARE Active Duty Dental benefit to all survivors for the first three years. Unfortunately, the TRICARE Management Activity has not yet fully implemented this coverage. We hope a gentle nudge from Congress may speed that process along.

Our Association recommends that grief counseling be more readily available to survivors as a TRICARE benefit.

We also ask that the TRICARE Management Activity implement the legislation that expanded eligibility for three years of the TRICARE Active Duty Dental Benefit to survivors who had not been enrolled in the TRICARE Dental Program prior to the service member's death.

Our Association still believes the benefit change that will provide the most significant long-term advantage to the financial security of all surviving families would be to end the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Ending this offset would correct an inequity that has existed for many years. Each payment serves a different purpose. The DIC is a special indemnity (compensation or insurance) payment paid by the VA to the survivor when the service member's service causes his or her death. The SBP annuity, paid by DoD, reflects the longevity of the service of the military member. It is ordinarily calculated at 55 percent of retired pay. Military retirees who elect SBP pay a portion of their retired pay to ensure that their family has a guaranteed income should the retiree die. If that retiree dies due to a service-connected disability, their survivor becomes eligible for DIC.

Surviving active duty spouses can make several choices, dependent upon their circumstances and the ages of their children. Because SBP is offset by the DIC payment, the spouse may choose to waive this benefit and select the "child only" option. In this scenario, the spouse would receive the DIC payment and the children would receive the full SBP amount until each child turns 18 (23 if in college), as well as the individual child DIC until each child turns 18 (23 if in college). Once the children have left the house, this choice currently leaves the spouse with an annual income of \$13,848, a significant drop in income from what the family had been earning while the service member was alive and on active duty. The percentage of loss is even greater for survivors whose service members served longer. Those who give their lives for their country deserve more fair compensation for their surviving spouses.

We believe several other adjustments could be made to the Survivor Benefit Plan. Allowing payment of the SBP benefits into a Special Needs Trust in cases of disabled beneficiaries will preserve their eligibility for income based support programs. The government should be able to switch SBP payments to children if a surviving spouse is convicted of complicity in the member's death.

We believe there needs to be DIC equity with other federal survivor benefits. Currently, DIC is set at \$1,154 monthly (43% of the Disabled Retirees Compensation). Survivors of federal workers have their annuity set at 55% of their Disabled Retirees Compensation. Military survivors should receive 55% of VA Disability Compensation. We are pleased that the requirement for a report to assess the adequacy of DIC payments was included in the NDAA FY09. We are awaiting the overdue report. We support raising DIC payments to 55% of VA Disability Compensation. When changes are made, we ask Congress to ensure that DIC eligibles under the old system receive an equivalent increase.

Imagine that you have just experienced the death of your spouse, a retired service member. In your grief, you navigate all the gates you must, fill out paperwork, notify all the offices required. Then, the overdrawn notices start showing up in your mailbox. Bills that you thought had been paid at the beginning of the month suddenly appear with "overdue" on them. Retirees are paid proactively, that is, they receive retired pay for the upcoming month i.e. on May 31st, a retiree receives retired pay for the month of June. Presently, the government has the authority to take back the full month's pay from the retiree's checking account when that retiree dies. Payment for the number of days the retiree was alive in the month is subsequently returned to the surviving spouse. The VA, on the other hand, allows the surviving spouse to

keep the last month of disability pay. We applaud Congressman Walter Jones (R-3rd/NC) for introducing H.R. 493, which would allow the surviving spouse or family to keep the last month of retired pay to avoid financial penalties caused by the decrease of funds in a checking account.

We ask the DIC offset to SBP be eliminated to recognize the length of commitment and service of the career service member and spouse. We support H.R. 178 and S. 260, which both provide for that elimination.

We also request that SBP benefits be allowed to be paid to a Special Needs Trust in cases of disabled family members.

We ask that DIC be increased to 55% of VA Disability Compensation.

We support H.R. 493, "The Military Retiree Survivor Comfort Act", to provide for forgiveness of overpayments of retired pay paid to deceased retired members of the Armed Forces following their death.

Implementation of the Repeal of "Don't Ask, Don't Tell"

Our Association has long promoted the need for support of all families during deployments. Parents, siblings, and significant others need access to information about their loved ones and access to resources while they undergo their own stresses and worries. Many family readiness groups have opened their arms to these non-ID card holding family members.

We hear from families of gay and lesbian service members that their loved ones have not sought these resources because of fear of disclosure. They deal with deployment alone without the support that military families take for granted and rely on. We hear from families about the children in these relationships, who many times can't let anyone know that Mommy or Daddy is deployed, and may not receive the extra support or counseling they may need.

We hope that the repeal of the "Don't Ask, Don't Tell" policy will help make resources and support available to all those who support their service member. We understand that eligibility for many benefits, including medical care, housing, and assignment preferences will not be extended to partners of service members because of Federal regulations. We ask that military family members be provided education and training to help them understand the implications of implementation and to help them separate fact from fiction.

We underscore the need for military family members to be provided with education and training to help them understand how the repeal of "Don't Ask, Don't Tell" is being implemented and to allay any misconceptions and concerns they may have.

Education of Military Children

Military families place a high value on the quality of their children's education. It is a leading factor in determining many important family decisions, such as volunteering for duty assignments, choosing to accompany the service member or staying behind, selecting where a family lives within their new community, deciding whether to spend their financial resources on private school, or considering homeschooling options. It can even impact a families' decision to remain in the Service.

Military families want quality education for their children just as their civilian counterparts do. It is important to remember that military families define "quality of education" differently. For military families, it is not enough for children to be doing well in their current schools, they must also be prepared for the next

location. Most military children will move at least twice during their high school years and most will attend six to nine different schools between kindergarten and 12th grade. Although the *Interstate Compact on Educational Opportunity for Military Children* is helping to alleviate many of the transition issues our families face when moving, it does not address the quality of education in our schools. Though many of our civilian schools are already doing an excellent job of educating and supporting our military children, we believe military children deserve a quality education wherever they may live. That is why our Association has spent over forty years working to improve education for our military children and empowering parents to become their children's best advocate.

With more than 90 percent of military-connected students now attending civilian schools, our Association is pleased that the Department of Defense has completed a 90-day preliminary assessment of how to provide a world-class education for all of the 1.2 million school-aged children, not just those under the Department of Defense Education Activity's (DoDEA) purview. Our Association was invited by Dr. Clifford L. Stanley, Under Secretary of Defense for Personnel and Readiness, to participate in the Education Review Debriefing and to offer our insights on the way ahead. We look forward to the final report and to working with DoD to support its implementation. We thank the Department of Defense for the educational support programs already available to military children, such as the tutoring program for deployed service member families, and DoDEA's virtual high schools. Our Association believes these programs are making a difference and would be beneficial to all military families.

We were also pleased the President's landmark directive, "*Strengthening Our Military Families*," listed as one of its top priorities the need to ensure excellence in military children's education and their development. We greatly appreciate the Department of Education committing to making military families one of its priorities for its discretionary grant programs and for including our Association as a military stakeholder in finding ways to strengthen military families within the Reauthorization of the Elementary and Secondary Education Act.

Our Association thanks Congress for providing additional funding to civilian school districts educating military children through DoDEA's Educational Partnership Grant Program. We are aware that DoDEA's expanded authority to share its expertise, experience and resources to assist military children during transitions, to sharpen the expertise of teachers and administrators in meeting the needs of military children, and to provide assistance to local education agencies on deployment support for military children is set to expire in 2013. We ask Congress to extend this authority.

We strongly urge Congress to ensure it is providing appropriate and timely funding of Impact Aid through the Department of Education. We also ask that you allow school districts experiencing high levels of growth, due to military base realignment, to apply for Impact Aid funds using current student enrollment numbers rather than the previous year. In addition, we call on Congress to increase DoD Impact Aid funding for schools educating large numbers of military-connected students. Our Association has long believed that both Impact Aid programs are critical to ensuring that school districts can provide quality education for our military children.

We ask Congress to increase the DoD supplement to Impact Aid and to allow school districts experiencing high growth due to base realignments to apply for Impact Aid funds using current student enrollment numbers. We also ask Congress to extend DoDEA's expanded authority.

Voting Support for Military Service Members and their Families

Our Association thanks Congress for continuing to shine a light on the need to protect and improve absentee voting rights for military families. The passage of the *Military and Overseas Voter Empowerment (MOVE) Act of 2009* was a tremendous victory for our military community. The recent hearing held by the Committee on House Administration to evaluate the effectiveness of the MOVE Act in the 2010 elections demonstrates the ongoing commitment of Congress to upholding voting rights for military personnel serving overseas. Our Association greatly appreciates this effort. In addition, we want to stress the importance of remembering that military service members and their families often vote by absentee ballot while stationed within the United States. It is not uncommon for military families to be living in one duty location with the service member and spouse each voting in a separate state, further complicating the absentee voting process.

As a member of The Military Coalition (TMC) and the Alliance for Military and Overseas Voting Rights (AMOVR), our Association was instrumental in helping to pass the MOVE Act. It was an important step toward alleviating many of the voting issues faced by military families. However, individual state attempts to comply have not been completely effective in overcoming these difficulties. Furthermore, the MOVE Act did not encompass state and local elections. We are currently working with the Uniformed Law Commission and the Department of Defense State Liaison Office to support the passage of the *Uniform Military and Overseas Voters Act (UMOVA)* in the states, to provide a state solution for military families and overseas voters. This legislation would assist states in meeting the statutory mandates of the MOVE Act and expand these important protections and benefits to cover state and local elections. Our Association is encouraging state legislatures to build on Federal efforts by adopting UMOVA.

Spouse Education and Employment

We are pleased the NDAA FY11 calls for a report on military spouse education programs. Our recent surveys and feedback we have received from military families indicates they appreciate in-state tuition and the Post-9/11 G. I. Bill transferability. Our Association would like to thank Congress for the enhancements made to the Post-9/11 G.I. Bill last session. We are especially pleased that spouses of active duty service members are now eligible for the book stipend and the authority to grant transferability has been extended to families of the Commissioned Corps of NOAA and the U.S. Public Health Service.

DoD's most-cited program success for military spouses is the Military Spouse Career Advance Account (MyCAA) – in its original form. In October 2010, MyCAA was significantly revised and seasoned spouses, who are no longer eligible, feel their education pursuits are not supported by the Department of Defense. Many military spouses delay their education to support the service member's career. Since 2004, our Association has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program, with the generosity of donors who wish to help military families. Of particular interest, 33.5 percent of applicants from our 2011 scholarship applicant pool stated their education was interrupted because of the military lifestyle (frequent moves, TDYs, moving expenses, etc.) and 12.2 percent of those directly attributed the interruption to deployment of the service member. Military spouses remain committed to their education and need assistance from Congress to fulfill their educational pursuits. We ask Congress to push DoD to fully reinstate the MyCAA program to include all military spouses, regardless of their service member's rank, and to ensure the funding is available for this reinstatement. We also ask Congress to work with the appropriate Service Secretaries to extend the MyCAA program to spouses of the Coast Guard, the Commissioned Corps of NOAA, and the U.S. Public Health Service.

The NDAA FY11 report on military spouse education programs only addresses one aspect – education. In order to determine if the education programs are working, we recommend a report on spouse employment programs. The NDAA FY10 created a pilot program to secure internships for military spouses

with federal agencies. Funding for the program continues through Fiscal Year 2011. A report on military spouse employment programs should include an assessment of the military spouse federal internship program. Military spouses want more federal employment opportunities. Should the pilot become a permanent program? We urge Congress to monitor the pilot to ensure spouses are able to access the program and eligible spouses are able to find federal employment after successful completion of the internship. Our Association recommends Congress requests a report on military spouse employment programs.

To further spouse employment opportunities, we recommend an expansion to the Work Opportunity Tax Credit for employers who hire spouses of active duty and reserve component service members as proposed through the *Military Spouse Employment Act*, H.R. 687. This employer tax credit is one way to encourage corporate America to hire military spouses.

We also recommend providing a tax credit to military spouses to offset the expense of obtaining a career license or credential when the service member is relocated to a new duty station. Military spouses are financially disadvantaged by government ordered moves when they are required to obtain a career license in a new state to practice in their profession. Many military spouses must maintain a career license in multiple states, costing hundreds of dollars. For example, a pharmacist can only reciprocate to another state from their original license, which requires a military spouse pharmacist to maintain a license in more than one state. When our Association asked military spouses to share their employment challenges with us, a military spouse of 26 years stated, *"The most frustrating part about the process, is that obtaining a license does not guarantee that I will find employment. I have been licensed in [Kentucky] for a full year and in that time have gotten ONE six-hour shift of work. That one shift does not even begin to recover the expense of obtaining my license here."* We recommend that Congress pass the *Military Spouse Job Continuity Act* or similar legislation to reduce the financial barrier licensed military spouses must overcome with each move in order to find employment.

Our Association urges Congress to recognize the value of military spouses by fully funding the MyCAA program for all military spouses, expand the Work Opportunity Tax Credit to include military spouses, and provide a tax credit to offset state license and credential fees.

Support for Special Needs Families

The NDAA FY10 established the Office of Community Support for Military Families with Special Needs to enhance and improve DoD support around the world for military families with special needs, whether medical or educational. Our Association remains concerned that the Office has not received the proper resources to address the medical, educational, relocation, and family support resources our special needs families often require. This Office must address these various needs in a holistic manner in order to effectively implement change. The original intent of the legislation was to have the office reside in the office of the Under Secretary of Defense for Personnel and Readiness in order to bring together all entities having responsibility for the medical, educational, relocation, and family support needs of special needs military family member. At present, however, the office comes under the jurisdiction of the Deputy Assistant Secretary of Defense for Military Community and Family Policy.

Case management for military beneficiaries with special needs is not consistent across the Services or the TRICARE Regions because the coordination care for the military family is being done by a non-synergistic health care system. Beneficiaries try to obtain an appointment and then find themselves getting partial health care within the MTF, while other health care is referred out into the purchased care network. Thus, military families end up managing their own care. Incongruence in the case management process becomes more apparent when military family members transfer from one TRICARE Region to another and when transferring within the same TRICARE Region. This incongruence is further exacerbated when a

special needs family member is involved and they require not only medical intervention, but non-medical care as well. Families need a seamless transition and a warm hand-off between and within TRICARE Regions and a universal case management process across the MHS. Each TRICARE Managed Care Support Contractor (MCSC) has created different case management processes. TRICARE leaders must work closely with their family support counterparts through the Office of Community Support for Military Families with Special Needs to develop a coordinated case management system that takes into account other military and community resources.

We applaud the attention Congress and DoD have given to our special needs family members in the past two years and their desire to create robust health care, educational, and family support services for special needs family members. But, these robust services do not follow them when they retire. We encourage the Services to allow these military families the opportunity to have their final duty station be in an area of their choice, preferably in the same state in which they plan to live after the service member retires, to enable them to begin the process of becoming eligible for state and local services while still on active duty. We also suggest the Extended Care Health Option (ECHO) be extended for one year after retirement for those family members already enrolled in ECHO prior to retirement. More importantly, our Association recommends if the ECHO program is extended, it must be for all who are eligible for the program because we should not create a different benefit simply based on medical diagnosis.

The Office of Community Support is beginning a study on Medicaid availability for special needs military family members. Our Association is anxiously awaiting this report's findings. We will be especially interested in the types of value-added services individual State Medicaid waivers offer their enrollees and whether state budget difficulties are making it more difficult for military families to qualify for and participate in waiver programs. This information will provide yet another avenue to identify additional services ECHO may include in order to help address our families' frequent moves and their inability to often qualify for these additional value-added benefits in a timely manner.

There has been discussion over the past several years by Congress and military families regarding the ECHO program. The ECHO program was originally designed to allow military families with special needs to receive additional services to offset their lack of eligibility for state or federally provided services impacted by frequent moves. We suggest that before making any more adjustments to the ECHO program, Congress should request a GAO report to determine if the ECHO program is working as it was originally designed and if it has been effective in addressing the needs of this population. We also hear from our ECHO eligible families that they could benefit from additional programs and health care services to address their special needs. We request a DoD pilot study to identify what additional service(s), if any, our special needs families need to improve their quality of life, such as cooling vests, diapers, and some nutritional supplements. We recommend families have access to \$3,000 of additional funds to purchase self-selected items, programs, and/or services not already covered by ECHO. DoD would be required to authorize each purchase to verify the requested item, program, or service is appropriate. The pilot study will identify gaps in coverage and provide DoD and Congress with a list of possible extra ECHO benefits for special needs families. We need to make the right fixes so we can be assured we apply the correct solutions. Our Association believes the Medicaid waiver report, the GAO report, along with the pilot study will provide DoD and Congress with the valuable information needed to determine if the ECHO program needs to be modified in order to provide the right level of extra coverage for our special needs families. We also recommend a report examining the impact of the war on special needs military families.

We ask Congress to request a GAO report to determine if the ECHO program is working as it was originally designed and if it has been effective in addressing the needs of this population.

We request a DoD pilot study to identify what additional service(s), if any, our special needs families need to improve their quality of life.

We also recommend a report examining the impact of the war on our special needs families.

Families on the Move

A Permanent Change of Station (PCS) move to an overseas location can be especially stressful for our families. Military families are faced with the prospect of being thousands of miles from extended family and living in a foreign culture. At many overseas locations, there are insufficient numbers of government quarters resulting in the requirement to live on the local economy away from the installation. Family members in these situations can feel extremely isolated; for some the only connection to anything familiar is the local military installation. Unfortunately, current law permits the shipment of only one vehicle to an overseas location, including Alaska and Hawaii. Since most families today have two vehicles, they sell one of the vehicles.

Upon arriving at the new duty station, the service member requires transportation to and from the place of duty leaving the military spouse and family members at home without transportation. This lack of transportation limits the ability of spouses to secure employment and the ability of children to participate in extracurricular activities. While the purchase of a second vehicle alleviates these issues, it also results in significant expense while the family is already absorbing other costs associated with a move. Simply permitting the shipment of a second vehicle at government expense could alleviate this expense and acknowledge the needs of today's military family.

Travel allowances and reimbursement rates have not kept pace with the out-of-pocket costs associated with today's moves. In a recent PCS survey conducted by our Association, more than 50% of survey respondents identified uncovered expenses related to the move as their top moving challenge. Military families are authorized 10 days for a housing hunting trip, but the cost for trip is the responsibility of the service member. Families with two vehicles may ship one vehicle and travel together in the second vehicle. The vehicle will be shipped at the service member's expense and then the service member will be reimbursed funds not used to drive the second vehicle to help offset the cost of shipping it. Or, families may drive both vehicles and receive reimbursement provided by the Monetary Allowance in Lieu of Transportation (MALT) rate. MALT is not intended to reimburse for all costs of operating a car but is payment in lieu of transportation on a commercial carrier. Yet, a TDY mileage rate considers the fixed and variable costs to operate a vehicle. Travel allowances and reimbursement rates should be brought in line with the actually out-of-pocket costs borne by military families.

Our Association supports the *Service Members Permanent Change of Station Relief Act*, S. 472 and believes it will reduce some of the additional moving expenses incurred by many military families.

Our Association requests that Congress authorize the shipment of a second vehicle to an overseas location (at least Alaska and Hawaii) on accompanied tours, and that Congress address the out-of-pocket expenses military families bear for government ordered moves.

Former Spouses

On September 10, 2001, DoD released a report containing recommendations for improvements to the Uniformed Services Former Spouse Protection Act (USFSPA). While Congress has addressed one or two of the recommendations from the report in the ensuing 10 years, none of them have been passed. We endorse the TMC recommendation for a hearing on this important issue.

We have also heard from a number of spouses who have been abandoned physically and financially. There can be many reasons for this, some related to behavioral health, some to inability of the families to reintegrate after many deployments. We intend to pursue this issue with DoD and the Services since it appears not to need a legislative fix. However, we do feel it is important enough to mention as a symptom of how our families and marriages are suffering after 10 years of war.

Our Association recommends that legislative action be taken to implement recommendations of the DoD Report on the Uniformed Services Former Spouse Protection Act including:

- *Base the award amount to the former spouse on the grade and years of service of the member at time of divorce (not time of retirement);*
- *Prohibit the award of imputed income while on active duty, which effectively forces active duty members into retirement;*
- *Extend 20/20/20 benefits to 20/20/15 former spouses;*
- *Permit the designation of multiple Survivor Benefit Plan (SBP) beneficiaries with the presumption that SBP benefits must be proportionate to the allocation of retired pay;*
- *Eliminate the "10-year Rule" for the direct payment of retired pay allocations by the Defense Finance and Accounting Service (DFAS);*
- *Permit SBP premiums to be withheld from the former spouse's share of retired pay if directed by court order;*
- *Permit a former spouse to waive SBP coverage;*
- *Repeal the one-year deemed election requirement for SBP; and*
- *Assist DoD and the Services with greater outreach and expanded awareness to members and former spouses of their rights, responsibilities, and benefits upon divorce.*

III. Family Health

When considering changes to the health care benefit, our Association urges policymakers to recognize the unique conditions of service and the extraordinary sacrifices demanded of military members and families. Repeated deployments, caring for the wounded, and the stress of uncertainty create a need for greater access to professional behavioral health care for all military family members.

Family readiness calls for access to quality health care and mental health services. Families need to be assured the various elements of their military health system are coordinated and working as a synergistic system. The direct care system of Military Treatment Facilities (MTFs) and the purchased care segment of civilian providers under the TRICARE contracts must work in tandem to meet military readiness requirements and ensure they meet access standards for all military beneficiaries.

Improving Access to Care

Our Association continues to monitor the experience of military families with accessing care within both the direct care and purchased care segments of the Military Health System (MHS). We are concerned our MTFs are stressed from ten years of provider deployments, which directly affects the quality, access, and cost of health care. We have consistently heard from families that their greatest health care challenge has been getting timely care in both the direct and the purchased care systems. Their main challenges with the direct care system are:

- access to their Primary Care Managers (PCM)
- availability of after-hours care
- having appointments available in MTFs for 60, 90, or 120-day follow-ups recommended by their providers.

Beneficiaries' main challenges with the purchased care system, according to TRICARE's *Health Care Survey of DoD Beneficiaries 2009 Annual Report*, are difficulty in accessing personal doctors and specialty care.

Our Association hears frequent complaints by families regarding the referral process. Families are often unfamiliar with the process at their MTF and in their TRICARE region and frequently report difficulties in obtaining an appointment within access standards. Often, they find that a provider on the TRICARE Managed Care Support Contractor's list is no longer taking TRICARE or taking new patients. The difficulties sometimes cause the beneficiary to give up on the referral process and never obtain the specialty appointment their PCM believes they need. Our Association is concerned with the impact these delays or the lack of even getting the referral is having on the quality of care and beneficiary outcome. We cannot stress enough how continuity of care is important to maintain our families' quality of care. We recommend Congress require a DoD report on the management of the referral process—both within the direct care system and between the direct care and purchased care sectors—and the impact on beneficiaries' access to care.

We see even more issues ahead that could affect beneficiary access. The TRICARE Management Activity (TMA) will roll out the new TRICARE Third Generation (T3) contract in the TRICARE North Region beginning April 2011. At that time, the remaining two TRICARE Regions will still be operating under the existing TRICARE Next Generation (T-Nex) contract. Because of the recent announcement of a T3 award change in the South Region and subsequent protest filed, full T3 implementation will remain in a holding pattern, preventing contractors' renegotiation with approximately 66 percent of our civilian TRICARE providers. With the demands and uncertainties to providers in regards to health care reform's added requirements and expenses along with looming Medicare reimbursement rate changes, we are concerned about providers' long-term willingness to remain in the TRICARE network and about the contractors' ability to recruit new providers. Thus, the combination of factors may result in a decreased access to care for military families.

National Guard and Reserve Member Family Access to Care

We remain especially concerned about access to care for National Guard and Reserve families. These families also need increased education about the multiple types of TRICARE health care benefits in which they are eligible to participate. We recommend Congress request a report to assess the coordination and continuity of health care services for National Guard and Reserve families as they frequently move from activated TRICARE Prime coverage to non-activated status and TRICARE Reserve Select (TRS) or their employer civilian health care insurance plans. We also believe that paying a stipend to a mobilized National Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan while the service member is mobilized may work out better for many families in areas where the TRICARE network may not be robust.

TRICARE Reimbursement

Our Association is concerned that continuing pressure to lower Medicare reimbursement rates will create a hollow benefit for TRICARE beneficiaries. We are appreciative Congress passed the *Medicare and Medicaid Extenders Act of 2010* (P.L.111-309), which provided a one-year extension of current Medicare physician payment rates until December 31, 2011. As the 112th Congress takes up Medicare legislation this year, we ask you to consider how this legislation will impact military health care, especially our most vulnerable populations, our families living in rural communities, and those needing access to mental health services.

While we have been impressed with the strides TMA and the TRICARE contractors are making in adding providers, especially mental health providers to the networks, we believe more must be done to persuade health care and mental health care providers to participate and remain in the TRICARE system, even if that means DoD must raise reimbursement rates. We frequently hear from providers who will not participate in TRICARE because of what they believe are time-consuming requirements and low reimbursement rates. National provider shortages in the mental health field, especially in child and adolescent psychology, are exacerbated in many cases by low TRICARE reimbursement rates, TRICARE rules, or military-unique geographic challenges, such as large military beneficiary populations in rural or traditionally-underserved areas. Many mental health providers are willing to see military beneficiaries on a voluntary status. We need to do more to attract mental health providers to join the TRICARE network. Increasing reimbursement rates is just one way of enticing them.

We recommend Congress require a DoD report on the impact on beneficiaries of the MHS referral process.

We ask Congress also to require a report assessing the coordination and continuity of health care services for National Guard and Reserve families as they transition from one TRICARE status to another.

Lastly, we ask for a legislative change to allow reserve component families to be given the choice of a stipend to continue their employer-provided care during the deployment of the service member.

Pharmacy

For several years now, our Association has cautioned about DoD generalizing findings of certain civilian beneficiary pharmacy behaviors and automatically applying them to the military population. As part of the President's FY 2011 Budget proposal, DoD recently announced it would adjust certain pharmacy co-payments. DoD's intent is to drive beneficiaries away from Retail pharmacies and toward TRICARE Mail Order Pharmacy (TMOP) utilization, which should lower government costs and increase DoD savings. Our Association has long championed a zero co-payment for generic Tier 1 medications in TMOP and we applaud DoD's proposal to implement this as one of their cost-saving measures. While we believe the rationale behind the proposed changes is sound, we request that Congress require DoD to report on how these changes impact beneficiary behavior and health care quality outcomes.

We do have some concerns with the proposed increase in co-payments for retail formulary and non-formulary medications and the impact this increase will have on beneficiaries who have no choice but to rely on the retail pharmacy for urgent non-maintenance medications. For example, the young families of deployed National Guard or Reserve members or recruiters usually do not live close to an MTF pharmacy. When their child needs an antibiotic for an urgent medical condition, such as pneumonia or an ear infection, they have no other option than the retail pharmacy. Currently, they pay \$3 for a course of a generic antibiotic treatment; under DoD's proposal, they would pay \$5. Beneficiaries who need certain medications not suited for TMOP because they are a narcotic or their chemical compound is not suitable for home delivery would also pay more under DoD's proposal.

We are also concerned about the effect of the proposed co-pay changes on our wounded, ill, and injured service members and those already medically retired. This population may be adversely affected because of the frequent alteration to their medication protocols by their health care providers in order to achieve optimum medical benefits for their often-changing medical conditions. Their medications may appear to be a maintenance drug, but are actually intended to be a used only for short-term relief. Sending them to the mail order for a 90-day supply just because the co-payment is less may in fact cost the beneficiary and the government more because of frequent changes in doses. Many of the prescriptions

needed by the wounded are for newly FDA-approved medications, which will most likely place them in non-Formulary Tier 3 status. This may place an unfair financial burden on this population because they tend to utilize a higher number of medications.

Beneficiaries who have no choice in where they must obtain their medications should not be subjected to co-payment increases aimed at changing the behavior of those who do have choices. DoD must consider the possible effects of its co-payment changes as it plans for implementation and may need to devise alternative co-payment adjustments to protect beneficiaries during these situations. We look forward to discussing potential options with Members of Congress and DoD.

In addition to the elimination of the TMOP co-payment for generic drugs as an enticement for beneficiaries to switch maintenance medications from retail to TMOP, we believe there are additional ways DoD could experience increased pharmacy savings. These include:

- Make all medications available through TRICARE Retail pharmacy also available through TRICARE Mail Order Pharmacy (TMOP)
- Provide medications treating chronic conditions, such as asthma, diabetes, and hypertension at the lowest level of co-payment regardless of brand or generic status
- Implement *The Task Force on the Future of Military Health Care* recommendation to include over-the-counter (OTC) drugs as a covered pharmacy benefit, thus eliminating the need for more costly pharmaceuticals that have the same efficacy as over-the-counter options.

The new T3 contract will provide TRICARE regional contractors and the pharmacy contractor with the ability to link pharmacy data with disease management. This will allow for better case management, increase adherence/compliance, and decrease cost, especially for beneficiaries suffering from chronic illness and multiple conditions. However, this valuable tool will only be available this year in the TRICARE North Region because the T3 contract still remains under protest in the remaining two Regions.

We applaud the proposed changes to co-payments for TMOP participants as a way to drive more beneficiaries to TMOP to increase DoD efficiencies. We support the rationale behind proposed changes to the co-payments for the Retail pharmacy, but caution that beneficiaries should not be penalized for the purchase of urgent, non-maintenance drugs or those drugs not available via mail order.

National Health Care Proposal

Our Association is cautious about the changes contained in the *Patient Protection and Affordable Care Act* (P.L. 111-148) and their potential impact on TRICARE and CHAMPVA. We thank Congress for including a provision in the NDAA FY11 to allow TRICARE to provide coverage for TRICARE eligible young adult beneficiaries up to the age of 26. Military families have been asking for this added benefit. We await its implementation and are appreciative that DoD is working hard to ensure TRICARE Young Adult (TYA) Standard/Extra coverage is made available before beneficiaries' college age students graduate this May. We appreciate the inclusion of a TRICARE Young Adult Prime option by Congress and look forward to its implementation this fall, as well. We understand DoD is addressing the issue of access to MTFs for those eligible TYA Prime non-ID card holders. However, we still need Congressional action to allow CHAMPVA coverage for eligible young adults up to the age of 26.

Congress needs to act to provide health care coverage to young adults, up to the age of 26, who are eligible for CHAMPVA.

Cost Saving Strategies in the 2012 Budget

We appreciate DoD's continued focus on cost savings strategies in the 2012 budget. DoD's proposed TRICARE changes include a change in enrollment fees for TRICARE Prime for under age 65 retirees and a change in pharmacy co-pays. DoD should also incur savings through better management of health care costs. Our Association has always supported a mechanism to provide for modest increases to TRICARE Prime enrollment fee for retirees under age 65. TRICARE Prime, the managed care option for military beneficiaries, provides guaranteed access, low out of pocket costs, additional coverage, and more continuity of care than the basic military health benefit of TRICARE Standard. The annual enrollment fee of \$230 per year for an individual retiree or \$460 for a family has not been increased since the start of TRICARE Prime in 1995.

We agree that DoD's proposed FY 2012 increase of \$5 per month per family and \$2.50 per month per individual plan is indeed modest. We applaud DoD for deciding not to make any changes to the TRICARE benefit for active duty, active duty family members, medically retired service members, and survivors of service members and for not making any changes to the TRICARE Standard and TRICARE for Life (TFL) benefit.

We have some concerns regarding DoD's selection of a civilian-based index in determining TRICARE Prime retiree enrollment fee increases after 2012. Our Association has always supported the use of Cost of Living Allowance (COLA) as a yearly index tied to TRICARE Prime retiree enrollment fee increases. We believe if DoD thought the rate of \$230 for individual and \$460 for family was appropriate in 1995, then yearly increases tied to COLA would maintain that same principle. Our objection to the utilization of a civilian index is based on our concern that civilian health care experts cannot agree on an accurate index on which to base civilian health care yearly cost increases. The *Task Force on the Future of Military Health Care* "strongly recommended that DoD and Congress accept a method for indexing that is annual and automatic." However, the Task Force recommended "using a civilian-only rather than total cost (including civilian and MTF costs for Prime beneficiaries) because the Task Force and DoD have greater confidence in the accuracy of the civilian care data and its auditability." We ask Congress to adopt the Task Force's DoD accountability recommendation and require DoD to become more accurate and establish a common cost accounting system across the MHS. Until it can do so, however, we believe increases tied to COLA are the most fair to beneficiaries and predictable for DoD.

We do not support DoD's budget proposal to change the U.S. Family Health Plan (USFHP) eligibility, asking newly enrolled beneficiaries to transition from USFHP once they become Medicare/TRICARE for Life eligible. Our Association believes USFHP is already providing TMA's medical home model of care, maintaining efficiencies, capturing savings, and improving patient outcomes. Every dollar spent in preventative medicine is captured later when the onset of beneficiary co-morbid and chronic diseases are delayed. It is difficult to quantify the long-term savings not only in actual cost to the health care plan—and thus to the government—but to the improvement in the quality of life for the beneficiary. Removing beneficiaries from USFHP at a time when they and the system will benefit the most from their preventative and disease management programs would greatly impact the continuity and quality of care to our beneficiaries and only cost shift the cost of their care from one government agency to another. Almost all USFHP enrollees already purchase Medicare Part B in case they decide to leave the plan or spend long periods of time in warmer parts of the country. There must be another mechanism in which beneficiaries would be allowed to continue in this patient-centered program. USFHP also meets the *Patient Protection and Accountability Care Act's* definition of an Accountable Care Organization. They certainly have the model of care desired by civilian health care experts and should be used by DoD as a method to test best-practices that can be implemented within the direct care system.

Our Association understands the need for TRICARE to align itself with Medicare reimbursement payments. DoD's proposal to implement reimbursement payment for Sole Community Hospitals is another example of its search for efficiencies. According to TMA, 20 hospitals that serve military beneficiaries could be affected by this change. We appreciate the four-year phased-in approach. However, our Association recommends Congress encourage TMA to reach out to these hospitals and provide waivers if warranted and provide oversight to ensure beneficiaries aren't unfairly impacted by this proposal.

Our Association approves of DoD's modest increase to TRICARE Prime enrollment fees for working age retirees.

We recommend that future increases to TRICARE Prime enrollment fees for working age retirees be indexed to retired pay cost of living adjustments.

We recommend that Medicare-eligible beneficiaries using the USFHP be allowed to remain in the program.

We recommend Congress encourage TMA to reach out to Sole Community hospitals serving large numbers of military beneficiaries and provide waivers if warranted.

Other Cost Saving Proposals

We ask Congress to establish better oversight for DoD's accountability in becoming more cost-efficient. We recommend:

- Requiring the Comptroller General to audit MTFs on a random basis until all have been examined for their ability to provide quality health care in a cost-effective manner.
- Creating a committee, similar in nature to the Medicare Payment Advisory Commission, to provide oversight of the DoD Military Health System (MHS) and make annual recommendations to Congress. *The Task Force on the Future of Military Health Care* often stated it was unable to address certain issues not within their charter or within the timeframe in which they were commissioned to examine the issues. This Commission would have the time to examine every issue in an unbiased manner.
- Establishing a Unified "Joint" Medical Command structure. This was recommended by the Defense Health Board in 2006 and 2009 and included in the U.S. House Armed Service Committee's FY11 NDAA proposal and passed by the House of Representatives.

We are supportive of TMA's movement toward a medical home model of patient and family-centered care within the direct and purchase care systems. An integrated health care model, where beneficiaries will be seen by the same health care team focused on well-being and prevention, is a well-known cost saver for health care expenditures. Our concern is with the individual Services' interpretation of the medical home model and its ability to truly function as designed. Our MTFs are still undergoing frequent provider deployments; therefore, the model must be staffed well enough to absorb unexpected deployments to theater, normal staff rotation, and still maintain continuity of providers within the medical home.

Our Association believes right-sizing to optimize MTF capabilities through innovating staffing methods; adopting coordination of care models, such as medical home; timely replacement of medical facilities utilizing "world class" and "unified construction standards;" and increased funding allocations, would allow more beneficiaries to be cared for in the MTFs. This would be a win-win situation because it increases MTF capabilities, which DoD asserts is the most cost effective. It also allows more families, who state they want to receive care within the MTF, the opportunity to do so. The Task Force made

recommendations to make the DoD MHS more cost-efficient, which we support. They conclude the MHS must be appropriately sized, resourced, and stabilized and make changes in its business and health care practices. We encourage Congress to include the recommendations of the *Task Force on the Future of Military Health Care* in this year's NDAA FY12. These include:

- Restructuring TMA to place greater emphasis on its acquisition role.
- Examining and implementing strategies to ensure compliance with the principles of value-driven health care.
- Incorporating health information technology systems and implementing transparency of quality measures and pricing information throughout the MHS. (This is also a civilian health care requirement in the recently passed *Patient Protection and Affordable Care Act*.)
- Reassessing requirements for purchased care contracts to determine whether more cost effective strategies can be implemented.
- Removing systemic obstacles to the use of more efficient and cost-effective contracting strategies.

Behavioral Health Care

Our Nation must help returning service members and their families cope with the aftermath of war. DoD, the Department of Veterans Affairs (VA), and State agencies must partner in order to address behavioral health issues early in the process and provide transitional mental health programs, especially during Permanent Change of Station (PCS) moves. Partnering will also capture the National Guard and Reserve member population, who often straddle these agencies' health care systems.

Full Spectrum of Care

As the war continues, the call from families who need a full spectrum of behavioral health services—from preventative care and stress reduction techniques, to counseling and medical mental health services—is growing louder. The military offers a variety of psychological health services, both preventative and treatment, across many agencies and programs. However, as service members and families experience numerous lengthy and dangerous deployments, we believe the need for confidential, preventative psychological health services will continue to rise. More importantly, this need will remain high even after military operations scale down.

The rise in suicides among our active duty and reserve component service members demonstrates the need for these mental health services are at dangerous levels. In the research they conducted for us, RAND found military children reported higher anxiety signs and symptoms than their civilian counterparts. A recent study by Gorman, et. al (2010), *Wartime Military Deployment and Increased Pediatric Mental and Behavioral Health Complaints*, found an 11 percent increase in outpatient mental health and behavioral health visits for children from the ages of 3-8 during 2006-2007. There was an 18 percent increase in pediatric behavioral health and a 19 percent increase in stress disorders when a parent was deployed. They also found an 11 percent decrease in all other health care related visits. Additional research has found an increase in mental health services by non-deployed spouses during deployment. A study of TRICARE claims data from 2003-2006 published last year by the *New England Journal of Medicine* showed an increase in mental health diagnoses among Army spouses, especially for those whose service members had deployed for more than one year.

Our research also found the mental health of the caregiver directly affects the overall well-being of the children. Therefore, we need to treat the family as a unit as well as individuals. Communication is key in maintaining family unit balance, especially during the deployment phase. Our study also found a direct correlation between decreased communication and an increase in child and/or caregiver issues during

deployment. Research is beginning to validate the high level of stress and mental strain our military families are experiencing.

Access to Behavioral Health Care

The body of research focusing on the increased levels of anxiety and utilization of mental health services and medication causes our Association to be even more concerned about the overall shortage of mental health providers in TRICARE's direct and purchased care network. DoD's *Task Force on Mental Health* stated timely access to the proper psychological health provider remains one of the greatest barriers to quality mental health services for service members and their families. The Army Family Action Plan (AFAP) identified mental health issues as their number three issue for 2010.

While TMA reports significant progress by the TRICARE contractors in adding to the numbers of mental health providers in the networks, these numbers do not automatically translate into a corresponding increase in access. A recently published report in the March 2011 issue of *Military Medicine*, "Access to Mental Health Services for active duty and National Guard TRICARE Enrollees in Indiana," found that only 25 percent of mental health providers listed in the TRICARE contractor's provider list were accepting new TRICARE beneficiaries. Researchers stated the number one barrier to active duty and reserve component service members, and their families in obtaining mental health care in Indiana was the accuracy of the TRICARE mental health provider list. Our Association often hears from families about the number of times they contact network providers using the TRICARE provider list only to find the providers cannot meet access standards, are no longer taking TRICARE, or are not taking new TRICARE patients. This study validated what the *Task Force on Mental Health* heard from families during their investigation. Provider lists must be up-to-date in order to handle real time demands by military families.

While families are pleased more military mental health providers are available in theater to assist their service members, they are disappointed with the resulting limited access to providers at home. Families report they are being turned away from obtaining appointments at their MTFs and clinics and told to seek services elsewhere. The military fuels the shortage by deploying its mental health providers, even its child and adolescent psychology providers, to combat zones.

Family members are a key component to a service member's psychological well-being. They must be included in mental health counseling and treatment programs for service members. Families want to be able to access care with a mental health provider who understands or is sympathetic to the issues they face. We recommend an extended outreach program to service members, veterans, and their families of available mental health resources through DoD and VA with providers who inherently understand military culture. We appreciate the VA allowing family member access to Vet Centers; however, we encourage them to develop more family-oriented programs. DoD must also look beyond its own resources to increase mental health access by working with other government agencies, such as the Substance Abuse and Mental Health Services Administration (SAMHSA), especially SAMHSA's Military Families Strategic Initiative, and encourage State agencies to provide their already established services and programs to service members, veterans, and family members. DoD must also educate these other agencies about military culture to make the providers more effective in their support.

Frequent and lengthy deployments create a sharp need in mental health services by family members and service members as they get ready to deploy and after their return. Embedding mental health providers in medical home modeled clinics will allow easier access for our families. There is also an increase in demand in the wake of natural disasters, such as hurricanes and fires. DoD must maintain a flexible pool of mental health providers that can increase or decrease rapidly in numbers depending on demand on the MHS

side. Currently, Military Family Life Consultants and Military OneSource counseling are providing this type of preventative and entry-level service for military families. The web-based TRICARE Assistance Program (TRIAP) offers another vehicle for non-medical counseling, especially for those who live far from counselors. The military Services, along with military family members, need to be more aware of resources along the continuum of mental health support. Families need the flexibility of support in both the MHS and family support arenas, as well as coordination of support between these two entities.

There are other barriers to access for some in our population. Many already live in rural areas, such as our Guard and Reserve, or they will choose to relocate to rural areas lacking available mental health providers. We need to address the distance issues families face in finding mental health resources and obtaining appropriate care. Isolated service members, National Guard and Reserve, veterans, and their families do not have the benefit of the safety net of services and programs provided by MTFs, military installation based support programs, VA facilities, Community-Based Outpatient Centers, and Vet Centers. We hear the National Guard Bureau's Psychological Health Services (PHS) has not been established in all 50 states and is not working as designed to address members' mental health issues. We recommend that this program be evaluated to determine its effectiveness. We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture.

The Defense Centers of Excellence is providing a transition benefit for mental health services for active duty service members, called *inTransition*. Our Association recommends this program be expanded to provide the same benefit to active duty spouses and their children. Families often complain about the lack of seamless transition of care when they PCS. This program will not only provide a warm hand-off between mental health providers when moving between and within Regions, but more importantly, enable mental health services to begin during the move, when families are between duty stations and most vulnerable.

The Mental Health Needs of Military Children

Our Association is concerned about the impact of deployment and/or the injury of the service member is having on our most vulnerable population, children of our military service members and veterans. Our study on the impact of the war on caregivers and children found deployments are creating layers of stressors, which families are experiencing at different stages. Teens especially carry a burden of care they are reluctant to share with the non-deployed parent in order to not "rock the boat." They are often encumbered by the feeling of trying to keep the family going, along with anger over changes in their schedules, increased responsibility, and fear for their deployed parent. Children of the National Guard and Reserve face unique challenges since most do not live near a military installation. Our research found they have more difficulty with deployments and reintegration than their active duty counterpart.

Our study respondents stated their communities did not understand what it was like to be military, and youth reported feeling misunderstood by people in their schools. We hear that school systems are generally unaware of this change in focus within these family units and are ill prepared to spot potential problems caused by these deployments or when an injury occurs.

Also vulnerable are children who have disabilities that are further complicated by deployment or subsequent injury of the service members. Their families find stress can be overwhelming, but are afraid to reach out for assistance for fear of retribution to the service member's career. They often choose not to seek

care for themselves or their families. We appreciate the inclusion of a study on the mental health needs of military children in the NDAA FY10 and look forward to the findings.

Suicide

Our Association recognizes the action being taken by the Services and the VA to address the rising number of suicides in active duty, National Guard and Reserve service members, and veterans. We appreciate the Army's recent suicide report and the *DoD Suicide Prevention Task Force* report. However, we are concerned that military and veteran families were not included when examining suicides. We have no idea whether families are also experiencing a rise in suicides and outpacing their civilian counterparts. Therefore, we recommend Congress require a DoD report on the number of family members who committed suicide, made a suicide attempt, or reported suicidal thoughts.

We encourage Congress to direct DoD to include a mental health screening of military families each time they visit their primary health care provider. Providers should inquire about whether or not the family is experiencing a loved one's deployment. We also recommend DoD offer a pre- and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members).

Caregiver Burnout

In the tenth year of war, care for the caregivers must become a priority. There are several levels of caregivers. Our Association hears from the senior officer and enlisted spouses who are so often called upon to be the strength for others. We hear from the health care providers, educators, rear detachment staff, chaplains, and counselors who are working long hours to assist service members and their families. They tell us they are overburdened, burnt out, and need time to recharge so they can continue to serve these families. These caregivers must be afforded respite care, given emotional support through their command structure, and be provided effective family programs. DoD should also take the opportunity to gather lessons learned and identify effective resiliency strategies deployed by our senior leaders and their spouses for future applications.

Many providers have just returned home after completing a combat tour, only to be overwhelmed by treating active duty members, retirees, and their families. It can lead to provider compassion fatigue and create burnout. Our Association would like to be assured DoD is allowing these providers adequate dwell time and time to reintegrate with their families before returning to work. Beneficiaries rely heavily on MTF providers for their care, especially mental health, and need them to be fully ready to care for them. Providers must also be provided the opportunity to sharpen their practice skills, which may have not been used while serving in a combat zone. If they are not adequately addressed, this situation has the potential to negatively impact both the provider's ability to provide quality care and the beneficiary to receive quality care. We recommend Congress ask for a study to examine the impact the war is having on our MHS active duty providers and their families.

Educating Those Who Care for Service Members and Families

The families of service members and veterans must be educated about the effects of Traumatic Brain Injury (TBI), Post-Traumatic Stress (PTS), Post-Traumatic Stress Disorder (PTSD), and suicide in order to help accurately diagnose and treat the service member/veteran's condition. These families are on the "sharp end of the spear" and are more likely to pick up on changes attributed to either condition and relay this information to their health care providers. Programs are being developed by each Service. However, they are narrow in focus targeting line leaders and health care providers, but not broad enough to capture our

military family members and the communities they live in. As Services roll out suicide prevention programs, we need to include our families, communities, and support personnel.

The DoD, VA, and State agencies must educate their health care and mental health professionals of the effects of mild Traumatic Brain Injury (mTBI) in order to help accurately diagnose and treat the service member's condition. They must be able to deal with polytrauma—PTS and PTSD in combination with mTBI and multiple physical injuries.

DoD, working with the TRICARE Managed Care Support Contractors and Service medical leadership, must reach out to educate civilian health care providers on how to identify signs and symptoms of mTBI, PTS, and PTSD. It must educate them about our military culture. We recommend a course on military culture be required in all health care and behavioral health care college curriculums and to offer a TMA approved military culture Continuing Education Unit (CEU) for providers who have already graduated. TMA should incentivize providers to take these courses.

Reintegration

Reintegration programs become a key ingredient in the family's success. Our Association believes we need to focus on treating the whole family with programs offering readjustment information, education on identifying stress, substance abuse, suicide, and traumatic brain injury, and encouraging them to seek assistance when having financial, relationship, legal, and occupational difficulties. We appreciate the inclusion in the NDAA FY10 for education programs targeting pain management and substance abuse for families, especially as DoD reports an increase in medication-related deaths and prescription-related substance use. We recommend Congress request DoD report on its outreach and the effectiveness of its educational programs in addressing this issue.

Successful return and reunion programs will require attention over the long term, as well as a strong partnership at all levels between the various mental health arms of DoD, VA, and State agencies. DoD and VA need to provide family and individual counseling to address these unique issues. Opportunities for the entire family and for the couple to reconnect and bond must also be provided. Our Association has recognized this need and established family retreats under our *Operation Purple* program in the National Parks, promoting family reintegration following deployment.

Our Association is noticing a potential impact on the service member and their families during the two week R&R scheduled during a war related assignment. DoD's intent is to provide time for the service member to spend quality time with their family away from the everyday stress of war. However, families tell us that, even though they appreciate the time together, they find the experience can cause increased anxiety, disrupt a family that has already developed successful coping skills during deployment, and make it hard for the family to readjust and regain family balance after the service member has returned to war. Families lack important support mechanisms and resources on how to prepare for before, during, and after the two week R&R. Each family anticipates and handles the situation differently, but all say it is stressful. Our Association would like a study on the impact of the two week R&R on deployed families and the service member. This report will help identify what tools our families and service members need to be better prepared and determine if the program needs to be modified.

We recommend an extended outreach program to service members, veterans, and their families of available psychological health resources, such as DoD, VA, and State agencies.

We encourage Congress to request DoD to include families in its Psychological Health Support survey and perform a pre and post-deployment mental health screening on family members (similar to the PDHA and PDHRA currently being done for service members).

Our Association recommends the “inTransition” program be expanded to provide the same benefit to active duty family members.

We recommend the use of alternative treatment methods, such as telemental health; increasing mental health reimbursement rates for rural areas; modifying licensing requirements in order to remove geographic practice barriers that prevent mental health providers from participating in telemental health services; and educating civilian network mental health providers about our military culture.

We recommend Congress require a DoD report on the number of family members who have committed or attempted suicide.

We recommend Congress ask for a study to examine the impact the war is having on our MHS active duty providers and their families.

Wounded Service Members Have Wounded Families

Our Association asserts that behind every wounded service member and veteran is a wounded family. It is our belief the government, especially the DoD and VA, must take a more inclusive view of military and veterans' families. Those who have the responsibility to care for the wounded, ill, and injured service member must also consider the needs of the spouse, children, parents of single service members and their siblings, and the caregivers. DoD and VA need to think proactively as a team and one system, rather than separately; and addressing problems and implementing initiatives upstream while the service member is still on active duty status.

Reintegration programs become a key ingredient in the family's success. For the past three years, we have piloted our *Operation Purple® Healing Adventures* camp to help wounded, ill, and injured service members and their families learn to play again as a family. We hear from the families who participate in this camp, as well as others dealing with the recovery of their wounded service members, that, even with Congressional intervention and implementation of the Services' programs, many issues still create difficulties for them well into the recovery period. Families find themselves having to redefine their roles following the injury of the service member. They must learn how to parent and become a spouse/lover with an injury. Each member needs to understand the unique aspects the injury brings to the family unit. Parenting from a wheelchair brings a whole new challenge, especially when dealing with teenagers. Parents need opportunities to get together with other parents who are in similar situations and share their experiences and successful coping methods. Our Association believes all must focus on treating the whole family, with DoD and VA programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. Injury interrupts the normal cycle of deployment and the reintegration process. DoD, the VA, and non-governmental organizations must provide opportunities for the entire family and for the couple to reconnect and bond, especially during the rehabilitation and recovery phases.

DoD and the VA must do more to work together both during the treatment phase and the wounded service member's transition to ease the family's burden. They must break down regulatory barriers to care and expand support through the Vet Centers the VA medical centers, and the community-based outpatient clinics (CBOCs). We recommend DoD partner with the VA to allow military families access to mental health services throughout the VA's entire network of care using the TRICARE benefit. Before expanding support services to families, however, VA facilities must establish a holistic, family-centered approach to care when

providing mental health counseling and programs to the wounded, ill, and injured service member or veteran.

We remain concerned about the transition of wounded, injured, and ill service members and their families from active duty status to that of the medically-retired. While we are grateful, DoD has proposed to exempt medically-retired service members, survivors, and their families from the TRICARE Prime enrollment fee increases, we believe wounded service members need even more assistance in their transition. We continue to recommend that a legislative change be made to create a three-year transition period in which medically-retired service members and their families would be treated as active duty family members in terms of TRICARE fees, benefits, and MTF access. This transition period would mirror that currently offered to surviving spouses and would allow the medically-retired time to adjust to their new status without having to adjust to a different level of TRICARE support.

Case Management

Our Association still finds families trying to navigate a variety of complex health care systems alone, trying to find the right combination of care. Our most seriously wounded, ill, and injured service members, veterans, and their families are often assigned multiple case managers. Families often wonder which one is the "right" case manager. We believe DoD and the VA must look at whether the multiple, layered case managers have streamlined the process or have only aggravated it. We know the goal is for a seamless transition of care between DoD and the VA. However, we continue to hear from families, whose service member is still on active duty and meets the Federal Recovery Coordinator (FRC) requirement, who have not been told FRCs exist or that the family qualifies for one. We are awaiting the Government Accountability Office's (GAO) FRC report to determine how that program is working in caring for our most seriously wounded, ill, and injured service members and veterans and what can be done to improve the case management process.

Caregivers of the Wounded

Caregivers need to be recognized for the important role they play in the care of their loved one. Without them, the quality of life of the wounded service members and veterans, such as physical, psycho-social, and mental health, would be significantly compromised. They are viewed as an invaluable resource to DoD and VA health care providers because they tend to the needs of the service members and the veterans on a regular basis. And, their daily involvement saves DoD, VA, and State agency health care dollars in the long run. Their long-term psychological care needs must be addressed. Caregivers of the severely wounded, ill, and injured service members who are now veterans have a long road ahead of them. In order to perform their job well, they will require access to mental health services.

The VA has made a strong effort in supporting veterans' caregivers. DoD should follow suit and expand its definition, which still does not align with P.L. 111-163. We appreciate the inclusion in NDAA FY10 of compensation for service members with assistance in everyday living and the refinement in NDAA FY11. The VA recently released their VA Caregiver Implementation Plan. Our Association had the opportunity to testify at a recent House Veterans' Affairs Committee hearing *Implementation of Caregiver Assistance: Are we getting it right?* about our concerns related to the VA's caregiver implementation plan. We believe the VA is waiting too long to provide valuable resources to caregivers of our wounded, ill, and injured service members and veterans who had served in Operation Iraqi Freedom/Operation Enduring Freedom/Operation New Dawn (OIF/OEF/OND). The intent of the law was to allow caregivers to receive value-added benefits in a timely manner in order to improve the caregiver's overall quality of life and train them to provide quality of care to their service member and veteran. The VA's interpretation also has the potential to impact the DoD's *Special Compensation for Service Members* law passed as part of NDAA FY10 and modified in FY11. The one

area of immediate concern is the potential gap in financial compensation when the service member transitions to veteran status. The VA's application process and caregiver validation process appear to be very time intensive. The DoD compensation benefit expires at 90-days following separation from active duty.

Other concerns include:

- Narrower eligibility requirements than what the law intended;
- Lack of clarity concerning whether an illness is covered, such as cancer from a chemical exposure;
- Delay in the caregiver's receipt of health care benefits if currently uninsured, respite care, and training; and
- Exclusion of non-medical care from the VA's caregiver stipend.

The VA's decision to delay access to valuable training may force each Service to begin its own training program. Thus, each Service's training program will vary in its scope and practice and may not meet VA's training objectives. This disconnect could force the caregiver to undergo two different training programs in order to provide and care and receive benefits.

Our Association also believes the current laws do not go far enough. Compensation of caregivers should be a priority for DoD and the Secretary of Homeland Security. Non-medical care should be factored into DoD's compensation to service members. The goal is to create a seamless transition of caregiver benefit between DoD and the VA. We ask Congress to assist in meeting that responsibility.

The VA currently has eight caregiver assistance pilot programs to expand and improve health care education and provide needed training and resources for caregivers who assist disabled and aging veterans in their homes. DoD should evaluate these pilot programs to determine whether to adopt them for caregivers of service members still on active duty. Caregivers' responsibilities start while the service member is still on active duty.

Relocation Allowance and Housing for Medically-Retired Single Service Members

Active Duty service members and their spouses qualify through the DoD for military orders to move their household goods when they leave the military service. Medically retired service members are given a final PCS move. Medically retired married service members are allowed to move their family; however, medically retired single service members only qualify for moving their own personal goods.

Our Association suggests that legislation be passed to allow medically retired single service members the opportunity to have their caregiver's household goods moved as a part of the medical retired single service member's PCS move. This should be allowed for the qualified caregiver of the wounded service member and the caregiver's family (if warranted), such as a sibling who is married with children, or mom and dad. This would allow for the entire caregiver's family to move, not just the caregiver. The reason for the move is to allow the medically retired single service member the opportunity to relocate with their caregiver to an area offering the best medical care, rather than the current option that only allows for the medically retired single service member to move their belongings to where the caregiver currently resides. The current option may not be ideal because the area in which the caregiver lives may not be able to provide all the health care services required for treating and caring for the medically retired service member. Instead of trying to create the services in the area, a better solution may be to allow the medically retired service member, their caregiver, and the caregiver's family to relocate to an area where services already exist.

The decision on where to relocate for optimum care should be made with the FRC (case manager), the service member's medical physician, the service member, and the caregiver. All aspects of care for the medically retired service member and their caregiver shall be considered. These include a holistic

examination of the medically retired service member, the caregiver, and the caregiver's family for, but not limited to, their needs and opportunities for health care, employment, transportation, and education. The priority for the relocation should be where the best quality of services is readily available for the medically retired service member and his/her caregiver.

The consideration for a temporary partial shipment of caregiver's household goods may also be allowed, if deemed necessary by the case management team.

We ask Congress to allow medically-retired service members and their families to maintain the active duty family TRICARE benefit for a transition period of three years following the date of medical retirement, comparable to the benefit for surviving spouses.

Service members medically discharged from service and their family members should be allowed to continue for one year as active duty for TRICARE and then start the Continued Health Care Benefit Program (CHCBP) if needed.

Caregivers of the wounded, ill and injured must be provided with opportunities for training, compensation and other support programs because of the important role they play in the successful rehabilitation and care of the service member and veteran.

We request legislation authorizing medically retired single service members to have their caregiver's household goods moved as a part of their final PCS move.

Medical Power of Attorney

We have heard from caregivers of the difficult decisions they have to make over their loved one's bedside following an injury. We support the *Traumatic Brain Injury Task Force* recommendation for DoD to require each deploying service member to execute a Medical Power of Attorney and a Living Will.

DoD should require each deploying service member to execute a Medical Power of Attorney and a Living Will.

Senior Oversight Committee

Our Association is appreciative of the provision in the NDAA FY09 continuing the DoD and VA Senior Oversight Committee (SOC) until December 2010. The DoD established the Office of Wounded Warrior Care and Transition Policy to take over the SOC responsibilities. The Office has seen frequent leadership and staff changes and a narrowing of its mission. We urge Congress to put a mechanism in place to continue to monitor this Office for its responsibilities in maintaining DoD and VA's partnership and making sure joint initiatives create a seamless transition of services and benefits for our wounded, ill, and injured service members, veterans, their families, and caregivers.

Defense Centers of Excellence

A recent GAO report found the Defense Centers of Excellence (DCoE) for Psychological Health and Traumatic Brain Injury has been challenged by a mission that lacked clarity and by time-consuming hiring practices. Other DCoE have experienced a lack of adequate funding hampering their ability to hire adequate staff and begin to provide care for the patient population as they were created to address. These include the Vision Center of Excellence, Hearing Center of Excellence, and the Traumatic Extremity Injury and Amputation Center of Excellence. We recommend Congress immediately fund these Centers and require DoD to provide resources to effectively establish these Centers and meet DoD's definition of "world class" facilities.

Our Association encourages all Congressional Committees with jurisdiction over military personnel and veterans matters to talk on these important issues. Congress, DoD, and VA can no longer continue to create policies in a vacuum and focus on each agency separately because our wounded, ill, and injured service members and their families need seamless, coordinated support from each.

Military Families – Our Nation’s Families

Military families have been supporting their warriors in time of war for 10 years. DoD and the military Services, with the help and guidance of Congress have developed programs and policies to respond to their changing and developing needs over this time. Families have come to rely on this support. They appreciate the spotlight of recognition that has been shone on their experience by the First Lady and Dr. Biden. They are heartened by the new sense of cooperation between government agencies in coordinating support. They know that it is up to them to make use of the tools and programs provided to become more resilient with each deployment. Congress provides the authorization and funding for these tools and programs. Even in a time of austere budgets, our Nation needs to sustain this support in order to maintain readiness. Our military families deserve no less.

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Statement for
the Record

Reserve Officers Association of the United States
And
Reserve Enlisted Association

for the

House Armed Services Committee
Subcommittee on Military Personnel

March 17, 2011



"Serving Citizen Warriors through Advocacy and Education since 1922."™



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The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 60,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

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The Reserve Enlisted Association is an advocate for the enlisted men and women of the United States Military Reserve Components in support of National Security and Homeland Defense, with emphasis on the readiness, training, and quality of life issues affecting their welfare and that of their families and survivors. REA is the only Joint Reserve association representing enlisted reservists – all ranks from all five branches of the military.

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DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers and Reserve Enlisted Associations are member-supported organizations. Neither ROA nor REA have received grants, sub-grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the associations are accomplished free of any direct federal funding.

INTRODUCTION

On behalf of our members, the Reserve Officers Association and the Reserve Enlisted Association thank the committee for the opportunity to submit testimony on military personnel issues. ROA and REA applaud the ongoing efforts by Congress to address readiness, recruiting and retention issues.

As contingency operations continue with Reserve Component members will continue to mobilize and deploy. Many of these outstanding citizen Soldiers, Sailors, Airmen, Marines, and Coast Guardsmen have put their civilian careers on hold while they serve their country in harm's way.

As we have learned over the last ten years, they share the same risks as their counterparts in the Active Components. Just this month we passed the 800,000 mark for the number of Reserve and Guard service members who have been activated since post-9/11. More than 275,000 have been mobilized two or more times. The United States is creating a new generation of combat veterans that come from its Reserve Components (RC). It is important, therefore, that we don't squander this valuable resource of experience, nor ignore the benefits that they are entitled to because of their selfless service to their country.

EXECUTIVE SUMMARY

The Reserve Officers Association CY-2011 Legislative Priorities are:

- Recapitalize the Total force to include fully funding equipment and training for the National Guard and Reserves.
- Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.
- Provide adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support warriors, families and survivors

Issues supported by the Reserve Officers and Reserve Enlisted Associations are to:

Changes to retention policies:

- Permit service beyond the current Reserve Officers Personnel Management Act (ROPMA) limitations.
- Support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component.
- Advocate against cuts in Reserve Component; support Reserve commissioning programs
- Reauthorize yellow ribbon program to support demobilized Guard and Reserve members.

Pay and Compensation:

- Reimburse a Reserve Component member for expenses incurred in connection with round-trip travel in excess of 50 miles to an inactive training location, including mileage traveled, lodging and subsistence.
- Obtain professional pay for Reserve Component medical professionals, consistent with the Active Component.
- Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.
- Simplify the Reserve duty order system without compromising drill compensation.
- Renew Reserve Income Replacement program for mobilized reserve components.

Education:

- Include Title 14 Coast Guard Reserve duty in eligibility for the Post 9/11 GI Bill.
- Exempt earned benefit from GI Bill from being considered income in need based aid calculations.
- Develop a standard nation-wide payment system for private schools.
- Re-examine qualification basis for yellow ribbon program, rather than first come first serve.
- Increase MGIB-Selected Reserve (MGIB-SR) to 47 percent of MGIB-Active.
- Include 4-year reenlistment contracts to qualify for MGIB-SR.

Employee Support:

- Permit delays or exemptions while mobilized of regularly scheduled mandatory continuing education and licensing /certification/promotion exams.
- Continue to support a law center dedicated to USERRA/SCRA problems of deployed Active and Reserve service members.

Health Care:

- Improve continuity of health care for all drilling Reservists and their families by:
 - Monitoring the implementation of DoD paying a stipend toward employer's health care for dependents.
 - Seeking an audit by GAO to evaluate the TRICARE Retired Reserve premium rates.
 - Include a self plus one premium for TRR.
 - Permitting active members in the Individual Ready Reserve (IRR) who qualify for a 20-year retirement to buy-into TRICARE.
 - Allowing demobilized Retirees and Reservists involuntarily returning to IRR to qualify for subsidized TRS coverage.
 - Providing TRS coverage to mobilization ready IRR members; levels of subsidy would vary for different levels of readiness.
 - Improve post deployment mental health evaluations of returning Reserve Component members.
- Fund restorative dental care prior to mobilization.
- Extend military coverage for restorative dental care following deployment to 90 days.
- Evaluate the Post Deployment Medical Evaluation process.

Mobilization:

- Oversee service sections' policies to reimburse mobilized Reservists on Temporary Duty Orders (TDY) orders with lengths over 179 days.
- Provide differential pay for deployed federal employees permanently.

Spouse Support:

- Expand eligibility of surviving spouses to receive Survivor Benefit Plan (SBP)-Dependency Indemnity Clause (DIC) payments with no offset.
- Provide employment protection and provide family leave for spouses and family care-givers of mobilized Guard and Reserve for a period of time prior to or following the deployment of the military member.

Deferred Benefits and Retirement:

- Extend current early retirement legislation retroactively to Sept. 11, 2001.
- Promote improved legislation on reducing the Reserve Component retirement age.
- Permit mobilized retirees to earn additional retirement points with less than two years of activated service, and codify retirement credit for serving members over age 60.

- Modify US Code that requires repayment of separation bonuses if an individual receives a Uniformed Service retirement annuity.
- Change US Code to eliminate the Fiscal Year barrier toward full credit toward early retirement.
- Continue to protect and sustain existing retirement benefits for currently retired.

Voting:

- Ensure that every deployed service member has an opportunity to vote by:
 - Working with the Federal Voting Assistance Program.
 - Supporting electronic voting.
- Ensure that every military absentee ballot is counted.



Only issues needing additional explanation are included below. Self-explanatory or issues covered by other testimony will not be elaborated upon, but ROA and REA can provide further information if requested.

READINESS DISCUSSION

Operational versus strategic missions for the Reserve Component

The Reserve forces are no longer a part-time strategic force but are an integral contributor to our nation's operational ability to defend our soil, assist other countries in maintaining global peace, and fight in overseas contingency operations.

National security demands both a strategic and an operational reserve. The operational reserve requires a more significant investment of training and equipment resources, and places greater demands on its personnel as compared to the strategic reserve. Those serving in operational reserve units must be fully aware of the commitment required to maintain the expected level of readiness. A similar awareness and commitment is necessary for those responsible for providing resources to the operational reserve.

Planners also must recognize that few individuals can remain in the operational reserve for an entire career. There will be times when family, education, civilian career, and the other demands competing for their time and talents take priority. Such an approach requires the ability to move freely and without penalty between the operational and strategic elements of the Reserve Component as a continuum of service.

Each service has its own force generation models and the services organize, train and equip their Reserve Components to a prescribed level of readiness prior to mobilization to limit post-mobilization training and to maximize operational deployment time. **ROA and REA urge Congress to continue to support and fund each service's authority to manage the readiness of its own reserve forces as one model does not fit all.**

In an era of constrained budgets, a capable and sustainable Reserve and National Guard is a cost-effective element of national security.

Junior Officer and Enlisted Drain

As an initial obligated period draws to the end, many junior officers and enlisted choose to leave, creating a critical shortage of experienced young people in the leadership conduit. This challenge has yet to be solved.

As the services face pending end strength reduction, they approach this challenge with an inverse solution, by rifting out junior people, as the Air Force and Marine Corps are doing. Cutting the most junior people does not provide the same amount of savings in that it creates an older top heavy organization and does not make room for the newest generation of combat veterans. These cuts also reduce a fresh prospective brought by younger members.

Another solution to reduce the end strength is to slow down the input into the system. Both ROA and REA are concerned that ROTC scholarships and commissioning are being reduced. Last year, the Chief of Naval Operations announced a 30 percent reduction in NROTC scholarships. The U.S. Air Force will be screening this year's sophomore class, only allowing 60 percent of the class to advance as Juniors; next year only 45 percent will be allowed to advance next year.

End Strength and Preparedness

Part of the President's budget includes planned reductions for both the Army and Marine Corps, by 27,000 and 15,000, respectively. It should be remembered that individuals cannot be brought quickly on to active duty on a temporary basis, but it is an accumulation of experience and training that is acquired over years that becomes an asset for the military. Reducing the force will also foreshorten dwell time.

Before cuts to the USA and USMC are made, ROA and REA hope that Congress requests a report from services and DOD on the effect in the short and long term. These cuts need to be carefully evaluated to ensure that it is not based on budgetary concerns, but on capability.

Traditionally, it has been the Reserve Component that has provided the temporary surge to fill-in the active duty numbers. The end strengths included in the President's budget appear to maintain current numbers. As end strengths are cut, **ROA and REA support transferring both manpower and equipment into the National Guard and Reserve to provide operational flexibility in the future.**

ROA and REA are concerned that the ongoing cuts to the Navy's Reserve will continue and this is a trend that needs to be reversed. The reported end strength of the Navy Reserve is just above 64 thousand. A new manpower study needs to be done and published by the Navy Reserve to calculate the actual manning level requirements: this study should be driven by readiness and not budgetary requirements. According to the president's budget, the Navy Reserve will face another 2,900 cut.

Following World War I, Lieutenant General James Guthrie Harbord, USA, General John J. Pershing's chief of staff, was quoted in a 1922 New York Times as saying, "The size of our debt, incurred through unpreparedness, brings a demand for economy, and we continue unprepared. Thus unpreparedness brings the debt, and the debt continues unpreparedness."

Without external threats, the USA has traditionally reduced the size of its armed forces. Since the 1990's the Pentagon has recommended proportional cuts be taken in the Reserve Component when taken in the Active force. This reasoning fails in many ways. It results in a hollowing out of the force and preparedness, undermines morale, and undercuts retention. National security is put at risk.

There is a need to maintain a national position of readiness, and the Reserve component is a cost-effective solution of being prepared. **As cuts are taken in the Active Component, the Reserve Component should grow in size to maintain a place for readiness capability.**

PROPOSED LEGISLATION

Retirement

Fixing early retirement—the concept whereby Reservists and Guardsmen can subtract time from age 60 when they would otherwise begin drawing their reserve retirement—has been at the front of ROA’s advocacy agenda for a number of years.

ROA and REA continue to thank Congress for passage the Fiscal Year 2008 National Defense Authorization act, which established early retirement of 90 days for every consecutive 90 day period of active duty. However, the one major flaw in the law neglects the operational reservists who mobilized prior to that date.

Newly acquired data supports backdating early retirement to 2001. Those who served prior to 2008, when the law was established, faced higher risks and took more casualties.

Between 2001 and the date the law took effect, 82 percent (926 deaths) of National Guard and Reserve deaths had already occurred. Unfortunately, Congress overlooked this early sacrifice by not yet correcting the early retirement statute to include those who served between 2001 and 2008.

1. **ROA and REA endorse H.R.181, the National Guardsmen and Reservists Parity for Patriots Act**, which is a corrective measure to Section 12731(f)(2)(A) of title 10, United States Code. Over 600,000 were unfairly excluded. We realize the expense of this corrective measure scored by CBO is \$1.3 billion over ten years, but hope that offset dollars can be found or the correction can be phased-in.

2. ROA and REA don’t view this congressional solution as the final retirement plan. The Commission on the National Guard and Reserve recommends that Congress should amend laws to place the active and reserve components into the same retirement system. Secretary of Defense Robert Gates refers to the Tenth Quadrennial Review of Military Compensation’s comprehensive review of the military retirement systems for suggested reform. The latter report suggests a retirement pay equal to 2.5 percent of basic pay multiplied by the number of years of service.

ROA and REA agree that a retirement plan, at least for the Reserve Component, should be based on accrualment of active and inactive duty. Early retirement should not be based on the type of service, but on the aggregation of duty. It shouldn’t matter if a member’s contributions were paid or non-paid; inactive duty, active duty for training, special works or for mobilization. Under a continuum of service, this approach would provide both the Active or Reserve Component members with an element of personal control to determine when they retire and will encourage increased frequency of service beyond 20 years within the Reserve.

3. Despite efforts by Congress, it appears that DoD will not be altering how it credits days toward early retirement that overlap the beginning of the new Fiscal Year. **ROA and REA endorse legislation that will be reintroduced by Rep. Tom Latham (R-Iowa) to correct existing Section 12731(f)(2)(A) of title 10, United States Code.**

4. With an ongoing need for mid-grade officers Congress should reexamine the DOPMA and ROPMA laws to:

- a. permit O-3s without prior enlisted service to be able to retire at 20 years of service. Many of badly needed skills that the services would like to retain, yet must be discharged if passed over for promotion to often.
- b. To allow O-4 officers who, after a break in service from active duty, return to the Reserve Component to retire. After being encouraged to return a number of officers find they are not eligible for non-regular retirement. When reaching 20 years of commissioned service they find they may have only 15 good federal years.

Education

1. Montgomery "GI" Bill-Selected Reserve (MGIB-SR): To assist in recruiting efforts for the Marine Corps Reserve and the other uniformed services, **ROA and REA urge Congress to reduce the obligation period to qualify for MGIB-SR (Section 1606) from six years in the Selected Reserve to four years in the Selected Reserve plus four years in the Individual Ready Reserve, thereby remaining a mobilization asset for eight years.**
2. Extending MGIB-SR eligibility beyond Selected Reserve Status: Because of funding constraints, no Reserve Component member will be guaranteed a full career without some period in a non-pay status. BRAC realignments are also restructuring the RC force and reducing available paid billets. Whether attached to a volunteer unit or as an individual mobilization augmentee, this status represents periods of drilling without pay. **MGIB-SR eligibility should extend for 10 years beyond separation or transfer from a paid billet.**

Leadership

ROA and REA urges the Congress to change sections 5143 and 5144 of US Code Title 10 to only permit appointments from the Navy or Marine Corps' Reserve Component.

Both the Army and Air Force Reserve Chiefs may only be selected from general officers from that component's reserve, yet the Navy and the Marine Corps can select its reserve leadership from either active or reserve flag officers. (U.S. Code Title 10, section 3038 states that "The President, by and with the advice and consent of the Senate, shall appoint the Chief of Army Reserve from general officers of the Army Reserve..." and section 8038 uses similar language for the appointment of the Chief of the Air Force Reserve, while U.S. Code Title 10, section 5143 only requires the President to appoint the Chief of Navy Reserve from flag officers of the Navy, and section 5144 only requires the President to appoint the Commander, Marine Forces Reserve, from general officers of the Marine Corps.) The Reserve Chief of a service's reserve needs to have an understanding of both the citizen warriors who are reporting to him or her, and the system through which they report.

Military Voting

ROA and REA thank Congress for the improvements made to absentee voting in the FY-2010 Defense Authorization. Military personnel, overseas citizens and their families residing outside their election districts deserve every reasonable opportunity to participate in the electoral process. Yet, studies by Congressional Research Service show that 25 percent of military member and family votes were not counted in the 2008 election.

ROA and REA urge Congress to direct the Government Accountability Office to report further on the effectiveness of absentee voting assistance to Military and Overseas Citizens for the 2010 General Election and determine how Federal Voting Assistance Program's efforts to facilitate absentee voting by military personnel and overseas citizens differed between the 2008 and 2010 national elections.

During the 2010 elections there were at least a dozen states that had one or more counties that failed to comply with the MOVE Act, but we do applaud the Department of Justice for their fortitude in enforcing provisions of the law.

ROA and REA hope that Congress encourages the Secretary of Defense, in conjunction with States and local jurisdictions, to gather and publish national data about the 2010 election by voting jurisdiction on disqualified military and overseas absentee ballots and reasons for disqualification.

In addition ROA and REA encourage the committee to endorse new legislation, H.R.702 introduced by Congressman David (Phil) Roe (R-Tenn.) that would amend the Uniformed and Overseas Citizens Absentee Voting Act (UCAVA) to help ensure that states count the ballots through delaying the process of certification of results of normally scheduled general elections for Federal office up to 10 days.

CONCLUSION

ROA and REA reiterate our profound gratitude for the progress achieved by this committee by providing parity on pay and compensation between the Active and Reserve Components, with the sub-committee also understanding the difference in service between the two components.

ROA and REA look forward to working with the personnel sub-committee where we can present solutions to these and other issues, and offers our support in anyway.

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

MARCH 17, 2011

RESPONSES TO QUESTIONS SUBMITTED BY MRS. DAVIS

Secretary STANLEY. Although the NDAA 2010 authorized \$50M for the programs, 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). These case managers were new to the Air Force and Navy, while the positions were used to supplement the well-established Army and Marine Corps programs.
- Drafted a new issuance clarifying policy regarding the Exceptional Family Member Program (EFMP). The new issuance will reflect the requirements of U.S.C. 1781c, as added by the NDAA 2010, for a uniform DOD policy regarding military families with special needs. A draft for Service review will be available in the Spring 2011.
- Initiated three research studies:
 - Availability and accessibility of services for children with autism (Phase 1 completed; report and directory to be available on Military HOMEFRONT website Spring 2011).
 - Availability and accessibility of Medicaid to military families with special needs (anticipated completion date: September 2011)
 - Benchmark study to assist in establishing family support programs for military families with special needs (anticipated completion date: November 2011).
- Developed professional materials to communicate the EFMP to military families. Materials to be disseminated to all military installation family centers in April 2011.
- Developed electronic learning modules, which will be available to families with special needs and to providers on DOD and Military Service websites. The eLearning modules will educate families on the benefits and services available to them and the member with special needs. Anticipate first module to be available summer 2011.
- Initiated a Functional Analysis of the EFMP including a review of the Military Services' current policies, procedures, 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 family support, personnel activities and military health systems to provide information as needed for assignments and for family support.

We are working with the Services to validate the level of EFMP staffing necessary to meet the intention of the law for individualized services, and to ensure that the Services have adequate funding for these positions beginning in FY 2012. [See page 11.]

Secretary STANLEY. The Department has no objection to an amendment to Title 10 that would authorize, but not require vocational training on military installations. [See page 12.]

RESPONSE TO QUESTION SUBMITTED BY MS. BORDALLO

General BOSTICK. We believe we can support the NGB's request for IDT travel reimbursement without the need to establish a Pilot Program. To do so requires validation of shortage Military Occupational Specialty (MOS) in Guam and a change to the Joint Federal Travel Regulation (JFTR) to modify the 150 mile one-way commuting distance for U.S territories. On May 2, 2011, the Army requested a change to the JFTR. We expect a final determination by May 27, 2011. [See page 15.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 17, 2011

QUESTIONS SUBMITTED BY MR. WILSON

Mr. WILSON. Mr. Secretary, today there is an increased emphasis on reducing federal spending, especially on programs that have not been operating effectively. Can you help the committee understand, how effective has the JAMRS program been both in terms of helping the Department attain its objectives for maintaining the all-volunteer force and in terms of the returns for the dollars being invested?

Secretary STANLEY. Yes, the work done by the Joint Advertising Market Research and Studies (JAMRS) is necessary for sustaining the All-Volunteer Force (AVF). JAMRS has been proven operationally effective, and a critical resource DOD's recruiting efforts. Specifically, JAMRS bolsters the effectiveness of every Service component's (Active, Guard, Reserve) recruiting efforts by helping them better understand and adapt to the complexities of the recruiting environment. JAMRS serves three primary functions within the Department and tracks the operational effectiveness of these functional areas, demonstrating strong performance in each:

1) Market Research: To successfully recruit the AVF, the Services must have actionable information about recruiting markets. JAMRS performs this function for all the Services through efforts like the DOD Youth Poll, an effort conducted since the advent of the AVF to provide the necessary intelligence to maintain it. This was clearly demonstrated in early 2006, when JAMRS provided key indications that enabled USD (P&R) to take preemptive action to sustain recruiting and retention efforts. The operational effectiveness of JAMRS' market research efforts are evaluated annually through a survey of all of JAMRS' constituent groups. The results from this survey continually affirm the necessity of the research conducted by JAMRS and the high level of service that JAMRS provides. Moreover, the operational effectiveness of JAMRS is demonstrated through the Services' actions as they continually turn to JAMRS' staff for consultation on the recruiting market and to request special studies on hard-to-recruit populations (e.g., physicians, prior service members, etc.).

2) Comprehensive Prospect Database: The centralized efforts by JAMRS to acquire, maintain and update a database of potential prospects (30.5 million names and more than 90% coverage of the recruit age population) create efficiencies for all recruiters. This database is the backbone of the Services' direct marketing and recruiting efforts. As a result, every military recruiter becomes more efficient because they have a database of prospects in their area, and direct mailing efforts DOD-wide can be targeted to those households with recruit age youth.

3) Outreach: Through outreach, JAMRS has created a more receptive environment for recruiting in definable and measureable ways. JAMRS developed an award winning campaign that actively advertised to adult influencers (e.g., parents, grandparents, educators, etc.) of recruit age youth. This advertising campaign played a key role in sustaining public support for military service during the war, and was specifically praised by former Chairman of the House Armed Services Committee, Ike Skelton. JAMRS routinely conducts studies measuring the return on investment on its outreach efforts. These studies demonstrate that exposure to JAMRS' outreach efforts result in influencers being more knowledgeable about military service and willing to engage in more pro-recruiting behaviors (e.g., have conversation with youth about the Military, support decision to join, etc.).

In summary, the efforts of JAMRS save DOD considerable money (an estimated \$96 million) and effort. The high return on investment is achieved through close coordination between JAMRS and the Services as well as efficient streamlining of roles and responsibilities. These consolidations identify common needs across the Services and then remain the responsibility of JAMRS alone. Moving forward, the return on investment must also incorporate gains achieved as a result of more precise and targeted recruiting efforts. These efforts may be furthered through market research and the prospect database and the creation of a more receptive recruiting environment through continuous influencer outreach.

Mr. WILSON. Mr. Secretary, in your written statement you indicate that JAMRS is one of the most cost-effective recruiting programs in the Department. Can you please elaborate and explain to the committee what evidence you have to support this position?

Secretary STANLEY. Yes. The goal of JAMRS' (Joint Advertising Market Research and Studies') is to ensure that the shared needs of military recruiting are performed one time for the entire Department rather than once per Service so that the Services can focus on their unique recruiting goals. Although each Service approaches recruiting differently as they each have unique recruiting goals and cultures, the Services share many of the same basic information and resource needs. JAMRS works side by side with the Services (via daily collaboration as well as formal meetings) to identify the activities to perform so that shared needs are met efficiently. This approach ensures that JAMRS provides only those resources that are vital to support the Services' needs.

Without JAMRS, each Service would be forced to take on functions that the program has successfully provided for more than a decade, ultimately resulting in the total cost of military recruiting increasing needlessly (approximately \$96 million). These functions include:

1) Market Research: JAMRS ensures that the shared information needs required for military recruiting are met and that duplication of efforts is minimized. This includes conducting tracking studies to monitor propensity to serve and the attitudes and behaviors of specific populations essential for recruiting success (i.e., prospect, educator, parents, prior service, recruiters). JAMRS also tracks the effectiveness of all DOD recruitment advertising campaigns so the Services can optimize their marketing resources, and helps to ensure nearly a billion dollars of advertising is spent effectively (GAO-03-1005 recommendation). Additionally, JAMRS conducts specific mission critical research to provide intelligence on hard to recruit markets (i.e., physicians, racial/ethnic diversity recruiting). Together these efforts unveil trends so the Services can prepare strategies to combat problematic issues before missions are missed or resources are wasted. Performing this function at the joint level saves DOD a minimum of \$25 million annually.

2) Comprehensive Prospect Database: JAMRS acquires, maintains, and updates a database of over 30.5 million names. The Services rely on this database as their primary source of contact information for prospective recruits and it serves as the backbone of the Services' outreach efforts. JAMRS brokers consolidated purchases from DMVs and public vendors on the behalf of all Services, allowing the Department to purchase names once for use by all. This minimizes the duplication of cost and effort, creating an essential resource at a meaningful cost savings for the Department. JAMRS spends approximately \$3.5 million on this database. Having the Services independently create and maintain this database would increase cost to DOD by at least \$35 million annually.

3) Outreach: Outreach efforts conducted by JAMRS are distinct from—yet integral to—those of the Services. Recruiting is a long-term effort and joining the Military is a big decision that takes an extended period of time and involves the prospect, his/her family, close friends, and educators. To stay successful, the Department must stay relevant. In 2002, a congressional report recommended that DOD “reconnect with America”; JAMRS outreach efforts strive to do just that. Today, JAMRS is the only DOD entity that actively advertises to adult influencers of recruitment-aged youth (i.e., parents, grandparents, educators, etc.). JAMRS disseminates information and persuasive messages via direct marketing, three websites (each with a unique purpose), magazines distributed to 95% of public high schools nationwide, and TV and magazine advertising. Conducting outreach to influencers at the joint level saves DOD approximately \$36 million annually and allows the Services to focus on prospects.

QUESTIONS SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. I would like to commend the Army for their hard work in developing and fielding the Third Generation Extended Cold Weather Clothing System (GEN III ECWCS) which continues to play an essential role in the combat effectiveness, health and safety of our soldiers. Prior to October 2010, industry was producing 20,000 GEN III ECWCS sets a month to ensure that all deploying soldiers were issued this required clothing system. It is my understanding that in 2011 the Army has greatly reduced the orders of this clothing system in the new Operation Enduring Freedom Camouflage Pattern (OCP). These numbers represent a 130,000 decrease in annual GEN III ECWCS orders and do not appear to be sufficient to properly equip the deploying force nor sustain the domestic supply chain. It is critical that the Army continues to ensure both soldier safety and the effective use of taxpayer dollars. For this reason, I am concerned that the recent sharp decrease in GEN III ECWCS production is already resulting in shortages of a critical combat clothing system and is creating a substantial disruption in the domestic supply

chain that supports our troops. It is my understanding that this is a fragile supply chain and as these manufacturing lines cease operation and layoffs occur that the United States stands to lose the ability to domestically produce GEN III ECWCS as well as other basic items necessary for combat and peacekeeping operations. I would like to ascertain the Army's near-term plans to ensure that the GEN III ECWCS supply chain is sustained in order to ensure our nation's capability to fill future personnel requirements.

Secretary STANLEY. This request is not within the purview of the USD (P&R) issue portfolio and instead is within the Army's area of expertise. Therefore, the following response has been provided by the Army.

There are no GEN III ECWCS shortages for deploying or deployed Soldiers. The Army is in the final year of a five-year contract for ECWCS initial fielding to Soldiers. To date, the Army has procured over 850,000 kits since the introduction of ECWCS onto the Rapid Fielding Initiative (RFI) list of issued equipment. Soldiers retain the ECWCS after initial fielding for future deployments. After the initial fielding requirement is met, the Defense Logistics Agency Troop Support (DLA-Troop Support) will provide sustainment quantities to ensure every deploying Soldier will continue to receive ECWCS as required. DLA-Troop Support is in the process of awarding new contracts for the ECWCS individual layers to maintain the supply chain and ensure future capability in the industrial base.

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