

**DEPARTMENT OF DEFENSE AUTHORIZATION FOR
APPROPRIATIONS FOR FISCAL YEAR 2012 AND
THE FUTURE YEARS DEFENSE PROGRAM**

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES

UNITED STATES SENATE

ONE HUNDRED TWELFTH CONGRESS

FIRST SESSION

ON

S. 1253

**TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2012 FOR MILITARY
ACTIVITIES OF THE DEPARTMENT OF DEFENSE AND FOR MILITARY
CONSTRUCTION, TO PRESCRIBE MILITARY PERSONNEL STRENGTHS
FOR FISCAL YEAR 2012, AND FOR OTHER PURPOSES**

PART 6

PERSONNEL

APRIL 13; MAY 4, 11, 2011



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DEFENSE PROGRAM—Part 6 PERSONNEL**

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Printed for the use of the Committee on Armed Services



Available via the World Wide Web: <http://www.fdsys.gov/>

U.S. GOVERNMENT PRINTING OFFICE

68-089 PDF

WASHINGTON : 2012

For sale by the Superintendent of Documents, U.S. Government Printing Office
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**DEPARTMENT OF DEFENSE AUTHORIZATION
FOR APPROPRIATIONS FOR FISCAL YEAR
2012 AND THE FUTURE YEARS DEFENSE
PROGRAM**

WEDNESDAY, APRIL 13, 2011

U.S. SENATE,
SUBCOMMITTEE ON PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

**ACTIVE, GUARD, RESERVE, AND CIVILIAN PERSONNEL
PROGRAMS**

The subcommittee met, pursuant to notice, at 1:34 p.m. in room SR-222, Russell Senate Office Building, Senator Jim Webb (chairman of the subcommittee) presiding.

Committee members present: Senators Webb, Blumenthal, and Ayotte.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrer, counsel; and Gerald J. Leeling, counsel.

Minority staff members present: Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Jennifer R. Knowles and Christine G. Lang.

Committee members' assistants present: Juliet Beyler and Gordon Peterson, assistants to Senator Webb; Lindsay Kavanaugh, assistant to Senator Begich; Jeremy Bratt, assistant to Senator Blumenthal; Charles Prosch, assistant to Senator Brown; and Brad Bowman, assistant to Senator Ayotte.

OPENING STATEMENT OF SENATOR JIM WEBB, CHAIRMAN

Senator WEBB. The subcommittee will come to order.

I would like to begin by saying we are awaiting the arrival of Senator Nelson, who is scheduled to be the first witness, but we're going to go ahead and proceed. If he has not arrived by the time I finish with my opening statement, if he arrives while you're testifying, then we will interrupt the testimony and take his statement.

The subcommittee meets today to receive testimony on the Active, Guard, Reserve, and civilian personnel programs in review of the National Defense Authorization Request for Fiscal Year 2012 and the Future Years Defense Program.

Today, we hear from the senior enlisted advisor of each military Service, as well as representatives from servicemember-oriented beneficiary groups.

The Committee on Armed Services is an authorizing committee with the responsibility to examine and oversee all Department of Defense (DOD) programs and budgets. The Subcommittee on Personnel is responsible for oversight of all personnel programs, to include military personnel policy, pay, and benefits for Active Duty, Reserve, and retired military personnel and their families, military healthcare, and civilian personnel policy for DOD civilian employees.

I am delighted to be serving with Senator Graham, as the ranking member, of this subcommittee. I don't believe he's going to be able to make the hearing today. But, for the record, and again, I'd point out that his experiences as a member of this subcommittee and as an Air Force Reserve officer adds a valuable perspective to our considerations. I've really enjoyed working with Senator Graham during my first year as chair of this subcommittee, and I know we're going to have that same cooperation again.

I'd like to also welcome Senators Blumenthal and Ayotte to the subcommittee. I think it's the first time we've met this year. We have a really great group of people here on these issues. I think we're very bipartisan in looking to the well-being of our men and women in uniform.

In the event that the past few weeks and months have not made it obvious, Congress is taking a very careful look at budgets and spending levels; and DOD is not immune. Secretary Gates has embarked on an ambitious effort to realize efficiencies and save taxpayer dollars within the Department. As Joint Chiefs Chairman Admiral Mullen has said, the national debt may be our biggest national security threat as we move forward.

In this spirit during our hearings this year on this subcommittee, I intend to take a closer look at department programs, the justifications, what they cost, and whether they are achieving their stated goals. To ensure that DOD obtains the greatest return on investment for every dollar it spends, Congress must do its part to make sure that funded programs are effective and efficient. Those that are not should be eliminated, and those that are should be sustained properly or perhaps even expanded, if necessary. This approach is fully in keeping with our roles as stewards of the public trust and taxpayer dollars. It's also a practice that was in place in the 1980s, when I was Assistant Secretary of Defense and Secretary of the Navy.

Our witnesses today do not have responsibility for developing the Department's budget. What they do have, collectively, is more than 120 years of military service among them, an acute sense of the challenges that our soldiers, sailors, airmen, marines, and their families face as we enter, now, the 10th year of sustained combat operations. I will look to each of our witnesses today, as the senior enlisted advisors of their Services, to give their frank advice regarding the health of the enlisted force, what programs and activities work, and which of them might need to be eliminated, expanded, or changed to ensure that we are properly attending to the well-being of our enlisted servicemembers and their families.

In reading past testimony, it's clear that all of these senior advisors rightly focus on quality of life in military families. Our mili-

tary families, while by and large handling the stress of frequent and lengthy deployments, continue to face serious challenges.

Having served in combat as a marine in Vietnam, I know what it's like to be deployed. Having grown up in a military family, I know what it's like to have a parent deployed. As a father and father-in-law of enlisted infantry marines, I also know what it's like to have a child deployed, although I don't think either of those marines would appreciate the fact that I just called them a "child." [Laughter.]

Senator WEBB. I am acutely mindful of our special obligation to see to the needs of servicemembers and their families and I take that responsibility very seriously.

In this regard, I have, in the past, declined to support the administration's proposed fee increase for military healthcare for certain military retirees. I think most of you know that. I start from the presumption that lifetime healthcare for career military personnel is part of a moral contract between our government and those who step forward to serve. In my view, they have earned this benefit through their years of service, and it would be wrong to change that benefit after they've held up their end of a moral contract. I'll keep an open mind about discussion on this and other initiatives to improve the efficiency and effectiveness of our military healthcare benefits. I'm interested in what our witnesses today might have to say about these and other proposals.

Finally, I'd like to acknowledge the work done by the First Lady, Michele Obama, and Dr. Jill Biden in support of military families. Yesterday, they launched Joining Forces, a program that seeks to bring together the private and public sectors to ensure that military families have the support they need. I know that Blue Star Families and the National Military Family Association (NMFA), represented on the second panel, have worked with the White House on this promising effort, and I look forward to hearing more about it.

Before introducing our witnesses, I would like to welcome Senator Bill Nelson to the hearing and back to the Armed Services Committee, on which he spent many years. He has asked to appear before us to deliver a statement, relative to a piece of legislation that he has introduced—I believe he has introduced it every year over the past decade—to repeal the offset of the Survivor Benefit Plan (SBP) Annuity by Dependency and Indemnity Compensation (DIC).

Senator Nelson, welcome. We appreciate your presence today.

STATEMENT OF HON. BILL NELSON, U.S. SENATOR FROM THE STATE OF FLORIDA

Senator NELSON. Mr. Chairman, thank you for your long service to the country and for your continued service. Even though you've announced your retirement from the Senate, that service that has been, as we say in the south, "in your bones," will continue, and we appreciate it very much.

I want to come and speak about this legislation, that you accurately noted that we have filed every year, about the inequity in the treatment of military survivors.

There's a longstanding problem in our military survivor benefit system. The requirement for a dollar-for-dollar reduction in the SBP annuity by the amount—and offset by the amount of the Dependency and Indemnity Compensation received by the Department of Veterans Affairs—it's that inequity that I want to address and that I have addressed each year that I have been here. Over the years, we have chipped away at it, but the basic inequity is still there.

Obviously, we are in a tough fiscal environment, and obviously, there are many worthy pieces of legislation to be funded. I realize that, in this environment, we are going to have to find an offset. What has typically happened, we always pass this in the Senate and it goes to the conference. Because of the cost of this legislation, it's dropped in the conference or it is whittled away at in a minor way.

Interestingly, the cost is dropping. As the survivors increasingly diminish in number, the cost of this, actuarially projected, is dropping.

But, nevertheless, I am here to say to your subcommittee, Mr. Chairman, that I am committed to finding an offset.

I don't want to tell you what the offset ought to be, because what I learned from last week's experience is that you can be very creative in finding offsets and new sources of revenue, as we found in the negotiations that went on between the President and the Majority Leader and the Speaker of the House last week.

This benefit plan is an optional program for military retirees, offered by DOD. The military retirees pay a premium out of their retirement pay to ensure that their survivors will have income, upon their death. It's reasonably priced insurance. But, from the public marketplace, that's not necessarily available, reasonably priced, usually because there are service-connected disabilities and health issues. So, SBP is a way for retirees to provide income insurance for their survivors, their family, and it pays them 55 percent of their retired pay. SBP is also paid to survivors when a servicemember dies on Active Duty. So, it's an insurance program.

On the flipside, DIC is a survivor benefit administered by the Department of Veterans Affairs (VA). When military service caused the servicemember's death, either due to service-connected disability or illness or Active-Duty death, survivors are entitled to monthly compensation of just over \$1,100 a month from the VA.

Of the 270,000 survivors receiving SBP, about 54,000 of them are subject to the offset. According to the Defense actuary, for 31,000 survivors, SBP is completely offset by DIC; meaning that the survivor receives no SBP and must live on that \$1,100, alone. Retirees bought into the Survivors Benefit Plan in good faith, they paid good money. These military families planned for the future, and the government offsets it.

There are other complications to the existing offset, including a court decision, in 2009. It requires surviving widows to remarry after age 57 in order to eliminate the offset. I can't figure that one out, and obviously, this shouldn't be tolerated.

Mr. Chairman, I had a little bit of experience in insurance, before I came to the Senate, as the elected insurance commissioner of Florida. This offset is troubling when somebody buys an insur-

ance policy and there's another government program over here, called Disability Indemnity. I know of no purchased annuity that would deny payment based on the receipt of a different payment.

You are not only a student of history, Mr. Chairman, you are a historian and you are a great writer. You certainly recall those immortal words of President Lincoln, in his second inaugural address, in which he said, "Finish the work we are in to bind up the Nation's wounds, to care for him who shall have borne the battle, and for his widow and his orphan." That encapsulates what I am trying to say here, and have been trying to say for over a decade. To honor these servicemembers, the government should take care of the veterans, their widows, and their orphans.

Since 2005, the Senate has supported this almost every year. Then we go, in the provision being offset when we get into conference.

We made some steps in the right direction. I hope that we can find mandatory spending offsets to pay for this legislation, which is always the reason that is given to ax it.

The Congressional Budget Office informs me that it will cost roughly \$6.6 billion to completely eliminate the offset over 10 years. When I started out on this, a decade ago, the cost was upwards of \$12- and \$15 billion for a 10-year period. I would ask you all, in this subcommittee, to consider that as we put the legislation together for the authorization bill.

I would just conclude, Mr. Chairman, by saying that, as the President, in his second inaugural address, in the midst of the Civil War, said, "To take care of him, his orphan, and his widow is a cost of war," one of the costs of war is not only what we buy in the way of equipment and salaries, but a cost of war is taking care of our veterans and their survivors.

I humbly submit this to the committee for your consideration.

Senator WEBB. It's very compelling testimony. I thank the Senator very much.

Senator NELSON. By the way, Mr. Chairman, there are several members of this subcommittee that are cosponsors of the legislation.

Senator WEBB. Just as a matter of historical record, my father paid into SBP from 1969 to 1997 in order to be able to have my mother have an annuity when he passed away. When he passed away, there was another problem in this program that you're aware of, where they offset out of her Social Security when she started receiving the SBP annuity in 1997.

So, this is a program that's had kind of a complicated history, and we'll certainly take a strong consideration of your legislation, as has been done in the past. We thank you very much for your testimony today.

Senator NELSON. Thank you very much.

Senator WEBB. I'd like to now welcome the first panel of witnesses for this hearing: Sergeant Major of the Army, Raymond Chandler III; Master Chief Petty Officer of the Navy, Rick B. West; Sergeant Major of the Marine Corps, Carlton W. Kent; and Chief Master Sergeant of the Air Force, James Roy.

We welcome all of you, look forward to hearing your frank and candid testimony, which I have no doubt we will be receiving.

I'll have to get advice from counsel, is there a protocol done by Services? I'm a little partial to the Marine Corps. [Laughter.]

Okay. We're going to start with the Army and move over to the Air Force.

Sergeant Major Chandler, welcome.

**STATEMENT OF SGM RAYMOND F. CHANDLER III, SERGEANT
MAJOR OF THE ARMY, USA**

Sergeant Major CHANDLER. Good afternoon.

Senator WEBB. I would ask that you summarize your statements in 5 minutes, and your full statements will be entered into the record as if read.

Sergeant Major CHANDLER. Thank you, Mr. Chairman.

Chairman Webb, members of this committee, thank you for your invitation to testify today on our Army's quality of life. I truly appreciate this committee's commitment to our 1.1 million soldiers, their families, and our Department of the Army civilians.

I'm still relatively new to this job, but after being around the Army for almost 30 years, I have seen first-hand the important decisions this committee makes on behalf of our military every day.

I pledge to always be a point of contact, should you ever have any questions or comments about our soldiers, equipment, training, or quality-of-life programs.

Our top priorities will be to continue to maintain our combat edge while reconstituting our force and building resilience in our soldiers and families. During the last several years, we have made significant progress in restoring balance to our four imperatives: sustain, prepare, reset, and transform.

Increasing the dwell time between deployments is the single most important component of restoring balance. Most of our Active Duty soldiers deploying in October 2011 have the expectation that, after 1 year of deployment, they will be able to spend 2 years at home. Most of our Army National Guard and Army Reserve soldiers will be home for 4 years before possibly deploying again.

I truly appreciate all the work Congress has done for our soldiers in the areas of behavioral health, wounded warrior care, and TRICARE. With your help, we have provided our soldiers, families, and civilians the best possible care, support, and services.

Our focus continues to be improving access to, and predictability for, our services. We continue to enhance support for our wounded, families of our fallen, victims of sexual assault, and those with behavioral health issues.

Our soldiers have also begun chain-teaching to prepare for the repeal of Don't Ask, Don't Tell. We are currently conducting chain-teaching classes, with a completion date of mid- to late August.

One of the main reasons our soldiers are so successful around the world is our diversity. The Army offers opportunities to men and women of all backgrounds to be an integral part of our All-Volunteer Force. In this time of globalization, our Army needs diverse leaders in order to successfully interact with different cultural groups.

The women of our Army continue to serve this Nation with honor and distinction. The Army has reviewed our assignment policies and regulations to ensure they are relevant and meet the needs of

current conditions and emerging requirements. This ensures all soldiers, regardless of gender, are offered the opportunity to reach their highest potential.

Financial responsibility is everyone's business. We must serve as good stewards of the financial resources we receive from our Nation. As part of our efficiencies review, we are currently looking at removing redundant programs while streamlining those that serve a vital purpose. I welcome your ideas on this process.

In closing, I want to stress the amazing work done every day by our Army team. As Sergeant Major of the Army, the best part of my job is visiting our soldiers, families, and civilians across the world. The professionalism, dedication, and sacrifice they display every day is the reason our Army, your Army, is the envy of every other in the world.

I appreciate this opportunity to speak before you today to tell the Army's story. I welcome your questions at this time.

Thank you, and Army Strong.

[The prepared statement of Sergeant Major Chandler follows:]

PREPARED STATEMENT BY SGM RAYMOND F. CHANDLER III, USA

INTRODUCTION

Chairman Webb, Senator Graham, and members of this subcommittee, thank you for your invitation to testify today on our Army's quality of life. I truly appreciate this committee's commitment to the 1.1 million soldiers, their families, and the Department of Army civilians. I am still relatively new in this job, but after being around the Army for almost 30 years, I have seen first-hand the important decisions this committee makes on behalf of our military every day.

This subcommittee has a tremendous responsibility, ensuring we have the correct end strength and policies in place for our soldiers today and in the foreseeable future. I pledge to always be a point of contact should you ever have any questions or comments about our soldiers, training, or quality of life programs.

The Army recognizes that it is our responsibility to serve as good stewards of the financial resources we receive from our Nation. As part of our efficiencies review, we are currently looking at removing redundant or underperforming programs while streamlining those that serve a vital purpose and we welcome your ideas on this process.

The Army continues to prevail against insurgents around the world while protecting our country and the rights of our citizens. We have completed combat operations in Iraq by transitioning to Operation New Dawn, continuing to provide much needed support to the people and government of Iraq. We have also surged soldiers into Afghanistan to support a new strategic direction. We have reshaped our Army to better align ourselves for the challenges of tomorrow. We have accomplished much over the last year, but there is still much to do.

Our top priorities will be to continue to maintain our combat edge while reconstituting our force and building resilience in our soldiers and families. During the last several years, we have made significant progress in restoring balance through our four imperatives: sustain, prepare, reset, and transform.

Increasing the dwell time between deployments is the single most important component of restoring balance. A recent study said that soldiers require at least 2 to 3 years to fully recover mentally and physically from the stresses of a 1-year deployment. As we continue to draw down our forces in Iraq, we have been able to continually increase our dwell time. Soldiers deploying in October 2011 have the expectation that after 1 year of deployment they will be home for 2 years in the Active component. After October, our Army National Guard (ARNG) and U.S. Army Reserve (USAR)soldiers can expect to see 1 year deployed and 4 years at home.

In order to meet the demands of today's strategic environment, we had to responsibly grow the Army, which we accomplished ahead of schedule in 2009. But even with this growth, we were not able to meet the high demands during this era of persistent conflict. As a result, Congress and the Secretary of Defense approved an additional 22,000, with the last 7,000 added during 2010. The Army's goal is to return to our approved active strength of 547,400 by the end of fiscal year 2013. It is imperative that as we begin to draw down, we do not sacrifice our combat experi-

ence and unit cohesion by cutting large numbers of soldiers. The Army is in the planning phase of this deliberate process.

I truly appreciate all the work Congress has done for our soldiers in the areas of Behavioral Health, Wounded Warrior Care and TRICARE. With your help, we have provided our soldiers, families, and civilians the best possible care, support and services. Our focus continues to be improving access to and predictability of services. We continue to enhance support for our wounded, Families of our Fallen, victims of sexual assault and those with mental health issues.

The Army continues to provide top care for our wounded warriors and their families through 29 Warrior Transition Units (WTU) across the United States and Europe. Currently, WTUs provide healing, rehabilitation, and reintegration to more than 10,000 wounded, ill, or injured soldiers, up about 11.5 percent from last year. In addition to the WTUs, nine Community Based Warrior Transition Units allow recuperating soldiers to utilize health care facilities in their home communities, while working at local U.S. Army armories and Reserve centers. To better support the housing of our wounded warriors, the Army has completed 6 Warrior Transition Complexes with 18 currently under construction.

Through the U.S. Army Wounded Warrior Program (AW2), the most severely wounded, ill, and injured soldiers receive personalized support, regardless of location or length of care. More than just medical care, AW2 advocates assist warriors and their families with career and education opportunities, benefit information, and local resources. There are more than 8,000 soldiers enrolled in the program, up 24 percent from last year.

Our Army Medical Command continues to meet the increased behavioral health demand of our soldiers and families. Even with the influx of behavioral health providers, the Army has seen a range of operational-related stress reactions including post-traumatic stress disorder, depression, anxiety, alcohol and substance abuse, family and relationship problems, increased risk taking behavior, compassion fatigue and suicide behaviors.

Our soldiers receive top-notch behavioral health care, but access to this care is impacted by shortages of behavioral health professionals. Since 2005, the number of behavioral health visits has doubled, from 900,000 to more than 1.8 million. We continue to maximize the use of authorities that Congress has provided us to attract both military and civilian behavioral health providers to the Army. We have had some success hiring behavioral health professionals, increasing our staff by 65 percent, but we are still about 400 professionals short of our goal. Between fiscal year 2012–2017, we aim to hire 1,000 additional behavioral health care providers.

Finally, the Army has lacked a standardized resiliency promotion program, which is a key component of psychological health. Through three key plans, the Comprehensive Soldier Fitness, the Army's Campaign Plan for Health Promotion, Risk Reduction and Suicide Prevention, and Warrior and Community resiliency training, the Army is closer than ever to standardizing resiliency for soldiers from all three components.

Overall, the Army has implemented over 45 initiatives to fix or change access to care, resiliency, quality of care and surveillance. We have shifted our focus to providing care and support for those serving in Operation Enduring Freedom and have expanded our telebehavioral health and automated behavioral health clinics. We are working hard to increase our behavioral health care providers for all components by approximately 1,000 across all components between 2012 and 2017.

TRICARE is the health care program for active duty servicemembers, ARNG, USAR, retirees, family members, survivors, and certain former spouses worldwide. This program is a network of military and civilian health care professionals working together to foster, protect, sustain, and restore health for those entrusted to their care. Over the last year, TRICARE has introduced several new programs to provide care to those soldiers and families who need it most.

The TRICARE Reserve Select (TRS) program continues to be a huge success for our ARNG and USAR soldiers and families. TRS gives these citizen-soldiers and their families access to an affordable benefit while serving in part-time status. TRS offers a health care plan similar to the TRICARE Standard and TRICARE Extra programs with a monthly premium. These rates did rise a little for fiscal year 2011. Single soldier rates increased from \$49.62 to \$53.16 and the family rate from \$197.65 to \$197.76. In addition to the TRS program, eligible ARNG and USAR soldiers and families can begin receiving TRICARE benefits up to 180 days before activating for a contingency operation. Under the Transitional Assistance Management Program, soldiers from all three components can receive an extra 180 days of TRICARE health benefits after separating from the Army.

The TRICARE Retired Reserve (TRR) is a premium-based, worldwide health plan that provides care for USAR and USARNG soldiers and their families who have re-

tired but are not yet eligible for TRICARE for Life coverage. TRR offers comprehensive health coverage from any TRICARE-authorized provider. Costs for TRR Member-Only coverage is \$408.01 and TRR member and family coverage runs \$1,020.05.

TRICARE plans to roll out its new Young Adult Program this spring to extend parent's health care benefits to their children up to the age of 26. This program is for young adults who do not have access to employer-sponsored health care coverage. TRICARE is still working out the details for the Young Adult program including eligibility, coverage criteria, costs, etc.

We are in our final year of our 5-year effort to improve work and training facilities for our soldiers and civilians, as well as new or improved housing, medical, and child care facilities for our families. Under the base realignment and closure program, we have disposed of more than 24,000 acres and closed 3 Active installations and 5 U.S. Army Reserve Centers. We are on track to complete BRAC in fiscal year 2011.

The Army's Child, Youth, and School Services program supports the readiness and well-being of Army families by reducing the conflict between on-the-job military missions and parental responsibilities. Generally, Army families are younger than the average American family and more geographically dispersed from extended families in their hometown and communities.

The Army has added 128 child development centers and 24 youth centers since fiscal year 2008. Last year, we were able to meet and maintain the DOD standard of 80 percent of the child care demand and 35 percent of the youth program demand.

The modernization of Army Family Housing and Soldier Barracks is critical to maintaining our All-Volunteer Force. The Army continues to make huge strides for both, expanding housing services and creating a secure and affordable environment for all of our soldiers and families.

As part of the fiscal year 2012 budget, the Army has asked for \$681.8 million for Army family housing. With this funding, the Army hopes to eliminate all inadequate family housing worldwide by replacing inadequate homes, improving existing homes and leasing where appropriate. This funding will be used to construct 128 new homes, renovate 276 homes, and operate and maintain the government-owned homes.

We are on schedule to finish our barracks modernization plan for the 35 percent of our single soldiers by the end of fiscal year 2013. The Army is planning to fund 14 projects to construct 3,880 spaces at 9 garrison locations for fiscal year 2012.

The Army continues to fix and build all Army Initial Entry and Advanced Individual Training Barracks by 2015. Many of our outdated training barracks range in age from 40 to 100 years old. By the end of fiscal year 2011, the Army will only have funded 55.2 percent of the required spaces. During fiscal year 2012, we are planning to fund 3 military construction projects and 14 OMA funded modernization projects. We also plan to allocate funding to eliminate inadequate training barracks by fiscal year 2015 and complete new barracks by fiscal year 2017. We ask for your continued support to help us complete this important program.

One of the main reasons our soldiers are so successful around the world is our diversity. The Army offers opportunities to men and women of all backgrounds to be an integral part of our All-Volunteer Force. In this time of globalization, our Army needs diverse leaders in order to successfully interact with different cultural groups from across the world.

Women in the Army continue to serve this Nation with honor and distinction in the roles, positions, units, and specialties in which we allow them to serve. Since 2002, more than 100 women have been killed in combat due to enemy contact and more than 14,000 are currently serving in Iraq and Afghanistan. It is no secret that women are an integral part of our force. They are on the front line, engaging the enemy, and making a difference.

The Army has reviewed our assignment policies and regulations to ensure they are relevant and meet the needs of current conditions and emerging requirements. This ensures all soldiers, regardless of gender, are afforded the opportunity to reach their highest potential.

Our soldiers have also begun chain-teaching to prepare for the repeal of "Don't Ask, Don't Tell." The Secretary of Defense has said that certification and the repeal must be accomplished across the entire Department at the same time. He added that this should be done consistent with the standards of military readiness, military effectiveness, unit cohesion, and recruiting and retention.

For the Army, the guiding principles for implementation are: leadership matters most; minimize management; communicate and educate; and implement consistent with Army Core values. These principles have been instituted in our training and education efforts. The training and education has been implemented in three tiers

beginning last month with Tier 1. We are currently conducting chain teaching classes with our Tier 2 and Tier 3 soldiers. Our goal is to have all three tiers complete by mid to late August.

In closing, I want to stress the amazing work being done every day by our Army Team. As the Sergeant Major of the Army, the best part of my job is visiting our soldiers, families, and civilians across the world. The professionalism, dedication and sacrifice they display every day is the reason our Army is the envy of every other in the world. Our soldiers are the best trained, best manned, best equipped, and best led force in our history. I appreciate this opportunity to speak before you today to tell the Army story. I welcome your questions at this time. Thank you and Army Strong.

Senator WEBB. Thank you, Sergeant Major.

Sergeant Major KENT.

I should have pointed out earlier that I believe this would be Sergeant Major Kent's final appearance before this subcommittee before his retirement.

Sergeant Major KENT. Yes, sir.

Senator WEBB. I'd like to add my own personal appreciation for all your years of service, Sergeant Major, and for the terrific job that you have done in your position as Sergeant Major of the Marine Corps.

Sergeant Major KENT. Thank you, sir.

Senator WEBB. Welcome.

**STATEMENT OF SGT. MAJ. CARLTON W. KENT, SERGEANT
MAJOR OF THE MARINE CORPS, USMC**

Sergeant Major KENT. Thank you, sir.

Thank you, Chairman Webb, members, for the opportunity to testify for the last time as a United States marine on Active Duty on the important issues that directly impact the quality of life of our marines and families.

I am leaving the active ranks, but "once a marine, always a marine." So, these will continue to be important issues to all marines who have served.

First of all, I'd like to report that your marines are honored to serve this great Nation and happy to be doing what marines do best, fighting and winning our Nation's battles. They are truly living up to the great warfighting legacy of our Corps that was founded in 1775. Your marines, including their spouses and family members who support them, remain our most valuable asset and our number one priority.

As our Commandant, General James F. Amos, has said, "We will keep faith with marines, sailors, and our families." I'm proud to report to you that we're keeping the faith with all marines, sailors, and their families. We invest in the marines, sailors, and our family, to include housing, Bachelor Enlisted Quarters (BEQs), wounded warriors, ill and injured, and also families of our fallen warriors.

Both the Commandant and I receive feedback from our marines and their families as we travel the globe and look them eye-to-eye. They notice and they appreciate the much-needed improvements in quality of life, but they also have no problem looking us in the eye and telling us we have additional work to do. As we move forward, we will continue to keep the faith with marines, sailors, and families by assessing the effect of our support services and demonstrating, through our direct actions that we are committed to improving them.

We are grateful for the support of the Senate and the American people who continue to provide for the men and women who proudly wear our uniform. We're also grateful for the increased attention placed on support for our families. It is true that, while we recruit marines, we retain families. Their readiness is directly linked to the readiness of our Corps.

Again, thank you very much for this opportunity to testify for my last time. I am available for questions.

[The prepared statement of Sergeant Major Kent follows:]

PREPARED STATEMENT BY SGTMAJ CARLTON W. KENT, USMC

INTRODUCTION

Chairman Webb, Senator Graham, and distinguished members of the subcommittee, as I finish my last tour of duty, I want to thank you for this final opportunity to report to you on the state of your Marine Corps and our families' personal and family readiness.

Throughout the last 10 years of war, our marines and their families have faced many challenges and made great sacrifices. Their endurance has been bolstered by your generous and sustained support which has enabled our continued success, on the battlefield and at home, and ensured our ability to maintain a high state of personal and family readiness. As we continue to serve this great Nation, we are grateful to you and the American people and thank you for your unwavering support.

As our Commandant, General James F. Amos, has said, our marines and their families are our greatest and most valuable assets and caring for their welfare will be one of our top priorities. My testimony today will outline the progress we have made as well as the actions we are taking to fulfill that mandate.

YOUR MARINE CORPS

Today, through your ongoing support and that of the American people, your Marine Corps is a cohesive, total force of 202,100 Active Duty marines; 39,600 Selected Reserve marines; and 25,000 civilian marines. At any given time, approximately 30,000 marines are forward deployed in ongoing global operations in support of our Nation's defense. Your Marine Corps is also the youngest, most junior, and least married of the four military Services.

- Sixty-five percent of marines are 25 or younger;
- Twenty-one percent of marines are not old enough to legally consume alcohol;
- Forty percent of marines are lance corporal or below (other Services are between 20 to 24 percent);
- Forty-nine percent of marines are married (next closest is Navy at 54 percent); and
- Has 1 officer per 8.3 marines (next closest is Navy with 1 officer per 5.1 sailors).

In addition, the Marine Corps has approximately the same number of active duty personnel as family members. There are 207,194 family members: 90,566 spouses, 116,335 children, and 293 parents. This close relationship, 49:51, is unique among the military Services. The active duty to family member ratios of the Army, Navy, and Air Force are all approximately 40 percent servicemembers to 60 percent family members.

PERSONNEL READINESS

For our deployed and next-to-deploy forces, personnel readiness is extremely high. We continue to source our best-trained and most ready marines and sailors to meet geographic combatant commander requirements in Afghanistan and around the globe. The Marine Corps is prepared to sustain this for as long as the Nation requires.

OPERATION IRAQI FREEDOM

This past year, we completed our mission in Iraq, effecting the retrograde of more than 25,000 marines; 382,000 items of equipment; 10,800 short tons of aviation support equipment; and nearly 11,000 containers from al Anbar province via Jordan and Kuwait to the United States and elsewhere. At present, approximately 100 ma-

marines remain in Iraq serving in individual augment, transition team and other miscellaneous billets.

OPERATION ENDURING FREEDOM

In Afghanistan, the mission has expanded. Over the past year, we increased our force strength in Afghanistan from 10,600 in December 2009, to 20,700 in December 2010. We will continue to provide forces in Afghanistan capable of full-spectrum, counterinsurgency operations while balancing our capabilities to perform what the Nation will likely ask of us in the future.

END STRENGTH

Current authorized end strength is 202,100 marines in the Active component and 39,600 marines in the Selected Reserve. During fiscal year 2012, the Marine Corps will concentrate on sustaining and shaping the Active Force. Our success can be attributed to four factors: quality recruiting, exceptional retention, reduced personnel attrition, and a great young generation of Americans who want to serve their country during wartime. Also, key to sustaining the force is an effective Enlistment Bonus and Selective Reenlistment Bonus programs which allow us to access and retain quality marines to sustain the Active Force. The Marine Corps Reserve is a full partner of the Marine Corps' Total Force. The Marine Corps Reserve continues to provide critical support for overseas contingency operations and noncontingency combatant commander requirements. At home, Marine Forces Reserve maintains marines and assets prepositioned throughout the country who are ready to assist with not only national defense missions, but also civil-military missions such as providing disaster relief.

DWELL TIME

In light of our operational demands, and through the support of Congress in authorizing our end strength of 202,100 Active-Duty Forces, our combat units are beginning to realize an approximate 1-to-2 dwell time. Other units vary at more favorable dwell time levels depending on their mission. We anticipate the 1:2 dwell ratio for combat units to remain relatively stable provided current deployed force levels are not increased; however, increased operational demands in Afghanistan or elsewhere may result in dwell times inconsistent with fostering a resilient Total Force. We are actively working to recruit, promote, and retain the right number of marines in the right occupational specialties to promote resiliency of our Total Force and reduce the stress on our families.

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, their families, wounded warriors, and the dependents of the fallen. They have all made tremendous sacrifices in the face of danger. We owe them all a reciprocal level of loyalty.

Our approach to caring for their needs is based on the same unwavering faithfulness they have demonstrated to the Marine Corps. We will ensure their needs are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills to thrive on the challenges of operational tempo. When needed, we will restore them to health. We will also transition them back to civilian life, and in the cases of our fallen marines, we will support and protect their surviving spouses and dependents. 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. We will do this by focusing on several key areas during this fiscal year.

In his 2010 Planning Guidance, our 35th Commandant directed us to "look across the entire institution and identify areas that need improvement and effect positive change." Specifically, he asked 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 our Transition Assistance Management Program. My testimony today will outline the progress we have made and the actions we are taking in these and other critical areas.

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 Life Skills Education and Training courses that address the challenges of military life, as well as 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 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 fiscal year 2012.

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 functional fitness equipment for use in austere environments. Reading materials, both electronic and paperback, are also distributed.
- 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 2 phones that provide 6,000 free minutes per month and 5 laptops that allow internet browsing, social networking and chat/video capabilities to deployed marines.

FAMILY CARE PROGRAMS

Exceptional Family Member Program

The most tender of our families, those enrolled in the Marine Corps Exceptional Family Member Program (EFMP), have strongly endorsed the improvements made to their level of support and our focus on providing a continuum of care. Year after year since our program expansion, we have gained the trust of our families. This is demonstrated in our increasing enrollments and reduction in issues experienced by families relocating to new duty stations. I am proud to state that the Department of Defense (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 they need legal help, our EFMP attorneys are ready to assist

families 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 only 4,500 enrolled family members. This number has grown to over 9,850 today. In the past year, we have taken multiple actions to transform the program, including:

- Utilizing Family Case Workers, at ratio of 1 FCW: 225 sponsors, to support families during relocation, deployments, and life events and 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 EFMP 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; and
- national economic impacts and subsequent State budget cuts, particularly at local and State levels, which impede school districts' abilities to provide special education services and impact access and availability to critical services.

To address some of the State access issues, we have partnered with the National Council on Disabilities 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 Child Development Centers in fiscal year 2011 and five more in fiscal year 2012. 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 have contracted for the development of a Child Development Program and Facility Master Plan. Using market assessments and analysis tools, the plan will evaluate on- and off-base access, unmet need, and will provide prioritized recommendations for meeting the need across the Marine Corps. We anticipate results this summer.

In 2011, we will work with Marine Forces Reserve and Marine Corps Recruiting Command 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 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-age children of marines flourish in new school environments, our School Liaison Program partners with Local Education Agencies (LEAs) to raise the educational capacity and standard 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 to support teachers and students. 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 stand-

ards, permanent change of station checklists to assist parents with pre-relocation planning and registration in the receiving school districts, on-line tutoring and other resources.

PERSONAL AND PROFESSIONAL DEVELOPMENT

Throughout the Nation, veterans aged 18–24 have experienced traditionally higher unemployment rates than their non-veteran counterparts. Our Commandant is focused on this problem and has directed the Marine Corps to conduct a thorough “bottom up” assessment of our Transition Assistance Management Program to revolutionize the process, embrace best practices, and ensure we are providing the right educational and career assistance to marines leaving the Corps. We believe transition assistance should be a process not an event. We have established a goal to make the Marine Corps Transition Assistance Management Program more value added for our departing marines.

From 2009 to 2010, we 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 in which we will integrate Marine Corps Community Services transition assets. Key stakeholders involved in this process include servicemember 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 that will begin at the point of initial accession into the Marine Corps and continue through post separation.

Marines have expressed a desire for assistance navigating Department of Veterans Affairs benefit processes such as in cases of enrollment for and access to education benefits. We will modify existing websites to improve access and enhance opportunity for separating marines to speak directly to Marine Corps support personnel who are trained to remove administrative benefit processing barriers. In addition, we will adapt our current job fairs to support increased networking opportunities that will allow marines to meet mentors and employers and find meaningful employment.

Marines have also asked for an opportunity to connect with employers and learn how to translate their intangible and tangible attributes. Our transition workshops will be overhauled to address these needs. Marines are also seeking help to simplify enrollment processes for the Post-9/11 GI Bill and to gain access to academic institutions that will provide the quality and level of business education and skills private industry demands. We have initiated a Leader-Scholar Program, which includes academic institutions who value marines’ service commitment and pledge special enrollment consideration. While the support varies from school to school, we now have 75 participating institutions with the goal of an additional 25 by the end of this year. We are initiating actions and integrating existing capabilities that will most directly improve the quality of support provided to marines 6 months prior to separation as well as the support provided to marines who have been separated at least 6 months.

- 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 for each marine, with execution and delivery of required transition services.
- 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.

As we gain momentum, we will continue to change the transition assistance program from its current event focus to that of a process that reintegrates marines into the civilian sector with the knowledge, skills, and abilities to leverage and communicate their Marine Corps time and experience. We believe this effort 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

Since September 11, behavioral health needs have become increasingly complex with individuals often requiring assistance in a number of areas at one time. Marines with three or more deployments have been identified as particularly at risk. As a result of risk factors, 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 the integration of our prevention and intervention programs—Family Advocacy, COSC, Suicide Prevention, Sexual Assault Prevention and Response, and Substance Abuse—initiated in 2009. We have established a new Behavioral Health Branch at our headquarters for Marine and Family Programs, Manpower & Reserve Affairs which will assess common behavioral health trends, risk factors, training needs, and protective factors to ensure maximum use of resources and to enhance existing prevention capabilities. We are also more fully utilizing the Institute of Medicine's "Behavioral Health Prevention Intervention Spectrum", which establishes common definitions, to focus our prevention efforts on marines and families.

Through collaboration of services, we will deliver effective, evidence-based practices and behavioral health programs that are seamlessly woven into the larger support network of Marine Corps command structures, health and human services, and are in concert with building resilience and strengthening marines and their 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 of respect 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.
- **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.
- **Offender Accountability:** The Trial Counsel Assistance Program (TCAP) 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.

Suicide Prevention

During calendar year 2010, we saw a nearly 30 percent decrease in the number of suicides within our Total Force (52 in calendar year 2009; 37 in calendar year 2010). We are too early in our suicide studies to identify what specific initiative(s) have resulted in this dramatic turnaround. However, we have implemented a number of measures on multiple fronts. Some of these include the following:

- **Evocative Peer-led Training Program:** "Never Leave a Marine Behind" suicide prevention program for noncommissioned officers and Junior Marines. We are expanding this training to include staff noncommissioned officers and commissioned officers this year.
- **DSTRESS Line Pilot Program with TRICARE West:** "By Marines—For Marines" call center designed to assist with problems at an early stage. The

call center is staffed by veteran marines, providing anonymous service to all current marines, veteran marines, their families, and loved ones.

- **Combat and Operational Stress Control and Operational Stress Control and Readiness Teams:** Utilizing unique training programs across the Total Force and ensuring the presence of mental health professionals in front-line units as a primary prevention tool to help marines identify and mitigate stress.
- **Marine Resilience Study to Assess Risk and Resilience:** We are participating in a longitudinal research study that will examine risk across three domains: biological, psychological, and social. The outcome of this study will inform our work in the area of building and maintain resiliency across the Corps.
- **Unit-Level Prevention Officer Training:** Working with the American Association of Suicidology to develop effective training programs for these 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—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 cope with the challenges of life as a marine.

Instruction founded and focused on our core values helps provide some of this resilience, especially in irregular warfare and complex environments. A program combining the "best practices" of mental, spiritual and physical fitness will best instill in our marines the resiliency to endure the stressors of combat and enhance their ability to perform effectively across the range of military operations.

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 goal of re-integrating 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 3 different 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 1,700 marines are trained as mentors.

In fiscal year 2011, COSC will sustain and improve the 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 began receiving formal OSCAR training at Field Medical Schools in January 2011, which also supports institutionalizing OSCAR enhancing resiliency training.

Our COSC program continues to show positive results as indicated by outside evaluations and assessments. The Joint Mental Health Advisory Team-7 reports that marines surveyed in Afghanistan in July 2010 show increased exposure to heavy combat. Marines also indicate increased protective factors including unit resilience, small-unit cohesion, perceived readiness, and improved climate in asking for help. This assessment also shows increased training effectiveness in managing combat/deployment stress and significant reduction in stigma associated with seeking behavioral health treatment.

POST-TRAUMATIC STRESS AND BRAIN INJURY

We will continue advocating to the medical community for better diagnostic and increased treatment options for marines with severe injuries including post-traumatic stress and traumatic brain injury. In collaboration with the other Services, we developed a set of events-based parameters, mandating that our leaders search out marines who have experienced a concussive event. This measure no longer relies

on identification of impacted servicemembers solely on their willingness to seek help on their own initiative. These protocols are in place now in Afghanistan, and we are already seeing a culture change in the attitude of marines about being treated early for a traumatic brain injury.

We have established an in-theater Restoration Center that brings comprehensive concussion diagnosis and management as close to the front lines as possible to ensure that appropriate care is available as quickly as possible. We are currently developing policy and applications to track traumatic brain injury from “point of injury” to “return to full duty” separately but in parallel with medical documentation. These measures will empower commanders with the information they need to monitor the health of a marine who has suffered a concussive event and intervene appropriately for the duration of a marine’s career and long after the initial injury.

WOUNDED WARRIOR REGIMENT

I am pleased to report on the progress of the Marine Corps’ Wounded Warrior Regiment (WWR) and the determined spirit of our Nation’s wounded warriors and their families. The WWR stood up in April 2007 and was built on a compressed timetable—it was essentially built in progress. Early efforts involved the identification of immediate requirements and the design and sourcing of a scalable organization that could expand or contract as needed. The initial focus was on a Marine’s and his or her family’s immediate needs, construction projects, basic administrative support, the stand-up of the Sergeant Merlin German Wounded Warrior Call Center, and the establishment of the Marine Corps’ Recovery Coordination Program. When the WWR was established, long recovery times were not expected and long-term recovery support requirements were not anticipated. Since then, the WWR has continually assessed changing requirements, its organizational structure, and resourcing needs. We are now adjusting our structure based upon confirmed requirements, sound assumptions, and findings in warrior care that will allow for the enduring care of wounded, ill, and injured (WII) marines and their families.

In his 2010 Planning Guidance, General Amos stated his commitment to “enhance the capabilities of the WWR to provide added care and support to our wounded, ill, and injured.” Moreover, he affirmed the need to sustain the Regiment for the long term given the wounds of the war and the fact that the WWR also provides care for our young Marines who are not combat wounded, but are injured in training or other accidents, suffer from diseases, and other tragedies.

The WWR will continue to meet the Commandant’s intent by refining our support capabilities and growing our care model to ensure we work toward healing the “whole” marine. Through synchronization of our programs and resources and external programs, the WWR is striving to help each WII marine focus on their abilities to heal medically while strengthening their mind, body, spirit, and family. The WWR works to ensure marines’ medical treatments are harmonized with non-medical needs to optimize their recovery through their continuous engagement in productive activities.

These activities include pursuing and reaching goals in areas that will improve readiness for return to duty or reintegration to communities, such as education, employment, physical fitness, and building strong families. For WII marines who are unable to continue their service, the Marine Corps has a moral obligation to them, their families, and this country to help them live productive and fulfilling lives and be good citizens.

WWR Programs and Services

The non-medical care needs of our WII marines and their families can be extensive, and vary in type and intensity throughout the recovery process. The WWR assists active duty, Reserve, retired, and veteran WII marines and their families with their non-medical care needs through all phases of care from recovery to rehabilitation and to community reintegration. Each phase brings new challenges for the marine, their family, and the support staff. The complexity of their care does not allow for isolated decisionmaking and it requires a heightened level of coordination between medical and non-medical care providers. There is no “one-size-fits-all” approach to care. The WWR has a cross-section of services and resources to ensure WII marines and families are provided for.

Sergeant Merlin Gennan Wounded Warrior Call Center

Our call center extends support to marines and families through advocacy, resource identification and referral, information distribution, and care coordination. Located at the call center are clinical services staff who provide immediate assistance and referral for marines with psychological health issues and/or traumatic brain injury. Outreach is an important aspect of the Regiment’s 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.

Administrative Support

The WWR stresses at all levels that WII care is a relationship, not just an administrative process. With this in mind, the WWR provides WII marines and their families with one-on-one education on available benefits and compensation.

- WWR staff strives to proactively track the progress of paperwork and keep marines and families informed on the status of claims, reimbursements, and any changes in benefits.
- A family member's funded travel to the bedside of their wounded marine is of particular concern to the WWR. The USMC issues Invitation Travel Orders (ITOs) that can authorize up to three individuals designated by a very seriously or seriously WII marine to travel to the medical facility providing care.
- When on ITOs, travel to and from the hospital, hotel costs, meals, and incidental expenses are reimbursed by the government.
- Additionally, for WII marines who require extended, outpatient care, the USMC may authorize Non Medical Attendant (NMAs) Orders. One person is typically authorized NMA travel entitlements similar to ITOs which provide per diem and lodging costs.
- The WWR works to ensure that these types of entitlements are tracked and monitored so that reimbursements or compensation are provided in a timely manner.

Family Support

The care needs of families of WII marines are of particular concern to the WWR and the Marine Corps.

- The WWR strives to proactively identify and solve the often unique family support needs of our WII marines, their families, and caregivers.
- Families of WII marines have a heightened requirement for communication, information, and referral services to help them navigate through the various phases of recovery.
- The WWR has family support staff in place at all locations to address immediate needs, provide a one-on-one orientation to the many resources available to support them, and to serve as subject matter experts on family support requirements for regimental staff.

Medical Cell

WWR headquarters has a Medical Section that advises the commanding officer regarding medical issues and emerging technologies/treatments impacting WII marines.

- The section includes: a Regimental Surgeon, a Mental Health Advisor, a Nurse Case Manager, a Psychological Health Program Coordinator, a Traumatic Brain Injury Program Coordinator, and Licensed Clinical Consultants.
- Together, this team works with public and private medical providers to ensure the best care for WII marines, particularly in the areas of post-traumatic stress and traumatic brain injury.

Recovery Care Coordinators

As WII marines transition through the phases of recovery, it is important that they have a consistent contact in place to help them navigate the system. The WWR has Recovery Care Coordinators who are assigned to WII marines to help them and their families develop Comprehensive Transition Plans to define and meet their individual goals for recovery, rehabilitation, and reintegration.

Warrior Athlete Reconditioning Program

Under this program, (which is mandatory for all marines joined to the WWR, but tailored to accommodate their medical limitations), marines engage in both physical and cognitive activities outside the traditional therapy setting. Activities are individualized to the WII marine's needs, and encompass over 18 areas—from aquatic training to yoga. Supporting WII marines in individual or team settings, the program greatly improves overall physical and mental fitness and helps to improve their self-esteem.

Transition Support

Many WII marines will not return to duty and will pursue careers in their communities. The WWR recognizes its commitment and moral obligation to marines who are unable to continue their service to help them live productive and fulfilling lives and understands the challenges associated with reintegration and obtaining a rewarding career. To enhance community reintegration, the WWR'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

District Injured Support Cells, consisting primarily of mobilized Reserve marines, are located throughout the country to conduct face-to-face visits and telephone outreach to WII marines and their families within their assigned region. They maintain oversight of the welfare and quality of life of all WII Reserve marines, Active Duty marines convalescing at home, and all OEF/OIF WII marine veterans.

Reserve Support

The WWR makes a special effort to ensure that WII Reserve marines do not fall through the cracks. The majority of the WWR's staff consists of Reserve marines with a high level of subject matter expertise that allows for heightened advocacy with regard to Reserve-specific issues. Our staff is dedicated to supporting WII reservist needs. The WWR's Reserve Medical Entitlements Determination Section maintains oversight of all cases of reservists who require medical care beyond their contract period for service-connected ailments. The Regiment also has Reserve specific Recovery Care Coordinators who provide the one-on-one support and resource identification needed to support reservists who are often times residing in remote and isolated locations away from base and station support.

Integrated Disability Evaluation System (IDES) Support

The WWR has Regional Limited Duty Coordinators to help marines processing through the IDES and Wounded Warrior Attorneys, to advise and support WII marines through this process. The WWR also published a pocket guide (via the web and hard copy) to help marines and families understand the Disability Evaluation System.

Enduring Commitment to Wounded, Ill, and Injured Marines

The Marine Corps is committed to the long-term care of its wounded warriors and their families. As warrior care evolves and innovates, the WWR will continue to adjust to ensure we are providing the best support possible. The WWR will continue to assess its current programs and support structure to evolve to meet the long-term recovery requirements of our WII marines and their families.

- The USMC is proud to report that the results of our assessments thus far are positive.
- The assessments have substantiated that the creation of the WWR has had a positive impact on the support offered WII marines and families.
- Additionally, our assessments have shown positive satisfaction levels in important areas, such as our Recovery Care Coordination Program (executed by the WWR's Recovery Care Coordinators) and our family support staff.

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 them and the families who support them.

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—Casualty Assistance Calls Officer (CACO)—and a chaplain whenever possible. Notifications are typically completed within 4 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.

INFRASTRUCTURE

The Marine Corps continues to strive for a prolonged commitment to facilities and infrastructure that supports operations and quality of life for our marines and their families.

- The fiscal year 2012 budget request includes \$4.6 billion (military construction, family housing construction and operations, sustainment, base operating support, and restoration and modernization) which continues our efforts to operate, maintain, and improve our infrastructure. This funding provides critical Military Construction and Facilities support for our Active and Reserve Forces.
- For many years, we have funded only our most critical facility needs. As a result, our installations were in a poor position to properly house and operate with the additional forces required to meet our planned end strength increase.
- In fiscal year 2007–2010, the Marine Corps received \$6.9 billion in new construction and design. With this funding, we are providing new quality of life facilities, improved operational and training facilities, and more up-to-date utility infrastructure systems.
- Your generous assistance in the past has provided critical support that allows us to improve our installations. However, it is critical that Congress provide necessary legislative language in order to allow us to proceed with approximately \$2.9 billion of military construction and family housing efforts in fiscal year 2011 to support the operational and quality of life needs of our marines.
- Plans for fiscal year 2011 include construction of 5,000 new barracks spaces, improvements to existing family housing units, critical aviation facilities to support next generation aircraft, improvement of Professional Military Education, replacement of outdated and inadequate facilities, other quality of life facilities, and correction of safety and encroachment issues.
- The USMC has four major funding areas where recapitalization and modernization initiatives in infrastructure and facilities are programmed: Bachelor and Family Housing; Facility Sustainment, Restoration and Modernization; Military Construction; and Military Construction, Navy Reserve.

Bachelor Housing

Bachelor enlisted housing is the Commandant’s top Military Construction priority. The Marine Corps currently maintains over 100,000 bachelor enlisted housing spaces worldwide.

- In fiscal year 2012, the Marine Corps is requesting \$58 million to support this program and we are working towards constructing approximately 800 new barracks spaces.
- This investment, along with nearly 25,000 new spaces programmed since fiscal year 2008, will provide much needed support to have all single marines adequately housed.
- Barracks are a critical element in supporting our warfighters. The Bachelor-Enlisted-Quarters initiative focuses on our enlisted troops and their quality of life within our barracks.
- The USMC is the youngest, most junior, and least married of the four military Services. Providing appropriate and comfortable living spaces that positively impact the morale and development of these young men and women makes sense.
- We are also committed to funding whole room barracks furnishings on a 7-year replacement cycle and prioritizing barracks repair projects to preempt a backlog of repairs.
- The Marine Corps’ goal is to provide a 2+0 room standard that allows two junior enlisted marines (E1–E3) to share a room and bath. We believe that assigning two junior marines to a room is the correct balance between the privacy desired by the marines and the Marine Corps’ goals of providing companionship, camaraderie, and unit cohesion.

- This balance provides the atmosphere we believe is necessary to motivate, train, and develop marines, while fostering unit integrity. Noncommissioned officers (E4 and E5) are provided a private room with bath in a 2+0 room.
- With your continued support, the Marine Corps is on track to obtain our goal to achieve the 2+0 standard for all of our marines by 2014.

Family Housing

Marine Corps families are an integral component of readiness. We must always remember that marines and their families serve out of a sense of duty and loyalty to our country and, as they do so, face the difficulties of the military lifestyle—frequent relocations often far from extended family and frequent deployments that separate families for months at a time. We have a responsibility to provide adequate family housing to our families.

- We continue to increase both the quantity and quality of our family housing inventory through public private ventures (PPVs) and military construction where necessary.
- In addition to PPV initiatives for family housing, continued support for full funding of the Basic Allowance for Housing (BAH) allows more families to access quality, affordable housing in the local community. This is important since more than two-thirds of servicemembers do not live on a military installation.
- However, many families continue to prefer to live in military or PPV housing for a number of reasons, including economics, safety, schools, and community support. PPVs, combined with traditional military construction, will continue to build and improve the homes necessary to supplement local community housing.
- We have over 24,000 owned, leased, or PPV family housing units worldwide.
- Thanks to your support over the last year, we were able to award projects for additional privatized housing at Marine Corps Base Camp Lejeune, NC; Marine Corps Air Ground Combat Center Twentynine Palms, CA; and at Marine Corps Base, HI. We were also able to continue progress on our series of planned renovations to our housing in Iwakuni, Japan.
- In 2001, the Marine Corps had nearly 17,700 inadequate housing units, with the majority of those units requiring significant revitalization or replacement.
- Based on contracts in place by the end of fiscal year 2007, the USMC has met DOD's goal to eliminate inadequate housing by 2007 and will complete the build-out by 2014.
- The funding provided by Congress in fiscal year 2010 provided almost \$128 million for public private venture (PPV) seed money, operations, maintenance, sustainment and restoration for family housing. This request included \$79 million for PPV seed money, \$15 million for traditional military construction, and \$34 million for family housing operations.
- Your support for this request allowed us to continue to address the requirement for additional family housing resulting from Grow the Force increases and sustaining and modernizing our remaining government-owned housing.
- This PPV seed money will permit construction of approximately 230 new units and a DOD Dependent school addition at Marine Corps Base Camp Lejeune, NC.
- Our PPV program continues to allow the Marine Corps to leverage private sector funds. In addition to government financing, the private sector contributed development capital for PPV projects in fiscal year 2010. We are using traditional military construction to sustain and restore mid-rise units for marines at Marine Corps Air Station Iwakuni, Japan and restore the National Historic Landmark Home of the Commandants on the Marine Barracks in Washington, DC.
- Our fiscal year 2012 family housing budget request of \$53 million includes \$26 million for improvements to 76 homes at MCAS Iwakuni, Japan and for the operations, maintenance, and leasing of 1,100 units located worldwide.

Public Private Ventures

We have privatized over 97 percent of our worldwide inventories to date and continue to see success from our PPV projects across Marine Corps installations in Arizona, California, Georgia, Hawaii, Massachusetts, Missouri, New York, North and

South Carolina, and Virginia. PPVs have not only improved the homes in which our families live, they are also providing community support facilities such as community centers, playgrounds, and greenscapes that help create neighborhoods and a sense of community for our marines and their families. Resident satisfaction with both the quality of their home and the service provided continues to increase every year. With almost our entire domestic inventory privatized, we will continue to build on our prior successes and use PPVs to help us address most of our remaining housing requirement.

Facility Sustainment, Restoration, and Modernization

Facility sustainment funding is critical to keeping our buildings ready to support the mission and provide an acceptable quality of life. In the past, our infrastructure could not be replaced at an appropriate rate, causing portions of it to deteriorate. As a consequence, the Marine Corps has had to use an increasing percentage of its facility sustainment funds to bind together old, inadequate buildings throughout the course of their service life, rather than maintaining newer, more economical structures resulting in significant numbers of facility sustainment projects being deferred due to a lack of funds. This directly impacted the living and working conditions in barracks, mess halls, and other facilities, in highly visible and negative ways. In addition, we suffered a “quiet crisis” with respect to less obvious repairs to steam plants, airfields, sewer lines, and roads. These requirements are no longer being ignored.

- A few years ago, the Office of the Secretary of Defense (OSD) developed a model to determine the amount of funding we need to sustain our facilities. This model continues to be refined and strengthened.
- Since inception of the model, and because of the funding standards put in place by OSD, we have done very well in programming and execution of sustainment.
- In fact, in fiscal years 2006, 2007, and 2008 our sustainment rate is over 100 percent. In 2009 and out, however, OSD set our programmed sustainment rate at 90 percent of the model.
- This equates to \$592 million in fiscal year 2012. This level allows for a slow degradation of our facilities and allows the remaining 10 percent to move to meet more urgent operational needs elsewhere.
- This, along with low Operation and Maintenance (O&M) recapitalization funding in fiscal year 2012 of \$49 million, over the next few years will take us back to where we were prior to the implementation of the sustainment model.
- However, since we now have metrics and tools that will alert us to the coming degradation, corrections can be made accordingly in future budgets.

Military Construction

For the fourth year in a row, the fiscal year 2010 funding provided by Congress represented a significant increase from historical funding levels. In 2010, over \$2.7 billion in funding will provide facilities that address longstanding requirements at our bases and stations and support the increased end strength across the Marine Corps. It is always a pleasure to visit our installations and hear young marines talk about the work they perform in these new facilities.

- Our fiscal year 2012 budget request of \$1.4 billion continues to support our marines. Funds are being requested to support Bachelor Enlisted Quarters, Joint Strike Fighter and MV-22 support facilities, quality of life improvements, such as a child development center and fitness facility at Twentynine Palms, utilities and infrastructure improvements, and training and professional military education facility improvements.
- Additionally, the fiscal year 2012 budget request includes funding to support the relocation of marines to Guam.
- Our Military Construction program is a key to success in achieving and sustaining our new force structure and maintaining the readiness of our marines.

Marine Corps Exclusive, Military Construction, Navy Reserve

The Marine Forces Reserve is an integral and vital portion of our Marine Corps total force. Marine Forces Reserve is comprised of almost 39,600 Select Marine Corps Reserve personnel at approximately 183 sites, dispersed throughout 48 States, Washington DC, and Puerto Rico. The Military Construction, Navy Reserve program for exclusive Marine Corps construction must effectively allocate limited funding to address at least \$140 million in deferred construction projects. As these

numbers suggest, maintenance of adequate Marine Corps Reserve facilities presents a considerable challenge:

- Over 57 percent of the Reserve centers our marines train in are more than 30 years old and of these, 44 percent are more than 50 years old.
- The equipment our marines use today is bigger, heavier, wider, and longer, creating support requirements that these antiquated facilities cannot meet.
- The electrical demand on our facilities because of modern equipment has increased significantly.
- Appropriately constructed or modified maintenance facilities, as well as adequate electrical power and other support infrastructure upgrades, are necessary to maintain combat readiness.
- We still continue to use facilities built to accommodate manual typewriters, M151 jeeps, and M-48 tanks.

To help us address these challenges, the fiscal year 2012 budget request includes \$8 million for Military Construction, Navy and Marine Corps Reserves. This program addresses pressing requirements and will provide a new Reserve Training Center and a vehicle maintenance facility in Memphis, TN. Additionally, we and the Navy are working together with the Army to fund a joint Reserve complex in Indianapolis, IN.

CONCLUSION

Whether serving in combat or in garrison, marines are guided by honor, courage and commitment. These core values have been the compass for every marine's service throughout our rich history. Leadership, hard training, and a willingness to sacrifice have forged our Corps into one of the most capable fighting forces the world has ever known. Our Marine Corps has remained true to these values for 235 years. As we continue to transition and align our programs and services to meet current and future challenges, we will continue to be fiscally responsible and frugal with taxpayers' dollars. As always, we are grateful for your sustained support.

EXECUTIVE SUMMARY BY SGTMAJ CARLTON W. KENT, USMC

Chairman Webb, Senator Graham, and distinguished members of the subcommittee, as I finish my last tour of duty, I want to thank you for the support you and the American people have given the men and women who proudly serve and wear our uniform, especially over the last 10 years of war. Although I am leaving the active duty ranks, once a Marine, always a Marine. The quality of life issues we discuss today will continue to be important to all marines and their families.

I am pleased to report that your marines are honored to serve this great Nation and are happy to be doing things that marines do best, fighting and winning our Nation's battles. They are truly living up to the great warfighting legacy that marines have built since 1775. Your marines, including their spouses and family members who support them, continue to remain a valuable asset and our number one priority.

Throughout the last 10 years of war, our marines and their families have faced many challenges and made great sacrifices. Their endurance has been bolstered by your generous and sustained support which has enabled our continued success, on the battlefield and at home, and ensured our ability to maintain a high state of personal and family readiness. It is true, that while we recruit marines, we retain families, and their readiness is directly linked to the readiness of our Corps. As we continue to serve this great Nation, we are grateful to you for the increased attention placed on the support of our families.

As our Commandant, General James F. Amos has said, "We will keep faith with our marines, our sailors, and their families." I am proud to report to you that we are keeping faith by providing the kinds of programs and services that are critical to their quality of life and overall well-being. Our approach to caring for their needs is based on the same unwavering faithfulness they have demonstrated to the Marine Corps. We will ensure their needs are met during times of deployment and in garrison by providing the services, facilities, and programs to develop the strength and skills to thrive in the challenges of operational tempo. When needed, we will restore them to health. We will also transition them back to civilian life, and in the cases of our fallen heroes, we will support and protect their surviving spouses and dependents. As both the Commandant and I travel the globe to visit our marines and their families, they provide us valuable feedback and let us know that they notice and appreciate the much improved quality of life programs, such as

transitioning our single marine and family readiness programs from a peacetime model to a wartime footing; expanding support to our wounded, ill, and injured marines; and investing in our infrastructure such as housing and bachelor enlisted quarters. However, our families also have no problem telling us that we have additional work to do. 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. We will do this by focusing on several key areas during this fiscal year.

In his 2010 Planning Guidance, our 35th Commandant directed us to: "Review and Improve Family Readiness—Evaluate all Marine Corps Family Team Building Programs and make recommendations on optimum span of control, where we require further assistance to our families, and where we should streamline to erase redundancy." To respond to the Commandant's concerns, we have developed a deliberate process and are taking the following actions:

1. Launching a web-based Program Prioritization Tool that will be sent, via email, to Active and Reserve Unit Commanders and Sergeants Major to ask them to prioritize our Marine Corps Family Programs based on the value to marines and their families.
2. Initiating Operational Planning Teams to review the structure of the Unit, Personal and Family Readiness and Marine Corps Family Team Building Programs to redefine staffing requirements.
3. Conducting focus groups with unit commanders, associated sergeants major, and respective spouses to obtain their insights on the effectiveness of Marine Corps Family programs; identify unmet needs of marines and families; and acquire recommendations to fix identified deficiencies.

Based on the feedback we receive, we will develop recommendations for funding current and future programs. 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 our Transition Assistance Management Program.

As we move forward, we will continue to keep faith with our marines and families by assessing the effectiveness of our support services, transitioning and aligning our programs to meet their current and future challenges, and demonstrating, through our direct actions, that we are committed to improving them. As always, we will continue to be fiscally responsible with taxpayers' dollars. My testimony today will outline the progress we have made and the actions we are taking in these and other critical areas. Thank you.

Senator WEBB. Thank you, Sergeant Major.
Master Chief Petty Officer of the Navy, Rick West.
Welcome, Master Chief.

STATEMENT OF MCPON RICK D. WEST, MASTER CHIEF PETTY OFFICER OF THE NAVY, USN

Master Chief Petty Officer WEST. Thank you very much, sir.

Mr. Chairman, distinguished members of the subcommittee, I appreciate the opportunity to appear before you to discuss the health of our Navy's enlisted force.

Your steadfast support of our men and women in uniform has had a tremendous impact on their quality of life and quality of work. Both are vital to operational readiness and mission effectiveness.

As I speak today, approximately 60 percent of our ships are underway, with 40 percent being on deployment worldwide. Other than our global presence, traditional maritime operations, and developing partnership capacity through worldwide engagement, a snapshot across our global Navy would look like the following:

More than 14,000 sailors are on the ground and more than 14,000 sailors at sea in Central Command, supporting operations in Iraq and Afghanistan.

Our Navy is executing counterpiracy missions off the coast of Africa.

As part of our global reach, we are at the forefront of providing humanitarian assistance and disaster relief support to the victims of natural disasters, wherever they occur.

Our Navy, America's Navy, has no boundaries. We are a global force for good.

In my travels this past year, I have enjoyed the visits I've had with the sailors who defend America every day. In these visits, I have taken a special note of the quality of life and the many programs that support our sailors and their families. Current operational demands and high operational tempo have placed added stress on the force. Our many personnel and family readiness programs remain one of our Navy's highest priorities.

One area that has a recent significant impact on the quality of life for our families that I feel a need to highlight is the Continuing Resolution (CR) for 2011. Under the CR, physical constraints, considerable delays, and permanent change-of-station orders occurred, resulting in more than 20,000 sets of orders being deferred. For those transfers that we were able to execute, we have reduced transfer times to 2 months or less. While relief is on the way, lingering effects of the CR will continue to place emotional and economic strain on our sailors and their families as they attempt to sell homes, seek follow-on employment for family members, enroll children in schools and complete necessary screening and training requirements prior to transfer.

Though leadership has been resourceful in mitigating the impact, the CR has also affected our ability to execute contract for phased new construction and facility sustainment in our barracks while, at the same time, forcing us to curtail contracts for base operating support and delay necessary civilian hiring.

Despite these challenges, our leadership remains focused on providing support to our sailors and their families to foster resiliency as well as family readiness.

Our Navy team will accomplish any mission or task we ask them. They do this, knowing their families will be well supported and cared for when we go over the horizon into harm's way.

In closing, on behalf of our sailors and their families serving throughout the world, thank you for your continued support of our great Navy and the programs that support the quality of life of all personnel. I look forward to your questions, sir.

Hooyah Navy.

[The prepared statement of Master Chief Petty Officer West follows:]

PREPARED STATEMENT BY MCPON RICK D. WEST, USN

INTRODUCTION

Chairman Webb, Ranking Member Graham, and distinguished members of the Personnel Subcommittee of the Senate Committee on Armed Services, thank you for the opportunity to testify before you. As the Enlisted representative of the Navy, I am honored and privileged to speak before you on behalf of more than 430,000 Active and Reserve sailors who make the finest Total Force in the history of our great Navy.

Last year, I visited many commands around the world and most recently I traveled with our Chief of Naval Operations (CNO) to Afghanistan, Iraq, Kuwait, Bahrain, and Landstuhl, during which I was impressed by the quality of sailors serving with such great enthusiasm and devotion. I am constantly amazed and truly awed by the daily sacrifices and outstanding capabilities and resiliency of our sailors who

serve with distinction on ships, squadrons, submarines and on land. No matter where they are in the world or what they do for our great Navy, everything they do is very important and it all plays part in our Navy's Maritime Strategy. Our sailors are the best we have ever seen as a Navy; they are performing their missions well and I am very proud of what they do everyday.

Sailors in Action

America's Navy is a global force for good on station around the world, around the clock building partnerships through maritime security cooperation and spanning the core capabilities of our Maritime Strategy of forward presence, deterrence, power projection, sea control, maritime security, and humanitarian assistance, and disaster response. Our Navy's responsibilities have increased because the challenges our country faces are so unpredictable and diverse. We need to be ready to confront these challenges, and we are.

In addition to our traditional maritime mission, below, on or above our world's oceans, we are boots-on-ground alongside our brothers and sisters in the Army and Marine Corps in places like Iraq and Afghanistan. In fact today, we have the second largest force operating in that Area of Responsibility (AOR).

The Navy's contribution in support of Overseas Contingency Operations (OCO) has been a vital component of our national effort to secure a safer world. At any given time, there are more than 15,000 sailors in the Individual Augmentee (IA) pipeline worldwide, either with orders, in training, or deployed, filling almost 11,000 IA requirements. The Navy has almost 25,000 Active and Reserve sailors on the ground and at sea in the U.S. Central Command (CENTCOM) AOR supporting Navy, Joint Force, and combatant commander requirements in support of OCO.

Using skills traditional to the Navy, our sailors continue to fill combat support and combat service support missions. These missions include medical support, Joint Task Force and headquarters staff, base operating support, detainee operations, engineering, intelligence and surveillance, embedded training teams and provincial reconstruction teams.

To date, there have been more than 90,000 IAs in support of OCO with more than two-thirds of these sailors mobilized from the Navy Reserve. Most IAs are concentrated in the CENTCOM region, which includes Iraq, Afghanistan, Kuwait, and Bahrain. But there are also IAs serving in other regions to include, but not limited to, Germany, Philippines, Cuba, Horn of Africa, and Japan. I assure you that your sailors are ready to take on any challenge necessary to protect our great nation by providing a constant, well-trained forward presence throughout the world.

With more than 40 percent of our ships deployed daily, America's Navy is making the world a better place. Our Navy has conducted counter piracy operations in the Indian Ocean and deployed ships to provide proactive humanitarian assistance with global partners in missions such as Pacific Partnership and Continuing Promise 2010 in the Caribbean. Our sailors perform remarkable and selfless feats every day out of devout patriotism and commitment to helping others. Last year, our sailors responded compassionately while providing humanitarian assistance and disaster relief following the earthquake in Haiti and flood in Pakistan, and today they are providing assistance in strength to the people of Japan after the devastating earthquake and tsunami. With all the events and coverage by our Navy worldwide we conducted the world's largest maritime exercise, which brought together 14 nations and more than 20,000 military personnel, to improve coordination and trust in multi-national operations in the Pacific. Our Nation's Navy has a global presence and are the first responders when the Nation and the world calls.

PERSONNEL READINESS

We have been very successful in our recruiting and retention efforts over the past 3 years. However, we are encountering challenges in recruiting health professionals, nuclear operators and special warfare operators in both the Active and Reserve components. 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.

In fiscal year 2010, Navy recruiting achieved all enlisted goals, including nuclear field, Naval Special Warfare/Special Operations and all OCO ratings, as well as total female and women in nontraditional ratings. We continue to exceed Department of Defense (DOD) quality standards in all recruit categories. For new contract quality in fiscal year 2010 we achieved 97.4 percent High School Diploma Graduates (HSDG) and 83 percent scored 50 or higher on their ASVAB (Test Score Category I-III A). We expect this trend to continue into fiscal year 2011.

America's Navy has transitioned from a posture of reducing end strength to one of shaping the force. Our force shaping efforts remain focused on maintaining a bal-

anced force in terms of seniority, experience and skills, while staying within our congressionally authorized end strength limits. We are projected to meet our fiscal year 2011 authorized Active end strength of 328,700 and Reserve end strength of 65,500 by the end of the fiscal year.

We are training and retaining superb sailors who are dedicated to serving our Nation. In particular, we remain focused on retaining sailors with critical skills in high demand in civilian sector and specialties that continue to experience high operation tempo in support of OCO. Key to sustaining the force are effective Enlistment and Selective Reenlistment Bonus programs which allow us to access and retain quality sailors to sustain the Active Force.

We are finding ways to provide flexible service options and levels of participation to maximize each individual sailor's ability to serve in the Navy over the course of a lifetime.

Our Perform-to-Serve program which includes a Selected Reserve option, gives us the opportunity to retain our fully-qualified sailors within the Reserve component before they separate from active duty. We recently incorporated a Fleet Rating Identification Engine (Fleet RIDE) application with our Perform-To-Serve initiative. This tool provides a comprehensive assessment of sailors' qualifications for alternate Navy enlisted ratings so we can transition them to an undermanned technical specialty. It 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.

The Continuum of Service concept looks to develop programs that provide sailors with flexible career options within Navy's Total Force construct. Our goal for the continuum of service initiative is to achieve a seamless transition between the active and Reserve components, and civilian work force, to meet mission requirements and encourage a lifetime of service. Since the establishment of the Career Transition Office (CTO) in May 2009, average transition time has decreased from more than 30 days to 4 days. Transition from Active Duty to Reserve creates a "Recruit Once, Retain for Life" culture. We view a sailor's career similar to driving down a highway. Sailors need the ability to make "lane changes" to meet life-work needs, and the CTO is there to make the "lane change" as seamless as possible.

Existing transition assistance programs to facilitate sailors' relocation to the civilian sector are robust but would benefit from expansion. In the last 5 years, more than 300,000 sailors have separated from Navy service while our end strength dropped by approximately 35,000 personnel. Although we expect this rate to plateau as we satisfy end strength requirements and shape our force, properly preparing our sailors for this transition will remain critical so that they are able to plan for and become equally productive citizens of society.

NAVY RESERVE FORCE

Since 1915, Navy reservists have played an integral part in service to our Nation. From World War I to World War II, through Operation Desert Shield and Operation Desert Storm, to September 11, and to Overseas Contingency Operations (OCO), Navy reservists have continually stepped up, supported and defended our Nation against enemies, foreign and domestic. Since September 11, our Navy Reserve has filled more than 63,000 mobilization requirements. As of October 2010, more than 7,000 reservists were mobilized to support of OCO. Our Navy Reserve makes up slightly more than 50 percent of the IA force, with slightly less than 50 percent being Active component sailors. Our Navy Reserve warriors continually prove they are more than capable of meeting any challenge and conducting any mission, anytime, anywhere.

As I travel the world to meet and talk with sailors, I could not be more proud of the day-to-day efforts and tenacity of our sailors. I'm amazed at the integration that has taken shape over the years between our Active and Navy Reserve. We are one Force working side-by-side in all corners of the world; a Total Force integrated and executing the Navy's mission wherever and whenever called.

Even though we have always had an operational Navy Reserve, since the terrorist attacks on September 11 we have relied heavily on our Strategic Reserve Force in order to meet various Naval and joint military missions. Our Sailor's Creed begins with "I am a United States Sailor" and that is exactly what I see when I travel throughout our Navy; Active and Reserve sailors from all walks of life working side-by-side as one team, one family and one Navy.

We ensure that billets are filled and missions are manned properly, but our Navy families are top priority, and we remain committed to balancing mission requirements with family needs.

SAILOR AND FAMILY READINESS

As our Navy evolves and we continue to have the most advanced equipment, technology, weapons systems and platforms, one thing remains the same: The engine that truly drives our Navy and the reason we are the best is our people.

I greatly enjoy every opportunity I get to travel around the world to meet and talk with sailors and their families. When I see our hard-working, high-spirited and amazingly capable sailors, it makes me very proud and humbled. Now, that I am toward the end of my career, I am entering a new career field, that of being a Navy family member. My oldest son, Zach, is a Navy Diver and my wife Bobbi and I know what it is like to watch our son deploy in harm's way, waiting, wondering and praying that everything will be alright and he will return home safely. I also know what it feels like to be the spouse at home watching your loved one deploy. I experienced this first-hand this past year when my wife was deployed to Afghanistan with the Naval Criminal Investigative Service. As we all know, we certainly could not do our jobs and probably would not be where we are today without the love and support from our families and spouses.

I could not be more proud of our Navy families for their remarkably selfless dedication and steadfast support of our sailors. Our families have sacrificed so much as they have supported their sailors and our great Navy. We are the greatest Navy in the world and a big part of that is our sailors being ready and able to focus on the mission and their individual jobs because they have the confidence that our Navy is taking care of their families.

Deployments are an integral part of Navy life. We have been deploying our forces since we formed our great Navy during times of both peace and conflict, but it is important not to underestimate or take for granted the incredible strain that a long deployment imposes on our sailors and their families. Multiple deployments, frequent relocations and the stresses associated with being part of a military family all impact the overall readiness of the unit, the readiness of the individual sailor, and the readiness of their family.

Keeping our Navy families informed about resources available to them to mitigate the strain of deployment and provide support is instrumental to their peace of mind while waiting for their sailors to return from year-long assignments in the Middle East or 6-month deployments safeguarding our seas. Through resources such as 'Navy for Moms,' 'Navy Dads,' Military OneSource, Navy.mil and various other web sites, our sailors and their families are more informed today about the resources available to them than they have ever been in the history of our Navy. Another success in communication has been the use of smart phone applications such as 'Navy Life' and 'Navy IA' as well as social media web sites such as Facebook and Twitter to connect with sailors and families. Both CNO and I are committed to using social media because it is a great opportunity to remain connected with our sailors Navy-wide and a great tool in our outreach efforts for getting information out in a timely manner to our entire Navy family, which includes Active and Reserve sailors, families, retirees, and Department of the Navy civilians.

Morale, Welfare, and Recreation (MWR) programs are also instrumental in our commitment to addressing Sailor and Family Readiness. The Navy has embraced a "Culture of Fitness" through incorporation of programs such as the Navy Operational Fitness and Fueling Series and Family Fitness Opportunities. We facilitate these and other initiatives through access to modern facilities and evolving approaches to holistic health. Sailors are required to meet physical fitness and body composition standards that necessitate a regimented approach regardless of environment, climate or other limitations. Ashore, our sailors and families also rely on MWR to strike a balance between the demands of military service and the importance of off-duty pursuits with loved ones.

CONTINUUM OF CARE

Health care is one of our top recruiting and retention tools for our sailors, and I continuously hear just how important access to health care is for them and their family members. Navy Medicine continues to focus on developing an economic and quality-centric strategy for the delivery of top-quality health care to our beneficiaries, and the recruitment and retention of providers in critical specialties allowing the fulfillment of the wartime mission, while sustaining the benefit here at home.

Operational tempo of the force remains at very high levels. To ensure the behavioral health needs of our sailors is met, we are seeking ways to refine existing programs, as well as exploring new opportunities to address future demands. In particular, our Navy's Operational Stress Control Program, Navy Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Work-

shop, Navy Safe Harbor, and our Medical Home Port Program are critical elements of our comprehensive continuum of care and we must continue to support the expansion of these programs as the need requires.

The Navy's Safe Harbor Program is the Navy's lead organization for providing the highest quality non-medical care to all seriously wounded, ill, and injured sailors, coastguardsmen, and their families. Using a holistic approach, Navy Safe Harbor offers a lifetime of individually tailored assistance designed to optimize the success of a sailor's or coastguardsmen's recovery, rehabilitation and reintegration activities. Since January 2008, Safe Harbor has grown from 9 personnel supporting 145 sailors and families at 6 locations to serving a case load of more than 1,200 wounded, ill, or injured servicemembers at 16 locations. Safe Harbor's goal is to return sailors and coastguardsmen to duty and when not possible, work collaboratively with Federal and nongovernmental agencies, including the Department of Veteran Affairs and State and local organizations, to ensure their successful reintegration back into their communities.

Through our Fleet and Family Support Centers we offer a number of personnel and family support programs to reduce life stressors including, but not limited to physical readiness, life skills education, financial management, health promotion, and religious ministries. Furthermore, our family readiness programs promote healthy and resilient families, focusing on areas such as the prevention of suicide and domestic violence, and providing developmental child care and youth programs and services. We make every effort to reach servicemembers and families no matter how remote their location through webinars, monthly electronic newsletters and deployment preparedness handbooks.

The Bureau of Medicine and Surgery implemented Medical Home Port (MHP) throughout Navy Medicine in 2010 as a new model of healthcare delivery in primary care. Care delivered in the MHP model includes, but is not limited to, readiness, prevention, wellness, behavioral health, and disease management. 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. MHP increases access to care, improves clinical quality and patient outcomes, enhances patient satisfaction, promotes a healthier and fit force, and reduces healthcare utilization, resulting in a reduction in overall healthcare costs.

Combat casualty care is provided by Navy medical personnel assigned to and serving with Marine Corps units, in Expeditionary Medical Facilities, aboard casualty receiving/treatment ships and hospital ships, and in military and Department of Veteran Affairs hospitals. Recent advances in force protection, battlefield medicine, combat and operation stress control, medical evacuation, and family support programs have led to improved survival rates, healthier family functioning and enhanced operational effectiveness.

The Navy continues to provide support to sailors and their families through a variety of programs that increase medical and non-medical assistance to wounded, ill, and injured servicemembers utilizing a comprehensive approach designed to optimize their recovery, rehabilitation and reintegration. Navy Case Management is the link that connects resources and services which allow injured servicemembers to reach their optimum goals in healthcare. Case Management provides the critical support servicemembers need during this challenging time in their lives. Case Management will continue to be at the forefront of providing optimal care to our servicemembers with war-related injuries. Navy Medicine has 192 Medical Case Managers providing service to our wounded, ill, and injured sailors in Military Treatment Facilities and ambulatory care clinics.

SUICIDE AND SEXUAL ASSAULT PREVENTION

We continue our suicide prevention efforts through a multi-faceted system of communication, training and command support designed to foster resilience and promote psychological health among sailors. In calendar year 2010, the Navy had 38 sailor suicides compared to 46 in 2009.

The Navy continues to develop and enhance programs designed to mitigate suicide risk factors and improve the resilience of the force. These programs focus on substance abuse prevention, financial management, positive family relationships, physical readiness, and family support with the goal of reducing individual stress. We continue to work toward a greater understanding of the issues surrounding suicide to ensure that our policies, training programs, interventions, and communication efforts are meeting their intended objectives.

More and more shipmates, leaders, and family members are noting signs of concern and are reaching out to get sailors the help they need. We recognize that long before thoughts of suicide occur, we have opportunities to build resilience, intervene

early when risk factors are present, and create the connections that help sustain us in times of challenge. Most of these efforts fall within our broader family readiness and health promotion activities.

The Navy has expanded the surveillance and analysis system for Navy active and Reserve suicide deaths and attempts; supported command prevention and stress control programs with printed resource and interactive training materials; provided training world-wide to suicide prevention coordinators and first responders; and provided Navy representation in DOD, VA, and other cooperative efforts.

For most sailors, suicide prevention is more than just a training topic. About half have personally known someone in their lives who was lost to suicide. Sailors and leaders genuinely care and have shown it in the way they have engaged vigorously in focus groups, put forth tremendous creativity in developing suicide prevention posters and materials, and enthusiastically embraced new hands-on training materials. Their caring shows in the dozens of times each month someone assists a struggling shipmate to get some help. This past year, we implemented programs such as the Coalition of Sailors Against Destructive Decisions (CSADD) which is gaining momentum with our younger sailors.

CSADD's mission is to provide military members of all branches with the best prevention and intervention tools possible to deal with the issues of drinking, reckless driving, and other destructive decisions while maintaining good order and discipline, to assist sailors in making life decisions that will maintain positive lifestyles in keeping with the Navy's core values, to guide sailors away from making poor and destructive decisions by providing them with positive and dynamic training and to show sailors how to make quick positive decisions and put their training to use in moments of high stress and peer pressure.

The Navy has a 'zero' tolerance policy for sexual assault; it is a criminal act. The majority of sexual assaults are servicemember-on-servicemember and it is incomprehensible that a sailor would commit such a horrible crime against another shipmate. It undermines teamwork, morale, unit cohesion, and operational readiness.

At the close of calendar year 2010, reports of sexual assault increased from 2009. This increase could be attributed to victims' increased willingness to report the crime. This demonstrates that our education and prevention efforts are showing progress, but we acknowledge sexual assaults are still occurring in our Navy. The highest risk group for victims over the past several years remains E-1 to E-4, ages 20 to 24, with most incidents occurring during the weekends. In most sexual assault incidents, alcohol was a major factor impairing the judgment of offenders, victims, and bystanders.

In order to remove sexual assault from our Navy, we are ensuring commands have a strong partnership with Sexual Assault Response Coordinators (SARCs) and a robust Sexual Assault Prevention and Response (SAPR) Program which fosters an environment where 'shipmates help shipmates' by not allowing destructive behavior to occur.

The SAPR program, established in 2004, promotes training, builds awareness and provides advocacy and supportive services for victims of sexual assault. It is a victim-focused program that focuses on response and offender accountability. The SAPR program is conducting a comprehensive review of training curriculum for those entering the Service ranks and attending professional military schools. The Navy embraces bystander intervention as the core of our strategy to protect sailors from sexual assault. Bystander intervention is key to preventing sexual assaults before they occur. Our goals include reducing the incidents of sexual assault, improving support for victims of sexual assault, and building prevention based upon insights from data-driven critical assessments. We will continue to revise and improve the SAPR program to create an environment free of sexual assault for all Navy personnel.

CHILD CARE

In today's military, many of our sailors have working spouses or have the responsibility of being single parents who depend heavily on our military child and youth system of care, which includes Child Development Centers (CDC), to provide quality child care. Due to frequent relocations and the length of deployments, many of our sailors do not have the option, like civilian families, to rely on family members and friends to assist with taking care of their children when they are away.

An important facet that stands out in the quality of our child care programs is the continuity of service from location to location as we operate a standardized worldwide program. Sailors and their children can count on the same quality of care whether they are stationed in Chinhae, Korea, or San Diego, CA. Additionally, our programs are among the most affordable. Commercial programs charge parent fees

based on the age of the child while our programs base fees on total family income. This model is critical to the economic viability of our families. Children under the age of three are the most costly to care for due to the lower child-to-staff ratios, and typically our most junior enlisted families have children in this age group.

This fiscal year, we will complete an expansion of approximately 7,000 new child care spaces meeting the Office of the Secretary of Defense guidance to provide 80 percent of potential need for child care spaces (54,000 total spaces for children ages infant to 12th grade, including 19,000 CDC spaces). With the construction of these spaces, we will reduce the waiting time for child care to 3 months or less Navy-wide with first priority given to single parents.

Our continuing expansion initiatives are not only meeting the needs of our families living on or near our installations, but also those living and working throughout the United States, including Reserve members. Our contract programs "Military Child Care in Your Neighborhood" and "Mission Youth Outreach" provide subsidized child and youth services from commercial programs that meet community quality standards. We continue to work with communities, assisting them with raising the quality of their standards.

HOMEPORT ASHORE, BACHELOR AND NAVY FAMILY HOUSING

Thanks to the support of Congress, through military construction and housing privatization, we have made significant strides in improving the living conditions of our sailors and their families. Our Homeport Ashore program continues to provide adequate off-ship quarters to junior sailors who are not entitled to a Basic Allowance for Housing and would normally live aboard ships. This effort marks the most dramatic quality of life improvement initiative for our single sailors that I have seen over the course of my career.

Still, one of my biggest quality of life concerns is that we have approximately 5,400 single sailors, E-1 to E-4 with less than 4 years of service living aboard ship while in their homeport. The Navy has made considerable progress toward achieving the Homeport Ashore goal through military construction, privatization, and intensified use of existing barracks capacity (based on an interim assignment policy standard 55 square feet of space per person). Moving our single sailors off ships remains a priority and requires us to assign two or more sailors per room. Although housing these sailors does not meet the DOD requirement of 90 square feet per person, our sailors are very thankful for this initiative and know that we will continue to work to meet this requirement.

Our Bachelor Housing provides permanent party personnel, students, and mobilized Sailors with suitable, affordable, and safe environments in community, privatized, or Navy-owned housing. It supports unaccompanied permanent party personnel, students, and mobilized units worldwide. The fiscal year 2012 Bachelor Housing program is focused on completing Homeport Ashore by 2016 and eliminating substandard Bachelor Housing conditions. With respect to addressing the condition, the Navy has increased its investment in the restoration and modernization of bachelor housing across the Future Years Defense Program to bring 90 percent of the inventory to Q1/Q2 (or adequate) standards by 2022.

In fiscal year 2011, the Navy would begin this initiative through the renovation of barracks in Milton, FL; Atsugi, Japan; Ventura, Lemoore, and San Diego, CA; Whidbey Island and Bremerton, WA; and Pearl Harbor, HI.

The Navy owns approximately 10,000 family housing units worldwide. Based on revised Office of the Secretary of Defense criteria directing the use of Q-ratings, the Navy has identified approximately 3,700 Navy-owned homes as inadequate. The revised definition is based on the physical condition of the home as a function of its replacement value. The previous inadequate definition was identified as a building in need of more than \$50,000 of repairs. We have privatized approximately 40,000 homes in the CONUS and Hawaii inventory. The privatization of the remaining 870 homes in the northwest is scheduled for the end of 2013. The privatization of the remaining 226 homes in the southwest is under review. When the Public Private Venture (PPV) transition is complete, the Navy will own less than 100 homes in CONUS and Hawaii, but will retain ownership and management of all foreign assets.

Thanks to the support of this committee and Members of Congress, we have improved the housing available to our sailors through PPV. Sailors cite the PPV initiative as one of the most effective quality of life improvements in recent years.

Quality of life does affect retention and recruiting. PPV and Homeport Ashore are examples of initiatives that have had a direct impact on the retention, morale and the quality of life of our men and women. They are shining examples of our cov-

enant with sailors to recognize their service through tangible improvements to their welfare, and represent ideal opportunities for expanded utilization.

CONCLUSION

America's Navy is very much a global force for good on station around the world and around the clock, deterring aggression, keeping the sea lanes open for free trade, projecting power and maritime security, and delivering humanitarian assistance and disaster response where needed. Sailors are the key element in our Navy's future force.

Our Navy family members share our sacrifices while providing support. They have courage, strength and deep devotion to our country. Our Navy families endure the challenges of multiple deployments and moves, spend holidays and life milestones apart, juggle everyday tasks while a spouse, parent, son, or daughter is in harm's way, and honor the service of their loved ones and memories of those lost.

We must continue to ask hard questions and make hard decisions that will enable us to provide a quality of life commensurate to the sacrifices our sailors and their families make. The Continuing Resolution (CR) for 2011 has affected us in several areas including various military construction projects that have been delayed and may not be executed. But most of all, it has had a negative effect on our ability to properly support quality of life for sailors and their families.

Due to the way resources are phased and allocated under the CR, the Navy does not have sufficient manpower funding to allow for normal lead times for sailors to receive Permanent Change of Station (PCS) orders as funds must be allotted to cover pay and benefits. Average lead times have been reduced from 4 to 6 months to approximately 2 months or less. This places great emotional and economic stress on sailors and their families. In today's economy, there is a great possibility that if they own a house, they will not be able to sell it or have enough time for the spouse to be able to find a job in the new location. Our Navy families affected by these constraints are often forced to live apart. The impact of Navy's PCS funding level is being felt across the force, and will continue until funding is resolved.

On behalf of our sailors who sacrifice daily and their families who faithfully support them, I want to extend my sincere appreciation for your unwavering support for our U.S. Navy. Thank you.

Senator WEBB. Thank you, Master Chief.

Chief Master Sergeant of the Air Force, James Roy, welcome.

STATEMENT OF CMSAF JAMES A. ROY, CHIEF MASTER SERGEANT OF THE AIR FORCE, USAF

Chief Master Sergeant ROY. Chairman Webb, members of the subcommittee, thank you for the opportunity to tell you about America's Air Force and our families.

It's an honor and a distinct privilege to join my fellow senior enlisted advisors here today to represent one of the finest air forces in the world and, of course, those young men and women that make up our U.S. Air Force.

There are more than 702,000 who make up the total force team: Active Duty, Guard, Reserve, and civilians. Two members of the total force team join me today: Chief Master Sergeant Denise Jalinski-Hall, a senior enlisted leader for the National Guard Bureau, and Chief Master Sergeant Chris Muncey, the command Chief Master Sergeant for the Air National Guard.

We appreciate the unwavering support of the members here and from the entire Senate, which is a vital part of our success. We are greatly appreciative of your efforts, actions, and legislation that have led to the expansion of servicemembers' and veterans' pay and benefits. We also appreciate the visits by the Senators to our servicemembers in the field and to the wounded warriors in healthcare facilities.

To represent all the Air Force wounded warriors, I am joined here today by Technical Sergeant Chris Frost, an explosives ordi-

nance disposal technician who lost both legs below the knee when his vehicle struck a 700-pound improvised explosive device in Iraq in 2008. The blast killed one soldier and injured two others in his vehicle. Sergeant Frost has since returned to duty, mentored other wounded warriors and cycled 3,500 miles across America. Sergeant Frost inspires all of us. It is an absolute pleasure serving with him, and I salute his resiliency.

Senator WEBB. Sergeant, where are you? Thanks for what you've been doing, and we are really proud of how you've come back from your wounds. You bounced right out of that chair. That's very impressive.

Chief Master Sergeant ROY. Our airmen are on our front lines in a variety of theaters of operation, including America's recent missions over Libya and on the ground for humanitarian missions in Operation Tomodachi. They are also providing airmanship skills to combatant commanders around the world, and they are constantly deployed, leaving behind families and friends.

We must ensure our airmen and their families are safe, healthy, and resilient. Building resiliency among airmen and their families is a key focus area. Our warriors have been in Iraq and Afghanistan for nearly 10 years, and in the Middle East for over 20 years.

We are deliberately increasing the focus on building stronger, resilient families because of our continued high operational tempo at home and abroad, as well as the unique role of airmen, such as remotely piloted aircraft operators, who affect the battlespace each and every day. Resilient airmen are better equipped to withstand, recover, and continue to grow in the face of stressors and the changing demands, while continuously getting the job done.

It is my distinct honor to be with you here today and tell you about America's Air Force and what we do on a daily basis.

Thank you again. I look forward to any questions.

[The prepared statement of Chief Master Sergeant Roy follows:]

PREPARED STATEMENT BY CMSAF JAMES A. ROY, USAF

INTRODUCTION

Chairman Webb, Senator Graham, members of the subcommittee, thank you for this opportunity to share with you information important to America's airmen, their families, and our U.S. Air Force. It is an honor and distinct privilege for me to join my fellow Service Senior Enlisted Advisors and represent our Nation's finest men and women.

This fiscal year, we have a programmed Total Force end strength of 702,367 which includes 332,200 active duty, 192,267 civilians, 71,200 Reserve, and 106,700 Air National Guard personnel. In the fiscal year 2012 budget, we have requested a Total Force end strength that will decrease to 693,099. While active duty end strength will only increase by 600 airmen to 332,800, 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.

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. We must operate within our budget and we are committed to meeting our end strength. 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 a Limited Initial Skills Training process that considers these airmen for either retention or separation based on the needs of the Air Force. We encourage voluntary separations and retirements for more seasoned air-

men by offering both limited active duty service commitment waivers and time-in-grade waivers. They 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.

In an effort to manage the enlisted force within authorized end strength, we are continuing the Date of Separation (DOS) Rollback Program. This initiative separates airmen early who have already chosen to transition from the Air Force. It also provides an avenue to accelerate the removal of airmen who possess negative quality force indicators.

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.

ACCESSIONS

We must protect accessions while taking care of our people as the impact of under-accessing airmen is felt for the next 20 years. As previously mentioned, our force management efforts include reducing accessions. Although below desired sustainment levels, reductions are manageable within the short- and long-term health of the force. For fiscal year 2011, this included 2,135 enlisted accession reductions and 439 officer reductions. In fiscal year 2012, our reductions are deeper. Enlisted accession reductions are set at 2,407 while officer reductions are set at 639.

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 fiscal year 2012 budget request includes \$30.5 billion in military personnel funding, to include a 1.6 percent pay increase. Although our recruiting quality and retention levels are at the highest in 16 years, we are obligating \$630 million 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 percent in fiscal year 2007 down to 6.8 percent in fiscal year 2010 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 airmen 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. The ANG is currently projecting to be at or near its authorized end strength of 106,700 at the end of fiscal year 2011.

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.

A 16-year high in active duty enlisted retention has necessitated moderate reductions in accessions and additional force management actions including rollbacks of Dates of Separation (DOS), separations for initial skills training failures, waivers for active duty service commitments, time-in-grade requirements and enlistment contracts which will continue through fiscal year 2012. Without these actions in fiscal year 2010, our overall retention would have exceeded the goal by more than 4 percent. The Air Force finished fiscal year 2010 at 100 percent 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 percent, and was under its retention goal in Zone

C, 10 YOS through 14 YOS at 93 percent. Based on current economic forecasting, the Air Force is expected to experience consistent retention rates over the next few years.

Selective Reenlistment Bonuses (SRB) are our most effective, responsive and measurable tool for targeted retention. The fiscal year 2012 budget for new SRB contracts does change from fiscal year 2011's budget of \$145.9 million as we expect to offer SRBs to fewer than 90 enlisted specialties in fiscal year 2012.

The Air Force 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 addressing targeted retention by AFSC and by zone. In fiscal year 2009, SRB costs were \$227.6 million of the total Air Force budget of which \$70.4 million were comprised of anniversary payments, \$156 million in new bonuses, and \$1.2 million in accelerated payments. Conversely, in fiscal year 2010 funding for new bonuses fell from \$156 million to \$141 million and fell even further in fiscal year 2011 and is now down to \$129.9 million. Currently, 89 AFSCs are receiving SRBs in fiscal year 2011.

Our Service will continue to experience high retention through fiscal year 2012 and likely into fiscal year 2013. However, we must still overcome several skill imbalances as a result of previous actions to reduce end strength by deliberately under-accessing in fiscal year 2005 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 only 25 percent of our youth are eligible 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 60 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.

HUMAN CAPITAL STRATEGY

Deliberately developing airmen is a key focus area. Our airmen must have the right mix of skills so the Air Force can continue providing combat-ready, expeditionary forces to combatant commanders now and in the future.

The Air Force is focused on providing the right expeditionary combat skills needed for our airmen to fly, fight, and win. It is critical that our airmen have the experience, education, and training to think with a global perspective and operate in an expeditionary environment.

Airmen must be specifically trained, educated, and experienced through professional development initiatives designed to create the capabilities and capture current and future mission demands. We implemented several new initiatives to enhance the development of our airmen focusing on their experience, education and training to ensure they are prepared to fill current and future leadership positions. Central to our efforts is the shift to assigning the most "qualified" airman versus the most "eligible" airman for our key billets.

Our new approach to managing enlisted talent gives us the capability to evaluate Senior Noncommissioned Officers (SNCOs) and select the right airmen for critical jobs, while also ensuring they are vectored in the proper career sequence and that we are preparing them for future leadership roles. This new approach, coupled with

our new special experience identifier tracking codes, give our assignment teams the tools to identify airmen with the requisite training and experience for key positions.

We start by focusing our attention on the Air Force's No. 1 priority—Nuclear Enterprise. 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.

CONTINUE TO STRENGTHEN THE NUCLEAR ENTERPRISE

The Air Force continues to strengthen the nuclear enterprise, placing increased focus on ensuring the nuclear deterrence mission is executed with precision and reliability every single day. Secretary of the Air Force Michael B. Donley, Air Force Chief of Staff General Norton A. Schwartz, and I have all visited the nuclear missile fields. We had the opportunity to speak with the amazing airmen who provide the same round-the-clock nuclear deterrence as their predecessors have for over 50 years. These airmen are working diligently to achieve the standard of perfection the nuclear mission demands and the American public expects.

I'm happy to report that Air Force Global Strike Command reached Full Operational Capable status in September 2010. This change provides the needed oversight and advocacy of the Air Force's Intercontinental Ballistic Missile (ICBM) and nuclear-capable bomber forces.

The demand of the nuclear mission requires discipline and compliance with the highest standards. It is imperative that airmen at every level are focused on upholding our core values of Integrity First, Service Before Self and Excellence in All We Do.

AIRMEN IN THE JOINT AND COALITION FIGHT

More than 94,400 Total Force airmen are currently forward stationed or deployed worldwide supporting combatant commanders. Another 133,000 provide daily strategic mobility, space and missile capabilities, command and control, and intelligence, surveillance, and reconnaissance to joint warfighters. In all, 42 percent of the Total Force directly supports combatant commander requirements every day.

Almost 29,000 airmen are deployed to the U.S. Central Command area of operations, with more than 3,700 filling joint expeditionary taskings. Airmen are on the frontlines with their fellow soldiers, sailors, and marines in roles such as detainee operations, convoy employment and protection, explosive ordnance disposal, police training teams, military transition teams, civil engineering, security, communications, fuels, medical services, logistics, intelligence, and base operating support. They are part of the joint team, serving in whatever capacity needed by the combatant commander. Together with our sister services, we are training and augmenting both Iraqi and Afghan security forces, rebuilding critical infrastructure, and providing medical services to these war-torn countries.

Our remotely piloted aircraft (RPA) platforms continue to increase the support to joint and coalition warfighters on the ground. Airmen are finding, tracking, and attacking our enemies using Air Force Predators, Reapers and Global Hawk RPA aircraft. Our Predator operations alone have increased from 12 combat air patrols in 2007 to 48 today to support combatant commanders and warfighters. By growing the number of RPA operators and increasing the number of combat air patrols to 58 by the end of fiscal year 2012, we are protecting joint and coalition interests around the globe from bases within the United States.

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 percent of all deployments in calendar year 2004 to 60 percent 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 percent of all deployments, call for airmen to be deployed 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 typical 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.

In total, more than 216,000 Total Force airmen support daily combatant commander operations.

AIRMAN AND FAMILY RESILIENCE

Building resiliency among airmen and their families is another key focus area. Our warriors have been in Iraq and Afghanistan for nearly 10 years and in the Middle East for over 20 years. Continued high operations tempo at home and abroad stress to us the need to deliberately increase the focus on building strong, resilient families. Resilient airmen are better equipped to withstand, recover and/or grow in the face of stressors and changing demands, and continuously get the job done. Many of our programs are designed to continue to build resilient airmen and families.

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.

EXCEPTIONAL FAMILY MEMBER PROGRAM

The Exceptional Family Member Program (EFMP) is how we assist airmen and their families who have special needs, balancing mission requirements with family care responsibilities. We continue to focus attention this year on supporting our 17,000 airmen with exceptional family members.

Two facets of EFMP are assignments, managed through the Air Force Personnel Center and Special Needs Identification and Assignment Coordination, administered by the Air Force Medical Service. We recently added a third element, EFMP-Family Support, which provides information and referral services available in the base and local community.

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 and 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 175 or more special needs 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 fiscal year 2012. Furthermore, we have increased our communication and marketing efforts at our Airman and Family Readiness Centers and Medical Treatment Facilities to ensure airmen and families are aware of the enhanced resources available to them.

QUALITY OF LIFE

We thank Congress for its steadfast funding for quality of life initiatives. We look forward to continued support to enable us to retain skilled airmen and develop them into the leaders we need for the future.

The quality of life airmen and their families receive is an overwhelming factor in how long they will serve. During the Year of the Air Force Family (YoAFF), we focused on four main pillars: health and wellness; airmen and family support; education, development and employment; and airmen and family housing. Among the many initiatives resulting from the YoAFF, we implemented the Family Health Initiative at 32 Medical Treatment Facilities, convened a Single Airman Summit in April 2010, provided each installation funding to support spouse employment programs, and developed the Building Thriving Housing Communities Strategy.

Whether working on the installation or deployed fighting the Nation's wars, our airmen deserve buildings and facilities of a high standard commensurate with the outstanding service they provide their country. Since 2000, and with the very generous support of Congress, the Air Force funded many military construction projects for child development centers, youth centers and fitness centers. While this represents a significant investment by the Air Force, many requirements remain.

Our fitness centers continue to be an important on-base facility where airmen and their families gather to participate in numerous activities that help to improve their overall health and build strong, resilient families. The Air Force has funded dozens of fitness center projects over the last 10 years. These projects have included additions to existing centers and replacing old and undersized facilities. With your continued funding support, we hope to construct and expand our facilities to meet the needs of our airmen and their families.

Last year, we transformed the way the Air Force delivers food service. We focused on a campus-style food service for airmen and their families while improving efficiency and providing significant savings. Our food transformation initiative address-

es changing lifestyles, needs and preferences while improving program and facility standards. This initiative offers a variety of healthy options while keeping our warfighting capabilities at the forefront. The transformation was implemented at six bases, where operating hours increased while costs decreased an estimated 27 percent. Since the initiative began, the customer count is up 22 percent and satisfaction has increased 8 percent.

WOUNDED WARRIOR AND SURVIVOR CARE

We remain fully committed to caring for our brave airmen who are wounded in battle, who contract serious illnesses 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 March 31, 2011, we have 1,008 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 U.S. Air Force Academy in Colorado Springs, CO. 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.

POST-TRAUMATIC STRESS AND TRAUMATIC BRAIN INJURY

The Air Force has engaged an aggressive and proactive approach to track airmen who may have post-traumatic stress (PTS) symptoms or a traumatic brain injury (TBI). Airmen learn about PTS, TBI, and other deployment-related health issues through education programs both before and after they deploy.

In addition to training, airmen are also screened for TBI before and after deployment. Airmen receive a computerized assessment that measures cognitive abilities including reaction time and memory. The member is reassessed in theater if they sustain a head injury. Scores are compared with baseline in order to aid with return-to-duty determinations, in conjunction with a clinical assessment.

Airmen who receive help for deployment-related stress also have the option to receive treatment through primary care channels as the Air Force increases the mental health presence within the primary care setting. At this time, 57 percent of Air Force medical treatment facilities have integrated behavioral health services into primary care clinics. This program enables airmen to feel more comfortable seeking behavioral health assistance.

Airmen with common symptoms including sleep, energy, mood, or concentration difficulties simply see their primary care manager, just as they would for any other treatment. The primary care manager then refers the servicemember to the behavioral health consultant who can provide screening, education and focused intervention in the primary care clinic. This process helps to normalize minor behavioral health treatment alongside other, more routine care. The goal is to reduce the stigma behind seeing a provider for stress, helping airmen feel less isolated and more willing to ask for help.

KEY SPOUSE PROGRAM

The Key Spouse Program is an effective way to communicate with family members and is akin to the Navy Ombudsman Program and the Army Family Readiness Group. We aim to bridge the gap between the military spouse and the military

chain of command to help build a greater sense of community within units, especially where families are separated or deployed.

Currently, 97 percent of units have trained key spouses, and we have more than 4,121 trained volunteers. We hope increased emphasis and continued standardization will make this program become even more helpful.

SPOUSE EMPLOYMENT

Spouse employment in the military is a constant challenge for our military families. Overall, 48 percent of Air Force spouses seek employment with each military move. For our junior airmen, the added income is often a large part of the quality of life their family enjoys. Military spouses report that their work income constitutes about 48 percent of total family income.

We appreciate your support and the administration's effort to strengthen our military families by removing barriers that currently prevent military spouses from maintaining a career or employment because of relocation.

This support helps ensure our family members have access to careers and are not adversely affected when our service calls upon us to relocate.

UNEMPLOYMENT COMPENSATION

When States support unemployment compensation, this also allows spouses to take reasonable time to find suitable employment at the new location as well as resources necessary to obtain any new licensing or credential requirements. Currently, 38 States plus the District of Columbia provide unemployment compensation to spouses who leave because of a military move, nearly triple the number since 2004. We remain hopeful the remaining States, despite the current challenging fiscal environment, can provide similar compensation benefits to improve the employment outlook of military spouses.

One of the greatest challenges facing our Nation right now is unemployment and underemployment, and we remain especially concerned about the challenges facing those in the Guard and Reserve or those leaving active military service as they look for work.

Although the national unemployment rate was 8.9 percent in February 2011, the unemployment rate for the younger segments of the workforce, which includes those veterans who joined the military after September 11, 2001, remains elevated. As a result, we are committed to assisting our separating members in making a successful transition to employment in the civilian workforce and in encouraging their continuing education through the use of the post-9/11 GI Bill.

CHILD CARE

Child care continues to be an important quality of life factor for our airmen and their families. Quality child care facilities are a key component in assuring airmen that their family is being cared for while they defend our country. With your continued support, we are striving to eliminate our shortfall in child development center spaces by the end of fiscal year 2012. While we have addressed the facilities and personnel needed, we are still trying to fund supplies and equipment.

Our child care programs also include reservists and Air National Guardsmen by providing child care during scheduled drill weekends and a child care subsidy when activated. While we face funding challenges in meeting every child care requirement, we are striving to provide quality child care options to all our airmen.

EDUCATION FOR MILITARY CHILDREN

Military life, frequent moves and extended separation during deployments present a host of challenges for our families. Nearly half of all servicemembers are married and have children. Consequently, military families often weigh assignment decisions based on the quality of education from the local school systems for their children.

Thirty-five States have passed legislation to establish an Interstate Compact On Educational Opportunity For Military Children to address educational solutions at the State, local, and school district levels. These compact States are working to solve issues dealing with class placement, records transfer, graduation requirements, immunizations, exit testing and allowing late entry to extra-curricular activities and sports teams. Another eight States (Montana, Wyoming, Nebraska, Maryland, Vermont, Pennsylvania, New York, and West Virginia) have proposed their respective bills, and the final six States and the District of Columbia (Oregon, Arkansas, Wisconsin, Georgia, New Hampshire, Maine, and the District of Columbia) have indicated this issue is a "priority." The Interstate Compact ensures children in military families are not penalized in school for their families' service to the Nation.

We are making great strides in support for Air Force-connected students attending public, private, DOD Dependent Schools, home and virtual schools. Currently 84 Air Force bases have civilian school liaison officer positions. In addition, staff in the Airman and Family Readiness Centers provide school liaison support to leadership and families. Major commands and installations continue to work creative initiatives such as providing webcasts of graduations so parents can share these occasions while deployed. Additionally, a senior military officer or DOD civilian has been designated at each installation to advocate with local and State school administration and school boards for the interest of Air Force families.

AIRMEN EDUCATION OPPORTUNITIES

The U.S. Air Force enlisted force is highly educated. Since April 25, 1977, more than 303,500 airmen have earned a fully accredited associate degree, corresponding to their career field, through the Community College of the Air Force (CCAF). In fact, about 153,000 of our enlisted airmen have at least 12 college credits; of that more than 51,500 have associates degrees, almost 18,000 have bachelor's degrees or higher and 18 have earned their doctorate degrees.

The General Education Mobile program is making education more accessible for our airmen. This program offers general education courses required for a CCAF degree through distance learning courses. This program is intended to attract those students who are struggling to get their general education credits filled because of numerous reasons, primarily the Air Force's high operations tempo. There are 26 participating schools offering 511 courses of which over 700 airmen are enrolled.

Our Associate-to-Baccalaureate Cooperative program is helping CCAF graduates apply credits toward a bachelor's degree at military-friendly schools. This program has grown to 44 civilian higher-education institutions and offers 219 bachelor's degree programs. These institutions take an airman's CCAF credits and apply them toward a bachelor's degree. More than 17,000 airmen are participating in the program, and since its inception in June 2007, 464 bachelor's degrees have been awarded.

We've also had an overwhelming number of airmen who have transferred their G.I. Bill benefits to their dependents. This benefit helps families, and it also helps the Air Force retain our airmen through the associated service commitment. We continue to recruit and retain airmen who value educational opportunities for themselves and their families.

CCAF also offers a Professional Manager Certification, a credential award that formally recognizes an individual's advanced level of education and experience in leadership and management, as well as professional accomplishments. The program provides a structured professional development track that supplements Enlisted Professional Military Education and the Career Field Education and Training Plan.

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

Our airmen are doing incredible work, ranging from providing humanitarian aid to the Japan earthquake and tsunami victims for Operation Tomodachi to supporting recent NATO operations in Libya and daily U.S. Central Command missions in Iraq and Afghanistan. More than two-thirds of airmen entered the Air Force after September 11, 2001, which means the majority of our force has been at war their entire careers. They deploy longer than ever before and some need a second hand to count the number of combat tours they have been on. Despite this pace, our airmen have shown amazing resiliency.

Finally, this is a team effort and the contributions of Air Force families continue to be amazing. Our families are the ones who deal with an empty seat at the dinner table when our warfighting mission takes us away. They stand tall when extraordinary challenges attempt to knock them down. They keep the faith and their support is critical to airmen fulfilling their mission requirements.

Thank you again for your continued support of our brave airmen and their supportive families.

Senator WEBB. I thank all of you for your testimony. As I said, your full statements will be entered into the record as if read.

Let me make a comment and ask one question, then I know Senator Blumenthal has another meeting he has to go to, and I'd like to give Senator Blumenthal an opportunity to jump in, here.

First, let me say, Sergeant Major Chandler, how comforting it was to hear you talk about dwell time the way that you did. When I got here to the Senate, in 2007, the dwell time was 0.75. When I was called, by the Chief of Staff of the Army, when he told me that they were going to 15 month deployments and 12 months at home, I could not believe what I was hearing, as someone who's been around the military my entire life and as someone who also worked on veterans programs in the House, as a young committee counsel, after I finished law school, when I left the Marine Corps. The downstream emotional price that a lot of people have to pay for those types of deployments were predictable.

I introduced legislation that would have required a minimum one-to-one dwell time. Some people thought it was political at the time. I said, basically, this is just a safety net. This is something that Congress, as the stewards of the people who go into the military, should be able to put into law. We had a big debate up here. You may have seen something about it, because people were saying that Congress wanted to get in the way of the Commander in Chief's prerogative. But, there are many different situations like this in history, where Congress has weighed in, and we lost. We got 56 votes twice, but we did get 60 to break the filibuster on this.

But, I think we successfully caused people to really start thinking seriously about the need to put a safety net under our people. You step forward, you say you're going to serve your country, and you're at the mercy of your leadership, quite frankly.

The fact that we have gotten this thing to a point where we're back to historical standards of two-to-one, really gratifies me to hear you say that.

I would like to ask a question to all of you to give me your thoughts on, and then I'm going to yield to Senator Blumenthal.

One of the areas that I was not hearing very much about when I first came to the Armed Services Committee this time was our responsibility for non-career military members. We had lots of testimony about, you recruit the individual, retain the family, the retention issues, we got a career—we have an all volunteer system. It took me a year of asking questions before I got the data on this, but there are a lot of people who think that, because we have an All-Volunteer Force, we have an all career force. We don't.

The numbers that I got back after asking the questions were: 75 percent of the Army, 70 percent of the Marine Corps, and about half of the Navy and the Air Force were leaving the military on or before the end of their first enlistment. Which is healthy for the country; we're a citizen soldiery. But, those people weren't getting

the right kind of focus up here, in terms of what happens when ones leave. I introduced the GI Bill to try to give a first-class readjustment opportunity for the people who were leaving at the end of their first enlistment; come in, serve your country, go home.

But, I'm curious as to what other kind of transitional programs you're working on, Service-by-Service, to make sure that these people who step forward, they're not going to be career military—but, the people who step forward have the assistance they need to get back into their civilian environment.

Sergeant Major CHANDLER. Senator, from the Army's perspective, we have the Army Career and Alumni Program, which you may be familiar with. That program helps to transition soldiers out of the Service as they continue to look for other opportunities in life. That program provides some resume-building experience, some job interview experience. It introduces them to some different Web sites that are out there, whether you want to continue service in the government or if you're going into the private sector.

General Chiarelli, the Vice Chief of Staff of the Army, directed the Army to take a comprehensive review of that program to ensure that we are, in fact, meeting the needs of transitioning soldiers. Not to say that we have a problem, but, can we do better than we already are? That's our Army program, sir.

Senator WEBB. Thank you.

Sergeant Major?

Sergeant Major KENT. Sir. First of all, thank you for the GI Bill, because we get a lot of positive feedback from the marines that have transitioned out, and it is working, sir. So, truly, thank you for that.

Our Commandant has tasked manpower to figure out how we can have a one-stop shop, as far as marine transitioning. Sometimes we can wait until the last few months and we'll send these marines through a week of transitioning class, which don't mean anything really, sir. They sit there and we lecture them, instead of having a one-stop shop. We want to do it early, like a year out. So, the Commandant said, "This is what I want. I want a one-stop shop where a marine can come to do this transition course, and you can say, "Door number one, would you like to go to college? Door number two, what type of job? Door number two, if you like that job, this is where we would transition you to that job."

So, he is revamping the whole transition program right now, sir. It will work because the Commandant says it will work. So, everybody's getting on board. [Laughter.]

Senator WEBB. Master Chief?

Master Chief Petty Officer WEST. Sir, from the Navy perspective, as well, I would like to say thank you very much for that GI Bill. It is very well received, not only in the fleet, but with many of the family members that are able to take advantage of that.

Sir, also we have taken a look at many of our transition programs—in particular, the Transition Assistance Program (TAP), those type of programs for our sailors that are exiting the Navy. Also, with that said, sir, our Fleet and Family Support Centers have geared—similar to the—some of the same things you've heard from my counterparts, to my right, regarding the resumes and those type things. It's something we keep an eye on. We have to

continue to keep that at the forefront, especially as all of the Services start about some of the downsizing that we are going to be doing. The Navy, sir, we've downsized, now, for the past approximately 5 to 6 years. So, we had to have that at the front.

That's where we are, sir. I take a good hard look at that. Matter of fact, my EA had just went through the transition piece, as well, and he was very pleased with the process that we have.

Chief Master Sergeant ROY. Again, Senator, I want to, just like my peers, say how important the Post-9/11 GI Bill was; and that transferability piece to it, as well, certainly has helped both our airmen and their families.

One of the other items of note on the same theme is that of education. One of the things that the U.S. Air Force has is a Community College of the Air Force. As you said, we will retain about 55 percent of first-term airmen. Which means that others will transition out of the Air Force. I believe the educational aspect and the push that we put behind education, really helps these airmen in their transition, because there's an awful lot of them that transition out of the Air Force with at least an associate degree and then go on to bachelors and others.

Like others, we have an Airmen Family Readiness Center—it's mandatory for our airmen to go to TAPs. Just like other programs, resume-building, interviewing, along with other areas, leads to different jobs, if you will. So, it really helps. It's kind of an area of resources that our airmen and their families can continue to use. It's one that I believe has paid us very well.

Master Chief Petty Officer WEST. Sir, can I have a re-attack?

Senator WEBB. Yes, sure.

Master Chief Petty Officer WEST. Sir, just one thing I would like to highlight, it wasn't brought up. Our Safe Harbor Program—and I know many of the Wounded Warrior Programs are geared and have put a big emphasis on this transition piece, as well, for our folks. In particular, we partner with the Coast Guard, as far as the Safe Harbor. We receive a lot of good feedback from that, sir.

Senator WEBB. Well, thank you for those observations.

You know that there are two great reasons for doing this. One is, stewardship lasts a lifetime, when people step forward and serve. The other is there's no better recruiter than a veteran who goes back to his or her home community, and is proud of what they did.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I would like to join in, as Senator Nelson did, thanking you for your service here and in the U.S. Marine Corps, and also for your role on the GI Bill that's been mentioned.

I want to thank the leaders of our enlisted men and women who are here today, for your service and for the extraordinary sacrifice and service of the enlisted men and women around the globe who serve in our U.S. military. I don't need to tell anyone in this room, but I think the Nation needs reminding that never in our history have so few borne so much of the burden of war for so long. I think that's reflected in the numbers that you've given us about dwell time, about the men and women who have given so much so that

we would be free and safe and strong. So, thank you for your service, and thank you for your testimony here today.

I want to say a particular thank you to Sergeant Major Kent, and, regretfully, on the occasion of your last testimony as an Active Duty Marine. But, I am hopeful that we'll see you here in these halls in the future.

Sergeant Major KENT. Yes, sir, thank you.

Senator BLUMENTHAL. Because, as you say, "once a marine, always a marine." We will really welcome your advice and counsel as we go forward on this committee and in the U.S. Congress.

I want to drill down a little bit on the excellent question that the Chairman asked, and talk about this transition; in particular, an area of injury that I think is extraordinarily important, often undiagnosed or misdiagnosed: traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD) and mental health problems that may be even less visible. I know that the statistics are that as much as 30 percent of all TBI or PTSD may be completely missed or undiagnosed. If you could tell us, because I know you care so much about the people who serve with you, perhaps what is being done to improve the diagnosis and treatment, and what you would recommend we do, if you have those kinds of recommendations for us today.

Sergeant Major CHANDLER. Well, Senator, I'll start off.

I'll tell you, first of all, I sit before you as a person who has participated in the Army's Behavioral Health Program. For the last 2 years, I personally have been treated by counselors, because of some behavioral health issues related to my deployment. What you have done, by providing us the support, has made a difference in the Army.

My job as a senior leader of the Army is to continue to talk about it and reduce the stigma of coming forward and saying, "I need some help." It's made me a better man, a better husband, a better father, and, at the end of the day, a better soldier.

Within our force, we have soldiers, over 100,000, who have been diagnosed with some TBI, and over 40,000 that have been diagnosed with some PTSD. We know, based off of studies that we've commissioned, that a soldier, in the first 6 years of his career, will experience a lifetime of stress. We don't completely know what that means. But, we do know that we have to do a better job in diagnosis and treatment.

It first starts with saying and being observant, as a leader and as your fellow soldier or battle buddy, that something may not be right with Johnny or Jill. Then, as a leader, what do you do about it? You act.

Now, for all of us, we are action-oriented people. So by saying something about it and then getting that soldier to help will make a difference for the Army.

Sergeant Major KENT. I'm on the same lines, sir. But, I'd just like to add, no marine ever wants to get pulled out of combat. They can get hit and they'll say, "Nothing's wrong with me," although the possibility that they were knocked out. So, leadership is engaging, now, telling marines, "Hey, it's okay. We're going to take you out of the fight for about 24 hours, and we're just going to observe you. If you're okay, we're going to put you back in the fight." But,

we have to let them know that we have to take care of them, also. So, if they're hit and they're knocked out, it's our job, as leaders, to pull them out of the fight, sir. We're doing a lot better in that.

The Sergeant Major touched on it, sir. The stigma is where we need to really push that down and say, "It's okay to come forward. We just need to get you fixed and get you in the fight." I mean, any one of us up here that have been to combat, we can have the same issues, sir. So, we need to tell marines, "Hey, even we can have issues, as senior leaders." I think, as long as we tell them that, it will be okay.

Master Chief Petty Officer WEST. Sir, thank you very much for the question and opportunity to comment on that.

I just got back recently from a trip with our Chief of Naval Operations to Afghanistan. I have to tell you, you've been at this a long time and from where we started to where we are now, we have made absolutely huge gains. If I were to ask anything of this panel it would be, we have to keep that momentum. It's something that we haven't figured out yet, completely, what we need to figure out, but we're getting there every single day.

Not only have I walked it back, I went from the "Role-3" hospitals. What Sergeant Major Kent talks about, about taking them offline; that is one of the things that we've been able to do, out with our young corpsmen out in the field, and marines, soldiers, and airmen. But, I walked it back through Landstuhl and then over here to Bethesda. Some of the new facilities that we've opened up, for example the TBI Clinics are absolutely what we need to continue to do. We owe that to our men and women that are out there.

We are aggressive in our training. Like everyone up here, it's something that leadership not only has to take on, but those young folks, as well. Those who are standing beside those young sailors, who are out there, they need to be able to recognize the signs and the symptoms of some of these things so they can say, "Hey, it's time out. It's okay." As leaders come forward, and the more we talk about it the more it really pushes out to those young sailors or those young people out there, that are doing their country's work, that it's okay to come forward. That is a huge step.

In my eyes, I think that, again, sir, we're making headway. Are we where we need to be? No, sir. But, we sure do need you in that area.

Chief Master Sergeant ROY. I'd just like to add just a few other things. A couple of other things that I believe we're all doing is pre-and post-assessments on all of our service men and women, before they go and then after they come back. Another thing you did, through the National Defense Authorization Act (NDAA) last year, was to bump up our mental health technicians and our doctors within our forces. The Air Force, the Army, and the Navy, we've bumped that up. That has helped tremendously.

Though, there's a national shortage of that skill-set, and we need to continue. We all have similar problems trying to recruit those individuals with that skill-set, so it's a challenge for us.

The other thing I would just add to that is, as we talked about stigma, a couple of other things that it has helped us do through the last NDAA is this idea of placing the mental health doctors

within the family practices, so it's not a separate ward, it's within the family practice. That has helped us tremendously.

Then one other thing that we have done, internally to the Air Force, just like we've done with chaplains for years, is placing a chaplain representative within each individual unit. We've done similar to that with our mental health technicians and our doctors inside our units so that it's easy for a servicemember to access that particular skill, if you will, when needed; so that they don't have to go to the clinic.

Senator BLUMENTHAL. I want to thank each of the Services for the great work you're doing on these issues and, Sergeant Major Chandler, your frankness and candor in talking about your own situation, because I think it takes a kind of courage that will lead others to avoid the stigma, and eventually ease it or remove it, which I think, as each of you have said, is absolutely critical to addressing this problem effectively.

I apologize that I have another hearing that I have to attend. I'm a little bit late getting to it. But, in terms of continuing the momentum, as you put it, anything that I can do, and that I can ask my colleagues to do, and any other observations, I would be really honored to continue on this work. I'm honored to be here today with you. I'm going to try to get back after the next hearing. But, again, I really very much thank you for this excellent testimony today.

Thank you, Senator.

Senator WEBB. Thank you, Senator Blumenthal.

Thank all of you for the service that you're giving and for the candid nature of your responses to this committee. It's very, very valuable for people up here to hear the perspectives that you have, and particularly the journeys that all of you have had, literally, from the bottom up inside our military system. So, we appreciate very much you coming and testifying today.

Sergeant Major Kent, best of luck to you as you step forward toward retirement.

Sergeant Major KENT. Thank you, sir.

Senator WEBB. Thank you.

Our second panel, we have members of The Military Coalition (TMC), a consortium of nationally prominent uniformed service and veteran's organizations: Retired Master Chief Joseph Barnes, the National Executive Director of the Fleet Reserve Association (FRA); Ms. Kathleen Moakler, the Government Relations Director for the NMFA; Retired Colonel Steven P. Strobridge, the Director of Government Relations for the Military Officers Association of America (MOAA); Retired Captain Ike Puzon, the Director of Government Affairs and Legislation of the Association of the U.S. Navy; and Ms. Kathy Roth-Douquet, the Chairman of Blue Star Families.

We'd like to welcome all of you.

Before our panel begins its testimony, at this time, without objection, I will enter into the record the witness statement of Senator Graham, who, unfortunately, can't be here today. We have also received statements for the record from the Reserve Officers Association, the Gold Star Wives of America, and the National Guard Association of the United States. Without objection, they will be included in the record, as well.

[The prepared statement of Senator Graham follows:]

PREPARED STATEMENT BY SENATOR LINDSEY GRAHAM

Thank you, Senator Webb. I join you in welcoming Senator Ayotte and Senator Blumenthal to the subcommittee. I look forward to working with you in the 112th Congress and continuing the bipartisan approach that this subcommittee has always employed on behalf of the men and women of the Armed Forces. It's all about the men and women in uniform and their families, and it's a privilege to serve with you on this subcommittee.

To the Senior Enlisted Advisors on the first panel, welcome, and thank you for your service in these key leadership positions. Sergeant Major Kent, I understand your relief has been named and you are nearing the end of your active-duty service. All the best to you and your family as you approach retirement.

The threat of a government shutdown last week and the effect it would have had on military personnel was very unfortunate, but it's a reflection of the difficult financial situation we are in right now as a Nation.

I hope we will be able this week to wrap up funding the government for the rest of fiscal year 2011, and get on with legislation for fiscal year 2012. It's pretty clear, however, that we have some difficult issues to work through. I'm all for efficiencies when it comes to saving taxpayer dollars and reducing the cost of government—including the Department of Defense (DOD).

For example, according to the Congressional Budget Office, medical care will consume nearly 16.5 percent of DOD's topline by the year 2028 based on recent trends. What that tells me is that unless we take steps now to control the rate of growth, medical care costs will nearly double as a percentage of the DOD top line in less than 20 years, and that is not sustainable.

While we have troops deployed in harm's way, however, it has to be our priority to make sure that military personnel and their families get the support they need—including their pay on time.

I think we are all in agreement with respect to the goal of keeping the National Guard and the Reserves as an Operational Reserve in the future. Even before September 11, we were relying heavily on the dedicated service of national guardsmen and reservists, but 10 years of combat operations and the continuing need for strong Homeland Defense have demonstrated both the essential capabilities or the Reserve components and the imperative to provide the services, programs, equipment, and training opportunities they require. I endorse the Department's attention to enhancing the continuum of service—and I look forward to hearing your ideas about how to make the best use of our Reserve and Guard forces.

Again, I thank all our witnesses for their ideas and recommendations, and I look forward to their testimony.

[The information referred to follows:]

PREPARED STATEMENT BY THE RESERVE OFFICERS ASSOCIATION OF THE UNITED STATES AND RESERVE ENLISTED ASSOCIATION

INTRODUCTION

On behalf of our members, the Reserve Officers Association (ROA) and the Reserve Enlisted Association (REA) 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.

The amount of dollars being authorized to the Department of Defense (DOD) has peaked. Included in the Budget release is a statement that the president has moved \$73 billion from the Overseas Contingency Operations (OCO) to the base budget (pg. 61). While the budget at \$553 billion appears as a gross increase of \$22 billion above fiscal year 2010, this shift from OCO to the base budget is a de facto cut of \$51 billion with spending on certain items being trimmed down below the fiscal year 2010 base budget.

The Hon. Christine Fox, DOD Director of Cost Assessment and Program Evaluation Office briefed that to sustain the current force structure and need modernization requires a two to three percent real growth in the Defense budget. Secretary of Defense Robert Gates department-wide review was intended to provide a series of assessment initiatives to improve efficiency and reduce costs.

Unfortunately, a lot of the needs and requirements of serving members and their families were not included in these studies. Too often, personnel costs are viewed as competing for resources for other DOD programs.

The ROA and the REA will be doing a separate paper on additional efficiencies.

EXECUTIVE SUMMARY

The Reserve Officers Association Calendar Year 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.

Health Care:

See end of Executive Summary

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.
- Reauthorize the Reserve Income Replacement Program for mobilized Reserve components that expired in 2010.

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 servicemembers.

Mobilization:

- Oversee service sections' policies to reimburse mobilized reservists on Temporary Duty Orders 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-Dependency Indemnity Clause 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 September 11, 2001.
- Promote improved legislation on reducing the Reserve component retirement age.
- Permit mobilized retirees to earn additional retirement points with less than 2 years of activated service, and codify retirement credit for serving members over age 60.
- Modify U.S. Code that requires repayment of separation bonuses if an individual receives a Uniformed Service retirement annuity.
- Change U.S. 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 servicemember has an opportunity to vote by:
 - Working with the Federal Voting Assistance Program.
 - Supporting electronic voting.
- Ensure that every military absentee ballot is counted.

Health Care:

ROA and REA positions include that:

TRICARE Prime:

- The proposed \$30 increase for individuals and \$60 for families is a modest proposal.
- If indexed, adjustments to the enrollment fee should be population based rather than industry-based.
- It is important to independently verify the current total cost of DOD health care benefits. Such an audit will permit Congress to validate proposals based on cost-sharing percentages.
- Annual increases should not be tied to the market-driven Federal Employee Health Benefits Plan or a commercial plan.

On Pharmacy Co-payments:

- ROA and REA believe higher retail pharmacy co-payment should not apply on initial prescriptions, but on maintenance refills only.
- ROA and REA support DOD efforts to enhance the mail-order prescription benefit.

Sole Community Hospitals:

- Fee adjustments must be approached with caution because of inconvenience to beneficiaries.

U.S. Family Health Plan—Medicare coverage:

- ROA and REA support continuation of the Medicare coverage as part of the U.S. Family Health Plan.
- To maintain the program, a mandatory Part “B” payment might be considered.

Reserve Health Care Initiatives:

- Improve continuity of health care for all drilling reservists and their families by:
 - GR members should qualify for Transitional Assistance Management Program (TAMP) coverage when separated from Active Duty.
 - Having Government Accountability Office (GAO) Audit the assumptions used for TRICARE Retired Reserve (TRR) premiums.
 - Creating a self plus one premium for TRR.
 - Providing Continuing Health Benefit Plan to traditional Drilling reservists who are beneficiaries of TRICARE Reserve Select (TRS) but are separated from the Selected Reserve to provide Consolidated Omnibus Budget Reconciliation Act (COBRA) protections.
 - Permitting active members in the Individual Ready Reserve (IRR) to buy-into TRS.
 - 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.

- Improving post deployment medical and mental health evaluations and access to care for returning Reserve component members.
- Providing an option for reservists where DOD pays a stipend to employers.
- Extend military coverage for restorative dental care following deployment to 90 days.
- Permit beneficiaries of Federal Employee Health Benefit plan the option of subscribing to TRS.

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 OCO.

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.

Yet, as the Services face pending end strength reduction, they approach this challenge with an inverse solution, by riffing 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 DOD solution to reduce the end strength is to slow down the input into the system. Both ROA and REA are concerned that Reserve Officers' Training Corps (ROTC) scholarships and commissioning are being reduced. Last year, the Chief of Naval Operations announced a 30 percent reduction in Navy ROTC 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.

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 U.S. Army and U.S. Marine Corps 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.

Without external threats, the U.S. Army has traditionally reduced the size of its Armed Forces. Since the 1990s, 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.

Yet, 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 64,000 members. 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. In the President's budget, the Navy Reserve will face another 2,900 cut.

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 and REA's advocacy agenda for a number of years.

The National Defense Authorization Act for Fiscal Year 2008 established an early retirement reduction 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 a corrective measure to Section 12731(t)(2)(A) of title 10, U.S.C. Over 600,000 members were unfairly excluded. We realize the expense of this corrective measure scored by CBO is \$1.3 billion over 10 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 no-cost legislation introduced by Sen. Mark Pryor (D-Ark.), S.491, to correct existing Section 12731(f)(2)(A) of title 10, U.S.C.
4. With an ongoing need for mid-grade officers Congress should reexamine the DOPMA and ROPMA laws to:
 - a. Permit 0–3s 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. Allow 0–4 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 6 years in the Selected Reserve to 4 years in the Selected Reserve plus 4 years in the IRR, thereby remaining a mobilization asset for 8 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. Whether attached to a volunteer unit or as an individual mobilization augmentee (IMA), 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 Congress to change sections 5143 and 5144 of U.S. 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. 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. Draft legislation can be found at www.roa.orgldraftleg.

Military Voting

ROA and REA thank Congress for the improvements made to absentee voting in the National Defense Authorization Act for Fiscal Year 10. 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. 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.

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.

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.

HEALTH CARE DISCUSSION

Military Health Care—a shaky foundation

The global war on terror is a protracted engagement that will not end with the withdrawal of troops from Iraq and Afghanistan and will continue, as will military response to crisis spots such as Libya. Yet, there are members on both sides of the aisle that are saying if cuts are made then Defense should not be exempt. Lawmakers are talking openly about TRICARE fees not having been increased since 1995.

For a number of years, the Pentagon has spoken out about the rising costs of health care and the need for reform. This can be noted by statements illustrating that military health costs have increased such as “DOD medical costs have shot up from \$19 billion in fiscal year 2001 to \$52.5 billion in fiscal year 2012,” as made by Deputy Secretary of Defense William J. Lynn III at a Senate Budget hearing last month.

Health care costs now consume 9 percent of the DOD budget. Yet comparisons of health care costs are distorted by beginning with a peacetime starting point followed by a decade of war. Many in the Pentagon are attributing the increases in military health care to its retirees, especially those working second careers.

Unfortunately, many retirees are blaming much of this additional health care costs on National Guard and Reserve members for being included under TRICARE.

The Pentagon’s public campaign for health care reform has undercut its credence by serving members, retirees, and beneficiary associations in what has been said, what has been budgeted, and what still might be planned.

HEALTH CARE COST

The Reserve Officers Association and the Reserve Enlisted Association are disappointed in how the DOD Health Affairs has in the past attempted to address such an emotionally laden issue unilaterally. While this year, the Pentagon has made efforts to meet with beneficiary associations, these gatherings have been more briefings rather than discussions to seek solutions. ROA and REA applaud the efforts by Congress to address the issue of increasing DOD health care costs and its interest to initiate dialogue and work with both the Pentagon and the beneficiary associations to find the best solution. The time has come to examine the cost of TRICARE and the level of beneficiary contribution.

It is important to sustain the DOD health care as a deferred benefit for our serving Active and Reserve component members and their families. While retired, these beneficiaries have accepted risks and made sacrifices in their earlier military careers that have not been asked of the remaining 99 percent of the Nation's population. TRICARE fulfills an ongoing promise by the government for continued health care to those who have served or are serving.

ROA and REA are committed to our membership to sustain this health care benefit. We fear that Congress will be unable to continue prohibitions on health care fees. DOD, Congress, and the beneficiary associations need to work together to find a fair and equitable solution that protects our beneficiaries and ensures the financial viability of the military health care system for the future. Some associations seek to continue a freeze on premium fees permanently; others are joining ROA and REA by admitting that some increases are necessary.

Conversely, DOD and this Nation cannot afford to carry the full burden of health care costs. The operational Active and Reserve Force and their families deserve the best, both while serving and into retirement. To preserve the top health care program in the Nation as a DOD benefit, ROA and REA are open to discussions on cost-sharing.

Beneficiary medical expense totals have not yet been provided by DOD. Congress should ask the Pentagon for a financial breakdown. An independent audit by GAO or another agency would allow Congress an opportunity to validate proposals based on financial benchmark.

ROA and REA agree that the proposed \$30 increase for individuals and \$60 for families is a modest proposal, and can accept this as a first step.

Of concern is a proposal to index future increases. Having some formula in place seems appropriate, following a similar approach to what was taken by Congress to calculate cost-of-living allowances for social security and military retirement pay. But the challenge is, what index to select?

ROA and REA agree with other beneficiary associations that it should not be a Medicare Index, because a Medicare-based index penalizes those retirees under age 65 who don't suffer from the same ailments as retirees in the older age group. ROA also found that contracted commercial indexes tend to maximize health care growth, likely justifying the higher premium increases associated with commercial health insurance and should not be used. Comparisons between commercial and military health care plans are not justified. ROA is continuing to explore indices, but the challenge is that even government matrixes are based on an industry and not actual beneficiary health care costs.

ROA and REA share the concern that any process used should be a fair and equitable approach where retiree's won't be overburdened. Should an index be agreed upon, it should be codified.

HEALTH CARE REFORM

The beneficiary associations were invited to the Pentagon for a meeting with Dr. Clifford L. Stanley, Under Secretary of Defense for Personnel and Readiness, about the health reform proposals. At this meeting, it was stated that the fiscal year 2012 proposal was enough to cover what was needed in the fiscal year 12 budget, and if more was needed the next year, DOD would submit additional proposals. During the first week of March, the Pentagon also announced that John Baldacci, former Governor of Maine, has been hired into in a newly created position to recommend to Dr. Stanley "necessary reforms for the military health care system."

Statements like these combined with the DOD public relations health care costs campaign makes both retirees and beneficiary associations nervous.

In anticipation of less modest proposals in the future ROA and REA include the following:

TRICARE:

- Catastrophic Cap of \$3,000 should not be changed, nor indexed.

TRICARE Standard:

- ROA and REA do not endorse an annual enrollment fee for either DOD or VA beneficiaries.
- Should DOD suggest increasing deductible levels, the total cost of Standard needs to be evaluated, because ...
- Standard has large co-payments of 25 percent after the deductible, and the cost of TRICARE standard automatically adjust to changes in medical costs.
- For individuals or families relying on Standard for medical treatment, it is a more expensive health plan than TRICARE Prime.

TRICARE Reserve Select

- DOD should stop viewing TRS as a health insurance, but as a health program.

TRICARE Retired Reserve (TRR)

- Premiums are too high, and for TRR to be viable, premiums need to be reduced.

TRICARE for Life (TFL)

- No enrollment or separate premium should be introduced. Retirees over 65 are already paying more than younger retirees.

RESERVE COMPONENT HEALTH CARE

The Pentagon views TRICARE as a health care plan, and Reserve TRICARE as a health care insurance. Because words create paradigms, Reserve health care is treated by DOD entirely different than active duty health care. The differences are easily noted: Active duty members enroll in a benefit with deductibles and co-payments; Guard and Reserve members “purchase” a premium based health plan. The following are suggested improvements.

1. ROA and REA hold concerns over premium rates for TRICARE for gray area retirees.

Because DOD treated Reserve gray area retirees as a separate health care risk group, health care premiums proved higher than expected. Because of the expense, enrollment is low. It is likely just being used by those with health care problems, who can't afford health care from other sources. If the program is not changed it will have a similar success to mobilization insurance.

ROA and REA hope that the committee will request a Government Accountability Office review of the process that determined the published premium levels.

2. Seamless Transition.

Servicemembers should not have to navigate through bureaucracy to receive care or benefits. Every time a Reserve component member transitions into a new category of health care, he or she is required to reenroll in the new program. Even those who are beneficiaries of TRS need to do an administrative transition between TRS, TRICARE once mobilized, into TAMP and back onto TRS. And once retired, there is additional transition into TRICARE Retired Reserve, and the latter TRICARE retiree health care. Add to this the additional health care provided by the Department of Veteran Affairs, and there are gaps in health care as a Reserve component or family member moves between programs.

3. Access to TAMP.

It has come to ROA's attention that some Guard and Reserve members who have returned from deployment may not be provided TAMP coverage. In a number of cases, individuals who were placed in a wounded warrior company, after being found fit, were told that they would not qualify for transitional health care upon discharge because TAMP coverage was started upon the day they returned to the United States and they had been in the wounded warrior program for over 180 days.

ROA and REA feel that TAMP should only begin upon separation from Active duty.

4. Sustaining Reserve Health Care.

Continued Health Care Benefit Plan continues to be shown as only allowing members of the Selected Reserve who have had a tour of active duty within the previous 18 months by DOD. This is denying COBRA protections for TRS beneficiaries who haven't been activated, and doesn't support the Secretary of Defense's directive to mobilize National Guard and Reserve members 1 year out of 6, which would be a

dwelling time of 60 months. There is little cost as the beneficiary pays a premium of 102 percent of TRICARE cost.

As even discharged active servicemembers have the benefit of the Continuing Health Care Benefit Plan, those Guard and Reserve members who have signed up for TRICARE Reserve Select need to have protections when they leave the Selected Reserve.

ROA and REA encourage Congress to work with the Pentagon to open up Reserve component member access to the Continued Health Care Benefit Plan to any TRS beneficiary separating from the Selected Reserve under conditions that are not punitive in nature.

5. Employer health care option.

DOD pays a stipend to employers of deployed Guard and Reserve members to continue employer health care during deployment. G-R family members are eligible for TRICARE if the members' orders to Active Duty are for more than 30 days; but some families would prefer to preserve the continuity of their own health insurance. Being dropped from private sector coverage adversely affects family morale and military readiness and discourages some from reenlisting. Many G-R families live in locations where it is difficult or impossible to find providers who will accept new TRICARE patients. This stipend would be equal to DOD's contribution to Active Duty TRICARE.

ROA and REA continue to support an option for individual reservists where DOD pays a stipend to employers.

6. Dental Readiness.

Currently, dental readiness has one of the largest impacts on mobilization. The action by Congress in the NDAA for Fiscal Year 2010 was a good step forward, but still more needs to be done.

The Services require a minimum of Class 2 (where treatment is needed, however no dental emergency is likely within 6 months) for deployment. Current policy relies on voluntary dental care by the Guard or Reserve member. Once alerted, dental treatment can be done by the military, but often there isn't adequate time for proper restorative remedy. Reserve and Guard Dentists could support reducing costs.

ROA and REA continue to suggest that the services are responsible to restore a demobilized Guard or Reserve member to a Class 2 status to ensure the member maintains deployment eligibility.

Because there are inadequate dental assets at Military Treatment Facilities for active members, active families, and reservists, ROA and REA further recommend that dental restoration be included as part of the 6 month TAMP period following demobilization. DOD should cover full costs for restoration, but it could be tied into the TRICARE Dental program for cost and quality assurance.

7. Utilization of TRS.

ROA and REA support efforts by the Pentagon to encourage enrollment in TRS. We share a concern that the numbers being published by the Pentagon understate the actual level of participation by Guard and Reserve members who are eligible. A survey should be taken of TRICARE contractors to compare their participation measures with those of DOD.

8. IRR Access to TRS.

Not everyone who drills is eligible for TRS. All Services offer drilling for points without pay. These members are in the IRR. The Navy has Voluntary Training Units. The Air Force and Army have non-paid IMA. The Army also has a group within the IRR body that has agreed to mobilization during their first 2 years.

The Army, the Marine Corps, and the Navy have mobilized reservists out of the IRR. Under current law, unless these RC members are given an opportunity to join the Selected Reserve, they are not eligible to purchase TRS following their return.

ROA and REA feel that IRR members should be eligible for TRS. They could qualify if they sign an agreement of continued service and complete a satisfactory year of training and satisfy physical standards. A satisfactory year could be defined either by points or by training requirements, as defined by each Reserve Chief.

ROA and REA recommend legislation to allow IRR buy-in to TRS.

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 subcommittee also understanding the difference in service between the two components.

ROA and REA look forward to working with the personnel subcommittee where we can present solutions to these and other issues, and offers our support in anyway.

PREPARED STATEMENT BY THE GOLD STAR WIVES OF AMERICA, INC.

Chairman Webb, Ranking Member Graham, and members of this committee, I am pleased to submit testimony on behalf of Gold Star Wives on legislative issues pertinent to our Nation's military widows and widowers. My name is Vivianne Wersel, Chair of the Gold Star Wives' Government Relations Committee. I am the widow of Lt. Col. Richard Wersel, Jr., USMC, who died suddenly on February 4, 2005, 1 week after returning from his second tour of duty in Iraq.

Gold Star Wives of America, Incorporated (GSW), founded in 1945, is a congressionally chartered organization of widows and widowers of military members who died while serving on active duty or as a result of a service-connected disability. GSW is an all-volunteer organization encompassing approximately 10,000 members.

Our primary mission is to support gold star wives after the death of their loved one and a place to connect with other widows. We also provide information about military survivor benefits and assist widows experiencing difficulties accessing their benefits. We strive to raise the awareness of Congress, the public, the military community and Gold Star Wives to the many inequities existing in our survivor programs and benefits. Many of our members volunteer in Department of Veterans Affairs (VA) hospitals and clinics and also visit servicemembers hospitalized at Department of Defense (DOD) medical treatment facilities.

GSW's current members are widows and widowers of military members who served during World War II, the Korean War, the Vietnam War, the Gulf War, the conflicts in both Iraq and Afghanistan, and every period in between. For this written testimony, we will refer to all of members as widows.

I am honored to submit testimony for the record today, but am very saddened my testimony will show no changes since last year. None of our issues passed the last congressional session. GSW's most important legislative issues that pertain to this committee are as follows:

I. ELIMINATION OF THE DEPENDENCY AND INDEMNITY COMPENSATION (DIC) OFFSET TO THE SURVIVOR BENEFIT PLAN (SBP)

GSW strongly supports the complete elimination of the SBP/DIC offset. We are grateful for the support of many Members of Congress, including most of you here, as this issue has been brought before Congress for 11 years. We are also grateful to Senator Bill Nelson his sponsorship of S. 260 to remove the SBP/DIC offset. We respectfully request Congress eliminate the SBP/DIC offset immediately.

Two Survivor Programs

Congress created two programs for survivors of our military members. In 1956, Dependency and Indemnity Compensation (DIC) was established by the Servicemen's and Veteran's Survivor Benefit Act. The purpose of DIC is an indemnity payable to survivors when a military member dies as a result of a service-connected cause.

In 1972, Congress created the Survivor Benefit Plan (SBP). The purpose of SBP is to insure that a portion of the military member's retirement will be provided to the widow after the military member's death.

Two different plans, two very different purposes, one paid by retiree premiums or an active duty military member's life and the other paid by the Department of Veterans Affairs.

GSW Membership and SBP/DIC OFFSET

GSW encompasses approximately 10,000 DIC recipients. Some of our members are eligible for and receive SBP. For those surviving spouses who receive SBP, either their retired military servicemember chose to purchase SBP at their retirement or their military member died while on active duty.

When a widow is eligible for both SBP and DIC, the widow becomes subject to the "widow's tax"—a dollar-for-dollar reduction in the SBP by the amount of DIC received. Military members who died on active duty did not pay premiums. (Prior to September 11, a servicemember who died on active duty had to be retirement eligible for his survivor to receive SBP without payment of premiums.) Their widows became eligible for SBP on the date of their active duty death. Retired military members chose to purchase SBP and pay premiums with hard-earned retirement. Until 2005 and the implementation of concurrent receipt, some disabled retirees re-

ceived no retirement pay with which to pay premiums. Many were forced to pay from disability compensation. The offset, never mentioned to the military member, only becomes visible to their widow once the military member has died. Including GSW members, approximately 54,000 surviving spouses are eligible for both SBP and DIC.

Widows who are impacted by the offset are quite often shocked to learn they are subject to an offset. Completely unaware of the offset and how it would affect them financially forces them to make many hard adjustments in their day-to-day lives to accommodate the offset's effects.

Band-Aid Fixes

Congress has chosen not to eliminate the offset for eleven years for the small group of widows impacted by the offset. Instead, Congress further divided and subdivided this small group with Band-Aid fixes for the offset. Three of the Band-Aid fixes, also called options, create even more confusion about benefits and who is eligible and often do little to eliminate the financial distress initially. Even reporting these options and their consequences to congressional members is difficult as they do not understand the impact, ramifications and end-result these options caused. The options are below.

First, the reassignment of a spouse's SBP to her children. In 2003, a new law passed, P.L. 108-136, authorizing active duty widows to assign the SBP annuity to their children, if any, permanently forfeiting any right the widow had to SBP. This reassignment allows full receipt of SBP by the child(ren) without offset until they reach the age of majority, when the benefit terminates. The widow is forced to make this decision very soon after notification of her spouse's death and her decision then becomes irrevocable. Complications from this new law often require that the widow be granted guardianship of her own child(ren) by a court of law. A widow whose husband died in retirement is not eligible for this option.

Second, remarriage. In August 2009, the U.S. Court of Appeals in the matter of Sharp, et.al. v. The United States, 82 Fed. Cl. 222 (2008), ruled that DIC payments may not be deducted from SBP annuities if a person entitled to both benefits has remarried after age 57. It does not make sense to have two separate standards in the law, one that allows payment of full SBP and DIC for widows who remarry after age 57 and another forcing a dollar-for-dollar offset between the SBP and DIC for all others. GSW is concerned that the Federal Government now requires a remarriage in order for an annuity to be paid in full.

Third, Special Survivor Indemnity Allowance (SSIA). The NDAA for Fiscal Year 2008 established a Special Survivor Indemnity Allowance for widows who are the beneficiary of the SBP annuity and their SBP annuity is partially or fully offset by the DIC. The SSIA also applies to the widows of members who died on active duty whose SBP annuity is partially or fully offset by their DIC. SSIA began at \$50 per month and increases each fiscal year until 2017, when the SSIA terminates.

A GSW member inquired recently whether the SBP/DIC offset would be removed within her lifetime. She is quite elderly and she stated that the odds of her remarrying are not favorable. She knows there are band-aid fixes, but stated she was from the old culture and married once for a lifetime. For her, the thought of dating or remarrying at the age of 94 is completely out of the question. The only response we could give her is to have faith and hope Congress will eliminate this offset soon.

Veterans Disability Benefits Commission and Concurrent Receipt

The Veterans Disability Benefits Commission (VDBC), created by Congress in 2004 to review the benefits provided to the disabled and their surviving spouses, recommended the elimination of the DIC offset to SBP as one of their top priorities for Congress—and they referred to this issue as “survivor concurrent receipt.” Six years ago, concurrent receipt was applied to military members who are 100 percent disabled, enabling them to receive both VA compensation and military retirement pay in full. Logically, this should have applied to the surviving spouse at the same time—death should have been included in the 100 percent disabled category for survivor concurrent receipt as well.

GSW understands that Congress does not permit the private sector or other Federal benefit programs to reduce or terminate retired annuities because the survivor is also eligible for DIC. So it begs to question, how can the full receipt of SBP and DIC be considered double dipping when in 2004 it was determined by Congress that the 100 percent disabled would receive their full retirement and disability compensation payments? Survivor compensation is provided to widows based on the military member who is rated at 100 percent disabled. There is no greater disability than death.

SBP/DIC Offset Conclusion

Senator Bill Nelson stated simply for the record before the Senate Armed Services Committee Subcommittee on Personnel Hearing on March 10, 2010, “To truly honor our servicemembers, we all agree that the U.S. Government must take care of our veterans, their widows and orphans. In keeping with that moral principle, we must repeal the unjust offset that denies widows and orphans the annuity their deceased loved ones have earned on active duty or purchased for them.... Our efforts have been important steps in the right direction, but they are not enough. We must meet our obligation to the widow and orphan with this same sense of honor as was the service their loved one had rendered. We must completely eliminate the SBP/DIC offset.”

GSW is heartened by all the support and legislation introduced to fix the “widow’s tax” over the past 11 years; however, we are perplexed that none of it has led to the necessary change—the complete elimination of the SBP/DIC offset. Even the Veterans Disability Benefits Commission, chartered by Congress, recommended the elimination of the offset in its top six priorities for Congress. Military widows have done all that is asked of them over the years and have worked tirelessly to educate the government, the public and military communities and new members to our own membership. They followed all the advice provided by Congress to get the word out to the public, garner support within Congress and have had numerous champions sponsor legislation to end this offset but to no avail. Our champions retire, widows die, and the offset still remains. We watch as other programs are easily funded that do not impact the quality of life for their recipients. We wait and wait. It is time to do the right thing, eliminate the DIC offset to the SBP this session.

Gold Star Wives would like to thank Senator Bill Nelson for introducing S. 260 and the 30 plus cosponsors supporting this effort to eliminate the SBP/DIC Offset.

II. EDUCATION

GSW is greatly encouraged by the Gunnery Sergeant John David Fry Scholarship Program and request this program be included in the Yellow Ribbon Education Program. The Yellow Ribbon Education Program does not currently apply to children of the fallen, yet it would help ensure these children have a brighter future. We believe this was an oversight when the Fry Scholarship was created with the intention of matching education benefits to mirror the New GI Bill.

III. TRICARE DENTAL PLAN FOR CHILDREN OF ACTIVE DUTY FALLEN

GSW is thankful for this needed piece of legislation for active duty children to continue to receive dental care but we are perplexed and concerned at the length of time which has passed without implementation. Time is of the essence for many of these children who are at an age when dental is pertinent for their optimal well-being. Eighteen months is more than sufficient and should have been implemented but has not.

IV. OTHER ISSUES

Caregiver/Family Support Services

While the TMC supports caregiver services, the surviving spouses who provided care for their husbands 8 or more years have this “caregiver” allowance incorrectly included in the DIC check and therefore additionally offset from their SBP.

TRICARE Premiums

Approximately 33,000 Surviving Spouses of Active Duty and Service Connected deaths receive NO RETIRED SBP due to the offset with which to pay any TRICARE Premiums.

V. RECOGNIZING GOLD STAR WIVES

Gold Star Wives thanks Senator Burr, NC, for sponsoring legislation for a Gold Star Wives Day in April 5, 2011 and 2012. The recognition of widows’ service to our Nation was truly appreciated. These same widows and widowers served beside their military member silently, determined and unwavering despite hazardous duty, multiple deployments, numerous family moves, serving as both parents to their children, and through the loss of longevity in their own chosen careers. Many widows and widowers were full-time caregivers for their military members. Often back-breaking work and enduring financial hardships, these caregivers saved the government untold hundreds of thousands of dollars in nursing and hospital care, usually to the detriment of their own health. It is a shame these same selfless widows and widowers rarely receive accolades or honorable mentions in speeches or written

statements made by our political or military leaders. We ask that you include survivors in your speeches, written statements and honorable mentions today and into the future.

This testimony began with one of GSW's most critical issues—the elimination of the SBP/DIC offset. Included are several other priority issues for GSW that are not unfamiliar to Congress. We request your support in caring for our widows and widowers as they look to GSW as their support and their voice in Congress. We are the vanguards for changing the inequities in military survivor benefits, educating the public and military communities, as well as, educating Congress on the needs of our members.

Our husbands would be appalled at the lack of action taken by Congress to care for their widows and children. They would be shocked to learn their wives and children had to walk the halls of Congress and beg for the benefits they had worked so hard for on the battlefield. No other group of widows and children are forced to be paraded for all to see. These families should be heralded as heroes themselves for surviving the life of a military family. I believe that you who serve on this committee feel similarly. Let us work to make this statement one of action and not just rhetoric.

I appreciate the opportunity to submit testimony for the record. Thank you.

PREPARED STATEMENT BY PETER J. DUFFY OF THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

Chairman Jim Webb, Ranking Member Lindsey Graham, and members of the subcommittee: Thank you for the opportunity to present written testimony on behalf of the National Guard Association of the United States to address critical personnel issues facing members of the National Guard and their families. This brief submission will provide factual background, analysis, and corrective recommendations for the committee to consider.

THE UNIQUE CITIZEN SERVICEMEMBER

The National Guard is unique among components of the Department of Defense (DOD) in that it has the dual State and Federal mission. While serving operationally overseas on Title 10 active duty status, National Guard units are under the command and control of the President. However, upon release from active duty, members of the National Guard return to the far reaches of their states under the command and control of their governors where as a special branch of the Selected Reserves they train not just for their Federal missions but for their potential state active duty missions such as protecting the border and airspace, fire fighting, flood control, and providing assistance to civil authorities in a variety of possible disaster scenarios.

Activation numbers for the National Guard as of April 5, 2011 are as follows:

Guardsmen Currently Activated in Support of Operations Noble Eagle/Enduring Freedom/New Dawn (as of April 5):

ARNG: 43,288

ANG: 5,637

Total Guardsmen Activated in Support of Operations Noble Eagle/Enduring Freedom/New Dawn (Since September 11)

ARNG: 342,446

ANG: 87,103

While serving in their States, members are scattered geographically with their families as they hold jobs, own businesses, pursue academic programs and participate actively in their civilian communities. Against this backdrop, members of the National Guard remain ready to uproot from their families and civilian lives to serve their governor domestically or their President in distance parts of the globe as duty calls and to return to the same communities when their missions are accomplished.

Military service in the National Guard is uniquely community based. The culture of the National Guard remains little understood outside of its own circles. When DOD testifies before Congress stating its programmatic needs, it will likely recognize the indispensable role of the National Guard as a vital operational force in the current wars but it will say little and seek less to address the benefit disparities, training challenges and unmet medical readiness issues that exist for National Guard members and their families at the State level before, during and after deployment. The National Guard Association of the United States asks this subcommittee to please understand that the personnel issues of the National Guard are different

from those of the Active Forces, and in some cases radically so. We ask that they be given a fresh look with the best interests of the National Guard members and their families in mind, in reviewing the recommendations set forth below.

SUPPORT FOR INDIVIDUAL MEDICAL READINESS NEEDS

According to The Task Force on the Future of Military Health Care, "Today's Operational Tempo raises the importance of all responsible parties doing their part to ensure the Individual Medical Readiness (IMR) requirements are satisfied to facilitate maximum deployability of our forces."

DOD requires all members of the National Guard to be medically ready as a condition for deployment. IMR must address the medical and dental needs of those members deploying for the first time as well as those subject to redeployment whose mental health care needs arising from prior service in OIF and OEF have become paramount. However, using the National Guard as an operational force requires more accessible health care particularly mental health care for members and their families pre and post deployment in order to maintain the necessary medical readiness required by deployment cycles. It cannot be a simple post deployment send off by the active military of "Good job. See you in 3 years."

DOD must do more to bring the National Guard to a constant state of medical readiness to better support the short notice deployments that occur regularly within the National Guard. For example, the Air National Guard must maintain constant dental and medical readiness because of the short notices they receive for deployments, which sometimes can be as little as 72 hours. Short notice deployments also occur regularly with cross leveled members who, with as little as 2 or 3 weeks notice, must fill in for members from other deploying units who for various reasons become disqualified for deployment. Members in the pool of Individual Mobilization Augmentees whose files are kept at the Human Resources Command in St. Louis can also be assigned to fill positions in deploying units on short notice without the benefit of the premobilization preparations taking place in the deploying unit.

The Army National Guard currently has the highest suicide rate in the military yet there remains no authority in Title 10 to authorize the Service Secretaries to provide mental health care for our members during dwell time to maintain readiness. In fact, outside of the deployment windows which extend from the issuance of an alert order to the close of the 6 month Transitional Assistance Management Program (TAMP) period following deployment, there is no authority for the Service Secretaries to provide any care beyond fixing dental readiness issues identified in annual screenings.

Commanders currently lack the tools during dwell periods to fix medical and behavioral readiness issues identified during annual screenings identifies. The government pays good money to identify treatable medical and behavioral readiness conditions but no money to fix them during dwell time. This heightens the risks that members with untreated conditions that otherwise could have been fixed will be deployed only to be released from active duty at the mobilization stations because of the untreated condition. This in turn sets into motion the difficult cross leveling process with the unit losing key personnel at the worst time and a surrogate stepping in on very short notice at great hardship to the member and the member's family. This problem is solvable but Congress must act by giving the Service Secretaries discretionary authority to correct treatable medical and behavioral readiness deficiencies discovered during dwell time screenings. Members with conditions that cannot be corrected can be separated or reassigned in a more timely manner outside of deployment windows. This would allow for a more medically and dentally ready deployable force even before the issuance of alert notices. This in turn would help to limit the time diverted for treatment during the training intensive alert periods.

Recommendation:

The National Guard Association of the United States recommends that the National Guard Bureau, DOD, and the Congress of the United States support authorization and appropriations for programs that will:

- Amend 10 U.S.C. 1074 a(f)(1) to authorize Service Secretaries provide the treatment needed to correct treatable readiness deficiencies identified during dwell time screenings.

POST-DEPLOYMENT HEALTH ASSESSMENTS AND MEDICAL SCREENINGS AT THE HOME STATION

It is imperative post deployment that our members while still on active duty deployment orders be examined confidentially at the home station by a qualified health care provider in order to address the under reporting of physical and mental

health conditions that is occurring on the self-administered Post-Deployment Health Assessment (PDHA). The PDHA is currently being completed by a homeward bound member in theater or at the demobilization site often several States away from home.

When the PDHA is completed, it is accompanied with the instruction that the self-assessing member maybe medically held on active duty at the demobilization site if he or she reports a medical condition requiring that action. To avoid the risk of being held at the demobilization site after a long deployment, members are simply not fully reporting their physical and behavioral injuries. This underreporting not only delays treatment but can prejudice later claims with the VA for service connected disabilities arising from conditions not previously reported on the PDHA.

What is needed forthwith is a free and confidential reporting of physical and mental health conditions at the home station by all members, stigma free, to a health care provider trained to elicit that information and to screen for those conditions without the fear of being medically held far from home. If medically holding the member is advisable, it should be done as close to home as possible.

The irony in the current PDHA under reporting phenomenon is that a medical hold is usually in the best interest of the member and his or her family as it allows pay and benefits to continue during treatment for a condition that may well render the member unemployable once discharged. The medical hold should not cynically be administered as a threat to discourage reporting of injuries when, if properly administered in a friendly environment, it offers substantial benefits to the members and his or her family.

The PDHA needs to be completed by returning members at home in the presence of a trained health care professional who can screen, observe, and ask with the skill necessary to elicit medical issues either unknown to the self-reporting member or unreported for fear of being retained at far removed demobilization site. Insurance companies in performing their due diligence before the issuance of an insurance policy do not allow individuals to self-assess their health. Neither should the military. If geographical separation from families is causing under reporting and non reporting of physical and psychological combat injuries on the PDHA, then moving this process to the home station would likely produce a better yield at a critical time when this information needs to be captured in order for prompt and effective treatment to be administered. If necessary and appropriate, the examining health care provider in coordination with the National Guard J-1 and State's Surgeon General can cause the member to be retained on active duty locally for further treatment and evaluation.

This is especially critical in screening for behavioral conditions. At all stages of post-traumatic stress disorder (PTSD) and depression, treatment is time sensitive but this is particularly so after onset as the illness could persist for a lifetime if not promptly and adequately treated and could render the member permanently disabled. The effects of this permanent disability on the member's entire family can be devastating. It is absolutely imperative that members returning from deployment be screened with full confidentiality at the home station while still on active duty by trained and qualified mental health care providers from VA staff and/or qualified health care providers from the civilian community that could include primary care physicians, physician assistants and nurse practitioners who have training in assessing psychological health presentations. Prompt diagnosis and treatment will help to mitigate the lasting effects of mental illness.

Please see the copy of a November 5, 2008, electronic message to NGAUS from Dr. Dana Headapohl set forth in the Appendix which strongly recommends a surveillance program for our members before they are released from active duty. Dr. Headapohl opines the obvious in stating that inadequate medical screening of our members before they are released from active duty is "unacceptable to a group that has been asked to sacrifice for our country." (emphasis added)

Recommendation:

The National Guard Association of the United States recommends that Congress support authorization and appropriations for programs that will:

- Require the PDHA for National Guard members to be administered at the home station before releasing members from active duty
- Mandate medical and behavioral screening of all National Guard members returning from deployment by health care professionals at the home station before releasing the members from active duty.

EMBED MENTAL HEALTH CARE PROVIDERS IN ARMORIES AND RESERVE CENTERS DURING DRILL

National Guard and Reserve suicides nearly doubled from 80 deaths in 2009 to 145 deaths in 2010. This highest suicide rate in the military underscores the need to provide the National Guard and Reserve with convenient access to mental health care providers in a command supported local setting.

Using the National Guard and Reserve as an operational force in the current war requires a funded mental health readiness care program during dwell time in order to maintain an important component of medical readiness required by deployment cycles.

As our members reintegrate into their civilian communities or prepare for future deployments, many show no signs of physical injury but suffer from the psychological effects of traumatic stress requiring treatment. These psychological effects may range in severity from behavioral readjustment concerns to PTSD with some conditions not manifesting themselves until months or even years after returning from deployment. Early referral and treatment of behavioral and PTSD issues are essential for positive outcomes.

DOD must provide better access for all National Guard and Reserve members during duty hours to seek the assistance of mental health care professionals in a convenient stigma free environment. Increased access would more thoroughly and expeditiously identify members in need of treatment.

Embedding mental health care providers in armories and Reserve training centers during drill would enable on site self referrals or mandatory unit wide referrals which would mitigate the perceived stigma associated with National Guard members individually seeking mental health counseling. This would also eliminate the need for our members to take medical leave and drive potentially great distances to seek similar services during the work week. As states with piloted programs attest, the embedded mental health care provider program works.

Tri-West with its own funds has instituted a pilot program in California that supports 27 mental health care providers as embedded screeners with 40 California National Guard units to provide support and referral assistance during drill weekends and family readiness events. These providers can earn the trust of soldiers and build relationships through regular contact in a familiar environment. For those National Guard and Reserve members and their families who may not have access to the support and resources more commonly found in active duty military communities, this outreach is particularly important. The pilot program offers soldiers a greater access to the type of care they are most comfortable seeking.

S. 325, The Embedded Mental Health Providers for Reserves Act of 2011 introduced by Senators Patty Murray and Claire McCaskill, now before the 112th Congress would require the Service Secretaries to provide to any and all members of the Reserve components performing inactive-duty unit training access to mental health assessments and treatment with a licensed mental health professional who would be available for referrals during duty hours on the premises of the principal duty location of the member's unit.

The Congressional Budget Office has preliminarily estimated the 5 year outlay for S. 325 to be \$109 million. Secretary Gates has requested \$677 million in the President's fiscal year 2012 budget for treatment of PTSD and TBI. A fair allocation of this sum and future requests should more than cover the cost of S. 325. In light of the recent GAO castigation of the waste and lack of direction in the Defense Center of Excellence, the embed program offers a bargain in caring for the mental health needs of deserving members of the military. Congress needs to require DOD to fairly share mental health appropriations with the National Guard and Reserve who can apply those funds efficiently with an embedded provider program.

Our young men and women deserve appropriate and timely mental health care assessments and care as they attempt to reintegrate into civilian life and maintain medical readiness for future deployments.

Recommendation:

Support the passage of S. 325.

EQUITABLY AMEND THE 2008 NATIONAL DEFENSE AUTHORIZATION ACT IN REDUCING THE AGE FOR MEMBERS OF THE RESERVE COMPONENTS TO COLLECT RETIREMENT PAY

Having transitioned to an operational force, the National Guard of the United States is spending more time on active duty as it shares responsibility for the current wars.

More than 60 years ago, the Congress of the United States established the age limit for receipt of retired pay by Reserve component members. That law, most re-

cently amended in the 2008 National Defense Authorization Act (NDAA), states that a retired Reserve component member can begin to draw military retired pay upon reaching 60 years of age regardless of number of years served. A National Guard member who enlists after high school at age 18 and retires after 20 years of service at age 48 must wait 22 years before drawing a retirement check.

RETROACTIVITY

Led by the efforts of Senator Saxby Chambliss, the NDAA for Fiscal Year 2008 reduced the 60 year eligibility age for retired members of the Ready Reserve to collect retirement pay 3 months for each aggregate of 90 days per fiscal year of active duty performed in Title 10 status in support of a contingency operation or in Title 32 status in responding to a national emergency. Unfortunately, these historic provisions applied only to service after January 28, 2008, the date of enactment of the 2008 NDAA. Making these changes fully retroactive to September 11 is the number one benefit issue in the Guard and Reserve.

Since September 11, 2001 members of the Reserve component have continued to serve as an "operational" force with their active counterparts in Iraq, Afghanistan, and other dangerous locations around the globe. If active duty service of the Reserve components in wartime and national emergencies after January 28, 2008 is now recognized in reducing the age to collect military retirement pay, it is inequitable to not credit retroactively all otherwise qualifying service performed after September 11, 2001. Those members currently deployed who fought in OIF/OEF before January 28, 2008 know painfully that their earlier service is not truly respected. Our members who so bravely risked their lives in service to our country deserve that respect.

The Congressional Budget Office last year estimated the cost of a bill to provide retroactivity be 1.353 billion over 10 years. NGAUS understands that Reserve retirement is considered mandatory spending which would require passage of a retroactivity bill to have an offset commensurate with its estimated cost.

In the event the Senate fields a bill this session that would establish the subject retroactivity, NGAUS urges Congress to please search for an offset to fund this necessary legislation, or in the event a War Supplemental Bill should be introduced this session, to fund such a bill as an emergency spending measure.

ELIMINATING THE FISCAL YEAR REQUIREMENT FOR 90 DAYS OF QUALIFYING SERVICE

The NDAA for Fiscal Year 2008 requires the aforementioned 90 days of qualifying service to occur within a single fiscal year thereby unfairly not crediting otherwise qualifying service spread over 2 fiscal years.

For example, if one served 90 days in OIF from September 1, 2008 through November 29, 2008, that service would not be credited in reducing the retirement eligibility age. However, if the person served 90 days in OIF from October 1, 2008 through December 29, 2008, that service would be fully credited. This distinction unfairly penalizes those who serve bravely with orders spanning 2 fiscal years.

NGAUS urges Congress to correct this inequity by fully crediting each aggregate of 90 days of qualifying service irrespective of the fiscal year in which it is served.

Recommendation:

The National Guard Association of the United States recommends that the Congress of the United States support legislation to make the Reserve retirement law changes in the NDAA for Fiscal Year 2008 retroactive to September 11 and to eliminate the fiscal year requirement for the 90 days of qualifying service to reduce the eligibility age.

SPACE AVAILABLE TRAVEL PRIORITY ON PARITY WITH THE ACTIVE FORCE

A popular misconception on the Hill holds that Space Available (Space A) aircraft travel is governed exclusively by DOD Joint Travel Regulations (JTR). Although the JTRs establish the priority categories, Congress does intervene with statutory corrections from time to time to redirect the Secretary of Defense to reestablish equitable travel priorities. Attached to this written testimony is a copy of 110 U.S.C. Section 2641b which did just that relative to travel to receive specialty care.

Another statutory change in Space Priorities is in order to bring members of the National Guard and Reserve and their dependents on level Space A priority with the Active Forces and their dependents. DOD would still establish priority categories in the JTR but whatever priority category assigned to the Active Forces on leave and their dependents would by law apply to the National Guard and Reserve members and their dependents.

The National Guard has established itself as an indispensable operational force in defending our country in a most cost effective manner. Serving shoulder to shoulder

der with the Active component worldwide, members of the National Guard as citizen soldiers remain ready to uproot from their families and civilian lives to serve their governor domestically or their President in distant parts of the globe as duty calls and to return to the same communities when their missions are accomplished.

In recognition of this service, Congress has worked hard since September 11, 2010 to establish Federal legislation to close the benefit gap that exists for our deserving members and their families. Expanding space-available travel for our members and gray area retirees would be a significant step in that direction. It appears that the bills would also be budget neutral.

S. 542 introduced by Senator Mark Begich would provide space-available travel on defense department aircraft for members of the Reserve components on the same basis as active members of the Armed Forces; retired members of the Reserve component eligible to receive retirement pay but for age on the same basis as retired members of the Armed Forces entitled to receive retirement pay; widows of retired members entitled or eligible to receive retirement pay; and the accompanying dependents of these members, retired members or widows. This legislation is likely budget neutral.

Recommendation:

Please support the passage of S. 542.

EXTEND TAMP COVERAGE WITH TRICARE PRIME REMOTE

Post-deployment care for members under the TAMP and their families must be for a period equal to the period of deployment but not less than 6 months. The TAMP program allows members to obtain at government expense up to 6 months of TRICARE coverage that is similar, but not identical, to the TRICARE Prime coverage they had been receiving on active duty.

Effective TAMP coverage is a medical readiness issue for the overwhelming majority of our returning members who are subject to redeployment and must maintain their medical and dental readiness. Unfortunately, many are slipping through the cracks post deployment with undiagnosed medical conditions, particularly behavioral conditions, which may not be reported by the returning members when they self-assess their medical condition on the PDHA administered at the demobilization site. Unreported conditions cannot be treated. As these conditions become known over time, a reasonable period is needed for proper treatment. The current 6 month TAMP period is proving to be inadequate either because of other demands on the returning members' time or the late disclosure of a service connected injury.

The coverage available under TAMP does not include access to the provider network under TRICARE Prime Remote, the rural active duty coverage available to family beneficiaries while the military sponsor is deployed. This breaks provider continuity for rural beneficiaries switching to TAMP post deployment who had been treating under the TRICARE Prime Remote program while the military sponsor was deployed. This requires many of our rural families who had been using TRICARE Prime Remote during the deployment to search for a new provider and hopefully find one. The TAMP program needs adjusting to expand its provider network and to specifically allow rural beneficiaries to have access to the same TRICARE Prime Remote providers they had been using.

Recommendation:

It is the recommendation of the National Guard Association of the United States that the Congress of the United States support funding and authority for:

- Extending post-deployment TAMP coverage for a period equal to the period of deployment but not less than 6 months.
- To include access to the TRICARE Prime Remote provider network as part of the TAMP coverage benefit.
- To expand the TRICARE provider network.

CONCLUSION

In conclusion, we at NGAUS hope that we have both reinforced and amplified this subcommittee's understanding of personnel needs of the National Guard. Thank you again for the opportunity to submit testimony to this subcommittee and for all that you do for our Nation's servicemembers.

APPENDIX

Colonel Duffy - I am sending links to articles about the importance of providing medical surveillance examinations for workers in jobs with specific hazardous exposures. I believe this approach could be modified to evaluate National Guard members returning from Iraq and Afghanistan for PTSD, TBIs and depression.

The OSHA medical surveillance model includes the following basic elements:

1. Identification of potential hazardous exposures (chemical, physical, biologic).
 2. Screening workers for appropriateness of placement into a specific work environment with such exposures. For example, individuals with compromised liver functions should not be placed in environments with unprotected exposures to hepatotoxins.
 3. Monitoring workers after unprotected exposure incidents. Examples- monitoring pulmonary function in a worker exposed to a chlorine gas spill, or following hepatitis and HIV markers in a nurse after a needle stick injury.
 4. Conducting exit examinations at the end of an assignment with hazardous exposures, to ensure that workers have not suffered adverse health effects from those exposures. (including concussive explosions or other traumatic events).
- Surveillance exams of all types (OSHA mandated surveillance programs, population health screening for chronic disease risk factors) have been a part of my practice of Occupational and Preventive Medicine in Montana for the past 22 years. Early diagnosis and treatment is especially essential for potential medical problems facing military members serving in Iraq and Afghanistan - post traumatic stress disorder (PTSD), traumatic brain injury (TBI) and depression. Timely diagnosis and aggressive treatment is essential especially for these problems, to maximize treatment success and functioning and to mitigate suffering.

There are a number of organizations that design and implement medical surveillance programs. There is no reason the same approach could not be applied to the specific exposures and potential medical problems facing National Guard troops in Iraq and Afghanistan. With proper program design and local provider training, this program would not need to be costly. In my clinical experience, male patients especially are more likely to report symptoms of PTSD, TBI, or depression in the context of an examination rather than questionnaire. Findings can present subtly, but if untreated can have devastating effects on the individual, family and work place.

In my practice, I have seen a number of Vietnam veterans, and more recently National Guard members who have returned from deployment in Iraq or Afghanistan, who have been inadequately screened and/or are suffering unnecessarily because of geographical barriers to adequate treatment. This is unacceptable treatment of group that has been asked to sacrifice for our country. They deserve better.

I applaud your organization's efforts to lobby for better post deployment screening and treatment of the National Guard members returning from Iraq and Afghanistan.

Dana Headapohl MD

<http://www.aafp.org/aafp/20000501/2785.html>

https://www.desc.dla.mil/DCM/Files/OSRHealth%20Medical%20Exam_1.pdf This is about military surveillance exams.

<http://www.lohp.org/graphics/pdf/hw24en06.pdf>

<http://www.cdc.gov/niosh/sbw/management/wald.html>

http://www.ushealthworks.com/Page.aspx?Name=Services_MedSur

---PRELIMINARY---

**Cost Estimate of S. 325 / H.R. 948, Embedded Mental Health Providers for Reserves Act of 2011
As Introduced on February 10, 2011 (S. 325) and March 8, 2011 (H.R. 948)**

**Spending Subject to Appropriations
(by Fiscal Year in Millions of Dollars)**


	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2012-2016</u>
Estimated Authorization Level	6	26	27	29	30	119
Estimated Outlays	5	22	26	28	29	109

NOTES:

1. Would require the reserves to have mental health counselors available during drill weekends and inactive duty training.
2. Estimate is based on cost of pilot programs run by TriWest.
3. CBO estimates this legislation would not impact direct spending or revenues.
4. Assumes enactment near the start of fiscal year 2012.

CBO Staff Contact: Matt Schmit, x65708
3/31/2011 11:01

---PRELIMINARY---




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TITLE 10 > Subtitle A > PART IV > CHAPTER 157 > § 2641b

§ 2641b. Space-available travel on Department of Defense aircraft: retired members residing in Commonwealths and possessions of the United States for certain health care services

(a) Priority Transportation.— The Secretary of Defense shall provide transportation on Department of Defense aircraft on a space-available basis for any member or former member of the uniformed services described in subsection (b), and a single dependent of the member if needed to accompany the member, at a priority level in the same category as the priority level for an unaccompanied dependent over the age of 18 traveling on environmental and morale leave.

(b) Eligible Members and Former Members.— A member or former member eligible for priority transport under subsection (a) is a covered beneficiary under chapter 55 of this title who—

- (1) is entitled to retired or retainer pay;
- (2) resides in or is located in a Commonwealth or possession of the United States; and
- (3) is referred by a military or civilian primary care provider located in that Commonwealth or possession to a specialty care provider for services to be provided outside of that Commonwealth or possession.

(c) Scope of Priority.— The increased priority for space-available transportation required by subsection (a) applies with respect to both—


- (1) the travel from the Commonwealth or possession of the United States to receive the specialty care services; and
- (2) the return travel.

(d) Definitions.— In this section, the terms "primary care provider" and "specialty care provider" refer to a medical or dental professional who provides health care services under chapter 55 of this title.

(e) Regulations.— The Secretary of Defense shall prescribe regulations to implement this section.

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Senator WEBB. Having just gone through this on the last hearing, I think we'll start from your right, and my left, and move this way. If you could summarize your statements in 5 minutes, the full statements will be entered into the record as read.

Mr. Barnes welcome.

**STATEMENT OF MASTER CHIEF JOSEPH L. BARNES, USN
(RET.)**

Mr. BARNES. Thank you, Mr. Chairman.

Members of the subcommittee, thank you for the opportunity to appear before you today.

My name is Joe Barnes, and I have the privilege of serving as FRA's national executive director and also as cochair of TMC. I'll be addressing several priority personnel issues. My colleagues will do likewise in the areas of family and survivor issues, healthcare, and Guard and Reserve issues.

Military service is unlike any other career or occupation. Associated with this is ensuring adequate pay and benefits for Active and Reserve personnel, and their families and survivors, and fulfilling commitments to provide healthcare and other benefits for career personnel after retirement.

Thanks to the strong support from this distinguished subcommittee, there have been significant pay and benefits improvements enacted since 2000.

The Coalition appreciates the exemption of military personnel from the Federal pay freeze and strongly supports the administration's proposed 1.6 percent 2012 Active Duty pay adjustment, which is based on the employment cost index data used in preparing the budget request.

Pay is a major concern for military personnel. If approved, this would be the second smallest pay increase in nearly 50 years, behind the 1.4 percent pay increase this year.

Adequate end strengths are essential to maintaining readiness, prosecuting war efforts, and supporting other operations throughout the world, including the recent Libya operations and disaster relief in Japan. End-strength levels are also related to sufficient dwell time between deployments, and debilitating stress on repeatedly deployed servicemembers and their families. An article in this week's Navy Times cites stresses on Navy personnel and references longer deployments, shorter dwell times, and a 15 percent increase in underway days over the past decade, with 10 percent fewer ships.

There are other troubling indicators of the impact of stress on personnel and their families after 10 years of war and other demanding operational requirements. These include increased drug usage, alarming suicide rates, and divorces.

The Coalition strongly supports the military resale system to ensure access to commissaries and exchanges for all beneficiaries and provide important support for Morale, Welfare, and Recreation (MWR) programs. The pending implementation of the Tax Increase Prevention and Reconciliation Act will require a 3-percent withholding on payments to vendors, and likely result in higher costs being passed on to beneficiaries, and reduced MWR program support. Accordingly, TMC urges an exemption to the law for the military resale system.

The Coalition supports legislation sponsored by Senator Mark Begich that would authorize shipment of a second private-owned vehicle to Alaska, Hawaii, and Guam, and increase certain permanent change-of-station mileage reimbursement rates.

Finally, the Coalition supports authorization of full concurrent receipt of military retired pay and disability compensation for all disabled retirees. This includes phasing out the disability offset for all Chapter 61 retirees, as previously endorsed by the President and this subcommittee. We also urge support for Senator Reid's legislation on this issue.

Thank you again for the opportunity to present our views on these issues.

[The prepared statement of Chief Barnes follows:]

PREPARED STATEMENT BY THE FLEET RESERVE ASSOCIATION

THE FLEET RESERVE ASSOCIATION

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 2 previous fiscal years.

OVERVIEW

The Fleet Reserve Association (FRA) is an active participant and leading organization in TMC and strongly supports the extensive recommendations addressed in the TMC testimony prepared for this hearing. The intent of this statement is to address issues of particular importance to FRA's membership and the Sea Services enlisted communities.

INTRODUCTION

Mr. Chairman, the FRA 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 Armed Forces engaged throughout the world fighting the global War on Terror, supporting the NATO effort in Libya, assisting Japan with recovery efforts, sustaining other operational requirements and fulfilling commitments to those who've served in the past.

A huge budget deficit, the reduction of troops in Iraq and a planned drawdown in Afghanistan increases pressure to slash the defense budget. But as the increased hostility on the Korean peninsula last November and the recent political instability in the Middle East shows, there are many potential conflicts around the world that requires the military to be prepared not only in terms of new weapons systems but also with adequate personnel strength that is well trained and not stressed from continued deployments.

TRICARE

Ensuring adequate funding the Military Health System (MHS) and VA health care is FRA's top legislative priority and important to every segment of our membership, Auxiliary and widows. Our members appreciate Chairman Webb's comments

that the TRICARE fee increase proposal “violates a moral contract that the government has with those who served in the military.” The importance of health care is reflected in responses to the Association’s 2011 online survey completed in February, which revealed that over 90 percent of all Active Duty, Reserve, retired, and veteran respondents cited health care access as a critically important quality-of-life benefit associated with their military service.

Higher health care costs are not unique to the military, and FRA appreciates the subcommittee’s opposition to past proposals to drastically increase TRICARE fees and pharmacy co-pays. Our membership believes there are management efficiencies and cost saving initiatives that can significantly offset higher costs—something first referenced in FRA’s 2006 testimony on these issues before this distinguished subcommittee. An example is the expanded use of the more economical pharmacy home delivery option for prescriptions, which saved the department over \$30 million in 2010.

FRA also notes recommendations in recent Government Accountability Office (GAO) testimony before the House Committee on Oversight and Government Reform which identified Federal programs, agencies, offices and initiatives that have duplicative goals or activities. Number two on a list of 81 areas for consideration is realigning DOD’s military medical command structures and consolidating common functions to increase efficiency which would result in projected savings of from “\$281 million to \$460 million” annually. In addition, GAO cites opportunities for DOD and the Department of Veterans’ Affairs (VA) to jointly modernize their respective electronic health record systems, and also control drug costs by increasing joint contracting.

Identifying a permanent solution to pending cuts in Medicare physician reimbursement rates is integral to ensuring access to care for all beneficiaries seeking care outside the MHS or under TRICARE for Life. Congress has repeatedly punted on this matter and the latest extension preventing cumulative reimbursement rate cuts now totaling 29.5 percent expires on December 31, 2011. The Association supports a further 2-year extension included in the administration’s 2012 budget, however, a permanent fix is sorely needed.

HEALTH CARE FEES PROPOSAL

Regarding the administration’s 2012 health care fees proposal, the Association believes first and foremost that military service is unlike any other civilian career or occupation. Associated with this reality and maintaining readiness, are commitments to provide health care and other benefits for career personnel after their service careers. As stated in the Senate testimony referenced above, “Providing and funding health care benefits for all beneficiaries is part of the cost of defending our Nation.” It’s also important to remember that only about 1 percent of the population is currently serving in the uniformed services to defend our freedoms and prosecute the continuing war efforts.

The Department of Defense’s lax management of health care fees since TRICARE was established in 1995 led to drastic fee hike proposals from 2006 to 2008 including a TRICARE Standard enrollment fee which would not enhance access to care for beneficiaries in that program.

Bipartisan legislation was subsequently introduced in successive Congresses that would shift oversight responsibilities from DOD to Congress (H.R. 1092 sponsored by Reps. Walter Jones and Dan Boren was recently introduced in the 112th Congress), and a Senate bill in the 110th Congress (S.604 sponsored by Senators Lautenberg and Hagel). If enacted, the Senate bill would have prohibited health care fee adjustments from exceeding the annual Consumer Price Index (CPI), which determines military retired pay adjustments and other Federal benefits pegged to inflation. FRA supports (supported) these and related bills in the current and previous Congresses.

Compared to past proposals, the 2012 TRICARE fee changes are more reasonable—however, the 2012 adjustments characterized by DOD as “modest” are only part of the plan and the Association is very concerned about the yet-to-determined annual adjustment index for TRICARE Prime fees in 2013 and beyond.

FRA supports other aspects of the proposal including the elimination of co-pays for generic drugs dispensed via TRICARE’s Home Delivery pharmacy program to encourage expanded use of this program—and survivors and medically retired personnel are not impacted by the proposal. There are also no active duty fee increases, no changes to TRICARE Standard—and something especially important to Medicare eligible retirees—no additional TRICARE for Life fees.

HEALTH CARE INFLATION

The Bureau of Labor Statistics' Consumer Price Index (CPI) is the basis for annual retired pay adjustments and absent a baseline statutory measure for determining health care costs, this index is integral to examining proposals to adjust TRICARE Prime enrollment and other health care related fees.

DOD cites a 6.2 percent assumption with regard to adjustments for 2013 and beyond while acknowledging a number of health care inflation indexes. FRA's research found that 1-year Standard & Poor's (S&P) Healthcare Economic Indices through November 2010 ranged from 2.71 percent (S&P Healthcare Hospital Medicare Index) to 6.27 percent (S&P Healthcare Economic Composite Index), to 9.04 percent (S&P Healthcare Economic Commercial Index). A January 20, 2011 press release on this data states that "Average per capita cost of healthcare services covered by commercial insurance and Medicare programs rose 6.27 (percent)," which is perhaps the benchmark DOD actuaries used in conjunction with projected multi-year savings associated with annual health care fee adjustments for military retirees.

USFHP AND COMMUNITY HOSPITALS REIMBURSEMENTS

The plan also would require new Uniformed Services Family Health Plan (USFHP) beneficiaries to enroll in Medicare Part B and shift to Medicare as primary provider at age 65—a change that would impact future enrollees to this highly regarded program which serves approximately 115,000 beneficiaries in 6 areas throughout the United States.

Although the FRA does not have expertise on the proposed adoption of Medicare payment rules at over 400 Sole Community Hospitals over 4 years, we understand that perhaps 20 of the facilities are near military bases and request consideration and/or analysis of the impact of these changes with regard to ensuring future access to care for TRICARE beneficiaries at these hospitals.

CONTINUED ATTENTION TO IMPROVED SERVICE AND COST EFFICIENCIES

FRA continues its strong advocacy regarding the need to improve service, streamline operations and further identify and implement cost saving measures within DOD, all of which are essential to maintaining readiness and fulfilling commitments made to all beneficiaries. The Association notes the elimination of 780 contract positions in conjunction with streamlining TRICARE Management Activity functions along with increasing inter-service cooperation and co-locating medical headquarters operations.

WOUNDED WARRIOR CARE

FRA appreciates the extraordinary efforts by this subcommittee to help our wounded warriors. Last year this subcommittee authorized a monthly stipend under the DOD family caregiver program for catastrophically injured or ill wounded warriors that is equal to the caregiver stipend provided by the Department of Veterans' Affairs (VA). Unfortunately, this program of which the Veterans' Affairs Committees have jurisdiction has yet to be implemented.

A recent Navy Times survey on wounded warrior care (November 29, 2010) indicates that 77 percent of caregivers have no life of their own; 72 percent feel isolated; and 63 percent suffer from depression. The new program will help many caregivers, however, the enactment and implementation of the legislation is only the first step and effective oversight and sustained funding are also critical to ensuring future support for these caregivers.

FRA supports additional changes detailed in the full TMC statement which include establishing a permanent independent office for the DOD/VA Interagency program with expanded authority to include oversight of all components of achieving a true seamless transition; authorizing active duty TRICARE benefits, regardless of accessibility of VA care, for 3 years after medical retirement to help ease transition from DOD to VA; and extending and making permanent the charter of the "Special Oversight Committee" to ensure improved and enduring coordination with DOD and VA initiatives to help wounded warriors.

DES

In response to the Dole/Shalala Commission Report a pilot program was created (NDAA for Fiscal Year 2008—Public Law 110-181) known as the Disability Evaluation System (DES). The pilot provides a single disability exam conducted to VA standards that will be used by both VA and DOD and a single disability rating by VA that is binding upon both Departments. The program, now called the Integrated Disability Evaluation System (IDES) recently became permanent and is being im-

plemented at military medical facilities. This is a common-sense approach that FRA believes will reduce bureaucratic red-tape and help streamline the process throughout the entire disability rating system. Despite jurisdictional concerns, the Association urges the subcommittee to provide oversight as the IDES is implemented. According to a recent GAO report the new system takes 10 months to traverse as compared to the current system that on average takes about 18 months.

Achieving an effective delivery system between DOD and VA to guarantee seamless transition and quality services for wounded personnel, particularly those suffering from Post Traumatic Stress (PTS) and Traumatic Brain Injuries (TBI) is very important to our membership. DOD should also make every effort to de-stigmatize mental health conditions that should include outreach, counseling, and mental health assessment for all servicemembers returning from the combat zone.

SUICIDE RATES

FRA is deeply concerned about military suicide rates. Active duty suicides have been reduced or at least leveled off, but suicides for non-active duty Reserve component are increasing.

For example, the Marine Corps ended calendar year 2010 with suicides at a 3-year low. The Service reported 37 confirmed or suspected suicides in 2010 as compared to 52 in 2009, and 173 marines attempted suicide in 2010, which is 9 more than the previous year. The Navy reports a decline from 46 per 100,000 personnel in 2009 to 38 in 2010. Despite this, attempted suicides have increased since 2006.

Intervention has been helpful for active duty personnel but suicides for the Reserve component (RC) not on active duty are increasing. Regarding these, (all Services and Guard), 145 suicides were reported for 2010 which reflects a significant increase from 80 suicides the previous year. A March 30, 2011 Fox News segment indicated that Guard and Reserve suicides are increasing and that 85 percent of those committing suicide in the Guard and Reserve had jobs. A common theme also appears to be marriage problems (see USFSPA section below for related information.) FRA supports legislation (H.R. 208) sponsored by Rep. Thomas Rooney that authorizes reimbursement for mental health counseling under TRICARE.

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 fiscal year 2010) is significantly lower than past wartime periods as a percentage of GDP and the Association is concerned that the administration's 5-year spending plan of 1 percent above inflation may not be adequate in maintaining readiness and associated support 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 compelling 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 15 months behind the effect date of pay adjustments due to budget preparation and associated congressional action on annual authorizing and appropriations legislation. The enacted fiscal year 2011 1.4 percent pay increase and proposed fiscal year 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 military end strengths 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're still engaged in war in Iraq and Afghanistan. The strain of repeated deployments continues and is reflected in troubling stress-related statistics that in-

clude 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

FRA's recent survey indicates that nearly 70 percent of military retirees cite concurrent receipt as "very important." The Association supports Senate Majority Leader, Harry Reid's "Retired Pay Restoration Act" (S. 344) and Rep. Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333). Both proposals would authorize comprehensive concurrent receipt reform, and Rep. Gus Bilirakis' "Retired Pay Restoration Act" (H.R. 303) would authorize current receipt for retirees receiving CRDP with a disability rating of 50 percent or less.

The Association is disappointed that the administration failed to address concurrent receipt reform in its budget request as it has for the last 2 years, but strongly supports House Personnel Subcommittee Chairman Joe Wilson's bill (H.R. 186), that expands concurrent receipt for servicemembers who were medically retired with less than 20 years of service (Chapter 61 retirees) and would be phased-in over 5 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 5 years.

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 servicemembers against State courts that ignore provisions of poorly written law. As noted above, marriage problems may also be associated with suicide rates.

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 servicemember, and none are enforceable by the Department of Justice or DOD. If a State court violates the right of the servicemember 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 servicemember 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 servicemember'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 servicemember and are a reasonable starting point for reform.

RESERVE EARLY RETIREMENT

The Reserve retirement age provision in the NDAA for Fiscal Year 2008 reduces the age requirement by 3 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 servicemember 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 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 House Armed Services Personnel Subcommittee, "Since 2000, DeCA's budget has remained flat in real dollars, meaning they have done more with less for the past 11 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.

Our members are also concerned about the impact of the "Tax Increase Prevention and Reconciliation Act" (P.L. 109-222) on the Military Resale System. Withholding 3 percent on payments to vendors that provide products sold in exchanges and commissaries will result in part to higher costs being passed on to beneficiaries and reduce resources to support MWR programs. Accordingly, FRA asks for support to exempt the Military Resale System from the law which becomes effective on January 1, 2012.

FIT BUT NOT DEPLOYABLE

FRA appreciates the inclusion of Section 571 in the National Defense Authorization Act for Fiscal Year 2010 which addresses the discredited practice of finding a servicemember fit but nondeployable 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 servicemembers are adequately compensated for their injuries and illnesses incurred while serving our country.

PCS REFORM

A recent Navy Times poll indicates that nearly 41 percent of servicemembers 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 Servicemembers 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 REIMBURSEMENT

FRA appreciates the NDAA for Fiscal Year 2008 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 en-

listed 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 servicemembers 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 to do so which is why FRA supports legislation (S. 387) sponsored by Sens. Barbara Boxer, Richard Burr, and Kristin Gillibrand, and legislation (H.R. 791) sponsored by Rep. Loretta Sanchez. These proposals would mandate that DOD set up flexible spending accounts within 6 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.

Senator WEBB. Thank you very much, Master Chief Barnes.
Colonel Strobridge, welcome.

STATEMENT OF COL. STEVEN P. STROBRIDGE, USAF (RET.), DIRECTOR OF GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Mr. STROBRIDGE. Thank you very much, Mr. Chairman.

We very much appreciate this opportunity to present our views. My portion of the Coalition's testimony will cover healthcare issues.

Our primary concern is protection of military beneficiaries against dramatic budget-driven fluctuations in this vital element, a servicemember's career compensation package. One example is the Deficit Commission's proposal to reduce the value of TRICARE for Life by \$3,000 per year for a retiree, \$6,000 for a couple, for older and disabled beneficiaries, through deductible and copayment increases. That would be a major about-face from what Congress saw as "earned coverage" when TRICARE for Life was enacted 10 years ago. We hope the subcommittee would oppose inclusion of any such change in the budget resolution.

We also urge the subcommittee to continue its oversight of wounded warrior and caregiver issues. Although we believe both DOD and VA are pursuing seamless transition initiatives in good faith, we urge joint hearings by the Armed Services and Veterans' Affairs Committees to track progress and any stumbling blocks on a wide variety of ongoing issues.

The Coalition continues to be concerned about the adequacy of provider participation in TRICARE, especially for TRICARE Standard beneficiaries. We're grateful to the subcommittee for establishing statutory surveys of participation adequacy, but that requirement expires this year. We hope you'll renew the requirement and establish more specific actions to ensure compliance with participation standards.

On the issue of TRICARE fees, the Coalition has a diversity of views, but believes strongly that the DOD proposed indexing methodology is inappropriate. Speaking for MOAA and the 13 other associations that endorsed our statement, we haven't taken the posi-

tion that TRICARE fees should never rise, but that Congress should establish principles in that regard to explicitly recognize that the bulk of what military people pay for their healthcare isn't paid in cash, but is paid upfront through decades of service and sacrifice. We're encouraged that the new DOD proposal does a far better job of acknowledging that than did those of several years ago.

Our principal objection is to DOD's plan to index future TRICARE prime increases to some undetermined healthcare index they project to rise at 6.2 percent per year. In our view, the main problem is that current law leaves much of the fee-setting process to the Secretary's discretion. DOD went years proposing no changes, making beneficiaries believe there wouldn't be any. Then a new Secretary with a new budget situation proposed tripling fees, which upset beneficiaries and implied they hadn't earned their healthcare.

We have statutory guidelines for setting and adjusting basic pay, retired pay, survivor benefits, and most other military compensation elements. We believe strongly that the law should specify several principles on military healthcare.

First, it should acknowledge, if only as a Sense of Congress, that the military retirement and healthcare package is the primary offset for the extraordinary demands and sacrifices inherent in a multidecades military career.

Second, it should acknowledge that those decades of service and sacrifice constitute a very large prepaid premium for their healthcare and retirement, over and above what they pay in cash. Finally, it should explicitly acknowledge that extraordinary upfront premium in the adjustment process by limiting the percentage growth in TRICARE fees in any year to the percentage growth in military retired pay.

In the meantime, MOAA and TMC pledge our support to work with DOD and the subcommittee to find other ways to hold down military healthcare cost growth. We believe much more can be done to encourage voluntary use of the mail-order pharmacy system, reduce costs of chronic conditions, reduce systemic duplications, and cut contract and procurement costs, to name a few.

Thank you. That concludes my portion of the statement.

[The prepared statement of Mr. Strobridge follows:]

PREPARED STATEMENT BY THE MILITARY COALITION

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 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 7 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 U.S. Army
- Association of the U.S. 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
- Noncommissioned Officers Association
- Reserve Enlisted Association
- Reserve Officers Association
- Society of Medical Consultants to the Armed Forces
- The Retired Enlisted Association
- U.S. Army Warrant Officers Association
- U.S. Coast Guard Chief Petty Officers Association
- Vietnam Veterans of America

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 percent to match Employment Cost Index (ECI) growth.

Health Care Fees

Coalition member associations hold a diversity of views concerning the Department of Defense (DOD)-proposed TRICARE fee adjustments for fiscal year 2012.

However, the Coalition strongly objects to the DOD-proposed adjustment methodology that would tie TRICARE Prime fee increases for nondisabled military beneficiaries aged 38 to 64 in future years to an as-yet-unspecified measure of health cost growth for the broader population that DOD actuaries assume would grow at an average of 6.2 percent per year.

The Coalition believes that military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned coverage that is the best America has to offer, consistent with their extraordinarily high pre-paid premiums of decades of service and sacrifice.

Congress needs to protect military beneficiaries against dramatic budget-driven fluctuations in this vital element of servicemembers’ career compensation incentive package.

Reducing the value of TRICARE for Life by \$3,000 per year (\$6,000 for a couple) as recommended by the Deficit Commission would be inconsistent with military beneficiaries’ sacrifices and would undermine Congress’ intent when it authorized TFL in 2001—less than 10 years ago.

Reducing military retirement benefits would be particularly ill-advised when an overstressed force already is at increasing retention risk despite the current downturn of the economy and current recruiting successes.

TMC believes:

- All retired servicemembers earned equal health care coverage by virtue of their service.
- Means-testing has no place in setting military health fees.

- Congress should direct DOD to pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries.
- TRICARE Prime enrollment fees for nondisabled retirees under 65 should not be adjusted based on health cost increases for the broader population, as proposed by DOD.
- It should be Congress' responsibility, not the Defense Secretary's, to establish appropriate and stable parameters governing crucial career retention programs such as the healthcare package for currently serving and retired military members and their families and survivors.

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.

Wounded Warrior Care

Institutional Oversight

The Coalition urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DOD, VA, the military Services, and nongovernmental organizations concerning how joint communication, cooperation, and oversight could be improved. In addition, the hearings should focus on implementation progress concerning:

- Single separation physical;
- Single disability evaluation system;
- Bidirectional electronic medical and personnel records data transfer;
- Medical centers of excellence operations and research projects;
- Coordination of care and treatment, including DOD-VA Federal/recovery care coordinator clinical and non-clinical services and case management programs; and
- Consolidated government agency support services, programs, and benefits.

Continuity of Health Care

The Coalition recommends:

- Authorizing service-disabled members and their families to receive active-duty-level TRICARE benefits, independent of availability of VA care for 3 years after medical retirement to help ease their transition from DOD to VA.
- Ensuring Guard and Reserve members have adequate access and treatment in the DOD and VA health systems for Post Traumatic Stress Disorder and Traumatic Brain Injury following separation from active duty service in a theatre of operations.

Caregiver/Family Support Services

The Coalition recommends:

- Providing enhanced training of DOD and VA medical and support staff on the vital importance of involving and informing designated caregivers in treatment of and communication with severely ill and injured personnel.
- Providing health and respite care for non-dependent caregivers (e.g., parents and siblings) who have had to sacrifice their own employment and health coverage while the injured member remains on active duty, commensurate with the needs of the caregiver.

surate with what the VA authorizes for medically retired or separated members' caregivers.

- Authorizing up to 1 year of continued residence in on-base housing facilities for medically retired, severely wounded, ill, and injured service-members and their families.

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 servicemembers 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 October 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.

Health Care Access Options

The Coalition recommends:

- Requiring DOD to justify the seven-fold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.

- Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60
- Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.
- Authorizing an option for the government to subsidize continuation of a civilian employer's family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.
- Extending corrective dental care following return from a call-up to ensure G-R members meet dental readiness standards.
- Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected reservists who are voluntarily separating and subject to disenrollment from TRS.
- Allowing beneficiaries of the FEHBP who are selected reservists the option of participating in TRICARE Reserve Select.

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 1 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 percent 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 servicemembers and families during all phases of deployments.
- Providing preventive counseling services for servicemembers 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.

Health Care

TRICARE Reimbursement Rates

TMC urges reversal of the 30 percent cut in Medicare/TRICARE payments to doctors scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options

TMC continues to believe strongly that DOD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries.

TRICARE Prime

The Military Coalition urges the subcommittee to:

- Require reports from DOD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.
- Require increased DOD efforts to ensure consistency between the MTF and purchased care sectors in meeting Prime access standards.
- Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas under the new TRICARE contracts.

TRICARE Standard

The Coalition urges the subcommittee to:

- Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.
- Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.
- Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.
- Increase locator support to beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.
- Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where TRICARE pays up to the amount it would have paid, had there been no OHI.
- Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.

TRICARE For Life

The Coalition urges the subcommittee to:

- Resist initiatives to establish an enrollment fee for TFL, as many beneficiaries already experience difficulties finding providers who will accept Medicare patients.
- Seek ways to include TFL beneficiaries in DOD programs to incentivize compliance with preventive care and healthy lifestyles.
- Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.

Survivors' Coverage

The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy

The Coalition urges the subcommittee to:

- Advance the use of the mail order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.
- Require DOD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition (for example beginning stages of Alzheimer's).
- Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.

*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 1-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 Paycheck

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 paycheck.

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 Base Realignment and Closure (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 facili-

tate 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 servicemembers 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 10th year of intense wartime operations, the Coalition believes that this prioritization should continue for fiscal year 2012.

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 1 percent of the American population—servicemembers 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 SBP 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, 1950s, 1970s, 1980s and 1990s.

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 percent 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 percent 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 percent 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 paycheck 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 3 years.

The Coalition is grateful that the President exempted the uniformed services community from the fiscal year 2011 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 1990s, military pay raises were consistently capped below private sector pay growth, causing a "pay comparability gap" which reached 13.5 percent 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 percent 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 percent 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 percent 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 percent but require 100 percent 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 reinstitution 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 percent—the second-smallest raise in nearly 50 years, exceeding only the 1.4 percent 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 percent to match ECI growth.

Health Care Fees

The Fiscal Commission embraced the concept put forth by the Defense Department in past years that TRICARE benefits for retired beneficiaries should be brought more in line with civilian coverage by significantly increasing fees for retired beneficiaries and family members under 65. While no specific fee increases were cited, the implication is that they envisioned fee levels similar to those proposed by the Defense Department in past years, which Congress rejected as excessive.

The Commission also recommended significant cutbacks in coverage by all Medicare supplements, including TRICARE For Life. Specifically, it proposed establishing a \$500 annual deductible and limiting coverage to 50 percent of the next \$5,000 after the deductible—effectively increasing annual out-of-pocket costs for TFL-eligibles by up to \$3,000 per person per year (\$6,000 for a married couple).

The Coalition appreciates the subcommittee's consistent support in recent years to protect beneficiaries from disproportional health care fee increases.

We continue to object strongly to simple comparisons of military vs. civilian cash fees, which we see as "apple to orange" comparisons that ignore most of the very great price career military members and families pay for their coverage in retirement.

The unique package of military retirement benefits—of which a key component is a superior health care benefit—is the primary offset provided uniformed servicemembers for enduring a career of unique and extraordinary sacrifices that few Americans are willing to accept for 1 year, let alone 20 or 30. It is an unusual and essential compensation package which a grateful Nation provides to a relatively small fraction of the population who agree to subordinate their personal and family lives to protecting our national interests for so many years. This sacrifice, in a very real sense, constitutes a pre-paid premium for their future healthcare.

For all practical purposes, those who wear the uniform of their country are enrolled in a 20- to 30-year prepayment plan that they must complete to earn lifetime health coverage. In this regard, military retirees and their families pay enormous "up-front" premiums for such coverage through decades of service and sacrifice.

Once that prepayment is already rendered, the government cannot simply ignore it and focus only on post-service cash payments—as if the past service, sacrifice, and commitments had no value.

DOD and the Nation—as good-faith employers of the trusting members from whom they demand such extraordinary commitment and sacrifice—have a reciprocal health care obligation to retired servicemembers and their families and survivors that far exceeds any civilian employer's.

The Coalition also believes the recent fee controversy is caused in part by the lack of any statutory record of the purpose of military health care benefits and the specific benefit levels earned by a career of service in uniform. Under current law, the Secretary of Defense has broad latitude to make administrative adjustments to fees for TRICARE Prime and the pharmacy systems. Absent congressional intervention, the Secretary can choose not to increase fees for years at a time or choose to quadruple fees in 1 year.

Until a few years ago, this was not a particular matter of concern, as no Secretary had previously proposed dramatic fee increases.

The experience of the recent past—during which several Secretaries proposed no increases and then a new Secretary proposed doubling, tripling, and quadrupling various fees—has convinced the Coalition that current law leaves military beneficiaries excessively vulnerable to the varying budgetary inclinations of the incumbent Secretary of Defense.

The Coalition believes the law should be changed to reflect that it should be Congress' responsibility, not the Defense Secretary's, to establish appropriate and stable parameters governing crucial career retention programs such as the healthcare package for currently serving and retired military members and their families and survivors.

The reciprocal obligation of the government to maintain an extraordinary benefit package to offset the extraordinary sacrifices of career military servicemembers is a practical as well as moral obligation. Mid-career military losses cannot be replaced like civilians can.

Eroding benefits for career service can only undermine long-term retention/readiness. Today's servicemembers are very aware of Congress' actions toward those who preceded them in service. One reason Congress enacted TRICARE For Life in 2000 is because the Joint Chiefs of Staff at that time said inadequate retiree health care was affecting attitudes among active duty servicemembers.

It's true that many private sector employers are choosing to shift an ever-greater share of health care costs to their employees and retirees, and that's causing many still-working military retirees to fall back on their service-earned TRICARE coverage. Fallout from the recession has reinforced this trend.

In the bottom-line-oriented corporate world, many firms see their employees as merely another form of capital, from which maximum utility is to be extracted at minimum cost, and those who quit are replaceable by similarly experienced new hires. But that perception simply cannot exist in the culture of the military's All-Volunteer Force, whose long-term effectiveness is dependent on establishing a sense of mutual, long-term commitment between the servicemember and the Nation.

The Coalition believes it's essential to bear other considerations in mind when considering the extent to which military beneficiaries should share in military health care costs.

First and foremost, the military health system is not built for the beneficiary, but to sustain military readiness. Each Service maintains its unique facilities and systems to meet its unique needs, and its primary mission is to sustain readiness by keeping a healthy force and to be able to treat casualties from military actions. That model is built neither for cost efficiency nor beneficiary welfare. It's built for military readiness requirements.

When military forces deploy, the military medical force goes with them, and that forces families, retirees and survivors to use the more expensive civilian health care system in the absence of so many uniformed health care providers.

These military-unique requirements have significantly increased readiness costs. But those added costs were incurred for the convenience of the military, not for any beneficiary consideration, and beneficiaries should not be expected to bear any share of military-driven costs—particularly in wartime.

Coalition member associations hold a diversity of views concerning the DOD-proposed TRICARE fee adjustments for fiscal year 2012.

However, the Coalition strongly objects to the DOD-proposed adjustment methodology that would tie TRICARE Prime fee increases for nondisabled military beneficiaries aged 38 to 64 in future years to an as-yet-unspecified measure of health cost growth for the broader population that DOD actuaries assume would grow at an average of 6.2 percent per year.

The Coalition believes that military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned coverage that is the best America has to offer, consistent with their extraordinarily high pre-paid premiums of decades of service and sacrifice.

Congress needs to protect military beneficiaries against dramatic budget-driven fluctuations in this vital element of servicemembers' career compensation incentive package.

Reducing the value of TRICARE for Life by \$3,000 per year (\$6,000 for a couple) as recommended by the Deficit Commission would be inconsistent with military beneficiaries' sacrifices and would undermine Congress' intent when it authorized TFL in 2001—less than 10 years ago.

Reducing military retirement benefits would be particularly ill-advised when an overstressed force already is at increasing retention risk despite the current downturn of the economy and current recruiting successes.

TMC believes:

- All retired servicemembers earned equal health care coverage by virtue of their service.
- Means-testing has no place in setting military health fees.
- Congress should direct DOD to pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries.
- TRICARE Prime enrollment fees for nondisabled retirees under 65 should not be adjusted based on health cost increases for the broader population, as proposed by DOD.
- It should be Congress' responsibility, not the Defense Secretary's, to establish appropriate and stable parameters governing crucial career retention programs such as the healthcare package for currently serving and retired military members and their families and survivors.

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-September 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 servicemembers 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 \$800 million 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.

WOUNDED WARRIOR CARE

As the Pentagon marks a decade at war, seamless transition between the Departments of Defense (DOD) and Veterans Affairs (VA) continues to be problematic in many cases for our wounded, ill, injured troops; disabled veterans; and their family caregivers. TMC acknowledges the significant progress that has been made in caring for our Nation's heroes and thanks the subcommittee for its leadership and oversight on these pressing issues, particularly in the last 4 years since the Walter Reed scandal that brought to light the flaws and inadequacies of both DOD and VA health care and benefits systems.

But complex challenges remain in overseeing and validating massive policy and program changes among the military services; the DOD; the VA; several Centers of

Excellence; a multitude of civilian contractors and nongovernmental agencies; and at least six congressional oversight committees.

The Coalition looks forward to continued work with the subcommittee to address the remaining issues and fully establish systems of seamless care and benefits that support our transitioning wounded warriors and family members.

DOD-VA Seamless Transition

Institutional Oversight

While many legislative changes have improved the care and support of our wounded warriors, the Coalition is concerned that the sunset in law of the DOD-VA Senior Oversight Committee (SOC) poses significant risks for effective day-to-day leadership and coordination of DOD and VA seamless transition efforts. While an informal SOC exists, the Pentagon has relegated responsibility and authority to lower levels of the agency, making it difficult for senior official involvement and oversight on these matters and limiting the Department's ability to fully establish a synchronized, uniform and seamless approach to care and services.

Previously, the Coalition has expressed concern that the change of administration posed a significant challenge to the two departments' continuity of joint effort, as senior leaders whose personal involvement had put interdepartmental efforts back on track left their positions and were replaced by new appointees who had no experience with past problems and no personal stake in ongoing initiatives.

Unfortunately, those concerns were realized, as many appointive positions in both departments went unfilled for long periods, requiring reorganization of responsibilities and entry of new people with little or no background or authority to engage systems and continue to move forward.

While many well-meaning and hard working military and civilians are doing their best to keep pushing progress forward, leadership, organization and mission changes have left many leaders frustrated with the process.

The Coalition urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DOD, VA, the military Services, and nongovernmental organizations concerning how joint communication, cooperation, and oversight could be improved.

In addition, the hearings should focus on implementation progress concerning:

- Single separation physical;
- Single disability evaluation system;
- Bi-directional electronic medical and personnel records data transfer;
- Medical centers of excellence responsibilities vs. authority, operations, and research projects;
- Coordination of care and treatment, including DOD-VA Federal/recovery care coordinator clinical and non-clinical services and case management programs; and
- Consolidated government agency support services, programs, and benefits.

Continuity of Health Care

Transitioning between DOD and VA health care systems remains challenging and confusing to those trying to navigate and use these systems. Systemic, cultural, and bureaucratic barriers often prevent the servicemember or veteran from receiving the continuity of care they need to heal and have productive and a high level of quality of life they so desperately need and desire.

Servicemembers and their families repeatedly tell us that DOD has done much to address trauma care, acute rehabilitation, and basic short-term rehabilitation. They are less satisfied with their transition from the military health care systems to longer-term care and support in military and VA medical systems.

We hear regularly from members who have experienced significant disruptions of care upon separation or medical retirement from service.

One is in the area of cognitive therapy, which is available to retired members under TRICARE only if it is not available through the VA. Unfortunately, members are caught in the middle because of differences between DOD and VA authorities on what constitutes cognitive therapy and the degree to which effective, evidenced-based therapy is available.

Action is needed to further protect the wounded and disabled. The subcommittee has acted previously to authorize 3 years of active-duty-level TRICARE coverage for the family members of those who die on active duty. The Coalition believes we owe equal transition care continuity to those whose service-caused illnesses or injuries force their retirement from service.

The Coalition recommends:

- Authorizing service-disabled members and their families to receive active-duty-level TRICARE benefits, independent of availability of VA care for 3 years after medical retirement to help ease their transition from DOD to VA.
- Ensuring Guard and Reserve members have adequate access and treatment in the DOD and VA health systems for Post Traumatic Stress Disorder and Traumatic Brain Injury following separation from active duty service in a theatre of operations.

DOD-VA Disability Evaluation System (DES)

One of the most emotional issues that emerged from the Walter Reed scandal was the finding that Services were “low-balling” disabled servicemembers’ disability ratings, with the result that many significantly disabled members were being separated and turned over to the VA rather than being medically retired (which requires a 30 percent or higher disability rating)—a trend that continues today, especially for those in the Guard and Reserves.

Congress has taken positive steps to address this situation, including establishment of the Physical Disability Board of Review (PDBR) to give previously separated servicemembers an opportunity to appeal too-low disability ratings.

A jointly executed DOD-VA DES pilot has been implemented and expanded, with positive feedback from participants that it has simplified the process and provided a more standardized disability rating outcome.

TMC was further encouraged that wounded, ill, and injured members would benefit from the Dec. 19, 2007 Under Secretary of Defense (Personnel and Readiness) Directive Type Memorandum (DTM) which added “deployability” as a consideration in the DES decision process—permitting medical separation/retirement based on a medical condition that renders a member non-deployable.

Unfortunately, several cases surfaced indicating the Services failed to incorporate the DTM in their DES process. In this regard, many members found “fit” by the PEB have been deemed by the service to be “unsuitable” for continued service—and administratively separated—because the member’s medical condition prevents them from being able to deploy or maintain their current occupational skill. The Coalition is grateful to the subcommittee for including a provision in the National Defense Authorization Act for Fiscal Year 2011 prohibiting this practice.

Unfortunately, some services still use other loopholes, such as designating disorders as “existing prior to service”—even though the member was deemed fit enough to serve in a combat zone. The Coalition believes strongly that once we have sent a soldier, sailor, airman, or marine to war, the member should be given the benefit of the doubt that any condition subsequently found should not be considered as existing prior to service.

The Coalition believes strongly that all “unfitting” conditions members should be included in the DOD disability rating, and any member determined by the parent service to be 30 percent or more disabled should continue to be eligible for a military disability retirement with all attendant benefits, including lifetime TRICARE eligibility for the member and his/her family. We do not support efforts to disconnect health care eligibility from disability retired pay eligibility.

The Coalition also agrees with the opinion expressed by Secretary Gates that a member forced from service for wartime injuries should not be separated, but should be awarded a high enough rating to be retired for disability.

The Coalition recommends:

- Preserving the statutory 30 percent disability threshold for medical retirement in order to provide lifetime TRICARE coverage for those who are injured while on active duty.
- Reforming the DOD disability retirement system to require inclusion of all unfitting conditions.
- Ensuring any restructure of the DOD and VA disability and compensation systems does not inadvertently reduce compensation levels for disabled servicemembers.
- Eliminating distinctions between disabilities incurred in combat vs. non-combat when determining benefits eligibility for retirement.
- Revision of the VA schedule for rating disabilities (VASRD) to improve the care and treatment of those wounded, ill and injured, especially those diagnosed with PTSD and TBI.
- Barring designation of disabling conditions as “existing prior to service” for servicemembers who have been deployed to a combat zone.

Caregiver/Family Support Services

The sad reality is that, for the most severely injured servicemembers, family members or other loved ones are often required to become full-time caregivers. Many have lost their jobs, homes, and savings in order to meet caregiver needs of a servicemember who has become incapacitated due to service-caused wounds, injuries or illness.

The Coalition believes the government has an obligation to provide reasonable compensation and training for such caregivers, who never dreamed that their own well-being, careers, and futures would be devastated by military-caused injuries to their servicemembers.

In 2009, the subcommittee authorized a special payment to an active duty servicemember to allow compensation of a family member or professional caregiver. The authorized payment was in the same amount authorized by the VA for veterans' aid-and-attendance needs, reflecting the subcommittee's thinking that caregiver compensation should be seamless when the member transitions from active duty to VA care, as long as the caregiver requirements remain the same.

The Coalition appreciates the subcommittee's effort to sustain that principle in the National Defense Authorization Act for Fiscal Year 2011 in terms of caregiver support, and urges additional steps to ensure that non-dependent caregivers (e.g., parents and siblings) who have had to sacrifice their own employment and health coverage are provided health and respite care while the injured member remains on active duty, commensurate with what the VA authorizes for medically retired or separated members' caregivers.

In a similar vein, many wounded or otherwise-disabled members experience significant difficulty transitioning to medical retirement status. To assist in this process, consideration should be given to authorizing medically retired members and their families to remain in on-base housing for up to 1 year after retirement, in the same way that families are allowed to do when a member dies on active duty.

Another important care continuity issue for the severely wounded, ill and injured is the failure to keep caregivers of these personnel involved in every step of the care and follow-up process. Again and again, we are told of clinicians and administrative people who seek to exclude caregiver participation and talk only to the injured member—despite the reality that the injured member may not be capable of remembering instructions or managing their appointments and courses of care. In many cases, this occurs even when the caregiver has a power of attorney and other responsibilities documented in the member's records.

Just as Congress, DOD, and the VA have worked to get essential information to the wounded and their caregivers, similar efforts are urgently needed to educate medical providers and administrative staff at all levels that the final responsibility for ensuring execution of prescribed regimens of care for severely injured members typically rests with the caregivers, who must be kept involved and informed on all aspects of such members' treatment, appointments, and evaluations.

The Coalition recommends:

- Providing enhanced training of DOD and VA medical and support staff on the vital importance of involving and informing designated caregivers in treatment of and communication with severely ill and injured personnel.
- Providing health and respite care for non-dependent caregivers (e.g., parents and siblings) who have had to sacrifice their own employment and health coverage while the injured member remains on active duty, commensurate with what the VA authorizes for medically retired or separated members' caregivers.
- Authorizing up to 1 year of continued residence in on-base housing facilities for medically retired, severely wounded servicemembers and their families.

ACTIVE FORCES AND THEIR FAMILIES

In our overview, the Coalition expressed our collective concern over the stressors our servicemembers 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 1 year out of 3—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 National Defense Authorization Act for Fiscal Year 2010, 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 NDAA for Fiscal Year 2010 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 servicemembers 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 September 11, 2001, more than 793,853 Guard and Reserve servicemembers 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 September 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 3 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 2 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 October 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.

Guard and Reserve Health Care Access Options

The Coalition is very grateful for sustained progress in providing reservists' families a continuum of government-sponsored health care coverage options throughout their military careers into retirement, but key gaps remain.

For years, TMC has recommended continuous government health care coverage options for Guard and Reserve (G–R) families. Operational Reserve policy during two protracted wars has only magnified that need.

DOD took the first step in the 1990s by establishing a policy to pay the Federal Health Benefits Program (FEHB) premiums for G–R employees of the Department during periods of their active duty service.

Thanks to this subcommittee's efforts, considerable additional progress has been made in subsequent years to provide at least some form of military health coverage at each stage of a Reserve component member's life, including:

- TRICARE Reserve Select (TRS) for actively drilling Guard and Reserve families, with premiums set at 28 percent of the actual program cost. The 2011 monthly premiums are \$53.16 for individual reservists in drill status and \$197.76 for member and family coverage.
- TRICARE Retired Reserve (TRR) for "gray area" reservists who have retired from active drilling status but have not yet attained age 60, with premiums set to cover 100 percent of program cost. Rates for 2011 are \$408.01 for member-only coverage, or \$1,020.05 for TRR member-and-family coverage.
- TRICARE Standard/Prime for retired reservists with 20 or more years of qualifying service, once they attain age 60 and retired pay eligibility.
- TRICARE for Life as second-payer to Medicare for career reservists with 20 or more years of qualifying service at age 65, provided they enroll in Medicare Part B.

However, as noted earlier in this statement, early Reserve retirees who are in receipt of non-regular retired pay before age 60 are ineligible for TRICARE.

TMC continues to support closing the remaining gaps to establish a continuum of health coverage for operational Reserve families, including members of the Individual Ready Reserve subject to call-up.

The Coalition recommends:

- Requiring DOD to justify the sevenfold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.
- Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60.
- Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.
- Authorizing an option for the government to subsidize continuation of a civilian employer's family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.
- Extending corrective dental care following return from a call-up to ensure G–R members meet dental readiness standards.
- Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected reservists who are voluntarily separating and subject to disenrollment from TRS.
- Allowing beneficiaries of the FEHBP who are Selected reservists the option of participating in TRICARE Reserve Select.

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 1 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 percent 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 servicemembers. 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 servicemembers and families during all phases of deployments.
- Providing preventive counseling services for servicemembers 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.

HEALTH CARE

TRICARE Reimbursement Rates

Physicians consistently report that TRICARE is virtually the lowest-paying insurance plan in America. Other national plans typically pay providers 25–33 percent more. In some cases the difference is even higher.

While TRICARE rates are tied to Medicare rates, TRICARE Managed Care Support Contractors make concerted efforts to persuade providers to participate in TRICARE Prime networks at a further discounted rate. Since this is the only information providers receive about TRICARE, they see TRICARE as lower-paying than Medicare.

This is exacerbated by annual threats of further reductions in TRICARE rates due to the statutory Medicare rate-setting formula.

In this regard, unless Congress acts before the end of the year, current law will force a 30 percent reduction in Medicare and TRICARE payments as of January 1, 2012, which would cause many providers to stop seeing military beneficiaries.

TMC urges reversal of the 30 percent cut in Medicare/TRICARE payments scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options

TMC continues to believe strongly that DOD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries. The Coalition has offered for several years a long list of alternative cost-saving possibilities, including:

- Positive incentives to encourage beneficiaries to seek care in the most appropriate and cost effective venue;
- Encouraging improved collaboration between the direct and purchased care systems and implementing best business practices and effective quality clinical models;
- Focusing the military health system, health care providers, and beneficiaries on quality measured outcomes;
- Improving MHS financial controls and avoiding overseas fraud by establishing TRICARE networks in areas fraught with fraud;
- Promoting retention of other health insurance by making TRICARE a true second-payer to other insurance (far cheaper to pay another insurance's co-pay than have the beneficiary migrate to TRICARE);
- Encouraging DOD to effectively utilize data from their electronic health records to better monitor beneficiary utilization patterns to design programs which truly match beneficiaries needs;
- Sizing and staffing military treatment facilities to reduce reliance on network providers and develop effective staffing models which support enrolled capacities;
- Reducing long-term TRICARE Reserve Select (TRS) costs by allowing servicemembers the option of a government subsidy of civilian employer premiums during periods of mobilization;
- Working more closely with the Coalition to better incorporate beneficiary perspectives in encouraging use of mail-order pharmacy system and formulary medications; and
- Encouraging retirees to use lowest-cost-venue military pharmacies at no charge, rather than discouraging such use by limiting formularies, curtailment courier initiatives, etc.

The Coalition is pleased that DOD has begun to act on some of these suggestions. We hope for further action to jointly pursue these and other options that offer potential for reducing costs.

TRICARE Prime

The Coalition is very concerned about growing dissatisfaction among TRICARE Prime enrollees—which is actually higher among active duty families than among retired families. The dissatisfaction arises from increasing difficulties experienced by beneficiaries in getting appointments, referrals to specialists, and sustaining continuity of care from specific providers.

Increasingly, beneficiaries with a primary care manager in a military treatment facility find they are unable to get appointments because so many providers have deployed, have been gone PCS, or are otherwise understaffed or unavailable.

The Coalition supports implementation of a pilot study by TMA in each of the three TRICARE Regions to study the efficacy of revitalizing the resource sharing

program used prior to the implementation of the TRICARE—The Next Generation (T-NEX) contracts under the current Managed Care Support contract program.

The Coalition supports adoption of the “Medical Home” patient-centered model to help ease such problems.

The Coalition strongly advocates the transparency of healthcare information via the patient electronic record between both the MTF provider and network providers. Additionally, institutional and provider healthcare quality information should be available to all beneficiaries so that they can make better informed decisions.

We are concerned about the impact on beneficiaries of the elimination of some Prime service areas under the new contract. This will entail a substantive change in health care delivery for thousands of beneficiaries, may require many to find new providers, and will change the support system for beneficiaries who have difficulty accessing care.

To date, largely because of the delay in award of the new contracts, beneficiaries who live in the areas where Prime service will be terminated have not received any information on this and how it may affect them.

The Military Coalition urges the subcommittee to:

- Require reports from DOD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.
- Require increased DOD efforts to ensure consistency between both the MTFs and purchased care sectors in meeting Prime access standards.
- Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas.

TRICARE Standard

The Coalition appreciates the subcommittee’s continuing interest in the specific problems unique to TRICARE Standard beneficiaries. TRICARE Standard beneficiaries need assistance in finding participating providers within a reasonable time and distance from their home. This is particularly important with the expansion of TRICARE Reserve Select and the upcoming change in the Prime Service Areas, which will place thousands more beneficiaries into TRICARE Standard.

The Coalition is concerned that DOD has not yet established benchmarks for adequacy of provider participation, as required by section 711(a)(2) of the NDAA for Fiscal Year 2008. Participation by half of the providers in a locality may suffice if there is not a large Standard beneficiary population, but could severely constrain access in other areas with higher beneficiary density. The Coalition hopes to see an objective participation standard (perhaps based on the number of beneficiaries per provider) that would help shed more light on which locations have participation shortfalls of Primary Care Managers and Specialists that require positive action.

The Coalition continues to oppose initiatives that would establish an enrollment fee for TRICARE Standard. If a beneficiary is to be required to pay an enrollment fee, the beneficiary should gain some additional benefit from enrollment. TRICARE Prime features an enrollment fee, but in return offers guaranteed access to care. In contrast, Standard offers no such guaranteed access, and beneficiaries typically are on their own in finding a participating provider who is accepting new patients.

A source of recurring concern is the TRICARE Standard inpatient copay for retired members, which now stands at \$535 per day. For each of the last several years, Congress has had to insert a special provision in the Defense Authorization Act to preclude increasing that by another \$115 per day or more. The Coalition believes the \$535 per day amount already is excessive, and should be capped at that rate for the foreseeable future.

The Coalition urges the subcommittee to:

- Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.
- Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.
- Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.
- Increase locator support to TRICARE Standard beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.
- Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where

TRICARE pays up to the amount it would have paid, had there been no OHI.

- Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.

TRICARE For Life

When Congress enacted TRICARE For Life (TFL) in 2000, it explicitly recognized that this coverage was fully earned by career servicemembers' decades of sacrifice, and that the Medicare Part B premium would serve as the cash portion of the beneficiary premium payment. The Coalition believes that this remains true today.

Some have proposed establishing an enrollment fee for TFL. The Coalition believes this is inappropriate, since beneficiaries have no guarantee of access to Medicare-participating providers.

The Coalition is aware of the challenges imposed by Congress' mandatory spending rules, and appreciates the subcommittee's efforts to include TFL-eligibles in the preventive care pilot programs included in the NDAA for Fiscal Year 2009. We believe their inclusion would, in fact, save the government money and hope the subcommittee will be able to find a more certain way to include them than the current discretionary authority, which DOD has declined to implement.

The Coalition also hopes the subcommittee can find a way to resolve the discrepancy between Medicare and TRICARE treatment of medications such as the shingles vaccine, which Medicare covers under pharmacy benefits and TRICARE covers under doctor visits. This mismatch, which requires TFL patients to absorb the cost in a TRICARE deductible or purchase duplicative Part D coverage, deters beneficiaries from seeking this preventive medication.

The Coalition urges the subcommittee to:

- Resist initiatives to establish an enrollment fee for TFL, given that many beneficiaries already experience difficulties finding providers who will accept Medicare patients.
- Seek ways to include TFL beneficiaries in DOD programs to incentivize compliance with preventive care and healthy lifestyles.
- Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.

Survivors' Coverage

When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual's second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc.—with the sole exception that TRICARE eligibility is not restored.

This is out of line with other Federal health program practices, such as the restoration of CHAMPVA eligibility for survivors of veterans who died of service-connected causes. In those cases, VA survivor benefits and health care are restored upon termination of the remarriage. Remarried surviving spouses deserve equal treatment.

The Coalition recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy

The Coalition supports a strong TRICARE pharmacy benefit which is affordable and continues to meet the pharmaceutical needs of millions of eligible beneficiaries through proper education and trust. The TMC will oppose any degradation of current pharmacy benefits, including any effort to charge fees or copayments for use of military treatment facilities.

The Coalition notes that due to continued legal maneuvering, Federal pricing still has not been implemented by the Executive Branch, and this failure is costing DOD tens of millions of dollars with every passing month. This is an excellent example of why the Coalition objects to basing beneficiary fees on a percentage of DOD costs—because DOD all-too-frequently does not act, or is not allowed to act, in a prudent way to hold costs down.

The Coalition has volunteered to conduct a joint campaign with DOD to promote beneficiary use of lower-cost medications and distribution venues—a “win-win” opportunity that will reduce costs for beneficiaries and the government alike. But this will require additional consultation with the Coalition to ensure DOD communications effectively address legitimate beneficiary concerns that now inhibit increased participation.

The Coalition also believes that positive incentives are the best way to encourage beneficiaries to continue medication regimens that are proven to hold down long-

term health costs. In this regard, TMC believes eliminating copays for medications to control chronic conditions (e.g., diabetes, asthma, high blood pressure, and cholesterol) are more effective than negative ones such as copayment increases.

The Coalition urges the subcommittee to:

- Advance the use of the mail order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.
- Require DOD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition (for example beginning stages of Alzheimer's).
- Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.

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 NDAA for Fiscal Year 2003 and Fiscal Year 2004, 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 5 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 National Defense Authorization Bill for Fiscal Year 2012.

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 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 NDAA for Fiscal Year 2008 that ended the VA compensation offset of a servicemember'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 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 1-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 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. UNITED STATES* 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 fiscal year 2008 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 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 of special services.

The Coalition recommends authorizing payment of SBP annuities for disabled survivors into a Special Needs Trust.

Final Retired Paycheck

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, et cetera, 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 10 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 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.

Senator WEBB. Thank you very much.

Ms. Moakler, welcome.

STATEMENT OF KATHLEEN B. MOAKLER, GOVERNMENT RELATIONS DIRECTOR, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Chairman Webb, the NMFA appreciates the opportunity to talk to you this afternoon about military families, the Nation's families.

Last week was a rough week for military families, when they experienced unnecessary additional stress as the budget debate raged. We heard from many family members, and I'm sure your offices did, as well. Our Association quickly assembled resources and set up a Web page so families could prepare if pay was delayed. Our first admonition was to warn servicemembers and families to avoid payday lenders and to offer financially responsible resources.

When it was announced that all commissaries would be closing, we raised awareness about how military families living overseas would be severely impacted. This resulted in, first, overseas commissaries being deemed essential, and then having this designation expanded to all commissaries.

When an agreement was reached, military families breathed a sigh of relief, but felt as though they had been used as pawns in a political chess game. We hope that we never have to experience this type of impending crisis again, but our Association made sure that the concerns of military families were heard.

We continue to share the concerns of military families with policymakers, as we have for over 40 years. In the past several years, we have done informal surveys on our Web site, gauging the pulse of families. In our most recent survey, when 1,200 family members responded about their top priorities, over 84 percent felt it was important that Congress and DOD focus on ensuring support programs—that support programs meet the needs of families experiencing multiple deployments. Almost 80 percent felt that helping wounded servicemembers and their families should be a top priority, and 78 percent felt that helping surviving families was an important priority. Our top legislative priority, therefore, is to sustain funding for effective, proven military family support programs in order to promote readiness. Ten years of war and repeated deployments and reintegrations have put inordinate stress on servicemembers and their families, of all components.

We know our Nation faces an austere budget environment, but assert that a failure to focus on the well-being of servicemembers and their families now will create longer-lasting and more expensive national security, healthcare, and readjustment issues at war's end and beyond.

While both DOD and the VA continue to work on program and transition improvements, our wounded, ill, and injured servicemembers and their families face many uncertainties. We ask Congress to allow medically-retired servicemembers and their families to maintain the Active Duty family TRICARE benefit for a transi-

tion period of 3 years following the date of medical retirement, comparable to the benefit for surviving spouses.

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 servicemember and veteran. We are concerned that the implementation of recent VA caregiver legislation does not extend eligibility to the intended range of caregivers, and that DOD and the service training for caregivers does not start soon enough to be effective during the transition.

Our surviving families deserve our support, and I'd like to recognize the Gold Star Wives that are here today.

The Coalition supports S. 260, Senator Nelson's bill, to end the Dependency and Indemnity Compensation offset to the Survivor Benefit Plan. Additionally, allowing payment of the SBP benefit into a special-needs trust in cases of disabled beneficiaries will preserve their eligibility for income-based support programs.

We applaud the announcement yesterday of Joining Forces, the initiative sponsored by Mrs. Obama and Dr. Biden. Our recently released Finding Common Ground, a toolkit for communities supporting military families, includes easily achievable action items and useful resources to guide anyone who wants to support military families, but doesn't know where to start. The toolkit can be downloaded for free at our Web site.

Three areas of focus for the Join Forces Initiative are education, employment, and wellness. We ask you to join forces in support of the education of military children by increasing 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 enrollments.

Military spouses employed as teachers, nurses, registered dietitians, physical therapists, and the like must have a State-specific license or credential before working in a State. We urge you to help military spouses maintain their careers by supporting the Military Spouse Job Continuity Act, S. 697. This bill will provide a military spouse with a tax credit to offset the cost of obtaining a new license or certificate at their new location.

We urge Congress, DOD, healthcare providers, and beneficiaries to work together to sustain quality affordable healthcare for all military health system beneficiaries. We pledge to work with Congress and DOD to identify additional efficiencies to reduce healthcare costs, such as organizational streamlining, promotion of lower-cost pharmacy options, disease management, and beneficiary education on healthy habits and how to access care more effectively.

Another aspect of wellness is financial wellness. Congress has provided the Armed Forces with the authority to establish flexible spending accounts, yet the Service Secretaries have not established these important tax savings accounts for servicemembers. We support S. 387, which presses for the Service Secretaries to create—

Senator WEBB. Ms. Moakler, could I ask you summarize the rest of your statement? I think you've been—

Ms. MOAKLER. Sure.

Senator WEBB.—going for about 10 minutes.

Ms. MOAKLER. Thank you and I look forward to your questions.
[The prepared statement of Ms. Moakler follows:]

PREPARED STATEMENT BY KATHLEEN B. MOAKLER

Chairman Webb 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 servicemembers 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 1 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;
- Servicemembers can have strong family lives while maintaining the highest state of readiness;
- Civilian family members can live fulfilling lives while supporting their servicemember(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 42 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 servicemembers and their families is not solely provided by the government. Families promote a servicemember'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 Health
- III. Family Transitions

I. FAMILY READINESS

Policies, programs, and services must adapt to the changing needs of servicemembers 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 (NDAA) 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. We ask your support for programs that do work when looking for efficiencies, 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 (<http://www.preknow.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 13 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 childcare 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 NDAA for Fiscal Year 2010 calling for a report on financial assistance provided for child care costs across the Services and components to support the families of servicemembers 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 servicemembers 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 1 year, and interviewed the nondeployed 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 nondeployed 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* (<http://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 servicemember 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 servicemember 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 servicemember 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 percent), renting was most affordable (28 percent), and preference to not to invest in the purchase of a home (26 percent).

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 for Fiscal Year 2010 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 3 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 re-

quirement. Military families, who have borne the burden of this war for nearly 10 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 servicemembers 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 benefited 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 healthy 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 servicemembers 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 servicemembers in the National Guard and Reserves reported poorer emotional well-being and greater household challenges than their full-time 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 for Fiscal Year 2011 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 servicemembers 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 servicemembers. 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 servicemembers. 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 servicemembers 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 servicemembers that account for the unique aspects of military life including deployments and PCS moves.

Financial Readiness

Ongoing financial literacy and education is critically important for today's military families. Military families are not a static population; new servicemembers join the military daily. For many, this may be their first job with a consistent paycheck. The youthfulness and inexperience of junior servicemembers 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 Servicemember Affairs this July. We encourage Congress to monitor the implementation of this office to ensure it provides adequate support to servicemembers 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 servicemembers, survivors, and servicemembers with PCS 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 10 years, however, there has not been another increase. We ask that the FSA be indexed to the Cost-of-Living Allowance (COLA) to better reflect rising costs for services.

Our Association asks Congress to increase the FSA by indexing it to COLA.

Continuing Resolution

As Congress begins the debate over the fiscal year 2012 budget, our Association is concerned about the impact of the Continuing Resolution and the lack of a fiscal year 2011 Defense Appropriations law on our military families. DOD has been forced to operate under Continuing Resolutions for more than 5 months. Short extensions do not allow the Services to adequately plan to fund upcoming programs or support services that are critical to supporting servicemembers 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 6 months to two, which hurts Navy personnel and puts a greater strain on their families." Without final orders in hand, a servicemember 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 of 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 Fiscal Year 2011.

Our Association urges Congress to pass the Defense Appropriations Act for Fiscal Year 2011 immediately. Funding delays cause the Services to cut essential programs, which negatively impacts military families.

II. FAMILY HEALTH

When considering changes to the health care benefit, our Association urges policy-makers 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 10 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 servicemember 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 1-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 servicemember.

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 fiscal year 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 servicemembers 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 OTC 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 for Fiscal Year 2011 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 fiscal year 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 servicemembers, and survivors of

servicemembers 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 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 4-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 NDAA for Fiscal Year 2011 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 for Fiscal Year 2012. 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 servicemembers 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 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 servicemembers 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 servicemembers 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. Addi-

tional 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 servicemembers had deployed for more than 1 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 servicemembers and their families. The Army Family Action Plan 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 servicemembers, 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 servicemembers, 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 servicemember's psychological well-being. They must be included in mental health counseling and treatment programs for servicemembers. 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 servicemembers, 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 servicemembers, 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 servicemembers 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 Pro-

gram 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 servicemembers, 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 servicemembers, called in Transition. 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 servicemember is having on our most vulnerable population, children of our military servicemembers 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 servicemembers. Their families find stress can be overwhelming, but are afraid to reach out for assistance for fear of retribution to the servicemember'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 for Fiscal Year 2010 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 servicemembers, 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 servicemembers).

Caregiver Burnout

In the 10th 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 servicemembers 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 Servicemembers and Families

The families of servicemembers and veterans must be educated about the effects of Traumatic Brain Injury, Post-Traumatic Stress (PTS), Post-Traumatic Stress Disorder (PTSD), and suicide in order to help accurately diagnose and treat the servicemember/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 servicemember'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 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 for Fiscal Year 2010 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 servicemember and their families during the 2 week R&R scheduled during a war related assignment. DOD's intent is to provide time for the servicemember 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 servicemember has returned to war. Families lack important support mechanisms and resources on how to prepare for before, during, and after the 2 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 2 week R&R on deployed families and the servicemember. This report will help identify what tools our families and servicemembers need to be better prepared and determine if the program needs to be modified.

We recommend an extended outreach program to servicemembers, 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 servicemembers).

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 Servicemembers Have Wounded Families

Our Association asserts that behind every wounded servicemember 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 servicemember must also consider the needs of the spouse, children, parents of single servicemembers 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 servicemember is still on active duty status.

Reintegration programs become a key ingredient in the family's success. For the past 3 years, we have piloted our Operation Purple® Healing Adventures camp to help wounded, ill, and injured servicemembers 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 servicemembers, 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 servicemember. 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 nongovernmental 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 servicemember'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 servicemember or veteran.

We remain concerned about the transition of wounded, injured, and ill servicemembers and their families from active duty status to that of the medically-retired. While we are grateful, DOD has proposed to exempt medically-retired servicemembers, survivors, and their families from the TRICARE Prime enrollment fee increases, we believe wounded servicemembers need even more assistance in their transition. We continue to recommend that a legislative change be made to create a 3-year transition period in which medically-retired servicemembers 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 servicemembers, 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 processor 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 servicemember 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 servicemembers 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 servicemembers 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 servicemembers and the veterans on a regular basis. 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 servicemembers 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 for Fiscal Year 2010 of compensation for servicemembers with assistance in everyday living and the refinement in NDAA for Fiscal Year 2011. 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 servicemembers 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 servicemember and veteran. The VA's interpretation also has the potential to impact the DOD's Special Compensation for servicemembers law passed as part of NDAA for Fiscal Year 2010 and modified in fiscal year 2011. The one area of immediate concern is the potential gap in financial compensation when the servicemember 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 servicemembers. 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 servicemembers still on active duty. Caregivers' responsibilities start while the servicemember is still on active duty.

Relocation Allowance and Housing for Medically-Retired Single servicemembers

Active Duty servicemembers and their spouses qualify through the DOD for military orders to move their household goods when they leave the military service. Medically retired servicemembers are given a final PCS move. Medically retired married servicemembers are allowed to move their family; however, medically retired single servicemembers only qualify for moving their own personal goods.

Our Association suggests that legislation be passed to allow medically retired single servicemembers the opportunity to have their caregiver's household goods moved as a part of the medical retired single servicemember's PCS move. This should be allowed for the qualified caregiver of the wounded servicemember 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 servicemember 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 servicemember 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 servicemember. Instead of trying to create the services in the area, a better solution may be to allow the medically retired servicemember, 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 servicemember's medical physician, the servicemember, and the caregiver. All aspects of care for the medically retired servicemember and their caregiver shall be considered. These include a holistic examination of the medically retired servicemember, 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 servicemember 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 servicemembers and their families to maintain the active duty family TRICARE benefit for a transition period of 3 years following the date of medical retirement, comparable to the benefit for surviving spouses.

Servicemembers medically discharged from service and their family members should be allowed to continue for 1 year as active duty for TRICARE and then start the Continued Health Care Benefit Program 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 servicemember and veteran.

We request legislation authorizing medically retired single servicemembers 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 servicemember to execute a Medical Power of Attorney and a Living Will.

DOD should require each deploying servicemember to execute a Medical Power of Attorney and a Living Will.

Senior Oversight Committee

Our Association is appreciative of the provision in the NDAA for Fiscal Year 2009 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 servicemembers, 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 servicemembers and their families need seamless, coordinated support from each.

III. 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 servicemembers 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 3 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 3 years of the TRICARE Active Duty Dental Benefit to survivors who had not been enrolled in the TRICARE Dental Program prior to the servicemember'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 servicemember'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 servicemember was alive and on active duty. The percentage of loss is even greater for survivors whose servicemembers 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 percent of the Disabled Retirees Compensation). Survivors of Federal workers have their annuity set at 55 percent of their Disabled Retirees Compensation. Military survivors should receive 55 percent 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 for Fiscal Year 2009. We are awaiting the overdue report. We support raising DIC payments to 55 percent 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 servicemember. 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 31, 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-NC/3rd) 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 servicemember 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 percent 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 servicemembers 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 servicemember. We understand that eligibility for many benefits, including medical care, housing, and assignment preferences will not be extended to partners of servicemembers 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 servicemember or staying behind, selecting where a family lives within their new community, deciding whether to spend their financial resources on private school, or considering home schooling 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 40 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 DOD 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 DOD for the educational support programs already available to military children, such as the tutoring program for deployed servicemember 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 Servicemembers 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 servicemembers 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 servicemember 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 DOD 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 for Fiscal Year 2011 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 servicemembers 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 DOD. Many military spouses delay their education to support the servicemember'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 servicemember. 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 servicemember'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 for Fiscal Year 2011 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 for Fiscal Year 2010 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 servicemembers 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 servicemember 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 very 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 6-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 for Fiscal Year 2010 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. In congruence 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 in congruence 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 2 years and their desire to create robust health care, edu-

cational, 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 servicemember 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 1 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 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 servicemember 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 percent 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 servicemember. Families with two vehicles may ship one vehicle and travel together in the second vehicle. The vehicle will be shipped at the servicemember's expense and then the servicemember 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 servicemembers 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 USFSPA 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 1-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.

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.

Senator WEBB. Okay, thank you.

Captain Puzon, welcome.

STATEMENT OF CAPT IKE PUZON, USN (RET.)

Mr. PUZON. Mr. Chairman and members of the subcommittee, thank you for your strong support for all servicemembers, their families, and survivors. They're serving relentlessly.

My testimony will focus on a few Reserve component issues.

First, making retroactive Public Law 110-181, Reserve Early Retirement Provision, is a top goal for TMC. The passage of legislation establishing September 11, 2001, as the eligibility start date for Guard and Reserve early retirement is very important to all our members and to those serving.

Those most at risk from 2001 to 2008 were left out. Since 2001, more than 800,000 men and women have answered the call to Active Duty, putting themselves at the same risk as all deployed forces, and many of them serving multiple tours.

Unfortunately, most of those tours of 2001-2008 will not count towards the early retirement provision unless steps are taken to retroactively recognize mobilization. I believe it can be done through a phased-in approach, and ask that you consider that approach.

Also, I believe it's clear that overseas contingency operations will continue as it has for the last 20 years. The Reserve component is an affordable, operational Reserve Force of choice and has answered the calls and provided the military and deployed to war zones when they have asked.

Second, a continuum of care for Reserve components in the Individual Ready Reserve (IRR). We believe healthcare access for the Guard and Reserve should continue to improve with their increased role in our Nation's defense. We ask that you consider legislation to allow these reservists that go into the IRR—and they are deployable—that they must have access to, at a reasonable premium—TRICARE Reserve Select, perhaps—healthcare coverage.

Finally, Reserve components' access to mental health professionals. We've heard a lot about that, for all the forces. We are all concerned about these increases in military suicide rate. The Reserve suicide instances have increased dramatically since 2006. Loss of employment, foreclosures, divorce, debts all face our Reserve components as they return from mobilization. These issues inflict a serious emotional toll. We ask that you support S. 325, Senator Murray's bill, for embedded mental health providers and to provide mental health care for members of the Reserve components during their training.

These are just some of the top issues. With DOD considering a new revamping of Reserve Forces to access more operational commitments from the Reserve Forces, we have to consider addressing these issues now. If it is vital and necessary to deploy these forces, then it must be essential to find the resources, within the proposed budget, to pay for these issues. With efficiencies, I think it can be done.

I'm extremely grateful for this opportunity, and I look forward to any questions.

[The prepared statement of Mr. Puzon follows:]

PREPARED STATEMENT BY CAPT IKE PUZON, USN (RETIRED)

SUMMARY

Mr. Chairman, The Association of the U.S. Navy (AUSN) extends our thanks to you and the entire subcommittee for your strong support of our Active Duty Navy, Navy Reserve, retired members, and veterans of the uniformed services and their families and survivors. Your decisions have had a significant and positive impact in the lives of the entire uniformed services community.

This past year was more than arduous, with Navy servicemembers still at war on two separate fronts in southwest Asia, several ongoing humanitarian operations, the continuous vigilance against piracy, Libya operations, 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 recordbreaking budget deficits.

As we enter the 10th year of intense wartime operations, and worldwide deployment of the U.S. Navy, AUSN believes that prioritization on personnel issues should continue for fiscal year 2012. Despite the extraordinary demands, men and women in the Navy and the Navy Reserve 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, reported divorce rates, and unemployment 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, AUSN 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, a sustained National Maritime Strategy, and in particular, to properly meet the pressing needs of the less than 1 percent of the American population—servicemembers and their families—who protect the freedoms of the 99 percent.

EXECUTIVE SUMMARY OF KEY ISSUES

End strength

A major concern and priority for AUSN is the constant budgetary cuts to manpower. Since 2001 during war time, Navy and Navy Reserve has taken unnecessary cuts due to budget pressure in manpower. Navy and Navy Reserve Operational requirements have not subsided and the out look for increased usage of Navy and Navy Reserve assets grows. We encourage Congress to not take budget driven manpower cuts and review the manpower requirements as a cost savings vice a budget equalizer.

Cost-of-Living Adjustments (COLAs)

A top AUSN 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

AUSN urges against short-sighted proposals to freeze or cap uniformed services pay raises below private sector pay growth, and strongly recommends a 2012 raise of at least 1.6 percent to match ECI growth.

Military Retirement

AUSN 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.

Health Care Enrollment Fees

In response to member feedback on the Department of Defense proposal for TRICARE Prime fee increases, AUSN has embraced a policy that is congruent with a majority of its members.

Health care for our serving military and their families is a matter of absolute necessity to sustain a fighting force. It is an obligation of government with a constitutional basis much higher than other forms of public service. When a nation puts its citizens (the military) at physical risk from disease, traumatic injury and death it absolutely owes them health care not health insurance. The military is not a Public Service union looking for a benefit package and should never be so equated! An overwhelming majority of AUSN members believe this is where all discussion must start.

By extension, as a guiding principal, a primary entitlement for undertaking a career of unique and extraordinary sacrifices that few Americans are willing to accept is a range of exceptional retirement benefits that a grateful Nation provides for those who choose to dedicate a majority of their working lives to the national interest. DOD must work in partnership with associations, stakeholders, the Department of Veterans Affairs (VA) and other governmental agencies to ensure that our past, present and future military members and families receive cost effective, high quality health care. Before seeking increases in enrollment fees, deductibles or co-payments, the DOD and the Services should pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage military members—past, present, and future—active duty, Reserve and veteran, and provide incentives to promote healthy lifestyles. Such options should include addressing the duplicative overhead expense of Service unique health care programs.

Our members—Active, retiree, veterans, Reserve, and family—strongly desire to do their part in controlling the fiscal debt of this country. Fiscal realities demand that they do. However, our members, along with other servicemembers, have already invested heavily in our Nation. They have and continue to sacrifice in ways not recognized by the overwhelming majority of the American population. Military members and veterans earn, have earned, their health care and other benefits in a special way every day.

AUSN desires to negotiate realistically but we must be very careful in our terminology. Bureaucrats want to frame this conversation as a benefit package to recruit and retain to meet requirements. We must never forget the military and veterans are not civilian contractors with the right to quit if they don't like the orders. They are different and Congress owes a very different debt to those citizens who can be ordered to potentially suffer serious losses, or die for their country. A nation that desires to provide guaranteed health care to all citizens and non-citizens alike surely can provide an extraordinary health care benefit to those who defend that very nation. The last dollar of Military Health Care should be funded before the first dollar is put into other social programs.

Therefore, with these guiding principals,

- AUSN membership believes the President's fiscal year 2012 proposed enrollment fee increase can be accepted as a one time increase of 13 percent. However, AUSN strongly objects to any future open-indexing increases based on civilian health care indices in future years for any TRICARE program including TRICARE Prime for retirees. As a whole, military (Active and Reserve) and former military members are by nature a healthier population.
- AUSN urges Congress to make the decisions on future increases based on what the cost-of-living allowances are for veterans. We are asking Congress to reject the proposal of open-ended indexing for future increases and to control future increases, if any—based solely on what the COLA is for retirees.

WOUNDED WARRIOR CARE

DOD and VA Oversight

AUSN urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DOD, VA, the military Services, and nongovernmental organizations concerning how joint communication, cooperation, and oversight could be improved. In addition, the hearings should focus on implementation progress concerning:

- Single separation physical;
- Single disability evaluation system;

- Bi-directional electronic medical and personnel records data transfer;
- Medical centers of excellence operations and research projects;
- Coordination of care and treatment, including DOD–VA Federal/recovery care coordinator clinical and non-clinical services and case management programs; and
- Consolidated government agency support services, programs, and benefits.

Continuity of Health Care

- Authorizing service-disabled members and their families to receive active-duty level TRICARE benefits, independent of availability of VA care for 3 years after medical retirement to help ease their transition from DOD to VA.
- Ensuring Guard and Reserve members have adequate access and treatment in the DOD and VA health systems for Post-Traumatic Stress Disorder and Traumatic Brain Injury following separation from active duty service in a theatre of operations.

Caregiver/Family Support Services

AUSN recommends:

- Providing enhanced training of DOD and VA medical and support staff on the vital importance of involving and informing designated caregivers in treatment of and communication with severely ill and injured personnel.
- Providing health and respite care for non-dependent caregivers (e.g., parents and siblings) who have had to sacrifice their own employment and health coverage while the injured member remains on active duty, commensurate with what the VA authorizes for medically retired or separated members' caregivers.
- Authorizing up to 1 year of continued residence in on-base housing facilities for medically retired, severely wounded servicemembers and their families.

ACTIVE FORCES AND THEIR FAMILIES

End Strength

AUSN strongly urges the subcommittee to:

- Sustain or increase end strength as needed to sustain Navy deployments for war and the continuous operational requirements and ensure dwell time for Navy servicemembers and families.

Family Readiness and Support

AUSN 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, reintegration, and health care.
- 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.
- Ensure access to mental health care programs in remote areas

RETIREE ISSUES

Concurrent Receipt

AUSN'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, AUSN'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 and CRDP.

Disability Severance Pay

AUSN 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 AUSN view that there should not be a distinction between the treatment of members disabled in combat vice members with non-combat, service-caused disabilities.

SURVIVOR ISSUES

SBP-DIC Offset

AUSN 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.

HEALTH CARE

Enrollment Fees

AUSN accepts the need to increase TRICARE Prime (for retirees 34–65) fees on a one time basis at 13 percent. However, AUSN objects to any future index increase that is solely based on civilian health care. Any increase must be controlled by Congress, and based only on the COLA for retirees.

TRICARE Reimbursement Rates

AUSN urges reversal of the 30 percent cut in Medicare/TRICARE payments to doctors scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options

AUSN continues to believe strongly that DOD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries several GAO reports indicates that DOD can find more efficiencies.

TRICARE Prime

AUSN urges the subcommittee to:

- Require reports from DOD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.
- Require increased DOD efforts to ensure consistency between the MTF and purchased care sectors in meeting Prime access standards.
- Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas under the new TRICARE contracts.

TRICARE Standard

AUSN urges the subcommittee to:

- Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.
- Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.
- Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.
- Increase locator support to beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.
- Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where

TRICARE pays up to the amount it would have paid, had there been no OHI.

- Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.

TRICARE For Life

AUSN urges the subcommittee to:

- Resist initiatives to establish an enrollment fee for TFL, as many beneficiaries already experience difficulties finding providers who will accept Medicare patients.
- Seek ways to include TFL beneficiaries in DOD programs to incentivize compliance with preventive care and healthy lifestyles.
- Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.

Survivors' Coverage

AUSN recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy

AUSN urges the subcommittee to:

- Advance the use of the mail-order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.
- Require DOD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition.
- Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.

Health Care Fees

AUSN believes military beneficiaries from whom America has demanded decades of extraordinary service and sacrifice have earned health care that is the best America has to offer, consistent with their extraordinarily high pre-paid premiums of decades of service and sacrifice.

Congress needs to protect military beneficiaries against dramatic budget-driven fluctuations in this vital element of servicemembers' career compensation incentive package.

Reducing the value of TRICARE for Life by \$3,000 per year (\$6,000 for a couple) as recommended by the Deficit Commission would be inconsistent with military beneficiaries' sacrifices and would undermine Congress' intent when it authorized TFL in 2001—less than 10 years ago.

Reducing military retirement benefits would be particularly ill-advised when an overstressed force already is at increasing retention risk despite the current downturn of the economy and current recruiting successes.

AUSN believes:

- All retired servicemembers earned exceptional health care by virtue of their service.
- Indexing to civilian medical care and means-testing has no place in setting military health care enrollment.
- Congress should direct DOD to pursue any and all options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries.

NAVY RESERVE

Operational Reserve Retention and Retirement Reform

AUSN recommends:

- Upgrade access—by providing ease to access the Federal Reserve in time of National Emergency or Contingency operations that do not impact the Active components, and provide the appropriate resources to do so.
- 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 October 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.

End Strength

AUSN strongly urges the subcommittee to:

- Sustain or increase end strength as needed to sustain Navy Reserve deployments for war and the continuous operational Reserve requirements and ensure dwell time for Navy Reserve servicemembers and families.

Office of Chief of Naval Reserve

AUSN strongly urges the subcommittee to:

- To Maintain the Chief of the Naval Reserve as an O-9 Billet as authorized by public law.

Reserve Compensation System

AUSN recommends:

- Create a Single Pay System—Reserve components need a single pay system that integrates better into the Active component system
- 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 1 year of mobilization. AUSN believes this opportunity should be made available to all ranks.

Health Care Access Options

AUSN recommends:

- Requiring DOD to justify the seven-fold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.
- Seeking a GAO review of the TRR program premium rates and implementation
- Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60
- Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.
- Authorizing an option for the government to subsidize continuation of a civilian employer's family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.
- Extending corrective dental care following return from a call-up to ensure G-R members meet dental readiness standards.
- Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected reservists who are voluntarily separating and subject to disenrollment from TRS.
- Allowing beneficiaries of the FEHBP who are Selected reservists the option of participating in TRICARE Reserve Select.
 - Reserve members must have access to proper mental health care prior to deployment and after deployment. Ensure access to mental health care programs in remote areas
- Navy Reserve Member and Retirees that are in the Individual Ready Reserve—need to be recognized as honorable servicemembers and deserve to have access to TRR at reasonable rates or similar rates as TRS due to their being subjected to recall.

Yellow Ribbon Reintegration Program

AUSN urges the subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration, and consistency of Yellow Ribbon services between States and maintain this valuable program.

Reserve Family Support Programs

AUSN recommends:

- Ensuring programs are in place to meet the special information and support needs of families of Navy and Navy Reserve individual augmentees or those who are geographically dispersed.
- Funding programs between military and community leaders to support servicemembers and families during all phases of deployments, especially demob.
- Providing preventive counseling services for servicemembers 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 and commands.

MORALE, WELFARE, AND RECREATION AND QUALITY OF LIFE PROGRAMS

Consolidation of DOD Retail Operations

AUSN 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.

AUSN 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

AUSN 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;
 - bachelor and family housing; and,
 - other traditional QoL program facilities.
- Ensure MWR, Milcon, housing, and family support construction policies and projects improve access for persons with disabilities.

Statement on 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 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 Reserve community who have answered the call for war.

Now, ironically, some critics decry the growth in personnel and health care spending since 2000. 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.

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, 1950s, 1970s, 1980s, and 1990s.

As Congress assesses how to fairly allocate necessary sacrifices among the various segments of the population, AUSN urges that you bear in mind that:

- 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 percent of our Nation's wartime sacrifice while the broader population was asked to contribute to the war effort by "going shopping." The U.S. Navy has always been a deployed force.
- 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 percent 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.
- 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 percent 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 and military health care 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 shortsighted budget decisions that cause servicemembers to believe their steadfast commitment to protecting their nation's interests is poorly reciprocated.
- The U.S. Navy has and will be a deployed force world wide. End strengths are critical to maintaining dwell times and deployed forces.

WOUNDED WARRIOR CARE

AUSN urges joint hearings by the Armed Services and Veterans Affairs Committees to assess the effectiveness of current seamless transition oversight efforts and systems and to solicit views and recommendations from DOD, VA, the military services, and non-governmental organizations concerning how joint communication, cooperation, and oversight could be improved.

In addition, the hearings should focus on implementation progress concerning:

- Single separation physical;
- Single disability evaluation system;
- Bi-directional electronic medical and personnel records data transfer;
- Medical centers of excellence responsibilities vs. authority, operations, and research projects;
- Coordination of care and treatment, including DOD-VA Federal/recovery care coordinator clinical and non-clinical services and case management programs; and

- Consolidated government agency support services, programs, and benefits.

Continuity of Health Care

Transitioning between DOD and VA health care systems remains challenging and confusing to those trying to navigate and use these systems. Systemic, cultural, and bureaucratic barriers often prevent the servicemember or veteran from receiving the continuity of care they need to heal and have productive and a high level of quality of life they so desperately need and desire.

Servicemembers and their families repeatedly tell us that DOD has done much to address trauma care, acute rehabilitation, and basic short-term rehabilitation. They are less satisfied with their transition from the military health care systems to longer-term care and support in military and VA medical systems.

We hear regularly from members who have experienced significant disruptions of care upon separation or medical retirement from service.

One is in the area of cognitive therapy, which is available to retired members under TRICARE only if it is not available through the VA. Unfortunately, members are caught in the middle because of differences between DOD and VA authorities on what constitutes cognitive therapy and the degree to which effective, evidenced-based therapy is available.

Action is needed to further protect the wounded and disabled. The subcommittee has acted previously to authorize 3 years of active-duty level TRICARE coverage for the family members of those who die on active duty. AUSN believes we owe equal transition care continuity to those whose service-caused illnesses or injuries force their retirement from service.

NAVY RESERVE

The Navy Reserve has always deployed in support of our Nations wars and contingency operations. Currently there are over 5,500 members serving in some capacity in OIF/OEF with another 1,500 being prepared to deploy. The Navy Reserve has maintained this pace since 2001. Over 91,000 Guard and Reserve service men and women are serving on active duty (as of January 2011).

Since September 11, 2001, more than 793,853 Guard and Reserve servicemembers 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.

AUSN strongly urges the subcommittee to:

- Not allow SECDEF, the Secretary of the Navy, or Chief of Naval Operations to downsize the Chief of the Naval Reserve office to an 0-8 billet as expressed in SECDEF Memorandum—MAR14 2011—OSD 02974-11. This is done solely for the purpose of budgetary concerns and does not reflect the needs and requirements of the Navy Reserve or those that have served this country during the war time of 2001 to 2008. AUSN notes that no other Reserve Chief billet will be denigrated in opposition to Public Law that authorizes 0-9 billet for Reserve Chiefs.

Guard and Reserve Health Care Access Options

AUSN is very grateful for sustained progress in providing reservists' families a continuum of government-sponsored health care coverage options throughout their military careers into retirement, but key gaps remain.

For years, AUSN has recommended continuous government health care coverage options for Guard and Reserve (G-R) families. Operational Reserve policy during two protracted wars has only magnified that need. DOD took the first step in the

1990s by establishing a policy to pay the Federal Health Benefits Program (FEHB) premiums for G–R employees of the Department during periods of their active duty service.

Thanks to this subcommittee's efforts, considerable additional progress has been made in subsequent years to provide at least some form of military health coverage at each stage of a Reserve component member's life, including:

- TRICARE Reserve Select (TRS) for actively drilling Guard and Reserve families, with premiums set at 28 percent of the actual program cost. The 2011 monthly premiums are \$53.16 for individual reservists in drill status and \$197.76 for member and family coverage.
- TRICARE Retired Reserve (TRR) for “gray area” reservists who have retired from active drilling status but have not yet attained age 60, with premiums set to cover 100 percent of program cost. Rates for 2011 are \$408.01 for member-only coverage, or \$1,020.05 for TRR member-and-family coverage.
- TRICARE Standard/Prime for retired reservists with 20 or more years of qualifying service, once they attain age 60 and retired pay eligibility.
- TRICARE for Life as second-payer to Medicare for career reservists with 20 or more years of qualifying service at age 65 provided they enroll in Medicare Part B.

However, as noted earlier in this statement, early Reserve retirees who are in receipt of non-regular retired pay before age 60 are ineligible for TRICARE.

AUSN continues to support closing the remaining gaps to establish a continuum of health coverage for operational Reserve families, including members of the Individual Ready Reserve subject to call-up.

AUSN recommends:

- Requiring a GAO audit of TRR program
- Requiring DOD to justify the seven-fold increase in TRICARE rates for individual TRR premiums for reservists who immediately enroll in TRR upon retirement from the Selected Reserve and have TRS coverage until separation.
- Authorizing TRICARE for early Reserve retirees who are in receipt of retired pay prior to age 60
- Permitting employers to pay TRS premiums for reservist-employees as a bottom-line incentive for hiring and retaining them.
- Authorizing an option for the government to subsidize continuation of a civilian employer's family coverage during periods of activation, similar to FEHBP coverage for activated Guard-Reserve employees of Federal agencies.
- Extending corrective dental care following return from a call-up to ensure G–R members meet dental readiness standards.
- Allowing eligibility in Continued Health Care Benefits Program (CHCBP) for Selected reservists who are voluntarily separating and subject to disenrollment from TRS.
- Allowing beneficiaries of the FEHBP who are Selected reservists the option of participating in TRICARE Reserve Select.

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.

AUSN urges the subcommittee to hold oversight hearings and direct additional improvements in coordination, collaboration and consistency of Yellow Ribbon services between States.

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 servicemembers. Specialized support and training for geographically separated Guard and Reserve families and volunteers are needed.

AUSN 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 programs between military and community leaders to support servicemembers and families during all phases of deployments.
- Providing preventive counseling services for servicemembers 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.

HEALTH CARE

TRICARE Reimbursement Rates

Physicians consistently report that TRICARE is virtually the lowest-paying insurance plan in America. Other national plans typically pay providers 25–33 percent more. In some cases the difference is even higher.

Unless Congress acts before the end of the year, current law will force a 30 percent reduction in Medicare and TRICARE payments as of January 1, 2012, which would cause many providers to stop seeing military beneficiaries.

AUSN urges reversal of the 30 percent cut in Medicare/TRICARE payments scheduled for January 2012 and a permanent fix for the flawed formula that mandates these recurring annual threats to seniors' and military beneficiaries' health care access.

TRICARE Cost Efficiency Options

AUSN continues to believe strongly that DOD has not sufficiently investigated options to make TRICARE more cost-efficient without shifting costs to beneficiaries. AUSN has offered for several years a long list of alternative cost-saving possibilities, including:

- Positive incentives to encourage beneficiaries to seek care in the most appropriate and cost effective venue;
- Encouraging improved collaboration between the direct and purchased care systems and implementing best business practices and effective quality clinical models;
- Focusing the military health system, health care providers, and beneficiaries on quality measured outcomes;
- Improving MHS financial controls and avoiding overseas fraud by establishing TRICARE networks in areas fraught with fraud;
- Promoting retention of other health insurance by making TRICARE a true second-payer to other insurance (far cheaper to pay another insurance's co-pay than have the beneficiary migrate to TRICARE);
- Encouraging DOD to effectively utilize data from their electronic health records to better monitor beneficiary utilization patterns to design programs which truly match beneficiaries needs;
- Sizing and staffing military treatment facilities to reduce reliance on network providers and develop effective staffing models which support enrolled capacities;
- Reducing long-term TRICARE Reserve Select (TRS) costs by allowing servicemembers the option of a government subsidy of civilian employer premiums during periods of mobilization;
- Encouraging retirees to use lowest-cost-venue military pharmacies at no charge, rather than discouraging such use by limiting formularies, curtailment courier initiatives, etc.
- Utilizing the current GAO reviews to implement changes to improve efficiencies

TRICARE Prime

There appears to be growing dissatisfaction among TRICARE Prime enrollees—which is actually higher among active duty families than among retired families.

The dissatisfaction arises from increasing difficulties experienced by beneficiaries in getting appointments, referrals to specialists, and sustaining continuity of care from specific providers.

AUSN supports implementation of a pilot study by TMA in each of the three TRICARE Regions to study the efficacy of revitalizing the resource sharing program used prior to the implementation of the TRICARE-The Next Generation (T-NEX) contracts under the current Managed Care Support contract program.

AUSN supports adoption of the "Medical Home" patient-centered model to help ease such problems.

AUSN strongly advocates the transparency of healthcare information via the patient electronic record between both the MTF provider and network providers. Additionally, institutional and provider healthcare quality information should be available to all beneficiaries so that they can make better informed decisions.

We are concerned about the impact on beneficiaries of the elimination of some Prime service areas under the new contract. This will entail a substantive change in health care delivery for thousands of beneficiaries, may require many to find new providers, and will change the support system for beneficiaries who have difficulty accessing care.

AUSN urges the subcommittee to:

- Require reports from DOD and the managed care support contractors on actions being taken to improve Prime patient satisfaction, provide assured appointments within Prime access standards, reduce delays in preauthorization and referral appointments, and provide quality information to assist beneficiaries in making informed decisions.
- Require increased DOD efforts to ensure consistency between both the MTFs and purchased care sectors in meeting Prime access standards.
- Ensure timely notification of and support for beneficiaries affected by elimination of Prime service areas.

TRICARE Standard

AUSN appreciates the subcommittee's continuing interest in the specific problems unique to TRICARE Standard beneficiaries. TRICARE Standard beneficiaries need assistance in finding participating providers within a reasonable time and distance from their home. This is particularly important with the expansion of TRICARE Reserve Select and the upcoming change in the Prime Service Areas, which will place thousands more beneficiaries into TRICARE Standard.

AUSN is concerned that DOD has not yet established benchmarks for adequacy of provider participation, as required by section 711(a)(2) of the NDAA for Fiscal Year 2008. Participation by half of the providers in a locality may suffice if there is not a large Standard beneficiary population, but could severely constrain access in other areas with higher beneficiary density. AUSN hopes to see an objective participation standard (perhaps based on the number of beneficiaries per provider) that would help shed more light on which locations have participation shortfalls of Primary Care Managers and Specialists that require positive action.

AUSN continues to oppose initiatives that would establish an enrollment fee for TRICARE Standard. If a beneficiary is to be required to pay an enrollment fee, the beneficiary should gain some additional benefit from enrollment. TRICARE Prime features an enrollment fee, but in return offers guaranteed access to care. In contrast, Standard offers no such guaranteed access, and beneficiaries typically are on their own in finding a participating provider who is accepting new patients.

A source of recurring concern is the TRICARE Standard inpatient copay for retired members, which now stands at \$535 per day. For each of the last several years, Congress has had to insert a special provision in the National Defense Authorization Act to preclude increasing that by another \$115 per day or more. AUSN believes the \$535 per day amount already is excessive, and should be capped at that rate for the foreseeable future.

AUSN urges the subcommittee to:

- Insist on immediate delivery of an adequacy threshold for provider participation, below which additional action is required to improve such participation.
- Require a specific report on participation adequacy in the localities where Prime Service Areas will be discontinued under the new TRICARE contracts.
- Oppose establishment of a TRICARE Standard enrollment fee, since Standard does not entail any guaranteed access to care.
- Increase locator support to TRICARE Standard beneficiaries seeking providers who will accept new Standard patients, particularly for mental health specialties.

- Seek legislation to eliminate the limit when TRICARE Standard is second payer to other health insurance (OHI): e.g., return to the policy where TRICARE pays up to the amount it would have paid, had there been no OHI.
- Bar any further increase in the TRICARE Standard inpatient copay for the foreseeable future.

TRICARE For Life (TFL)

When Congress enacted TFL in 2000, it explicitly recognized that this coverage was fully earned by career servicemembers' decades of sacrifice, and that the Medicare Part B premium would serve as the cash portion of the beneficiary premium payment. AUSN believes that this remains true today.

Some have proposed establishing an enrollment fee for TFL. AUSN believes this is inappropriate, since beneficiaries have no guarantee of access to Medicare-participating providers.

AUSN is aware of the challenges imposed by Congress' mandatory spending rules, and appreciates the subcommittee's efforts to include TFL-eligibles in the preventive care pilot programs included in the NDAA for Fiscal Year 2009. We believe their inclusion would, in fact, save the government money and hope the subcommittee will be able to find a more certain way to include them than the current discretionary authority, which DOD has declined to implement.

AUSN also hopes the subcommittee can find a way to resolve the discrepancy between Medicare and TRICARE treatment of medications such as the shingles vaccine, which Medicare covers under pharmacy benefits and TRICARE covers under doctor visits. This mismatch, which requires TFL patients to absorb the cost in a TRICARE deductible or purchase duplicative Part D coverage, deters beneficiaries from seeking this preventive medication.

AUSN urges the subcommittee to:

- Resist initiatives to establish an enrollment fee for TFL, given that many beneficiaries already experience difficulties finding providers who will accept Medicare patients.
- Seek ways to include TFL beneficiaries in DOD programs to incentivize compliance with preventive care and healthy lifestyles.
- Resolve the discrepancy between TRICARE and Medicare treatment of the shingles vaccine.

Survivors' Coverage

When a TRICARE-eligible widow/widower remarries, he/she loses TRICARE benefits. When that individual's second marriage ends in death or divorce, the individual has eligibility restored for military ID card benefits, including SBP coverage, commissary/exchange privileges, etc.—with the sole exception that TRICARE eligibility is not restored. This is out of line with other Federal health program practices, such as the restoration of CHAMPVA eligibility for survivors of veterans who died of service-connected causes. In those cases, VA survivor benefits and health care are restored upon termination of the remarriage. Remarried surviving spouses deserve equal treatment.

AUSN recommends restoration of TRICARE benefits to previously eligible survivors whose second or subsequent marriage ends in death or divorce.

Pharmacy

AUSN supports a strong TRICARE pharmacy benefit which is affordable and continues to meet the pharmaceutical needs of millions of eligible beneficiaries through proper education and trust. The AUSN will oppose any degradation of current pharmacy benefits, including any effort to charge fees or copayments for use of military treatment facilities.

AUSN urges the subcommittee to:

- Advance the use of the mail-order option by lowering or waiving copays, enhancing communication with beneficiaries, and using technological advances to ease initial signup.
- Require DOD to include alternate packaging methods for pharmaceuticals to enable nursing home, assisted living, and hospice care beneficiaries to utilize the pharmacy program. Packaging options should additionally include beneficiaries living at home who would benefit from this program because of their medical condition (for example beginning stages of Alzheimer's).
- Create incentives to hold down long-term health costs by eliminating copays for medications for chronic conditions, such as asthma, diabetes, and

hypertension or keeping copays at the lowest level regardless of drug status, brand or generic.

“A Veteran—AD, Reserve, NG, or Retired is someone who, at one point in their life, wrote a blank check made payable to “The United States of America,” for an amount of “up to and including my life.”

Senator WEBB. Thank you very much, Captain Puzon.

Ms. Roth-Douquet, welcome.

STATEMENT OF KATHY ROTH-DOUQUET, CHAIRMAN, BLUE STAR FAMILIES

Ms. ROTH-DOUQUET. Thank you, Senator Webb.

This is my first time testifying, so it's—I'm thrilled to be at this very large table.

Everyone may not be familiar with Blue Star Families. We're a nationwide nonprofit of military families from all ranks and Services, including Guard and Reserve. We are a chapter-based organization, about 2 years old; we have over 50 chapters, so far. This past year we have had over 1,000-percent growth. In addition to chapters, we're very social-media and online-oriented.

We do surveys every year of our members and of other military families. Our surveys have consistently shown that pay and benefits, the operational tempo, and the effects of deployment on children are top concerns for families.

Some highlights from our survey concerning benefits are that military healthcare, both quality and access, rate extremely high, and they're also a very high cause of concern. We take that to mean both that services vary widely from region to region and among the different Services, and whether you're in the Guard and Reserve, and the perception of the quality varies, perhaps, depending on the age and experience of the people who are experiencing the service. So, it's a good and a bad story.

We've asked our members and military families what services they're most satisfied with. Top choices are commissary and exchange. TRICARE insurance and chaplain services are the second most popular. We think that chaplain services are a very important thing and a part of some of the mental health services that we talk about that isn't often discussed. DOD schools are the third most popular, with base housing next.

I do want to mention that the post-9/11 GI Bill, which we thank you for sponsoring, is extremely popular. There is a lot of concern among families about maintaining transferability, and also among servicemembers who have served careers and for whom the education of their children is a very important benefit to them.

What I would really like to highlight with you today, however, is a bit different than what we have been talking about. It's how we can better help military families and better provide benefits outside of DOD and government funding, but with government cooperation, through public-private partnerships. Government is often the biggest barrier to this, and perhaps this is an area where you can help.

Military families do serve and do suffer burden in this long war, but we also believe that the government can't solve all ills. Groups like ours play a role, but to play it effectively, we have to be able to engage cooperatively with the DOD. Our organization started to

provide spouses on the ground, and other family members, the ability to identify and be part of solving the problems that we see in our communities. We feel like we're experts and we have something to contribute. We listen to our members, to ourselves, to our annual surveys, and we use our position as military family members to ask for help. We work with government, when possible, to make our programs better and more effective, but we also go outside of government.

For instance, we asked museums, last year, to make themselves free for military families. Nearly 900 signed up and 300,000 military family members went for free. We couldn't have done it without the support of the National Endowment for the Arts and with the support of the First Lady, but this program didn't cost the government or military families anything, and yet, it provided a benefit.

The NMFA's Operation Purple Camps are another example of this kind of way of providing benefits without impacting the budget.

But, often we are prevented from the very institutions that are trying to help our families—by the DOD or other agencies—from doing this sort of thing.

RAND issued a study showing that base libraries are underfunded. We know, from volunteering in our children's schools, that many young military families don't have any books at home. I don't want DOD to spend money on books for our libraries. We go out to publishers and to nonprofits, and we get donations of free new children's books. Our chapters bring them to base and National Guard locations, give them directly to kids, to the base and community schools and libraries for free. Well, on some bases, we can go on base and do that; and some bases, we can't. We can do it at Quantico and Little Creek and Camp Lejeune, but not at Camp Pendleton. We're not seeking any benefit. We're not raising any money. Our membership is free, this is just a benefit. But, often we can't provide it.

Another example is suicide prevention. We know there's a big problem; it's been discussed. We know, anecdotally, that spouse suicide is a problem; it's not tracked by anyone. But, last year four spouses, alone, at Fort Bragg committed suicide.

We also know from our surveys that families and troops prefer to get their information from the popular culture and not from government channels. So, taking that experience, we went to the entertainment industry, and we asked for their help in creating a message that would work. We went to the Sundance and to the Oscars, and we filmed celebrities giving messages of encouragement and directing servicemembers and families seeking help to the DOD and VA Helpline. We worked with DOD and VA experts on developing the program and in folding it into their helpline. It's not our program. It's using the outside to get in.

But, now we are hearing from some general counsels that they can't actually use this Public Service Announcement, which we are willing to provide them for free, because there is some concern about providing an undue benefit. Well, there's no benefit to us, other than the reduction of people committing suicide. Again, we're not raising money for it. We raised money for it already, and again,

I think this is an instance of how we're not being able to provide some of the service we need, especially in a time of budget restrictions.

DOD can't do it all, and nor should it. When it comes to government budget priorities, my first priority, personally, is having my husband properly trained and equipped. Let's use the private and the nonprofit sectors intelligently and responsibly to help us meet some of our needs, as families. Sometimes nongovernmental organizations (NGO) have access or expertise, and can act more quickly. If NGO programs prove less effective or if needs shift, NGO programs are easier to end than government programs.

I know many people in government are trying. Many of us got together, over a year ago, in White Oak, in a conference call to Join Forces for Family, including some members of your committee staff, and one of the most common complaints we heard from nonprofits was about DOD stovepipes, and the inability to work with the nonprofit sector caused concern. Doug Wilson and Rob Gordon were two of the co-hosts there, and they're at the DOD now, trying to enhance cooperation. But, it's a difficult thing to do.

Many of our programs, I know many of NMFA's programs, succeed because we leverage the power of public and private entities working together. Military families serve and sacrifice because we love our servicemembers and we love our country, but not because we love the Pentagon. I think it's reasonable for us to look outside the Pentagon for some of these solutions, and outside of the individual Services. But, we need to coordinate with them to make sure that those programs are intelligent and effective.

So, we'd like to ask for your support and leadership in helping us to break through some of the stovepipes and bureaucracy in DOD and elsewhere in government that prevent groups, such as ours and others who testified here today, from sharing the responsibility for supporting America's military.

Thank you for your time.

[The prepared statement of Ms. Roth-Douquet follows:]

PREPARED STATEMENT BY BLUE STAR FAMILIES

Thank you, Senator Webb, Senator Graham, and members of the subcommittee for inviting us here to speak to you today.

Blue Star Families is a nonprofit of military families from all Services and all ranks, including National Guard and Reserve, as well as veterans and civilians who strongly support us, with a mission of strengthening military families. We support one another through the unique challenges of military service and ask the larger civilian population to help connect military families regardless of rank, branch of service or physical location, and empower military family members to create the best personal and family life possible for themselves.

We currently have over 50 chapters nationwide and are adding more regularly. Our online and social media activity is equally important, we have thousands of new members joining on-line weekly. We have had 1,000 percent growth in our second year. Through outreach and involvement with national and local organizations, civilian communities and government entities, Blue Star Families works hand in hand to share the pride of service, promote healthier families, aid in our military readiness, and contribute to our country's strength.

We appreciate the opportunity to speak to the Senate Armed Services Committee Personnel Subcommittee on the topic of benefits. Our annual Military Family Life-styles Survey has consistently shown that pay and benefits, the current operational tempo, the effects of deployments on children, spouse employment, and children's education are the top concerns among military families.

Some highlights from our survey concerning benefits:

- Health Care is both an area of high concern and high satisfaction. Almost 39 percent of respondents said they were extremely/very satisfied with the quality of military health care. However, 24 percent said they were extremely/very dissatisfied. Forty-two percent said they were extremely/very satisfied with access to military health care, while 22 percent said they were extremely/very dissatisfied with it. While a majority of respondents (52 percent) were extremely/very satisfied with TRICARE, 18 percent were extremely/very dissatisfied.
- That Military Healthcare Access & Quality have relatively high extremely/very satisfied ratings yet rank second and third as areas in need of improvement (Mental Health Services, with 44 percent, was the area chosen as most in need of improvement) and have solid dissatisfied percentages suggests widely varying quality across regions, services, individual installations, etc.
- When asked which services they were most satisfied with, the top choice (with 50 percent) was the commissary and exchange benefit, TRICARE insurance and Chaplain services tied for second (with 40 percent), and Department of Defense Education Activity Schools came in third (36 percent). Base Housing came in a close fourth (with 35 percent).
- As more and more discussion centers around the post-9/11 GI Bill, our membership has continued to voice their support for the option of transferability. Yet many Members of Congress, including members of this panel, have advocated for abolishing transferability, either directly or through the 'back door' of requiring the Department of Defense (DOD) to pay for transferred benefits—a requirement DOD has already stated it can't meet. It is unfair to ask those families who have sacrificed the most for the current conflicts to give up a key benefit that is intended to reward servicemembers for their dedication. It also ignores the modern reality that entire families are sacrificing their full potential to serve their country—and that a transferred benefit is still a benefit to the soldier, since the soldier's income is often paying for the spouse's or child's education.

What I would really like to highlight in with you today, however, is a bit different it is how we can better help military families—provide benefits—outside of DOD or government funding, but with government cooperation, through public-private partnerships. The government is often the largest barrier to this, and perhaps this is an area where you can help.

Military families do serve, do suffer burdens during this long war. But we also believe that government can't solve all ills. Groups like ours play a role, but to play it effectively we need to be able to engage cooperatively with the DOD.

Our organization was started to provide the spouse and family members on the ground the ability to identify and be part of solving the problems they saw in their communities. We listen to our members, ourselves, our annual surveys, and we use our position as military family members to ask for help. We seek to work with government when possible to make our programs better, more effective, and more coordinated with government programs. For instance, last year we asked museums across the country to make themselves free for military families over the summer. Over 900 museums signed on, and 300,000 troops and family members took part last summer. We couldn't have done it without the assistance of Rocco Landesman and the NEA, or the First Lady's support. This program cost the government and military families nothing, and has been tremendously popular. This year our goal is to sign up 1,500 museums and have 500,000 family members take part. National Military Family Association's Operation Purple Camps are another example of this.

Sometimes, however, the cooperation has not been smooth, for instance, with our Books on Bases program. We know from experience that many young military kids have no books at home, maybe because of frequent moves or deployment pressures. A RAND survey showed that base libraries are under funded. My own at Parris Island seems to have had its heyday 40 years ago. But I don't want the DOD to solve that problem. I want them doing other things. So we at BSF have gone to book publishers and to the nonprofit KIDS and have gotten donations of free new children's books that our chapters can bring to give away to their kids, and to base and community schools and libraries, over 65,000 to date. The only problem is, because of differing expectations and requirements for nonprofits to operate on different military installations, some installations won't permit it. So, even though our chapters include spouses from their installation, even though we are not raising money or receiving a benefit, we are only giving away books—solving a problem, we can't have an event. We have given away books at Quantico, Little Creek, Camp Lejeune, and others, but we can't get on Camp Pendleton.

As another example, recently we got involved with the issue of suicide prevention. Our surveys show that many families prefer to get their information from popular culture, rather than from official channels. We also know from our members that depression and thoughts of suicide are a problem not just for troops, but among families themselves." So working with DOD and the Veterans' Administration (VA) experts on the substance, we got the help of the entertainment industry and went to Sundance and the Oscars and got celebrities to film PSAs of support to help promote the DOD/VA approved help line. This did not cost the government anything and we are making it available to anyone who wants to use it for free. Many will use it, but we have also heard from some that the legal counsel forbids it as something that endorses a private program. Well, we have no program, we are just using the power of the popular culture to highlight the DOD/VA program. There is no competition here—this is the kind of thing we could do a better job with.

This matters because there are tight budgets, and the DOD can't do it all. Nor should it. When it comes to government budget priorities, my first concern personally is getting my husband properly trained and equipped. Let's use the private and the nonprofit sectors intelligently and responsibly to help us meet some of these needs. Sometimes the nongovernmental players have access or expertise or can act more quickly. If nongovernment organization programs prove less effective or needs shift, nongovernment organization programs are easier to end than a government program.

I know many people in government are trying. When many of us here got together last year, including some of your staff at the Senate Armed Services Committee, at White Oak to discuss 'joining forces for military families' across public and private sectors, we heard over and over from nonprofits that DOD stovepipes and inability to work with the nonprofit sector caused concern. Doug Wilson was one of the co-hosts of that conference, as was Rob Gordon. They are both at the DOD now and trying to enhance cooperation, but it's difficult for everyone.

Most BSF programs succeed because they leverage the power of public and private entities working together to support families. Public-private partnerships are key to BSF's philosophy. Military families serve and sacrifice because we parents, spouses, and children love our servicemember, and love our country, not because we love the Pentagon. In fact, many families prefer not to interact with 'official channels.' So it is right and fitting that the responsibility for helping families falls not only to the Pentagon or the individual Services, but to the larger society as well.

As one respondent said in our survey, "The most important issue I feel is community support of the servicemembers and their families. There are many families, more than most people realize, that need that support to know they aren't in this war alone. Many do not seek support or help because of lack of availability, pride, or any number of reasons. Community groups, businesses, and local governments could work together to keep a focus on their local military families and provide special programs that might be outside of traditional DOD programs. It makes such a big difference to know others, besides just our military community, care that our loved ones are deploying over and over again and want to be part of what we are going through."

We'd like to ask for your support and leadership in helping us break through some of the stovepipes and bureaucracy at the DOD and elsewhere in government that prevent groups such as ours and the others who testify here today from sharing the responsibility of supporting America's military families.

Thank you for your time and for your concern for servicemembers and their families.

Senator WEBB. Thank you very much.

All of your recommendations and your full statements will be carefully considered by staff on both sides. We'll have discussions about these. We've seen these issues, some of them, many times before, but they will all get full consideration.

Just as a quick comment to something that you just said, Ms. Roth-Douquet. We have our challenges when it comes to family issues. At the same time, it's amazing to me, over the course of my life, how much better things are for families than when I was a kid.

Obviously, the first thing all of us want is for the serving member to be properly trained and to fulfill their mission and those sorts of things. I mean, when I was growing up, in the post-World

War II military, where the U.S. military had expanded so dramatically during World War II, and held a good bit of its size, compared to what it looked like previous to World War II, just basic things, like family housing and schools, did not exist. We went, one period, for 3½ years, where we couldn't live with my dad. He was either deployed or on bases where there was no family housing available.

One of the great memories of my earlier life was when he would drive 380 miles every weekend from Scott Air Force Base, IL, up to Saint Joseph, MO, where we were living. No interstate. He'd get off Friday afternoon; he'd drive, get in Saturday morning; come in and raise hell for 2 days; get in the car, drive back on Sunday night.

I went to one school in Vandenberg Air Force Base, when they first opened up Vandenberg. We went from zero people to 12,000 people in 1 year out there. Our school was an old World War II hospital where they put a green chalkboard in the front of the class and said, "Now this is a school." So, it wasn't bad.

But, at the same time, when I look at where we are right now, sometimes you have to pinch yourself to realize how much attention is paid to this, despite the challenges that we have. Everybody's eyeballs are on it up here. I think, collectively, up here, we're doing everything we can for the people who serve, which, by the way, is a little bit different than when I came up here on the heels of the Vietnam war, when this place was very divided about military service.

I want to get all of your viewpoints, if I might, on this issue of medical care. I know, Colonel Strobbridge, it was probably your assigned area, if there are varying thoughts on this, I really would like to hear them, because I personally have been struggling with this notion of modest increases, for the time being—but increase in TRICARE fees for certain retirees and, Colonel Strobbridge, as you pointed out, to be indexed to, basically, an unknown entity.

My immediate reaction, and my continuing reaction, has been the notion of a moral contract that this is—there's nothing written in it, there's nothing in the Constitution. I accept Secretary Gates' observation that there's no written guarantee. But, there is a notion of a moral contract.

At the same time, I found what you said to be pretty interesting. It's a fresh approach. I hadn't been thinking about that. That's why I want to make sure I'm getting everybody's viewpoint here. This notion of providing an index that goes to the cost of living, as opposed to this unknown of a healthcare index—I mean, we can't solve the healthcare problem, in DOD. If you look at the growth in healthcare expenditures in the country over the past 15 years, they've just been off the charts. It's not a DOD management program. It's what's happened in healthcare, writ large. I do not think that people who served in the military should have that burden, in and of itself.

So, I really would just like to hear from any of you, or all of you, on; what do you believe the notion is, in terms of this moral contract? What do you think about this proposed increase?

We can start with Master Chief Barnes.

Mr. BARNES. Thank you, Senator, and thanks for your leadership and stand on this issue. I think you're right on the mark with regard to your view of this as a moral contract.

Our Association's biggest concern is the indexing part of the DOD proposal. Consistent with our support of past legislation in the Senate, sponsored by Senator Lautenberg, we believe that the index should be no more than the index used to adjust military retired pay, which is the annual Consumer Price Index. We've repeatedly asked for clarification from the Department about how they arrived at the 6.2-percent assumption for the \$7 to \$8 billion savings over 5 years by the Department. But, that's the area where we have the biggest concern, with regard to the DOD proposal.

Again, thank you for your stand on that. I think you're right on the mark, particularly with regard to those that have served in the past that are retired from the enlisted forces, and many were promised free healthcare for life, and that remains a key part of their vision, in looking at proposals like this, and the more drastic past proposals that have been introduced by the Department between 2006 and 2008.

Senator WEBB. Thank you.

Mr. STROBRIDGE. Sir, if can expand on my previous comments. Everybody agrees, I think, that there's a moral contract. The issue is, exactly what does that mean? There are some people who say, "Gee, I was promised free healthcare for life." That's true for people who came in service before December 1957. But, that was a long time ago. Most people, most of us who served, when you're on Active Duty, you have no idea what retirees pay. When people say, "you'll be eligible for lifetime healthcare," people's reaction is, "okay, that means I'll get what I'm getting today on Active Duty." Then when they retire, they find out, well, no. If you want to be in TRICARE Prime, you'll pay that enrollment fee. When you become Medicare-eligible, you will pay Medicare Part B premiums, which we've paid for 50 years.

So, the perspective is, what is the moral contract? To us, the moral contract means not that we'll pay whatever civilians pay, but that we will recognize where we're starting from, number one, and recognize what that means over the years. To us, if we have a fee today, of TRICARE Prime, and you retire today at age 42 or 52 or whatever, you're going to live another 30 years or so, plus. Over that time, cost-of-living adjustments are going to raise your retired pay, depending on what inflation is, by two or three times. We don't think, frankly, it's reasonable to expect that you're never going to have to pay even \$1 more for your healthcare.

So, to us, the reasonable way to both recognize the moral contract and accommodate that reasonable expectation of what will happen over your lifetime is that the deal will be that we won't raise your fees faster than we raise your compensation. Is that better than civilians get? Yes. But, that's because civilians don't pay that upfront fee of 20 or 30 years of service and sacrifice.

Senator WEBB. Thank you.

Ms. Moakler?

Ms. MOAKLER. I certainly agree with what Joe and Steve have said. But, I think it's important—and to address your concern about breaking with the contract or raising those fees, those retir-

ees who are enrolled in TRICARE Standard are not experiencing an increase in fees, because they don't pay an enrollment fee. Only those who are enrolled in TRICARE Prime, where it's available—and you need to understand that it's not available across the entire country—are affected by this increase in TRICARE Prime enrollment fees. Those who use TRICARE Standard are already being asked to, perhaps, have a supplemental insurance; they pay higher cost shares and have a cap that they have to look at. So, we're already asking those who are just using TRICARE Standard to have a payment, as well. It's not as reflected—it's not as easy to track as the TRICARE Prime enrollment fee. But, they are already being asked to pay extra.

Our association, when the increases were first introduced, 4 or 5 years ago, saw the increases as inevitable and something that needed to be done in order to keep in line with increasing health costs.

Senator WEBB. Thank you.

Captain Puzon?

Mr. PUZON. Senator, I believe this moral contract is very strong, both ways, from the members and their families. They are very distrustful when you start messing around with it and mucking it up. Our members were very upset to find out, in the past and now recently, that we're going to try to change the enrollment fees and leave it alone. They're looking over their shoulder, what's next? So, you're actually setting a standard, here, of, "Okay, that sets it, so we're going to do something different next time."

Especially if you look at the index thing, as my colleagues have said; most of their pay, those that are veterans, have gone down or not changed at all over the last 2 years, because of the situation. But, it remains that they want to do their part—they understand the deficit—but they are just not sure that, "Okay, if I do this, then what's next?" So, our members are very upset with us that we even signed on to accept the modest fee, although we saw it as a way to make—at least meet, halfway, DOD. But, then when you see the indexing, as published, they're very upset about that.

Thank you.

Senator WEBB. Ms. Roth-Douquet?

Ms. ROTH-DOUQUET. We don't hear about this from our members much, and we don't ask about it much. I think, with the Active Duty, we're very concerned about resiliency, about tempo, about separation, about children. I think it's a sacrifice to serve, but it's a privilege also, and we're patriotic. We understand the situation our country's in. I think we need to look at the budget and how we need to best protect our forces and move—move, going forward.

We don't have a policy position on this issue. But, I do want to emphasize that the moral duty goes both ways, to us to you, and from you to us. We understand we have a country we have to help protect budgetarily as well as security-wise.

Senator WEBB. All right.

Mr. STROBRIDGE. Mr. Chairman, may I make a comment about Captain Puzon's concerns about the future, which we certainly share? I think all of us share that.

I think the real concern is, as we said, there's nothing in the current law that sets TRICARE fees. Our concern is, leaving it that

way leaves us increasingly vulnerable every year as the budget concerns rise. So, to us, we see our proposal as kind of a prophylactic measure to get these principles in the statute, even if it's only as a Sense of Congress, the explicit statement that military people pay the bulk of their fees through service and sacrifice, and that's the way we're recognizing that is to put a limit on the fee increase, that is not there now. By doing that, that won't guarantee that nothing else will ever be done, but it establishes a principle that we can then look to in the future to try to keep our commitment to that moral contract.

Senator WEBB. That's an interesting point, and certainly one that I think we'll consider. It's sort of a fresh approach that we haven't been talking about up here.

I thank all of you for being with us today, and for your insights. As I said, all of your recommendations will be examined by our staff. Again, thank you very much for being here.

This hearing is adjourned.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

DEVELOPING LEADERS IN THE NONCOMMISSIONED OFFICER AND CHIEF PETTY OFFICER RANKS

1. Senator MCCAIN. Master Chief West, it's difficult it seems to go a month without some media story about abusive and failed leadership. Most recently, we heard about a group of chief petty officers on U.S.S. *Stout* who, according to the article, "created an oppressive, feared, and hostile work environment/command climate aboard the ship." A chief petty officer from U.S.S. *George H.W. Bush* was sentenced last week to 6 months in the brig for his cruelty and abuses. You have been working at this issue for some time. What do you view as the principal source of problems for the Navy, particularly the shipboard Navy, in developing strong chief petty officers who will lead by example?

Master Chief Petty Officer WEST. I do not believe that Navy has a "principal source of problems" that hinders development of leaders at the senior enlisted level. We have outstanding development programs that produce some of the finest leaders in the world. While there have been some public failures of leadership within the chief petty officer ranks in the past year, these are isolated instances from among a chief petty officer community of approximately 30,000 leaders. In context, the vast majority of these men and women are performing an incredible span of missions in a highly professional manner, and in every operating environment imaginable.

I believe that increased availability of rapid and transparent communications may be contributing to an inaccurate perception of increased aberrant behavior among leaders. Nonetheless, even a single case of misapplied or abusive authority is one too many and Navy leadership remains fully committed to upholding the tenets of responsibility, authority, and accountability. In fact, survey results suggest a slight upward trend over the last 2 years in response to questions about supervisors demonstrating Navy Core Values being positive role models and demonstrating ethical behavior.

We have developed a continuum of training that begins during Chief Select Training, and continues with annual Chief's Mess Training at the unit level. The senior master chiefs in the Navy are currently conducting waterfront leadership seminars among chief petty officers in fleet concentration areas supplemented by guidance from senior fleet commanders, identifying expectations of those serving in positions of authority.

Last year, Navy produced a video on the proper way for senior enlisted to conduct Career Development Boards—the primary method for chief petty officers to formally engage subordinates, in a coaching and mentoring role, to foster professional development. To support the pinnacle of unit-level enlisted leadership, Navy has a 2-week Command Master Chief/Chief of the Boat course in Newport, RI, which emphasizes principle-based leadership through a wide array of seminars, case study discussions, self-assessment tools, and engagement with the officers in the prospective executive officer and prospective commanding officer courses.

2. Senator MCCAIN. Sergeant Major Chandler, the Army has been under great stress due to its rotational demands. General Chiarelli's report last July 2010, "Health Promotion, Risk Reduction, and Suicide Prevention in the Army," portrayed a personnel picture that was very sobering. What's your assessment about the state of the Army and its soldiers since taking over as Sergeant Major of the Army?

Sergeant Major CHANDLER. My initial assessment is that our overall efforts to develop and maintain a healthy Force are effective. However, we are concerned by the growth of specific stress indicators within particular populations. The Army will continue to provide the best care, support and multi-disciplinary services available and we are committed to mitigating risk behaviors to enhance soldiers and family fitness.

3. Senator MCCAIN. Sergeant Major Kent and Chief Master Sergeant Roy, what do you see as the key to development of noncommissioned officers (NCO) who will provide the leadership needed to younger troops?

Sergeant Major KENT. Staff Noncommissioned Officers (SNCOs) empowering NCOs to face leadership challenges is crucial to the development of our young marines. While formal education and military professional military education provide an initial means of exposure to leadership skills and techniques, only through situational application will these skills be put into practice. Experience is the key. SNCOs must coach, teach, and mentor their NCOs during practical exercises to foster leadership learning. Perhaps more importantly, SNCOs must stand behind their NCOs during this process and allow NCOs to build confidence in their own leadership abilities.

Chief Master Sergeant ROY. The Air Force takes a deliberate approach to enlisted force development, which includes career progression with increased levels of supervisory, leadership, and managerial responsibilities. The foundation of NCO development is our institutional competencies, which otherwise stand on the three pillars of experience, education and training.

Diverse personal and professional developmental paths provide our airmen opportunities to undertake varying degrees of challenges and build problem solving and resiliency skills derived from new knowledge and experiences. Professional Military Education (PME) plays a key role in the overall development of our NCOs. PME, which begins just prior to earning NCO status and continues throughout their careers, is part of the enlisted continuum of education. Additionally, off-duty education is essential and provides development by enhancing one's intellectual capability, capacity and critical thinking skills.

Finally, we must develop a joint perspective early in their careers. NCOs must know and understand the culture, responsibilities, and the shared competencies necessary to build early interoperability for immediate success in the joint/deployed environment.

PREDATORY LENDING PREVENTION AND FINANCIAL AFFAIRS TRAINING

4. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, predatory lending was a big problem in the Services 6 or 7 years ago. Servicemembers were losing their security clearances as a result of financial irresponsibility. How are we doing today in this regard?

Sergeant Major CHANDLER. The Army's Central Clearance Facility, which has the responsibility to conduct investigations on Army personnel in order to grant security clearances, has no method to determine and/or verify if an individual is or claims to be a victim of predatory lending. However, during the past 3 fiscal years (2008–2010), less than 2 percent of clearance revocations or denials were for financial considerations.

The Army, through Garrison Commanders, continues to work with on-base banks and credit unions to keep a close eye on financial readiness (education, predatory lending, and fees) issues. In addition, they work with on-base financial counselors who have direct communication and contact with soldiers and family members to address these types of concerns. Trade associations and their member banks and credit unions on base have also developed specialized lending products to directly combat predatory lending.

Master Chief Petty Officer WEST. In fiscal year 2010, the Department of the Navy Central Adjudication Facility (DON CAF) adjudicated 199,378 clearances of which 1 percent were either denied or revoked. Financial issues were cited in 77.4 percent of the denials/revocations rendered by DON CAF in fiscal year 2010. This is the trend over the past 5 years.

When an individual experiences extensive financial difficulties, an adjudicative decision is made primarily based on actions the person has taken to formally address and/or mitigate his/her financial situation. Should an individual become the victim of predatory lending practices, this would be taken into consideration when making an overall adjudicative determination. Typically, there are other issues involved, and, if enough evidence is presented to favorably mitigate the financial concerns as extenuating circumstances that are credibly beyond an individual's control, the individual's security clearance is not affected.

It is important to note that an individual always has the opportunity to explain to DON CAF, via their command, the circumstances surrounding any financial problem or predicament. This explanation, along with steps taken by the individual to address the problem, is taken into account when adjudicating clearances.

The primary reasons for clearances being denied or revoked as it pertains to financial issues include the inability or unwillingness to resolve debts; recurrent pattern of financial instability; history of not meeting financial obligations; living beyond one's means; excessive indebtedness; high debt-to-income ratio; unexplained affluence; compulsive or addictive gambling; financial problems linked to drug abuse, alcoholism or gambling problems; and failure to file taxes.

Sergeant Major KENT. In the past, predatory lending was a problem. However, data obtained from installation-level financial counselors indicates that of the reported cases only a small number of marines have had issues with predatory lenders.

Chief Master Sergeant ROY. We are doing well. In fiscal year 2010, 554 security clearance related consultations were reported Air Force-wide; thus far in fiscal year 2011, 112 have been held. Although these numbers could reflect multiple appointments for the same individual, we believe we are making headway with this issue.

Our Airman and Family Readiness Centers provide financial counseling and referral services to airmen who need assistance due to anticipated or known security clearance issues related to finances. Needs of these airmen vary widely as some are merely anticipating problems and want to be pro-active in prevention, while others request help only once their clearance is nearing adjudication and/or has been suspended. In addition, financial counseling services are also publicized to all airmen and family members through briefings, Commander's Calls, base websites, pamphlets and flyers.

5. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, are there alternative sources now for short-term loans needed by junior personnel, e.g., from on-base credit unions?

Sergeant Major CHANDLER. Yes, Army community Services' Financial Readiness programs, Army Emergency Relief, Military Banks and Defense Credit Unions have established programs and products designed to help junior servicemembers and their families resolve their financial crises, rebuild their credit ratings, and establish savings.

Master Chief Petty Officer WEST. Yes. In 2007, the Navy-Marine Corps Relief Society created a \$300 Quick Action Loan program to assist servicemembers in need and keep them from turning to predatory lenders. Some on-base credit unions and banks also now offer small loans that were previously not available, to help servicemembers resist using payday lenders.

As a result of leadership focus, the number of sailors using payday loans has decreased. The 2011 Financial Health Quick Poll showed that only 2 percent of enlisted personnel used a payday loan option compared to 8 percent in 2006.

Sergeant Major KENT. Yes. We worked with the Navy-Marine Corps Relief Society to establish a quick assist loan program that offers our marines a \$300 interest-free loan for emergency basic living expense needs. In addition, our base credit unions offer short-term loans.

Chief Master Sergeant ROY. Yes. The Air Force's primary source for safe, short-term, no-interest loans is the Falcon Loan program funded by the Air Force Aid Society and administered by an installation's Airman and Family Readiness Center.

In 2008, the Air Force Aid Society (AFAS) created the Falcon Loan program in direct response to the alarming predatory lending practices for short-term loans. The Falcon Loan is a \$500 on-the-spot loan which can be made to airmen experiencing financial difficulties. The airman has 10 months to repay the loan which is typically done through regular allotments from the airman's pay. Loan approval is less stringent than other types of AFAS emergency aid, however, a Falcon Loan can be received no more than two times in an airman's career. The loan is intended to preclude airmen from seeking financial help from other, less credible sources. AFAS reported a 20 percent decrease in Falcon Loans issued from calendar year 2009 and

calendar year 2010. This decrease may suggest airmen are improving in their overall financial health and ability to manage their personal resources.

6. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, how are the programs aimed at developing financial knowledge working out: are they well-received and attended and do you have any recommendations on how to improve these programs?

Sergeant Major CHANDLER. The Army's Financial Readiness training enables soldiers and their families to achieve self-reliance in managing their financial responsibilities. The programs aimed at developing financial knowledge are well received and attended. In 2010, Army Community Service Centers provided financial readiness training to more than 60 percent of the junior enlisted population. Program improvements may be achieved through seminars conducted for soldiers and family members via the Virtual Resiliency Campus (VRC), a virtual environment that allows users to interact with each other and participate in individual and group activities. Basic Combat Training Installations have a program that provided Personal financial management in the first three weeks of training.

Master Chief Petty Officer WEST. Navy has an effective personal financial management education program which appears to be well-received by sailors throughout their careers. Core financial management training subjects are delivered as mandatory training through a continuum of learning during a sailor's career and transition back to civilian life. Both officer and enlisted receive personal and leadership financial management training.

Personal Financial Management (PFM) training is provided at:

- Officer and enlisted accession training sites
- Recruit Training Command post-graduation orientation
- General military training
- Career options and Navy skills evaluation program (mid-career course)
- Transition assistance program classes
- Local commands by Command financial specialists
- Fleet and Family Support Center (spouses invited)
- Navy Knowledge Online

Leadership PFM training is provided at officer accession training sites and at key milestones in the officer and enlisted career path. Leadership training focuses at all levels is to ensure that leaders understand the link between prudent personal financial management and mission readiness. A sailor's prudent management of his or her personal finances is a cornerstone of personal and unit readiness. Navy leadership is also currently evaluating the following initiatives:

- Improve family participation in the PFM program through partnerships with the Ombudsman, family readiness groups, child and youth program, and School Liaison Officers to encourage financially fit families.
- Increase PFM programs participation in pre- and post-deployment events including increasing promotion of Savings Deposit Program for deploying Individual Augmentees (IAs) to achieve guaranteed earnings of 10 percent APR.
- Promote resources and services to IA families or families of wounded, ill, or injured servicemembers.
- A pilot program to use more junior sailors as Command Financial Specialists to develop a stronger peer-to-peer component in our program.

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- A pilot program to use more junior sailors as Command Financial Specialists to develop a stronger peer-to-peer component in our program.

Sergeant Major KENT. Marine Corps Community Services (MCCS) provides a variety of classes, workshops, and training on personal financial management. We also offer financial links on our Marine Corps websites, provide one-on-one counseling, and promote Military Saves week to assist Marines and their family members who are having financial difficulties. In addition, we offer classes on home-buying, home selling, renting, and leasing that address current national and local economic conditions.

We are in the process of creating a new Personal Financial Management curriculum to improve the information and services we provide our marines and their families. This curriculum will cover over 20 major topics, such as: managing income/expenses/savings/credit; credit and debt management; saving and investing; consumer awareness; banking and financial services; taxes/insurance/legal issues related to personal finances; raising financially-fit children; the time value of money; and financial planning for events such as family separation/reunions, transition, retirement, education costs, large purchases, and other major life events.

Since our personal financial management program classes are not mandatory, attendance varies, depending on the installation. However, we are in the process of creating a quarterly reporting system to track attendance for marines and their family members.

In September 2011, we will conduct our third Financial Health Quick Poll (FHQP) to determine the level of financial stress among marines and their families as a result of recent economic changes and refine our programs in order to help marines and their families cope with financial stress.

Chief Master Sergeant ROY. We believe they are working out very well. The Air Force financial education program is designed to make airmen aware of their responsibility in maintaining their personal financial matters and offer education and training at key points in their career. Newly inducted airmen receive mandatory financial training at two points: basic training and their first duty station.

While at Basic Military Training, all trainees receive 3 hours of financial awareness training to assist them in making sound financial decisions early. This training focuses on the basics of financial management including personal responsibility, budgeting, sound spending habits, savings, debt strategies, credit reports, financial institutions, insurance, investing and consumer awareness, to include predatory lending.

At their first duty station, both officers and enlisted airmen receive financial training within 90 days of their arrival. This training is mandatory and standardized across the Air Force. The purpose of the training is to increase understanding of pay, entitlements and allotments and to increase understanding of banking for both checking and savings. Personal financial education and training is also available throughout a member's career targeted for members and families to develop skills in budgeting and saving, insurance, credit management, car buying, relocation moves, investment tools, available counseling or assistance, and preparing for life after the military.

PROGRESS IN IMPLEMENTATION OF DON'T ASK, DON'T TELL REPEAL

7. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, training for Repeal Day is currently underway in each of your Services that will pave the way for gay and lesbian individuals to serve openly in the Armed Forces. What is your assessment of the effectiveness of the training for your Service thus far?

Sergeant Major CHANDLER. The Army's Chain Teach method has been very effective in educating the force on the policy changes that will result from implementation of the repeal of Don't Ask, Don't Tell (DADT). It puts direct responsibility on

commanders/leaders for their units' complete education, allowing them to personally engage their soldiers, civilians, and interested family members on this important policy change and to explain its impact and our expectations of them. Feedback to date continues to confirm that Army commanders and senior NCOs are fully capable of providing the strong leadership, clear instruction and proactive education that are key to successful implementation of DADT repeal.

Master Chief Petty Officer WEST. Navy continues to assess the effectiveness of training. Current efforts focus on the Tier 2 leaders who are tasked with delivering Tier 3 training to our sailors and include pre and post training assessments. After analyzing assessment results, feedback is provided to the Master Mobile Training Teams on areas needing additional emphasis. Current feedback on the training remains positive. Additionally, Navy's DADT website received over 100,000 hits to date where sailor questions are addressed. Over the past 2 weeks, the number of questions has dropped dramatically possibly indicating that member concerns are being adequately addressed. Based on these assessment tools, Navy is confident the training has been effective.

Sergeant Major KENT. Feedback from the Force indicates our training has been effective. Marines indicate an understanding of the policy change and what is expected of them upon repeal. The face-to-face training allows marines to engage their leadership and ask those questions that are most important to the individual marine. The time allotted to prepare and train for the repeal provides the opportunity for marines to really consider potential impacts and ensure they are aware of the change in policy.

Chief Master Sergeant ROY. The Air Force is delivering the OSD standardized tiered DADT repeal training. As of 6 May, the Air Force has trained 49 percent of the total force.

In order to assess the effectiveness of training, we are soliciting subjective feedback from our Major Commands (MAJCOMs) on a bi-monthly basis. These reports include feedback in the following areas: policy, readiness, effectiveness, unit cohesion, retention, repeal related incidents, and barriers to repeal.

To date, the subjective reports from MAJCOMs are positive. MAJCOMs are indicating the training is clear, on-target, and effective. The standardized slides and script are ensuring a consistent, accurate message is provided throughout the force. There has been no significant issues regarding policy, effectiveness, unit cohesion, retention, repeal related incident, and barriers to repeal. We have addressed only minor concerns in readiness with respect to bed down and privacy in deployed locations.

8. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, the ground combat forces—soldiers and marines, as well as the Special Forces for all Services—registered the greatest concern about the effects on readiness and unit cohesion of repealing the DADT policy. What problems do you anticipate on ships and in the field when the repeal takes effect?

Sergeant Major CHANDLER. I do not anticipate significant or systematic problems from the repeal of DADT. Feedback from the field across all units is that this is not a significant issue to the soldiers. We will deal with this issue with the same professionalism that has marked our conduct of current operations and has been a hallmark of this institution for 236 years. Soldiers are expected to treat all others with dignity and respect, consistent with the core values that already exist within the Army. Harassment, bullying, or victimizing of any kind will not be tolerated.

The Army is a force of over 1.1 million soldiers, and there will likely be inappropriate conduct by a few. Commanders and supervisors at all levels have the authority and responsibility to maintain good order, discipline and morale within their units; they should use existing tools (to include counseling, non-judicial punishment and court-martial) to deal with misconduct. Leaders will be educated on how to handle certain situations, and support will be provided as needed to ensure decisions are lawful, impartial, and promote unit cohesion.

The Army Guiding Principles for Implementation of the Repeal of DADT include: standards of conduct apply to every soldier; treat each other with dignity and respect; emphasize our role as professional soldiers; and good order and discipline will be maintained at all times. The clear message is that respecting each other's rights is critical to maintaining good order and discipline. Standards of conduct apply equally to all soldiers and inappropriate conduct should be corrected appropriately.

Master Chief Petty Officer WEST. Navy has seen no adverse effects associated with repeal training to date, and there are no significant problems anticipated on ships or in the field.

Sergeant Major KENT. We do not anticipate any post-repeal problems that engaged leadership will not be able to successfully address. I expect that your marines will faithfully abide by the laws of this Nation and conduct themselves in accordance with their core values of honor, courage, and commitment. Any issues that may arise post-repeal will be immediately addressed upon identification.

Chief Master Sergeant ROY. Although we cannot completely predict the future, we do not anticipate any major concerns or issues. To date, we have received only minor issues/concerns regarding bed down and privacy in deployed locations. However, the tiered DADT training clearly addresses these concerns and we anticipate that as more and more folks are trained, there will be fewer concerns and questions regarding these issues. Commanders and senior enlisted leaders continue to be key players in addressing these concerns and integral to ensuring a successful implementation.

9. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, what are you hearing from your senior NCOs and Chief Petty Officers?

Sergeant Major CHANDLER. Feedback to date continues to confirm confidence that Army commanders and senior NCOs are fully capable of providing strong leadership, a clear message and proactive education, which are key to successful implementation of DADT repeal. The Army's program encourages thoughtful, constructive dialogue on the subject between leaders and soldiers. Currently, there are no visible impacts on unit readiness, cohesion, or effectiveness. The most frequently raised questions concern whether and how implementation of DADT repeal might affect Army policy concerning public displays of affection, sharing of billeting and showering/bathing facilities, and off-duty clothing policies.

Master Chief Petty Officer WEST. I have received extremely positive feedback from Navy senior enlisted sailors on the progress of our DADT training and implementation. The training has produced effective two-way dialogue at every level, and provided confidence among the force that leadership is taking the correct, methodical approach to implementing this change. Senior enlisted sailors recognize they will play an important role in the successful execution, and take that responsibility very seriously. As with all our training, DADT training is designed to make us a more proficient and cohesive fighting force; one that recognizes and respects the dedication and sacrifice of all men and women who serve our Nation. I'm confident we will continue to see the same proactive, informed engagement throughout the implementation process.

Sergeant Major KENT. We are progressing well towards our program training goals.

Chief Master Sergeant ROY. The overall feedback from the field is the training has been very well received. Our airmen indicate the standardized slides and script are ensuring a consistent, accurate message is provided throughout the force. There has been no significant issues regarding policy, effectiveness, unit cohesion, retention, repeal related incident, and barriers to repeal. We have addressed only minor concerns regarding bed down and privacy.

INTEGRATION OF WOMEN

10. Senator MCCAIN. Sergeant Major Chandler, opportunities for women in the Armed Forces have increased significantly during your Active Duty service. Some have called for elimination of all constraints by gender, including service in infantry and Special Forces units. Do you think the current Army restrictions on service by women in deployed Army units should be changed?

Sergeant Major CHANDLER. We are conducting a review of our current assignment policies and regulations to ensure they are relevant and meet the needs of the Army. We also want to ensure all soldiers, regardless of gender, are provided opportunities to reach their highest potential. Once the review is complete, we will be briefed on the proposed changes and I will be in a better position to provide an informed opinion.

11. Senator MCCAIN. Master Chief West, you are a veteran submariner. Do you support service by women in ballistic missile submarines?

Master Chief Petty Officer WEST. Yes, I enthusiastically support the integration of women on board our ballistic missile submarines. There are extremely capable women who have the motivation, talent and desire to succeed in the Submarine Force. Those were the same attributes I expected of the submariners when I was a Chief of the Boat, and the same ones that will dictate our success in the future—regardless of which gender the sailors happen to be. Drawing from a broader pool

of talent increases our ability to maintain the world's best Submarine Force, just as it has done in other warfare communities.

12. Senator MCCAIN. Master Chief West, what about service by women in the smaller attack boats?

Master Chief Petty Officer WEST. As we have done with ballistic missile submarines, we will need to study all the factors to understand the best approach for our readiness and quality of service for the crew on our fast attack submarines. There's no question that the professional expertise and motivation of women across the Fleet would make them a valuable asset to any type of platform as long as we take the necessary steps to prepare them for long-term success, and implement the change with due diligence.

13. Senator MCCAIN. Sergeant Major Kent, do you think women marines have been denied opportunities or promotions in the Marine Corps because of constraints on assignments?

Sergeant Major KENT. Analysis of the past 3 fiscal years promotion statistics for in-zone officers to the grades of O4 through O6, and all SNCO boards, indicate that, on average, female marines were selected at a rate equal to or greater than their male counterparts. The Marine Corps' overarching selection criteria is "best and fully qualified" and expectations of future potential at the next higher grade. Additionally, Marine Corps promotion selection boards use a "bloom where planted" philosophy that focuses on performance of duty in a billet rather than the assignment itself. Specific guidance, in the form of a precept, from the Secretary of the Navy for officer boards and the Commandant of the Marine Corps for Staff Noncommissioned Officer boards, is provided to each promotion board. Precepts specifically address career patterns, utilization policies, and equal opportunity. These precepts direct board members to ensure the performance of duty of those affected by assignment or utilization policies is given the same weight as that given to duty equally performed by officers (marines) who were not affected by such policies or practices. Additionally, female marines continue to do great things both in combat and in garrison. After speaking with numerous female marines, and hearing how they do not think it is a good idea for females to serve in combat elements, I agree with them and do not concur with assigning female marines to combat elements.

14. Senator MCCAIN. Chief Master Sergeant Roy, what are your views about opening up additional career fields for female airmen?

Chief Master Sergeant ROY. 97 percent of Air Force Specialty Codes (AFSCs) are open to women. The few remaining AFSCs closed are due to the Secretary of Defense 13 Jan 1994 memorandum defining direct ground combat. Due to this Secretary of Defense policy, a select few AFSCs are closed and/or restricted.

The Secretary of Defense 13 Jan 94 memo states, "women shall be excluded from assignment to units below the brigade level whose primary mission is to engage in direct combat on the ground, as defined below. Direct ground combat is engaging an enemy on the ground with individual or crew served weapons, while being exposed to hostile fire and to a high probability of direct physical contact with the hostile forces' personnel. Direct ground combat takes place well forward on the battlefield while locating and closing with the enemy to defeat them by fire, maneuver, or shock effect. These policies and regulations may include the following restrictions on the assignment of women where units are engaged in long range reconnaissance operations and Special Operations Forces missions."

Currently, OSD has the Women in the Service Review Working Group examining this issue in accordance with the NDAA for Fiscal Year 2011, section 535, requiring the Secretary of Defense to have military Services review their policies and regulations restricting the utilization of female servicemembers.

OSD's final report is due to Congress NLT October 2011.

PRIORITIZING QUALITY OF LIFE DOLLARS

15. Senator MCCAIN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, every year Congress authorizes modernization and construction of new facilities intended to improve the quality of military life for members and their families. Clearly, the improvements in quality of life for servicemembers and their families are a factor in the historically high retention being seen. What do you consider to be the highest priorities for modernization and construction of new facilities—barracks, child care centers, family housing, medical clinics, or schools?

Sergeant Major CHANDLER. The Army places high priority on facilities that support soldiers and families. Accordingly, we fund barracks, child care centers, family housing, and medical facilities required to support Army missions identified in its five pillars: Grow the Army (GTA)/Global Defense Posture and Realignment (GDPR); Transformation; Modernization; Training Support; and Strategic Readiness. As for schools, which are primarily a State and local responsibility, we have relied on local education agencies (LEAs) to fund school maintenance and construction. However, the Under Secretary of Defense for Personnel and Readiness recognized there are facility and capacity deficiencies in many public schools, and surveyed all public schools on military installations across the United States in an effort to quantify the deficiencies and assist LEAs.

Master Chief Petty Officer WEST. The highest priority for modernization and construction of new facilities to increase the quality of life for members and their families is to invest in unaccompanied housing and government owned family housing overseas. This includes our Homeport Ashore program to provide single junior sailors stationed on ships with quality housing when they are in port.

Our sailors continue to serve the Nation in front-line operations and deserve suitable accommodations when returning ashore all across the country. Likewise, investment in family housing, primarily, provides suitable, affordable and safe homes for families stationed in foreign and overseas locations.

Sergeant Major KENT. Thanks to the strong support we have received from Congress, we have made significant strides in providing more and better quality barracks, child development centers, and family housing.

Since fiscal year 2008, over \$2.6 billion has been invested in barracks, providing nearly 25,000 barracks spaces. In that same time frame, over \$154 million has been spent on 3,100 child care spaces. Finally, through our private/public ventures, over 24,000 homes have been privatized and are providing the highest quality housing that Marine families have ever enjoyed. Combined, these three elements have significantly improved the quality of life for both married and single Marines.

We are working with the DOD Educational Authority and Tri-Service Management Activity (TMA) to provide new and modernized schools and hospitals/clinics. A new hospital at Camp Pendleton and a modernized and expanded hospital at Camp Lejeune have been funded in recent years. Likewise, school improvements at Camp Lejeune and the construction of a consolidated elementary school at Marine Corps Base, Quantico, are currently in process.

Chief Master Sergeant ROY. All quality of life-type facilities that support our airmen and their families are high priorities for the Air Force. But as we live in a fund-constrained environment, we have had to prioritize and focus our efforts. One Quality of Life emphasis is dormitories ... getting our youngest airmen into the best housing we can. In fiscal year 2011, for example, we requested \$213 million in dormitories, and in fiscal year 2012 we're requesting \$484 million (which includes \$193 million for our joint-base other Service partners). This represents a significantly large proportion of our \$1.4 billion fiscal year 2012 President's budget request. Family housing improvement is another significant Quality of Life effort. The fiscal year 2012 budget includes \$405 million in family housing operations and maintenance and \$85 million in overseas housing military construction. By early 2012, 100 percent of the continental U.S. (CONUS) housing inventory will be privatized, representing another significant milestone in improving the quality of life for our airmen and their families.

OPERATION JOINING FORCES

16. Senator MCCAIN. Mr. Strobridge, Mr. Barnes, Ms. Moakler, Mr. Puzon, and Ms. Roth-Douquet, the White House recently announced a national initiative that focuses on the employment, education, and wellness of military personnel and their families. First lady Michelle Obama and Second Lady Jill Biden announced the Joining Forces initiative, which pulls together a variety of U.S. Government agencies, businesses, nonprofit groups, and media organizations in an effort to improve the lives of military families. General Stanley McChrystal will lead the effort. What role do you anticipate for The Military Coalition in this effort and what priority areas do you think General McChrystal should focus his attention?

Mr. STROBRIDGE. The Military Officers Association of America (MOAA) (and we believe other members of The Military Coalition) hopes to be an active partner in the Joining Forces initiative to assist in General McChrystal's efforts to rally U.S. Government agencies and non-governmental agencies to work collectively to improve the lives of military families.

MOAA believes that General McChrystal should consider several recommendations from the recent Department of Defense (DOD) and U.S. Department of Agriculture Family Resilience Conference Senior Enlisted Advisors (SEA) townhall. When asked what they see as the top three military family resilience issues, the SEA responses covered the gamut of challenges that military families have and continue to face, such as post-traumatic stress disorder (PTSD), quality childcare availability, quality education for military children, military spouse career options, access to care and quality care under TRICARE, exceptional family member advocacy and support, and clear and concise communication to access services that are currently available.

MOAA believes it will be important for the Joining Forces Initiative to work with each of the Services and the DOD Military Family Readiness Council to identify critical gaps in service. In working with nongovernmental organizations, agencies, and communities, it will be important to identify where those organizations, agencies, and communities can assist in filling the gaps, while educating them about the service and sacrifice of the All-Volunteer Force and the families supporting the force.

The First Lady's tagline about Joining Forces is that everyone can do something. MOAA believes many nongovernmental organizations, agencies, and communities are willing and ready to step up to offer support to military families. Creating and sustaining partnerships between DOD and these organizations, agencies, and communities will benefit the military family community, and is a fiscally responsible approach to service and support.

Mr. BARNES. The Military Coalition (TMC) believes Operation Joining Forces (OJF) is an important initiative to expand awareness and support of military families and complement the work of individual member organizations in providing support and assistance to these families. Each TMC organization communicates regularly with its members and can help increase support for OJF via these channels—in some cases as an adjunct or extension of other initiatives such as Employer Support of the Guard and Reserve (ESGR). FRA participated in the May 18, 2011 teleconference on OJF which focused on support from religious and community organizations. In addition, I believe Gen. McChrystal should recognize that many organizations are working toward the same goal(s) as OJF and focus on establishing contact with TMC organizations and provide information and periodic updates on OJF for dissemination to these groups.

Ms. MOAKLER. As a member of The Military Coalition, which is composed of primarily membership organizations with local roots, we understand the importance of community support for military families. The individual organizations of the TMC are already helping to educate community leaders and organizations about military families through the work of their chapters, through articles in their national publications and through their websites. The National Military Family Association has recently published "Finding Common Ground: A Toolkit for Communities Supporting Military Families" that dovetails nicely with the Joining Forces initiative, offering simple, easy to put into practice ways that different community groups can support military families. It can be found at <http://www.militaryfamily.org/publications/community-toolkit/>. The site will also show how communities are supporting military families by highlighting best practices as they surface to us.

The three areas highlighted by the Joining Forces initiative are all important, however, the wellness of military families should be paramount. Our Association has long promoted well-being as a foundation for resilience. We stress how access to behavioral health care is essential to aid military families in coping with the many challenges they face with deployments. It is easy to tie the other two priority areas of employment and education into resilience as well. Whether it is a Reserve component servicemember who is hoping that his/her job is there when returning from deployment or a military spouse who is trying to create a portable and fulfilling career, the civilian community needs to be aware of the exceptional employee that is available to them. The support of the entire education community of teachers, counselors and administrators for our military children is essential—the community just needs the tools and resources to help them help our military children deal with the challenges they face.

Mr. PUZON. The Military Coalition—could and will play a supportive role through:

- (1) Getting the word out to all our members through our newsletters, magazines, and electronic means.
- (2) We have a reach to Veterans and serving military members and their families—especially in the Reserve community.

To improve the lives of military families the priority effort needs to be:

- (1) Parity in pay

- (2) In family programs that actually do reach the mass of military families; 1.3 million active duty, and 1.2 million Guard and Reserve members that are currently serving—not to mention the veterans of wars that have needs with their families. Needs to be a partnership with NGOs, VSOs, MSOs, and media to reach people in remote areas.

Ms. ROTH-DOUQUET. Our 2010 Military Family Lifestyle Survey, which has been quoted in the Presidential Directive, Strengthening our Military Families, indicated that the top five areas of concern for military families are pay/benefits, OPTEMPO, Spouse Employment and Children—both with regard to their ability to get a quality education and the effects of deployment. The Joining Forces Initiative largely aligns with these areas of concern through the emphasis on wellness, education, and employment.

Based on feedback heard at the recent DOD “Forging Partnerships” conference, we believe priority should be placed on designating personnel who would have a robust boundary-spanning role into the community at each post. Many service groups that have existing programs that could benefit the lives of military families are having issues getting beyond the bureaucracies that are different at each installation. Consistent policies coupled with dedicated personnel who can maintain and grow programmatic community ties may be a good start to opening up new channels of cooperation.

DISABILITY EVALUATION SYSTEM

17. Senator MCCAIN. Mr. Strobridge, Mr. Barnes, Ms. Moakler, Mr. Puzon, and Ms. Roth-Douquet, after almost 10 years of war, the number of individuals who are not deployable and who most likely will be evaluated for disabilities and discharge are very high and growing. While improvements have been made in the system, there simply are not enough medical officers, processors, and Department of Veterans Affairs (VA) personnel to meet the demand for evaluative services. From the perspective of the Coalition, what are the most serious shortfalls in the Disability Evaluation System that need to be addressed by the Services, DOD, and Congress?

Mr. STROBRIDGE. In a recent interview, the Under Secretary of Defense for Personnel and Readiness, Dr. Clifford Stanley, stated that he and the Army’s Surgeon General are in agreement that the Integrated Disability Evaluation System (IDES) “remains complex and adversarial.”

The new IDES was intended to streamline the disability process making it more understandable and consistent by providing a single physical exam used by both DOD and the VA to produce the disability rating.

In one regard, eliminating the Service-unique rating tables and requiring the two Departments to use the VA Schedule for Rating Disabilities has created a much more consistent rating platform.

However, the reality remains that DOD and the VA still render separate ratings: VA rates all service-connected disabilities/medical conditions while DOD rates only those conditions that are considered “unfitting.”

This practice perpetuates two separate and distinct ratings by DOD and VA, with the DOD rating being typically lower. MOAA believes this dual-rating process counters Congressional intent for the IDES.

Another practice that remains unchanged from the legacy DES continues to allow the Services to subjectively eliminate service-connected medical conditions from consideration in the Physical Evaluation Board (PEB) process, thus creating even greater rating inconsistencies in different Services’ ratings awards for servicemembers having the same medical conditions.

Even when DOD provides clear guidance to the Services to eliminate rating inconsistencies, the Department often does not exercise sufficient oversight to ensure the guidance is, in fact, consistently applied by each Service. Unfortunately, the Services seem to interpret the lack of active oversight as tacit acceptance of their different interpretations.

All of these practices lead to confusion and distrust by the wounded, ill, and injured servicemembers going through the IDES (as well as the legacy DES)—probably the IDES’s most serious shortfall.

Addressing this shortfall is imperative. Servicemembers cannot understand why their medical conditions that are aggravated or incurred during their service are rated by the VA as “service-connected” are subsequently dismissed by the Service’s Physical Evaluation Board (PEB) and not included in their final rating disposition. They—and we—also cannot understand how different Services are allowed to apply different rules and award different disability ratings to servicemembers who have the same medical condition.

Providing a single disability rating for servicemembers found unfit for duty that includes all service-connected disabilities/medical conditions—used by both DOD and VA—would eliminate confusion and provide much more consistent ratings between the parent-Services.

Another significant shortfall is the system's gap when it comes to National Guard and Reserve members. We have received several reports that identify problems for Guard and Reserve members who were called to active duty and subsequently demobilized, and then had a medical condition that manifests or worsens after demobilization.

In many cases, the Guard and Reserve and their parent Services have failed to provide their Guardsmen and reservists due process by affording them the opportunity to have their disabling conditions reviewed by a Medical Evaluation Board and subsequent PEB.

Too often, the disconnect begins while the Guard and Reserve member is still on active duty and told to have any medical "problems" taken care of by the VA and discouraging them from applying for disability before separating.

Call it a failure of leadership or a shortfall of the Disability Evaluation System, but either way this is a significant problem that needs to be addressed.

Mr. BARNES. The most serious shortfalls in the disability evaluation system are:

- (1) Despite significant additional resources and manpower authorized and funded in recent years, the backlog of disability claims continues to increase. The solution not only requires adequate staffing and resources, it also involves more automation of a streamlined disability rating system to address this challenge.
- (2) There is a continuing need to improve collaborative efforts between DOD and VA, including strengthening the Senior Oversight Committee (SOC) efforts. Despite some progress toward the goal of a truly "seamless transition" process for transitioning personnel instituted since the 2007 Walter Reed Army Medical Center revelations, significant challenges remain. There is strong bipartisan support to reform the system and Members of Congress have made clear that they want to eliminate delays and improve the antiquated paper claims process to eliminate bureaucratic disputes and ensure more uniformity between branches of the military and the VA in how they rate disabilities.

The Integrated Disability Evaluation System (IDES) is a major part of the claims process and the recently streamlined process which initially involved a pilot program in a limited number of sites has been established as a standardized program. The IDES requires only one physical exam and only one rating, is currently deployed at 73 sites and is scheduled to be fully deployed in September 2011. Along with Deputy Secretary of Defense William J. Lynn III, Deputy VA Secretary W. Scott Gould reported on IDES, SOC and other issues during a May 18, 2011 Senate Veterans Affairs Committee hearing and noted that the pilot program was extended to more sites and officially ended in March 2010 and was then renamed as IDES. Over 5,800 servicemembers have completely transitioned from referral, to IDES to veteran status, and as of April 30, 2011 there were 13,762 active cases in the IDES process. Prior to IDES, it took an average of 540 days for the VA and DOD processes to be completed and the goal under IDES is to complete the process within 295 days, while simultaneously shortening the period until delivery of VA disability benefits after separation from approximately 166 days to 30 days.

Despite this progress, problems remain including certifying each site's operational capabilities and other issues detailed in the December 2010 GAO Report citing staffing shortages, and inadequate IT solutions. There has been a noticeable improvement over the previous processes since only one physical exam is required and there is only one rating. The IDES also continues to allow the claimant to receive pay and other benefits and has reduced processing time. That said, continuing Congressional oversight is essential to this program along with improved coordination between DOD and VA bureaucracies.

There is also strong TMC support for the administration's efforts to create a joint Virtual Lifetime Electronic Record (VLER). A VLER for every servicemember would be a major step toward the goal of a truly seamless transition from military to veteran status for all servicemembers and would permit a DOD, VA, or private health care provider immediate access to a veteran's health data. There is some sharing now between DOD and VA, but information in the private sector is invisible to VA. The VLER strategy would utilize secure messaging standards, similar to that which is used for email, to securely relay information between sources.

Ms. MOAKLER. The caring of our wounded warriors is an integral part of the cost of war. We can no longer make them languish for months as a disability claim works its way through the process. This problem is especially acute for members of the Reserve component who are often separated from their families during the

process. While we know that several measures have been adopted to speed the process including the hiring of extra claims adjusters and the implementation of the Integrated Disability Evaluation System (IDES), claims backlogs still exist.

As an Association focused on military families, we are not experts in the Disability Evaluation System. We join with other members of the Military Coalition in supporting efforts to create a Joint VLER for every servicemember. We also agree on the need for using the most modern technology, combined with adequate resources and staffing. While there have been great strides, the VA and DOD still need to improve cooperation between the departments, working with Congressional oversight.

Mr. PUZON. There is disparity between DOD and VA on disability evaluation—that can be solved through serious legislation that mandates it to be the same. There seems to be no coordination between DOD and VA. There is no coordination on disability evaluation of Reserve components! This does need to be addressed now. The problems are not necessarily the need for more hires—but, the policy of Reserve components vs Active Duty—case in point: Fort Lewis—fiasco on approach to returning Guard and Reserve. This also is the case in some Navy approach to Navy Reserve members returning. There needs to be standardization between DOD, VA, and the Services especially for the Reserve components.

Ms. ROTH-DOUQUET. We haven't specifically polled our membership on this issue. Anecdotally, some of the things we hear are that female veterans are concerned about their healthcare at veterans facilities. In fact, a Veterans Administration Office of Inspector General report recently issued found that female military members returning from Iraq and Afghanistan are more likely to be diagnosed with mental-health conditions than their male counterparts. The report also found that women are much more likely to suffer from major depression and to have a harder time transitioning back to civilian life after combat service than men. Finally, the report found that payment for PTSD claims is denied at a higher rate for women than for men, and denies a higher rate of male veterans' claims for mental health conditions other than PTSD. Blue Star Families was involved in creating awareness about women veteran issues in meetings with Senator Mark Warner and were glad to see an official study undertaken. Now is the time to follow through on these findings to make sure our female veterans are getting the best care we can provide them with.

EDUCATION OF SCHOOL AGED MILITARY CHILDREN

18. Senator MCCAIN. Mr. Strobridge, Mr. Barnes, Ms. Moakler, Mr. Puzon, and Ms. Roth-Douquet, last year, we received testimony from DOD witnesses that more than half of the 300 local educational agencies serving military children were not meeting academic standards in reading/language, arts, and/or math. Are you aware that a DOD grant program, which provided grants to improve learning opportunities for military kids at 284 local schools, was cut in the DOD efficiencies initiatives?

Mr. STROBRIDGE. The MOAA is not aware that either of the DOD grant programs was cut in the DOD efficiencies initiatives.

Mr. BARNES. I was not aware that the \$58 million DOD grant program was reduced as part of the department's efficiencies initiatives affecting 284 schools beginning in fiscal year 2012. In addition, I learned that other TMC organization were likewise unaware of the reductions.

I strongly agree that providing access to quality education for military children is very important to the All-Volunteer Force and is a key aspect of issues and programs associated with family readiness and support. As noted in TMC's 2010 statement to both the HASC and SASC, quality education is a top priority to military families and questions about the caliber of schools in new duty stations are among the first asked upon receipt of PCS orders. In a recent FRA survey of legislative priorities (early 2011), quality of schools for dependent children was ranked as "very important" by 58 percent of active duty respondents and came in sixth out of 13 priorities. And related to this issue is the importance of adequately funding of the Impact Aid program via the Department of Education along with supplemental funding for the program via the annual NDAA and Defense Appropriations legislation.

The best ways to enhance options to ensure that all military dependent children receive high quality educations regardless of the locale are to:

- (1) Support expansion of the number of States (currently 39 with the latest being Vermont) participating in the Military Interstate Children's Compact Commission to help provide for the consistent treatment of military children transfer-

ring between school districts and States in conjunction with frequent moves associated with permanent change-of-duty station (PCS) moves.

- (2) Ensure adequate support for schools educating military children via supplemental Impact Aid funding addressed in the annual defense authorization and appropriations bills.
- (3) Sustain support for DOD schools via the Department of Defense Education Activity (DODEA) which currently provides education to 84,000 military and civilian children in 194 schools.

Ms. MOAKLER. Our Association was unaware that DOD grant program was cut in the DOD efficiencies initiative. We were advocates of the grant program which allowed DODEA to award \$58 million to 44 school districts serving approximately 77,000 military-connected students in over 284 schools in fiscal year 2009. We are pleased to learn that there will be no impact to the 3 year grants awarded to date since the efficiencies do not take effect until fiscal year 2012 but are disappointed that the program has been cut.

Mr. PUZON. I was not aware that the DOD grant program was cut in efficiencies initiatives. First—the DOD efficiencies that are identified are some times just ‘paper money’ cuts—and, never really achieve efficiencies as recently reported in press reports. The Senator Grassley report shows that DOD can not ‘police’ itself—and achieve efficiencies. Therefore cutting people programs—across the board—is the only way DOD can realistically say it is cutting. Cutting inefficient programs is a good thing. However, as our educational system seems to decline—yearly, it seems counter productive to cut any educational program that assist our youth.

Ms. ROTH-DOUQUET. We were not aware of this grant program.

19. Senator MCCAIN. Mr. Strobridge, Mr. Barnes, Ms. Moakler, Mr. Puzon, and Ms. Roth-Douquet, do you agree that providing access to a quality education for our kids is a readiness requirement for the All-Volunteer Force?

Mr. STROBRIDGE. The MOAA wholeheartedly believes that providing access to a quality education for military dependents is a key readiness requirement for the All-Volunteer Force. According to the Department of Defense State Liaison Office, military dependents attend 6–9 different schools over the course of a parent’s military career. Given increased operational tempo and deployments, military children are often facing additional stressors associated with the absence of one or, in some cases, both parents throughout the school year.

MOAA is pleased that 36 States have signed on to the Interstate Compact on Educational Opportunity for Military Children. We have found, however, that due to budget restraints in many States, military families, who are changing duty stations, are experiencing a lack of quality education and educational services due to inconsistent standards and budget shortfalls State by State. The reality remains that there are States which do not have the financial means to provide comparable course placement and educational services. The amount of Impact Aid received by schools with high concentrations of military children has become a critical source of funding, and we are concerned that delaying Impact Aid payments and/or lowering Impact Aid amounts will have a very adverse impact for many military children in public school settings. Additionally, in some instances, we are aware that military families have made the difficult decision to intentionally separate the family from the servicemember’s place of duty to allow their children to remain in a quality educational environment rather than have the family accompany the servicemember to a new duty station. MOAA believes that is not a choice that any military family should have to make.

Mr. BARNES. See answer to question #18.

Ms. MOAKLER. Our Association has long held the belief that providing access to a quality education for our military children is a critical readiness issue. As we have stated in testimony, our 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 servicemember 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 family’s decision to remain in the Service.

In addition to providing a quality education for our children, schools are an integral component of family readiness. Since they are the one constant in a military family’s life, they often serve as a safety net for families who may need assistance. This support has been critical for our military families who have endured tremendous stress, multiple deployments, and extended separations during these past 10 years of war.

Mr. PUZON. I agree providing quality education is a National Security issue and is a readiness requirement—however, I do not agree that it is going to happen solely through our public education as it is today. I support charter schools and voucher systems—nationally, since the public education system has declined rapidly in the last 20 years. If we agree it is a National Security issue and readiness issue—then, we need to do something different than we have done in the last 30 years. It is not keep assisting the public schools to fail.

Ms. ROTH-DOUQUET. We absolutely do. Our 2010 Military Family Lifestyle Survey showed military child education to be one of the top five areas of concern for our military families. Twenty-six percent of respondents listed children's education as one of their top three concerns. Between frequent moves and servicemember time away from home, many parents worry about their children getting a good education. A full 34 percent were "least or not confident" that their children's school is responsive to the unique military family life.

Based on the survey, most spouses are confident that they can make decisions regarding their child's future, education and extracurricular school activities during the absence of a military parent, yet still 71 percent indicated that they would like more support for their children during a deployment.

Additionally, there was a high saturation of references to transitions and school related topics. For example, for the questions relating to military children, including open ended questions, "school" was mentioned 1,008 times and transitions or moving was mentioned 1,458 times. Academics, grades, extra-curricular, classes, teachers, and education were all prevalent concerns.

These concerns are well founded. On average, a military student transfers to different school divisions more than twice during high school. Most military children attend schools in six to nine different school divisions from kindergarten to 12th grade. A need for standardization across the States was a common theme in open-ended questions. Many parents expressed sadness, concern and anger that their military children could be penalized or delayed in achieving their educational goals because of inflexible and conflicting curricula from State to State.

20. Senator MCCAIN. Mr. Strobridge, Mr. Barnes, Ms. Moakler, Mr. Puzon, and Ms. Roth-Douquet, what are the best ways to go about enhancing the options to ensure that all military dependent children receive highest quality educations, regardless of where they are stationed?

Mr. STROBRIDGE. According to a recent Government Accountability Office (GAO) study, Impact Aid played a necessary role for most public schools supporting military dependent children. However, delays in delivering Impact Aid payments make it extremely burdensome for local school districts in planning for and preparing annual budgets. MOAA supports reviewing the process of distribution of Impact Aid to significantly reduce payment delays and establish reasonable timelines for delivery. MOAA also concurs with the GAO recommendation urging the Secretary of Education, in partnership with the Secretary of Defense, to highly consider requiring school districts to identify military dependent students as a reportable subgroup on their academic outcomes, to include test scores and high school graduation rates.

A critical component to ensuring military dependent children receive the highest quality education is through a continued partnership between the Department of Education and DOD. Persistent and effective oversight to the 13 objectives established in the Memorandum of Understanding between the Department of Education and DOD will ensure this partnership is sustained for the highest quality of education, not only for military dependent children, but for all school-age children.

The Domestic Dependent Elementary and Secondary Schools (DDESS) operated at 16 military installations continue to play an important role for over 26,000 military dependent students. The DDESS provide standardized curriculum, allowing for continuity for military dependent children who are DODEA students. One venue for ensuring high quality of education would be to evaluate public schools aboard installations, and those which do not meet or exceed DDESS standards should be transferred to the authority of the DODEA and fall under the jurisdiction of the Secretary of Defense as provided under Public Law 97-35.

In some instances, MOAA is aware the public school system is not equipped to handle the influx of dependent military children brought on by Base Realignment and Closure (BRAC). MCB Camp Lejeune, NC is an example of a military installation that has six DODEA schools aboard the installation, with approval for one additional DODEA school to open in the fall of 2011. Two public elementary schools have also opened in Onslow County, NC, in the last 3 years to accommodate the growing population of dependent military children. MOAA believes it is imperative that all circumstances surrounding the continued existence and establishment of DODEA schools are reviewed before reducing or eliminating funding, and/or trans-

ferring authority of the installation schools over to the State's public school system. Additionally, MOAA noted that funding was authorized but not appropriated for fiscal years 2008, 2009, and 2010 for BRAC (GAO report on Impact Aid). Inconsistent funding for BRAC continues to have a negative impact on the communities involved in the force structure changes, including the education community.

Another recommendation to help ensure high quality education regardless of duty station is to open the DODEA Virtual School program to all military dependent children (high-school age) who do not reside aboard installations. The Virtual School Program was designed to ease transition requirements, allowing students to enroll in courses they need and filling gaps regardless of their location. MOAA supports extending the DODEA Virtual School program to all military dependent children enrolled in high school.

Mr. BARNES. See answer to question #18.

Ms. MOAKLER. Ensuring that all military dependent children receive a quality education regardless of where they are stationed is one of our Association's top priorities. We consistently advocate for appropriate and timely funding of Impact Aid through the Department of Education. We also believe that school districts experiencing high levels of growth, due to military base realignment, should be able to apply for Impact Aid funds using current student enrollment numbers rather than the previous year. We continue to be a consistent voice on increasing DOD Supplemental funding for schools educating large numbers of military connected students. Our Association has long believed that both Impact Aid and the DOD Supplemental funding are critical to ensuring that school districts can provide quality education for our military children.

In addition to Impact Aid, State support of the Interstate Compact on Educational Opportunity for Military Children has helped ease many of the transition issues facing military families. Although the Compact does not specifically address the quality of education our children receive, it greatly impacts military children's educational experience overall. Our Association continues to advocate for its passage in all 50 States, territories, and the District of Columbia to ensure that all military children will be covered by the Compact.

Our Association was also pleased that the President's recent 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 appreciate the Department of Education committing to making military families one of its priorities for its discretionary grant programs and for finding ways to strengthen military families within the Reauthorization of the Elementary and Secondary Education Act. The Department is also seeking new ways to collect and report data pertaining to military connected children. We believe that including military children as a reportable subgroup will help determine where they attend school, enable additional support, and ultimately strengthen the education they receive.

With more than 90 percent of military-connected students now attending civilian schools, our Association is pleased that DOD 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 DODEA's purview. We appreciate the educational support programs already available to military children through DOD, such as the tutoring program for deployed servicemember families, and DODEA's virtual high schools. Our Association believes these programs are making a difference and would be beneficial to all military families.

Mr. PUZON. I do agree that Congress does need to address military dependent children quality education needs. Where they are stationed—does make a difference.

Ms. ROTH-DOUQUET. The Council of State Governments (CSG), in cooperation with DOD, worked with a variety of stakeholders and drafted a model compact, The Interstate Compact on Educational Opportunity for Military Children. We strongly support our peer military community organizations in efforts to provide standardization and ease of transfer of our military children.

However, in order for this agreement to have a meaningful and lasting impact on our local schools, we need strong support from the Federal Government to encourage local districts to educate themselves and to implement the Compact.

In spite of the fact that many States have adopted the Compact, due to the local nature of education, many military parents are still being thrust into the role of individually advocating for their children by educating local school officials regarding the rights of their children and the purpose of the Compact.

QUESTIONS SUBMITTED BY SENATOR SCOTT P. BROWN

BASIC ALLOWANCE FOR HOUSING

21. Senator BROWN. Sergeant Major Chandler, according to recent policy guidance provided by the Army G-1, activated Guard soldiers mobilized for deployment collect Basic Allowance for Housing (BAH) based upon their Primary Duty Station (PDS), rather than their Primary Home of Record (PHOR). Upon mobilization to deploy, these Guardsmen are issued orders releasing them from their Title 32, Active Duty status and provided orders calling them to Active Duty status under Title 10. These orders call them to duty from their PHOR, rather than their PDS from which they commute on a regular basis for training. As a result, these soldiers stand to lose, in some cases, thousands of dollars. Army National Guard (AGR) soldiers on Active Duty under Title 32, receive BAH based on their PDS for the purposes of a permanent change of station, however, not their PHOR, including shipment of household goods and movement of their dependents. These soldiers and their families made financial plans based on the higher BAH. Please provide clarification on the rationale for the change in policy, the possibility of providing an exception to policy for the soldiers who were issued mobilization orders under the promise of a higher BAH, and the Army's way ahead?

Sergeant Major CHANDLER. Statute and the Joint Federal Travel Regulation (JFTR) provide that the BAH rate for Reserve component soldiers will be based on the soldier's primary residence rather than the PDS when called/ordered to active duty from their primary residence in support of a contingency operation. The Defense Travel Management Office, the proponent for the JFTR, directed the Army to amend and clarify the BAH paragraph in the Army's Personnel Policy Guidance (PPG) to be consistent with the statute and the JFTR.

OSD has advised the Army that neither the law nor the JFTR provides the authority to grant an exception to policy to allow Active Guard and Reserve (AGR) soldiers mobilized in support of a contingency operation from their primary residence to receive BAH based on their PDS rather than their primary residence.

The National Guard Bureau with the support of the Army G-1 and Assistant Secretary of the Army (Manpower and Reserve Affairs) submitted a Continuum of Service legislative proposal for the upcoming cycle that will allow continuation of benefits for AGR soldiers, to include BAH, when ARNG AGR soldiers change status from Title 32 to Title 10.

UNEMPLOYMENT ISSUES

22. Senator BROWN. Sergeant Major Chandler, Master Chief Petty Officer West, and Chief Master Sergeant Roy, the Department of Labor's Veterans Employment and Training Service runs a 2-day Transition Assistance Program for out-processing servicemembers and their spouses to help prepare them for the civilian job market. Currently this program is mandatory for marines. With veteran unemployment above the National average, do you think this training should be mandatory for all out-processing soldiers, sailors, and airmen?

Sergeant Major CHANDLER. More than 60 percent of soldiers separating take advantage of the Transition Assistance Program. However, the Army does not intend to make the requirement mandatory at this time. The Army will monitor and evaluate the Marine Corps model and if warranted make adjustments.

Master Chief Petty Officer WEST. Yes. I do believe the Department of Labor's 2-day Transition Assistance Program should be mandatory. Currently, we strongly encourage all out-processing sailors to take advantage of the Department of Labor's Veterans Employment and Training Service 2-day program.

Additionally, Navy sponsors a robust transition assistance program (TAP), which is required by Federal law to be available prior to retirement or separation for all servicemembers to help them to transition smoothly from military to civilian life. Their families are also invited to attend. TAP provides a variety of transition services including counseling, information on education options, computerized job banks, resume writing assistance, and help with the employment interviewing process.

Chief Master Sergeant ROY. Air Force has a mandatory pre-separation counseling provided by our installation Airman and Family Readiness Center staffs. We also have an outstanding Transition Assistance Program. This two and half day Department of Labor Employment Seminar is voluntary but well attended. In 2010, participation rate for the seminar was a robust 97.5 percent of separating/retiring airmen.

23. Senator BROWN. Sergeant Major Chandler, I am particularly concerned about soldiers leaving the Army. During the next 2 years, the Army will off-ramp its temporary end-strength increase of 22,000 soldiers. Most of these soldiers will be junior soldiers. During General Dempsey's confirmation hearing, he stated that almost 30 percent of young soldiers are unemployed after leaving the Service. What is the Army doing to ensure these soldiers are prepared for jobs in the civilian sector?

Sergeant Major CHANDLER. The Army Career and Alumni Program (ACAP) has counselors world-wide to ensure that separating soldiers and their families are informed about employment assistance, effects of a career change, relocation assistance, education and training, health and life insurance, finances, Reserve affiliation, veteran benefits, and continuation of service. This information is provided through a series of workshops over a period of days. Specific to preparing a soldier for employment in the civilian sector, ACAP provides Federal Resumes and Application Seminar, Interview Preparation and training in Advance Resume Writing.

24. Senator BROWN. Sergeant Major Kent, in your prepared testimony you discuss new initiatives that the Marine Corps has started to help marines transition from the Marine Corps to the private sector. Can you share some of these improvements and their effectiveness in preparing marines for employment in the civilian workforce?

Sergeant Major KENT. In his 2010 Planning Guidance, our Commandant directed the Marine Corps to conduct a "bottom-up" assessment of the Transition Assistance Management Program (TAMP) and Personal & Professional Development programs and services to revolutionize the process, embrace best practices, and ensure we are providing the right educational and career assistance to Marines leaving the Corps. In response, we have established a goal to make the Marine Corps' TAMP more value-added for our Marines. We will transform the current 2-3 day workshop from an event-driven to a process-driven program and support service. TAMP will have four "military-to-civilian" pathways: Employment; Career/Technical Education; College/University; and Entrepreneurial.

We have developed a plan which will inventory and assess critical components of TAMP, based on the following phases:

- Phase I will focus on 180 days pre/post EAS. This phase will include an inventory of capabilities; an assessment of current operations for redundancies and gaps; a requirement that our TAP Workshop core curriculum and electives be standardized (with well-defined learning objectives and exit outcomes); and an adoption of best practices.
- Phase II and III are still in development. These phases will be based upon metrics of effectiveness that will be adopted, used, and assessed by Headquarters Marine Corps and all installations to continuously improve TAPs and other services.

GUARD AND RESERVE MENTAL HEALTH ISSUES

25. Senator BROWN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, in 2010 Active Duty suicides went down, while National Guard and Reserve suicides doubled. The Active Army has implemented the Comprehensive Soldier Fitness (CSF) program to combat the mental health issues facing the Army, with success. What plans do each of your Services have to implement these types of programs into the Guard and Reserve training to create a more resilient Reserve Force?

Sergeant Major CHANDLER. The current focus for Army National Guard (ARNG) and Reserve component (RC) soldiers for resilience, risk reduction and suicide prevention includes the application of the Army's CSF program. Both components are utilizing Master Resilience Trainers (MRTs) and Resilience Trainer Assistants (RTAs) to increase assets available to commanders to improve soldier resiliency and unit readiness. To date, the ARNG has trained 295 MRTs and 326 RTAs; the RC has trained 309 MRTs.

A component of the resilience training is the Global Assessment Tool (GAT) which each soldier can take to receive an assessment of their strength dimensions (emotional, familial, social and spiritual). Over 234,948 ARNG and 172,800 RC soldiers have taken the GAT. Additionally, there are various comprehensive resilience modules (CRMs) to help improve or enhance their resilience areas based upon their results of the GAT. Family members have access to the GAT and also family specific CRMs as well.

Master Chief Petty Officer WEST. We continue to build a culture of support for psychological health and suicide prevention while working to overcome the stigma

associated with seeking needed care for the Total Force, including reservists and their families.

Enabling a continuum of service, Reserve commands have trained Combat/Operational Stress Control (C/OSC) caregivers to provide suicide and sexual assault prevention training regularly at all levels and to destigmatize and normalize buddy-care and help-seeking behavior to address mental health or any other readiness issues as early as possible. Reserve Psychological Health Outreach Program (PHOP) teams, consisting of licensed mental health providers, are embedded in Navy Reserve communities regionally. They support Commanders in identifying reservists and family members who may be at risk for stress injuries following deployments or other transitions and provide outreach, support, mental health screenings, referrals and follow-up to local mental health resources to assist with problem resolution, build psychological resilience and promote growth. They also participate in assessment and training during demobilization and pre-deployment unit activities. Along with mental health referrals, many successful referrals by the PHOP teams involve helping reservists and their families with financial, health, employment and other concerns that can affect psychological health and impact performance and unit, individual and family readiness. Experts in finding resources for the unique needs of individual reservists and their families, both governmental (DOD, VA, other Federal and State services) and within the local communities where reservists live, these providers make outreach contacts with all demobilizing reservists and are available for consultation as needed, including providing after hours on-call coverage. Another effective tool is the Returning Warrior Workshops (RWW), a two day weekend program designed specifically to support the reintegration of returning reservists and their families following mobilization. PHOP teams serve as facilitators at Yellow Ribbon Reintegration Program (YRRP) signature events that provide support as needed and build resilience and promote post-traumatic growth. In addition, the DOD Joint Family Assistance Program (JFSAP) is available to support geographically isolated reservists and Commands with financial and mental health counseling. Families OverComing Under Stress (FOCUS), a family-centered resilience training program based on evidence-based interventions that enhance understanding of combat and operational stress, psychological health and developmental outcomes for highly stressed children and families, is available for reservists serving in areas with a high active duty fleet concentration.

Sergeant Major KENT. By direction of the Commandant, the Marine Corps has developed a resiliency model featuring identified vulnerabilities (social, physical, psychological, and spiritual), interdependencies (Marine, Unit, Family, and Installation/Community), cohesion requirements, and an analytical framework that prescribes necessary actions/planning areas to enhance or grow resiliency including: (1) strengthen; (2) mitigate; (3) identify, (4) treat; and (5) return. With the model complete, we have begun action to inventory current capabilities, assess effectiveness and future operations utility, and identify gaps/redundancies. We have brought the key entities charged with resilience programming together to leverage our existing assets in institutionalizing resilience training and program offerings across the Corps. Marine and Family Programs is currently developing a resiliency measurement that will allow individuals, units and the Corps to assess resiliency and, based on that assessment, intervene to improve psychological resilience.

Additionally, the Marine Corps has implemented the following programs to create a more resilient total force, which includes our reserves:

- The Never Leave a Marine Behind suicide prevention and awareness education series trains Active and Reserve marines to recognize the warning signs for suicide, to foster personal and unit resiliency, to know where to go for behavioral health care, to engage helping services early, and in the case of senior leaders, how to manage command climate to reduce the risk of suicide.
- The Operational Stress Control and Readiness (OSCAR) program is being implemented at the Battalion/Squadron level, training Marines and medical and religious ministry personnel to prevent, identify, and manage stress problems as early as possible. These unit OSCAR team members are easily accessible, known to the unit members, and know the unit members. They can quickly recognize unusual changes in behavior, and increase the likelihood marines will talk about stress.
- A communication skills program, developed by the Army, is being piloted to help families identify strengths they bring to deployment, prepare for experiences they and their marines may have during the deployment, and manage stress reactions after deployment.
- The Marine Corps is currently piloting a 24-7 by marine-for-marine counseling line, available to all marines, whether Active, Reserve, or veteran,

and their loved ones. The DSTRESS Line is being piloted in the Western United States.

- The Marine Corps Behavioral Health Information Network (BHIN) is a web-based clearinghouse for the latest information and tools for Active and Reserve marines on prevention and other resources concerning behavioral health. These free educational materials are excellent tools that will assist units and installation support services in their efforts to educate the military community about building resiliency, recognizing reactions and determining the need for help. The materials, which are available in print and media form, include brochures, wallet cards, posters, workbooks, Quick Series, and DVDs.

- In addition, Marine Forces Reserve (MARFORRES) has implemented the Psychological Health Outreach Program (PHOP) which provides Psychological Health professionals at six regional MARFORRES sites to screen and refer Selected Marine Corps Reserve (SMCR) personnel for behavioral health services. Marines who are referred to the program can be screened for behavioral health issues, medically referred, and provided a road to recovery. Outreach members will follow each referred reservist through to the resolution of that member's case, whether it is return to active reserve status, or resolution through the Disability Evaluation System.

Chief Master Sergeant ROY. The Air Force recently implemented the Comprehensive Airman Fitness program. The goal of this program is to help our total force and family members better cope with the stresses of military life. One of the core components is to incorporate "resilience" principles into all of our training platforms such as accessions, PME, and technical training. Reserve and Guard members go through the same accession points as active duty, so everyone will have the same initial exposure to resilience. Like their active duty counterparts, our Guard and Reserve members will receive additional resilience training as they progress through their career but it will be tailored to their unique situation; geographically dispersed with extremely constrained drill time.

Air Reserve component (ARC) is in the planning stages of an Air Force Smart Operation for the 21st century event, "ARC Access to Community Services for Psychological Well-Being." The scope of this event is to effectively provide a mechanism to refer and connect Reserve and Guard airmen and their families to appropriate mental health and resiliency resources, and monitor progress in an effort to better achieve positive outcomes. We will be considering all possibilities in the current resource-limited environment, including regional teams, wing-level, ARC-dedicated personnel, and expansion of the role of the ARC liaison at Medical Treatment Facilities. Once approved, we will press forward with this event.

We also have a Wingman Day, currently planned twice a year, in which Comprehensive Airman Fitness and Resilience is taught and practiced. The goal of Wingman Day is to build resilient airmen, through activities emphasizing awareness, accountability, team building, and communication utilizing interactive discussion.

26. Senator BROWN. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, the military has dedicated a lot of time and resources improving the quality of life for military families. Reserve and Guard families face the unique situation of not being collocated on military bases and near other military families. Families become the watchdogs that the command structure is for the Active Duty soldiers. While their soldier is mobilized, what is being done to educate Guard and Reserve families on the signs and symptoms of PTSD and suicide?

Sergeant Major CHANDLER. The Army National Guard (ARNG) and the Reserve component (RC) have a number of programs to educate family members about PTSD and suicide prevention.

The ARNG has Family Assistance Centers (FACs) and Family Readiness Groups (FRGs) which host several events during pre-deployment, deployment and redeployment with guest speakers and trainers presenting information on suicide prevention, behavioral health, PTSD, mild Traumatic Brain Injury (mTBI), resiliency training, coping skills, and parenting. The ARNG has FACs located in each State and territory to minimize the impact that the geographic dispersed families have in accessing service providers. There are currently 381 FACs serving military Families.

The RC recognizes that any solution to assuring our soldiers can confidently seek treatment for PTSD and depression must include their Families. The RC has included training for Army Reserve Families on identifying signs of PTSD and suicide at various Yellow Ribbon events. Recently the Army approved 53 Health Promotion,

Risk Reduction and Suicide Prevention civilian positions that will be geographically dispersed throughout the continental United States in support of Army Reserve soldiers and their families.

Master Chief Petty Officer WEST. When our sailors deploy, families are their foothold. Family readiness is force readiness and the physical, mental, emotional, spiritual health and fitness of each individual is critical to maintaining an effective fighting force. A vital aspect of caring for our servicemembers is also caring for their families. FOCUS is a family-centered resiliency training program based on evidenced-based interventions that enhances understanding, psychological health and developmental outcomes for highly stressed children and families. FOCUS has been adapted for military families facing multiple deployments, combat operational stress, and physical injuries in a family member. The program provides community outreach and education, resiliency skill building workshops and at the center of the program an 8-week, skill-based, trainer-led intervention that addresses difficulties which families may have when facing the challenges of multiple deployments and parental combat related psychological and physical health problems. It has demonstrated that a strength-based approach to building child and family resiliency skills is well received by servicemembers and their family members. Notably, program participation has resulted in statistically significant increases in family and child positive coping and significant reductions in parent and child distress over time, suggesting longer-term benefits for military family wellness. To date over 200,000 servicemembers, families, and community providers have received FOCUS services.

In addition to FOCUS, Navy Reserve Psychological Health Outreach Program (PHOP) teams provide training on signs and symptoms and Combat and Operational Stress and suicide prevention for Navy reservists and their families at predeployment and postdeployment events. They provide outreach to returning reservists who may be at risk for stress injuries, and provide mental health screening and support and resources to assist with problem resolution and to build psychological resilience and promote growth. Experts in finding local resources for any needs, they make outreach contacts, and are available as needed, including after hours on call. Another effective tool is the Returning Warrior Workshop (RWW), a 2-day weekend program designed specifically to support the reintegration of returning reservists and their families following mobilization. It reviews signs and symptoms of stress injuries and suicide risk and makes available counselors and Chaplains. PHOP team members facilitate at RWWs and provide screening and training to families at other YRRPs and Command predeployment events to educate family members about combat/operational stress and signs and symptoms of suicide risk.

Sergeant Major KENT. The Marine Corps is implementing the following programs to educate Guard and Reserve families on the signs and symptoms of post traumatic stress disorder (PTSD) and suicide:

- We are piloting a 24-7 by marine-for-marine counseling line, available to all marines, whether Active, Reserve, or veteran, and their loved ones. The DISTRESS Line, which is currently being piloted in the Western United States, provides access to counselors who can help family members identify the warning signs for suicide, and how to intervene to save a life.
- The YRRP is a DOD-wide effort that calls for informational events and activities for National Guard and Reserve servicemembers and their families to facilitate access to services supporting their health and well-being throughout the deployment cycle. The informational events and activities, known as Yellow Ribbon Events, take place during all phases of the deployment cycle with post-deployment events conducted at the 30, 60, and 90 day points after the servicemember returns home.
 - Yellow Ribbon Events provide interactive and informative seminars on communication; stress management; post-military career opportunities; money management; health education; parental skills; suicide prevention; resiliency training; and other life-skills training.
 - In addition to these seminars, YRRP provides access or referrals, through our relationships with other federal and non-Federal entities, to support services for issues concerning mental health and substance use disorder; traumatic brain injury; housing stabilization; and family support.
 - YRRP also offers access to employment resources and career counseling to support those servicemembers facing unemployment/underemployment or who have career concerns after being demobilized/redeployed.
- The Marine Corps Behavioral Health Information Network (BHIN) is a web-based clearinghouse for the latest information and tools for marines, families and professionals on prevention and other resources concerning behavioral

health. These free educational materials are excellent tools that will assist units and installation support services in their efforts to educate the military community about building resiliency, recognizing reactions, and determining the need for help. These materials, which are available in print and media form, include brochures, wallet cards, posters, workbooks, Quick Series, and DVDs.

- The Marine Corps also delivers Deployment Cycle Training on the normal and expected emotional responses to each phase of the deployment cycle and present an opportunity for family members to have their questions answered. In the post-deployment workshop, family members learn about the Combat Operational Stress Continuum. Examples are given of normal stressors, which are expected to resolve on their own. Examples are also given of more serious stress responses, attitudes and behaviors, which are more severe or persistent, along with suggestions of appropriate resources. Signs and symptoms of PTSD are described in the continuum, along with instruction on how and when to take action.

Chief Master Sergeant ROY. First and foremost, the ARC provides education and resources for families on deployment related conditions through unit leadership. Air Force regulations specifically direct unit commanders and first sergeants to proactively contact and provide support for family members of deploying ARC members. The unit commander also tasks various support agencies, including Airman and Family Readiness, to ensure that families are contacted and provided for. The Yellow Ribbon Program offers resources on PTSD and suicide mitigation and is offered to ARC members and their families pre-deployment, during deployment, and 30 and 60 days post deployment.

The Air National Guard (ANG) assigns an individual to more than half its wings (with plans to eventually cover all wings) to provide education on PTSD and suicide prevention through Yellow Ribbon events. This individual is available to answer any questions the ANG member or family member may have related to PTSD, suicide mitigation, or other psychological health related questions or resource availability. Family Program Managers also work with ANG family members during a spouse's deployment, providing access to information on PTSD and suicide awareness.

The Air Force Reserve Command (AFRC) employs three regional teams to locate resources and provide case facilitation for AFRC members and their families for psychological health issues, including PTSD and suicide. AFRC also has the Wingman Project (www.AFRC.WingmanToolkit.org) that provides education about suicide prevention. The Wingman Toolkit has been targeted and distributed to Air Force Reserve members.

Finally, Military OneSource and the Military Family Life Consultant Program are both available to family members and can provide information and guidance on PTSD and suicide. The unit commander is responsible for educating families about these services.

DIVERSITY ROADMAP

27. Senator BROWN. Chief Master Sergeant Roy, in your prepared statement you discuss the Diversity Roadmap that the Air Force published last fall. Please provide some of the initiatives the Air Force is implementing to address the issue of diversity within the force.

Chief Master Sergeant ROY. In a nation where about only 25 percent of our youth are eligible or able to serve in an all-volunteer military and a defense department striving to remain connected to the Nation we serve, 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 including a policy directive and Air Force Diversity Strategic Roadmap, which provides priorities, goals and specific actions for implementation of diversity initiatives. Formalizing the 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 the Air Force along with 60 vice commanders from the major commands and senior leaders from the Pentagon participated. Participants were given five things they could do to promote diversity within their sphere of influence. These include making 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.

Finally, to advocate equity, diversity and inclusion at the U.S. Air Force Academy, a Chief Diversity Officer position was created and filled in December 2010. Charged with working with Congress on diversity issues, promoting institutional and classroom diversity and uniting diversity efforts around the Academy to increase various agencies' effectiveness, the Chief Diversity Officer serves as the strategic leader, diversity advocate and principal adviser to Academy leaders.

FAMILY PROGRAMS

28. Senator BROWN. Sergeant Major Chandler, from fiscal year 2007 to fiscal year 2010, the Army has more than doubled its investment into family programs. Undoubtedly, families are an integral part of a successful military. American Psychologist recently highlighted the Army's success in family programs in its special issue on CSF. One of the issues and recommendation was that "many programs for military children and families are not evaluated at all." What is being done to identify the most effective family programs, so as to avoid duplicative programs?

Sergeant Major CHANDLER. The Army has longstanding annual assessment tools that measure the quality and cost of family support services, programs, and facilities. The Installation Status Report and the Common Levels of Support assessment processes monitor program quality, quantity, and applied resources against well-defined standards.

The Army conducts a host of surveys and also benefits from surveys conducted by DOD. The Survey of Army Families monitors and assesses soldier and family use of and satisfaction with support services and programs. Families who use these services tell us they are helpful, appreciated, and positively impact their lives. Other surveys, such as the Sample Survey of Military Personnel, portray positive correlations between soldiers' use of support services and their desire to stay in the Army, unit esprit de corps, and satisfaction with Army life. A 2009 Army-wide assessment of officers and NCOs depicted increasing satisfaction with Army life, increasing ability of leaders to balance their career and family life, and increasing satisfaction with the Army's support for soldiers and families. Overall, these tools inform us that Army family programs positively influence job satisfaction, family life, resiliency, and readiness.

The Army recently conducted a "Holistic Review" of the Army Family Covenant to ensure efficient delivery of programs and services to those who need them most. As a result, the Army is transforming Army Community Service (ACS) with the goal of ACS becoming the key integrator for installation-wide support services.

Additionally, the Army's 2010 Health Promotion, Risk Reduction, and Suicide Prevention Report provided a roadmap to conduct a new evaluation of support services. The goal of this analysis is to determine the right mix of Army programs to ease soldier and family transitions, strengthen resiliency and coping skills, increase help-seeking behavior, and reduce the stigma of seeking help.

Army family programs ensure soldiers and family members continue to be strong and resilient. The Army continually evaluates the quality, cost, and value of these programs. Our efforts ensure a balanced portfolio of services that are fiscally sustainable to strengthen soldier and family programs for the long term.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

FAMILY PROGRAMS

29. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, in your written statements, I was struck by the quantity of programs that each Service has created to serve troops and their families. These programs represent good faith efforts to maintain the readiness of the All-Volunteer Force and to help our troops and their families cope with the accumulated strain of a decade at war. To what degree are the Services methodically and objectively measuring the performance of these programs?

Sergeant Major CHANDLER. The Survey of Army Families (SAF) is an Army-wide survey conducted every 4 to 5 years by the Family and Morale, Welfare and Recreation Command (FMWRC). It provides data on the attitudes and behaviors of non-military spouses of Active Duty soldiers about the quality of life in the Army, identifies emerging family issues, assesses progress in resolving Army Family Action Plan issues, and supplements other studies on Army families. Additionally, the SAF provides data on the effectiveness of family programs including Family Readiness

Groups, services assisting spouses and Families in preparing for a soldier's return, Army Child, Youth & School Services, recreation programs, Army Community Service (ACS) programs and services and other programs designed to enhance the quality of life for soldiers and Families.

In collaboration with the Family Life Development Center at Cornell University, FMWRC has developed logic models and outcome measures for each core Family Program area. Monthly data to support outcome measures is collected through a centralized online database system, the Central Tracking System. In addition, ACS centers are accredited tri-annually to ensure compliance with legislative and regulatory requirements. As part of the accreditation process, ACS centers survey soldiers and their Families regarding their satisfaction level with services available to them which provides a unique opportunity to look at the relevance and importance of individual programs and services to soldiers and family members.

The Installation Status Report is a performance measurement tool used by installation leaders and managers to provide a standardized reporting process, view critical planning and management data, serve as a baseline of data used at all levels from the installation to Army staff to justify funding, assist in the management of installations, and identify critical areas in need of attention.

Master Chief Petty Officer WEST. Recurring performance measurement of Family Readiness Programs is a high priority within the Navy. Program performance of Child Development Centers, Child Development Homes, and School Age Care programs is accomplished through national accreditation and annual inspection by Navy inspectors. Peer-review and certification of Navy Fleet and Family Support Programs occurs every 3 years, with mid-cycle review of installation programs provided by regional Fleet and Family Support Program staff. Detailed performance standards for both Navy Child and Youth Programs (CYP) and Fleet and Family Support Programs (FFSP) are in place, with installation programs reporting their performance against these standards on a quarterly basis. Joint Base supported and supporting commands report quarterly on family readiness program performance against Joint Base Common Output Level Standards. Detailed output data is collected for both Navy CYP and FFSP and analyzed on a recurring basis to validate installation performance.

A senior level customer survey is conducted annually by Navy Installations Command, including senior level satisfaction with the performance of Navy CYP and FFSP. Needs assessment and customer satisfaction data is collected at least annually by installation CYP and FFSP managers. A web-based, Navy-wide CYP and FFSP customer survey has been administered for the past 2 years. A quarterly Tone of the Force Report is provided to the Chief of Naval Operations that includes key sailor and family readiness metrics. Additionally, questions regarding use of and satisfaction with family readiness programs are included in personnel surveys conducted by the Bureau of Naval Personnel.

Among the most accurate measurements of performance in my estimation, is simply talking with sailors to gauge their satisfaction. They deliver positive feedback when programs are effective, and provide unvarnished honesty when programs miss the mark. It is a continuous and evolving dialogue among Navy leadership and the Fleet because both groups understand the importance of quality-of-service efforts and constantly seek.

Sergeant Major KENT. In his 2010 Planning Guidance, our Commandant directed us to: "Review and Improve Family Readiness—Evaluate all Marine Corps Family Team Building Programs and make recommendations on optimum span of control, where we require further assistance to our families, and where we should streamline to erase redundancy." To respond to the Commandant's concerns, we have developed a deliberate process which will, in effect, objectively measure the effectiveness our programs and services by marines and families who utilize them. As part of this process, we are taking the following actions:

- Conducting focus groups with unit commanders, associated sergeants major, and respective spouses to obtain their insights on the effectiveness of Marine Corps Family programs; identify unmet needs of marines and families; and acquire recommendations to fix identified deficiencies. A follow-on web-based survey will reach all unit commanders and Sergeants Major who could not participate in the focus groups. This survey will be extended to NCOs to obtain their perspectives as well.
- Initiating operational planning teams to review the structure of the Unit, Personal and Family Readiness and Marine Corps Family Team Building Programs to redefine staffing requirements.
- Launching a web-based program prioritization tool that will be sent to Active and Reserve unit commanders and sergeants major to ask them to

prioritize the utility of our Marine Corps Family Programs based on their contribution to unit and family readiness.

Chief Master Sergeant ROY. The Air Force uses web-based management information systems to track all airmen, family readiness, child and youth programs, and services offered to airmen and their families. This system also includes participation rates. The data provided by these tools is visible to leadership at the installation, major commands and Headquarters Air Force levels. The captured data is used to conduct trend analysis and provide a vector on focusing our resources where they may have the greatest positive impact on airmen and their families. Air Force-wide assessments and surveys are also conducted to objectively measure performance.

The Air Force Community Assessment is conducted every 2 years and is designed to assist installation helping agencies better meet the needs of servicemembers and their families. Topics covered in the survey include personal and family adjustment, individual and family adaptation, community well-being, deployment, resilience, post-traumatic stress and help-seeking stigma. This assessment provides a means to ensure community interventions are timely, focused and data-driven and has been instrumental in determining the strengths and needs of Air Force communities and tailoring programs at the installation, major command and Air Force levels. Previous survey results are credited with expanding financial counseling programs to members and their families, developing a user-friendly support network for Air Force single parents and setting up marriage-support seminars for junior enlisted members and their spouses.

The Caring for People Survey objectively measures the relationship between services provided and readiness and retention to effectively allocate our resources. The survey was conducted in 2008 and 2010 and allowed total-force airmen, civilians, retirees, and spouses an opportunity to tell Air Force leaders how they can better address services within health and wellness, airmen and family support, education and development, and housing and communities. Insights from the 2008 survey and subsequent focus groups spurred the development of several initiatives for improving fitness facilities, dining operations, housing and allocating funds to target single airmen.

The robust trend analysis and Air Force community-wide surveys we conduct serve to gauge the well-being of airmen and their families and measures the success of meeting their needs through the programs and services offered.

30. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, to what degree do the programs in one Service benefit from the lessons learned from programs in another Service?

Sergeant Major CHANDLER. The Services benefit from sharing lessons learned through two primary joint Services meetings. One is the Chairman of the Joint Chiefs of Staff (CJCS) Family Support Meeting and the second is the Military Family Readiness Council.

The CJCS meets regularly with Service Vice Chiefs, Senior Enlisted Advisors, and select spouses to address concerns and share best practices that will strengthen and enhance servicemember and family programs. The meetings cover five major topics:

- Child Care
- Employment and Empowerment of the Military Spouse
- Educational and Developmental Excellence
- Family/Community Strategic Communication
- Medical

The Military Family Readiness Council reviews and makes recommendations to the Secretary of Defense regarding family readiness policy and plans, monitors requirements for support of family readiness, evaluates and assesses the effectiveness of family readiness programs and activities, and submits reports on family readiness to the Secretary of Defense.

Other venues the Services utilize for sharing lessons learned include program manager meetings and various training and conference opportunities.

Master Chief Petty Officer WEST. Services participate in monthly or quarterly in various Joint Family Readiness Working Groups to share best practices and lessons learned. The Navy Personal Financial Management, Ombudsman and Family Readiness Program initiatives are the most current examples of best practices that have been shared with or implemented by DOD and the other services. Child and Youth Program managers across DOD meet monthly in all functional areas to share lessons learned and to air challenges for possible best practice solutions. Another example where sharing information among the services provided ease in establishing new processes was with the Exceptional Family Member Program (EFMP). Navy

benefited by reviewing Marine Corps' EFMP program practices prior to implementing the Navy EFMP Liaison program. Spouse employment is another area where lessons learned from another branch of Service have been implemented DOD-Wide (Military Spouse Employment Partnership Program).

Sergeant Major KENT. In his 2010 Planning Guidance, the Commandant directed us to institutionalize resiliency across the Marine Corps to better prepare our marines for the inevitable stress of combat operations and enable them to cope with the challenges and rigor of life as a marine, both deployed and in garrison. To do this, we have taken lessons learned from the Army Comprehensive Soldier Fitness program and applied key principles that fit with the Marine Corps' values and ethos. We have also leveraged existing practices occurring within the Air Force and capitalized on their work in the resiliency field. Moving forward, we are in the process of leveraging existing assets in a collaborative process that will combine the "best practices" of physical, psychological, spiritual, and social fitness and instill in our marines the resiliency needed to endure the stressors of combat and enhance their ability to perform effectively across the range of military operations. This program will ultimately provide our marines and their leaders with the best available skills and tools to increase individual resiliency training throughout the unit forming, training, deployment, and post-deployment phases. We will continue to consider other Services' programs and benefit from lessons learned to enhance our own overall capability.

Chief Master Sergeant ROY. The Child, Youth and Family Programs representatives from each of the Services headquarters benefit from regular forums and working groups intended to benchmark programs and share lessons learned. The Office of the Deputy Assistant Secretary of Defense, Military Community and Family Policy hosts a monthly working group for Child and Youth Program Managers from each Service, in addition to a monthly working group for Military and Family Support Program Managers from each Service. These forums are used to work challenges collectively, share successes and discuss emerging policy. Examples of other shared forums include the Joint Transition Assistance Program Managers forum, the Joint Spouse Employment forum, the Personal and Family Readiness forum, the Military Connected Students and Student Liaison Services forum, the Exceptional Family Member Program working group, and the Childhood Obesity working group.

Several programs have been developed as a result of these joint forums. One example is the military child care subsidy program administered through the National Association for Child Care Resource and Referral Agencies. This program provides child care subsidies to quality civilian child care programs for military members who cannot access on-installation child care programs. Another program, currently in development, is a joint military child care waiting list which will improve consistency and efficiency in our military child care programs. The Services also work jointly on partnerships with the USDA/4-H and the Boys and Girls Clubs of America to provide enhanced programming and expanded opportunities for military youth.

Another example is the Military Spouse Employment Program which is being adapted from an Army initiative and will be officially launched shortly to serve all military spouses. The goal of this "purple" program is to "develop partnerships with firms in the private sector to enhance employment opportunities for spouses of members of the armed forces and to improve job portability."

In 2010, the Headquarters Child and Youth Program Managers from the Air Force and the Navy partnered to conduct and fund a joint training conference for their installation child development and youth programs. Over 350 child and youth program managers attended the joint event.

The 2011 DOD/USDA Family Resilience Conference titled "Forging the Partnership" was another large scale venue which brought together members from every Service for opportunities to share lessons learned. Installation staff members presented and attended workshops on current and emerging practices and participated in interactive sessions.

31. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, to what degree do the Services share overhead and resources in order to reduce the costs of these programs?

Sergeant Major CHANDLER. The Services benefit from sharing lessons learned through two primary joint Services meetings. One is the Chairman of the Joint Chiefs of Staff Family Support Meetings and the second is the Military Family Readiness Council. By sharing the lessons learned, the Services are able to identify and implement cost savings and gain efficiencies. However, the Services do not generally share overhead and resources.

Master Chief Petty Officer WEST. Fleet Readiness Programs are funded, for the most part, through the Services' Operation and Maintenance budgets, with each service responsible for providing family readiness programs and services for all military members and their families within their geographic areas of responsibility. Duplication or overlap is relatively low both within and outside the United States. In areas where there is overlap between the services at the local level or installations with co-located sister service tenant organizations, Navy fleet readiness program managers coordinate with their counterparts from other services to maximize resources and ensure military members and their families are well-served. On programs or initiatives of benefit to all the Services, Service and DOD fleet readiness program managers coordinate efforts, sharing overhead and resources to develop and implement initiatives, thereby reducing cost. For example, the Services and DOD are currently coordinating efforts to develop a web-based tool for families across DOD to request childcare services through the installation nearest to their preferred location, regardless of branch of service. Additionally Navy, Army and Marine Corps utilize DLA Troop Support Prime Vendor Program for essential food services.

Sergeant Major KENT. Since our program is still in the development phase, we have not had an opportunity to share overhead and resources with other Services to reduce the costs, but we will look for ways to do so in the future.

Chief Master Sergeant ROY. All family programs located on an Air Force installation support any eligible DOD user. Conversely, family programming offered by other Services can also be accessed by airmen and their families. Base Realignment and Closure (BRAC) and Joint Basing have formalized this approach and all Services are working to ensure programs, information, and resources are shared and applicable to all Services. Additionally, Air Force family support and child and youth program managers meet, as a minimum, quarterly with their Sister Service counterparts. These meetings allow the cross flow of information and sharing of resources and awareness of the total range of services available to members and families. The Services also share best practices and Office of the Secretary of Defense—Military Community and Family Policy resources.

We have had many examples of opportunities where we have shared resources and overhead. One is a series of joint planning sessions to create a more comprehensive Exceptional Family Member Program across DOD. Another is the Joint Services Military Spouse Employment Partnership under development. We are taking an existing Army initiative and contract which is being expanded to enhance employment opportunities for Air Force, Navy and Marine spouses, with shared cost for overhead and program operations. We have also partnered with the Navy to co-sponsor Child/Youth Program training which reduced overall training costs. Joint Family Support Assistance Centers, funded through OSD, provide outreach and support that augments the installation family centers and the National Association of Child Care Referral and Resource Agency contracts shared with the Navy help reduce costs for civilian community child care. The Services also share 4-H grants that promote youth development and leadership skills. All of the separating and retiring members and their families share Transition Assistance Services. And as mentioned, BRAC and Joint Basing are creating more opportunities to formalize processes for shared program costs.

RESILIENCY PROGRAMS

32. Senator AYOTTE. Sergeant Major Chandler and Sergeant Major Kent, using the Army's CSF program and the Marine Corps' Combat and Operational Stress Control (COSC) resiliency training as an example, what metrics do you use to measure resiliency and what do those metrics tell you about the performance of these two resiliency programs?

Sergeant Major CHANDLER. The program of record for resilience development within the Army community is the CSF program. The metric that the Army uses to measure resilience is the Global Assessment Tool (GAT), a 105 item questionnaire required to be completed annually by all soldiers, from Private to General. To date, the GAT has been completed over 1.2 million times. An ongoing program evaluation will give us an idea of the performance of the CSF program, and we anticipate having initial results in the next 4–6 months.

Sergeant Major KENT. The COSC utilizes metrics from external evaluations, such as the Joint-Mental Health Advisory Team (JMHAAT). These metrics include unit factors (small-unit leadership, cohesion and readiness), stigma, barriers to care, training, and positive impact of deployment.

The most recent JMHAAT, due for public release in May 2011, reports that unit cohesion, perceptions of unit readiness, and NCO leadership are significantly improved from previous assessments. Significant increases in the adequacy of and access to training for suicide prevention and stress have reduced stigma and perceived barriers to care.

We believe these indicators show that the COSC program, as well as other behavioral health integrated efforts, is having a positive influence on resiliency.

33. Senator AYOTTE. Sergeant Major Chandler and Sergeant Major Kent, to what degree do your two resiliency programs share overhead and resources to reduce costs?

Sergeant Major CHANDLER. The Army's CSF program does not share overhead with the Marine Corps. However, CSF has allowed several marines and sailors to attend the MRT course at the University of Pennsylvania on a non-reimbursable basis. Additionally, CSF has a memorandum of agreement with the Air Force's Air Combat Command to train five airmen per month at the MRT course at the University of Pennsylvania.

Sergeant Major KENT. The COSC program utilizes materials from the Army's Comprehensive Soldier Fitness program as well as other Services' best practices and resources. The COSC program is utilizing the family resiliency training components from Comprehensive Soldier Fitness program and will be pilot-testing these training components next month at Camp Lejeune, NC.

In April 2011, over 100 Explosive Ordnance Disposal Marines attended the Air Force Deployment Transition Center as they returned from Operation Enduring Freedom. These marines received critical reintegration and decompression time after a difficult deployment.

Partnerships such as these have significantly reduced costs associated with program development, implementation, and sustainment and we will continue to do so in the future.

34. Senator AYOTTE. Sergeant Major Chandler and Sergeant Major Kent, are lessons learned shared between resiliency programs?

Sergeant Major CHANDLER. Yes, lessons learned are shared. Specifically, CSF has provided lessons learned to other Services when those Services began marshalling resources for their own programs.

Sergeant Major KENT. Yes. Working with the Defense Centers of Excellence (DCOE) for Psychological Health and Traumatic Brain Injury, all Services assist in our resiliency efforts. Over the past year, DCOE has held quarterly meetings which have allowed the Services' resiliency program managers to discuss Service-specific program activities, lessons learned, and best practices. These meetings are valuable and are utilized heavily in our resiliency efforts.

35. Senator AYOTTE. Sergeant Major Chandler and Sergeant Major Kent, can you provide a specific example where a resiliency program changed based on input from another Service?

Sergeant Major CHANDLER. The Army's CSF program has not changed based on input from other military Services.

Sergeant Major KENT. We are utilizing lessons learned from the Army's Comprehensive Soldier Fitness program and are currently pilot-testing family resiliency training modules for implementation. The Navy and the Marine Corps resiliency programs are very similar and now share a common doctrine which was released in December 2010. This shared doctrine allows the Marine Corps and Navy to better integrated efforts. The Marine Corps also recently partnered with the Air Force's Deployment Transition Center at Ramstein Air Force Base to support reintegration and decompression efforts for marines returning from Afghanistan.

36. Senator AYOTTE. Sergeant Major Kent, are you aware of the Army's Master Resiliency Trainer Program at the University of Pennsylvania, and if so, do you know if the Marine Corps has sent any marines to this training?

Sergeant Major KENT. Yes, we are aware of the Army's Master Resiliency Trainer program. In fact, our COSC program just received five spaces and we plan to send our Operational Stress Control and Readiness (OSCAR) Master Trainers to attend this training within the next few months. Although we believe our OSCAR training and the Army's Master Resiliency Training are similar, we are excited about the opportunity to attend this training and have the goal of implementing best practices and lessons learned from this course.

CONSOLIDATING MEDICAL COMMAND STRUCTURES

37. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, in March 2011, the Government Accountability Office (GAO) released a report titled, "Opportunities to Reduce Potential Duplication in Government Programs, Save Tax Dollars, and Enhance Revenue." In this report, GAO estimated that realigning DOD's military medical command structures and consolidating common functions could increase efficiency and result in projected savings ranging from \$281 million to \$460 million annually. Do you support realigning DOD's military medical command structures and consolidating common functions?

Sergeant Major CHANDLER. No, not until DOD has reviewed the desirability of establishing a unified medical command.

Master Chief Petty Officer WEST. I am privileged to have the opportunity to see firsthand the outstanding health care being provided by our Navy medical personnel to servicemembers, their families and retirees and their families. At sea, in theatre and in medical treatment facilities, I know our sailors, as well as all servicemembers, are receiving the quality health care they need and deserve. Regarding the organizational construct of the Military Health System and evaluation of the Government Accountability Office assessment, I defer to DOD.

Sergeant Major KENT. I see firsthand the outstanding health care being provided by our Navy medical personnel to servicemembers, retirees, and their families. At sea, in theater, and in medical treatment facilities, I know our marines and sailors, as well as all servicemembers, are receiving the quality health care they need and deserve. Regarding the organizational construct of the Military Health System and evaluation of the Government Accountability Office assessment, I defer to DOD.

Chief Master Sergeant ROY. We do not favor the establishment of a unified military medical command.

The Air Force Medical Service is fully integrated with the Line of the Air Force, and medical personnel are key members of the Wing commander's team to accomplish the Wing Mission. When Air Force units deploy, their medics deploy with them. The unified medical command would sever that close relationship at the expense of our existing effective organizational structure. We can drive unity of effort within current authorities without the expense of establishing a unified medical command and disrupting the effective alignment of medics to Service oversight. The synergy created by close alignment of Air Force medics to our operational mission should not be put at risk in a new unified command structure.

Today's Service oversight of medical assets created the most effective system for treatment of casualties in the history of warfare. Modular and highly capable medical units such as Expeditionary Medical Support (EMEDS) and highly efficient air evacuation operations would not exist without the close alignment of our medics to Air Force operational missions. Deployed to our theater hospitals and supporting our air evacuation system, Air Force medics have safely returned over 86,000 U.S. casualties to their families from Operations Enduring Freedom and Iraqi Freedom. Every day our medics are saving lives of soldiers, sailors, marines, airmen, civilians, coalition forces, friend and foe alike under the watchful eye of Air Force commanders.

38. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, would consolidation of these medical command structures streamline operations, eliminate duplication, and achieve cost savings?

Sergeant Major CHANDLER. Without a thorough review by DOD regarding Service-unique medical command structures, it is unknown if consolidation will streamline operations, eliminate duplication, or achieve cost savings.

Master Chief Petty Officer WEST. I am privileged to have the opportunity to see firsthand the outstanding health care being provided by our Navy medical personnel to servicemembers, their families and retirees and their families. At sea, in theatre and in medical treatment facilities, I know our sailors, as well as all servicemembers, are receiving the quality health care they need and deserve. Regarding the organizational construct of the Military Health System, I defer to DOD.

Sergeant Major KENT. I see firsthand the outstanding health care being provided by our Navy medical personnel to servicemembers, retirees, and their families. At sea, in theater, and in medical treatment facilities, I know our marines and sailors, as well as all servicemembers, are receiving the quality health care they need and deserve. Regarding the organizational construct of the Military Health System and evaluation of the Government Accountability Office assessment, I defer to DOD.

Chief Master Sergeant ROY. The Air Force does not support establishment of a unified military medical command among the military departments because of concerns that it would not streamline operations, eliminate duplication, and achieve cost savings.

We believe a more effective and efficient joint medical solution can be attained without the expense of establishing a unified medical command. Changes to doctrine can be made within current authorities and do not require a new unified medical command. Service specific and joint medical doctrine must be improved to assure Service capabilities are fully interoperable and interdependent to bolster unity of effort. The Services should continue integrating common medical platforms to reduce redundancy and lower costs.

A unified medical command may not achieve the intended synergy or unity of effort. All models of the unified medical command to date do not include medical forces intrinsic (line funded vs. Defense Health Program funded manpower authorizations) to Service line units. A unified medical command would not oversee medical forces serving in these line units. Air Force line funded medics represent 5 percent of Air Force medical personnel; Navy shipboard assets represent 25 percent of medical personnel; and Army line Tables of Organization and Equipment (TOE) funded medics represent 48 percent of Army active duty medics. The Air Force ability to meet operational medical requirements would be disproportionately compromised in current models for unified medical command.

Any new unified medical command will require new systems and structure to oversee component headquarters and assigned forces. This will drive even higher costs. If a unified medical command follows the example of the current Joint Task Force, National Capitol Region Medical (JTF CAPMED), it is highly unlikely there will be cost savings. There is no need for a fourth military Service and establishing such in the form of a unified medical command, without the discipline and historical rule sets that govern existing Services, will likely drive costs much higher. Even more critical, a unified medical command may not be as responsive to the needs of Service warfighters as is the current oversight by the Services.

BRAC 2005 created many opportunities for joint oversight of medics. Given time to mature, these initiatives along with the Service Surgeon Generals' efforts to consolidate oversight of common support functions (information management, contracting, military health facility construction and financial management) in the new co-located medical headquarters will reduce redundancies. Adoption of a single Service accounting system to allocate Defense Health Program dollars and improve accountability would do more to reduce costs than a unified medical command.

39. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, was the consolidation of medical command functions considered during the development of the efficiencies initiatives?

Sergeant Major CHANDLER. Consolidation of Services for medical command functions was not a part of the Army's efficiencies initiatives.

Master Chief Petty Officer WEST. The health care efficiency initiatives were developed by DOD. I would necessarily defer questions regarding specific considerations contained in the proposals to DOD.

Sergeant Major KENT. The health care efficiency initiatives were developed by DOD. I would necessarily defer questions regarding specific considerations contained in the proposals to DOD.

Chief Master Sergeant ROY. The consolidation of medical command functions were not considered during the development of the efficiencies initiatives. However, the Air Force has taken considerable steps to provide synergy of effort with our sister Services, as well as internally to the Air Force Medical Service which maintains Air Force unique capabilities in-line with Title 10 responsibilities.

The Air Force accomplished a major transformation initiative under the Secretary of the Air Force and Air Force Chief of Staff Program Action Directive 07-13. This mandated a consolidation of management headquarters activities that eliminated redundancy across the Air Force, and consolidated all management activities related to clinical activities to a single "reach-back" agency. The establishment of the Air Force Medical Operations Agency in San Antonio provides the savings in this effort to fully fund direct war-fighting support, eliminate redundancy across the Major Command Surgeons Offices, and provides capabilities to the Major Commands and Numbered Air Forces.

In addition, our BRAC-directed co-located headquarters efforts have resulted in a Defense Health Headquarters campus of like-type headquarters functions that will ensure enhanced cross-talk and synergy across the Services medical functions. As

a result, the Defense Health Headquarters will position joint venture activities for greater success and efficiency in the Military Health System.

INDIVIDUAL AUGMENTEES

40. Senator AYOTTE. Sergeant Major Chandler, Master Chief Petty Officer West, Sergeant Major Kent, and Chief Master Sergeant Roy, each of the Services has developed a variety of personnel programs to help troops and their families cope with the stress of repeated deployments. Many of these programs focus on the deployment of large u. However, every year the Services deploy thousands of individual soldier, sailors, airmen, and marines as IAs. These individuals deploy by themselves or in small groups to and from theater. Can you discuss the challenge that IAs present and describe how your Service has attempted to ensure these individuals also receive the pre- and post-deployment training and services they need?

Sergeant Major CHANDLER. Many of the challenges that existed in the war's early years have been mitigated through more effective communication early in the process between the deployed individual and the Continental U.S. Reception Center (CRC) Battalion. The CRC established liaisons within each of the major commands and defense contracting companies operating in theater to ensure the deployed individual received the necessary information regarding pre- and post-deployment requirements. Additionally, the CRC Family Readiness outreach ensures family support regardless of geographic location.

Master Chief Petty Officer WEST. IAs 2A are an integral part of Navy's ongoing efforts to support Overseas Contingency Operations. The primary challenges of achieving mission proficiency and unit cohesion are accomplished through training.

All IAs attend NMPS/ECRC (Navy Mobilization Processing Site/Expeditionary Combat Readiness Center) for 5 days for medical, admin and uniforms. They also process through NMPS during post-deployment.

IAs deploying to CENTCOM AOR receive additional training at Navy Individual Augmentee Combat Training (NIACT), or an equivalent extended combat skills curriculum depending on the requirement, for skills in shooting and driving, for a final medical record review, and for weapon issue.

Additional mission specific training may be required as dictated by the capability requested.

In addition, IAs process through the Warrior Transition Center in Kuwait, between post-deployment and final out-processing at NMPS, to provide combat stress control services and final in-theater administrative support.

Finally, all IAs are afforded the opportunity to attend Returning Warrior Workshops at some point following their deployment to participate in group discussions about their experiences. The Returning Warrior Workshops are conducted in various locations around the country, and cost for attendance is borne by the member's command.

Sergeant Major KENT. The most challenging aspect of IAs is the ability to provide the same level of support for deployment education as an Active Duty marine. Since IAs mobilize individually, they do not have the opportunity to attend pre/post-education classes with their entire unit and must be given one-on-one training or connected with the Gaining Force Command (GFC) predeployment training. In addition, since there is no set "pre-deployment" workup timeline for those accepting IA volunteer billets, providing the pre-deployment training is challenging.

To address these challenges, the Marine Corps provides support through the local Family Readiness Officers (FROs) and/or unit in the area and through our Unit, Personal and Family Readiness Program's YRRP. Together with the GFC, FROs serve as a resource for IA marines and their families that assist them with accessing appropriate YRRP courses covering the entire spectrum of pre- to post-deployment education support.

Chief Master Sergeant ROY. We have worked hard to ensure our augmentees are cared for before, during, and after their deployment. Services for airmen and their families across the four phases of the deployment cycle (pre-deployment, deployment, re-deployment and post deployment) have been standardized to ensure continuity across the Air Force. Deployment is addressed as a process, not an event. Programs and services for deployed single and married airmen and their families are designed to meet their needs and allow the airmen to keep their minds on the mission. These services are provided to those who deploy as units, in small groups, or individually. Tasked airmen are identified to Airman and Family Readiness Center staff by their unit deployment managers and the members are contacted and briefed. Sustainment assistance, information and referral resources are made avail-

able to families while the member is deployed and follow-up is provided during redeployment and reintegration.

[Whereupon, at 3:08 p.m., the subcommittee adjourned.]

**DEPARTMENT OF DEFENSE AUTHORIZATION
FOR APPROPRIATIONS FOR FISCAL YEAR
2012 AND THE FUTURE YEARS DEFENSE
PROGRAM**

WEDNESDAY, MAY 4, 2011

U.S. SENATE,
SUBCOMMITTEE ON PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

**CONTINUATION OF TESTIMONY ON THE ACTIVE,
GUARD, RESERVE, AND CIVILIAN PERSONNEL PRO-
GRAMS**

The subcommittee met, pursuant to notice, at 2:03 p.m. in room SR-222, Russell Senate Office Building, Senator Jim Webb (chairman of the subcommittee) presiding.

Committee members present: Senators Webb, Hagan, Blumenthal, Graham, Chambliss, Brown, and Ayotte.

Committee staff member present: Leah C. Brewer, nominations and hearings clerk.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrner, counsel; and Gerald J. Leeling, counsel.

Minority staff members present: Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Jennifer R. Knowles and Christine G. Lang.

Committee members' assistants present: Juliet Beyler and Gordon Peterson, assistants to Senator Webb; William Chapman, assistant to Senator McCaskill; Tressa Guenov, assistant to Senator McCaskill; Roger Pena, assistant to Senator Hagan; Jeremy Bratt, assistant to Senator Blumenthal; Clyde Taylor IV, assistant to Senator Chambliss; Charles Prosch, assistant to Senator Brown; Brad Bowman, assistant to Senator Ayotte; and Taylor Andreae and Sergio Sarkany, assistants to Senator Graham.

OPENING STATEMENT OF SENATOR JIM WEBB, CHAIRMAN

Senator WEBB. The subcommittee will come to order.

I'm informed that Senator Graham is running about 15 minutes late this afternoon, so I'm going to go ahead and get my opening statement on the record and begin the testimony from our guests today. Then when Senator Graham comes, I'll stop and see if he wants to say a few words at that time.

We're meeting today to receive testimony from the Department of Defense (DOD) on the Active, Guard, Reserve, and civilian personnel programs contained in the administration's National Defense Authorization Request for Fiscal Year 2012 and Future Years Defense Program.

With us today are senior DOD leaders, with whom we hope to discuss not only DOD personnel policy, but specific budget items in furtherance of our subcommittee's oversight responsibilities, which I take very seriously.

There is no greater responsibility for Congress and military leaders than to care and provide for our servicemembers and their families, but, in doing so, we must ensure that we are appropriately managing our taxpayers' dollars.

Our military—Active, Guard, and Reserve—is still engaged in the longest sustained period of major conflict in our Nation's history. We look forward to learning what programs and priorities the Department has identified and implemented to make certain that our servicemembers, civilian personnel, retirees, and their families receive the support and benefits they have earned, commensurate with their service.

Having grown up in a military family that has a continuing tradition of service, I'm well aware of the unique challenges facing our military families, both in the Active Duty and Reserve components. They're dealing with high operational tempos, the stress of multiple deployments, and dwell times that still fall short of the Department's goals for many units and significant numbers of individuals. I have a special appreciation for the obligation to see to the needs of our servicemembers and their families.

The All-Volunteer service has worked well over the past quarter century. We must guarantee that the All-Volunteer model continues to produce the world's best military. However, as I have said in the past, an All-Volunteer Force is not an all-career force, a fact we must not forget in planning for the future and also in taking care of the needs of those who still maintain a citizen soldier tradition and return to their home communities after one period of service.

We've also entered a new era in the use of our Guard and Reserve Forces, who played critical roles during this period of sustained conflict, in ways not envisioned at the inception of the All-Volunteer Force.

This subcommittee will continue to explore changes needed to employ our Reserve component forces as an operational force. In this regard, I encourage Under Secretary Stanley and Assistant Secretary McCarthy to elaborate on their stated views on the need for additional tools for force management as we draw down our Active Force levels and to obtain additional authorities to mobilize Reserve components in the future.

This subcommittee faces a very clear challenge this year with respect to the need to control the increasing costs of our personnel. The total personnel-related base budget in the Department's fiscal year 2012 request, including the cost of providing healthcare to servicemembers, their families, and retirees, amounts to \$175 billion, or about 32 percent of the overall DOD base budget. However, while we must achieve savings in our Defense programs, we need

to do this in a way that does not unfairly impact military benefits for a force that has served us so well. To that end, I am pleased that we have the DOD comptroller with us today so that we can engage in a more detailed budget discussion.

As I stated at our first subcommittee hearing last month, I intend to take a hard look at DOD programs, their justification, what they cost, and whether they are achieving their stated goals. I've also expressed my own reservations on the administration's proposal to increase TRICARE Prime enrollment fees for retirees. While I have strong reservations regarding the administration's proposed enrollment fee increases, based on the fact that retirees have earned this healthcare benefit through their years of service—a moral contract, in my view—I do plan to keep an open mind about initiatives to improve the efficiency and effectiveness of our military healthcare benefits.

To ensure that the Department obtains the greatest return on investment for every dollar it spends, Congress must do its part to make sure that funded programs are effective and efficient, in keeping with our roles as stewards of the public trust and of taxpayer dollars.

I welcome our witnesses to today's hearings: The Honorable Clifford Stanley, Under Secretary of Defense for Personnel and Readiness; The Honorable Robert Hale, Under Secretary of Defense, Comptroller, and Chief Financial Officer; The Honorable Dennis M. McCarthy, Assistant Secretary for Reserve Affairs; and The Honorable Jonathan Woodson, Assistant Secretary for Health Affairs, and director of the TRICARE Management Activity.

I'd like to take a moment to recognize Secretary McCarthy, who will be leaving the Department this year after nearly 2 years serving as Assistant Secretary of Defense for Reserve Affairs. I'd like to acknowledge his many contributions, both as a civil servant and his long career with the Marine Corps, both Active and Reserve.

Secretary McCarthy, we appreciate your service to your country, and look forward to hearing your testimony.

General MCCARTHY. Thank you, Mr. Chairman.

Senator WEBB. I look forward to hearing each of your testimony about personnel overall, and the health and budget status of our military. As always, I encourage you to express your views candidly and to tell us what is working well, and to raise any concerns and issues you may want to bring to this subcommittee's attention. Let us know how we can best assist our servicemembers and their families to ensure that our military remains steadfast and strong.

As I mentioned, Senator Graham will be here forthwith. At this point, rather than waiting for an opening statement—or for him to make an opening statement, we will interrupt the hearing when he arrives and ask that he do so.

So, why don't we just go ahead and begin. Under Secretary Stanley, welcome, and we look forward to hearing your testimony.

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

Dr. STANLEY. Good afternoon, Senator Webb and Senator Hagan. I'm looking forward to talking with you this afternoon, and I thank you for this opportunity to testify today.

First, I respectfully request that my written statement be made a part of the record.

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

Senator WEBB. I should point out that each of your full written statements will be entered into the record at the beginning of the time that you're recognized for your testimony. Feel free to give whatever comments you wish.

Dr. STANLEY. Absolutely. Thank you, Senator.

My focus is total force readiness; it's 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 when they're at home.

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

We've placed emphasis on our civilian workforce to include civilian hiring, career and leadership development, support of our civilian expeditionary workforce, and a 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 civilian hiring practices. Nevertheless, I continue to push hiring reform, and I actually refer to it, more accurately, as "employment reform," towards an aggressive reduction in the number of days it takes to hire a civilian employee. I'm increasing our emphasis on the civilian competency development framework, enhanced leadership development programs, and senior executive talent management initiatives.

As a designated proponent of the total force for the Department, one of the challenges that I have confronted is to assure that I had the proper cognizance over the resources necessary to support our workforce, and most especially our warfighters and their families. To accomplish this, I have undertaken a number of active steps to ensure thorough oversight of the resources and financial management of the Office of the Under Secretary of Defense for Personnel and Readiness level. My financial oversight, as the Under Secretary of Defense for Personnel and Readiness, represents nearly \$40 billion in direct DOD resources. With responsibility for the management of manpower for the DOD total force, it is also critical that I provide effective policy direction that supports pay, allowances, and other programs that constitute nearly two-thirds of the overall DOD budget.

I also cannot overemphasize how essential it is that we continue to work on providing a quality of life commensurate with the quality of service for our military, and most especially their families.

We'll work to do everything possible to support our military families. It is our military families who support our servicemembers, who support our Nation.

I'd like to thank the committee for all you do for our dedicated servicemembers and their families. I look forward to your questions.

That concludes my statement.

[The prepared statement of Dr. Stanley follows:]

PREPARED STATEMENT BY HON. CLIFFORD L. STANLEY

Senator Webb, Senator Graham, and members of this distinguished Subcommittee, thank you for inviting us to testify before you on the Personnel Overview for the Department of Defense (DOD).

It has been a year 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 decisionmaking across the Department and enhance relationships with 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 servicemembers and their loved ones.

As the Under Secretary 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 servicemembers 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.

Our Total Force of Active and Reserve military, government civilians, and contracted private sector employees must deliver the readiness commanders expect, require, and deserve. Under any circumstance, readiness is costly, and the Department's resources are finite. We must thoughtfully plan with the premise that our uniformed, All-Volunteer Force (AVF) is the implicit assumption upon which all our commanders' plans are predicated. We cannot fail to provide commanders with the numbers and kinds of Active and Reserve personnel that they require. To that end, our Total Force Manpower costs must be reduced to a level that is consistent with both an acceptable readiness risk and the sustainment of the AVF, and we are compelled to do so by addressing the Total Force as a whole:

- Military: While not the largest single element of Total Force costs, our "per capita" uniformed costs are typically (by skill) the greatest and, if we have uniformed members in excess of true needs, we also add unnecessarily to our Health Care expenses. Aside from assuring that personnel related costs, such as targeted compensation, yields the best return on investment, we can also ensure that:
 - Our uniformed personnel requirements are absolutely military essential; where appropriate, we must assign work to other elements.
 - Our Active and Reserve Force balance is well-reasoned.

Our military pay request for fiscal year 2012 is \$154.05 billion for 2,269,700 Active Duty, Guard, and Reserve. This does not, however, include other costs required for sustaining the AVF.

- Government Civilians: While we are not arbitrarily freezing government civilian positions in any particular area, resource constraints have prompted guidance to the Department that any increase to civilian funding levels must be based upon compelling need. Some increases could also be driven by the resultant net Total Force savings, such as:

- In-sourcing services if a cost-analysis demonstrates such action would save the Department money.
- The conversion of inherently governmental, but non-military essential, positions from uniformed to less costly civilian performance.

Our civilian payroll for fiscal year 2012 is projected to be \$69.9 billion for 783,702 full time equivalents.

Contracted Services: This is currently the largest cost element of the Total Force. The Department is committed to enhancing its understanding of what we contract for and why. We must also look at whether the returns justify the investments, and if alternative Total Force solutions are less costly. As we have seen in the last decade, expenditures on contracts have steadily increased, and as an element of the Total Force, must be comprehensively reviewed to ensure necessary reductions do not risk readiness and the delivery of critical capabilities. The congressionally-mandated Inventory of Contracts for Services must continue to be improved so that it can be used by managers for these purposes.

In accordance with the National Defense Authorization Act (NDAA) for Fiscal Year 2011 and recent appropriations bill, OUSD P&R is working with all DOD organizations, to move towards collecting data from the private sector firms providing services for the Department. Preliminary guidance is currently in coordination. In the past few years, we have seen the Army make judicious and highly cost-effective decisions regarding contracts governance by relying on both their inventory process and internally-developed information system. OUSD P&R is engaged to assist the Departments of the Navy and Air Force, to enhance their service contracting governance ability by leveraging the Army system as directed in the fiscal year 2011 appropriations bill; and to also assist the Defense Agencies and Field Activities as they report their plans to collect this information.

The components are currently compiling what will be an improved fiscal year 2010 Inventory of Contracts for Services that is due to Congress by June 30. We will continue to work with Congress to make further progress in this important effort.

The Department is expanding the procedures it uses to determine military and DOD civilian manpower requirements to provide a single, coherent process for determining “total force requirements”—i.e., requirements for military and DOD civilian manpower and contract services. Having visibility of future total force requirements will enhance strategic planning throughout the Department.

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 servicemembers, their families and retirees. In addition to the specific initiatives included in the Department’s fiscal year 2012 budget, I believe we need to do a ‘deeper dive’ into healthcare reform, to include Wounded Warrior support. The four azimuths for this ‘deep 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 warfighters and their families.

As the designated proponent of the Total Force for DOD, and as I look across the enterprise within Personnel and Readiness, one of the challenges that I have confronted is to ensure that I have the proper cognizance over the resources necessary to support our workforce, and most especially our warfighters and their families. To accomplish this, I have undertaken a number of tangible steps to ensure thorough oversight of resource and financial management at the OUSD(P&R) level. My financial oversight responsibilities as the USD(P&R) represent nearly \$40 billion in direct DOD resources. With responsibility for the management of manpower for the DOD Total Force (with associated military and civilian personnel and contracted services costs) I also must ensure that I provide effective policy direction that supports pay, allowances, and other programs that constitute nearly two-third of the overall DOD budget.

I will address funding for separate programs under the purview of the Office of the Under Secretary of Defense for Personnel and Readiness for fiscal year 2010–2012 as appropriate, while allowing the Assistant Secretaries of Defense for Reserve Affairs and Health Affairs to address Reserve component and the Defense Health Program funding levels within their respective written statements. The Under Secretary of Defense for Comptroller will address the fiscal year 2012 Military Health Care efficiencies within his own statement.

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 fiscal year 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 March, all Services met or exceeded both quantity and recruit quality objectives for the Active-Duty Force. The Army recruited 34,264 new soldiers, with a 33,600 recruiting goal, for a 102 percent 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 percent 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 March 2011

AC Enlisted Recruiting Through March 2011	Quantity			Quality	
	Accessions	Goal	Percent of Goal	Percent High School Diploma Graduate (HSDG); DoD Benchmark = 90 percent	Percent Scoring at / above 50th Percentile on Armed Forces Qualification Test; DoD Benchmark = 60 percent
Army	34,264	33,600	102	100	63
Navy	16,011	16,011	100	99	88
Marine Corps	11,497	11,468	100	100	74
Air Force	14,279	14,279	100	99	99
DoD Total	76,051	75,358	101	99	76

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. Acknowledging and understanding these factors and the need to expand our recruiting areas for the Active and Reserve components, we continue to enhance DOD influence in underserved communities by working with local school administrators, specifically from Title I school districts, and implementing programs like the DOD Science and Technology Academies Reinforcing Basic Aviation and Space Exploration (STARBASE) Program that have potential long-term impacts on students' on-time high school graduation; college enrollment; and interest in learning science, technology, engineering and mathematics. DOD STARBASE is an outreach and educational program that focuses on science, technology, engineering, and mathematics (STEM) by providing students underrepresented in the STEM areas of study and careers with 25 hours of instruction through an inquiry-based curriculum with "hands-on, minds-on" experiential activities and exposing them to military's technological environment to solidify their attachment to and engagement with learning. In addition, we are working collaboratively with State Governors by sharing resources and supporting programs like the National Guard Youth Challenge Program, to provide at risk youth—16–18 year old high school dropouts—with the values, life skills, education, and self-discipline necessary to succeed as productive citizens.

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 rethinking their previous positions with regard to Reserve Officers Training Corps (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-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 servicemembers 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 servicemembers 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 servicemembers, 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 servicemembers. 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 5 years, the Department may find itself faced with force management challenges that are far greater than those we have experienced since September 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, DOD 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. Draw-down 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 fiscal year 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.

Table 2. Enlistment/Reenlistment and Retention Bonuses* (\$B):

Program	FY 2010	FY 2011 Estimate	FY 2012 Estimate
Enlistment Bonus	0.73	0.57	0.44
Selective Reenlistment Bonus (SRB)	0.85	0.95	0.82
Critical Skills Retention Bonus (CSRB)	0.12	0.17	0.17
Total	1.70	1.69	1.43

**The numbers are based on PB12, and are Active only. These are consistent with OUSD P&R's approved list of CSRB's, as well as a few others from Air Force that are still be proposed; however, they are funded within the budget.*

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 3 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

As of March 18, 2011, all Services reported there are no designated specialties being held under the provisions of Stop Loss. There are approximately 162 soldiers still receiving “Stop Loss Special Pay.” These soldiers sustained injuries or illnesses while subject to Stop Loss and are currently receiving medical treatment. They are assigned or attached to Warrior Transition Units (WTUs).

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 Congress, and enacted by the President to recognize the significant sacrifices made by soldiers, sailors, airmen, and marines since September 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 April 15, 2011, we have paid approximately 90,000 personnel, totaling more than \$325 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 service men and women. The deadline for eligible servicemembers, veterans and their beneficiaries to apply for Retroactive Stop Loss Special Pay has been extended to October 21, 2011, allowing more time to those eligible apply for the benefits they've earned under the program guidelines.

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 fiscal year 2010 Active Duty authorizations (prescribed and actual) and fiscal year 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 NDAA if needed to meet a specific mission. The Services have implemented recruiting, retention, and force shaping policies and programs to achieve end strengths for fiscal year 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 servicemembers and families by increasing dwell time.

Table 3. 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 (MLDC) 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 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 (SAPRO)

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 as-

saults and the percentage of alleged sexual assault offenders facing court-martial proceedings has increased. Funding levels over time for SAPRO are reflected in Table 4, below.

Table 4. DOD Sexual Assault and Prevention Response Office (SAPRO) Funding (\$M)

SAPRO	FY 2010	FY 2011 Estimate*	FY 2012 Request
O&M	16.8	12.7	14.0
RDT&E	0.0	7.0	5.
Total	16.8	19.7	19.0

*Table reflects the FY 2012 President's Budget Request.

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 1 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. Our budget requests reflect this commitment. 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.

Table 5. Department of Defense Military Personnel Budget (\$B)

Military Personnel Costs			
Military Department	FY 2010 Actual (Base & OCO)	FY 2011 Enacted (Base & OCO)	FY 2012 Request (Base & OCO)
Army	70.61	70.64	68.67
Navy	31.17	31.29	32.12
Marine Corps	15.69	15.88	16.19
Air Force	35.51	36.19	37.08
Total	152.99	154.00	154.05

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.

One area we are in the midst of examining is the Department's use of Imminent Danger Pay. Together with the Military Services and the Joint Staff, we are reviewing all locations currently designated as eligible for the pay. As part of that review, we are considering alternatives to the current Imminent Danger/Hostile Fire Pay structure that differentiate payments based upon varying levels of danger or risk as well as proximity to combat.

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 1 year to complete the review (which began in May 2010) and is required to preview its recommendations with the White House prior to completing the review.

Although some additional analysis is still required, the research institutions supporting the QRMC provided their initial assessments to the QRMC. Based on that research, the QRMC has developed its initial findings and preliminary recommendations, which are being sent to the White House.

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 5 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, especially when compared to previous expenditures. As we continue our search for efficiencies, we will continue to rely on the effective and efficient use of these pays.

Table 6. Active Duty Special and Incentive Pays (including Bonuses) (\$B)

	FY 2010 Actual* (Base & OCO)	FY 2011 Enacted (Base & OCO)	FY 2012 Request* (Base & OCO)
Special and Incentive Pays	5.58	5.43	5.01

* Data extracted from the FY2012 President's Budget Exhibit M-1, Feb 2011

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 servicemembers 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 peri-

odic basis. This new force represents a 10-year investment in resourcing commitments and the personal sacrifice of servicemembers and their families. That investment can reliably provide DOD 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 fiscal year 2012 budget request supports the Ready Reserve, including the Individual Ready Reserve, totaling about 1.1 million members, and contributing 43 percent of the total military end strength at a cost effective level of 9 percent 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 fiscal year 2011. We appreciate the congressional support of the fiscal year 2011 end strength levels and the legislative initiatives that assist in recruiting and retaining Reserve component servicemembers. These end strengths will provide the Reserve components the forces necessary to meet strategic demands while maintaining a dwell consistent with Departmental policy.

Table 7. 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 fiscal year 2011, the RC has a Fully Medically Ready rate of 63 percent, which is below the DOD goal of 80 percent. The lower RC Medically Ready rate is due to a significant number of members who are deemed Not Medically Ready (17 percent)—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 the first quarter of fiscal year 2011, all components have met or exceeded the Dental Readiness goal of 75 percent, 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 6 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 9 years over 20,000 Reserve component servicemembers have served on active duty as volunteers. These individuals have the time and life style situation to serve more than the 1 weekend per month and 2 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 and 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 com-

ponent (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 servicemembers. The objective of the YRRP is to ensure the readiness and well-being of National Guard and Reserve servicemembers 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 servicemember 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, servicemembers 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 servicemembers 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 servicemember'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 servicemembers 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 servicemembers and their families with stability and peace of mind. In the December 2009 Status of Forces Survey of Reserve Component Members, servicemembers across six of the seven Reserve components (Coast Guard Reserves not included) self-reported a 12 percent 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 servicemembers.

In accordance with NDAA 2011 requirement to provide transitioning servicemembers with employment information, the Assistant Secretary of Defense for Reserve Affairs has focused resources on ensuring servicemembers 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 fiscal year 2010, 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 servicemembers 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 fiscal year 2011, ESGR placed additional emphasis on the employment arena and now assists servicemembers 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 servicemembers 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 servicemembers 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 servicemembers.

EIP has a high-tech and high-touch approach. The high-tech approach is comprised of the Employer Partnership of the Armed Forces Web site www.employerpartnership.org which provides employers with the ability to post available jobs and allow servicemembers 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 servicemembers have quality civilian job opportunities. Pilot programs conducted in fiscal year 2010, consisting of job fairs, transition assistance and job training sessions, proved valuable in helping servicemembers 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 servicemembers 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 1 year. We have also balanced the additional forces for Afghanistan against those coming available from the draw-

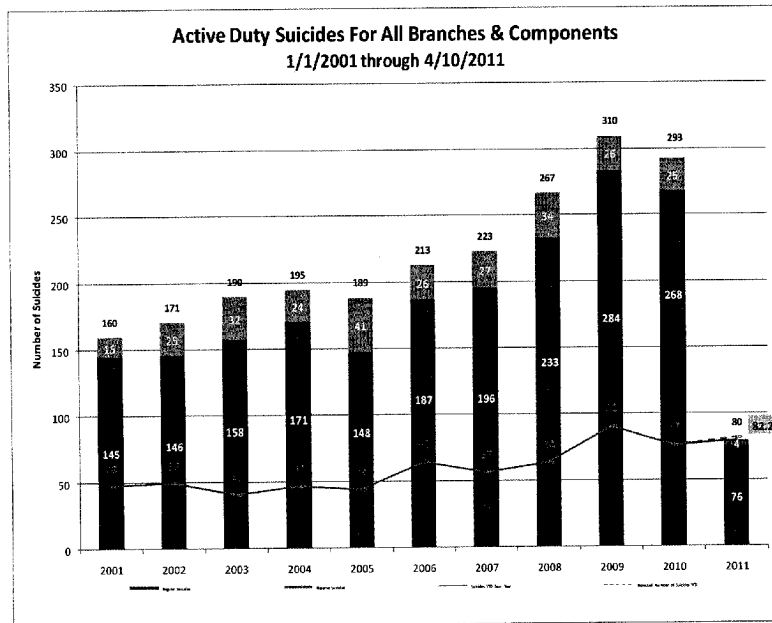
down in Iraq. We are meeting the Operation New Dawn responsible drawdown plan goals. The Army had 25 Brigade Combat Teams (BCTs) deployed to Operation Iraqi Freedom and Operation Enduring Freedom in 2008, 21 BCTs deployed in 2010, and are projecting to have 50 percent fewer BCTs deployed in 2012 as compared 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 2 or more years at home for every year deployed with nearly 70 percent 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 servicemembers 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 8. Total Suicides by Service/Component [updated data]



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 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

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 DOD and Veterans Affairs.

Drug Demand Reduction Initiative

Illegal and prescription drugs remain readily available to DOD servicemembers. 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

The MLDC, mandated by the NDAA for Fiscal Year 2009 and referred to as the MLDC, is scheduled to release its final report directly to the President and 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 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. DOD invested \$652 million in fiscal year 2010 to support language and culture instruction to achieve higher proficiencies for the Total Force in these skills. This investment includes: (a) pre-accession training and education at the Service Academies and ROTC; (b) improved resident and non-resident language and culture training for uniformed language professionals and for General Purpose Forces; (c) provided monetary incentives to individuals to identify, sustain and enhance for foreign language proficiency; and (d) we strengthened foreign language proficiency testing and readiness reporting.

The fiscal year 2011 budget focuses on sustaining gains achieved in previous years and continuing to build a solid foundation to meet future demands. The baseline funding in fiscal year 2011 is projected at \$735 million (does not include MILCON). This includes establishing Language Training Detachments to provide and sustain commanders' requirement for culturally based language training for general purpose forces, support the Afghanistan/Pakistan Hands program, and expand the role of English language training for partner nation personnel.

The fiscal year 2012 budget focuses on sustaining gains achieved in previous years and continuing to build a solid infrastructure in which to meet future demands. The baseline funding request of \$792 million in fiscal year 2012 supports redirected language and culture instruction to achieve higher proficiencies for the Total Force in these skills. This includes \$46 million in fiscal year 2012 for 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. Over 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 servicemembers 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 servicemembers) 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 servicemembers 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 servicemembers 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 7,662 military, civilian, and contract employees (full-time equivalents) providing mental health care. This reflects a shortage of 1,025 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.

DOD/VA COLLABORATION

In order to take better care of our servicemembers, 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 bimonthly 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 re-

lated 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, 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 3 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 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 cost effectively. The Department has provided JTF CapMed with command and fiduciary authorities to manage MTFs in the NCR and directed that the new hospitals at Bethesda and Fort Belvoir become joint commands subordinate to JTF CapMed 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 that will 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 \$109 million in the President's 2012 budget (\$762 million between fiscal year 2012–fiscal year 2016) 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 by JTF CapMed are part of the Department's commitment to providing "world-class" healthcare in the NCR and fulfilling the requirements under section 2714 of the NDAA for Fiscal Year 2010.

WOUNDED WARRIORS

Taking care of our wounded, ill, and injured servicemembers is one of the highest priorities of the Department, the Service Secretaries, and the Service Chiefs. Reforming unnecessary bureaucratic processes is crucial to ensuring servicemembers receive, in a timely manner, the care and benefits to which they are entitled. The Department's leaders are working to achieve the highest level of care and management and to standardize care among the Military Services and Federal agencies. Key initiatives include:

- Establishing an Integrated Disability Evaluation System (IDES)—to create a simpler, faster, more consistent process for determining which members may continue their military service and helping them become as independent and self-supporting as possible. To date, the IDES has been implemented in 78 locations covering over 73 percent of the eligible population. The DOD and VA have a strategic goal of moving 100 percent of eligible servicemembers into the IDES by end of September 2011.
- Enhancing the efforts of care coordinators who work closely with wounded, ill, and injured servicemembers, their families and their recovery teams to develop a Recovery Care Plan that identifies servicemember and family goals, and the resources they need to achieve them, such as assistive technology, education, employment, or housing.
- Developing and implementing an Education and Employment Initiative for wounded, ill, and injured servicemembers designed to utilize existing education benefits, to prepare and align wounded, ill, and injured servicemembers to DOD civilian positions.
- Ensuring a high standard for facilities caring for Wounded Warriors. Especially key are first rate hospitals as well as facilities and trained staff for the Service Wounded Warrior Programs—designed to ensure exemplary support for Wounded Warriors and their families.
- Working with the VA to create Virtual Lifetime Electronic Records, a key administration initiative, which is critical to improving veteran care and services by enhancing the availability of administrative and health information.

The fiscal year 2012 budget request includes \$2.3 billion for the enduring WII program (Table 9). Of this amount, \$415 million provides for the continued support of cutting edge Wounded, Ill, and Injured medical research, through both the Defense Health Program and the Defense Advanced Research Projects Agency. This research is highly focused on psychological health/Post Traumatic Stress Disorder (PTSD) and Traumatic Brain Injuries (TBI), but also includes prosthetics, vision and hearing loss, and other conditions directly relevant to the injuries our soldiers are currently receiving on the battlefield.

Table 9. Wounded, Ill and Injured Funding (\$B):

Program	FY 2011 Enacted	FY 2012 Request*
Enhanced Care & Support	1.1	1.2
Traumatic Brain Injury/ Psychological Health	1.2	1.1
Total	2.3	2.3

*FY 10 Funding for WII was \$3.6 Bil including \$1.5 Bil in One- Time Infrastructure investments.

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, the Senior Oversight Committee chartered the DES Pilot in November 2007. The SOC vision for the DES Pilot was to create a "Servicemember 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 created a seamless process that delivers DOD benefits to wounded, ill and injured servicemembers and VA benefits to servicemembers as soon as possible following release from duty. DOD found the DES Pilot 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, streamlines the DES process so that the member receives a single set of physical disability examinations conducted according to VA examination protocols, proposed disability ratings prepared by VA that both DOD and VA can use, and processing by both Departments to ensure the earliest possible delivery of disability benefits. Both Departments use the VA protocols for disability examination and the proposed 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 in line of duty during active military, naval, or air service for which a disability rating of 10 percent or higher is awarded and also determines eligibility for other VA benefits and services (Title 38). The IDES permits both Departments to provide disability benefits at the earliest point allowed under both titles. Servicemembers who separate or retire (nondisability) may still apply to the VA for service-connected disability compensation.

In summary, the IDES features a servicemember-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 servicemember relationship with the VA prior to separation. It also provides increased transparency through better information flow to servicemembers and their families and a reduced gap between separation/retirement from Service to receipt of VA benefits. Active component members completed the program 37 percent faster than a sample of legacy DES cases. As of April 11, 2011, cumulative IDES enrollment is 21,328 servicemembers with 6,893 completing the program by medical separation, retirement, or return to duty and 13,473 remaining enrolled.

DOD is partnering closely with the Department of Veterans Affairs as we aggressively move toward IDES implementation at all 139 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 percent
- Stage II—Rocky Mountain & Southwest Region (January–March 2011)—(completed) 73 percent
- Stage III—Midwest & Northeast (April–June 2011)—90 percent
- Stage IV—Outside Continental United States (OCONUS)/CONUS (July–September 2011)—100 percent

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 servicemembers 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 servicemembers who use the TAP process, but also on the number of transitioning servicemembers 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 servicemembers 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 servicemembers 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 servicemembers. 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 servicemembers 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 servicemembers about Federal Service career opportunities.

MILITARY FAMILY & COMMUNITY SUPPORT

The fiscal year 2012 budget continues to reflect the decision to shift funding for family support programs that are enduring—i.e., programs that will not disappear as combat deployments and war funding decline—from the OCO budget to the base budget.

The fiscal year 2012 budget includes \$8.3 billion (Table 13) for family support programs vital to the morale and well-being of our military members and their families. Key programs include:

- Child Care and Youth Programs: Includes funding for child care, child and youth development programs, National Guard Youth Challenge Program, and child development centers. The fiscal year 2012 funding provides childcare spaces for over 200,000 children.
- Morale, Welfare, and Recreation: Includes funding for Community Support activities, recreation programs, voluntary education and tuition assistance, temporary duty lodging, and revenue generating programs.
- Warfighter & Family Services: Includes funding for Family Support Centers and for counseling support services for Active Duty, National Guard, and Reserve members and their families.
- Commissary: Operations are appropriated with the Defense Commissary Agency (DeCA) Working Capital Fund. The DeCA operates 250 stores at military installations around the world and employ a workforce that consists of over 14,700 civilian full-time equivalents.

- Department of Defense Education Activity (DODEA) Schools: fiscal year 2012 budget supports the education of 94,503 students in 124 schools in 12 countries and 33,779 students in 70 schools in 7 States, Puerto Rico, and Guam.
- Spouse Employment: Funds tuition assistance and intern programs to support military spouses' employment opportunities, with full funding for the My Career Advancement Account (MyCAA) Program (\$190 million) and funds to support the Military Spouse Federal Intern Program to assist in securing positions in other Federal agencies (\$17 million).

Table 10. Military Family Support Programs
(SB, Base Budget only)

Program	FY 2010	FY 2011 Request**	FY 2012 Request
Child Care and Youth Program	1.1	1.1	1.2
Morale, Welfare and Recreation	1.7	1.8	1.6
Warfighter and Family Services	1.2	1.5	1.5
Commissary	1.3	1.3	1.4
DoDEA Schools	2.1	2.3	2.4
Military Spouse Employment	02	0.1	0.2
Total	*7.6	8.1	8.3

* Numbers may not add due to rounding

** Data extracted from the FY2011 President's Budget Exhibit M-1, which includes CR adjustments;

*** Table reflects the FY 2012 President's Budget Request

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 Inter-agency 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 coastguardsmen 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.
- The fourth: increasing the availability and quality of child care for servicemembers 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, DOD, 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 9 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 2 consecutive years 85 percent 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 percent 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 servicemembers 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 percent since fiscal year 2005 with customer satisfaction consistently remaining well above 90 percent. 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 OneSource, provides immediate assistance to wounded, ill, and injured servicemembers, 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 fiscal year 2010, 2,046 cases for wounded warriors were handled. The top three issues concerning callers were health care (38 percent), military benefits (20 percent), and VA (20 percent) benefits.

Dependents' Education Programs

DOD 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 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 closing the achievement gap in schools. 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, 7 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 offering 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 60 LEAs school districts, in over 800 schools and serving more than 540,000, of which the nearly 41 percent are from military families. We are approving 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, lay-out 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 fiscal year 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 servicemembers 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 servicemembers/veterans who have sustained various types of injuries. Paralympics' military events are conducted at 4 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 servicemembers 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 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 Federal Voting Assistance Program (FVAP) FVAP.gov Web site 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 implemented worldwide expedited return of ballots for overseas military voters. The Military Postal System Agency and U.S. Postal Service (USPS) went beyond requirements of the MOVE Act by providing Express Mail return delivery rather than simply expedited return. The result was 92 percent of overseas military ballots were returned to local election officials from Military Post Offices in less than 7 days, with the worldwide average of 5.2 days ballot return delivery time.

The President's fiscal year 2012 budget fully supports the FVAP program. Total O&M and RDT&E funding for FVAP was \$17.425 million for fiscal year 2010, \$46.481 million for fiscal year 2011, and the President's fiscal year 2012 budget request for FVAP is \$32.353 million. FVAP will build on the success of the 2010 election to improve even more the voting opportunity in the 2012 election cycle for military and overseas voters.

Special Needs: New DOD Office

The NDAA for Fiscal Year 2010, 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. Costs for the new office in fiscal year 2010: \$1.3 million; in fiscal year 2011: \$1.4 million; and fiscal year 2012 [requested]: \$1.4 million.

Voluntary Education Opportunities

DOD is committed to making educational opportunities available to our servicemembers and does this through 350 military education sites worldwide to include Iraq, Afghanistan, Kosovo, Sinai, Qatar and Kuwait. During fiscal year 2010, our Voluntary Education program helped fund 857,786 enrollments by 322,964 servicemembers, which resulted in our servicemembers earning 43,510 diplomas and 1,783 certifications/licensures. Servicemembers are “blending” their course work, taking both traditional and on-line courses, with approximately 71 percent of servicemembers taking some courses on-line. Due to the growth in on-line enrollments and servicemembers attending schools off our military installations, DOD has established a policy requiring all post-secondary 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 servicemembers and veterans.

Military Commissaries

The commissary continues to be one of the most popular non-pay compensation benefits that our military members (Active, Guard, or Reserve,) retirees, and their families enjoy. Operated by the Defense Commissary Agency (DeCA), this integral element of the total compensation package not only does much to enhance the quality of life for military families, but also provides an excellent savings from them. Last fiscal year, the commissary provided direct savings to commissary customers of \$2.69 billion for a taxpayer cost of \$1.3 billion. Providing savings on the patrons’ overall purchases of 31.5 percent, for those patrons who consistently use their commissary, savings can amount to nearly \$4,400 per year for an average family of four, over \$2,400 for a couple, and more than \$1,500 for a single servicemember.

Perhaps most importantly, the commissary enables troops to focus on their mission when deployed, improving retention by providing a “sense of community” for military personnel and their families, and providing access to American products around the world in a safe, secure shopping environment.

As an organization, DeCA is a model for departmental efficiencies. DeCA has a proven history of taking cost out of the commissary system without decreasing the value of the benefit provided. In fact, when measured in constant dollars, DeCA’s operating costs are only slightly more than one-half of what they were when the Agency activated on October 1, 1991. DeCA’s efficiency track record continues with a fiscal year 2012 budget submission of \$1,376.8 million.

CIVILIAN PERSONNEL POLICIES

Strategic Human Capital Management, Competency Management, and Civilians in the Total Force

The Department is making progress toward developing a more systematic approach and enterprise tools for strategic human capital planning that covers over 750,000 civilian employees in over 600 occupations. The total number of DOD civil-

ians has evolved from 777,844 in fiscal year 2010 to 790,497 in fiscal year 2011 and will stabilize at 783,702 in fiscal year 2012. For example, a Competency Management Framework has been designed that includes plans for the phased development and deployment of a tool for competency assessments beginning with mission-critical occupations. A proof-of-concept Enterprise Competency Management will undergo validation testing this summer and the long-range plan is to replace multiple competency assessment tools with a single tool for use across the Department. Another example is the integration of strategic workforce planning, competency management, hiring improvement, and leadership development initiatives to ensure that the Department can recruit, retain, and develop an agile, competency-focused civilian workforce throughout the employee life-cycle that is responsive to swiftly changing mission demands and complex challenges. These are multi-year initiatives that are intended to improve the Department's ability to rapidly grow, contract, and shift the work force in response to emerging mission and capability requirements. The Department also recognizes the need for integrated Total Force planning to better assess and manage the mix of Active and Reserve military, civilian, and contract requirements in order to leverage the best talent source available to provide short-term, mid-range, and longer capabilities.

Hiring Reform

In 2010, the Department made positive and meaningful progress toward reforming its civilian hiring practices. DOD completed all mandates of the President's Hiring Reform Memorandum of May 2010, including the following:

- Elimination of Knowledge, Skill and Abilities (KSAs)-style essays when applicants first apply for Federal employment;
- Allowing the submission of resumes and cover letters;
- Using the category rating approach to determine best qualified candidates;
- Increasing Hiring Manager involvement and accountability;
- Improving the speed and quality of the hiring process; and
- Informing applicants of their application status at key stages in the process.

While meeting these mandates, the Department pushed its hiring reform efforts in other ways. DOD has reduced the number of days it takes to hire an employee by developing a common business process, deploying tools to automate key steps in the hiring process, and providing manager and human resource specialist training and job aids. In addition, the Department's arsenal of hiring-related metrics and measurements has grown, thereby enabling transparency and targeted improvements to the hiring process.

In fiscal year 2010, the Department processed nearly 250,000 hiring actions. While doing so, DOD reduced its external hiring timeline by 25 percent from the fiscal year 2009 baseline of 155 days to 116 days. This achievement exceeded DOD's fiscal year 2010 goal of 140 days. In addition, time to fill for all hiring actions (internal and external) was 75 days. As a result of this progress on the external timeline, DOD's yearly targets were adjusted aggressively downward to 101 days (originally 112 days) in fiscal year 2011, and to 80 days in fiscal year 2012, with quarterly goals in place to monitor progress. In the first quarter of fiscal year 2011, DOD continued to reduce its external hiring timeline to 114 days and DOD expanded its key hiring metrics to include tracking time to hire for "all hires."

Another area of improvement is the automation of DOD's hiring process. DOD procured an automated staffing tool in late fiscal year 2010 and is deploying it across DOD as an interim solution to approximately 70 percent of the Department in fiscal year 2011, and to 100 percent in fiscal year 2012. In addition, DOD is working with its components to continue improving hiring business processes, and to apply enterprise technology where feasible.

DOD is also partnering with OPM on the re-engineering of USAJOBS, the job posting portal used by the Federal Government, with phase 1 (of 3) scheduled for deployment during calendar year 2011. DOD, along with DHS and other agencies large and small, is providing project leadership and personnel to OPM to complete this aggressive and ambitious undertaking. The USAJOBS 3.0 project is a high visibility project and DOD is the largest consumer of USAJOBS services. Major benefits to the Department include:

- Improved job search functionality and results relevancy
- Open architecture that encourages increased interoperability with Human Resource Information Technology (HRIT) products
- A common repository for resumes and applicant documentation

- Improved functionality in the areas of assessments, recruitment, reporting, and career exploration

The deployment of an enterprise staffing tool and improvements to USAJOBS are critical initiatives; however, without the participation and engagement from our Hiring Managers and HR Professionals, these efforts have isolated impacts. As such, a primary DOD objective is to foster and encourage strong partnerships between Hiring Managers and HR Professionals. To assist these key stakeholders, DOD's Hiring Reform website (<http://www.cpms.osd.mil/HiringReform/>) was recently relaunched with a new look, and includes approximately 24 products in the Hiring Managers Toolkit, which was recognized by OPM as a best practice. A webinar series is in development, with content based on the four phases of the hiring process outlined in the Toolkit.

The initiatives outlined represent DOD's approach to hiring reform implementation, an approach aligned with the Department's overall mission, and with its Strategic Human Capital Management objectives. A key success criterion is the involvement of senior leadership. As reported previously, the Department continues to solicit and utilize its cadre of senior leaders to guide its efforts, communicate and campaign for process improvements, and provide leadership throughout each hiring reform effort. We will continue to monitor these efforts closely, as Hiring Reform remains a high priority for the Department.

Civilian Leadership Development

The Defense Civilian Emerging Leaders Program (DCELP), as authorized by the NDAA for Fiscal Year 2010, section 1112, fills a critical need, by focusing, for the first time on a corporate scale, on developing civilian leaders at the entry and mid-level. The Department recognizes the need for an improved model to attract, retain, and deliberately develop civilian leaders to support pipeline readiness and enhance bench strength. We have conducted a gap analysis between existing programs and NDAA, section 1112, and designed a program framework to create a new program to recruit and develop new DOD civilian leaders, using proven models such as the Presidential Management Fellows program. Recognizing the financial environment and to ensure we have a sound programmatic framework, we will implement a DCELP pilot in September 2011 with up to 100 participants at the General Schedule (GS) 7 through 11 level from the Acquisition, Financial Management, and Human Resources career fields. The DCELP amalgamates leadership and technical proficiency.

This new program will be additive to the Department's current leadership programs, which include the Executive Leadership Development Program (ELDP) and the DOD Senior Leader Development Program (DSLDP). DSLDP was established in 2008 to meet emergent leadership needs and provides a competency-based approach to the deliberate development of senior civilian leaders (GS 14 or 15 and equivalent grades) with the enterprise-wide perspective needed to lead organizations and programs and achieve results in the joint, interagency, and multi-national environments. We are pleased to report that DSLDP is entering its third annual cohort. DSLDP is a critical feeder pipeline for executive talent. Established in 1985, ELDP provides mid-level civilians (GS-12 through GS-14 and equivalent grades) with an extensive exposure to the roles and mission of the DOD and Interagency partners and an increased understanding of, and appreciation for, today's warfighters through intensive hands-on field experiences. Both programs are aligned with the 21st century competency framework and designed to ensure application of critical leader competencies and have garnered success for their target senior grade populations. These highly competitive Department-wide programs will serve as building blocks for the new leader development framework.

In addition to the programs just mentioned, another critical building block in this arena is training managers and supervisors. Pursuant to the NDAA for Fiscal Year 2010, Section 1113, the Department has established a holistic training curriculum and baseline learning objectives for each training topic. We are piloting this training in the Spring 2011 and will soon be turning our attention to developing the curriculum for refresher training, which the NDAA requires occur at least every 3 years. Also, we are partnering with OPM and vendors to design assessment tools that will help predict interest and success for aspiring supervisors, as well as, developmental tools for current supervisors. Those assessment tools should be available for use by October 2011.

Executive Talent Management Initiatives

In a demanding year, confronted with cutbacks related to Efficiency Initiative directing the drawdown of over 200 Civilian Senior Executives, freeze on pay increases and reduced funding for performance awards, we continue to seek new and

innovative ways to incentivize and retain our Senior Executives. This year, the Department focused its efforts on Talent Management initiatives that will continue to prove our commitment to the Department's senior leadership in ways not tied to monetary incentives, but that will provide for career development, personal growth, and enhanced readiness of our executives.

Through Talent Management Panels held in the summer of 2010, DOD assessed the readiness of its executives, slated executives for critical mission positions and identified developmental and career broadening assignments and programs. Through this process, our executive cadre received targeted feedback to help identify competency gaps and recommend training and development opportunities. At the enterprise level, the Department was able to identify and address mission critical gaps in its workforce. As a result of the 2010 panels, DOD has further refined its automated tool for Talent Management & Succession Planning, to include the development of additional capabilities for the executive's benefit.

DOD has also implemented several developmental programs to increase an executive's proficiency level on specific competencies. At the enterprise level, we concluded a successful pilot of the Joint Executive Management course, which focuses on improving business acumen in a joint environment for a DOD executive. We also began the design of a Department-wide orientation program, entitled "Vanguard" which will include an emphasized focus on the national security perspective. At the individual level, we implemented a 360-assessment and coaching program for executives' self-improvement, and a mentoring and coaching program targeted at improving executives' personal leadership skills. We will continue to look for further ways to improve the entire career lifecycle of our executives to ensure DOD possesses a world-class executive cadre capable of leading the Department and ensuring its readiness to fully support DOD's warfighting efforts.

Civilian Expeditionary Workforce

The Department is working to better employ the talents of our civilian workforce to meet expeditionary mission challenges, especially those not directly related to war fighting. Global security challenges require adequate civilian capacity to conduct complex operations, including those missions that require close military-civilian planning and cooperation in theater. Since 2001, more than 43,000 Department civilians have been involved in contingency operations around the globe. Currently, from all sources, approximately 4,800 civilian employees are serving in the Central Command theater.

In response to these imperatives, the Department institutionalized the Civilian Expeditionary Workforce (CEW) to provide deployable civilian experts to support military operations, contingencies, emergency operations, humanitarian missions, disaster relief, and stabilization and reconstruction operations. The CEW is designed to enhance the Department's ability to work alongside and help build the capacity of partner defense ministries and provide surge support where needed. Today, the CEW is a Capability-Based Volunteers program. In the future, after the DOD Directive governing CEW is revalidated, the CEW will encompass a pre-identified subset of the Department's emergency essential and volunteer civilian workforce by skill sets and capabilities, who are trained, ready, cleared, and equipped for rapid response and quick assimilation into new environments. Since June 2010, CEW deployments have increased by 51 percent, from 171 deployed civilians to 353 as of the end of February 2011. Civilians deployed under the CEW receive general and theatre-specific, urban training, and are eligible for the same health care benefits in-theatre as deployed military personnel, including medical evacuation and access to hospital services.

With the support of Congress, the Department has obtained important incentives and benefits to help compensate for the inherent risks of deployment. The Department continues to identify pertinent issues and propose fully integrated solutions to ensure force health protection, surveillance, deployment benefits, and medical care for civilians who have been injured, wounded, or have contracted diseases while deployed in support of contingency operations. We have worked in partnership with OPM, the Department of State, and the Department of Labor to ensure all similarly-situated Federal civilians receive consistent and equitable benefits commensurate with the risks of deployment. In this endeavor, working with our partner agencies, we developed proposed legislation to provide a standard benefits package for all Federal employees.

New DOD-wide Performance Management System, Redesigned Hiring, and Workforce Incentives

The NDAA for Fiscal Year 2010 mandated new DOD-wide personnel authorities, including a fair, credible, and transparent performance management system that

links employee bonuses and other performance-based actions to performance appraisal, and redesigned appointment procedures that will better meet mission needs; and provided discretionary authority to establish the DOD Civilian Workforce Incentive Fund for incentive payments for individual and team performance and to attract applicants or retain employees with particular or superior qualifications or abilities. The NDAA requires these authorities to be developed in coordination with OPM and that their development, design, and implementation are subject to collective bargaining obligations. Executive Order 13522, Creating Labor Management Forums to Improve Delivery of Government Services, allows employees and their union representatives to have pre-decisional involvement in decisions relating to all workplace matters to the fullest extent practicable.

The Department has been mindful of its responsibility to work with exclusive representatives of DOD employees, involve the workforce, and not constrain the development of the new authorities. In the interest of building an effective relationship between management and labor, the conference originally planned for April 2010 to begin exploring ideas for these authorities was postponed to give time for further collaborative discussions between labor and management with respect to a pre-design conference to help identify broad concepts for the NDAA personnel authorities mentioned above. The October 2010 reports to Congress covered the jointly designed, planned, and led New Beginnings Conference held in September 2010, the first mutually agreeable date.

Since the September conference, DOD has continued to engage the DOD unions on these authorities. A joint planning group met in mid-December to identify requirements for the start-up of the design effort. A second planning meeting was held January 20, 2011, with follow-up teleconferences on February 4 and 11. There are three joint design teams—performance management, hiring, and workforce incentive fund—with equal representation between management and DOD unions. Each team has a management and labor co-lead. Team members are from the DOD components, OPM, and Federal Managers' Association and include line managers, union officials, employees at various grade levels, and human resources professionals from the National Capital Region and well beyond.

Marketing DOD Employment Opportunities

The Department values the experience and commitment of our servicemembers and places special emphasis on supporting transitioning servicemembers, wounded warriors, and veterans in their search for employment. We continue our efforts to actively reach out to our veterans to assist them in their civilian employment search with aggressive marketing and outreach programs, transition assistance programs, career fairs, and benefits counseling and assistance.

The Department continues this tradition in support of Executive Order 13518, the Veterans Employment Initiative. In January 2010, the Department stood up the DOD Veterans Employment Program Office to promote veterans recruitment, training and development throughout the Department.

DOD aggressively promotes/markets veterans hiring through DOD's Hiring Heroes Program, veterans outreach events, and assistance to veterans with navigating the application process in their search for employment.

To facilitate hiring, the Department manages nationally recognized Hiring Heroes Career Fairs, conducting 8 to 10 events throughout the United States each year. These events are specifically designed for and marketed to wounded, ill, and injured servicemembers, transitioning military, veterans, and their families to assist them in their search for employment. Since April 2005, 40 Hiring Heroes Career Fairs have been conducted, reaching over 13,800 job seekers and 2,388 employers. In 2010 alone, 9 career fairs were conducted, resulting in 297 placements. Six Hiring Heroes Career Fairs are scheduled for fiscal year 2011 at Fort Sam Houston, TX (2); Fort Riley, KS; Camp Pendleton, CA; Fort Lewis, WA; and Walter Reed Army Medical Center. These events are marketed through the military services, Transition Assistance Program Offices, Civilian Personnel Centers, Wounded Warrior Transition Brigades, Military Treatment Facilities, Department of Labor and Veterans Affairs, and numerous Veterans Service Organizations using posters, flyers, emails, Facebook, Twitter, Web sites, et cetera.

The www.DODVets.com Web site provides veterans and transitioning servicemembers with information on employment opportunities, veterans' preference, special hiring authorities, Q&As, as well as a calendar of recruitment events for veterans conducted throughout the United States. The Web site also provides Hiring Managers with information on veterans hiring authorities.

The Student Training and Academic Recruitment (STAR) Program is another innovative recruitment program developed by the Department. Students are hired as on-campus representatives to promote DOD as the "Employer of Choice" and to mar-

ket (through peer-to-peer interactions such as information sessions, special events and one-on-one) DOD's various and diverse employment and scholarship opportunities. The program is designed to create a cost effective way to market to and recruit students in academic studies which mirror DOD's mission critical occupations and to provide a year-round DOD presence on campus. The main goal of the program is to build a competent, diverse, and a highly-skilled civilian workforce, ready to meet 21st century global challenges and to support the Department's national security mission. The STAR Program is currently active at 5 universities, Michigan Technological University, Houghton, MI, University of Puerto Rico at Mayaguez, Mayaguez, PR, Tennessee State University, Nashville, TN, Morgan State University, Baltimore, MD and Rochester Institute of Technology/National Technical Institute for the Deaf, Rochester, NY. To date, the STAR program has resulted in permanent Federal career opportunities for 10 of the participating students.

National Security Personnel System Transition

The NDAA for Fiscal Year 2010 repealed the statutory authority for the National Security Personnel System (NSPS) and requires that all covered employees be transitioned by not later than January 1, 2012, to the statutory pay and personnel system that last applied or that would have applied if NSPS had never been implemented, as appropriate. The law also requires that employees not suffer a loss of or decrease in pay upon conversion out of NSPS due to its repeal. The rules of the gaining pay and personnel system apply to determine employee placements and pay setting.

The termination of NSPS and the transition of all employees and positions are on schedule to be completed by the statutory deadline. Before drawdown began in late February 2010, there were approximately 226,000 employees covered by NSPS. Because 75 percent of them occupied positions with origins in the General Schedule (GS) system, the Department's goal was to transition most employees back to GS during fiscal year 2010. The DOD components assessed their readiness and determined NSPS transition schedules based on the following criteria: least possible disruption to mission and hardship to employees, existence of classified positions under the successor personnel system, existence of legacy performance management systems, and information technology capability.

During fiscal year 2010, approximately 172,000 employees (representing 76 percent of the NSPS population) were transitioned out of NSPS to GS. As of September 30, 2010, approximately 53,000 employees remained covered by NSPS and will be transitioned in calendar year 2011—approximately 44,000 by the end of June, another 8,000 by October, and the remaining employees before the statutory deadline. Employees are being transitioned in calendar year 2011 to the acquisition workforce personnel demonstration project, Navy alternative personnel system ("China Lake"), new laboratory personnel demonstration projects as required by section 1105 of NDAA, and to GS. Employees going to GS during calendar year 2011 include those assigned to designated healthcare occupations for which the Department had long considered implementing alternative pay and qualification systems under special authority and those affected by special situations, including employees who were deployed or who were subject to 2011 BRAC actions. A report to Congress at the end of April 2010 described steps taken for the reclassification of NSPS positions and the initial plan for transitioning employees and organizations from NSPS. The first semiannual report on transition progress, transmitted in October 2010, provided information on the transition of employees to the GS system during fiscal year 2010. Reports at the end of April and October 2011 will include information about the transition of the remaining employees covered by NSPS.

Disestablishment Initiatives

In August 2010, Secretary Gates announced a set of initiatives aimed at increasing efficiencies, reducing overhead costs and eliminating redundant or low priority functions. These initiatives included the decision to disestablish the Office of the Assistant Secretary of Defense for Networks and Information Integration, the Business Transformation Agency, the Joint Chiefs of Staff J-6 Command, Control, Communications, & Computer Systems organization and a recommendation for the closure of the United States Joint Forces Command.

Since the announcement, the Department has engaged and met with various leaders of the affected organizations to discuss their way forward. We also established a Personnel and Readiness Transition Team, to work with the affected organizations to help them develop a transition strategy that is designed to be attentive to the needs of the affected population, transparent, and facilitates access to transition programs and tools. For the past 6 months, the team has been working closely with the affected organizations by assisting them with workforce analysis, timelines, and

to identify necessary steps in implementing the disestablishment actions. We have leveraged best practices and lessons learned from BRAC actions and incorporated those lessons into our planning efforts.

With the final approval of the recommended actions, my staff continues to work closely with the leadership in the affected organizations by assisting them to develop their final implementation plans. We are providing specific human resources policy guidance, assistance with outplacement tools and programs and information to implement the associated personnel actions. We have launched a web page with links to the affected organizations to communicate with the affected workforce and to help answer questions and alleviate anxiety. We are committed to working with leaders of affected organizations to do everything possible to assist their employees in order to facilitate a smooth transition and mitigate any adverse impact on the affected workforce.

Pay Freeze

The Department implemented the pay freeze in accordance with statute, issued clear guidance, and ensured that the President's intent with regard to pay adjustments was applied in a fair and equitable manner across the Department. Although the pay freeze legislation covers most civilian DOD employees, we recognize that there may be exceptions based on extraordinary circumstances. Special rates may be approved under extraordinary recruitment or retention evidence and availability of funding for particular occupations. In the past couple of years, staffing challenges arose in specific medical occupations and in highly skilled and qualified blue collar occupations. The DOD pay freeze exception policy is currently under review. We have already instituted a review process whereby overseas commands can petition DOD for exclusions to the pay freeze based on the criteria developed with OPM and the State Department.

Insourcing

We understand that, across the entire department, we must do a better job of managing our Total Force of Active and Reserve military, government civilians, and contracts for services. Moreover, in the absence of change our Total Force costs, and associated health care expenses, will become prohibitively more expensive. Predictable consequences will include inadequate recapitalization, and a severely degraded future readiness.

To that end, we are changing how we strategically look at the Total Force, both as we execute our mission and plan across the Future Years Defense Program. This not only includes the development and promulgation of policies, but is contingent on providing managers with the tools, resources, and information necessary to achieve the outcomes we desire in this increasingly austere fiscal environment. Among other things, while we must deliver an All-Volunteer Force as a large and as capable as our commanders require, we must also ensure that we consistently challenge assertions of military essentiality, only planning for uniformed personnel if necessary. Similarly, the balance between Active and Reserve Forces must be judicious and well-reasoned.

DOD is committed to meeting its statutory obligations under Title 10 to annually review its contracted services, identifying those that are more appropriately performed by the government workforce and should, therefore, be in-sourced. This includes services that are inherently governmental and could include services closely associated with inherently governmental work; that provide unauthorized personal services; or that may otherwise be exempted from private sector performance (to mitigate risk, ensure continuity of operations, build internal capability, meet and maintain readiness requirements, etc). While some contracted services may be identified for in-sourcing, some services determined to be no longer required or of low priority may be reduced in scope or eliminated, while other required services will continue to be provided by the private sector.

Additionally, partnering with USD (AT&L), the military departments, and others, P&R is ready to meet its newly delineated responsibilities under Title 10, and improve how the Department accounts for its contracted services. Collectively, the actions being taken will improve the long-term utility of the inventory of contracts for services; more adequately ensure the representation of Total Force management equities during the review process; and improve the Department's ability to accurately and holistically assess its contracted workload and the services being delivered in the context of applicable statutes, policies, and regulations. These changes are critical to improve the Department's ability, over the next several years, to more effectively manage individual contracts and workload associated. This will ensure we achieve the right balance in our workforce, aligning inherently governmental activi-

ties to military and civilian workforces and commercial activities to the most cost effective service provider—be that military, civilian, or contracted support.

Those contracted services that meet the necessary criteria (consistent with governing statutes, policies, and regulations) will be in-sourced, by:

- absorbing work into existing government positions by refining duties or requirements;
- establishing new positions to perform contracted services by eliminating or shifting equivalent existing manpower resources (personnel) from lower priority activities; and
- on a case-by-case basis, requesting an exception to the civilian limits the Secretary has asked the Department to adhere to.

Our in-sourcing efforts are focused on rebalancing the workforce, rebuilding critical internal capabilities (including the acquisition workforce), and reducing operational risks and are consistent with the reforms to government contracting that President Obama called for in March 2009: addressing overreliance on contractors; appropriately aligning inherently governmental activities to government performance; performing functions efficiently and effectively; and protecting the public's interest while providing the best value for taxpayers.

Lastly, while there has been significant focus over the past few years on in-sourcing, the Department recognizes that insourcing is just one of many management tools and is not a one-size-fits-all solution. Not all in-sourcing is good, just as not all out-sourcing is bad. The private sector is, and will continue to be, a vital source of expertise, innovation, and support to the Department's Total Force.

We appreciate Congress' concern related to public-private competitions under OMB Circular A-76. I will soon be submitting a report that is the result of nearly 18 months of policy and 'best practice' review. Our report will make recommendations to improve the end-to-end public-private competition process. We believe that a public-private competition process can be a useful tool for our commanders and managers to use to validate an organization's manpower and other requirements; drive a more consistent delivery of mission critical support and services to our servicemembers and families; and deliver readiness while minimizing fiscal opportunity costs to meet the compelling needs of the Department.

In summary, we must have a Total Force that provides our commanders the enabling manpower they require. However, we must also ensure that its costs do not deprive those same commanders and our forces of the technologies, platforms, and systems that will translate into necessary capabilities.

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.

Senator WEBB. Thank you, Secretary Stanley.
Mr. Hale, welcome.

STATEMENT OF HON. ROBERT F. HALE, UNDER SECRETARY OF DEFENSE, COMPTROLLER, AND CHIEF FINANCIAL OFFICER

Mr. HALE. Well, thank you, Mr. Chairman, Senator Hagan, Senator Ayotte. I appreciate the opportunity to be here to testify.

I'm going to focus on our overall budget very briefly, and our efficiency proposals. I'll concentrate on the proposed healthcare initiatives.

As you said, I submitted a statement for the record.

Let me begin with the overview of the budget.

We asked for \$553.1 billion in base budget authority in fiscal year 2012, and it is intended to reinforce three priorities that Secretary Gates has established. First, it reaffirms our commitment to take care of the All-Volunteer Force. Secretary Gates has called this a “national asset.” I couldn’t agree more. It is our highest priority. Second, the fiscal year 2012 base budget continues to rebalance the Department’s capabilities to improve our ability to prevail in current conflicts. Third, it enhances the capabilities for conflicts we may face in the future.

The budget also furthers the reform agenda that Secretary Gates started in fiscal year 2010. For this fiscal year, we propose continuing this cost-cutting, with an emphasis on business operations. Our plans propose savings of \$170 billion in fiscal year 2012 through 2016. These savings will be achieved in a variety of ways, through a number of reorganizations in the departments, through some selected termination of weapons systems, through infrastructure changes, and particularly by changes in our business processes.

Included in this package of efficiencies are proposed changes in the military health system, and I’ll focus on those.

In 2012, the budget includes \$52.5 billion to support the military health system and its 9.6 million beneficiaries. We take pride in providing beneficiaries the best medical care, and we will do nothing to interfere with that goal. I want to underscore that commitment. But, the costs of the military health system have nearly tripled in the last decade, from \$19 billion in 2001 to the present request for more than \$52 billion.

Our challenge is daunting, but real. We have to find ways to maintain the quality of healthcare, but slow the growth in costs. Meeting that challenge begins with streamlining operations at our headquarters. Health Affairs, for example, is reducing its headquarters staff by more than 700 contractors. I think there are people up at this table that can do better than I at describing where they’re headed in doing that.

Additional reforms will involve beneficiaries. We are proposing a modest increase in TRICARE enrollment fees for working-age retirees; those under age 65. Congress introduced fees for TRICARE in the mid-1990s, when the program was created. Since then, those fees have not been changed, in dollar terms, at all. Had they been indexed to a medical index, the fee which is, today, \$460 for families; and TRICARE Prime would have been more than \$1,000. Instead, retiree out-of-pocket-cost expenses have fallen from 27 percent of healthcare costs in 1995 to 11 percent today. The administration’s proposal will increase fees for working-age retirees by a modest \$5 a month for families and \$2.50 a month for individuals. Beginning in 2013, future enrollment fees will be increased based on growth in the per capita national health expenditures.

Indexing to national health expenditures will stabilize cost-sharing in TRICARE, though it will stabilize it at a level much more favorable to retirees than what Congress envisioned in the 1990s. These modest first-ever increases in TRICARE fees will save an estimated \$434 million in 2012 through 2016, and more than \$1 bil-

lion through fiscal year 2021. I'll mention a number of dollars throughout. But, if we don't, or aren't allowed to do this, then we will have to look for other changes. We're not going to see increases in the Defense budget. We will have to look for other changes in the support and training we provide to our military.

We also plan to change copays for pharmaceuticals to provide incentives for beneficiaries to choose the most cost-effective options for prescriptions; namely, the use of generic drugs and the delivery of prescriptions by mail. These reforms will save over \$2.5 billion between 2012 and 2016. So, they're particularly important, both to the quality of healthcare, but also to our budget.

DOD proposes a regulatory change that will eliminate special subsidies for sole community hospitals that serve military beneficiaries. Current rates to sole community hospitals (SCH) are substantially higher than what is paid to most other hospitals treating military personnel. Federal law requires that we adopt Medicare rates at these hospitals, to the extent practical. That's what we're proposing.

In addition to complying with the law, this change will save the health system \$395 million between 2012 and 2016. We will phase in this change slowly over at least 4 years, in order to avoid adverse effects on care provided at the affected hospitals.

Lastly, we propose equitable treatment for all Medicare-eligible military retirees. Under current law, a few Medicare-eligible enrollees are allowed to remain in the Uniformed Services Family Health Plan (USFHP), a plan involving six hospitals, whether they enroll in Medicare Part B, or not. They are the only retirees using the military health benefits who do not have to enroll in Medicare when they become age eligible. This is the one area where we need legislative authority to require those who are part of the USFHP to join Medicare, just like all the other retirees.

Moreover, under current law, the six Federal family health plans—programs—receive claim payments that exceed Medicare rates. We seek legislation that will permit us to reimburse those plans in the same manner as we do for most other hospitals serving military beneficiaries. We will make these USFHP changes very gradually, fully grandfathering all who are currently over age-65 and in the Family Health Plan. So, it will take place over a number of years.

The Federal Government, as a whole, would save money under this plan; it's not a lot, but there are modest savings. The Department savings from this proposal would be very substantial. We budget on an accrual basis for these. That is, we're looking out over the whole career of an individual and setting aside money to pay for it. So, we immediately see major effects. Our budget would be reduced by \$3.2 billion over the 5-year period from 2012 to 2016. So, it's very important to us, budgetarily.

I particularly ask the committee's support for provisions affecting the sole community hospitals, and for legislation to permit changes in the USFHP. These proposals will permit the Department to comply with the law and treat all our hospitals and retirees equitably.

Taken together, DOD's healthcare proposals are reasonable and fair to all, we believe. None of our proposals would affect Active Duty servicemembers. That's an important point. The proposals are

strongly supported by the Secretary of Defense—you heard him comment on them in his oral statement when he testified before the House Armed Services Committee; also by the Chairman of the Joint Chiefs—he also commented on them verbally; and indeed, by all our senior military leaders—they sent a rare 24-star letter of support to Congress, earlier this year, in support of these healthcare changes.

These proposals generate savings that will help us pay for needed training and equipping of the Armed Forces. Indeed, as I said, if we don't get authority to do this, we'll face major holes in the military budget. So, that may be very hard to handle in difficult budgetary times. But, most importantly, the congressional support for these proposals will lay the groundwork for a sustainable future for the military healthcare system.

Mr. Chairman, that concludes my oral remarks. When my colleagues are finished, I'd be glad to hear your questions.

[The prepared statement of Mr. Hale follows:]

PREPARED STATEMENT BY HON. ROBERT F. HALE

Senator Webb, Senator Graham, members of the committee, thank you for the opportunity to speak about the budget of the Department of Defense and our efficiency proposals, especially our proposed health care initiatives.

I will address these military health care issues with a focus on their financial aspects. I appreciate the leadership of the Under Secretary of Defense (Personnel and Readiness), and from his staff, on broader issues related to personnel in the Department.

I would like to begin with a brief overview of the President's Budget for the entire Department including our overall efficiency initiative. I will then focus on our health care proposals.

BASE BUDGET REQUEST

Mr. Chairman, the Department's budget for fiscal year 2012 includes \$553.1 billion in discretionary budget authority and continues and reinforces three priorities laid down by Secretary Gates for the Department:

- First, it reaffirms our commitment to take care of the all-volunteer force, America's greatest strategic asset. We propose a 1.6 percent military pay raise, \$8.3 billion for family support programs, and \$52.5 billion for military health care.
- Second, the fiscal year 2012 base budget continues the rebalancing of the Department's capabilities in order to improve our ability to prevail in current conflicts, such as the unconventional war in Afghanistan. For example, we plan to invest \$4.8 billion to purchase unmanned aerial vehicles and \$2.3 billion for cyber activities.
- Third, the President's budget for fiscal year 2012 maintains and enhances capabilities for the conflicts we may face in the future. Included are a restructured but substantial Joint Strike Fighter program, a new tanker program, an aggressive shipbuilding program, a new ground combat vehicle, and many other initiatives.

In addition to these three broad priorities, the budget for fiscal year 2012 furthers the reform agenda that Secretary Gates launched in fiscal year 2010 and which continues in this budget. In fiscal years 2010 and 2011 that agenda included steps to curtail or eliminate programs that have fully satisfied procurement needs, as well as those that are seriously troubled or provided capabilities too narrow to justify their expense. More than 20 programs were restructured or eliminated, among them further production of the F-22 and the C-17 aircraft, the program for the new VH-71 Presidential helicopter, the Navy's DDG-1000 ship program, and the Army's Future Combat System (FCS). These difficult decisions resulted in substantial savings.

For fiscal year 2012, we propose to continue our cost-cutting with emphasis on business operations. Our plans save \$178 billion in fiscal year 2012 to fiscal year 2016 through efficiencies and streamlining of programs. The Armed Services identified about \$100 billion of savings, which they are reinvesting to improve combat capability. The remaining \$78 billion in Defense-wide savings was used to accommo-

date reductions in the defense topline and to support the administration's efforts to reduce the Federal deficit.

These savings will be achieved through reform of DOD's organizational structure, weapons programs, infrastructure, and business processes. We propose to terminate or consolidate organizations in all the military departments. We will terminate the Marine Corps' Expeditionary Fighting Vehicle, end procurement of the Army's SLAMRAAM surface-to-air missile, and make other changes in weapons programs. Changes in business processes include consolidation of data centers, improvements in weapons sustainment, reductions in acquisition costs, and elimination or streamlining of lower-priority support tasks in order to accommodate a civilian personnel freeze and reductions in funding for contractors. Included in this package of efficiencies are proposed changes to the Military Health System (MHS).

HEALTH CARE EFFICIENCIES

The fiscal year 2012 budget includes \$52.5 billion to support the MHS and its 9.6 million eligible beneficiaries, including Active Duty servicemembers and their families, military retirees and their families, dependent survivors, and certain eligible Reserve component members and their families. Starting this year, the MHS is adding the TRICARE Young Adult Program, which extends benefits for certain dependents in accord with the National Defense Authorization Act for Fiscal Year 2011.

We take pride in providing MHS beneficiaries with the best medical care, and we will do nothing to reduce the quality of that care. But the costs of the Military Health System have nearly tripled in little more than a decade, from \$19 billion in 2001 to the present request of more than \$52 billion. The challenge we face: find ways to maintain quality health care while slowing the growth in costs.

Efforts to achieve this are by no means new. To date, more than \$1.65 billion in annual savings have been implemented. The 2007 National Defense Authorization Act prohibited employers from offering incentives to employees to drop employer-based health insurance in favor of TRICARE. Savings of \$500 million were achieved thanks to rebates from pharmaceutical manufacturers for retail prescriptions. Matching payments to Medicare rates for outpatient care in hospitals and ambulatory centers will save another \$900 million. Enhanced fraud, waste, and abuse detection and prosecution are expected to net another \$137 million. By standardizing medical supplies and equipment, we are producing another \$30 million in annual savings.

These achievements are noteworthy, but we must do more. As a result, the Department has proposed additional headquarters reforms, changes in the TRICARE system that will better balance responsibilities for health between DOD and the people we serve, shifts in pharmacy co-pays designed to encourage efficiency, and changes to ensure that costs to individuals and payments to hospitals are consistent throughout the military medical care system.

HEADQUARTERS EFFICIENCIES

Greater efficiencies begin with streamlined operations at headquarters. Health Affairs is reducing headquarters staff by more than 700 contractor positions, as well as promoting greater sharing of services and capabilities between the Armed Services. We are currently devising specific plans to accommodate these reductions, plans that include approaches such as contract consolidation and the efficiencies in Information Technology (IT) support. Other efficiencies are anticipated with the conclusion of the BRAC process and consolidation of medical headquarters for Health Affairs, the TRICARE Management Activity, and the Service Surgeons General.

TRICARE ENROLLMENT FEES

Additional reforms will involve beneficiaries. We are proposing a modest increase in TRICARE enrollment fees for working age retirees. Congress introduced fees for TRICARE in the mid-1990s, when the program was created. Since then, annual fees have not been changed in dollar terms. Had they been indexed to Medicare, fees of \$460 for families would have grown to more than \$1,000 by fiscal year 2010. Instead, retiree out-of-pocket expenses actually fell from 27 percent of total health care costs in 1995 to 11 percent in fiscal year 2010.

The administration's proposal will increase fees for working-age retirees by a modest \$5 per month for families and \$2.50 per month for individuals, which will raise the annual fee from \$460 to \$520 for families and from \$230 to \$260 for individuals. Beginning in 2013, future enrollment fees will also be increased based on growth in per capita National Health Expenditures. Note that the increases will only affect the 1.6 million retirees in TRICARE Prime who are younger than 65 years of age. Disabled retirees and survivors will be exempted.

These modest, limited, first-ever increases will save an estimated \$434 million in the fiscal year 2012–2016 period and \$1.5 billion through fiscal year 2021, money that will help to maintain a strong, well-trained military.

PHARMACY CO-PAYS

We plan to change co-pays for pharmaceuticals to provide incentives for beneficiaries to choose the most cost-effective options for prescriptions, namely use of generic drugs and delivery of prescriptions by mail. Co-pays are eliminated altogether for generic drugs ordered through the mail order program, which will mean a savings to beneficiaries of \$3 per prescription. Most non-generic drugs are available via mail order with no increase in co-pays. For retail pharmacies, co-pays are increased by \$2 to \$3 per prescription. We estimate that these reforms will save over \$2.5 billion between fiscal year 2012 and 2016 and, again, help to maintain a strong military even in lean times.

In addition, changes in co-pays are expected to improve patient care. It has been noted that patients with chronic conditions requiring regular medications are actually more likely to comply with their medical regimen when the prescriptions are delivered to their homes.

SOLE COMMUNITY HOSPITALS

DOD proposes a TRICARE regulatory change that will eliminate special subsidies for Sole Community Hospitals (SCHs) that serve military beneficiaries. Current rates for the SCHs are more than twice as high as what is paid to other acute TRICARE network and non-network hospitals covered under this proposal and 29 percent higher than commercial insurers are paying for the same services. Federal law requires that we adopt Medicare rates to the extent practicable. By implementing this regulatory change at SCHs, we can save the Military Health System \$395 million between fiscal year 2012 and 2016.

We realize that this proposal will have an impact on the revenue streams of certain hospitals, but that impact should be modest for all but a handful of hospitals. TRICARE accounts for less than 1 percent of inpatient admissions at the vast majority (81 percent) of SCHs and less than 5 percent of inpatient admissions at 95 percent of these hospitals. We propose phasing this change in over the next 4 years for all affected hospitals, and we will work with those who are most affected to minimize disruptions.

USFHP ENROLLEES

Lastly, we propose to provide equitable treatment for all Medicare-eligible retirees by offering a single program design across the country. Under current law, Medicare-eligible enrollees are allowed to remain in the Uniformed Services Family Health Plan (USFHP), whether they enroll in Medicare Part B or not. They are the only military retirees using military health benefits who do not have to enroll in Medicare when they become eligible. We seek legislative authority that will require those who are part of the USFHP to join Medicare upon reaching age 65. Under current law, the six USFHPs receive claims payments that exceed Medicare rates. We seek legislation that would permit us to reimburse these plans in the same manner as we do for all other Medicare-eligible retirees. Our plan will fully grandfather all of those who are already in USFHP, but would require future USFHP enrollees to transition to Medicare and TRICARE for Life once they become Medicare-eligible. Future retirees covered by the proposal would still be able to obtain services from providers associated with USFHP as long as the providers accept Medicare.

We believe that it is not appropriate to treat individuals differently just because they join a particular plan. Nor is it appropriate to provide a few hospitals with special subsidies. This proposal is estimated to reduce Federal outlays by \$34 million over the fiscal year 2012–2016 period and \$279 million over the next decade. Because DOD budgets for this program on an accrual basis, the Department's savings from this proposal would be substantial. Under our proposed changes, DOD accrual contributions are reduced by \$3.2 billion over the 5-year period, fiscal year 2012–2016.

CONCLUSION

I want to emphasize that none of our proposals would affect costs to Active Duty servicemembers. Also, there will be no change in enrollment fees for medically retired servicemembers or survivors of servicemembers.

These proposals represent a package of incentives and changes in payments and benefits that we believe are reasonable and fair to all. Most importantly, they lay

the groundwork for a strong and sustainable future for the military health care system. The proposals generate savings that will help to pay for needed training and equipping of the Armed Forces.

Mr. Chairman, that concludes my statement. My colleagues and I welcome the committee's questions.

Senator WEBB. Thank you very much, Secretary Hale.

I would now like to call on Senator Graham, who has arrived, as predicted.

Senator GRAHAM. Thank you.

Senator WEBB. We welcome you to this hearing. I think you said you had three hearings going at the same time.

Senator GRAHAM. Yes. I just met with General Petraeus's wife, who is now in charge of protecting our military men and women from predatory lending practices. That was something I wanted to come and talk to our committee about.

STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Mr. Chairman, as always, I have really enjoyed our working relationship. I think we've done a pretty good job, if I say so myself, of keeping the men and women well equipped and well trained.

On the healthcare front, this is really a difficult situation. You're talking about 16.5 percent of the DOD's budget, by 2028, being healthcare cost. Now, that's doubling in less than 20 years.

Are you retired?

Senator WEBB. I am a retired marine, yes.

Senator GRAHAM. Okay. He's a retired marine. I, one day, hope to be a retired Air Force officer.

I guess what I'm going to say is that I understand what the administration's trying to do. We have to move this debate forward on sustainability. We haven't had a premium increase since 1989. Some of the fees to be increased, proposed by the administration, I think, is something we should all consider. I respect the House. But, eventually you're going to have to make some very draconian choices between healthcare and operational needs. That's not where we want to find ourselves.

Secretary Hale, your idea of trying to get a better bang for our buck, looking at programs to make them more efficient, improving the quality of care while lowering cost, is absolutely essential.

Secretary McCarthy, we're going to miss you. You've been a really good, stalwart advisor to this committee.

To the rest of you, I appreciate your involvement.

But, Mr. Chairman, somebody eventually is going to have to address this. We are just putting the DOD budget in an unsustainable Hobson choices here. I am convinced, with a little forward thinking, that people in my income level, when I retire, could be able to contribute a little bit more to save the system and free up some dollars for operational needs and the force of the future.

I look forward to working with you and the administration to try to find out a way to make this happen. I support your 2012 budget.

Healthcare's important to our men and women; TRICARE for the Guard and Reserve was a good move. Worked with Secretary Clinton. The GI Bill was a good move. We're seeing astonishing results there. People are signing up to be able to transfer their benefits to

their children. We now need to talk about transferring to grandchildren. I know this is not the healthcare piece. But, I had a National Guard guy from South Carolina say, "You know, I got three grandkids. Why can't I transfer my GI benefits to my grandkids?" That shows you that, in the Guard and the Reserve, you have some people who've been around a while. [Laughter.]

They may not be many, but I want to help them if we can.

Thank you all. Together maybe we can find some rational way to move forward to reform healthcare within DOD.

Senator WEBB. Thank you very much, Senator Graham.

As always, it's been great working with you on this subcommittee.

Secretary McCarthy, welcome.

**STATEMENT OF HON. DENNIS M. MCCARTHY, ASSISTANT
SECRETARY OF DEFENSE FOR RESERVE AFFAIRS**

General MCCARTHY. Mr. Chairman, Senator Graham, and members of the subcommittee, I can say without hesitation that it's always an honor to appear before a committee of the U.S. Senate, and especially since this is probably my last opportunity to do so.

As always, I thank the committee and your staff for all that you've done for the men and women in uniform, especially for those whose it's my responsibility to serve, the members of the Reserve and National Guard. They have benefited greatly from the concern and the expertise that you've brought to bear on their behalf.

As I believe you know, the 2010 Quadrennial Defense Review directed what it called a Comprehensive Review of the Future Role of the Reserve Component and the Balance Between Active and Reserve Forces. That review was completed earlier this year. Secretary Gates has just approved the report and directed that its analysis be part of the budgetary review for fiscal year 2013 and beyond. I believe this report will be extremely valuable in describing the ways that the National Guard and Reserve can contribute to our defense in coming years.

Clearly, the Reserve components are at a point of transition. The last 10 years have been dominated, as you pointed out, Senator, by a demanding period of sustained mobilization that was never previously envisioned. Congress, DOD, and the military departments, and, most importantly, the men and women of the Reserve and Guard, and their families, have all adjusted to this reality. But, now as we draw down our forces in Iraq, and with a relatively small RC footprint in Afghanistan, the demand on Guard and Reserve for combat service is declining, at least temporarily.

We can use this opportunity to move in one of two directions. We can return the Reserve and Guard to their pre-September 11 role as a Strategic Reserve, or we can find ways to continue to judiciously use the Reserve component as a part of the operational force. Having spent many years in direct and personal communication with the men and women serving in the post-September 11 Reserve components, I can tell you that most of them do not want to go back on the shelf as a purely strategic Reserve. Several of the Service Chiefs' posture statements indicate that they agree with their troops on this issue.

Everyone serving in the Guard and Reserve today either enlisted or reenlisted since September 11, knowing full well the demands and expectations flowing from that decision. I believe we will all agree they've performed magnificently and have become accessible, well trained, and resilient. Their families and their employers have also demonstrated resolve and perseverance that some once doubted.

The question before us now is, How can the Nation best preserve and utilize this hard-earned capability? Maintaining training and equipment readiness, balancing accessibility with judicious use, both will be essential. Continuing work on both law and policy will be necessary. But, the human capital that's resident in the Reserve and Guard is of such high quality that any failure to use their talents would be wasteful and destructive of the capability that they have achieved.

Although I'll be leaving active service, I know that the team at Personnel and Readiness will continue to support this committee's efforts to develop legislative tools that our citizen warriors need to succeed.

Thank you again for the opportunity to testify, and I look forward to your questions.

[The prepared statement of General McCarthy follows:]

PREPARED STATEMENT BY HON. DENNIS M. MCCARTHY

EXSUM

Chairman Webb, Ranking Member Graham, and members of the subcommittee; I thank you for your invitation to participate in this hearing. This is my second appearance before this committee in my current role, and I welcome the opportunity to give you my perspective on what I perceive to be a roadmap to the future of your Reserve components (RC).

After a decade of sustained engagement in combat operations, the Reserve components of our Armed Forces have transformed, from a strategic force of last resort to a dependable operational force that provides full-spectrum capability to the Nation. Today there are over 100,000 National Guard and Reserve men and women on active duty around the world and at home, serving in missions ranging from combat in Afghanistan to defending the air space here in Washington, to humanitarian relief efforts in Japan.

In order to best utilize the Nation's 10 year investment in your Guard and Reserve Forces, they must be:

1. Accessible: Expansion of 12304 enables future planning for an era of persistent conflict where augmenting the AC force in specific missions can occur without an authority gap.

2. Used Judiciously: The RC are highly capable and possess many of the same capabilities as the AC, and have volunteered to serve at an incredible rate. Many of these individuals have the time and desire to serve more than the traditional standard for Guard and Reserve personnel; and the Department should find a way to leverage this willingness. In many cases, the Guard and Reserve Forces should be the first choice for recurring or predictable missions within their capability, which will contribute to the sustainability of both the Active and Reserve components. Putting in use rotational availability models allow for continued movement towards the Department objective of 1 year mobilization for 5 years dwell time for the RC.

3. Ready: Our RC forces need to continue to be maintained at the highest level of readiness, to include not only servicemember training and medical readiness, but also family and employer readiness. Our dedicated Guard and Reserve servicemembers receive support in a holistic manner, and we have worked, through both the Yellow Ribbon Reintegration Program and the Employer Support of Guard & Reserve Programs to give access to community, State, and Federal level assistance programs to servicemembers and their support networks before, during, and after deployments. This includes resilience training.

Programs like these that ensure support during a servicemember's continuum of service assists our Reserve components in attracting the best and brightest to join. The Services have implemented recruiting, retention, and force shaping policies that you have authorized, and will achieve end strengths for fiscal year 2011, which provide the RC with forces necessary to meet strategic demands and maintain dwell consistent with policy.

RC readiness also includes being able to work and train in quality facilities, and maintaining the current level of equipment that is available for training and preparation. Current funding for reset and maintenance of RC equipment comes out of Supplemental appropriations, but as we move away from dependence on these funds, it is important to include funding in base budgets to maintain and repair the equipment that is currently accessible to the RC.

Chairman Webb, Ranking Member Graham, and members of the subcommittee; I thank you for your invitation to participate in this hearing. This is my second appearance before this committee in my current role, and I welcome the opportunity to give you my perspective on what I perceive to be a roadmap to the future of your Reserve components (RC). The Senate Armed Services Committee has always been very supportive of our National Guard and Reserve Forces. On behalf of those men and women, our Citizen Warriors, their families and employers, I want to thank you for all your help in providing for them as they have stepped up to answer the call to duty. We will do everything in our power to merit your continued support.

After a decade of sustained engagement in combat operations, the Reserve components of our Armed Forces have transformed, from a strategic force of last resort to a dependable operational force that provides full-spectrum capability to the Nation. Repeated combat deployments, as well as peacekeeping and humanitarian relief missions, have produced an operationally resilient force that fully expects to be utilized on a periodic basis. This new force represents a 10-year investment in resourcing the Nation's commitments and the personal sacrifice of servicemembers, their families and employers. That investment can reliably provide the Department of Defense (DOD) with essential operational capabilities and strategic agility in a cost-effective manner well into the future. 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 the widest array of force structure options in a resource constrained future.

AN INDISPENSABLE FORCE

Today there are over 100,000 National Guard and Reserve men and women on active duty around the world and at home, serving in missions ranging from combat in Afghanistan to defending the air space here in Washington. They serve alongside Regular component personnel, civilians, and contractors. They are experienced; many having served multiple tours in combat and are now leading people in combat. They are skilled; bringing many needed civilian skills to the military such as cyber, agriculture, law enforcement, and medical. We would not have been able to do what we have done over the past 10 years without them and I don't believe we can do what lies ahead of us without them.

There are three key fundamentals going forward for the RC. They must be accessible, they must be used judiciously to best advantage, and they must be ready.

Accessibility

With experienced, ready units and individuals, and the prospect of persistent conflict access to the RC in the future will be a key successful employment of the RC in the Total Force.

PROPOSED CHANGE TO 12304

Future planning envisions an era of persistent conflict where some type of RC activation authority will be required to augment the Active component (AC) to maximize effectiveness and efficiency of the Total Force. At present, we have sufficient authority to mobilize RC forces for current operations. 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 named 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, peacekeeping, and building partnership capacity, that our RC is specifically well suited to perform as a complementing part of the Total Force. Closure of this au-

thority gap will help increase dwell for the Active component while maintaining RC readiness and could be accomplished by the following:

In response to your request and the request of the Services for “assured access” to the RC, we propose expanding the existing authority in title 10, U.S.C., section 12304, commonly referred to as the Presidential Reserve Call-up statute. Our proposal does not change the requirement for Presidential action to invoke the access authority, nor does it change the number of personnel affected or the frequency and duration of active duty. Our modification enables use of the existing statute for the full spectrum of military missions while adhering to the existing policy of no more than 1 year activated out of every 6. The proposal also limits the number of Reserve personnel who can be involuntarily activated for purposes other than an operational mission or threat or attack by terrorists or weapons of mass destruction. Our proposal includes a requirement for the Department to identify the manpower and associated costs of known RC utilization in the President’s budget justification materials, providing Congress final oversight on any implementation of the expanded authority to access the RC.

Judicious Use

With increased use comes an equal demand to make sure we use the RC judiciously and to best advantage. Every member of the RC has volunteered since September 11 with the expectation that they will be judiciously used and given meaningful work to do. DOD and the Services should continue to meet this expectation.

The Reserve components are highly capable and possess many of the same capabilities as the AC, but we have to be conscious of family and employment obligations. We believe that missions that are predictable can be accomplished on a rotational basis, and missions that are more enduring are best suited for the RC. We are encouraged by the inclusion of the RC in these models and believe it will reduce stress on the force overall, AC and RC, preserve readiness gains in the RC, provide a cost effective way to maintain Total Force capability, and preserve the All-Volunteer Force.

Volunteerism

Every day for the past several years over 20,000 Reserve component service-members have served on active duty as volunteers. These individuals have the time and desire to serve more than the 1 weekend per month and 2 weeks per year that have long been considered standard for Guard and Reserve personnel. The Department is investigating methods to leverage this willingness to serve in order to fulfill the part-time and temporary demands of the combatant commands, major command headquarters, and the Defense agencies. One consideration is for DOD to create Reserve component units staffed by personnel willing to volunteer to serve more frequently or for longer periods of time in order to support such tasks as Theater Security Cooperation, Building Partner Capacity, Homeland Defense, Defense Support to Civil Authorities, and the Services’ institutional support missions.

This type of differential service commitment has been used 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 useful. Such differentiation within the Reserve component would provide an additional sourcing option for units, teams, and personnel for contingency operations or emergencies.

ALL-VOLUNTEER TOTAL FORCE POLICY

Dwell

The RC provides both 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.

Reduce Stress

The processes by which roles and missions are assigned to the Nation’s Guard and Reserve Forces should be characterized by a belief that those forces and individuals can, and in many cases should be, the first choice for recurring or predictable missions within their capability. Such strategic planning will provide more efficient and effective utilization of defense assets.

Assessing Departmental requirements in this fashion will also contribute to the sustainability of both the Active and Reserve components. Utilizing the Guard and Reserve in this manner, to best advantage, increases the capacity of the Total Force and will reduce the burden on all forces by relieving Active-Duty Forces that would otherwise execute the mission, by increasing their dwell to deployment ratio and by sustaining that force for future use.

Rotational availability models in use today are essential to ensuring that the Guard and Reserve are trained and ready when needed. Using the Reserve component on a rotational basis maintains their readiness and expands their availability and capabilities. The Services should continue to refine rotational availability models to achieve improved predictability for the Total Force in accordance with stated Department deployment to dwell objectives.

REALIGNING AND PROVISIONING THE RESERVE COMPONENT AS PART OF THE OPERATIONAL FORCE

Realigning capabilities (High Demand/Low Density Missions)

Balancing and aligning capabilities within and between components is an ongoing process. In recent years, the Department has realigned over 180,000 positions and has plans to realign roughly another 120,000 over the coming years. The RC has been a full partner in this realignment, assuming roles in the missions that are currently in demand across the Department. The RC is well suited for roles and missions that are recurring and predictable, and the typically more permanent assignments of RC members lend themselves to missions that benefit from establishment of habitual relationships, long-term planning and engagement. This approach also helps reduce stress on the Active Force while preserving readiness and capability within the Total Force.

The Army, Navy, Marine Corps, and Air Force Reserve are currently adding or are planning to add capability to high demand, low density areas such as Civil Affairs, Intelligence, Cyber, Special Forces, and Military Police. These capabilities have been in high demand over the past 10 years, and all indications suggest they will continue to be in high demand in the future with Security Cooperation/Building Partner Capacity potentially moving to the forefront of Department missions. The RC is particularly well suited for these types of missions and capabilities.

READINESS

Readiness Requirements

One of my key priorities is to preserve the readiness gains made in the RC. These gains can be sustained by continued use of the RC as a rotational operational force. Periodic, predictable deployments will further enhance the RC's capabilities, maintain their readiness over time, add value to the Total Force and provide future capability and capacity.

To meet the full spectrum of DOD missions and maintain RC readiness gains, the RC needs to be appropriately resourced as requested in the fiscal year 2012 budget to provide continued access to training equipment, facilities, ranges, and to be recapitalized with the same types of equipment and systems that reside in the AC.

Individual Member Readiness

At the most basic level, readiness starts with the servicemember. Our personnel receive the same individual and basic training as all military members, so we start out on equal footing. Our members also receive effective and efficient skill training matched to their mission. We are continuously reviewing and adjusting these training requirements in order to make most efficient use of our traditional member's limited time during monthly unit training assemblies. Pre-mobilization training makes RC individuals and units as ready as any AC unit going into a deployment. However, now that the department depends on RC assets for many missions there is a need to be medically ready to serve in any operational capability; whether in an overseas contingency or locally in the homeland. Medical and dental readiness levels can be maintained with adequate funding, support, facilities, and alternative approaches.

Individual Medical Readiness

We continue to monitor the Individual Medical Readiness of the National Guard and Reserve to ensure availability of ready Reserve component members for deployment, as it continues to be a priority for the Department. Additionally, as of the first quarter of fiscal year 2011, the RC has a Fully Medically Ready rate of 63 percent, which is below the DOD goal of 80 percent. The lower RC Medically Ready rate is due to a significant number of members who are deemed Not Medically

Ready (17 percent) for numerous reasons of which disqualifying dental condition is a principal factor. However, DOD is diligently working to make medical and dental services more available to RC members. Although we still need to improve, as of the first quarter of fiscal year 2011, all components have met or exceeded the Dental Readiness goal of 75 percent, which will have a positive impact on overall medical readiness.

We support the Integrated Disability Evaluation System (IDES) to assess the fitness and care of wounded RC members ensuring they are appropriately identified and processed in a timely manner. We continue to support our RC wounded warriors enabling a swift return to their civilian lives.

Reserve Component End Strength

Meeting Reserve component end strength objectives is a priority of the Department. The following table 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 fiscal year 2011. We appreciate the congressional support of the fiscal year 2011 end strength levels and the legislative initiatives that assist in recruiting and retaining Reserve component servicemembers. These end strengths will provide the Reserve components with the forces necessary to meet strategic demands while maintaining a dwell consistent with departmental policy.

FISCAL YEAR 2011 RESERVE COMPONENT END STRENGTH OBJECTIVES

Service	Objective	Actual as of January 2011
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
Total	846,200	851,472

Of the end strength figures outlined above, there are servicemembers in the training pipeline for the Reserve components who are not immediately available for mobilization.

Recruit Operational Ready Reserve Strength

Thus far, for 2011, Reserve recruiting efforts show continued success. Through January, all Reserve services have met or exceeded both quantity and recruit quality objectives. Notably, for the third year in a row, the Reserve components exceeded the DOD Benchmark of 90 percent of new recruits being High School Diploma Graduates, with 93 percent of Reserve component recruits holding that credential.

Reserve Component Enlisted YTD Accessions (through JAN 2011)

Quantity					Quality					
Reserve Enlisted Recruiting Through Jan FY 2011	Goal	Accessions	Percent of Goal		% High School Diploma Graduate (HSDG); DoD Benchmark ≥ 90 percent	% Scoring at / above 50th Percentile on Armed Forces Qualification; DoD Benchmark ≥ 60 percent		% Scoring at / below 30th Percentile on Armed Forces Qualification; DoD Benchmark ≤ 4 percent		
ARNG	17,828	18,641	105%		90%		71%		1%	
USAR	9,225	10,149	110%		95%		74%		2%	
USNR	2,581	2,581	100%		97%		79%		0%	
USMCR	3,187	3,672	115%		100%		76%		0%	
ANG	2,198	2,198	100%		90%		82%		0%	
USAFR	3,024	3,038	100%		100%		76%		0%	
DoD Total	38,043	40,279	106%		93%		73%		1%	

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 rethinking 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.

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 adequate investments in recruiting resources are necessary to maintain 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 enough.

The Montgomery GI Bill-Selected Reserve (MGIB-SR) has been a cornerstone of our 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 servicemembers to transfer their unused GI Bill benefits to immediate family members, long requested by both members and their families, will prove widely beneficial. Although full utilization data is not yet complete, early results look favorable. For example, through fiscal year 2009, the VA has received and processed over 578,000 enrollment certifications and 237,000 changes to enrollments for Veterans attending school under the Post-9/11 GI Bill. In 2010, the VA was able to increase its daily completions of PGIB enrollment certifications from an average of 1,800 per day during October to nearly 7,000 per day.

As indicated earlier, the benefit may be transferred to the member's dependents. As of April 2010, a total of 240,888 dependents have been identified for transfer (based on applications submitted by servicemembers) since the program began accepting applications in June 2009. The potential transfer population includes spouses, children, stepchildren, and pre-adoptive children. As of February 2011, ap-

proximately 181,144 Post-9/11 GI Bill transfer applications submitted by servicemembers have been approved by their respective Service component.

On January 4, 2011, the President signed the Post-9/11 Veterans Educational Assistance Improvements Act of 2010—providing additional benefit options that include the eligibility of National Guard and Reserve members who were inadvertently omitted from the original Bill, vocational and other non-college degree training, and living stipends for those enrolled in distance learning programs. This makes the Post-9/11 GI bill the most comprehensive educational benefit in our Nation's history, making it an appropriate benefit for our service men and women supporting the ongoing overseas contingency operations.

TRAINING AND RECRUITING THE RESERVE COMPONENT AS PART OF THE OPERATIONAL FORCE

Initial/Individual Training/Skills Training

The Reserve components are working with the Services to ensure that training institutions and facilities are resourced to meet the needs of the total force, with resident, nonresident or distance learning, to include RC personnel. Much improvement has occurred in this direction, but we will continue to monitor implementation until institutionalized.

Regional Integrated Training Environment

The Regional Integrated Training Environment (RITE) concept is a joint initiative that identifies and matches Service training requirements to a network of local training facilities and resources. Still in the formative stages, 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. This is done through innovative management of facilities, existing training assets, simulators and Joint Live, Virtual, Constructive capability, pools of shared equipment, and coordination through a web-based visibility/scheduling system. As the concept matures, collaboration will expand with key internal and external DOD stakeholders.

Innovative Readiness Training (IRT)

The Innovative Readiness Training (IRT) program is an outstanding volunteer training opportunity for our National Guard and Reserves. IRT's focus is to provide varied and challenging training opportunities that exercise the Mission Essential Task List (METL) requirements of combat support and combat service support units and individuals. Each year new training opportunities are presented by Federal, State, or local government agencies or nonprofits to the Services. Military units are provided METL training in a realistic, hands-on setting while providing quality services to underserved communities throughout the Nation. Examples of IRT activities include infrastructure development, constructing rural roads and runways, small building and warehouse construction; and providing medical and dental care to medically underserved communities. These opportunities result in interoperability and readiness training, ensuring our Nation always has a fully capable National Guard and Reserve.

Training and Intelligence

The Defense Intelligence Agency (DIA) led the Joint Reserve Intelligence Program (JRIP) to restructure 398,000 square feet of classified workspace and 4,035 workstations in 28 sites throughout the United States. These sites enable drilling reservists to provide real world operational support to the COCOMs, Combat Support Agencies and Service Intelligence Centers, concurrently enabling training to be supplanted by real word intelligence support, the highest possible form of training. In fiscal year 2010, the JRIP averaged over 4,500 people per month using just one of the 28 sites. COCOM support was further enhanced by the infusion of \$11 million of DIA-man-day funding and \$16 million of COCOM/Service man-day funding for duty at the JRIP sites. These efforts resulted in even greater savings in reduced travel and per diem costs, coupled with improved quality of life for Reserve component members by serving in their local region.

Equipment Procurement, Reset

Unlike other areas of the Defense budget, there currently is no Reserve-specific appropriation for equipment that mirrors the active force. The RC relies on the Active procurement account and congressional action in the National Guard and Reserve Equipment Appropriation (NGREA). Yet it is usually difficult to determine how much of the active procurement appropriation is specifically intended for the Reserve components and tracking subsequent execution. We currently use the

Equipment Delivery Report to help us follow the money from appropriation to delivery. At that point the DOD Directives should ensure equipment movement between the Reserve and Active are appropriately documented. Full transparency and accountability can only be achieved through a full life cycle, enterprise approach to Reserve equipping. The life cycle includes requirements determination, budget requests, appropriation, purchase, and delivery of hundreds of thousands of pieces of equipment. Plans to return borrowed RC equipment are included as key deliverables in this process. All Services have made tremendous strides in coming together to equip the Total Force.

Line Item P-1R

The P-1R is the Reserve component allotment of the overall DOD Procurement Program (P-1). Congress requires each P-1 budget submitted by the President to Congress to specify amounts requested for procurement of equipment for the National Guard and Reserve components. However, the P-1R has historically been treated as a non-binding projected subset of the service Procurement Programs. To achieve Congressional and DOD mandated transparency, the Services should develop comprehensive and accurate projected funding and equipment quantities in the P-1R and include this as a separate budget line in their request.

Resetting

Currently, funding for reset of equipment returning from theatre for the Guard and Reserve comes from a supplemental appropriation. As we prepare to move away from reliance on these supplemental funds, it is important to have a continued source of funding built into the budget for RC equipment reset. It is critical that the Guard & Reserves are able to continue to train on high quality equipment for which funds have already been allocated.

Military Construction

There is a direct correlation between readiness and facilities, particularly in the Reserve component. The move from a Strategic Reserve to an Operational Reserve doesn't change the fact that we owe our Guard and Reserve members quality facilities in which to work and train. The combined fiscal year 2012 RC Military Construction (MILCON) program request of \$1.2 billion is less than last year's request; however, it will help alleviate some of their most urgent facility deficiencies. Despite Congress' generous RC MILCON appropriations in the past, future fiscal realities suggest that future budgets will decline. Therefore, we must approach future construction with the intent to exploit joint use military construction projects as much as possible. We are currently leading an effort to revise current DOD guidance that will facilitate smarter consolidation and joint use of RC facilities.

FAMILY AND EMPLOYER READINESS

Family

Prepared and resilient family members are a vital support system for each servicemember. Our dedicated military men and women require support in a holistic manner. Support for our servicemembers should come from both the Federal and State levels and this support needs to include well-established family support programs. Since September 11, over 802,000 Guard and Reserve members have mobilized resulting in America's most experienced, best-trained, best-equipped Reserve component ever. To sustain this force, we need continued support for the families of those in uniform, and their employers. We are working aggressively to sustain continued community support from neighbors, relatives, churches, local businesses and State-based Federal programs—such as those from Department of Labor, Small Business Administration, and Veterans Affairs.

Reserve Affairs is also pleased that the Presidential Report on Strengthening Our Military Families highlighted a program for 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 has built on these grassroots efforts to benefit geographically dispersed Active, Guard, or Reserve servicemembers and families utilizing the Yellow Ribbon Reintegration Program (YRRP).

Throughout a servicemember's continuum of service, YRRP 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. 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 resources from all stakeholders. It is important to note that Yellow Ribbon Reintegra-

tion Program is not a “war time only” requirement, but must remain an enduring mission to ensure the continued resilience of servicemembers and their families.

Employer

Employer Support of the Guard and Reserve (ESGR) engagement has grown significantly in recent years. The vision is, “to develop and promote a culture in which all American employers support and value the military service of their employees with ESGR as the principal advocate within DOD.” ESGR has a footprint in all 50 States, U.S. Territories, and DC with over 4,700 volunteers assisting employers and servicemembers on a daily basis. In striving to enhance employer support, ESGR relies on recognition programs where employers are recognized for outstanding support of Guard and Reserve servicemembers and their families. One example is the Secretary of Defense Employer Support Freedom Award, where 15 employers are honored for their outstanding support of Guard and Reserve members and their families annually during September at the Reagan Center in Washington, DC. In this current year 4,049 employers were nominated by servicemembers or their families. This is an increase from the 2,470 that were nominated in fiscal year 2010. With current ongoing global operations, combat-related and humanitarian, the support of employers and families has never been more critical to our national defense. The data in the following table shows the improving trend of some of ESGR’s programs and activities over the last 3 fiscal years:

ESGR BY THE NUMBERS			
	Employers Briefed	Service Members Briefed	Volunteer Hours
FY 08	148,463	341,953	234,081
FY 09	162,489	443,833	232,882
FY 10	164,218	495,774	245,369
	USERRA Cases	Cases Resolved	Average Days to Mediate
FY 08	2,664	1,899 = 71.3%	14.22
FY 09	2,475	1,980 = 80.1%	9.83
FY 10	3,202	2,703 = 84.4%	10.27

Despite all of the good work already accomplished by ESGR members, I believe more must be done. In 2010, I formed the Family and Employer Programs and Policy (FEPP) office within the Office of the Secretary of Defense for Reserve Affairs to align ESGR, the Yellow Ribbon Reintegration Program and Family Support Office under one directorate to ensure we are working together to create synergy and realize efficiencies for the servicemembers and families served by YRRP, ESGR and Family Programs’ missions. In fiscal year 2011, ESGR placed additional emphasis on the employment of servicemembers and now assists them throughout the entire employment cycle.

One of the greatest challenges facing our Nation is unemployment and under-employment, and these related problems are 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 challenging job market.

The promise of a secure job provides servicemembers and their families with stability and peace of mind. The December 2009 Status of Forces Survey of Reserve component members indicated that servicemembers across six of the seven Reserve components (Coast Guard Reserve not included) self-reported a 12 percent unemployment rate. 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 were 20,238 (from an estimated population of 822,000) RC servicemembers.

The current employment challenges led to the implementation of the Employment Initiatives Program (EIP). EIP is now ESGR's highest priority and is an outgrowth of ESGR's existing outreach programs already in place, with a focus on employment. 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 servicemembers and their families, especially focusing on those completing active duty tours and our Wounded Warriors. During fiscal year 2010, ESGR conducted several Pilot Programs to determine the activities and best practices to support the EIP. Some examples include but are not limited to: Job Fairs, Transition Assistance Programs, Strategic Partnering at the State and Local levels.

The EIP will assist our Citizen Warriors and at the same time it will help those American businesses that are looking for employees possessing skill-sets, integrity and vast experience resident in the U.S. military.

RESILIENCE TRAINING & PREPARATION

Yellow Ribbon—Understand Psychology of Military Service Family Programs

The objective of the YRRP is to ensure the readiness and well-being of National Guard and Reserve servicemembers and their families by providing dynamic events, information, services, referrals, and proactive outreach opportunities throughout the entire deployment cycle. Resiliency is a priority of the 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 members and their families are being offered training to enhance their resiliency skills.

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 servicemember 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, an RC member, commander, planner, or family member can access information at <http://www.yellowribbon.mil/>.

Resilience and Suicide Prevention

Suicide prevention is a very important issue for Reserve Affairs. The loss of even one life to suicide is heartbreaking and has a profound impact on both the unit and the family members left behind. As noted by the DOD Task Force on the Prevention of Suicide by Members of the Armed Forces, many factors contribute to the military suicide rate. One factor relates to leadership. Each Service acknowledges the important role those leaders, both Officers and NCOs play in building resiliency among those under their command. In 2010, there were a total of 294 active duty servicemembers (including 26 Active Reserve) who committed suicide, which is down from 310 in 2009. However, among our non-active National Guard and Reserve, there were an additional 178 suicides in 2010. For the Army National Guard, this was a doubling of their suicide rate from 2009. The Services, along with Reserve Affairs, have taken these rates very seriously and have committed resources to significantly reduce this trend. The National Guard currently has 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. Additionally, Reserve Affairs has established a Stakeholder Core Group whose mission is to address suicide prevention, intervention, post-vention and surveillance issues across all of the RC. Reserve Affairs has also included training materials on resiliency for Yellow Ribbon Reintegration Program events.

DOD YOUTH OUTREACH PROGRAMS

Science and Technology Academies Reinforcing Basic Aviation and Space Exploration

I continue to support the President's education agenda through two youth outreach programs in order to achieve our national security objectives; the DOD STARBASE and National Guard Youth Challenge programs.

The President has stated that it has never been more important for young Americans to be proficient in science and mathematics and he made enhancing the learning of science and math a national priority. The DOD STARBASE program provides elementary and secondary school students with real-world applications of science, technology, engineering and math through heuristic learning, simulations and experiments. The strength of the program lies in the three-way partnership between the military, the local communities and the school districts. Senior military leaders such as Admiral Roughead agree that the DOD STARBASE Program is a productive investment in the future of our youth, building and enlarging the talented recruits we need.

The fiscal year 2012 budget allows the program to serve over 65,000 students from approximately 1200 schools and 350 school districts which includes schools from American Indian communities in Mississippi, Oklahoma, and South Dakota. Over 605,000 youths have attended the program and pre and post testing shows a significant improvement in student's understanding and interest in math and science and in pursuing further education. Currently, there are 60 DOD STARBASE Program sites on military facilities in 34 States, the District of Columbia, and Puerto Rico.

National Guard Youth Challenge Program

The President has also addressed the high school dropout crisis. My staff and I have been working with the Office of Management and Budget to challenge States, industries, and non-profits to invest in intervention programs like the National Guard Youth Challenge Program. I am also working with General McKinley, Chief of the National Guard Bureau, to provide oversight and management of the Program by collaborating with Governors to eliminate State resident issues; and to ensure every qualified high school dropout has an opportunity to attend the program. The Challenge program is currently operating in 27 States and Puerto Rico. Its goal is to improve the education, life skills and employment potential of America's high school dropouts. We provide quasi-military based training, supervised work experience to advance the program's core components. The core components include obtaining a high school diploma or equivalent, developing leadership, citizenship, life coping and job skills and improving physical fitness, health and hygiene. Since the program's inception over 100,000 students have successfully graduated from the program. The average cost per Challenge student is approximately \$16,000. The fiscal year 2012 budget will support increasing annual enrollment and/or start up new programs in States that have the fiscal resources to match the cost-share funding requirements and to sustain the program's viability in States that have budget limitations.

These two successful DOD youth outreach programs provide the Department a unique connection to the American public and working with our most valued resource—our young people.

CONCLUSION

The National Guard and Reserve continue to be a mission-ready critical element of our National Security Strategy. The requirement for our Reserve components has not, and should not lessen. Our Reserve components must continue their expanded role as an Operational Reserve in all facets of the Total Force. To lose the training, experience and integration of the Reserve components by relegating them to a strategic Reserve would squander a resource we can't afford to waste. The nation continues to call and the Reserve components continue to answer that call. But in answering that call, we shouldn't lose sight of the need to balance their commitment to country with their commitment to family and civilian employers. That is why relieving stress on the force is absolutely essential; utilizing our Guard and Reserve as a component of the Total Force is so crucial; and continuing to train and equip the RC to maintain our investment and experience is so critical. Predictability will enable our families to build resiliency, as well as foster understanding with our employers. I realize the path forward will not be easy, but together with support of legislative proposals mentioned above we can ensure an operational, trained and fully prepared Reserve component. I have included in the following annexes multi-year (2010–2012) funding levels and justifications for programs within my jurisdic-

tion and oversight that will enable the Reserve components to achieve these goals. Thank you very much for this opportunity to testify on behalf of our great Guard and Reserve Force.

ANNEX A

Employer Support of the Guard and Reserve (ESGR):

The ESGR program develops and promotes a culture in which American employers support and value the military service of their employees with ESGR as the principal advocate within DoD. ESGR does so by developing and promoting employer support of the Guard and Reserve service by advocating relevant initiatives, recognizing outstanding support, increasing awareness of applicable laws, and resolving conflict between employers and service members. ESGR operates in every state and territory through a grass-roots network of over 4,700 volunteers and approximately 200 support staff members.

The ESGR national employer outreach programs increase employer awareness of their rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and emphasize employers' important contributions to the defense of the nation through their support of their Guard and Reserve employees. ESGR provides authoritative advice and counsel to the Service staffs, Guard and Reserve Component Chiefs, and DoD civilian leadership in the development of instructions, policies, and legislation concerning employer relations programs.

ESGR Funding levels:

FY 2010	FY 2011	FY 2012
\$23.2M	\$22.6M	\$20.4M

Justification for funding level changes: FY-11 to FY-12 decrease due to efficiencies identified in Zero Base Review.

Yellow Ribbon Reintegration Program (YRRP) Headquarters Office:

The YRRP is a national combat veteran reintegration program that provides support and outreach to National Guard and Reserve members throughout the deployment cycle. The YRRP is an overarching program, encompassing all phases of the deployment cycle. However, each of the Service's Reserve Components, (Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve and Coast Guard), currently implement Service specific programs to meet the intent and requirement of the legislated program held in each state and territory. DoD is working with all Services to create a standardized Yellow Ribbon Program that will combine the best practices of each Service to aid members and their Families to the maximum extent possible. The Yellow Ribbon Program will provide support services to commanders, Service members, and Families as close as possible to the Service member's residence.

The Under Secretary of Defense for Personnel and Readiness, (USD (P&R)), has oversight of the Yellow Ribbon Program. In FY 2011, the Yellow Ribbon Reintegration Program (YRRP) Office has transferred to the DHRA for administrative control.

YRRP Funding levels:

FY 2010	FY 2011	FY 2012
\$12.9M	\$24.6M	\$26.6M

Justification for funding level changes: Increases due to initial program implementation and inflation. Note that YRRP funding decreases to zero in FY 2013; POM reprogramming Issue Paper submitted to maintain YRRP as a fully funded program of record.

ANNEX B**Civil Military Programs**

The DoD Civil Military Programs are managed by the Assistant Secretary of Defense for Reserve Affairs and encompass outreach/service programs identified as: 1) the National Guard ChalleNGe Program authorized under 32 U.S.C. 509; 2) the DoD Innovative Readiness Training Program authorized under 10 U.S.C. 2193; and 3) the DoD STARBASE Program currently authorized under 10 U.S.C. 2193.

National Guard Youth ChalleNGe Program:

This program is managed by the Assistant Secretary of Defense, Reserve Affairs, and administered by the National Guard Bureau through cooperative agreements with the states. The National Guard Youth Challenge Program provides OSD an opportunity to work with state and local governments to engage our nation's youth and provide approximately 20 percent of the total annual graduates (2,000 program graduates annually) an opportunity to join the military.

The goal of this program is to improve the life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants in attaining a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills as well as job skills, and improving physical fitness, health and hygiene. The amount of DoD funds provided may not exceed 75 percent of the costs of operating a Youth Challenge program. It is currently operating in 27 states and one territory. The eighteen-month program consists of a 22-week residential phase that includes a two-week pre-ChalleNGe phase and a 12-month post-residential phase.

NGYCP Funding Levels

FY 2010	FY 2011	FY 2012
\$105.7M	\$115.0M	\$120.0M

Innovative Readiness Training (IRT) Program:

The IRT is managed by the Assistant Secretary of Defense, Reserve Affairs. IRT contributes directly to military readiness and provides outstanding and realistic combat support and combat service support training in a multi-service environment for National Guard and Reserve members. It also provides a critical link between the military and underserved civilian communities.

This pre and post-deployment readiness training (engineering, health care, diving and transportation) provides hands on mission essential training while simultaneously providing renewal of infrastructure improvements and health care to underserved communities throughout the United States and in US territories. The program provides unique training opportunities that are seldom available under any conditions other than combat. Previous projects have included road construction in rural Alaska, health care to Native Americans in the Southwest, and for the first time since 1938, Navy and Army divers raised a sunken submarine in Providence, Rhode Island.

IRT Funding Levels

FY 2010	FY 2011	FY 2012
\$22.5M	\$20.0M	\$20.0M

DoD STARBASE Program:

This program is managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the military services. The program is designed to raise the interest and improve knowledge and skills of students in kindergarten through twelfth grade in science, technology, engineering and mathematics (STEM). The program targets "at risk" (minority and low socio-economic) students and utilizes instruction modules specifically designed to meet specific STEM objectives.

The elementary school program is currently designed to reach students at the fifth grade level that are underrepresented in the STEM areas of study and careers. Students are engaged through an inquiry-based curriculum with "hands-on, minds-on" experiential activities. Students apply Newton's laws and Bernoulli's principles as they study the wonders of space and the properties of matter. Technology and its problem-solving techniques are utilized with computers in experiments, in design of all terrain and space vehicles. Math is embedded throughout the curriculum and teamwork and goal setting are a constant theme as students work together to explore, explain, elaborate and evaluate concepts.

In partnership with local school districts, the middle school and high school program is an afterschool STEM mentoring program that combines STEM activities with a relationship-rich, school-based environment to provide the missing link for at-risk youth making the transition from elementary to middle school, and from middle school to high school. It extends the positive impact of STARBASE through a team mentoring approach, which solidifies students' attachment to, and engagement with, school. Mentoring clubs are expected to meet no less than four hours per month. The DoD STARBASE Program is a productive investment in the future of our youth and will help build and enlarge the talent pool of potential workers needed to support the DoD workforce consisting of civilian and military personnel. The program currently operates on Air Force, Air National Guard, Air Force Reserve, Navy, Navy Reserve, and Marine Corps military installations and facilities at 60 locations in 34 states, District of Columbia and Puerto Rico.

STARBASE Funding Levels

FY 2010	FY 2011	FY 2012
\$20.6M	\$20.0M	\$19.0M

ANNEX C**Reserve Component Baseline and Overseas Contingency Operations Funding**

While I do not have jurisdiction over the Reserve Component budget, I do have oversight. My staff monitors and seeks adjustments during the budget formulation process. These tables represent the RC Baseline and OCO funding profiles for FY 2010-FY2012.

BASELINE Funding Profile (\$K)
(as of FY12 PB)

Appropriation		2010	2011	2012
Army Res	Reserve Pers, Army	\$ 4,980,793	\$ 5,024,220	\$ 5,090,244
	O&M, Army Res	\$ 2,617,469	\$ 2,614,204	\$ 3,109,176
	MilCon, Army Res	\$ 431,566	\$ 431,566	\$ 280,549
	Proc, Army Active	\$ 1,495,631	\$ 1,105,483	\$ 693,047
	Total	\$ 9,525,459	\$ 9,175,473	\$ 9,173,016
Navy Res	Reserve Pers, Navy	\$ 2,141,539	\$ 2,150,885	\$ 2,197,131
	O&M, Navy Res	\$ 1,268,181	\$ 1,272,099	\$ 1,323,134
	MilCon, Navy Res	\$ 125,874	\$ 125,874	\$ 26,299
	Proc, Navy Active	\$ 177,489	\$ 68,804	\$ 163,314
	Total	\$ 3,713,083	\$ 3,617,662	\$ 3,709,878
MC Res	Reserve Pers, MC	\$ 740,131	\$ 745,615	\$ 787,923
	O&M, MC Res	\$ 223,053	\$ 222,894	\$ 271,443
	Total	\$ 963,184	\$ 968,509	\$ 1,059,366
AF Res	Reserve Pers, AF	\$ 1,802,893	\$ 1,829,456	\$ 1,968,553
	O&M, AF Res	\$ 3,065,347	\$ 3,127,262	\$ 3,274,359
	MilCon, AF Res	\$ 112,269	\$ 112,269	\$ 33,620
	Proc, AF Active	\$ 170,967	\$ 108,157	\$ 147,653
	Total	\$ 5,151,476	\$ 5,177,144	\$ 5,424,185
Army NG	NG Pers, Army	\$ 8,959,914	\$ 8,800,675	\$ 8,861,018
	O&M, ARNG	\$ 6,256,678	\$ 6,184,928	\$ 7,041,432
	MilCon, ARNG	\$ 582,056	\$ 549,056	\$ 773,592
	Proc, Army Active	\$ 3,264,337	\$ 3,557,806	\$ 3,424,869
	Total	\$ 19,062,985	\$ 19,092,465	\$ 20,100,911
AF NG	NG Pers, AF	\$ 3,410,767	\$ 3,325,311	\$ 3,495,525
	O&M, ANG	\$ 5,846,129	\$ 5,874,853	\$ 6,136,280
	MilCon, ANG	\$ 371,226	\$ 364,226	\$ 116,246
	Proc, AF Active	\$ 591,319	\$ 661,750	\$ 291,984
	Total	\$ 10,219,441	\$ 10,226,140	\$ 10,040,035

Notes:

1. All data (except FY10 Procurement) reflects BASELINE funding only; FY10 Procurement includes OCO
2. Military Personnel accounts include Medicare Eligible Retiree Health Fund Contribution (MERHFC)
3. Sources of data: Comptroller Information System (CIS) and DoD Resources Data Warehouse

OCO Funding Profile (\$K)
(as of FY12 PB)

	Appropriation	2010	2011	2012
Army Res	Reserve Pers, Army	\$ 293,137	\$ 298,367	\$ 207,162
	O&M, Army Res	\$ 234,316	\$ 241,803	\$ 217,500
	Proc, Army Active		\$ 580,649	\$ 83,685
	Total	\$ 527,453	\$ 1,120,819	\$ 508,347
Navy Res	Reserve Pers, Navy	\$ 37,040	\$ 39,450	\$ 44,530
	O&M, Navy Res	\$ 143,927	\$ 137,407	\$ 74,148
	Proc, Navy Active		\$ 29,706	\$ 39,609
	Total	\$ 180,967	\$ 206,563	\$ 158,287
MC Res	Reserve Pers, MC	\$ 66,095	\$ 63,104	\$ 25,421
	O&M, MC Res	\$ 86,524	\$ 87,450	\$ 36,084
	Total	\$ 152,619	\$ 150,554	\$ 61,505
AF Res	Reserve Pers, AF	\$ 21,114	\$ 21,003	\$ 26,815
	O&M, AF Res	\$ 249,964	\$ 239,289	\$ 142,050
	Proc, AF Active		\$ -	\$ -
	Total	\$ 271,078	\$ 260,292	\$ 168,865
Army NG	NG Pers, Army	\$ 843,219	\$ 855,294	\$ 661,879
	O&M, ARNG	\$ 462,359	\$ 487,033	\$ 387,544
	Proc, Army Active		\$ 407,121	\$ 156,754
	Total	\$ 1,305,578	\$ 1,749,448	\$ 1,206,177
AF NG	NG Pers, AF	\$ 9,500	\$ 9,500	\$ 9,435
	O&M, ANG	\$ 218,030	\$ 475,655	\$ 34,050
	Proc, AF Active		\$ -	\$ -
	Total	\$ 227,530	\$ 485,155	\$ 43,485

Notes:

1. All data reflects OCO funding only; FY10 Procurement OCO data is included on BASELINE profile
2. Sources of data: Comptroller Information System (CIS) and DoD Resources Data Warehouse

Senator WEBB. Thank you, Secretary McCarthy.
Secretary Woodson, welcome.

**STATEMENT OF HON. JONATHAN WOODSON, M.D., ASSISTANT
SECRETARY OF DEFENSE FOR HEALTH AFFAIRS, DIRECTOR
OF TRICARE MANAGEMENT ACTIVITY**

Dr. WOODSON. Thank you very much.

Mr. Chairman, members of the committee, thank you for the opportunity to appear before you today to discuss the future of the military health system, and in particular our priorities for the coming year.

This is my first appearance before this committee in my role as Assistant Secretary of Defense for Health Affairs. I want to first express my deep gratitude for the warm and helpful guidance both you and your staffs have privately offered me in my first 4 months in this position.

Our fiscal year 2012 budget for the Defense Health Program and related medical activities supports the priorities of our strategic framework, the quadruple aim: improving readiness, improving population health, the patient care experience, and responsibly managing our costs of care.

First, from the perspective of medical readiness, I want to acknowledge the performance and courage of our military medical professionals serving in combat theaters. I recently returned from Afghanistan, 2 days ago, and can attest to the skill, commitment, courage, and patriotism of our medics serving in harm's way.

These attributes were exemplified by Captain Joshua McClimans, a 31-year-old nurse, husband, father of two young children, on his second deployment, assigned to the 352nd Combat Support Hospital. On April 22, he was killed by indirect fire and gave his last full measure of devotion to this country, as Lincoln once said.

I attended his memorial service at Forward Operating Base Solerno and talked with fellow unit members. Although deeply saddened by the events, these true professionals soldiered on and continued their medical mission, in support of other brothers and sisters in harm's way.

I ask that we all here today remember Captain McClimans, the eight Air Force personnel and the one civilian killed last week, as well as their families, in our thoughts and prayers.

The military health system has achieved historic reductions in disease and injuries through improved public health and preventative medicine strategies. For servicemembers wounded in combat, their likelihood of survival after a medic arrives remains at historic and unmatched levels. My responsibility is to ensure that we sustain the high level of performance.

Our budget continues to support the foundation which our achievements have been built on: a robust medical research and development program that focuses on battlefield illnesses and injuries, to include prevention, diagnosis, treatment for traumatic brain injury, post-traumatic stress, and depression.

Second, we improve the health of populations we serve. The fiscal year 2012 budget focuses resources on efforts to increase our behavioral health providers, both within the system and within our private-sector partners. We are also targeting funds to improve access to behavioral health providers throughout the country. We are investing in preventative-care approaches that are intended to lower the rates of tobacco use, alcohol abuse, and obesity.

Third, we must enhance the patient-care experience. We propose continued expansion of the patient-centered medical home, our central initiative to improve access to care, population health, and overall patient satisfaction. We continue to invest in modernizing our military hospitals and clinics around the world. Thanks to you and your unwavering support, our construction programs will allow wounded, ill, and injured servicemembers to be treated in the finest medical facilities in the world.

This year, we look forward to opening two showcase facilities in the National Capital area: the new Walter Reed National Military Medical Center and our new Community Hospital at Fort Belvoir.

Finally, we recognize that emerging Federal fiscal policy, combined with the ever increasing healthcare costs, demand that we take additional steps to be even more responsible stewards of the taxpayers' dollars. As Secretary Gates and Chairman Mullen have repeatedly declared, we, the Department, must tighten our belts, just as many Americans have done over the last several years.

In our proposed budget, we share the responsibility for cost control among all participants. We have first focused on internal efficiencies within DOD, the TRICARE Management Activity, and Health Affairs, and then the civilian provider community, and finally, with our beneficiaries, for whom we've proposed a very modest change to select out-of-pocket costs. We have gone to great lengths to protect patients enrolled in existing programs and beneficiaries who have special needs and circumstances that must be considered. We have met with the beneficiary organizations on these proposals. I am gratified that many have viewed our proposals reasonable and fair.

Our proposed budget keeps fidelity with our core principles. We will never lose our focus on commitment to a high quality and world class healthcare system for all members of the Armed Forces, and for their families, who served, past and present, and who will serve in the future.

I am both pleased and proud to be here today with you to represent the men and women who comprise the military health system. I look forward to answering your questions.

Thank you very much.

[The prepared statement of Dr. Woodson follows:]

PREPARED STATEMENT BY HON. JONATHAN WOODSON, M.D.

EXECUTIVE SUMMARY

The proposed total funding for the Military Health System (MHS) in fiscal year 2012—combining both the Defense Health Program (DHP) and other appropriations that fund MHS activities—is \$52.5 billion, a 4.8 percent increase over the fiscal year 2011 request. This request reflects investments in the four strategic priorities for the Military Health System in the fiscal year 2012 Defense Health Program: Assure Readiness; Improve Population Health; Enhance the Patient Experience of Care; and Responsibly Manage the Cost of Care.

I. Assure Medical Readiness

We continue to invest in medical research and development supporting the full spectrum of military medical operations and issues. Particular emphasis this year supports a comprehensive DOD/VA research effort aimed at understanding the interventions that work to prevent suicide. We also continue our extensive research into the early identification diagnosis, and treatment of traumatic brain injury; support for the emerging efforts around regenerative medicine; and other research that spans the mental and behavioral health fields.

II. Improve Population Health

The fiscal year 2012 budget focuses resources on efforts to increase our behavioral health providers, both within the direct care system and with our private sector partners. We are also targeting funds in fiscal year 2012 to lower the rates of tobacco use, alcohol abuse, and obesity. This will include initiatives that introduce positive patient incentives that reward healthy behaviors.

III. Enhance the Patient Experience of Care

MHS proposes over \$53 million in new spending for its continued expansion of the Patient-Centered Medical Home (PCMH)—our central initiative to improve access to care; population health and overall patient satisfaction. The fiscal year 2012 budget also requests \$1.1 billion in medical military construction funds for 14 pa-

tient care and 3 nonpatient care projects, including replacement of the Landstuhl Regional Medical Center in Germany.

IV. Responsibly Manage Costs

While we maintain that efforts to control the long-term health care cost trends in the Department are more appropriately focused on encouraging healthy behaviors, and reducing unnecessary utilization of health services, there are actions we propose to introduce in fiscal year 2012 to begin the process of better managing our spiraling health care costs. We have a proposed budget for a set of specific initiatives that will save the department almost \$7.9 billion in fiscal year 2012–2016. These initiatives can be grouped as follows (and summarized in the Table at the bottom of this Summary):

Internal Efficiencies

TRICARE Management Activity contractor overhead will be reduced by over \$183 million in savings in fiscal year 2012 alone. This is in addition to other savings from aggressive monitoring and pursuit of fraud, waste and abuse; redirection of prescription drug purchases to more economically advantageous outlets through mail order or MTF pharmacies; and redirection of medical care from Emergency Rooms to urgent care centers. A national nurse advice line will also be introduced to assist with access and redirection of care where appropriate. The MHS will continue to identify and implement initiatives that take advantage of joint purchasing, greater optimization of the medical supply chain, and increased shared services across all of the Service branches.

Equity in Programs and Provider Payment

The MHS is pursuing a more equitable management of benefits across all health care programs by aligning our reimbursement policies with Medicare. In fiscal year 2012, payments for care provided by facilities designated as Sole Community Hospitals will align with Medicare reimbursement levels, saving almost \$400 million over 5 years. Payment adjustments will be phased-in over 4 years to mitigate the impact.

Additionally, MHS proposes to amend the Uniformed Services Family Health Plan (USFHP) enrollment policies so that they align with all other TRICARE providers for dual-eligible Medicare/TRICARE beneficiaries. All current enrollees will be grandfathered into the current program. Upon reaching age 65, Medicare will become the primary payer for these beneficiaries and TRICARE will be second payer. Once Medicare-eligible, these beneficiaries may continue to see the same providers that they do today; the reimbursement process by which both Medicare and TRICARE contribute payments will be the only change.

Modest Changes of Beneficiary Out-of-Pocket Costs

MHS proposes an increase of \$2.50 per month (or \$5.00/month per retiree family) for enrollment in TRICARE Prime—the first increase in enrollment fees proposed since the TRICARE Prime benefit was introduced in 1995. For the longer term, MHS proposes to index this enrollment fee in order to establish more predictable and modest fee changes over time. MHS also recommends minor adjustments in prescription drug copayments that include both reductions and increases in copays, the increase or decrease dependent upon the outlet selected by beneficiaries.

All of the MHS proposals have been carefully considered and numerous safeguards have been incorporated: grandfathering in current enrollees to unique programs; phasing-in new reimbursement methodologies for providers; and excepting certain beneficiaries (survivors and medically retired servicemembers) from any changes—in order to protect the most vulnerable beneficiaries and providers.

Issue	(\$M)					
	FY12	FY13	FY14	FY15	FY16	FY12-16
#1 Internal Defense Health Program Efficiencies	-183	-255	-295	-266	-297	-1,296
#2: Increase TRICARE Prime Fees for < 65 Retirees	-31	-60	-87	-114	-142	-434
#3: TRICARE Pharmacy Co-Pay	-95	-556	-601	-634	-669	-2,555
#4: USFHP Age Out of Medicare-Eligible Retirees	-	-739	-783	-826	-866	-3,214
#5: Use Medicare Rates at Sole Community Hospitals	-31	-71	-92	-98	-103	-395
Potential Cumulative Savings	-340	-1,681	-1,858	-1,938	-2,077	-7,894

Mr. Chairman, members of the subcommittee, thank you for the opportunity to appear before you today to discuss the future of the Military Health System (MHS), and in particular, our priorities for the coming year.

This is my first public appearance before this Subcommittee in my role as the Assistant Secretary of Defense for Health Affairs, and I want to first express my deep gratitude for the warm and helpful guidance both you and your staffs have privately offered to me in my first 4 months in this position.

The people who comprise the MHS have a well-deserved reputation for exceptional professional performance and personal courage. I believe deeply that military medicine has proven itself time and again as a learning organization, capable of self-critical analysis and substantive improvement in those areas where it falls short of its own and others' expectations.

We begin 2011 on a strong foundation. Our medical achievements on the battlefield, in combat hospitals, and in the air continue to set new standards for medical outcomes in war . . . anywhere in the world.

We are fortunate to have the continued, substantive support of both Congress and the White House. This support has been greatly enhanced by the very public effort led by the First Lady and Dr. Jill Biden to highlight the contributions of military families to our national security, and to focus on how the broader American community can acknowledge this and support military families on the homefront. Within the MHS, we are engaged in this effort, and I will illustrate some of our efforts in this testimony.

Even with our successes, challenges remain. First, we continue to provide medical treatment to servicemembers in combat in some of the most austere environments on the planet. There is nothing routine about this, regardless of how long we have been at war. I will not waver from my primary focus to ensure the medical readiness of all of our Armed Forces, and the readiness of the MHS to deliver highly trained medical professionals to support them.

International events and ongoing humanitarian crises also remind us that we must be prepared to respond to additional events on a moment's notice at the direction of national command authorities. Readiness is more than the center of our strategic plan; it's our fundamental obligation and reason for being.

A key component of our readiness obligations is to ensure we sustain the confidence of the servicemembers who we support here at home, and who have borne the greatest burden of war—the servicemembers with serious wounds, visible and invisible, along with their families who sacrifice, who grieve, and who carry their own wounds from this conflict. We will continue to dedicate our time and resources to our care for wounded warriors and their families.

Finally, we must also operate in an environment that recognizes financial resources are limited. The Department has put forward specific proposals to address the rising costs of military health care. But, it is important to note that this is not our first step at cost control. Over the last several years, we have taken a number of actions that have produced real savings to the Government and the taxpayer, to include: introduction of the Outpatient Prospective Payment System (OPPS), targeted efforts to increase the use of the TRICARE Mail Order Program (TMOP); a TRICARE Pharmacy Fraud and Abuse surveillance system; and expanded access to urgent and primary care facilities to redirect care away from Emergency Room care whenever clinically appropriate.

Today, I will explain the actions we are taking to address the financial challenges we face, and the process by which we selected the proposals put forward in this budget.

From the broadest overview possible, the proposed total funding for the MHS in fiscal year 2012—combining both the Defense Health Program (DHP) and other appropriations which fund MHS activities—is over \$52 billion (Table 1). This reflects continued investments in readiness, patient care activities, research and development and medical military construction.

TABLE 1: MILITARY HEALTH CARE COSTS¹

Program	FY 2011 Request	FY 2012 Request
Defense Health (DHP)	30.9	32.2
Military Personnel ²	7.9	8.3
Military Construction ²	1.0	1.3
Health Care Accrual ³	10.9	10.7
Unified Medical Budget	50.7	52.5
<i>Treasury Receipts for Current Medicare-Eligible Retirees⁴</i>	9.4	9.9

^{1/} Excludes OCO funds and other transfers.

^{2/} Funded in Military Personnel & Construction accounts.

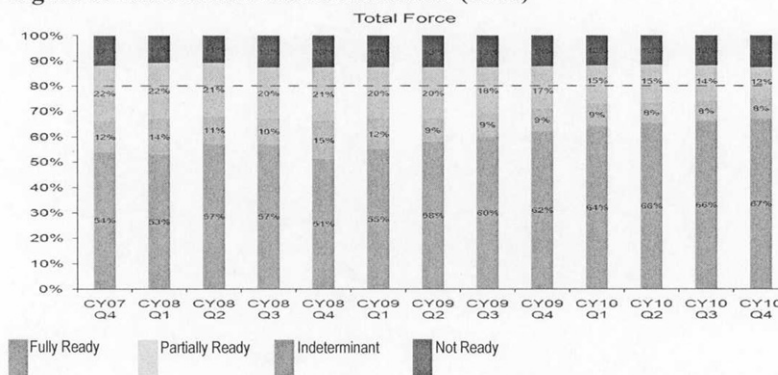
^{3/} Includes health care accrual contributions into the Medicare-Eligible Retiree Health Care Fund to provide for the future health care costs of our personnel currently serving on active duty – and their family members – when they retire.

^{4/} Transfer receipts in the year of execution to support 2.1 million Medicare-eligible retirees and their family members.

In the pages that follow, I will outline our programmatic priorities for the fiscal year 2012 Defense Health Program. I have organized this testimony and our priorities around the MHS' strategic framework—the Quadruple Aim. This framework best captures the core mission requirements of our unique system: Assure Readiness; Improve Population Health; Enhance the Patient Experience of Care; and Responsibly Manage the Cost of Care. Undergirding these four priorities are our Learning and Growth requirements, and I will outline our efforts in these areas as well.

IV. ASSURE MEDICAL READINESS

Within the MHS, we have established an Individual Medical Readiness (IMR) metric to determine the medical preparedness of each servicemember to deploy. Overall, the medical readiness of our forces remains sound, and for the last 2 years we have seen continuous improvement in readiness each quarter, across both the Active and Reserve components (Figure 1). Within the Reserve component, medical readiness is below our benchmarks. We find that, in general, the individual reservists can quickly be elevated to a prepared status during the pre-deployment period (e.g., complete health assessments and by ensuring minor dental procedures and immunizations, etc. are quickly performed). We are in the process of engaging with commanders, particularly in the Reserve component, to focus attention and corrective action on these matters within their units.

Figure 1: Individual Medical Readiness (IMR)

In addition to our focus on the medical readiness of our current force, we are also building upon our medical research and development programs that are essential to our future readiness posture. We are advancing our understanding—and the understanding of the broader American and global health community—of how to prevent, diagnose, and treat scores of military related illnesses and injuries. We are transferring our knowledge from the research bench to the battlefield, and lives are being saved.

The MHS medical research and development investment priorities for fiscal year 2012 are focused on early Diagnosis and Treatment of Brain Injury; Polytrauma and Blast Injury Diagnostics and Treatments; Countermeasures against Operational Stressors and Optimizing Health, Performance, and Fitness; Definitive and Rehabilitative Care Innovations Required to Reset our Wounded Warriors; Psychological Health and Well-Being for Military Personnel and Families; Prevention, Diagnosis and Treatment of Wound Infections and Militarily Relevant Infectious Diseases; and Military Medical Training Systems and Health Information Technology Applications.

It is not possible to reflect on every research project or program initiative in our portfolio, but I would like to highlight just a few high-interest areas and point out where we are seeing particularly promising results and programs that will continue to maintain high-level interest and oversight in the coming year.

Our servicemembers continue to incur more than 20,000 cases of Traumatic Brain Injury (TBI) every year. Although the vast majority of TBI incidents are diagnosed as “mild” and resolve with rest, the Department of Defense has implemented numerous programs within the last 3 years to provide early identification, diagnosis and treatment for those who sustain a traumatic brain injury.

TBI research continues to be fast-tracked to bring findings from research being done into clinical practice as soon as possible. Key areas of promise include understanding injury related blast dynamics, rapid field assessment of mild TBI to include identification of objective biomarkers to be used in the identification and diagnosis of concussion, and TBI innovative treatment modalities such as the ongoing clinical trials for neuroprotectants.

We have recently teamed with the Department of Veterans Affairs and academia on the Military Suicide Research Consortium to better understand the interventions that are most successful in our suicide prevention efforts.

We are also planning a comprehensive research effort, spread across 3 fiscal years (fiscal year 2011–2013) to study the indicators/predictors of violence in servicemembers. We envision a retrospective and a prospective effort, that will examine DOD populations and develop a scientifically based list of behavioral indicators of potential violence.

Our efforts in regenerative medicine are now starting to focus on taking our products out of the science and technology realm and into clinical trials. These efforts focus on limb and digit salvage, craniofacial reconstruction, scar-less wound healing, burn repair, and compartment syndrome.

Lastly, we are focusing our efforts on innovative combined pharmacologic and psychotherapeutic approaches to treat Post Traumatic Stress Disorder.

V. IMPROVING POPULATION HEALTH

The Department continues to seek ways to mitigate the development of mental health disorders, and to reduce the number of suicides in our Armed Forces. We engage in a number of preventive, diagnostic and treatment approaches to reduce the incidence of these disorders, if possible, and to identify and treat those impacted.

Together with the line community, both officer and enlisted, we have undertaken a Department-wide effort to reduce and eliminate the stigma associated with seeking mental health care. There are indications that this effort is working. For example, we are seeing that significantly more servicemembers who are referred for mental health care seek it out, and stay in treatment. We are encouraged by this trend and will continue to do our part to ensure that these trends continue.

We know that mental health conditions, like most medical conditions, are treatable. Most patients with Post Traumatic Stress (PTS) symptoms recover without treatment in a few months, and many recover with medication and/or psychotherapy. With your help, over the past 2 years we have made a tremendous investment in behavioral health care, adding nearly 2,000 behavioral health providers to our military hospitals and clinics, and 10,000 more to the networks (Table 2). By embedding mental health providers in our primary care clinics, we have improved access to mental health services for all of our beneficiaries.

The mental health workload has increased across the Military Health System (MHS) for both active duty servicemembers 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 7,662 military, civilian, and contract employees (full time equivalents) providing mental health care. This reflects a shortage of 1,025 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.

TABLE 2: MENTAL HEALTH STAFFING

MENTAL HEALTH STAFFING				
	Needs	Assigned	Shortage in Red font	% Filled
ARMY				
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%
NAVY				
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	536	(115)	82.3%
TOTAL	1,663	1,407	(256)	84.6%
AIR FORCE				
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%
MHS-WIDE				
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	2,225	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

To enhance services available to National Guard, Reserve, and Active Duty families who live in remote areas without easy access to installation-based psychological support, military and civilian providers are collaborating to educate local healthcare providers on military culture and treatment of psychological problems that military families encounter. We have also introduced the TRICARE Assistance Program (TRIAP), which offers 24/7 web chat with a licensed counselor, recognizing that family stress can often occur outside of normal provider hours, or in locations that do not have readily accessible counseling services. We continue to fund an initiative with the Department of Health and Human Services to place 200 Public Health Service officers, who are credentialed mental health clinicians, in our military treatment facilities (MTFs).

We are also working to improve the health and lifestyle behaviors of our beneficiaries, and we will be using funds in fiscal year 2012 to advance this goal. Our focus is to lower the rate of obesity, tobacco usage, and binge drinking, and, more generally, help beneficiaries make healthier choices. As an example, obesity efforts will target children, active duty members nearing retirement (retirees experience

marked increases in weight upon separation from the military), and patients with identified illness (e.g., diabetes, certain cancers) who will benefit from weight management. This effort includes initiatives with patient-level incentives to encourage healthy behaviors as well as partnerships with military bases and communities to create healthier work environments and help motivate other beneficiaries to make the healthier choice the preferred choice.

III. ENHANCE THE PATIENT EXPERIENCE OF CARE

The MHS is fully engaged in implementing a new approach to primary care in our MTFs. Known as the Patient-Centered Medical Home (PCMH), the principles focus on developing a cohesive relationship between the patient and the provider team. We view the PCMH as a transformative effort within our system, with the potential to positively affect all aspects of our strategic focus—readiness, population health, patient experience and per member cost. With approximately 655,000 patients enrolled in developing PCMH practice sites, the results have been very promising—various sites have reported improved preventive service compliance, reduced use of the emergency room, and more timely care provided. Continued investment in and implementation of the PCMH is a top priority for the MHS.

One major new program that emerged from the NDAA for Fiscal Year 2011 is a new and important benefit in TRICARE—extension of TRICARE coverage to adult dependents up to age 26. This provision in the NDAA ensures that TRICARE now complies with all elements of the Patient Protection and Affordable Care Act, or the national health care reform law.

The MHS continues its important commitment to upgrade our health care facilities in the Continental United States and throughout the world. Table 2 provides a summary of both appropriated and requested military medical construction funds from 2008–2012.

The new Walter Reed National Military Medical Center, the new San Antonio Military Medical Center, and the new community hospital at Fort Belvoir will open their doors in 2011. These facilities will serve as showcases for leadership in patient-centered care, patient safety standards, environmental responsibility and sustainability, and medical quality and outcomes. These achievements could not have occurred without the sustained interest and investments by Congress.

Table 3: Medical Military Construction / Clinical BRAC Funding (FY08-12)

Fiscal Year	Medical MILCON (\$M)	Clinical BRAC (\$M)
Pres Bud Request, 2012	\$1,116	\$ 0
Pres Bud Request, 2011	960	410
Appropriated * 2010	1,011	1,455
Appropriated * 2009	2,472	1,105
Appropriated * 2008	1,358	1,097

*May include ARRA and Supplemental funding

This year's budget request includes funding for 14 patient care and 3 non-patient care projects. It includes the replacement of one of our largest, oldest, and most critical overseas hospitals, the Landstuhl Regional Medical Center. This project consolidates Landstuhl and Ramstein medical facilities into one convenient location, closer to the Ramstein flight line. The new facility will support three theaters and is sized to serve the peacetime beneficiary population with an expansion capability to address surge from medium intensity conflicts similar to the current Overseas Contingency Operations.

Progress continues on vital chemical/bio-defense facilities at Ft. Detrick, MD and Aberdeen Proving Ground, MD. The first National Capital Region (NCR) Comprehensive Master Plan project in support of world-class standards begins in fiscal year 2012. All of our new clinical construction projects will comply with world-class standards and evidence-based design principles.

I am grateful for your unwavering support of our construction program through the last several years that will allow our wounded, ill, and injured servicemembers to be treated in the finest medical facilities in the world.

V. RESPONSIBLY MANAGE COSTS

Today, we are cognizant that the Federal budget deficits and long-term debt require all Federal agencies to be even more responsible stewards of the taxpayers' dollars. As Secretary Gates and Chairman Mullen have repeatedly declared, we in this Department must tighten our belts just as so many Americans have done over the last several years. We share the Secretary's concerns that the exponential growth in DOD health care costs can pose a long-term threat to our defense capabilities.

In our proposed budget, we have included a number of specific initiatives that, viewed as a whole, can set us on the right path to long-term financial health. Secretary Gates, Chairman Mullen and the Joint Chiefs have all spoken on this issue consistently and with clarity—we will continue to provide the finest health benefit in the country for our active and retired servicemembers and their families.

Table 4 highlights each of the major initiatives we proposed, along with their projected savings over the FYDP. Our initiatives acknowledge there is a shared responsibility for cost control in our system—starting with our own internal operational efficiencies, and then including both the provider and beneficiary communities. I will explain our rationale for each of these provisions below.

Table 4: FY12 MHS Management Initiatives

Issue	(\$M)					
	FY12	FY13	FY14	FY15	FY16	FY12-16
#1 Internal Defense Health Program Efficiencies	-183	-255	-295	-266	-297	-1,296
#2: Increase TRICARE Prime Fees for < 65 Retirees	-31	-60	-87	-114	-142	-434
#3: TRICARE Pharmacy Co-Pay	-95	-556	-601	-634	-669	-2,555
#4: USFHP Age Out of Medicare-Eligible Retirees	-	-739	-783	-826	-866	-3,214
#5: Use Medicare Rates at Sole Community Hospitals	-31	-71	-92	-98	-103	-395
Potential Cumulative Savings	-340	-1,681	-1,858	-1,938	-2,077	-7,894

Internal Efficiencies

We have benefited from lessons learned in previous efforts to control rising military health care costs. First, the Department has looked internally as our number one priority to find and implement efficiencies. In the coming year, we will reduce TRICARE Management Activity contractor overhead by a substantial amount—over \$183 million in savings in fiscal year 2012 alone. Our actions will be carefully considered, and will not detract from any activities that directly support patient care, although some management programs will either be eliminated or significantly reduced.

This is in addition to other actions we have undertaken that include more aggressive monitoring and pursuit of fraud, waste and abuse; redirection of prescription drug purchases to more economically advantageous outlets through mail order or MTF pharmacies; and redirection of medical care from Emergency Rooms to urgent care centers. In fiscal year 2012 we plan to introduce a national nurse advice line that will further assist us in this effort, and provide an alternative access point for information and referral for our beneficiaries.

Together with the Surgeons General, we will continue to identify and rapidly implement other initiatives that take advantage of joint purchasing, greater optimization of our medical supply chain, and increased shared services.

Equity in Programs and Provider Payment

Second, we are pursuing a more equitable management of benefits across all health care programs.

Congress has long directed us to align our reimbursement policies with those of Medicare. We will continue to make the necessary regulatory changes to follow the law. In 2012, we will adjust our payments for care provided by facilities designated as Sole Community Hospitals to also align with Medicare reimbursement levels, saving almost \$400 million over 5 years. DOD recently adopted a similar change with the implementation of the Outpatient Prospective Payment System (OPPS), and successfully implemented a phased-in approach to reduce the impact on our civilian provider network.

We recognize that adjustments to payment formulas will have an impact on the projected revenue streams of the hospitals covered under this rule change and we are sensitive to revenue projections in planning for large capital outlays for construction and major medical equipment purchases. We determined that 4 years provides a reasonable time period for phase-in for the payment adjustments.

We also seek to ensure all healthcare providers are reimbursed in the same manner regardless of their geographic location. We propose to amend our Uniformed Services Family Health Plan (USFHP) enrollment policies so that they align with all other TRICARE providers. All current enrollees will be grandfathered into the current program. In our budget, we propose that all future USFHP enrollees will convert to TRICARE For Life benefits upon reaching Medicare eligibility.

Future enrollees will still be eligible to enroll in the USFHP if they are not Medicare-eligible.

Future Medicare-eligible enrollees will be treated the same as all other dual-eligible DOD-Medicare beneficiaries in the country. Upon reaching age 65, Medicare will become the primary payer for these beneficiaries and TRICARE will be second payer. Once Medicare-eligible, these beneficiaries may continue to see the same providers that they do today; the reimbursement process by which both Medicare and TRICARE contribute payments will be the only change.

Through this proposal DOD will achieve greater equity across the TRICARE program—all Medicare-eligible beneficiaries will be treated the same. Second, the U.S. Government will save money, not just DOD. DOD currently pays more than the U.S. Government will pay jointly under our proposed plan.

Modest Changes of Beneficiary Out-of-Pocket Costs

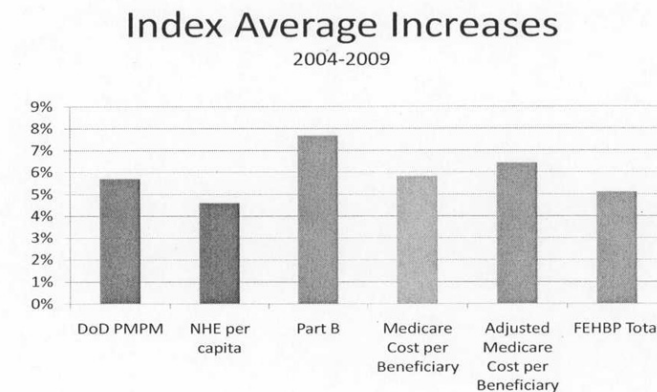
Finally, for working age retirees, we are proposing minor changes to out-of-pocket costs that are exceptionally modest, manageable and remain well below the inflation-adjusted out-of-pocket costs enjoyed in 1995, when TRICARE Prime was first introduced. We have proposed an increase of \$2.50 per month (or \$5.00/month per retiree family) for enrollment in TRICARE Prime—the first increase in enrollment fees proposed since the TRICARE Prime benefit was introduced in 1995. For the longer term, we have also proposed to index this enrollment fee in order to establish more predictable and modest fee changes over time.

When these proposals were first introduced with the submission of the President's budget in February, the administration had not yet selected the appropriate health care inflation index. As part of this process, we met with the beneficiary organizations, and we developed a set of criteria that should be used to determine the right index. These criteria included:

- Relevance—an index that most closely aligned with the health care costs experienced by this population
- Independence—an index determined by an independent, external agency rather than internally (DOD) established index
- Transparency—an index in which the methodology is publicly available
- Clarity—an index in which the calculations are understandable to all
- Fairness—an index that, when considering all factors influencing health costs, is determined to be a fair and accurate model for the costs experienced by the Government and the beneficiary for services delivered

In recent weeks, working closely with the Office of Management and Budget, we considered and evaluated six separate indices in this process, and believe that the National Health Expenditures (NHE) per Capita model as best meeting the criteria we used above. Figure 4 below highlights the average annual percentage increases in health costs using the various options.

Figure 3: Average Increases in Medical Inflation Indices



As part of our proposals, we also recommend minor adjustments in prescription drug copayments that include both reductions and increases in copays, the increase or decrease dependent upon the outlet selected by beneficiaries. We want to offer incentives to use the most appropriate and cost-effective outlet for their needs, and believe the minor changes to this copayment will be accepted and assist us in this goal. I have been heartened by support expressed by leading beneficiary organizations for this change. We have made progress in the last few years in encouraging beneficiaries to elect prescription drug home delivery, and we believe this proposal will accelerate the adoption of this option as it has demonstrated greater medication compliance while saving on overall costs for the beneficiary.

Our proposals have been carefully considered. 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 servicemembers) from any changes—in order to protect our most vulnerable beneficiaries and providers. None of these proposals affect the free healthcare we deliver to our active duty servicemembers.

LEARNING AND GROWTH

The foundation of our success lies with our training and education systems. Chief among these educational institutions is our Nation's outstanding medical university—the Uniformed Services University of the Health Sciences (USU) located here in Bethesda, MD. Since the first class graduated in 1980, USU alumni have become an integral part of our military health system and many of USU's graduates are assigned in key leadership positions throughout each of our Service Medical Departments.

The value of a USU education was never more evident than following the recent tragic shooting that occurred in Tucson. In the aftermath of this tragedy, it was the medical education received at USU that laid the foundation in medical training that the University of Arizona Health Science Center's Chief Trauma Surgeon, Dr. Peter Rhee, called upon as he provided the initial care and treatment to Representative Gabrielle Giffords. His extensive military experiences proved extremely beneficial in providing the best care possible to the Congresswoman. When he needed to consult on her care plan to ensure his approach was optimal for her condition, he called upon his USU classmate, neurosurgeon Dr. James Ecklund and USU's Interim Chief of Neurology, Dr. Geoffrey Ling.

USU is a national treasure and its value to our Nation is seen every day in the battlefields of Iraq and Afghanistan, in the care we provide worldwide to our very deserving service men and women, in the research being carried on in the fields of traumatic brain injury and post-traumatic stress disorder, and in the many laboratories conducting research on emerging infectious disease and many other public health issues.

Our system is also buttressed by a strong and deepening relationship with our Federal partners, particularly in our interaction and sharing with the Department of Veterans Affairs. We continue to increase the number of sharing agreements between DOD and VA medical facilities, facilitated by the DOD/VA Joint Incentive Fund. We appreciate that the NDAA for Fiscal Year 2010 extended this very valuable program until September 30, 2015.

We are also working closely with the VA to enhance DOD/VA electronic health data sharing, and to create a long-term architectural framework that benefits both Departments and the people we serve. Beginning with a December 2010 review, led by the Vice Chairman of the Joint Chiefs of Staff, DOD and VA have made substantial progress in developing a solution that can be implemented in a timely and coordinated manner. The Electronic Health Record (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.

In fiscal year 2012, we plan to introduce elements of the EHR Way Ahead, our long-term plan to replace our existing electronic health record. The details of the management structure to oversee the Way Ahead, the requirements development process and the outreach and engagement with the private sector will follow the important work that is underway now to finalize the details of our strategy.

CONCLUSION

Our overall proposed budget for fiscal year 2012 reflects our commitment to readiness, population health, an enhanced patient experience of care, and continued responsible management of costs.

I will never lose our focus on those members of our Armed Forces in combat. I will honor the sacrifices of so many servicemembers and families. I have always been personally inspired by the commitment and dedication of our soldiers, sailors, airmen, marines, and coast guardsmen. The highlight of my career as a surgeon has been caring for the wounded warrior on the battlefield. These talented young men and women, who have been asked to shoulder the responsibilities for defending this Nation and have suffered the consequences of nearly a decade of war, deserve the best medical care both at home and abroad.

I am both pleased and proud to be here with you today to represent the men and women who comprise the Military Health System, and I look forward to answering your questions.

Senator WEBB. Thank you, Secretary Woodson.

As I mentioned, all of your full statements will be entered into the record. More importantly, they will be useful to us and to staff, in terms of evaluating programs and ongoing staff-to-staff discussions as we move forward with the authorization of the DOD budget this year.

I'm going to ask a couple of questions, and then I'm going to call on Senator Ayotte for any questions that she might have. Then depending on who else comes, I know I will have other questions. We'll just proceed in that manner.

Let me start by asking Secretary Stanley—you mentioned, in your brief opening statement, your oversight of the civilian workforce. Who is in charge of the contracting force? Not just defense contractors here inside the Beltway, but contractors writ large, such as the hundreds of thousands that we are using in places like Iraq and Afghanistan.

Dr. STANLEY. I know that's not under my cognizance here. Is that acquisition, technology, and logistics (AT&L)?

Mr. HALE. Well, they would report to the commanders in the installations involved. Oversight of contracting policy would be AT&L.

Senator WEBB. So, who hires, fires, and pays?

Mr. HALE. It would be the commanders—

Senator WEBB. How many contractors are we paying?

Mr. HALE. I only laugh, because we are much pilloried for our lack of full accounting of contractors. We're getting better. For operation and maintenance (O&M) contractors who are in the 300,000 range, is our best estimate of full time equivalents. But, I would tell you that there are—

Senator WEBB. Excuse me, what are the 300,000?

Mr. HALE. For contractors funded by the Operation and Maintenance account, that's the operating costs, and it's the main source of funds for them. But, there's around 300,000—there are others working in the other accounts, as well. We haven't got a full count there yet. We were working hard, something Congress directed us to do, some years ago. We're working on it.

Senator WEBB. Well, we hear wildly varying numbers as to how many contractors are being paid each year by DOD, and by whom, and how much. Do you know how much of the DOD budget goes into independent contracting?

Mr. HALE. Mr. Chairman, if you want to look at—Ash Carter likes to use this number, and I think it's the right one—about 40 percent of our money pays for all of our employees, that's military and civilian. The rest goes to contractors in some way, that would include all the weapon system cost, but most of that is contracted out, eventually, to private companies. But, many people, when they think of contractors, are thinking more of what you alluded to, the Kellogg, Brown, and Root (KBR) contractors in Afghanistan that are performing those services. That would be more—for those funded by Operation and Maintenance, more the 300,000.

Am I helping? I sense not.

Senator WEBB.—kind of—we're kind of getting there. This is a really relevant question, in terms of whether or not we get the DOD budget under control, as your testimony indicated. It's one that people are having a hard time getting an answer for.

When I was Assistant Secretary of Defense for Reserve Affairs, many years ago, we talked total force as being Active Duty, Guard, and Reserve, and then the civilian workforce. We have so many people, who are now contracting force, who are doing, at a minimum, quasi-military functions, the types of things that military people used to do, who are not actually being counted when we talk about the size of the DOD workforce. But, they clearly are a part of the DOD workforce. When we start looking at how to trim a DOD budget back, I think this is a good place to look. Wouldn't you agree?

Mr. HALE. Yes, and so would the Secretary of Defense. Out of the efficiency initiative have come direction to make some cuts in particular categories of contractors, staff augmentee contractors. But, the Services, as they have looked for efficiencies, have chosen to make other cuts, as well. So, I think you will see some, I hope, surgical reductions in contractors.

That said, we couldn't fight without them. We are, as you suggested, very dependent on contractors for support in the wartime theater and many other places. So, we need them to be an important part of our team, we just need to make use of them economically.

Senator WEBB. Whether or not we could fight without them, we deserve to be able to have the same oversight over how they are

used and the discretion that is put into play, in terms of when they're used. As you mentioned, these are O&M accounts, and there's a lot of money that floats out to the commanding units under O&M accounts, where they have an enormous amount of discretion. We're talking about increasing TRICARE, for instance and we're at a point here where we have to get from the nice-to-haves to the needs-to-have. In my experience, I've been up here, now, 4½ years—that's been eluding the oversight of Congress.

So, we would like to follow up with you on this and see if we can't actually get an accurate count as to where they are and the functions that they are performing, to see if we can't put some of the same sort of stringency in these analyses as we do in others.

Mr. HALE. We'll do our best.

Senator WEBB. Thank you.

Another question with respect to the healthcare system. I believe you made a comment that the cost of the DOD healthcare system has tripled in the last 10 years. Is that an accurate statement?

Mr. HALE. Yes, roughly. We went from about \$19 billion to \$52.5.

Senator WEBB. How does that compare, say, per capita, with the increase in overall health—national health during that period? I say "per capita" because the part of it is numbers and part of it is per-person numbers.

Mr. HALE. It would be faster—I don't have that. We added some important benefits, during this period, Mr. Chairman. TRICARE for Life stands out, and that's quite expensive. I mean, it probably was the right thing to do, but it was expensive. So, it's clearly grown more quickly. I'll have to give you for the record the exact—unless, Jon, do you know?

Dr. WOODSON. We have actually looked at this, and we've mapped it against the national healthcare expenditures index, which is one of our proposals. It maps directly, so that if you look at the rising costs of healthcare in the civilian—it's mapping directly. Part of that, of course, is that we pay for retirees who receive their care in integrated networks and on the economy. So, obviously, we're influenced by those same factors, in terms of the rising costs.

Senator WEBB. Right. So, the point could fairly be made that this is not the result of inefficiencies; it's the result of a national phenomenon.

Dr. WOODSON. You're correct. In fact, we've looked at our costs and the buckets that they fall into—and I believe this is in my written statement—but, in fact, as a healthcare management agency, if you will, we spend far less on administrative costs and contribute much more—80 percent of our costs or so are for the direct delivery of care, either within the network or in integrated networks. So, what happens, in terms of the use of technology utilization and the way medicine is practiced in our society at large directly reflects in our costs, just like it does everywhere else.

Mr. HALE. Mr. Chairman, I'd like to add to that.

I think most businesses in America are looking to hold down healthcare cost growth. We're in the same situation. Even if the growth has been similar, we all need to slow it.

Senator WEBB. Yes. I wouldn't disagree with you at all on that. It's just—the way that this has been characterized so often in the

media has been a DOD issue, and it's a national issue in which DOD is attempting put some efficiencies into, in my view.

Senator Ayotte.

Senator AYOTTE. Thank you very much, Mr. Chairman.

I want to thank our witnesses for their service to our country. Really appreciate your being before the committee today.

I just wanted to follow up to the chairman's question, Secretary Hale. Have there been any internal DOD analyses or external reports comparing the costs of using, for example, a full-time military personnel versus a contractor—to look at—if we needed to perform the same function, does it make more sense to expand our force versus use the contractor? I just don't know if that's already been worked—work that's been done.

Mr. HALE. I don't know of any overall study. It's going to be very dependent on the job. Military personnel are fairly costly. They move a lot, there's a lot of training, all of which is good; it's one of the reasons we were able to succeed this weekend. So we need to continue to do that. But, if it is a job that's going to stay put, you're probably better with a civilian employee. Contractors are generally, I think probably fair to say, for many jobs, more expensive than civilians. But, they also provide the benefit that you can hire them and terminate them, if you need to, more quickly.

I know I'm not answering your question. I don't know of any simple study that says one is more costly than the other. I think it would be quite dependent on the nature of the work.

Dr. STANLEY. Senator, if I might add, one of the things that weighs in on this, not necessarily directly, but tangentially, is hiring reform. I call it employment reform. Because one of the things that's happened is that the contracting business, at least in some areas, not necessarily in all the areas that Senator Webb was talking about in combat or in theater, actually are a direct result, or at least tangentially happening, because of the fact that the hiring process is so cumbersome. I have to confess to you, that's just sort of some of the things that happen. So, we're looking at that. But, I haven't seen, as your question asks, any direct correlation or studies on this.

Senator AYOTTE. Secretary Stanley, is there a movement within DOD to reform that?

Dr. STANLEY. Absolutely.

Senator AYOTTE. Recommend a proposal? I don't know if it will require congressional approval, but I think that's an excellent thing to make it more efficient, in terms of how hiring is done. I also think one of the issues we need to address is how contracting is done—both in terms of the criteria that are used but also in terms of our efficiency in contracting. So, I appreciate that that's something that you're already beginning to undertake.

Dr. STANLEY. Yes.

Dr. WOODSON. If—

Senator AYOTTE. Excuse me, Secretary Woodson?

Dr. WOODSON. I just wanted to add to the comments that one of the issues around contracting, and of course it depends on the specific situation, but you need to look at the tail. So, the issue of retirement benefits, and we're talking about healthcare here. Sometimes, for limited-purpose projects, it is more cost efficient to hire

a contractor, because you're not paying benefits in perpetuity or after retirement. So, all of those factors need to be considered into whether or not a contractor is a cost-efficient way of doing business.

Senator AYOTTE. Thank you, Secretary Woodson. I would agree with you on that. But, I do think that it would be important to have that kind of data as we make these decisions on, number one, accountability of contractors, but also whether it makes sense, costwise, to either: (a) have more civilian employees; or (b) expand our contractor force. I certainly appreciate that there are—situations arise where you don't need a permanent employee, because it's an immediate short-term project. So, I think that flexibility needs to be there. But, reviewing this process when we're in a difficult fiscal time is very important, in terms of the decisions that we have to make here.

Secretary Stanley or Secretary McCarthy, whoever you think is most appropriate to answer this question—the fiscal year 2011 Defense appropriation allotted \$16 million to outreach and reintegration services under the Yellow Ribbon Reintegration Program. I understand that this money was actually provided to the Office of the Under Secretary of Defense for Reserve Affairs rather than the National Guard Bureau. So, in other words, as I understand it, it was provided to the Office of the Secretary of Defense for Reserve Affairs, as opposed to Guard. Can you let me know what the status is of these funds, and whether they'll be provided to National Guard programs to focus on outreach and reintegration?

I signed a letter, among 43 Members of Congress, focusing on 8 States, 1 of them being New Hampshire. Because, as you've already pointed out, Mr. Secretary, we've asked so much of our Guard and Reserve, in terms of Active deployment. Making sure that the programs are in place for the whole deployment cycle and reintegration—particularly with our civilian soldiers, though, the challenges are even greater because they don't come back to that support system of a base, where everyone's gone through the same thing; they go back into a civilian setting. In the past, before Armed Services hearings, I've highlighted what I think is an excellent program in the State of New Hampshire and these funds appropriately should go to that purpose.

So, I wanted to get your take on what will be done with them.

Will the Guard have an opportunity to apply for those? How will that move forward?

General MCCARTHY. Senator, those funds, recently released with the passage of the Appropriation Act, are actively being worked. The Yellow Ribbon Reintegration Program Office, which reports to me, is actively engaged with those eight particular States to fund those programs, through the National Guard, in each of those States. So, I checked on that just today. I know that—

Senator AYOTTE. Thought I might ask that. [Laughter.]

General MCCARTHY. Absolutely.

But, Ron Young, who leads that effort, is directly engaged. He tells me that he expects that, within the next few weeks, they will have completed working with each of those eight States.

Senator AYOTTE. Well, we really appreciate your efforts in that regard. Certainly, as I've said in the past, New Hampshire has a

program that we've been measuring the metrics of, in terms of reintegration. The fact—it's been measurable progress. I really appreciate your work on that, given what we've asked of our Guard and Reserve.

General MCCARTHY. Dr. Stanley and I met with the Adjutant General of New Hampshire, about 3 or 4 months ago, and talked about that program specifically. So, we're on target with that.

The Yellow Ribbon Reintegration Program is, frankly, one of the most important things that we can do. If we're going to continue to use the Reserve component as a part of the operational force, that can't be seen just as a wartime-only effort. That's something that we have to continue to do, to keep faith with the men and women of the Reserve component and their families.

Senator AYOTTE. Thank you very much.

One of the things I do think when you—is going forward, how do we handle this reintegration issue with the Guard, that I think is important from our program, is that it's a public/private partnership. So, we're able to actually reduce costs because we've engaged the private sector, as well. Because in very difficult fiscal times, we have to look at ways we can do this. The private sector wants to engage on this. So, I appreciate what you've said today.

Also wanted to follow up, Secretary Stanley, in your statement, you say that some of the prestigious universities are now rethinking their policies that exclude Reserve Officers Training Corps (ROTC) on campus. I think you've said—I noted Stanford University recently voted to invite ROTC back. They hadn't had them on campus since Vietnam. I'm really please about that. Can you tell me, are there any other universities that receive Federal funding that—who still prohibit ROTC programs or recruiters on campus?

Dr. STANLEY. I have to take the question for the record, in terms of the actual universities.

[The information referred to follows:]

Currently, no universities are in violation of the Solomon Amendment for Reserve Officers Training Corps (ROTC) Program issues. However, there are two schools, the Vermont Law School and William Mitchell College of Law, which are in violation of the Solomon Amendment for denying recruiter access.

All Ivy League colleges are in compliance with the Solomon Amendment and all have ROTC affiliation either through host or cross-town agreements. DoD is obliged to enforce the Solomon Amendment, which denies Federal funding to institutions that either prevent ROTC from being on campus or that interfere with participation by their students in ROTC on campus or at another institution.

Dr. STANLEY. I have a little history in this, in that, in the 1980s, as a major on Active Duty, I actually went around to a bunch of schools——

Senator AYOTTE. Oh, were you?

Dr. STANLEY.—trying to get ROTC back on the campuses. Over the years, for different reasons, different schools decided not to have ROTC on campus. Things have changed, this is a new day, and now they're welcoming back.

So, I'd like to take, for the record, to get the specific schools, because I'm certain there are some out there, as they start looking at the issues again about service to our Nation.

Senator AYOTTE. I appreciate that and look forward to your answer on that, Secretary Stanley.

I remain very concerned that, I think, that it's really important that ROTC be allowed on campuses, and particularly campuses that are going to accept Federal funds, because they need to allow access to our recruiters, and their students to be able to have access to those recruiters. So, I appreciate that, very much.

Thank you very much, Mr. Chairman.

Senator WEBB. Thank you, Senator Ayotte.

I tend to agree with your comment, too, by the way, on ROTC, have for a long time.

I have a series of questions here. I don't know, would you like to rotate? Senator, are you finished or—

Senator AYOTTE. I do have a couple more, but we could—

Senator WEBB. Okay, let me—

Senator AYOTTE. It's up to the chairman.

Senator WEBB. Okay, let me ask a couple, and then I'll give back to you, if you like.

Secretary Hale, what's the size of the accrual accounts now in DOD?

Mr. HALE. The accrual for military retirement would be, I think, about \$25 billion. You let me fix that for the record.

There's about \$10 billion for the trust fund for TRICARE for Life. Jon, have I forgotten any?

Mr. HALE. I think those are the main ones.

Senator WEBB. Are you still at about 51 cents on retirement account accruals?

Mr. HALE. Oh, per dollar of pay?

Senator WEBB. Right.

Mr. HALE. I don't think it's that high. I think it'd be—\$20–\$25 billion, and we got about 100 and—\$100 billion. It's more like 25 to 30 percent.

Senator WEBB. Okay. It's gone down significantly since I was in the Pentagon.

Mr. HALE. You probably have the numbers sitting there from your staff.

Senator WEBB. No, no. [Laughter.]

Mr. HALE. Okay.

Senator WEBB. Actually, that was just from my time in the Pentagon.

Mr. HALE. I was waiting, Mr. Chairman.

Senator WEBB. I think we were putting 51 cents out on the accrual accounts when I was in the Pentagon. So, it was a considerable shift, when they decided to do that, back in the 1980s.

Mr. HALE. It was 1976, actually.

Senator WEBB. It was pay-as-you-go retirement program, when they started requiring the accrual accounts that—

Mr. HALE. I helped the late Les Aspin, while I was at the Congressional Budget Office—

Senator WEBB. Yes, I remember—

Mr. HALE.—work that out. Twenty-one billion to—\$20 billion—point—\$20.9 billion in fiscal 2012 for the retirement accrual.

Senator WEBB. This was an Aspin initiative, I remember that.

Mr. HALE. Yes, it was.

Senator WEBB. Secretary McCarthy, I can't resist asking you a couple of questions, sort of as you're approaching departure in your

job, just some thoughts from you on the structuring of your office, from the time that I held that same position many years ago, I think there were two major differences, and I want to get your thoughts on this, from the time that I was Assistant Secretary for Reserve Affairs. The first is that there was no Under, and I met, every morning, with the Secretary of Defense, in a staff meeting, which was very valuable, in terms of articulating Guard and Reserve issues.

The second is that the relationship with the National Guard was, I'm sure, different, because the Chief of the National Guard had just been elevated to a three-star position and now it's a four-star position. If you look at the job description of the current Chief of the National Guard and his official page, it says he is responsible for formulating, developing, and coordinating all policies, programs, and plans for all National Guard personnel, principal advisor to the Secretary of Defense, through the Chairman of the Joint Chiefs, on National Guard matters; principal advisor to the Secretary Chief of Staff of Army, Secretary Chief of Staff of Air Force on all National Guard issues.

So, two questions for you. As you are departing, having been an incumbent here, how comfortable are you that the policy issues, with respect to Guard and Reserve, are under the rubric of your office in a line to the Secretary of Defense? What's your relationship with the Guard, since that position's been elevated to a four-star?

General MCCARTHY. If I could, the second one's easier than the first, so I'll start with that, if you don't mind.

The relationship that I've had with General McKinley, in his role as the chief of the National Guard Bureau, and, frankly, with all of the Reserve component chiefs, has been nothing short of spectacular. It's certainly, a part, due to personalities, theirs and mine, I guess. But, we've had a cordial and professional working relationship, without conflict, as I could have imagined. Structurally, you're absolutely right, it may not always necessarily be that way, but that's certainly the way it's been during my tenure.

With regard to the larger question of the position of Assistant Secretary of Defense, one thing's been very clear to me, and that is that, when Congress insisted on having a Senate-confirmed civilian appointee with specific responsibility for Reserve Affairs, they knew what they were doing.

I'm going to be leaving office in 3 weeks, or something like that, and I'm in the process of preparing an out-brief for both Secretary Stanley and Secretary Gates. Frankly, I think in my duty of loyalty to them, I ought to tell them first what I think about that. I intend to. I would like to be able to come back to you, either formally or informally, and share my views. They'll be exactly the same views that I'll give to the Secretary. But, I, frankly, if you will permit me, I would prefer to give my report to him first, before I share it even with the Senate of the United States.

Senator WEBB. By all means. Again, I appreciate your many years of service, in and out of uniform, and wish you well.

Senator Brown.

Senator BROWN. Thank you, Mr. Chairman.

Secretary Hale, I was wondering if you could comment on the DOD's plan to terminate the USFHP.

Mr. HALE. Well, Senator, we're not terminating the plan at all. It would continue. Those in it would be welcome to continue using it. What we propose is to have the same rules applied to the USFHP as apply to all other military retirees; namely, the retirees would be required to join Medicare, Medicare Part B, and the hospitals involved would receive the same claims payments. But, the program would continue.

Senator BROWN. Well, it's one of the highest-rated healthcare plans, though, in the military health system in 2010, isn't that right?

Mr. HALE. I'll accept your word. I hear very good things about it, and so we have no reason to terminate it, and have no plans to terminate it, that I'm aware, now or in the future. I'd ask either Dr. Stanley or Dr. Woodson to speak out.

Dr. WOODSON. That's exactly correct. We don't have any plans to terminate it. I think what we plan to do is bring payment in line with other beneficiaries. So, for example, the average cost for a Medicare-eligible beneficiary in the USFHP is about \$19,000 there's a range but about \$19,000. Other beneficiaries that exercise the use of Medicare, we pay about \$4,500. The real issue is that, over the years, these hospitals were given special benefits. They are on solid plans, in terms of the delivery of care, so we don't want to lose them. It's just that, in 2011, we need to change our business model to remain solvent and keep the benefit of health insurance solid for the future—future retirees. We can't afford to pay these excessive amounts for these Medicare-eligible—

Senator BROWN. So, you're looking at, what, saving \$3 billion over a 5-year period?

Dr. WOODSON. Right.

Senator BROWN. Is that accurate?

Dr. WOODSON. Right.

Senator BROWN. So, if—the proposed legislation, is enacted, it would basically force future retired members of the military to disenroll from the program that they—apparently is the highest-rated healthcare plan in the military health system, into, quite frankly, a plan that is not as high rated.

Dr. WOODSON. Well, they could keep their same doctors and go to the same hospitals. About 92 percent—

Senator BROWN. Right but they don't get the same plan and the same benefits.

Dr. WOODSON. The care should be the same. About 92 percent of the doctors in the USFHP do accept Medicare. Of course, they may not be accepting new Medicare individuals, but these would be old patients. They could keep their doctors and—

Senator BROWN. Are you sure of that? So you're guaranteeing the people that are listening that when they're forced to disenroll, that they will absolutely be able to enroll and keep their same doctors?

Dr. WOODSON. Well, I just came out of practice a few weeks ago, before assuming this position, and I would, personally, never send a patient who has been with me away after I've established a relationship with them over years, because their insurance changed. So, the issue is that the payment scheme would be different for

these doctors, under the proposed changes. But, the beneficiaries could keep their same doctors.

Senator BROWN. Well, you're saying there's going to be a payment-scale difference between—with the doctors.

Dr. WOODSON. Right.

Senator BROWN. So you're basically saying that you have a group of retirees who are getting the best healthcare, according to the highest-rated healthcare plan in the military health system. They're on that system, they're marching along, they're enjoying it. Then, all of a sudden, at age 65, when they potentially need it the most, they're going to be forced to disenroll and go into a plan, where obviously, you would never kick them out, but there are others that would say, "You know, what I'm not going to let them in because I'm not getting the reimbursements." I mean can you, any of you, guarantee that, in fact, every retiree, or the majority of the retirees, will get that same care and attention that you would do?

Dr. WOODSON. Well, we would certainly work with them to make sure that the beneficiaries were protected. The issue is that, actually, the health plans would do fairly well under the proposals that we are putting forth because, in fact, TRICARE for Life, which would be the copay, would pay 20 percent, Medicare would pay 80 percent, so they would get 100 percent of the payment. So, I think the incentives for dismissing these patients would be extraordinarily small.

Senator BROWN. Mr. Chairman—just to shift a little bit—well, I have to be honest with you, a lot of the complaints and comments I get about Medicare and the care that they get, people are, they don't go, and they don't like it, for a reason. Whether it's the patient or the doctor—and the fact that we're going, from the highest-rated healthcare plan in the military system to something that could be dramatically worse, it concerns me.

Dr. WOODSON. Yes, and I appreciate your concern, Senator. But in 2011, we have to look at all participants, plans, providers, and ask, What is the best value? Excessive payments to a certain segment, really, in a time of efficiencies—

Senator BROWN. Well, wouldn't you merely just address the payment scheme or this payment situation, instead of shifting them onto a Federal system that is going to be, I think, quite frankly, overburdened at that point in time?

Mr. HALE. Senator, I'd like to add. I think you have to ask yourself, and Congress does, whether or not we want to treat one group of retirees totally different than we treat everybody else in the military. Is that the right thing to do? We think not. We are treating them different

Senator BROWN. Based on what?

Mr. HALE. We don't require that the people in the Family Health Program enroll in Medicare, and we pay the hospitals a good deal; the claims payments are much higher. It doesn't seem right to us that the care throughout the system is good.

Senator BROWN. Can't you negotiate a better payment arrangement with them, instead of closing down, then shutting down and transfer—

Mr. HALE. Well, I don't think we're closing them down. As Dr. Woodson said, the doctors would stay there—incidentally, we fully

grandfather everybody who's currently over 65, or that is our proposal, so that it would affect them only as new people reached age 65. So, we do this very gradually. We just don't think, in this period of time, it's appropriate to single out a group and say, "We're going to treat you better." It just seems wrong to us.

Senator BROWN. Thank you, Mr. Chairman.

Senator WEBB. Thank you, Senator Brown.

Senator Ayotte, do you have follow-on questions?

Senator AYOTTE. Two followups, Mr. Chairman.

One was, Secretary Stanley, in your written statement, you've highlighted the large percentage of American youth who are ineligible to enlist in the military, due to either a medical disqualification or drug and alcohol abuse, a criminal background, lack of an education. Going forward, especially as the economy improves, how concerned are you about the relatively small pool of young Americans to be eligible to serve in our armed services?

Dr. STANLEY. Well, thank you, Senator, for the question. Very concerned, first of all. Actually, part of our strategic plan, as we've been working with the Services, is to actually focus early on—I mean, we've already started working, quite frankly, from elementary school and on up, in a number of areas, from science, technology, engineering, and mathematics education, things like that. Some of the things we've already talked about, in terms of programs, even from Yellow Ribbon Reintegration, how we take care of our wounded warriors right now, that actually fits in part of the picture of taking care of our people.

But, having people in the population that are qualified to enlist is a very big concern. So, being able to not only keep the people that we have—because one of the things the data also tells us is that we have a lot of people in a world or a society where so many people don't serve, many of the people who are serving actually are prodigy of people who have served. So, there are things that we can do on Active Duty or when you're dealing with Active or Guard and Reserve that actually help that part of the population. So, we're looking at it holistically, working closely with the Services—working relationship—but definitely working long-term.

Senator AYOTTE. What's your view on the National Guard Youth Challenge Program as one of the methods to address some of the challenges of reaching out to young people that want to enlist?

Dr. STANLEY. I'm going to make one comment and then ask Secretary McCarthy to say something.

What I've heard about the program has been phenomenal. I have not seen it personally. But, what it has done, in terms of the data points I've seen, it's made a difference and turned some lives around.

Secretary McCarthy.

General MCCARTHY. I certainly agree with that. The Youth Challenge Program has been a huge success. But, frankly, it's a kind of a stopgap. It's getting people very late in the process. It's usually best directed toward kids who are already in some degree of difficulty. So, it's not the answer, by any stretch of the imagination, but what it has done is very impressive and very remarkable.

Senator AYOTTE. Thank you.

Secretary Hale, we've been talking a lot about healthcare costs today, which is a big concern, not only within the Defense budget, with our overall fiscal state of the country. In a GAO report, there was a recommendation that estimated that realigning DOD's military medical command structures and consolidating common functions could increase efficiencies and result in cost savings.

I would ask, I guess, the whole panel and would start with you, Secretary Hale, whether you support realigning the DOD's military command structures? Was this something that has already been considered during the development of the efficiency initiatives?

Mr. HALE. The answer to both, at least speaking personally, is yes. I should say, yes, it was considered. We didn't go forward with it at the time. I think it needs to be looked at again. Like all organizational changes, it has its contentious parts, and we need to work through them and make sure that we don't damage the quality of management in the healthcare system. But, I think it is something that we need to look at, and will look at.

Dr. STANLEY. I'd just make a comment. We are looking at it, but to go much further than that statement right now would probably not do the process very much good, because we're going to work with the Services, work with the Joint Staff, and work with the Office of the Secretary of Defense staff as we move forward in looking at how we organize, medically.

Senator AYOTTE. I can't help myself, but what are the most contentious parts that you have to address, if we were to move forward in this?

Dr. STANLEY. What I've seen, personally, has been, Senator, actually, we have service cultures differences. When we get out—and I was in theater, about 1 week before Secretary Woodson. Out there, they're doing it, and they're there. The closer you get to Washington, DC, it gets a little bit more challenging.

Senator AYOTTE. I can understand that. [Laughter.]

Dr. STANLEY. I was in San Antonio last week, watching, looking at what they're doing there.

We have cultural issues that have built up over the years—good cultural issues—that have helped align and allow our Services to do what they do in theater, in combat, the way it should be. What we're looking at now, though, are more efficient ways—from pharmacies to not buying duplicate sets of equipment, to a doctor. There are a number of different things to look at in how we train to do that in our total force. This is a part of what we're looking at.

Senator AYOTTE. Well, I would ask all of you really to give us close examination of this. I think that's something that we would all like to hear about. Because, as we look to the fiscal state of where we are right now, if we can consolidate in a way that's going to save money and still serve our military appropriately, then we need to move forward with that. So, thank you.

Senator WEBB. Just as one quick follow-on to what Senator Ayotte just said, and I'm going to then yield to Senator Graham and Senator Chambliss.

What percentage of the potential enlistment pool in the United States is ineligible to enlist or does not qualify to enlist? It's a very high number.

Dr. STANLEY. Of the people who are out there in civilian life, right now?

Senator WEBB. Of the age cohort, what percentage does not qualify to enlist?

Dr. STANLEY. I heard three-fourths, Senator. It's a significant number.

Senator WEBB. I've heard around—up to two-thirds—does not meet enlistment—

Dr. STANLEY. I think you're probably right. It's significant.

Senator WEBB.—criteria, either because of physical or a variety of reasons. I find that astounding.

Dr. STANLEY. Same here.

Senator WEBB. I mean, if you even look at the Vietnam cohort, one-third of everyone in that age group served; 9 million out of 27 million people in that age group actually served. We're saying that, of today's cohort, only one-third would even fit the profile in order to attempt to enlist? This is the number that I've heard. Can anybody verify that?

Dr. STANLEY. We can verify it. I've heard different numbers, yes.

Senator WEBB. If so, I mean maybe—

Dr. STANLEY. That number's staggering.

Senator WEBB. I can't believe two-thirds of America's youth can't meet the mark. I'm wondering if your might take a look at that and see where the impediments are.

Dr. STANLEY. We'll take that for the record.

[The information referred to follows:]

We have studied this issue in detail. In 2007, we developed an estimator that would project the number of 17–24 year-old youth who are qualified and available for service. We focused on this group because it comprises about 90 percent of our non-prior service accessions annually.

The number of youth qualified and available for military service consists of youth who are mentally, medically, and otherwise eligible for service, and who are free of family commitments that would make them unavailable for duty.

To estimate the number of youth that are qualified, we developed disqualification filters for those individuals that would be disqualified based on Department of Defense standards.

Youth may be disqualified for more than one reason; however, we used a hierarchy of disqualifications so that only one disqualification applied to any one person. First, 9 percent of the youth population is disqualified due to a low aptitude score on the Armed Forces Qualification Test. Next, 35 percent are disqualified for medical conditions or physical fitness issues owing mainly to asthma, obesity, and other childhood maladies. Of the remaining population, 19 percent are disqualified for substance abuse (drugs and alcohol). Finally, 6 percent are disqualified based on the number of dependents under age 18 they have, and another 5% for questionable conduct or law violations.

Combined, the data demonstrate that only about 25 percent of today's youth are qualified to serve.

Data also show that of these 25 percent qualified, 11 percent are enrolled in college, and therefore not available to serve. Summed this way, only about 15 percent of the youth are qualified and available for military service.

Senator WEBB. We may want to reevaluate—I don't want—you don't have to lower the standards, but you may want to reevaluate the standards that are being used, or at least take a look at them.

Dr. STANLEY. Will do, Senator.

Senator WEBB. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman.

That is a stunning statement. I knew it was high, but two out of three, three out of four.

General McCarthy, what do we need to do, if anything, when it comes to mobilization legislation, regarding the Guard? What does "Operational Reserve" mean in the 21st century?

General MCCARTHY. Senator Graham, we kind of lapsed into this term "Operational Reserve." One of the problems with it has always been there wasn't a—

Senator GRAHAM. To me, it means you're going to go a lot, yes.

General MCCARTHY.—there wasn't a consistent definition. What I've chosen to say, and what's contained in the report, is using the Reserve as a part of the operational force. I think that resonates with people that, when a Reserve—either individual or a unit—and obviously I mean Guard or Reserve—either individual or a unit comes on Active Duty, they seamlessly integrate with the Active component force. That's what we have to shoot for. We have to do that periodically. We have to do it in a right balance so that we're not over—we're not asking people to do that more than they can manage or that they're families and employers can manage. But, that's the goal, is to get so that we can use a portion of the Reserve component as a part of the operational force.

I believe we do need a slight modification of our authority. The Department has sent over a legislative proposal. We've talked about it with the committee staff and with the staff in the House. I'm hopeful that we will expand our authority so that the President can continue to call some number of reservists to Active Duty without the necessity of an emergency, because that will enable the Reserve component to serve even when there is not a declared emergency.

Senator GRAHAM. What are the statutory limitations on service? Two years?

General MCCARTHY. Right now, we can call people only if there is an emergency, whether it's a declared war or a declaration of national emergency or something less.

Senator GRAHAM. Right.

General MCCARTHY. The period of service is not to exceed 2 years of consecutive military service.

Senator GRAHAM. Now, I've been told, at one point during the height of the Iraq/Afghanistan engagement, that 55 percent of the people flying the tanker force were Guard members or reservists, and about three-fourths those people, if they had not chosen to volunteer, had exceeded their statutory service period, and they just agreed to keep working. Is that true?

General MCCARTHY. Well, I can't verify the precise number, but the Air Force, in particular, has always preferred—both as an institution and the people—always preferred to use volunteers. They've done remarkably well with that. They can put teams together, allowing people to volunteer as it suits their other schedule. So they have made tremendous use of that, where as in the Army and the Marine Corps tend more to mobilize as units.

Senator GRAHAM. Okay.

General MCCARTHY. But, the high proportion of the tanker force from the Air Force Reserve and the Air Guard is a longstanding fact.

Senator GRAHAM. Secretary Hale and Secretary Stanley, the idea of drawing the Army down by 40,000, the Navy, 9,000, the Ma-

rines, 16,000, the Air Force, 10,000, is that a wise decision right now, given the uncertainties of where the world is going?

Dr. STANLEY. Well, first of all, Senator, thank you for the question. The conditions on the ground will dictate, obviously, where they actually go to. So, there have been some planning assumptions made, now. The Marine Corps actually stepped up and said, "We want to go to that particular level."

Senator GRAHAM. Okay.

Dr. STANLEY. But, what we have to look at now is exactly what happens in Afghanistan and Iraq, the timing and pace of those.

Senator GRAHAM. So, this is a work in progress, still.

Dr. STANLEY. This is a work in progress, as we speak. But, the planning has to be done.

Senator GRAHAM. Sure.

Dr. STANLEY. The budget, as we are talking here today, actually there are things happening now that will affect the budget in the future. This is why it's—you have your planning assumptions.

Mr. HALE. Let me just add, the drawdown on the Marines is in fiscal year 2015 and 2016.

Senator GRAHAM. Right.

Mr. HALE. It's 15,000 to 20,000. The Army is 27,000, also in fiscal year 2015 to 2016. As Dr. Stanley said, it's conditions-based. We have several years to reevaluate those conditions.

Senator GRAHAM. Okay.

Mr. HALE. You mentioned the drawdown in the Air Force. I'm not familiar with that one. I don't think, at least from 2011 to 2012—

Senator GRAHAM. I'm sorry, it's civilian positions in the Air Force.

Mr. HALE. Oh, civilians. Well, yes, that would—

Senator GRAHAM. From an Air Force point of view, more and more things are being done by civilians, from the time I came on Active Duty to now.

Mr. HALE. Well, we are looking into—the Secretary has directed us to find lower-priority missions and activities we can do without in order to hold down our support costs. I think that's what you're seeing there.

Senator GRAHAM. One last question. The healthcare component of the budget. I know you've made some proposals about fee increases. From a political point of view, it's very hard to ask men and women in uniform to sacrifice more than they've done—the retired force. The way you treat your retirees depends how well you can recruit and retain.

Having said that, there has to be some way forward. I've talked to a lot of the service organizations out there. There seems to be an understanding, by different service groups, that, slowly but surely, we need to adjust the reality that this is unsustainable.

Secretary Hale, how do we get from here to there?

Mr. HALE. Well, gradually, it seems to me, is the right start. That is our proposal. You may remember, 2 to 3 years ago, the administration made much more far-reaching proposals for changes in the TRICARE fees. They would have doubled, over a period of 4 or 5 years. Many hundreds of dollars, over that period. We're

talking about \$5 a month, for those in the Prime, family care, and a gradual indexing to a healthcare index.

So, I think we all respect the service that men and women do, and we expect a very generous plan, and I think they have the right to expect it. We are providing that. But, I agree with the implication of your statement, Senator, if we don't do something, as Secretary Gates said, at some point, it will fall of its own weight. I think we need a very gradual transition.

Senator GRAHAM. Secretary Woodson?

Dr. WOODSON. It perhaps is useful to bring some numbers to this, just as illustrations. Since the inception of TRICARE and no fee increases, benefits and retirements have increased 50 percent. But, if we go forward—and let's take an example of a lieutenant colonel, O-5, whose pension is \$48,000 a year in 2011—

Senator GRAHAM. What's an O-6 pension? [Laughter.]

Dr. WOODSON. It depends on the years of service.

Senator AYOTTE. I'm married to an O-5, so—

Dr. WOODSON. But, assuming \$48,000 a year, in 2012, over 10 years, assuming a COLA of 3 percent per year, the pension will grow by \$16,000. At the same time, even if you accept the generous increase in prime enrollment fees of 6.25 percent, applying the same metrics—the price would only grow by about \$428.

So, what we're saying is that, because we're indexing the increase in fees to a smaller amount, even if they had a rise, it doesn't eat up the COLA, is what I'm saying.

Senator GRAHAM. Gotcha.

Dr. WOODSON. So, it's about fairness and protecting this very generous benefit for the future, for individuals who will serve in the future and, in fact, will need healthcare, as well.

Senator GRAHAM. Thank you. I have a letter from a bunch of generals who say we need to be thinking about doing exactly what you said. I would like to introduce it into the record.

Thank you all for your service.

[The information referred to follows:]



CHAIRMAN OF THE JOINT CHIEFS OF STAFF

WASHINGTON, D.C. 20318-9999

11 February 2011

The Honorable John McCain
 Ranking Member
 Committee on Armed Services
 United States Senate
 Washington, D.C. 20510

Dear Mr. McCain,

We are writing to convey our strong support for the military health care program changes that are included in the President's proposed fiscal year 2012 budget.

Our objectives are clear – we will continue to provide the finest health care benefits in the country for our active and retired military Service members and their families while continuing to serve as responsible financial stewards of the taxpayers' investment in our military.

As our first priority, we reviewed our internal costs and have implemented or will implement a number of efficiencies to reduce contractor overhead, medical contracting, and purchasing costs. We are continuing to focus on improving the care we provide our wounded warriors and the support to their families, as well as creating patient-centered medical homes to improve the coordination of care and satisfaction of our patients.

Second, we sought equity across all health care programs – beneficiaries and health care delivery providers should have the same benefits and equivalent payment systems regardless of where they live or work in the country. That led us to propose modest increases in TRICARE enrollment fees for working-age retirees and indexing of those fees. These changes are modest and manageable, and leave fees well below the inflation-adjusted out-of-pocket costs set in 1995 when the current fees were established.


Third, we are also proposing changes in pharmacy co-pays aimed at improving efficiency by encouraging the use of generic drugs and mail-order delivery. However, we are preserving our patient's rights to purchase non-generic drugs although at slightly higher costs to the individual. In addition, we propose to gradually phase-out some special subsidies provided to a relatively small number of hospitals serving military patients.

Further, we incorporated numerous safeguards – grandfathering all current enrollees in unique programs; phasing-in new reimbursement methodologies for providers; and exempting certain beneficiaries (survivors and medically retired Service members) from any changes – to protect our most vulnerable beneficiaries and providers. We want to emphasize that none of these proposals affect the free health care we deliver to our active duty personnel.

We will continue to wisely invest in items of vital interest, including improved research, diagnosis, and treatment of Service members with psychological health issues and/or traumatic brain injury, enhanced access to health services, and new weapons systems and technologies for our warriors on the battlefield.

We understand that any changes to health care benefits create concern among the people we serve and the communities from which we receive care. The proposals the Department has submitted keep faith with its commitment to our troops and their families as well as the Nation's commitment to veterans. Our approach is careful, gradual, and responsible. We ask that you support all the proposals as submitted in the President's fiscal year 2012 budget.

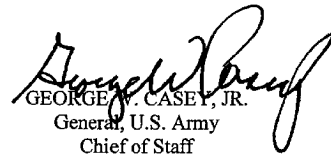
Sincerely,




JAMES E. CARTWRIGHT
General, U.S. Marine Corps
Vice Chairman
of the Joint Chiefs of Staff



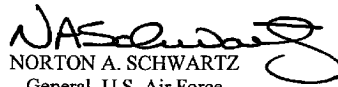
M. G. MULLEN
Admiral, U.S. Navy



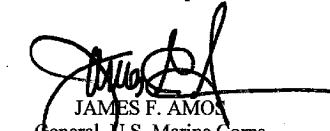
GEORGE W. CASEY, JR.
General, U.S. Army
Chief of Staff



GARY ROUGHEAD
Admiral, US Navy
Chief of Naval Operations



NORTON A. SCHWARTZ
General, U.S. Air Force
Chief of Staff



JAMES F. AMOS
General, U.S. Marine Corps
Commandant of the Marine Corps

Senator WEBB. Thank you, Senator Graham.

Senator Blumenthal, welcome. Since Senator Chambliss has been waiting, I'm going to go ahead and call on him.

Senator CHAMBLISS. Thanks, Mr. Chairman. It's always a scary thought, to his friends, that Senator Graham is a colonel in the Air Force Reserve. [Laughter.]

Thank goodness you all don't let him carry a gun. [Laughter.]

Senator WEBB. For the record, when my dad was a colonel in the Air Force, I think he made \$14,000 a year. So, we've come a long way, folks. It's been a long time.

Senator CHAMBLISS. Secretary Stanley and Secretary McCarthy, I understand there's been some confusion or lack of consistency regarding how the provision authorizing early receipt of retired pay is being interpreted at DOD. Since I'm the author of that provision, I want to state my intent, for the record.

First, my intent was to reward servicemembers who perform Active Duty for significant periods. We had to bound the provision somehow, so we set the period during which members would be required to serve an aggregate of 90 days of duty to be the confines of a single year—fiscal year 2010 or fiscal year 2011, whatever. The intent was not that a servicemember should be rewarded to any ag-

gregate duty of 90 days that they served over their Reserve career. Now, that's what we intended, and I'm going to ask you all to comment on that.

Second, my intent was to reward servicemembers who were activated, mobilized, deployed, or called to duty in support of a contingency operation. In my view, this should include any duty, in the continental United States (CONUS) or outside CONUS, that is related to a contingency operation or a national emergency, regardless of the specific type of the order the member is called to duty under.

Now, both Secretaries, with that explanation, I'd just like for you all to give me your feedback on how DOD is interpreting the current statute, what ambiguities you believe may exist in that language, and the extent to which the services are interpreting the provision differently. Anybody else has a comment, you're welcome to, but I think you two would probably be the most appropriate.

Dr. STANLEY. Senator Chambliss, I'm not going to say much right now, only because I haven't seen it yet. I'm going to be openminded when I look at it. Your explanation actually will help me when I receive it, because I know it's coming my way.

General MCCARTHY. Senator Chambliss, the main problem that I am aware of is the first one that you mentioned, bounding the 90-day period by saying "within the same fiscal year." Clearly, the statutory language includes that bounding provision.

Where we've run into a problem is where someone serves, for example, 45 days on one side of the fiscal year followed immediately, consecutively, by 45 days on the other side of the fiscal year. The interpretation of the Office of General Counsel has been, that service doesn't meet the standards of the statute because it crosses 2 fiscal years. We're trying very hard to figure out a way to carry into effect your intent of rewarding 90 days of continuous service, and to work around this provision of "within the same fiscal year." We have not yet found a solution that everybody can live with, in part because there's money associated with it, appropriation associated with it. But, I think that everybody is working in good faith to try to figure out a way to solve that.

Senator CHAMBLISS. Okay. Actually, Senator Tester and I have an amendment that we're going to offer in the authorization bill this year that I think will clarify that. Because that can happen, and obviously it has happened, and we want to try to straighten that out. It's the 90 consecutive days that's the most important thing, rather than the fiscal year. So, I think, with what he and I are going to try and do in the authorization bill this year will get that clarified.

General MCCARTHY. Thank you.

Senator CHAMBLISS. Thanks, Mr. Chairman.

Senator WEBB. Thanks, Senator Chambliss.

Senator BLUMENTHAL.

Senator BLUMENTHAL. Thank you, Mr. Chairman.

I just want to say, at the outset, I thank Senator Chambliss for his legislative proposal, which I have supported, on Reserve retirement credit.

Thank you—even more important, thank you gentlemen for your service, both now and in your past, and the men and women who

are sitting behind you in this room and who are serving under you, or with you, in DOD. I think all of us in the Senate, all of us in the Nation—are grateful for the great work that you are doing.

I want to focus, just briefly, on, first of all, homeownership. Secretary Stanley and Secretary McHale, the stimulus bill in Congress greatly expanded the resources available under the DOD Home Ownership Assistance Program to help servicemembers who are changing their duty station, particularly in light of the Base Realignment and Closure Commission process. I wonder if you could speak, today, to the resources available to continue that program, what DOD is looking to do to make it more sustainable.

Also, equally important, I am very concerned about issues relating to mortgage fraud and foreclosures, both inside and outside of the military community, but particularly as it affects the military community. I wonder if you could comment on both the home ownership program and the susceptibility of the military community to that kind of fraud, whether it's related to the homeownership program or not, and what the Defense Department is doing to aid the military community.

Thank you.

Mr. HALE. Well, I'm going to have to give you specifics for the record, Senator, on the HAP Program—homeowner.

I think we're okay, financially. We were worried, because we had no experience, or not much experience, with this kind of program, and this is quite extensive. We formulated a set of rules which we thought were reasonable and, I believe, have kept within the bounds of the money that Congress appropriated. I don't know exactly how much has been obligated as of now. We'll get it for you, for the record. But, I think we're okay. I'm certainly not hearing any financial problems with the program.

[The information referred to follows:]

Congress appropriated \$555 million in the American Recovery and Reinvestment Act of 2009 for the Expanded Homeowners Assistance Program (HAP). The Department has obligated 100 percent of those funds. Additionally, Congress appropriated \$300 million in fiscal year 2010 for Expanded HAP benefits, which the Department continues to execute. The Department continues to evaluate the Expanded HAP and may seek future appropriations as necessary. As part of the HAP, the Department has authority to purchase homes from eligible servicemembers and surviving spouses and then re-sell those properties. Proceeds from the sale of those homes are then deposited into the HAP in order to provide benefits to additional eligible personnel. In fiscal year 2011, the Expanded HAP account has received \$44.8 million in proceeds from the sale of government-owned homes.

Dr. STANLEY. Senator, I've been personally engaged on the fraud end of it, even before we got to just the mortgage piece, of taking care of our service men and women, and the Servicemembers Civil Relief Act, working with Department of Treasury, looking at ways to ensure that our service men and women are not taken advantage of in lots of different fora, and not just homeownership. So, it's a big issue, from the readiness standpoint, because if you're not ready at home, you are not going to be ready when you go forward. So, it's a significant readiness issue that we're focused on. I agree with Secretary Hale, we'll get back to you on specifics.

[The information referred to follows:]

In order to address the situation, legal protections for military personnel were established. Specifically, the Servicemembers Civil Relief Act (SCRA) (codified at 50 U.S.C. App. §§ 501–597b) offers servicemembers protections from the improper fore-

closure practices that are not available to the general public. This provides servicemembers who have a qualifying mortgage obligation (one created pre-service) with protections not available to the public at large, at least in those States that would allow non-judicial foreclosure.

Section 533 of SCRA protects against the non-judicial sale, foreclosure, or seizure of the property of a servicemember that is secured by a mortgage obligation that originated before the period of the servicemember's active duty. This means that a court must enter a valid order before the sale, foreclosure, or seizure of such property can take place, and such an order cannot be entered absent a return of service (proof to the court that the servicemember has been served with a copy of the foreclosure lawsuit) and an opportunity for the servicemember to be heard by the court.

Furthermore, section 521 of SCRA provides additional protections against default judgments when a servicemember does not appear before a court, and section 522 provides the servicemember the opportunity to delay a proceeding when he or she does appear but cannot proceed because of military service. The default judgment protections of section 521 are particularly important in the foreclosure context. It provides an interlocking protection with section 533.

As noted above, for a qualifying pre-service mortgage obligation, no sale, foreclosure, or seizure can take place against a servicemember unless there is a valid court order. To issue a valid order, a court must comply with section 521, which indicates that if the respondent does not appear and there is reason to believe he or she is a servicemember, then the court must appoint an attorney to represent the absent servicemember. A key element of that representation is that the attorney must try to find the servicemember and attempt to delay the proceedings until the servicemember can be located and can appear before the court.

Senator BLUMENTHAL. Well, I appreciate that. Are there measures that we can take that would assist you in stopping this kind of fraud, or simply the institutions that are pushing the envelope in taking advantage of our military men and women, perhaps just barely within the law, but exploiting their vulnerability at a point when they're trying to get ready to serve abroad, and their families being at home, and that kind of exigency?

Dr. STANLEY. Senator, my instincts say yes. Then we'd like to get back to you and work closely with you on it, because this is really important, from a readiness standpoint. If you're not ready, as I said, you're not going to fly the plane, you're not going to shoot straight. There's a whole lot of things that are going to happen. So, I'd like to get back to you, on the record, on that and do that.

[The information referred to follows:]

Thank you for your offer of assistance. We believe there are areas within the Servicemember's Civil Relief Act that could be amended to help protect our servicemembers. We will consult with the Office of Management and Budget and submit the necessary legislative proposal for your consideration.

Senator BLUMENTHAL. Well, I really appreciate that. I would very much like to work with you and other members of this panel and your staff on this issue, because I regard it as very important. I commend and thank you for your interest.

Mr. HALE. Senator, I do have facts. We have obligated most of the \$555 million that was appropriated under the Stimulus Act, about 98 percent. I think, in most cases, we have completed the periods of time when people could take advantage of it. There'll still be outlays, as folks actually move. But, it's higher than I thought. So, we'll check.

I'll stand by my statement, though. To my knowledge, no one has come to me and said, "We're going to run out of money." So, I think we're okay.

Senator BLUMENTHAL. If you develop additional facts, please feel free to get them to me.

I just want to say to Secretary Woodson, for some years, as you probably know, the Yale Center for Emergency Preparedness and Disaster Response has worked with the United States Northern Command to develop national strategies and conduct training for civilian military collaboration in integrated medical and public health preparedness, and these kinds of activities. Their preparedness and expertise really align with a large number of medical preparedness and response projects across the country. I'd like to see that work continue. I think it serves the national interest. I ask that you make yourself available to meet with my staff, possibly with me, with the director of the program, to see what role they may have in working with you to jointly address this continuing challenge, and the coordination of civilian and medical resources. If you would be available, I would greatly appreciate it.

Dr. WOODSON. I'd be very happy to meet with you. In a prior life, I had something to do with that. So, I would be very happy to meet with you.

Senator BLUMENTHAL. Great. Let me just ask one last, sort of, open-ended question, and you should feel free to get back to me on this one, as well. Traumatic brain injury, post-traumatic stress disorder, there may have been questions about it before now, but, obviously, as our Reserve engage in more of the front-line battle, they will be susceptible to it. We've heard various estimates, from the Chairman of the Joint Chiefs of Staff, Admiral Mullen, and others, that there's a very high rate of nondiagnosis or misdiagnosis, as high as 30 percent, of those two conditions. So, I wonder if you care to comment on it.

General MCCARTHY. Senator, you're absolutely right. That is a challenge for the Reserve component that, in some ways, is exactly the same as the Active component but, in some ways, is very different, because you get some many Reserve component members who, after they complete their service in combat, kind of blend back into a civilian community and don't have the day-to-day association with military leaders and observers that they would have if they were still on Active Duty.

I believe, personally, that we're doing a better job on the post-deployment health assessments. Not that we don't have a long way to go, but I do think we are doing better than we were, some years ago, on that. I also believe that the Yellow Ribbon Reintegration Program, which has these recurring meetings and recurring opportunities for people to come back together and to be exposed to some of the science and some of the—frankly, the art of recognizing these kinds of problems, is very important, and will remain so. So—I've made the point already this afternoon—the Yellow Ribbon Program, we might have thought of it, originally, as just a short-term wartime-only program. I think it's more than that. I think it's something that we should view as a longer-term requirement. Obviously, we won't be doing it at the same rate we were doing it a few years ago, but we will still have the requirement as we deploy members of the Guard and Reserve.

Senator BLUMENTHAL. Well, I appreciate that. I think it's very important, again, if there are ways that members of the committee can assist you, particularly with the traumatic brain injury and the post-traumatic stress disorder aspects. Sitting where you are, right

now, Sergeant Major Kent of the Marine Corps—and I know, as a marine, you are familiar with his service—commented on the extent and the seriousness of this problem, as did others on that day. So, I appreciate your attention to it. Thank you.

Thank you, again, to all of you for being here today, and your very helpful testimony.

Dr. WOODSON. Senator, if I may make a few comments—

Senator BLUMENTHAL. Sure.

Dr. WOODSON.—in regards to that, because, obviously, in Health Affairs, we've been very much involved and concerned about the invisible wounds of war and the signature injuries of these last 10 years of war.

I just returned from Afghanistan, and I can tell you we have a robust treatment protocol in place to pick up just about every concussed soldier who might be within the radius of 50 meters of a blast injury, to include an evaluation they go through to assess for concussion, and referral at the earliest possible moment, and to record that data for longitudinal followup.

On the other end of behavioral health, we've added 12,000 new behavioral health specialists to our integrated TRICARE network, and then increased, by 2,000, the number of behavioral health specialists on Active Duty.

We do have some recruitment challenges, particularly in psychiatrists, but the Air Force is about 93-percent full. We continue to work strategies, in terms of scholarships, et cetera, to get the behavioral health specialists trained and on Active Duty.

So, we've done a lot, still need to do more, in terms of behavioral health specialists.

But, as it relates to the Guard and Reserve, every State has a behavioral health coordinator. There is abundant outreach to identify resources within each State and coordinate the care of any reservist or guardsman that might need behavioral health. Again, more to do, but we're working vigorously to meet the needs.

Senator BLUMENTHAL. That's very helpful. I'm glad you added that comment.

Again, thank you for your service and for being here today.

Thank you.

Senator WEBB. Thank you, Senator Blumenthal. Just as a follow-on to that line of questioning, I can say things are incredibly different than they were in the post-Vietnam period, on these issues. I was up here as a committee counsel from 1977 to 1981, and the casualty flow from Vietnam had been so much higher than what we're seeing now. In fact, the 1 year that I was in Vietnam, 12,000 Americans died. That's twice as many as have died in Iraq and Afghanistan, combined in the entire 10 years of war, and the mood in the country was different. The level of knowledge was so much different. We did a lot of pioneering work, in terms of post-traumatic stress disorder, on the Veterans Committee up here during that period. It was a new concept in terms of what people were trying to examine. It was pioneered not by the government, but initially, by the disabled American veterans organization, themselves, which had a high percentage of Vietnam-disabled soldiers and marines, particularly. They funded their own project called the Forgotten Warrior Project because they could see that something wasn't

right and it wasn't being examined. The attention that's being given right now, at all levels, is just incredible compared to what was going on then.

The issue of traumatic brain injury is to me something completely new. I think so much of it comes from the improvised explosive devices, where people are inside vehicles and you have this echoing impact that a regular blast, in other wars, did not really experience. I'm very committed to seeing more research done on this, and continuing to do the sorts of things that Secretary Woodson was talking about—monitoring people early on and getting some sort of a tracking on that area.

I have one final question here, and it really goes to how we're measuring some of our special pays and incentives. I don't know if you all are familiar with an article that was in the Washington Post on March 18 by an Iraq and Afghanistan veteran named Michael Cummings. It's called, "I Didn't Deserve My Combat Pay." Are you familiar with this article? It is not a mean-spirited article at all. This is an individual who served in hard combat in Afghanistan, and then had a pretty relaxed tour in Iraq, and basically was pointing out some inconsistencies that I think are fair, in terms of evaluation. I'd like to get your thoughts on them. In fact, Secretary Stanley, maybe you could take this article and give us a response.

[The information referred to follows:]

The Washington Post

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I didn't deserve my combat pay

**By Michael G. Cummings, Published:
March 18**

When I compare my first deployment to Afghanistan with my second deployment to Iraq, one thought remains lodged in my cerebellum: I didn't deserve my combat pay.

My first deployment, to eastern Afghanistan in 2007, sent me as part of the 173rd Airborne Brigade to Korengal Valley, which Vanity Fair dubbed the "valley of death." Staff Sgt. Salvatore Giunta, a soldier in my battalion, last year became the first living recipient of the Medal of Honor since Vietnam. Twenty-four of our battalion's soldiers made the ultimate sacrifice.

We slept on cots. I roomed with eight other people. In the winter, snowmelt leaked through our roof. In the summer, temperatures routinely passed 100 degrees and our AC units would crash. It took several minutes to get hot water in the shower, if it came. Food consisted of two warm trays of heated . . . stuff, if we didn't eat MREs. A snowstorm could knock out the satellite television feed and the Internet, as one did on Super Bowl Sunday.

In short, conditions were spartan.

As for my most recent tour, I don't tell people I deployed to Baghdad. I say that I deployed to Victory Base Complex (VBC) — the largest, most luxurious base wartime soldiers have ever had the pleasure of visiting. I never set foot in Baghdad proper. The only gunshots I heard were from our shooting range. I never fired a weapon or rode in a convoy or on a helicopter. The only improvised explosive devices I saw were in pictures.

On our compound, the water was always warm (sometimes too warm). The chow hall had a Caesar salad bar, a sandwich bar, an ice cream freezer, and shrimp and steak Fridays. My (personal) room had a working AC unit and Internet connection. VBC hosted multiple PXs, coffee shops and nightly dance parties. I could buy pillows, microwaves, televisions or any video game.

Conditions were plush.

Yet as different as these deployments were, I earned the same benefits for them. (Actually, since I was promoted between deployments, I got paid a lot more the second time.) My tax exemption was probably as much as some soldiers earn in base pay. And since I left Iraq, I can't shake the feeling that I didn't

deserve my combat pay. I can't stop thinking about my deployment: Why should I have received hostile-fire pay when no one died on VBC while I was there? I still hated leaving my wife for Iraq, but I can admit that VBC doesn't compare to Konar province.

Given the debate over the federal budget, I wonder whether Congress could find some savings by restricting what places are deemed combat zones. There is a mammoth difference between life on our bases in Bahrain and the company-size combat outposts or forward operating bases (FOB) in rural Afghanistan. Should troops on all these bases earn the same combat entitlements? Consider:

1 Every general (and aide) who attended the change of command in Iraq last August earned two months' worth of combat pay even if they spent only a handful of days in Iraq. Combat benefits pay out for the month you arrive and the month you leave, not how many days you are in theater. Holding the ceremony on the first of the month, not in the middle, cost our government tens of thousands of dollars.

1 Pilots who fly into the Bagram air base in Afghanistan earn a month's worth of combat pay for a single trip. Pilots who fly over Afghanistan in support of ground operations earn the same combat pay as the infantrymen on the ground, even though no fixed-wing plane has been shot down by the enemy in this war.

1 The thousands of soldiers, sailors, airmen and Marines deployed to Kyrgyzstan, Bahrain, Qatar and Kuwait earn the same tax-exempt benefits as the troops in Iraq and Afghanistan. Sailors in Bahrain can bring their families to live with them while still earning \$225 a month in imminent-danger pay.

Military commanders say: Don't just complain about the problem; offer a solution. Here are mine: First, Congress should review which countries qualify for hostile-fire pay, imminent-danger pay and the combat zone tax exclusion. Second, generals, their civilian counterparts and aides should have their combat benefits prorated by day, not by month. Third, a Defense Department committee should revamp our combat pay and benefits to encourage combat deployments, not deployments to forward operating bases. (A good rule of thumb is how close you keep your body armor. If you're wearing it, it's combat.)

I absolutely do not mean to disparage troops who deploy but don't see combat. Yet our country needs to recognize and reward the sacrifices of those who really do fight on the front lines. I've learned to live with my deployment, but I can't live with our military's benefits system. The documentary "Restrepo," about the Korengal Valley experience, illustrates why men there deserve way more than 225 bucks a month, the same amount earned by generals who live at VBC.

Michael Cummings writes and edits for www.onviolence.com, a blog on military and foreign affairs he co-publishes with his brother, a pacifist. He recently returned from Iraq.

Senator WEBB. One of the things he points out was that people who serve in Bahrain, Qatar, Kuwait earn the same tax-exempt benefits as troops in Iraq and Afghanistan. I'm reading from his article, by the way. "Sailors in Bahrain can bring their families to live with them while still earning \$225 a month in imminent-danger pay. He mentioned in here a contingent that came in from the States for a change-of-command ceremony, where they were on the ground for 2 days and they got 2 months of combat pay plus all the tax differentials, because it was the end of the month and the beginning of the next month.

I don't know why that happens. I think we have computers now—you can figure out how many days people are in theater, if you're paying these sorts of benefits. But also, it—I think two of you are former marines; I'm a former marine—that's a huge leadership question, too, when you turn around to people who are out there really having to do the hard work, and you can turn around and say somebody came in for a change of command for 2 days and got this huge break.

He says in this article, "Military commanders say, 'Don't just complain about the problem. Offer a solution.'" He has a whole paragraph here with his solution. I'm not saying these are the an-

swers, but I would like to get your thoughts, Secretary Stanley, on where some of these things are. If they're justified, fine.

[The information referred to follows:]

I'm familiar with the article by Michael G. Cummings, which states that members serving in Bahrain, Kuwait, and Qatar earn the same tax-exempt benefits as troops in Iraq and Afghanistan. He also mentions a situation where the dates of visitors to a combat zone for a change of command ceremony straddled 2 months and resulted in the payment of 2 months of imminent danger pay and tax free treatment of salaries, known commonly as the combat zone tax exclusion.

A member serving in any area designated by the President as a combat zone is eligible for the combat zone tax exclusion. Currently, Bahrain, Kuwait, and Qatar, as well as Iraq and Afghanistan are designated as combat zones, and members who serve in these locations are eligible for the combat zone tax exclusion. Members serving in these locations receive \$225 per month.

In addition to the combat zone tax exclusion, commanders can recommend an area as eligible for imminent danger pay based upon conditions on the ground. An area may be designated if there is an impending danger of members being exposed to hostile fire or explosions, or being subject to the threat of physical harm or imminent danger on the basis of civil insurrection, civil war, terrorism, or wartime conditions.

The Department and Central Command are both aware of Mr. Cumming's concern and have taken steps to prevent or minimize this type of potential abuse of combat zone tax exclusion or imminent danger pay. From our review, we conclude that the perceptions of widespread abuse are not supported by the data. All travel into the Central Command area of responsibility is screened, pre-approved and conducted on official military orders. Thus we have little reason to believe that the identified short duration trips, including their timing, were for anything other than mission requirements. The Department is, however, currently reviewing policies to ensure the potential for abuse is minimized.

Periodically, the Under Secretary of Defense for Personnel and Readiness conducts a world-wide review and solicits updated threat assessments from commanders in each of the areas to ensure the designation of an area as eligible for imminent danger pay remains appropriate. The Department is validating and recertifying all worldwide locations designated for HFP/IDP. Decision to continue or remove the HFP/IDP designation by area are expected by the end of 2011. Furthermore, the Department is on schedule in transitioning the legacy Special and Incentive Pay authorities to the new, more flexible authorities provided by Congress. The legacy authority authorizing HFP/IDP is expected to be transitioned to its new authority later in 2011. Under the new authority, the Department will be able to prorate HFP/IDP based upon time actually spent in the HFP/IDP area and will be able to implement a more tiered pay structure for HFP/IDP that differentiates pay based upon proximity to danger.

Senator WEBB. But, I think this young veteran deserves an answer. I think he deserves a response. It's very fair and very supportive of the people who've had to serve, in general.

I appreciate all of you coming today and spending time with us.

As I said, your full testimony not only will be in the record, but will be read carefully by staff. We will probably have other staff-to-staff comments, and we appreciate what you're doing for our country.

Secretary McCarthy, my best to you as you depart.

I look forward to sitting down and talking with him when you feel comfortable doing that.

Thank you very much.

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

ARMY AND AIR NATIONAL GUARD—A TOTAL FORCE MULTIPLIER

1. Senator MCCAIN. Secretary McCarthy, I'm interested in your view of the role of the Army and Air National Guard in your Total Forces. There is no question that Guardsmen have been essential contributors in Iraq and Afghanistan. We need to

have a clear understanding from the Office of the Secretary of Defense (OSD), the Army, and the Air Force about how the National Guard should best be employed in an era of tight budgets.

Secretary MCCARTHY. Guardsmen have indeed been essential contributors to operations in Iraq and Afghanistan, and will continue to play key roles in the future. Continuing to use the Guard and Reserve as part of the Total Force will allow the Department to maintain capabilities and capacities at less overall cost given the increasingly tightened budget environment across the whole of government.

We recently completed, and the Secretary of Defense reviewed, a report entitled The Comprehensive Review of the Future Role of the Reserve component, which was directed in the 2010 Quadrennial Defense Review. The review enjoyed strong participation from offices within OSD, the Joint Staff, Services, and combatant commands. The report proposes several options in which the Guard and Reserve may be utilized to best advantage in the future.

In general, these include missions that are predictable, relatively consistent over time, and whose success can be substantially enabled by long-term personal and geographic relationships. Such activities include providing forces in support of large-scale conventional campaigns, stability operations, steady state engagement activities, humanitarian assistance, and disaster relief, homeland defense and defense support to civilian authorities, and institutional support tasks. Using the Guard and Reserve for these types of missions, within the Service's force generation models when applicable, will preserve the hard earned experience and training from the past 10 years, solidify the country's investment in the Reserve component, and reduce the operational stress on the Active Forces.

2. Senator McCAIN. Secretary McCarthy, I'd like to hear about the objectives of the legislation you support on enhanced involuntary mobilization authority.

Secretary MCCARTHY. Our intent with the enhanced involuntary mobilization authority is to assure access to the Reserve component in an era of persistent conflict. Broad authority to order the Reserve component to Active Duty in somewhat limited amounts is needed to augment the Active component and cost effectively utilize the total force as we continue to pursue our national security objectives in the near and foreseeable future. Over the last 3 years, Reserve component personnel on involuntary Active Duty have declined from around 150,000 personnel to 90,000 personnel today. As we pursue an end state with many of our high demand missions, we expect to see a further decline, but not an elimination of, demand for Reserve component personnel. Due to the structure of our highly combat experienced total force and the expectation that an era of persistent conflict will present the military with high demand for limited resources, we project a need for significant numbers of Reserve component personnel to serve on active duty performing a wide variety of roles to augment the Active component, thus generating the necessary forces to shape and respond to international events. We anticipate an environment with multiple commitments ranging from low intensity military operations against hostile forces, presence-based deterrence operations directed towards nation states, to the need to engage multiple partners to build theater security around the world. We believe the military will have to sustain, for the foreseeable future, operations somewhere below the level of a national emergency or a contingency operation yet somewhere above the intensity level normally associated with peacetime. The current involuntary mobilization authorities do not adequately support this variety of mission sets, nor is it appropriate for the intensity of military operations anticipated.

3. Senator McCAIN. Secretary McCarthy, what is your view of the appropriate role of the National Guard? Stated differently, what does the term "Operational Reserve" look like for the National Guard as it's implemented in the years ahead? Please describe what the proposed legislation will do if enacted.

Secretary MCCARTHY. First, it is our view that the term "Operational Reserve" is somewhat misleading and restrictive. The key concept is to continue to use the Reserve Component in operational roles and missions in the future and effectively manage them as part of the operational force. In the 1990s, as Active component and Reserve component end strength drew down and the world continued to be a dangerous place, we increasingly relied on the National Guard and the Reserves to support military mission requirements in Bosnia, Kosovo, and MFO Sinai as well as to meet daily operational requirements in training and other support roles.

While not fully implementing an "Operational Reserve," we were nonetheless migrating toward a transformation of the way the Reserve component was being utilized. Recognizing this change, the Department set about transforming the Guard and Reserve from a predominantly strategic force to a sustainable Reserve Force with both operational and strategic roles. Much like the Active component, it is im-

portant to note that the Guard and Reserve have strategic forces at one end of the spectrum and operational forces at the other end of the spectrum. Our policies on mobilization, force structure rebalancing, personnel management, training, readiness, equipping, and family and employer support have changed significantly to facilitate the increased utilization of Reserve component personnel in these operational roles. I believe recent history supports the conclusion that proper utilization of the National Guard and Reserve reduces the burden on all forces—a Presidential priority. The proposed legislation will enhance the Department's ability to gain access to Reserve component units and personnel in order to meet operational requirements and national security objectives.

REDUCING THE COST OF PERSONNEL

4. Senator MCCAIN. Dr. Stanley and Secretary Hale, the cost of manpower in the All-Volunteer Force, not surprisingly, has increased significantly over the last 10 years. Other than reducing the numbers of Active Duty, Reserve, and civilian personnel in the Department of Defense (DOD), we need to understand how you would act to reduce the cost of personnel. Do you expect DOD to propose changes to the military pay and compensation system, e.g., retirement system, with the objective of reducing costs, and what do you consider to be the areas most in need of change?

Dr. STANLEY. The Department is seizing upon available opportunities to achieve greater efficiency in military pay and compensation in order to reduce costs. At the appropriate time we will propose changes to the larger components of the military compensation based on a carefully analyzed, fully considered, holistic examination of the military personnel and compensation systems.

In light of the fiscal pressures the country faces, the Department is pursuing a comprehensive, holistic approach to accomplish more with fewer resources. The Department has committed to the following goals:

- (1) Controlling rising personnel costs
- (2) Restraining entitlement growth
- (3) Leveraging its compensation tools to sustain recruiting and retention success.

While we consider possible changes to larger components of military compensation, we remain mindful that these types of changes need to be carefully analyzed, considered, and studied to ensure that they do not adversely impact our ability to maintain a ready force. Additionally, any changes must also take into account the military's up or out system, the need to grow and develop our own leadership internally, and the many additional burdens and sacrifices borne by our military members.

The retirement system is a frequent target to identify cost savings, and many groups have suggested alternatives. The retirement benefits, by not vesting until the member has 20 years of service, play an important role in fostering retention. Members most influenced by the draw of the retirement system are those in the critical, mid-career grades and years. Retaining these members is critical, as the Department has invested significantly in their leadership training and professional development. Any changes to the retirement system must ensure we continue to retain these members and protect our investment in them.

Secretary HALE. Given the current fiscal crisis facing the Nation, and the push to find additional savings and efficiencies across the Federal budget, everything, including military compensation, needs to be on the table. Since the late 1990s, significant across-the-board and targeted pay raises coupled with substantial increases to housing and subsistence allowances have dramatically improved military compensation. Even without accounting for other cash payments such as special/incentive pays and recruiting and retention bonuses or generous non-cash and deferred benefits such as healthcare, education benefits, retirement, and paid time-off, studies have shown that military members across the ranks earn more than at least 70 percent of civilians with similar education and experience (i.e., military pay ranks in at least the 70th percentile for all experience levels, both officer and enlisted).

Therefore, we believe it is appropriate to conduct a comprehensive review of the military pay and benefits structure to include the many in-kind and deferred benefits (e.g., retirement system) that are often very expensive and which may not be the right answer for today's servicemembers. While it may be possible to restructure our military pay and benefits in a way that reduces costs, we need to proceed carefully with a clear understanding of how any adjustments will impact the Department's ability to attract and maintain the All-Volunteer Force.

REDUCTIONS IN ACTIVE-DUTY FORCES

5. Senator MCCAIN. Dr. Stanley and Secretary Hale, despite ongoing combat operations and concern about dwell time, it appears that budgetary pressures are going to force reductions in the number of Active Duty military personnel: Army down 49,000; Navy down 9,000; Marines down 16,000; and the Air Force will downsize 10,000 civilian positions and take reduction-in-force measures to bring down the number of Active-Duty airmen. What personnel cuts will be imposed, in your opinion, and what will be the time frame to accomplish these cuts?

Dr. STANLEY. In compliance with Secretary of Defense guidance, the Department is working closely with the Services to bring down end strength as outlined in the table below while maintaining mission readiness. My staff, in concert with experts from the Services, is carefully managing the way ahead in force management to ensure the Services are ready to meet the challenges we face now and in the future. The following table indicates Active component end strength through fiscal year 2016.

ACTIVE COMPONENTS PROJECTED END STRENGTH (FISCAL YEARS 2012–2016)

	Fiscal Year				
	2012	2013	2014	2015	2016
Army	547,400	547,400	547,400	533,900	520,400
Navy	325,700	322,300	319,900	319,002	320,300
Marine Corps	202,100	202,100	202,100	192,100	182,100
Air Force	332,800	332,800	332,800	332,800	332,800

Source: Defense Resource Data Warehouse March 11, 2011

As far as the Air Force civilian workforce, it will continue to grow but the growth will be less than previously planned due to OSD directed efficiencies taken in the fiscal year 2012 President's budget request. Currently, the Air Force is conducting a strategic review of all civilian positions and this effort is being worked concurrently with fiscal year 2013 budget development. Until their strategic review is completed, the Air Force recently announced that it will use hiring controls as a bridging mechanism in fiscal year 2012. Once the strategic review is complete, the Air Force will work to rebalance its civilian workforce by realigning resources from lower priority areas to higher priority missions to operate within approved funding levels.

Secretary HALE.

Army

In July 2009, the Secretary of Defense announced a decision to temporarily increase the Army's active-duty end strength by up to 22,000 from 547,400 to 569,400 for a period of 3 years. This increase was necessary in the short-term to ensure deploying units were properly manned and to eliminate the routine use of stop-loss authority prior to the drawdown of forces in Iraq and as an increase in forces in Afghanistan was beginning. As planned, the drawdown of this 22,000 temporary end strength will begin in the spring of 2012, and the Army will return to its permanently authorized end strength by the end of fiscal year 2013.

An additional reduction of 27,000 Active-Duty Army end strength is programmed to begin in fiscal year 2015. This reduction is based on the President's and NATO's strategy for Afghanistan, which indicates the number of troops deployed there will be significantly reduced by the end of 2014. If this assumption proves incorrect or global conditions change, this reduction will need to be reassessed. However, even with these reductions, the Army's end strength will be nearly 40,000 larger than it was prior to the war.

Navy

The Navy currently plans to reduce its Active-Duty end strength by approximately 9,000 from the fiscal year 2011 authorized level of 328,700 by the end of fiscal year 2014. The reductions are planned at roughly 3,000 per year for fiscal year 2012 through fiscal year 2014 and will be achieved through various efficiency actions to streamline operations and headquarters elements, as well as realignments of additional construction battalions and Maritime Expeditionary Security Forces from the Active to the Reserve component.

Marine Corps

Similar to the Army, current plans call for the Marine Corps to begin reducing Active-Duty end strength between 15,000 and 20,000 starting in fiscal year 2015 based on the strategy for Afghanistan. Again, if this assumption proves incorrect or global conditions change, this reduction will need to be reassessed. However, even with these reductions, the Marine Corps end strength will be 7,000 to 12,000 larger than it was prior to the war.

Air Force

The Air Force civilian workforce will actually continue to grow in fiscal year 2012 to 182,199 compared to the fiscal year 2010 level of 179,044; but the growth will be less than was previously planned prior to the development of efficiency initiatives included in the fiscal year 2012 President's Budget. The Air Force is conducting a strategic review of all civilian positions to ensure that their future use of civilian resources matches their long-term priorities, and they have recently announced hiring controls until their strategic review is completed.

The Air Force officer corps ended fiscal year 2010 2,335 over authorized end strength. The Air Force is reducing accessions and using voluntary and involuntary separation programs to get the officer force back to authorized end strength by the end of fiscal year 2012.

6. Senator MCCAIN. Dr. Stanley and Secretary Hale, for the Army and Marine Corps, how will these reductions affect dwell time, assuming we are still deploying units to Afghanistan?

Dr. STANLEY. These end strength reductions should not have significant impact on Army or Marine Corps dwell time. We are carefully managing the dwell time of our forces across the Department, and have limited unit deployments and mobilizations to 1 year. We have balanced the forces for Afghanistan against those coming available from the draw-down in Iraq. Comparing 2008 to 2010, we have drawn down over 100,000 personnel from Iraq while deploying an additional 64,000 to Afghanistan. The Army is making good progress toward our dwell goal of 2 or more years at home for every year deployed with nearly 70 percent of the Active Force meeting or exceeding this goal. Similarly, the Marine Corps has approximately 1,500 fewer personnel deployed in 2010 as compared to 2008 and their Active component's deployment to dwell ratio is close to the 1:2 goal.

Secretary HALE. If the number of troops and units deployed to Afghanistan is not significantly reduced at the end of 2014, as currently assumed, then the Department would likely relook at the Army and Marine Corps end strength reductions programmed to begin in fiscal year 2015 to ensure that dwell times will not return to where they were before the grow-the-force initiatives.

7. Senator MCCAIN. Dr. Stanley and Secretary Hale, how can the Army achieve a 1:2 dwell ratio with these kinds of cuts?

Dr. STANLEY. We have met the Operation New Dawn responsible drawdown plan goals. In 2008 the Army had 22 Brigade Combat Teams (BCTs) deployed, and are projecting to have 36 percent fewer BCTs deployed in 2012. 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.

Secretary HALE. Achieving the Active Force planning objective of a 1:2 dwell ratio is highly dependent on the level of demand for deploying troops/units. Planned reductions in Army end strength are scheduled to follow significant reductions in troop demand in both Iraq and Afghanistan based on current assumptions. If the reduction in the demand for troop deployments does not occur as planned, the risk to individual dwell time will need to be assessed as part of any decision to proceed with the end strength drawdowns.

8. Senator MCCAIN. Dr. Stanley, what do we need to do to avoid being accused of breaking faith with servicemembers who have served honorably—probably deployed more than once—who would like to stay on Active Duty but may be pink-slipped?

Dr. STANLEY. The Department has collaborated with Service Force Management experts and submitted several legislative proposals for the NDAA for Fiscal Year 2012 that will provide the Services the flexibility needed to achieve force reductions while maintaining readiness and taking care of our servicemembers. Maintaining readiness, while fairly restructuring to a post-conflict force, is our goal.

INTEGRATED DISABILITY EVALUATION SYSTEM

9. Senator MCCAIN. Dr. Stanley, DOD and the Department of Veterans' Affairs (VA) have greatly improved disability processing with the Integrated Disability Evaluation System (IDES). Long delays still exist in the Services in performing medical evaluation boards and in completing the process. In the Army this is particularly serious because of the thousands of non-deployable soldiers who count against Army end strength. This looms as a growing risk to Army readiness. What is your office doing to address the Army's problem, i.e., growing backlog of soldiers in IDES?

Dr. STANLEY. In order to determine the most feasible path forward on this issue, the two Secretaries met to directly engage on how to reduce the IDES cycle time so the numbers of servicemembers processing through the system can be more efficient and effective. The goal is a more fit and healthy fighting force and the total well-being of the force. The following steps were taken:

- (1) We convened a joint IDES Tiger Team to explore improvement opportunities to delays and processing, including modifying the IDES proof of concept to test a process that might streamline and reduce the amount of days to get through the process, and long-term strategic modifications.
- (2) We recommended policy adjustments, as identified by the Tiger Team, that could help streamline the IDES. We plan to test those during the proof of concept.
- (3) We worked closely with VA to improve Information Technology (IT) solutions which will enhance timeliness and efficiency across all stages of IDES.

Most significantly, the Department of the Army is now submitting increased budget line items to provide for additional staff, facilities, and equipment to organize, train, and operate the IDES for their soldiers.

Work continues on all fronts to improve the IDES—and we are absolutely committed to improvement. In the end, we are confident that a more efficient and effective IDES will emerge, Military Department readiness will be enhanced, and all servicemembers will be processed through the IDES at a pace which is less than the existing amount of days and appropriate for each servicemember.

PRIORITIZING QUALITY OF LIFE DOLLARS

10. Senator MCCAIN. Dr. Stanley, every year Congress authorizes modernization and construction of new facilities intended to improve the quality of military life for members and their families. Along with pay and benefit improvements, this clearly has had a positive impact on morale and a high retention rate. What do you consider to be the highest priorities for modernization and construction of new facilities—barracks, child care centers, family housing, medical clinics, or schools?

Dr. STANLEY. I agree with the Secretary that direct support of the operations in theater is the Department's highest priority. And only second to that is taking care of our wounded, ill, and injured servicemembers. While we may not be able to modernize and construct new facilities for all barracks, child care center, family housing, medical clinics, and schools at any given time, I will prioritize supporting the operations and taking care of our servicemembers as my top priorities. However, we continually identify and address weaknesses or any areas that are insufficient or lacking. In short, we are continuously examining and assessing our needs and how to best use our limited resources to best support the war and improve the quality care for our servicemembers and their families.

SEXUAL ASSAULT PREVENTION AND RESPONSE EFFORTS

11. Senator MCCAIN. Dr. Stanley, preventing and responding properly to incidents of sexual assault remains a high priority for each of your Services, and progress has been made. Is the military a safer place for women to serve than before September 11?

Dr. STANLEY. Yes, we believe the military is a safer place for women—and men—to serve than before September 11, 2001. In fact, our most recent data indicates that:

- (1) In 2010, the data collected by the Department suggests that there were one third fewer incidents of sexual assault against women, and half the number of sexual assault incidents against men, than there were in 2006.
- (2) Servicemembers may now click, call or text for confidential assistance, available 24 hours a day/7 days a week, from the Department's new victim assistance hotline called DOD Safe Helpline.

- (3) An overwhelming majority of servicemembers understand the need and desire to help prevent fellow servicemembers from harming themselves or others in a social setting.
- (4) Over 90 percent of servicemembers are now able to recognize situations that may pose a risk for sexual assault and identify an effective action to prevent harm to a potential victim.
- (5) More than ever, a greater proportion of servicemembers are now reporting the sexual assaults committed against them.
- (6) Sexual Assault Response Coordinators and Victim Advocates are stationed in garrison and are forward deployed, providing 24/7 assistance, at every DOD installation in the world.
- (7) In 2010, of the cases where DOD has the authority and sufficient evidence to take action, over half of alleged offenders had court-martial charges preferred against them—up from one-third in 2007.
- (8) Secretary Gates has assigned a General/Flag Officer with operational experience to provide direct oversight of the Sexual Assault Prevention and Response Program office.

Still there is much work to be done. One sexual assault is one too many. Until we achieve our vision, we will continue to integrate sexual assault prevention into military culture, improve our assistance to victims, encourage reporting and hold offenders appropriately accountable.

12. Senator MCCAIN. Dr. Stanley, do you think that new legislation is needed to enhance the Sexual Assault Prevention Programs in DOD? If so, what legislation would you propose be enacted?

Dr. STANLEY. At this time, I am firmly of the opinion that we do not need new legislation. To date, the Department has received a great deal of assistance in improving its sexual assault prevention and response programs. For example, since 2004, there have been eight congressional hearings, five investigative body reviews, and four Government Accountability Office reviews addressing DOD sexual assault programs. Each of these activities has provided greater insight and information, and has resulted more than one hundred recommendations that have been incorporated into six separate National Defense Authorization Acts. Additional legislation is not required; we need time to implement the recommendations already made and that are in progress and would be redundant and duplicative at this time. Moreover, the Department tracks its progress against each of the 136 recommendations, as well as the 744 sub-tasks, required to implement those recommendations. The progress has been reported to your Committee, at least twice yearly in March and December, in our Annual Reports.

PROGRESS IN IMPLEMENTATION OF DON'T ASK, DON'T TELL REPEAL

13. Senator MCCAIN. Dr. Stanley, training for Repeal Day is currently underway in each of your Services that will pave the way for gay and lesbian individuals to serve openly in the Armed Forces. What is your assessment of the effectiveness of the training for your Service thus far?

Dr. STANLEY. Thus far, training has been very effective, especially in emphasizing leadership, professionalism, discipline, and respect. I have personally attended this training and believe it is where it needs to be to ensure our leaders are ready for repeal. In addition, every 2 weeks I receive an in-depth analysis of the progress of training.

14. Senator MCCAIN. Dr. Stanley, the ground combat forces—soldiers and marines, as well as the Special Forces for all Services—registered the greatest concern about the effects on readiness and unit cohesion of repealing the Don't Ask, Don't Tell policy. What problems do you anticipate on ships and in the field when the repeal takes effect?

Dr. STANLEY. Because I have great confidence in the commanders in the field, I do not anticipate major problems. By emphasizing leadership, professionalism, discipline, and respect, we expect that our forces will successfully carry out this change in policy.

JOINING FORCES INITIATIVES

15. Senator MCCAIN. Dr. Stanley, the White House recently announced a national initiative that focuses on the employment, education, and wellness of military personnel and their families. First lady Michelle Obama and Dr. Jill Biden announced

the Joining Forces initiative, which pulls a variety of government agencies, businesses, nonprofit groups, and media organizations in an effort to improve the lives of military families. General Stanley McChrystal will lead the effort. What actions is DOD taking in response to the Joining Forces initiative?

Dr. STANLEY. The Department has been coordinating with the White House on the Joining Forces initiative since November 2010 and for all White House family support initiatives. Actions taken to date have been to advise the White House on the key challenges facing military families, to help facilitate installation visits and visits with troops and families of all components, and to participate in numerous working groups and events sponsored by the White House that deal with military family support. The Department continues to work closely with the Offices of the First Lady and Dr. Biden in an advisory capacity.

Awareness among Americans who do not wear the uniform about the strengths, challenges, and unique needs of our military families and to rally our communities to support them in the long-term. Specifically, Joining Forces is focusing on key areas impacting our military families which include employment, education, and wellness. As DOD cannot provide all the resources our military families may need to empower them to thrive, partnerships with other government agencies, businesses, non-profits, and local community groups are key to providing sustained networks of support which in turn will keep our families strong and resilient throughout the military lifecycle. Joining Forces complements the Presidential Study Directive on Military Families, another unprecedented effort where a whole-of-government approach was leveraged to identify and resource the most critical needs of our military members and families.

Much in the spirit of Joining Forces, the Department has been working one program in particular since Fall 2010 which has been socialized with the White House and the Congressional Military Family Caucuses and met with great interest: the Military Spouse Employment Partnership Program, or MSEP. An extension of the very effective program run by the Army since 2003, MSEP will connect corporate America to the extremely talented and educated cadre represented by our military spouses across all the military Services, including the Coast Guard, for jobs and careers. We are looking forward to a mid-summer launch of the MSEP program.

16. Senator McCAIN. Dr. Stanley, what priority areas do you think General McChrystal should focus his attention on?

Dr. STANLEY. The priority areas on which General McChrystal and the Center for a New American Security (CNAS) should focus are contained within the intersection of the areas of emphasis of the two recent White House-directed efforts that highlight military family support which resulted from collaboration with the Military Services and the Cabinet. The first of the initiatives is the Presidential Study Directive on Military Families which points out the following four government-wide efforts: enhance the well-being and psychological health of the military family, ensure excellence in military children's education and their development, develop career and educational opportunities for military spouses, and increase child care availability and quality for the Armed Forces. The second is the Joining Forces initiative which is a comprehensive national initiative to mobilize all sectors of society to give our servicemembers and their families the opportunities and support they have earned, especially in the areas of education, spouse employment, and family wellness. I support both initiatives and the key elements of the focus areas that the White House has already chosen to emphasize through the Joining Forces initiative: military family employment, education, and wellness. These are also key elements of my fiscal year 2012–2016 Strategic Plan.

However, if I were to select one priority area within the intersection of these two initiatives on which General McChrystal should focus, I would advise that he concentrate on military spouse employment. For too long, the challenges of managing a military family have prevented many spouses from securing long-term, fulfilling employment. Employers must understand that military spouses possess the necessary skills and attributes that make them excellent hires, especially in management and leadership positions. Offered the right kind of positions—those that are flexible, virtual, and portable—in growing, 21st century career fields, our military spouses can make an immediate impact on any company they may work for. With portable and virtual positions—the trend in today's global workforce environment—they can keep the same job throughout multiple Permanent Change of Station (PCS) moves, allowing them to retain seniority, vacation time, and positions of management. For our spouses who are teachers and health care workers for example, challenges with accreditation and certification can prevent seamless movement between school districts and states. Addressing these types of issues could allow rapid rehiring and re-employment of spouses in their new location after leaving a similar

job at their old duty station. We stand by to advise and assist General McChrystal and the White House on this matter which directly impacts spouse, family, and servicemember wellness.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

DOD SUPPORT FOR MILITARY FAMILIES IN TIMES OF CRISIS

17. Senator GRAHAM. Dr. Stanley, support for military families counts most in times of crisis. We have heard reports that military families received little or no assistance or information from DOD in the days preceding the potential shutdown of the government last month, and also there was confusion regarding evacuation of families and support personnel such as teachers in the wake of the tsunami in Japan. What role did your office play in planning for these contingencies?

Dr. STANLEY. Though there is specific guidance for continuing program operations during times of crisis, each crisis is evaluated separately in relation to the gravity of the impact on military families.

Support to Military Families During the Potential Government Shutdown

DOD developed an internal DOD plan in the event a shutdown was to occur. Several Principal level staff within the Office of the Secretary of Defense were specifically engaged in the plan's development, although the Comptroller was assigned the lead. Because the ultimate goal was to avoid shutdown, plan details were provided to the workforce only as necessary, with the objective to minimize alarm to the workforce. In preparation for the shutdown, my Deputy Assistant Secretary of Defense for Civilian Personnel Policy (DASD CPP) led the planning efforts associated with preparing the Department's civilian workforce in the event of a shutdown. The DASD CPP personally coordinated extensively with the leadership of the Office of Personnel Management (OPM) to ensure DOD's shutdown plan was consistent with OPM rules and requirements. The DASD CPP worked in partnership with the Office of the USD (Comptroller) to establish guidance to identify personnel excepted from the shutdown, and ensured that letters of notification to the workforce were properly staged in the event a shutdown was to occur. Under the direction of the DASD CPP, the Civilian Personnel Management System (CPMS) website (<http://www.cpms.osd.mil>) was updated with answers to Frequently Asked Questions to keep the DOD workforce informed.

There was particular concern during the shutdown planning for how this may have affected servicemembers and their families—particularly the commissaries and the schools. The Office of Military Community & Family Policy within P&R ensured that commissaries would be able to stay open during a shutdown and careful consideration of all consequences of this decision were examined. As soon as the decision was made, the information was disseminated immediately.

Department of Defense Education Activity (DODEA) ensured that schools remained opened and military families were routinely advised through electronic and print media.

Support to Military Families during the Tsunami in Japan

During the crisis in Japan, P&R quickly established strong working relationships with the Joint Chiefs of Staff, the Defense Continuity & Crisis Office, U.S. Forces Japan, the Pacific Command, and the Services to provide policies and activities to support servicemembers, DOD civilians, and dependants. P&R created a Crisis Management Taskforce as well as a Crisis Response Cell to ensure timely and accurate information and support to those in the crisis. Specific examples are highlighted below:

- The CPMS established a website (<http://www.cpms.osd.mil/disasters/japandisaster.html>) for civilian employees that listed information on the authorized voluntary departure, travel assistance for families leaving and returning to Japan, as well as, a compendium of other pertinent web links to Military OneSource, Services Japan information websites, TRICARE, and others.
- Military Community & Family Policy (MC&FP) Military OneSource websites were developed for both military and civilian dependants who chose to accept voluntary departure from Japan.
- DODEA ensured that the correct information about authorized departures was distributed throughout Japan. The authorized departure was only for dependents of military and civilian employees. It was not for military or civilian employees assigned in Japan. DOD provided the permission to authorize single parent teachers, who had school-aged dependents electing

evacuation, to escort their dependents to the United States, and then return to Japan for work.

A crisis center, which was operational within one day following the disaster, was the critical link for sharing information concerning families with the Services and involved agencies. Additionally, teams were dispatched to every receiving point for incoming aircraft containing Japan evacuees. These teams met the families in the terminal and began providing immediate assistance to the families concerning dependent education.

DOD provided a wide range of student support to those who transited to the United States, from working with school districts to relax school boundaries and requirements, to assigning two high school assistant principals to the United States to support the students who did not return to Japan.

18. Senator GRAHAM. Dr. Stanley, looking back, what lessons were learned?

Dr. STANLEY. The compounded crises of the Japan Earthquake/Tsunami/Nuclear incident and the potential government shutdown provided valuable insight into how we should prepare for future crises. We have developed a Continuity of Operations planning document to support any potential shutdown of government operations in the future and will recommend that other DOD components create a similar plan of action. In reference to the Tsunami in Japan, my staff involved in the Japan crisis conducted a comprehensive after action review and captured several lessons learned that will be included in future internal Personnel and Readiness crisis management planning. These lessons learned include the need to develop stronger avenues of communication with the combatant commands and Services leadership to support their needs during a crisis.

19. Senator GRAHAM. Dr. Woodson, how is DOD ensuring that servicemembers and their families are protected from any health risks following the devastating tsunami in Japan?

Dr. WOODSON. DOD has initiated a series of coordinated actions to protect our servicemembers and their families against possible health risks resulting from the tsunami. Specifically:

- (1) The U.S. Pacific Command (PACOM), with support from specialized health surveillance teams from across DOD, continues to monitor radiation levels and evaluate possible toxic hazards throughout the region.
- (2) USPACOM implemented force health protection measures, such as monitoring installations for excessive radiation levels, distributing radiation dosimeters to those who were most likely to experience elevated radiation exposures (within 125 nautical miles of the Fukushima plants), establishing maximum radiation dose guidelines for individuals engaged in the relief effort, and distributing potassium iodide to mitigate the absorption of radioactive iodine, if required.
- (3) Whole body radiation scans are conducted to measure internal radiation doses for those servicemembers considered to have the highest potential for radiation exposure by virtue of having performed duties within the "hot" or "warm zone" around the nuclear reactor plant.
- (4) On March 21, 2011, the Under Secretary of Defense (Personnel and Readiness) directed the Services and Defense Agencies to report, retroactive to March 11, 2011, the specific, once daily location of each member of the DOD-affiliated population on the mainland of Japan. This population included all servicemembers and their families, DOD civilian employees and their families, and DOD contractors.

DOD will use the above data, in conjunction with data collected from monitoring activities, to develop an exposure registry to link each individual in the DOD-affiliated population in Japan with estimated radiation exposures. The exposure registry will be available if needed for diagnosis, treatment, claims adjudication by the Department of Veterans Affairs, or if needed to conduct health studies.

REDUCING HEALTH CARE COSTS

20. Senator GRAHAM. Dr. Woodson, DOD has proposed five cost-saving initiatives which are currently being considered by the subcommittee. In your view, are there additional ways to bring health care costs down, beyond those that require a larger contribution from beneficiaries?

Dr. WOODSON. We believe there are additional ways to bring the health care costs down that do not involve a larger contribution from the beneficiaries. The Department is currently undertaking a comprehensive and thoughtful review to identify additional options to reduce health costs while maintaining and improving quality,

safety and access. For example, we are currently conducting an extensive review and analysis of activities across the Military Health System (MHS), focusing the reprioritization of critical mission requirements; consolidation of like/similar activities or support functions across multiple organizational units; opportunities for insourcing, if appropriate; and elimination of non-value added functions. In addition, we are implementing the Patient Centered Medical Home model which evidence shows also lowers the overall cost of care through improved care delivery, coordination and management of enrolled patients. We have recently joined the National Partnership for Patients initiative with DHHS and other partners to reduce hospital-acquired conditions and readmissions. This initiative is the right thing to do for patients and has the potential to save money across all health care systems. We are working to provide accessible options for patients, whose conditions can be treated in alternative locations, decreasing emergency room utilization and associated costs. We are also encouraging increased use of mail order pharmacy to simplify access to medications at an overall lower cost to the MHS. Finally, we continually assess our patient care service contracts to provide best value.

MENTAL HEALTH AND THE RESERVES

21. Senator GRAHAM. Dr. Woodson and Secretary McCarthy, I am impressed by reports of the increased numbers of military and civilian mental health providers both within the Services and in the TRICARE networks. How much of the increase in mental health capability is reflected in the Reserves?

Dr. WOODSON and Secretary MCCARTHY. Mental health providers have always been fully accessible to our Reserve component members. As with the active Duty Services, the members of the Reserve component have also seen an increase in mental health providers throughout the system. The TRICARE network includes 50,000 mental health providers, while there are more than 6,000 mental health providers in our military treatment facilities. This includes tele-mental health treatment of diagnosed mental disorders (medically-supervised, secure audio-visual conferencing available online at www.tricare.mil/telementalhealth), as well as the web-based TRICARE Assistance Program demonstration project, which covers short-term, non-medical issues (www.tricare.mil/triap) and uses audiovisual telecommunications systems such as video chat and instant messaging to access existing behavioral health centers in the Reserve component member's region. Reservists can obtain information about these benefits and assistance in accessing them from the Department's Yellow Ribbon Program which supports reservists and their families with information on benefits and referrals before, during, and after deployment. Additionally, mental health services provided by Department of Veterans Affairs hospitals and clinics have improved access to care in areas where the TRICARE and military facilities have a lesser presence. Reserve component servicemembers who are on active duty for more than 30 consecutive days can access these providers through TRICARE Prime, and they also have access to them during 180 days pre/post deployment coverage and after that while participating in TRICARE Reserve Select, which now has more than 74,000 covered reservists, and TRICARE Retired Reserve.

In addition, the TRICARE Management Activity (TMA) and its three Regional Offices are in the midst of an initiative to reach out to the Psychological Health Directors assigned the Adjutant General Staff in each of the 54 states and territories to provide them with current information about TRICARE and behavioral health.

Another resource available to reservists for mental health support is Military OneSource. Military OneSource helps Reserve component members with a multitude of needs and is private and confidential. In addition to 24-hours a day, 7 days a week, toll-free access to a consultant, including international calling options, other counseling options include face-to-face counseling, telephone, online and email consultations, and financial consulting. Military OneSource also links to the National Suicide Prevention Lifeline. The National Suicide Prevention Lifeline is a 24-hour, toll-free, confidential suicide prevention hotline available to anyone in suicidal crisis or emotional distress. Those requiring counseling for long-term medical issues will be referred to TRICARE or a military treatment facility.

Further, reservists not on Active Duty, but who have previously deployed, have access to mental health benefits provided by the Veterans Administration.

The Defense Centers of Excellence for Psychological Health & Traumatic Brain Injury (DCoE) is another source of mental health support for reservists through its Web-based Real Warriors Resilience, Recovery, and Reintegration Campaign. In addition, support is also available for reservists from DCoE's After Deployment Web-based offering and from its smart phone behavioral health applications.

22. Senator GRAHAM. Dr. Woodson and Secretary McCarthy, who is looking at the question of the requirements for mental health support within the Reserve components in light of a new operational Reserve?

Dr. WOODSON and Secretary MCCARTHY. The Department fully intends to support the mental health needs of our Reserve component servicemembers. It is clear that these needs are not static and will arguably increase as continuing operations and the multiple deployments that are required by them continue. Reserve and Health Affairs are collaboratively reviewing mental health issues and are actively seeking ways to meet current and future mental health demands. In addition, the Department has provided the Risk-Adjusted Model for Staffing (PHRAMS) staffing model to the Services to assist them in estimating the need for mental health providers based on the risk of mental health problems our servicemembers face due to their deployment experiences.

To further support reservists' mental health, the Reserve component is implementing mental health assessments as prescribed by NDAA 2010, Section 708, to identify mental health conditions, including post-traumatic stress disorder, suicidal tendencies, and other behavior health conditions that require additional treatment/care. These assessments will be conducted during four time frames: within 2 months prior to deployment and three post-deployment assessments, 3–6 months, 7–12 months, and 16–24 months. The Air Force Reserve and Guard have completed 2,268 pre-deployment assessments with 3 members requiring referrals. Navy and Marine program will be fully functional by August and the Army Reserve/Guard is awaiting Army AD electronic form implementation.

FINANCIAL SYSTEMS FOR THE DEFENSE HEALTH PROGRAM

23. Senator GRAHAM. Secretary Hale and Dr. Woodson, improving DOD's financial systems has been a priority for DOD but not much progress has been made. Does the Defense Health Program, which is a single appropriation for all three Services, still utilize separate financial accounting systems, and if so, why?

Secretary HALE. The Department is committed to improving the financial systems that supports DOD. Multiple systems are used to manage the Defense Health Program (DHP) appropriation because the funding and resources are divided and managed by the TMA as well as each of the Service components. The DHP funding is not the exclusive source of the Military components' resources and funding to support healthcare activities within each component. When the Defense Health Program was created, it was pulled together from four separate appropriations, Army, Navy, Air Force, and DOD. Each of these entities had, and continues to have, different accounting and finance systems. In order to track expenses in the appropriation, the Department has developed a methodology to reconcile, after the fact, an execution of funds which is consistent across the Services and TMA. Although we have more than one system to manage the DHP via the Service accounting systems, having a single appropriation ensures a uniformed benefit. The DHP continues to look for ways to unify information, improve resource management and this may evolve to single enterprise resource planning (accounting) system.

Dr. WOODSON. The Department is committed to improving the financial systems that support our defense system. Multiple systems are used to manage the DHP appropriation because the funding and resources are divided and managed by the TMA as well as each of the Service components. The DHP funding is not the exclusive source of the Military components' resources and funding to support healthcare activities within each component. When the Defense Health Program was created, it was pulled together from four separate appropriations, Army, Navy, Air Force, and DOD. Each of these entities had, and continues to have, different accounting and finance systems. In order to track expenses in the appropriation, the Department has developed a methodology to reconcile, after the fact, an execution of funds which is consistent across the Services and TMA. Although we have more than one system to manage the DHP, having a single appropriation ensures a uniformed benefit. The DHP continues to look for ways to unify information, improve resource management and this may evolve to single enterprise resource planning (accounting) system.

SUICIDE IN THE RESERVE COMPONENTS

24. Senator GRAHAM. Secretary McCarthy, as you acknowledge in your statement, the increase in suicide among non-Active Duty National Guard and Reserve is of great concern. According to the Army National Guard, for example, the number of suicides increased sharply for 2009 in which 62 occurred, and 2010 in which 113

occurred. Over half of the Army National Guard soldiers who committed suicide had never deployed, and only about 15 percent were unemployed. Yellow Ribbon is not solely a suicide prevention program, it is only available to members who have deployed, and according to your testimony in fiscal year 2012 will be the final year of funding. What are your thoughts on the adequacy of suicide prevention resources available to the Reserve components, and what else needs to be done?

Secretary MCCARTHY. Concern remains heightened for the Reserve component but I am committed to addressing this issue. National Guard and Reserve are given the same suicide prevention and resilience training from their respective branches as the active duty. However, the ability to take advantage of installation based resources is very limited for the Reserve component servicemembers and their families who often live in communities far from their units or installations of assignment. The National Guard, which operates in 54 States or territories, have various programs and services available through State or community organizations, but they vary based on geographic dispersion, available resources, and staffing levels. Even more complicated for servicemembers in the Reserves is that many times they do not live in the State in which they drill. So State-based programs, which can benefit members of the Guard, might not be readily available to the Reserves. Improved alignment and joint sharing of information and resources could benefit members across the Reserve component.

Currently, there is a Director of Psychological Health in our Guard and Reserve Headquarters as well as 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. I have established a Suicide Prevention Stakeholder Working Group, which has identified several items that would improve services and better support to the Reserve component and their families and is working toward implementing these reforms.

Further, I believe we need to look harder at ways in which we can expand the access to behavioral health treatment for Reserve component servicemembers, especially in isolated and remote areas and in emergency situations. We also need to work closer with the Department of Veterans Affairs to support efforts in suicide prevention, intervention, and postvention.

Finally, we should consider ways in which we can provide behavioral health care treatment to Reserve component servicemembers regardless of deployment status.

DEFENSE CENTER OF EXCELLENCE FOR PSYCHOLOGICAL HEALTH AND TRAUMATIC BRAIN INJURY

25. Senator GRAHAM. Dr. Woodson, in February 2011, the Government Accountability Office (GAO) published a very disappointing report on the DOD Center of Excellence for Psychological Health and Traumatic Brain Injury, which was established in the aftermath of Walter Reed to develop excellence in response to psychological and brain injuries. It found several performance problems as well as lack of a clear mission. I understand that a new management team is now in place at the Center of Excellence for Psychological Health and Traumatic Brain Injury. What improvements do you see in the future at this Center of Excellence?

Dr. WOODSON. To address the concerns of the GAO and Congress, the Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury (DCoE)'s new leadership is working diligently to ensure that it is a functional, disciplined, focused and accountable organization that performs at the highest level. The identified management priorities, as well as completed improvements are listed below.

DCoE management priorities:

DCoE's mission and priorities are focused on the following parameters of success:

- Develop a thorough and comprehensive base of knowledge in the evaluation, diagnosis, treatment and rehabilitation of PH/TBI injuries.
- Provide consistent, timely, accurate, comprehensive and focused information on PH/TBI to the military Services and DOD colleagues.
- Develop a thorough and comprehensive analysis of gaps in research and aggressively advocate filling those gaps.
- Leverage DCoE's knowledge and clinical expertise to improve the system of care.

Improvements that have been made:

- DCoE's new leadership has established or improved upon several planning, monitoring, and execution alignment processes since February 2011. These improvements are fundamental to ensure DCoE's future as a disciplined, focused, and accountable organization.

Future Service Alignment of DCoE:

- In April 2011, the Department submitted the Report to Congress on the DOD Medical Centers of Excellence (CoEs) that described the future strategic direction of the CoEs.
- The report outlined a plan to establish a Military Health System (MHS) CoE Advisory Board, which will be responsible for policy guidance and oversight of the CoEs.
- The report outlined the decision process to align DCoE under the U.S. Army Medical Research & Materiel Command (MRMC) through a plan to be established by the MHS CoE Advisory Board and MRMC Commander.

EDUCATION OPPORTUNITIES FOR MILITARY CHILDREN

26. Senator GRAHAM. Secretary Hale, I commend the priority Dr. Stanley has established for improved educational opportunities for military children. His testimony describes the Partnership Program in which grants are provided to over 60 local educational agencies for specific improvements in academic performance of military children. According to information provided to the committee, funding for this program was lost as a result of DOD efficiencies initiatives. We had been assured that family and education programs were protected in the efficiencies initiatives. Why was this grant program eliminated?

Secretary HALE. The Department determined that it would be more cost effective to replace grants to local education agencies (LEAs) with alternative means of outreach during the Department's Improving Business Operations fiscal year 2012 review.

The first 2 years of the grant program introduced new opportunities to military-connected students attending public schools. The projects funded through the grants have brought educational support to raise student achievement, professional development to teachers, and student support services to address the socio-emotional needs of military-connected children. The data to date demonstrate that grantees are on track to achieve their grant project goals. The lessons learned will assist DODEA in providing the alternative means of outreach.

Although DODEA will no longer fund the grants program as a vehicle for supporting the education of military-connected students attending LEAs, the DODEA has requested \$4.9 million in the fiscal year 2012 President's budget to provide an alternative means of outreach, by aligning the needs of military children with education programs with proven results. The DODEA will provide targeted support to LEAs by building a support and transition team to implement and oversee programs that provide targeted support to LEAs and also, whenever possible, comprehensive support programs for military children.

HEALTH CARE COSTS SAVINGS

27. Senator GRAHAM. Secretary Hale, you served as a member of a Task Force in 2007 created by Congress to examine the future of military health care, and one of the recommendations of that task force was that DOD should commission a study and possibly a pilot program aimed at better coordinating insurance practices among those retirees who are eligible for private health insurance as well as TRICARE. What was the Task Force's thinking on that approach at the time and was this recommendation ever acted upon?

Secretary HALE. The Task Force believed that resolving issues related to the coordination of private insurance and TRICARE offered the potential to provide retirees with better health care while also helping to control growth in DOD medical costs. They identified two general approaches: The government paying all or part of the retiree's premium for the employer's health plan or employers paying all or part of the TRICARE enrollment fees. The Task Force also emphasized that use of either option must be strictly voluntary on the part of the retiree.

The Department conducted an analysis in October 2008, addressing the Task Force's approaches. The analysis looked at four different scenarios and found there is a large degree of uncertainty and risk involved in DOD providing an "other health insurance" (OHI) subsidy to retirees. The cost impact from fiscal year 2009 through fiscal year 2015 was estimated to range from a savings of \$4.4 billion to a cost increase of \$4.7 billion. All scenarios evaluated led to very large initial cost increases to achieve net savings.

The Department also reviewed the results of the Institute of Defense Analyses (IDA) study on providing OHI subsidies that was prepared in January 2008 for the Tenth Quadrennial Review of Military Compensation (QRMC). This study concluded

that due to relative cost of OHI and the continual decline of TRICARE premiums and copayments in real terms, DOD costs would increase under such an initiative no matter what subsidy amount was used.

Based on the results of these analyses, the Department did not believe undertaking a pilot program to further explore this issue was warranted. However, it was noted that if the TRICARE fee or benefits structure changes, and, depending on the impact of national health care reform on the availability and cost of OHI, reevaluation may be warranted.

28. Senator GRAHAM. Secretary Hale, has DOD considered ways to better coordinate TRICARE and private insurance as a cost saving measure, and would DOD be open to ideas to involve civilian employers of military dependents and retirees in a shared opportunity to reduce DOD health care costs?

Secretary HALE. The Department implicitly involves civilian employers of military dependents and retirees in helping to lower the cost of TRICARE by actively identifying those TRICARE beneficiaries who have other health insurance and ensuring that the other health insurance is the primary payer for the beneficiaries' health care. Our contractors have processes in place to periodically validate the existence of other health insurance as a part of their double coverage plan.

With respect to subsidies, the QPMC, Volume II, July 2008, issued their report in which they considered an "Other Health Insurance" subsidy. The QPMC conjectured that an "other health insurance" subsidy may be an innovative way for DOD to encourage individuals with other health insurance options to opt out of TRICARE, thereby reducing DOD health care costs. However, cost analyses revealed that DOD costs would increase under such an initiative, no matter what subsidy amount was used. We are, however, continuing to evaluate alternatives that would involve civilian employees in our efforts to reduce TRICARE costs.

29. Senator GRAHAM. Dr. Stanley, section 726(b) of the National Defense Authorization Act for Fiscal Year 1997 states the following: "Total capitation payments for health care services to a designated provider shall not exceed an amount equal to the cost that would have been incurred by the Government if the enrollees had received such health care services through a military treatment facility, the TRICARE program, or the Medicare program as the case may be." I understand that each year DOD, as directed by this law, determines annual payment rates to the Uniformed Services Family Health Plan (USFHP) based on a variety of factors that measure what the Government would spend if the Plan's enrollees were receiving care from the other sources mentioned in section 726(b). The methodology that is used includes adjustments for such elements as health status and geographic cost differences. I understand also that a recent independent analysis commissioned by DOD concluded that this rate setting methodology complies with section 726(b) and is actuarially sound. So it would seem that the President's budget proposal simply shifts costs to Medicare without saving the Government any money. Is this accurate? If not, please clarify any misunderstanding I may have based on what I just described.

Dr. STANLEY. Under this proposal, the administration estimates a net savings to the government of \$279 million over the next decade. While current law precludes DOD from spending more on the USFHP than it would cost the government to provide care through TRICARE for Life (TFL) and Medicare, the law requires negotiation and mutual agreement between the Secretary of Defense and designated providers in determining payments to the USFHPs. Since the inception of this program in 1995, the rates provided to these plans have been based primarily on data from the general Medicare population. However, since the TFL program began in 2001, the Department has been able to gather detailed data specific to the Medicare-eligible TRICARE beneficiary population. The savings estimated for the proposal are based on the difference between the historically used rates and estimates derived from the actual data accumulated for Medicare-eligible TRICARE beneficiaries.

30. Senator GRAHAM. Dr. Stanley, recognizing that the ceiling rate for designated providers is recalculated annually and that those calculations withstand the analysis required by law, it appears there would be no future savings. Could you please explain how DOD is assuming future savings?

Dr. STANLEY. The administration estimates the proposal will save the government \$279 million over the next decade. While current law precludes DOD from spending more on the USFHP than it would cost the government to provide care through TRICARE for Life (TFL) and Medicare, the law requires negotiation and mutual agreement between the Secretary of Defense and designated providers in determining payments to the USFHPs. Since the inception of this program in 1995, the

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QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

SERVICEMEMBERS CIVIL RELIEF ACT

31. Senator CHAMBLISS. Dr. Stanley and Secretary McCarthy, the number of service men and women experiencing significant financial problems with their mortgage companies and banks is unfortunately well known. While the operational tempo of our Armed Forces will hopefully decrease following the withdrawal of our combat forces from Iraq, the OPTEMPO will likely still remain high and we will continue to rely on our Reserve components to meet operational requirements for the foreseeable future. With this in mind and if private lenders continue to violate or ignore the provisions of the Servicemembers Civil Relief Act (SCRA), what adjustments do you believe may be necessary to SCRA to protect the interests of our service men and women?

Dr. STANLEY and Secretary MCCARTHY. The SCRA should be amended in two ways:

- (1) The SCRA (codified at 50 U.S.C. App. §§ 501–597b) should be amended to make it easier for the lending industry to properly apply the 6 percent interest rate cap. Section 527 requires the servicemember to provide the lender with a copy of his or her official orders to show the period for which the 6 percent interest rate cap should apply. These orders, however, can be difficult to understand and interpret.

Section 535 defines military orders to include “any notification ... from the servicemember’s commanding officer, with respect to the servicemember’s current or future military duty status.” This basically allows the commander to write a letter clearly stating when the servicemember is or will be on active duty. This definition, however, only applies to section 535, and not to the 6 percent interest rate cap section, which, as noted, still requires a copy of the more complicated official orders.

If the definition of military orders found in section 535 were made applicable to the entire SCRA by moving it to section 511—the definition section, which is applicable to the entire Act—then the lending industry could more readily determine when a servicemember was eligible for the 6 percent interest rate cap.

This amendment would also make it easier for the lending industry to determine when the interest rate applied to Reserve component servicemembers who had received orders but had not yet reported for active duty. The SCRA extends some of its protections and benefits (including the 6 percent interest rate cap) to those with orders even though they have not yet reported for duty. Determining when the orders were received can be complicated. But if servicemembers were allowed to provide a letter from their commander, the period of applicability could be stated clearly.

- (2) The SCRA should be amended to extend mortgage foreclosure protections to all servicemembers’ mortgages, not just those secured by pre-service obligations. Section 533 provides protections against the non-judicial sale, foreclosure, or seizure of the property secured by a mortgage obligation that originated before the period of the servicemember’s active duty.

This means a court must enter a valid order before the sale, foreclosure, or seizure of such property can take place, and such an order cannot be entered unless and until the creditor files a lawsuit against the servicemember, gets service of the suit on the servicemember, and the servicemember has an opportunity to come into court and seek relief from the foreclosure. If the property is secured by a mortgage obligation created after the period of active duty, then the SCRA does not provide these protections.

Losing one’s home to foreclosure almost inevitably leads to a cascade of financial complications. If it occurs while on active duty, these complications are no less painful and disruptive to mission accomplishment just because the obligation was created while on active duty, rather than prior to entering active duty.

To ensure that servicemembers remain focused on the military mission, the mortgage foreclosure protection should be extended to cover all servicemembers’ mortgage obligations, not just pre-service ones.

Such expanded protection would also simplify the process for the lending industry. If such an amendment were adopted, the foreclosing creditor would only have to determine whether the servicemember is on active duty at the time of the proposed sale, foreclosure, or seizure (or was on active duty within the 9 months preceding the sale, foreclosure, or seizure). The foreclosing creditor would not have to sort through a possible series of prior mobilizations to determine the status of the servicemember at the origination of the mortgage obligation.

UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

32. Senator CHAMBLISS. Dr. Stanley and Secretary McCarthy, the Uniformed Services Employment and Reemployment Rights Act (USERRA) protects millions of people, largely National Guard and Reserve members, as they transition between their Federal duties and civilian employment. USERRA is intended to eliminate or minimize civilian employment disadvantages resulting from service in the Reserve components and protect the rights of those members when they deploy. Since September 11, 2001, over 500,000 citizen soldiers have been mobilized to fight the war on terrorism. Many American soldiers have served more than one tour of duty and may be required to serve more. Additionally, the need for American troops in other parts of the world and at home continues, whether for conflict management or in response to natural disasters. While some would argue that it is statistically reasonable for the number of employment discrimination complaints filed by service men and women during this time period to have increased—based on the number of deployments—the data needed to make such a judgment remains incomplete. Furthermore, data from a 2004 DOD survey showed that at least 72 percent of National Guard and Reserve members with USERRA problems never sought assistance for their problems, raising questions as to whether complaint numbers alone can fully explain USERRA compliance or employer support. Finally, the time it takes to process USERRA complaints, while somewhat improved, remains unacceptable when you are speaking in terms of whether or not a veteran and/or his family will lose their home due to a negligent or willfully mistaken foreclosure action. In light of these factors, do you see the need for any changes to USERRA to address these issues or provide additional protection to our Guard and Reserve members?

Dr. STANLEY and Secretary MCCARTHY. Yes, there is a need to reexamine USERRA to ensure the law protects servicemembers and to promote the employer support necessary to sustain the Total Force. Based on the heightened operations of the last 10 years and anecdotal evidence gathered by ESGR Volunteers and Ombudsman, USERRA in its current form should be reviewed. USERRA has not been significantly overhauled since 1994 when it was first enacted. There have been minor amendments to USERRA, such as those resulting from the Veterans Benefit Improvement Act of 2008, to improve and enhance compensation and pension, housing, labor and education, and insurance premiums.

Based on ESGR's view statistically, USERRA complaints and inquiries have risen since September 2001, but the number of cases handled by ESGR impact less than 0.01 percent of all Reserve component members. While the number of USERRA inquiries has increased, the average number of cases has remained fairly consistent over the last 3 years. Through the second quarter of fiscal year 2011, ESGR has handled 1,470 cases, a slight decline from the same quarters in fiscal year 2010. Please refer to ESGR's fiscal year 2010 Annual report for further details on the metrics that measure USERRA Inquiries (page 30). In part, the increase in inquiries may be attributed to:

- (1) increased deployments and training in response to global events
- (2) the U.S. economy
- (3) ESGR's proactive Outreach Programs

While USERRA does not specifically cover or add protections involving foreclosures, other Federal acts and programs do. The Veterans Benefit Act 2010 addressed some of the concerns associated with mortgages, homelessness and insurance for veterans. As for the timeliness to resolve a USERRA case, ESGR resolved cases within 10.27 calendar days during fiscal year 2010. Further details of our historical response rates may also be found on page 30 of the ESGR fiscal year 2010 Annual Report.

While the above factors focus on servicemembers, there are some indications that employer fatigue from 10 years of continuous combat operations may also be driving the need to revisit USERRA. To verify the impact on employers, ESGR is sponsoring two efforts:

- (1) The “2011 Department of Defense National Survey of Employers” was sent to a cross-section of 80,000 civilian employers across America. The survey currently runs through July 6 with results expected late in fiscal year 2011.
- (2) As a companion piece to this survey, ESGR is sponsoring a study to examine the results of the survey and incorporate information gleaned from four regional focus groups of civilian employers. The focus groups will participate in questions formulated based on the survey results and used to provide meaningful narrative to a report summarizing both efforts. The collective efforts of these employer engagements should be available late in calendar year 2011.

[Whereupon, at 3:43 p.m., the subcommittee adjourned.]

**DEPARTMENT OF DEFENSE AUTHORIZATION
FOR APPROPRIATIONS FOR FISCAL YEAR
2012 AND THE FUTURE YEARS DEFENSE
PROGRAM**

WEDNESDAY, MAY 11, 2011

U.S. SENATE,
SUBCOMMITTEE ON PERSONNEL,
COMMITTEE ON ARMED SERVICES,
Washington, DC.

**CONTINUATION OF TESTIMONY ON ACTIVE, GUARD,
RESERVE, AND CIVILIAN PERSONNEL PROGRAMS**

The subcommittee met, pursuant to notice, at 1:35 p.m. in room SR-232A, Russell Senate Office Building, Senator Jim Webb (chairman of the subcommittee) presiding.

Committee members present: Senators Webb, Blumenthal, Graham, and Ayotte.

Majority staff members present: Jonathan D. Clark, counsel; Gabriella E. Fahrer, counsel; and Gerald J. Leeling, counsel.

Minority staff members present: Diana G. Tabler, professional staff member; and Richard F. Walsh, minority counsel.

Staff assistants present: Jennifer R. Knowles and Breon N. Wells.

Committee members' assistants present: Nick Ikeda, assistant to Senator Akaka; Juliet Beyler and Gordon Peterson, assistants to Senator Webb; Jeremy Bratt, assistant to Senator Blumenthal; Clyde Taylor IV, assistant to Senator Chambliss; Brad Bowman and Adam Hechavarria, assistants to Senator Ayotte; and Andrew King and Sergio Sarkany, assistants to Senator Graham.

OPENING STATEMENT OF SENATOR JIM WEBB, CHAIRMAN

Senator WEBB. The subcommittee will come to order.

I'd like to begin by apologizing to Senator Graham for knocking his water over when he was on his way. It had nothing to do with the delay in his arrival. [Laughter.]

Senator GRAHAM. I deserve it; I was late.

Senator WEBB. We meet today to receive the testimony from the Military Services on their Active, Guard, Reserve, and civilian personnel programs, in review of the National Defense Authorization Request for Fiscal Year 2012 and the Future Years Defense Program.

I welcome our witnesses to today's hearing. The Army witnesses are The Honorable Thomas Lamont, Assistant Secretary of the

Army for Manpower and Reserve Affairs and Lieutenant General Thomas Bostick, the Deputy Chief of Staff, G-1, United States Army. The Navy and Marine Corps witnesses are the Honorable Juan Garcia III, Assistant Secretary of the Navy for Manpower and Reserve Affairs; Vice Admiral Mark Ferguson III, Chief of Naval Personnel; and Lieutenant General Robert Milstead, Jr., Deputy Commandant for Manpower and Reserve Affairs, United States Marine Corps. The Air Force witnesses are The Honorable Daniel Ginsberg, Assistant Secretary of the Air Force for Manpower Reserve Affairs and Lieutenant General Darrell Jones, Deputy Chief of Staff for Manpower, Personnel, and Services, United States Air Force.

Your complete statements have all been received. Without objection, all will be included in the record of this hearing, at the end of your oral statements.

This is the third in a series of hearings, as we prepare to mark up the National Defense Authorization Act for Fiscal Year 2012. In our first hearing, we received testimony from the senior non-commissioned officer of each Service regarding the state of enlisted personnel, force readiness, and family readiness. We also received testimony from representatives from military service organizations on their views of the needs of military personnel and their families.

In our second hearing, we received testimony from the Under Secretary of Defense for Personnel Readiness, the Assistant Secretaries of Defense for Reserve Affairs and Health Affairs, and the Department of Defense (DOD) Comptroller. These officials testified about the personnel programs of DOD, and discussed efficiency initiatives included in the DOD budget submission.

During these hearings, it became clear that the contracting workforce was not being evaluated as a part of the total force, even though contractors are performing many functions previously performed by military service personnel. The subcommittee has asked for more information about this component of the total force.

Today, we will focus on military personnel policy and issues of the military Services, through the testimony of the Assistant Secretaries for Manpower and Reserve Affairs and the military personnel chiefs of each Service. I expect to discuss not only personnel policy programs and policies, but specific budget items, in furtherance of our subcommittee's oversight responsibilities.

As I've said in the other two hearings, I take this oversight very seriously. There's no greater responsibility for Congress, and for our military leaders, than to care and provide for our service-members and their families. But in doing so we must ensure that we are effecting the relationship as stewards of the taxpayers' dollars, as well.

As I've also said in earlier hearings, our military continues its engagement in the longest sustained period of major conflict in our Nation's history. Military personnel are challenged by high operational tempos, the stress of multiple deployments, inadequate dwell times, and an inefficient disability evaluation system. Our military families, by and large, are successfully dealing with the stress associated with frequent and lengthy deployments into dangerous war zones, but many are experiencing serious challenges. Because of my own experience, and my family's tradition of mili-

tary service, I'm well aware of these challenges. I do appreciate our obligations to see the needs of servicemembers and their families, and I take that responsibility very seriously.

The All-Volunteer Force has worked remarkably well over the past quarter century. We must ensure that the All-Volunteer model continues to produce the world's best military. It's important to recognize that we have an All-Volunteer Force, not an all-career force. We need to ensure that programs and policies also support those who serve in the military for a period less than a career before returning to their civilian communities. The contributions of these individuals are just as important as the contributions of career servicemembers.

We also have entered a new era in the use of our Guard and Reserve Forces. They have played critical roles during this period in ways never envisioned at the inception of the All-Volunteer Force. This subcommittee will continue to explore changes needed to employ our Reserve component forces as an operational force.

I look forward to hearing your testimony about the personnel issues of your Services. I'm aware that each of the Services are facing challenges in managing its forces over the next few years. Current plans require the Army to reduce end strength by 22,000 in fiscal year 2013, and an additional 27,000 by the end of fiscal year 2016. The Marine Corps is planning to reduce end strength by 15,000 to 20,000, during the periods 2015 to 2017. Because of unusually high retention rates, the Navy and Air Force are implementing mandatory separation procedures in an effort to reduce end strength to authorized levels by the end of this fiscal year.

As always, I would request that each of you discuss your challenges and how you plan to address these challenges, with particular emphasis on any legislative authorities you believe would be needed to shape your forces. Reducing the size of the force is never easy. It's important that it's done in a manner that respects the service of everyone who has given so much during this period of continuing conflict. Also, I would encourage you to express your views candidly, tell us what's working well, and raise any concerns and issues you may want to bring to this subcommittee's attention.

Senator Graham, do you have any opening remarks?

STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Thank you, Mr. Chairman. As always, I enjoy conducting these hearings with you. I think our staffs work well together, and we have a lot of experience to offer the Senate about how to shape the force.

Last week was about healthcare. We're having, I think, an unsustainable increase in healthcare cost in DOD. We're going to have to make some hard choices, sooner or later, because it affects everything we'd like to do in every other area.

Disability evaluation systems, General Bostick, Secretary Lamont, I don't think you mention it in your written statement, if you would talk to us about the 20,000 nondeployable soldiers that are waiting some type of evaluation. What can we do to expedite their decision? How do we deal with the fact—not only are we going to reduce the Army, as Senator Webb indicated, but also, if you have

20,000 nondeployable, that goes into who can go to the fight. To me, that is a personnel issue we need to come to grips with.

As many of you know, I'm a member of the Air Force Judge Advocate General (JAG) Corps. The recommendation to take three brigadier-general positions out of key major commands was opposed by General Schwartz and Secretary Donley. Secretary Ginsberg, I just want you to know, from my point of view, that's a decision that I think I have to push back on, because I'm fairly familiar with how the Air Force legal community operates. I think it would do more harm than good to reduce those brigadier general spots that serve the Air Force well.

On the Navy-Marine side, we have a manning of 830 military attorneys. An independent review said we need 950. I'd like to know how we solve that problem.

Basically, we're going to reduce the force, with the view that there must be some peace dividend that I don't see coming anytime soon. I do hope we can reduce our forces in Afghanistan, slowly but surely. We're going to withdraw most of our forces from Iraq. But, at the same time, just because of the operational tempo that we've experienced in the last decade, when you draw your forces down, that means those who are left are going to have to do more. I just really question, is that a wise decision? I'd like to get comments from each of you about how you think that affects retention and recruiting. How do we reduce this force? What kind of system do we come up with to reduce? Do we tell people they can't retire at 15 years? What do we do?

So, with that, I look forward to hearing your testimony.

I really appreciate working with you Senator Webb.

Senator WEBB. Thank you very much, Senator Graham.

We will begin with Secretary Lamont and just move across the table, from my left to my right.

Secretary Lamont, welcome back, and we're very interested in hearing your testimony.

STATEMENT OF HON. THOMAS R. LAMONT, ASSISTANT SECRETARY OF THE ARMY FOR MANPOWER AND RESERVE AFFAIRS

Mr. LAMONT. Thank you, Mr. Chairman, Senator Graham, other members of the subcommittee. I'm glad to be here. Thank you for taking the time to explore these very important topics, so crucial to our Nation's defense today and in the future.

For nearly 2 years, I've served as the Army Assistant Secretary for Manpower and Reserve Affairs. During that time, we have worked hard to meet the challenges facing the Army and to prepare our force for the future. Our Army is stretched and strained. However, the resilience, determination, and values displayed by our soldiers, Army civilians, and families is remarkable. I am honored to serve such a committed group of individuals.

To lessen the strain on our soldiers, we need to make the most of the force we have. Maintaining appropriate strength and developing the proper force mix in our Active and Reserve components will be critical to the future of our force. Our effort to create a more appropriate total force policy continues. We want to partner with you and all the other stakeholders to codify the Reserve component

as an operational force and to develop better career models for our soldiers and civilians.

We will make the changes necessary regarding the realities of our fiscal situation as well. We are moving forward with personnel efficiencies and aggressively enacting cost-saving measures throughout our Army. We are committed to the work associated with managing our resources properly, even as we conduct the largest transformation since World War II, the 2005 base realignment and closure initiative, as well as fighting two major conflicts and completing our modular conversions. The Army personnel community is focused on maintaining the unprecedented quality of the All-Volunteer Force in order to accomplish the missions at hand and to prepare the Army for the challenges of tomorrow.

Please know that the Army is filled with devoted civilian and military leaders, committed soldiers, and dedicated families. We certainly have challenges, but we have significant opportunities, as well. One of our most significant opportunities is to capitalize on lessons learned over the past 10 years to create a force that is the right size with the right capabilities with the best-developed military and civilian leadership.

In closing, our Army is a total force that has been tested. We've been successful, and now we are focused on planning for the future while maintaining our strength. We appreciate the subcommittee's support in accomplishing all we've done, and we look forward to your support in the future.

Thank you very much. I look forward to your questions.

[The joint prepared statement of Mr. Lamont and General Bostick follows:]

JOINT PREPARED STATEMENT BY HON. THOMAS R. LAMONT AND LTG THOMAS P. BOSTICK, USA

INTRODUCTION

Chairman Webb, Senator Graham, distinguished members of this subcommittee, thank you for the opportunity to appear before you on behalf of America's Army. The U.S. Army exists to serve the American people, and defend the Nation.

After nearly 10 years at war, our soldiers, civilians, and families are stretched and strained, yet still resilient. Their dedicated service and sacrifice deserve the very best services, programs, equipment, training, benefits, lifestyle, and leadership available. With Congress' help, the Army has reached its objective end strength, which combines "Grow the Army" and Temporary End Strength Increase (TESI). This enabled our success in Iraq and Afghanistan.

With the reduction in forces in Iraq and Afghanistan, the Army must prepare to draw down our forces in a deliberate and careful manner. Thank you for your steadfast commitment to our soldiers, their families, and our civilian workforce. By supporting our personnel initiatives you ensured sustainment and well-being of our All-Volunteer Force.

STRATEGIC OVERVIEW

More than 1.1 million soldiers have deployed to combat, impacting not only those soldiers, but their families and employers 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 demand, the Army is on track to achieve a sustainable deployment tempo for our forces and restore balance to the Army beginning in fiscal year 2012. We will continue to face challenges on multiple fronts including an ever increasing nondeployable 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, the Department of Defense (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.

In fiscal year 2012, the base military personnel appropriation comprises the largest portion of the Army's budget at \$60.68 million or 42 percent. The table below shows the fiscal year 2010 execution (excluding OCO) and the fiscal year 2011 and fiscal year 2012 base budget requests for military personnel for all three components. The increase from fiscal year 2011 to fiscal year 2012 is due primarily to changes in inflation rates for military basic pay and personnel allowances.

[In millions of dollars]

Military Personnel Account	Fiscal Year		
	2010 ¹	2011	2012
Personnel (AC, NGB, and USAR)	\$53,381	\$53,994	\$55,606
Medicare-Eligible Retiree Health Care	5,035	5,057	4,972
Total	\$58,416	\$59,050	\$60,578

¹ Not depicted in fiscal year 2010 Military Personnel Cost of War was \$12.2 billion.

Fiscal year 2011 OCO request is \$11.9 billion and fiscal year 2012 OCO request is \$8.1 billion.

Fiscal year 2010 figures represent execution amounts.

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—nondeployable 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 joined us in early fiscal year 2011. Army end strength will return to the congressionally-approved Active component end strength of 547,400 by the end of fiscal year 2013. For fiscal year 2012, the Army National Guard end strength will remain 358,200 and the USAR will maintain 205,000.

As of April 2011, the last soldier retained under Stop Loss for deployment purposes was separated. This reflects an overall reduction from the January 2009 baseline of 13,217 stop-losses soldiers. TESI and the implementation of voluntary stabilization programs for each component enabled us to eliminate Stop Loss, while minimizing the impact on unit readiness.

[In millions of dollars]

	Fiscal Year		
	2010	2011	2012
Temporary End Strength Increase Request	\$1,108 ¹	\$1,245	\$1,143

¹ Fiscal year 2010 includes TESI and overstrength execution. Fiscal year 2010 figures represent execution amounts.

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 fiscal year 2010 and is confident it will meet its goals for fiscal year 2011. The Army National Guard reduced their accessions in fiscal year 2010 to remain under the congressionally-mandated end strength ceiling. The Army met its quality benchmarks for new recruits in fiscal year 2010. We are projected to build the fiscal year 2012 entry pool to as much as 50 percent of the fiscal year 2012 mission by the end of fiscal year 2011. We will continue to monitor trends and make adjustments as required.

In fiscal year 2010, with congressional support, the Army spent \$4.4 billion on recruiting and retention. In fiscal year 2011, the Army plans to spend \$4.4 billion to fund contracts written between fiscal year 2007 and fiscal year 2010 due to continued obligations of anniversary payments to soldiers.

Recently, incentive contracts have dropped dramatically for new accessions. Average recruiting bonuses dropped from over \$13,000 in fiscal year 2009 to just under \$3,000 in fiscal year 2011, 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 fiscal year 2012 request of \$3.7 billion reflects the efficiencies undertaken in these activities 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 fiscal year 2015, when requirements will likely increase due to a stronger economy.

The reductions/efficiencies taken in recruiting and retention are in support of the Secretary of Defense's plan to reallocate funding to more critical programs. These reductions were primarily to resource the increased number of field grade officers that the Army is currently growing. Additionally, increases were made to medical special pays to ensure that shortages in high demand specialties were addressed, and finally, resources were aligned to fully fund the more senior force structure that the Army is experiencing.

In fiscal year 2010, the Active Army accessed the highest percentage of high school diploma graduates since fiscal year 1992 (increasing from 94.7 percent in fiscal year 2009 to 98.3 percent in fiscal year 2010). The Army met its skill-set needs, achieving over 99 percent Military Occupational Specialty (MOS) precision. We entered fiscal year 2011 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 fiscal year 2011.

Additionally, recruits scoring in the upper range (50–99 percent) on the Armed Forces Qualification Test (AFQT) remain well above the Department of Defense (DOD) policy (DODI 1145.01, September 20, 2005) on quality marks of 60 percent, and recruits who scored in the lower range (30 percent and below) on the AFQT decreased 0.7 percent. The Army collectively decreased the number of ineligibility waivers provided for enlistments and appointments by 4.20 percent 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 provide fewer potential recruits that are 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 fiscal year 2010, 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 percent. The Army National Guard accomplished their mission as well by achieving 106 percent of their assigned mission; a total of 32,156 soldiers.

During fiscal year 2010 and into fiscal year 2011, 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 (CSRB), 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. Projected spending in Army enlistment recruiting, retention, and education incentives will decrease 26 percent in 2012.

The U.S. Military Academy (USMA) and ROTC both continue to offer precommissioning incentives. These consist of offering new officers their post, branch of choice or graduate schooling. From fiscal year 2006 through fiscal year 2010, there were approximately 7,500 participants. These incentives have increased longevity by 40 percent for newly-commissioned, high-performing USMA and ROTC officers, and have improved the historical loss rates of recent years by adding 3 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 8 years of service from their commissioning date. The historical rate for continued service beyond the obligatory 8-year point is 47 percent of officers. The projected rates for year groups 2006–2010 who took the incentives cited are between 62 percent and 69 percent 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 these year groups range from the historical average of 40 percent (beyond the 8 year obligation) of West Point officers to between 54 percent and 59 percent. 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 a 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. The Reserve component continues to maximize their use of the CSRB, while the Active component has reduced the overall usage as officer target levels are met.

In response to adjustments to officer structure, the Army will balance modest reductions in officer accessions across all cohorts over the next 4 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.

[In billions of dollars]

Program Description	Fiscal Year		
	2010	2011	2012
Enlisted Army Incentives	\$2.1	\$2.1	\$1.5
Other Military Recruiting and Retention Programs	2.3	2.3	2.2
Army Recruiting and Retention	4.4	4.4	3.7

Fiscal Year 2010 figures represent execution amounts.

TRANSFORMING THE ARMY'S RESERVE COMPONENTS INTO AN "OPERATIONAL FORCE" (OPERATIONAL RESERVE)

The war-time experiences of the past decade validate the need to institutionalize the policies, procedures and legislation conducive to achieving the most efficient utilization of the Total Force, by transitioning the Reserve components into an operational force. Transitioning to an Operational Reserve will require policy decisions on additional resources for the two Army Reserve components (RC) within the base budget, including additional resources for RC collective training, full-time manning and medical/dental readiness.

The Reserve components make up 51 percent of the Army's manpower. Moreover, many of the capabilities that the combatant command would prefer to use in Theater Security Cooperation either do not exist in sufficient quantities in the Active component, but reside in the RC. For example, approximately 90 percent of the Army's Civil Affairs forces are in the USAR.

In the near term, we must ensure that the RC is capable of providing enduring proportional support to the Army's force generation supply model: 1 Corps, 5 Divisions, 20 Brigade Combat Teams, and 90,000 enablers (1/5/20/90) through fiscal year 2014.

Transforming the Army's Reserve components into an operational force provides an historic opportunity for the Army to achieve the most cost effective use of its Total Force through investing in and relying on the Army's Reserve components to take on a greater role in our Nation's defense. Investing in the RC as an operational force will position the Army to better manage the risks of declining resources for the Army.

ARMY TOTAL FORCE POLICY

The ASA (M&RA) is developing an "Army Total Force Policy" for the Secretary of the Army. The policy will define the role of the Army National Guard and Army Reserve as an operational force;

"The ARNG and USAR provide operational capabilities and depth to rapidly expand and sustain the Army's capacity to support U.S. defense requirements across the spectrum of conflict (peace to war)." (Draft Army Total Force Policy)

The Army Total Force Policy will promote a balanced and integrated Total Force. The ARFORGEN process will ensure operating forces are employed as "integrated expeditionary force packages".

Integrating Active and Reserve Forces for training and deployment requires a common Active and Reserve "boots-on-the-ground" policy, to be approved by the Secretary of the Army.

Procedures, processes and authorities for validating pre-deployment readiness of Army forces should be consistent and uniform for Active and Reserve Forces.

Manpower programs will promote a continuum of service, cross-component assignments, and common standards and provide equal opportunities for professional development, regardless of component.

Training programs will promote common standards and equal opportunity via a revised "One Army" school system, while capitalizing on capabilities and investments made in the Reserve component training facilities over the past decade.

The Army has a historic opportunity to achieve the most cost-effective Total Force through transitioning the RC into an operational force. The "Army Total Force Policy" will promote an operational environment in which Active and Reserve Forces are able to serve together in peacetime and train and deploy together as an integrated Total Force for operations.

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 Central Command (CENTCOM) Area of Responsibility after No Shows, Exemptions, and Early Release from Active Duty were factored.

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 5 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 fiscal year 2010, the Army spent approximately \$2.57 million to muster 12,500 soldiers, contributing 2,100 soldiers returning to Army Reserve formations. The Army plans to muster 14,000 IRR soldiers at an estimated cost of \$3.01 million in fiscal year 2011 and expects to impact 2,500 soldiers returning to Army Reserve formations. In fiscal year 2012, the Army plans to muster approximately 20,000 soldiers for a total program cost of \$4.8 million.

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 JRR 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 designed 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 fiscal year 2007 to fiscal year 2010, 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.

[In millions of dollars]

Covenant Program	Fiscal Year		
	2010	2011	2012
Family MWR Command (FAPC)	\$ 60.3	\$ 38.9	\$ 35.1
Army Community Service (QACS/VFRA/QPSG)	373.5	434.9	371.9
Child Care Services (QCYS)	426.5	410.1	411.0
Youth Programs (QCYS)	134.5	163.8	154.0
Community Recreation (QDPC)	292.4	275.9	257.4
Family Programs	1,287.2	1,323.6	1,229.2
Voluntary Ed/Tuition Asst (VACE/VATA)	395.4	377.4	355.4
Supplemental/OCO	47.7	53.5	53.5
Total Family Programs	\$1,730.3	\$1,754.5	\$41,638.1

Fiscal year 2010 figures represent execution amounts.

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 percent of the Army Force, yet are 60 percent 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 CENTCOM area of operations.

[In billions of dollars]

Civilian Pay	Fiscal Year		
	2010	2011	2012
	\$24.4	\$23.8	\$23.3

Fiscal year 2010 figures represent execution amounts.

Full-Time Equivalents (FTE)	Fiscal Year		
	2010 ¹	2011 ¹	2012 ¹
Army funded	\$173,142	\$180,107	\$178,918
External funded	47,505	57,267	55,133
Revolving fund	29,824	27,947	23,317
Total	\$250,471	\$265,321	\$257,368

¹ Civilians funded by OCO and Civil Works appropriations which are not captured as any part of the Army's budget submission.

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 fiscal year 2009, the Army saved significant resources by in-sourcing 949 contractor positions to Army civilian positions. Overall, 7,736 civilian positions were filled by in-sourcing, as of February 1, 2011.

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 fiscal year 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 crit-

ical 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 fiscal year 2011, 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 fiscal year 2011 the path and resource requirements for 100 percent of the workforce will be covered by professional career program management. Additionally, by first quarter fiscal year 2012, 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. Thus far, funding in support of CWT is executed with current year funding. Beyond that remains pre-decisional.

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 fiscal year 2009, the Army has invested \$3.2 million to include \$0.8 million in fiscal year 2011, and expects to invest another \$2.0 million in fiscal year 2012 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 fiscal year 2010, 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 fiscal year 2011, 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.

[In millions of dollars]

	Fiscal Year		
	2010	2011	2012
SHARP (Sexual Harrassment)	\$53.3	\$28.6	\$24.8

Fiscal year 2010 figures represent execution amounts.

SUICIDE PREVENTION PROGRAM

The loss of any soldier is a tragedy, particularly when it could have been prevented. One suicide is too many and we are working hard to address the suicides across the total force. 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 Servicemembers. 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.

[In millions of dollars]

	Fiscal Year		
	2010	2011	2012
HP/RR/SP (suicide)	\$29.4	\$54.6	\$52.4 ¹

¹ Fiscal year 2010 figures represent execution amounts.

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 percent 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 Department of Veterans Affairs, and State and local governments. The Army currently has hired 384 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 2 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 April and May 2011 and a decision will be made by the Secretary regarding expansion of the confidential treatment and education to the remainder of the Army. As of April 8, 2011, 743 soldiers sought CATEP treatment and 519 were/are enrolled, and 150 were referred to alcohol education or other services. The increase in funding depicted in the table below is attributable to two events:

- (1) transfer of dollars from MEDCOM to IMCOM to pay for counselors, and
- (2) a \$41.3 million increase during POM 12-16 for counselor hires, prevention coordinators, and prevention initiatives.

[In millions of dollars]

	Fiscal Year		
	2010	2011	2012
ACSAP	\$34.6	\$36.4	\$109.5

Fiscal year 2010 figures represent execution amounts.

WOMEN IN THE ARMY

On January 13, 1994, 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, DOD, 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, families, and for the civilian workforce are critical in helping the Army be the employer of choice.

CONCLUSION

With your help, we have invested a tremendous amount of resources and deliberate planning to preserve the All-Volunteer Force. This includes transforming the RC into an Operational Reserve. We must maintain vigilance to protect these investments for the future of the force. We need to sustain the quality of life of our force now and in the future. While we begin to transform to a smaller Army, we remain dedicated to improving readiness, building resilience and rebalancing the force by fiscal year 2012. 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 Webb, and members of the subcommittee, I thank you again for your generous and unwavering support of our outstanding soldiers, civilian professionals, and their families.

JOINT EXECUTIVE SUMMARY BY HON. THOMAS R. LAMONT AND LTG THOMAS P. BOSTICK, USA

After nearly 10 years at war, our soldiers, civilians, and families are stretched and strained, yet still resilient. The Army reached its objective end strength, which combines "Grow the Army" and Temporary End Strength Increase. Now the Army must prepare to drawdown this force in a deliberate and careful manner. Army end strength will return to the congressionally-approved active component end strength of 547,400 by the end of fiscal year 2013. For fiscal year 2012, the Army National Guard end strength will remain 358,200 and the U.S. Army Reserve will maintain 205,000. The Army is on track to achieve a sustainable deployment tempo for our forces and restore balance to the Army beginning in fiscal year 2012. 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.

In fiscal year 2012, the base military personnel appropriation comprises the largest portion of the Army's budget at \$60.6 billion or 42 percent. In fiscal year 2010, with congressional support, the Army spent \$4.4 billion on recruiting and retention. In fiscal year 2011, the Army plans to spend \$4.4B to fund contracts written be-

tween fiscal year 2007 and fiscal year 2010 due to continued obligations of anniversary payments to soldiers. Recently, incentive contracts have dropped dramatically for new accessions. Average recruiting bonuses dropped from over \$13,000 in fiscal year 2009 to just under \$3,000 in fiscal year 2011, and are only used to incentivize longer term enlistments in a small percentage of critical skills. In fiscal year 2010, the active Army experienced the highest percentage of high school diploma graduates since fiscal year 1992 (increasing from 94.7 percent in fiscal year 2009 to 98.3 percent in fiscal year 2010). The Army met its skillset needs, achieving over 99 percent Military Occupational Specialty precision. We entered fiscal year 2011 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 collectively decreased the number of ineligibility waivers provided for enlistments and appointments by 4.20 percent from the previous fiscal year.

In fiscal year 2010, 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 percent. The Army National Guard accomplished their mission as well by achieving 106 percent of their assigned mission; a total of 32,156 soldiers. During fiscal year 2010 and into fiscal year 2011, retention bonuses were carefully monitored and adjusted to ensure that the Army met its retention goals while remaining fiscally responsible.

From fiscal year 2007 to fiscal year 2010, 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 Reintegrate, Army Reserve Teen Panel, Army Affiliated Child Care & Youth Programs, and Core Community Recreation Programs and Services.

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.

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.

While we begin to transform to a smaller Army, we remain dedicated to improving readiness, building resilience and rebalancing the force by fiscal year 2012. The well-being and balance of our force are absolutely dependent upon congressional support.

Senator WEBB. Thank you very much, Secretary Lamont.
General, welcome. General Bostick?

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

General BOSTICK. Chairman Webb, Senator Graham, members of the Subcommittee on Personnel, thank you for this opportunity to appear before you to represent the 1.1 million soldiers serving around the globe, as well as over 300,000 civilians and their families.

Our All-Volunteer Army is now in its 10th year of continuous combat operations. More than 1.1 million soldiers have deployed, and over 30,000 Army civilian have also deployed into combat. This impacts not only the soldiers and the civilians, but their families, as well.

Our soldiers and families are feeling the stress of repeated deployments, but they remain extraordinarily resilient. The programs, that you have supported, aimed at the health of the force and quality of life, are helping to preserve the All-Volunteer Force.

Despite this unprecedented operational tempo, the Army is on track to restore balance by 2012. Increasing dwell time is the most

important thing we can do to improve the health of the force. Beginning with units that deploy this October and later, they can expect to return home for 2 years, for the Active component, and 4 years, for the Reserve component.

As the Army prepares for reducing its end strength, we must prevail in ongoing combat operations, prevent and deter conflict, prepare for future threats, and preserve and enhance the All-Volunteer Force. There is no doubt that the Army of the future will be, and should be, different than the Army of today. There are changes in the environment, different threats, and emerging technology that we need to take advantage of, and we must be adaptable enough to do so. We must continue to provide the quality of care and support that our Army requires. We will work with this Congress as we move forward on a broad front to address the challenges of 10 years of war.

With this subcommittee's help, your Army was able to attract, recruit, and retain very talented and committed young men and women, and exceeded our recruiting and retention goals once again.

To conclude, I want to thank you for your continued support, which remains vital to sustain our All-Volunteer Force through unprecedented periods of continuous combat operations.

I look forward to answering your questions.

Senator WEBB. Thanks very much, General Bostick.

STATEMENT OF HON. JUAN M. GARCIA III, ASSISTANT SECRETARY OF THE NAVY FOR MANPOWER AND RESERVE AFFAIRS

Mr. GARCIA. Thank you, Mr. Chairman, Senator Graham. Thank you for the opportunity to speak about the sailors, marines, and civilians who comprise the Department of the Navy.

At any given time, approximately 75,000 sailors and marines are underway aboard ships or forward-deployed. When counting those deployed, those actively training and preparing to deploy, and those supporting forward operations, 40 percent of the Navy and nearly a third of the marines are involved in maintaining our forward presence and supporting contingencies.

In developing our budget request, we added 6,800 billets to the operational forces of the Navy. To source these billets without increasing Navy's end strength, we reduced or consolidated 8,400 billets, streamlining many staffs and shore activities. The marines will face different challenges as they reduce end strength by more than 15,000 while ensuring that current missions, particularly in Afghanistan, continue to be fully supported.

Our fiscal year 2012 budget request for recruiting and retention represents a reduction from fiscal year 2011. Both Services are performing well in officer and enlisted recruiting. However, accession bonuses remain critical to achieving Navy and Marine Corps goals for health professionals, nuclear operators, and Special Warfare/Special Operations personnel. Because we're experiencing historic retention rates, we've made selected reductions in retention bonuses, although retention behavior indicates we must apply bonus programs to critical skill areas that remain relatively insulated from changes in the economic environment.

At a time when 1 percent of this Nation has served in uniform, we're expanding the number universities and campuses with Reserve Officer Training Corps (ROTC) presence, to ensure that the office ranks are open to young men and women from all segments and all regions of the country. Our fiscal year 2012 education and training budget represents an increase from fiscal year 2011. However, the majority of this increase represents investments in critical mission areas, such as missile defense, antisubmarine warfare, and the National Aeronautics and Space Administration (NASA) and cyberwarfare—cyberforce.

Our fiscal year 2012 budget request for servicemember and family programs is an increase from fiscal year 2011 to support our continuum of care and address the physical, psychological, and family readiness of our sailors and marines. We continue to emphasize suicide and sexual assault prevention programs.

In the past 12 months, the Navy and Marine Corps have mobilized approximately 12,000 reservists in support of operational requirements. Recognizing the personnel costs are the largest part of the Department of the Navy's budget, we're collaborating with the Office of the Secretary of Defense (OSD) and our sister Services to review the future role of the Reserve component as part of our integrated total force.

The Department of the Navy is leading the way in both innovative therapeutic treatments and in civilian hiring of our wounded warriors. Naval Sea Systems Command has excelled in bringing disabled veterans on board, hired 282 in calendar year 2011 and, to date, are half way to their current goal of hiring a wounded warrior per day.

Despite the challenges, we can think of no more rewarding job than to represent and advocate for the nearly 630,000 sailors and marines and 190,000 civilian employees.

To that end, we wish to thank the committee members for their support of our great men and women in our Navy and Marine Corps, and look forward to your questions.

Thank you.

[The joint prepared statement of Mr. Garcia, Admiral Ferguson, and General Milstead follows:]

PREPARED STATEMENT BY HON. JUAN M. GARCIA, VADM MARK E. FERGUSON III, USN, AND LT. GEN. ROBERT E. MILSTEAD, JR., USMC

EXECUTIVE SUMMARY

The Department of the Navy's fiscal year 2012 manpower and personnel 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 marines and their families. Our active budget request will support an active end strength of 325,700 within the Navy and 202,100 within the Marine Corps.

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 of the Navy across the Future Years Defense Program (FYDP) to support new and current warfighting platforms. To source these billets without additions to the Navy's overall end strength, we identified efficiencies in staff structure and shore activities, and reduced capacity in other areas of the force. This review resulted in a reduction or

consolidation of approximately 8,400 billets in the Fleet, squadron staffs, and shore activities.

The Marine Corps will continue to shape its force to meet ongoing requirements, fill critical military occupational specialties and retain vital leadership with combat experience. Bonuses will remain critical to this effort, allowing the Marine Corps to fill hard-to-recruit positions such as crypto-linguists and reconnaissance marines. It is important to note that only 8 percent of new recruits receive an enlistment bonus and the Marine Corps budget for enlistment bonuses has decreased from \$75 million in fiscal year 2008 to \$14.7 million in fiscal year 2012. In addition, Selective Reenlistment Bonus funding has decreased from \$468 million in fiscal year 2009 to \$108.6 million in fiscal year 2012.

Sailor, Marine, and Family Care

Our fiscal year 2012 budget request represents an increase from fiscal year 2011. This increase supports expansion of our comprehensive continuum of care to more effectively address the medical, physical, psychological, and family readiness needs of sailors and marines and their families, and our continued emphasis on suicide and sexual assault prevention programs.

Recruiting

Both the Navy and Marine Corps continue to experience strong performance in our recruiting programs across both the officer and enlisted force. Our fiscal year 2012 budget request for recruiting represents a reduction from fiscal year 2011. These programs include accession incentives, advertising and recruiter support. Accession bonuses remain critical to achieving our goals for health professionals, nuclear operators, and special warfare/special operations within the Navy. However, a favorable recruiting environment has enabled us to reduce the number of those eligible for accession bonuses.

Retention

Along with current economic conditions, our new policies are encouraging longer-term career behavior, contributing to high retention across the force. Our fiscal year 2012 budget request represents a decrease from fiscal year 2011. While we have been able to make selected reductions in retention bonuses, retention behavior indicates we must continue to apply bonus programs to critical skill areas that require significant investments in training and education and remain relatively insulated from changes in the economic environment.

Learning and Development

Our fiscal year 2012 education and training budget represents an overall increase from fiscal year 2011. The majority of this increase represents investments in curricula, training technology, and instructors for critical mission areas such as missile defense, cyber and anti-submarine warfare.

Chairman Webb, Senator Graham, and distinguished members of the subcommittee, thank you for the opportunity to speak about the sailors, marines, and civilians who comprise the Department of the Navy.

These are difficult and stressful times for the Sea Services, but our people continue to rise to the challenges. We are pleased to report that both the Navy and the Marine Corps are recruiting and retaining high-quality individuals who are excelling at meeting our global commitments whether they are combat operations, or humanitarian assistance. It is our distinct honor and privilege to represent and advocate for the nearly 630,000 sailors and marines, both Active Duty and Reserve, and 190,000 civilian employees who are always prepared to respond to whatever our Nation demands.

This statement provides details of service-specific initiatives and various supporting data, but it is important to note the Department of the Navy as a whole faces many common challenges and shared solutions that we wish to highlight for your attention.

The Sea Services will continue to face myriad operational requirements even as we strive to achieve greater efficiency. The Navy, after a decade of declining strength, will level out its active duty end strength at 320,300 by fiscal year 2016, 6,800 billets of which the Navy plans to move from shore support functions to sea duty to enhance our operational readiness. This restructuring includes administrative consolidations to eliminate headquarters staffs of a destroyer squadron, three submarine squadrons, a strike group, and a carrier air wing. Not only will those shifts mean that the important work ashore must be performed by fewer sailors, but also that sailors will likely spend more time at sea away from their families. The marines will face different but equally challenging issues as they take the initial

steps toward a reduction in end-strength of more than 15,000 while ensuring that current missions, particularly in Afghanistan, continue to be fully supported.

All of these changes must occur while both Services continue to meet evolving national security threats and complete their many assigned missions. At any given time, approximately 75,000 sailors and marines are either underway aboard ships or forward-deployed. In fact, including those deployed and those actively training/preparing to deploy or supporting forward operations, 40 percent of the Navy and nearly 33 percent of the marines are involved in maintaining our forward presence and supporting contingencies, as we speak.

While these changes will prove difficult, they must be accomplished without sacrificing our highest priorities including the care and the recovery of our wounded, ill, and injured servicemembers. The Department of the Navy is leading the way in both innovative therapeutic treatments and in civilian hiring of our Wounded Warriors. The Naval Sea Systems Command has excelled in bringing disabled veterans on board; hiring 282 disabled veterans in the past year, with a current goal of one new hire a day. Both our Safe Harbor Program and our Wounded Warrior Regiments continue to build on lessons learned and to improve the support they provide. Along with this top priority, the Department of the Navy is engaged in a wide range of other initiatives and projects we would like to highlight for you.

At a time when 1 percent of the Nation has served in uniform, we are expanding the number of ROTC units to ensure that the officer ranks are open to young men and women from all segments and all regions of the country. Our two newest host programs at Arizona State and Rutgers Universities reach geographic areas not previously covered, and are at large schools with recognized technical and engineering programs. At the same time, the anticipated repeal of Don't Ask, Don't Tell is providing the opportunity to expand ROTC participation at various Ivy League schools. In the area of quality of life for our active duty families, we are giving special attention to expanding spouse-employment opportunities and to supporting our exceptional family members. We are also moving forward on the introduction of women in submarines. Eighteen female officers have commenced their 15-month nuclear training and will report to *Ohio*-class submarines by the end of this year.

These and many other initiatives are occurring during a period of intense activity for the Sea Services. Not since World War II has the Department of the Navy been actively engaged in as many areas of the globe as we are today. In addition to ongoing efforts in Iraq and Afghanistan, we continue to confront pirates in the Indian Ocean and drug traffickers in the Caribbean. The recent Japan earthquake and tsunami highlighted the Navy's ability to quickly execute humanitarian assistance/disaster relief operations while simultaneously evacuating over four thousand dependents and civilian employees to various safe havens. The events comprising what's been called the "Arab Spring" have raised the profile and highlighted the capabilities of our constant presence in that part of the world. However, equally important as winning wars, is preventing wars. We are committed to engaging our global partners. DON personnel are executing a variety of humanitarian missions, such as Provide Comfort; and are building multi-national coalitions to improve maritime safety and security, as in the Pacific Partnership, Africa Partnership Station and UNITAS. Our Service men and women have responded professionally and bravely to all these challenges, but the operating tempo is taking a toll. In the past 12 months the Navy and Marine Corps have mobilized 11,675 reservists and filled 468 Individual Augmentee assignments to keep up with operational requirements.

We must plan for the future while conducting today's missions, and anticipating emerging threats. In an exceptionally tight fiscal environment, we must find efficiencies and other opportunities to save scarce resources. Recognizing that personnel costs are the largest part of the Department of the Navy's budget, we are collaborating with OSD and our sister Services to review the future role of the Reserve component as part of our integrated Total Force.

An emerging threat that requires new thinking in workforce development is cyber warfare. The Department of the Navy is creating small and highly capable communities of military and civilian personnel to serve in our cyber workforce. Given the unique nature and pace of cyber warfare, the Department is exploring innovative approaches to hiring and retaining active, Reserve and civilian employees.

We constantly explore manpower efficiencies and cost savings across the Department. Some savings will be difficult, but are needed to ensure the Department can focus its limited resources on operational priorities. We have reduced the eligibility for and size of bonuses and special pays for our servicemembers; have instituted a 2-year salary freeze for civilian employees, and have reduced the number of Flag and General Officers, and Civilian Executive positions. We are exploring options to reduce healthcare cost to the Department without reducing benefits or increasing costs to our servicemembers, their families and our retirees. Initial study into op-

tions for providing medication via mail order indicates significant savings can be achieved.

Finally, let me touch on a topic of great concern throughout the Sea Services and the Department of Defense as a whole. Simply put, the rate of suicide among our active duty members remains unacceptably high. While we know that in a population as large as ours it will be impossible to prevent every case, our position remains firm that even a single suicide is one too many. The Navy and Marine Corps are focusing their efforts on early intervention and in adapting the military culture to encourage seeking needed help early. The entire Department of Navy leadership team remains committed to finding the most effective ways of preventing suicides among our servicemembers.

Despite the challenges, we can think of no more rewarding job than serving our brave sailors and marines. To that end, we wish to thank the committee members for their continuous and unwavering commitment to the support of our great men and women in our Navy and Marine Corps who, each day, unhesitatingly answer the call to duty simply because their nation has asked, and it is the right thing to do.

The following service specific information is provided for the committee. We look forward to your questions.

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 fiscal year 2012 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 \$29 billion consists of \$27.2 billion for Military Personnel Navy (MPN) and \$1.85 billion in related Operations and Maintenance Navy (OMN). Our Reserve budget request consists of \$1.96 billion for Reserve Personnel Navy (RPN) and \$6.4 million 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 fiscal year 2012 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 fiscal year 2012. 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 fiscal year 2012 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 fiscal year 2012, we are add-

ing 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 watch-standing. 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 9 and reduce the seniority of 15 flag officer billets, affecting 15 percent of our flag officer billet structure.

BUILDING RESILIENCE THROUGH A COMPREHENSIVE CONTINUUM OF CARE

Our fiscal year 2012 budget request of \$164.2 million 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 fiscal year 2012 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 fiscal year 2010, 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 fiscal year 2010, 376 WTP workshops for 7,056 sailors were conducted in Kuwait.

Returning home impacts the sailor, his or her family, employer, and community. Returning Warrior Workshops (RWWs) are reintegration events that honor returning warriors and their families for their service, provide information about resources available to assist them with reintegration, and raise awareness of symptoms associated with combat stress. Returning Warrior Workshops fulfill the Yellow Ribbon Re-

integration Program statutory requirement for an activity 60 days post-mobilization that focuses on reconnecting members and their families with service providers from the Initial Reintegration Activity to ensure that members and their families understand the benefits to which they are entitled and resources available to help them overcome the challenges of reintegration. 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 fiscal year 2012 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, coastguardsmen, 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 fiscal year 2012 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.

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

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

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 fiscal year 2010, 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 fiscal year 2012 budget request supports an emphasis on sexual assault prevention while continuing compassionate support for victims. This prevention emphasis includes 12 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 U.S. 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. We continue to execute the following measures:

- “High-Year Tenure” separations for sailors at selected pay grades 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 4 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 fiscal year 2011 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 percent of our fiscal year 2010 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 fiscal year 2012 budget requests \$292 million for our recruiting programs, a reduction of \$41.8 million from fiscal year 2011. 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 135,000 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/spe-

cial 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 6 in 2011. The fiscal year 2012 active budget request of \$76.1 million for accession incentives represents a decrease of \$39.0 million from fiscal year 2011.

We continue to closely monitor retention behavior across the force and project we will meet our fiscal year 2011 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

	Fiscal Year 2010			FYTD 2011 (as of 30 April 2011)		
	Attained	Goal	Percent	Attained	Goal	Percent
Total Active	34,180	34,140	100.1	18,482	18,453	100.2
Total Reserve	6,669	6,654	100.2	4,685	4,659	100.6
HSDG ¹	35,995	95 percent	97.4	20,006	95 percent	98.5
TSC ² I–IIIA	30,653	70 percent	83.0	17,818	75 percent	87.8

¹ HSDG—High School Diploma Graduate; DOD standard is 90 percent; Navy standard is 95 percent.

² TSC—Test Score Category (Aptitude Level); DOD standard is 60 percent; Navy standard is 75 percent.

Last year, we were successful in meeting our recruiting goals for nuclear and special warfare/special operations 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 AND SPECIAL WARFARE/SPECIAL OPERATIONS

	Fiscal Year 2010			FYTD 2011 (as of 30 April 2011)		
	Attained	Goal	Percent	Attained	Goal	Percent
Nuclear Field	2,981	2,981	100.0	1,603	1,601	100.1
SPECWAR/SPECOPS	2,153	2,144	100.4	1,034	1,022	101.2

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 fiscal year 2010 than fiscal year 2009, a 13 percent increase in fiscal year 2011 goals and high officer retention in the Active component will continue to challenge Reserve officer recruiting.

TABLE 3. ACTIVE AND RESERVE OFFICER ACCESSIONS

	Fiscal Year 2010			FYTD 2011 (as of 30 April 2011)		
	Attained	Goal	Percent	Attained	Goal	Percent
Active General Officer ¹	1,538	1,518	101.3	1,268	1,359	93.3
Reserve General Officer ¹	1,171	1,213	96.5	629	1,414	44.5
Active Medical Officer ²	876	866	101.3	570	843	67.6
Reserve Medical Officer ²	349	387	90.2	203	395	51.4

¹ Does not include accessions from the U.S. Naval Academy or Naval Reserve Officer Training Corps.

² Medical Officer includes Medical Corps, Nurse Corps, Dental Corps, and Medical Service Corps.

Health care professionals remain a recruiting priority through fiscal year 2012, especially within the Reserve component where several specialties are undermanned. To address shortfalls among Reserve health professionals, the fiscal year

2012 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. FISCAL YEAR 2010 ACTIVE NAVY RETENTION

Active Navy Retention	Fiscal Year 2010 Achievement		
	Reenlisted	Benchmark	Fiscal Year 2010 (Percent)
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 servicemembers, 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 fiscal year 2010, we saw declines in misconduct-related discharges by 10 percent and training-related discharges by 12 percent from the previous year. Reserve enlisted attrition rates also continue to trend lower than the historical average of 28 percent. 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 percent compared to fiscal year 2010, and adjusting or maintaining existing bonus levels for those skills eligible for SRB. In fiscal year 2011, only 34 ratings of 84 receive SRB, and the pool of eligible sailors is 6.5 percent of our active enlisted force. This represents a reduction of over 54 percent in the pool of SRB eligible sailors from fiscal year 2009. 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 fiscal year 2012 active budget request includes \$95.9 million for new SRB contracts, a reduction of \$35.7 million from fiscal year 2011.

The SRB budget for Selected Reserve sailors was reduced by 31 percent in fiscal year 2011, and further reduced by another 10 percent in our fiscal year 2012 budget request, reflecting a total decrease of \$875,000. 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 4 years in both the surface warfare (from 19 percent for Year Group 2001 to 33 percent for Year Group 2004) and aviation communities (from 14 percent for Year

Group 1998 to 27 percent 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 fiscal year 2009 to fiscal year 2010, 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 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 fiscal year 2012 budget request includes \$7.4 million 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 fiscal year 2012 budget request includes \$253.7 million 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 fiscal year 2011 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 fiscal year 2012 education and training budget of \$1.5 billion 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 fiscal year 2012 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 com-

²Because Minimum Service Requirement (MSR) is different for Surface Warfare (5 years) and Aviation (7 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.

pleted all 86 enlisted roadmaps, and officer roadmaps for 4 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, 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 fiscal year 2010.

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 fiscal year 2011 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 fiscal year 2010, 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 fiscal year 2012 budget request supports continuing efforts to enhance foreign language capabilities and regional expertise to include \$24.5 million in fiscal year 2012 and \$134.9 million 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 AFGPAK 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 2 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 2 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 5 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 statute authorizing the repeal of section 654 of Title 10, U.S.C., 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 5 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 fiscal year 2012 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.

APPENDIX A

FY10, 11, and 12 Budget Requests

Budget Request		FY10	FY11	FY12	Delta
	Total	\$29,218M	\$27,218M	\$29,000M	\$1,287M
	MPN	\$27,171M	\$25,951M	\$27,154M	\$1,203M
	OMN	\$2,047M	\$1,762M	\$1,846M	\$84M

OCO Funding		FY10	FY11	FY12	Delta
	Non-core ES	\$370.4M	\$421.5M	\$0M	(\$421.5M)

Sailor and Family Support		FY10	FY11	FY12	Delta
	Total	\$162.7M	\$152.6M	\$164.2M	\$11.6M
	Military Manpower and Personnel Management	\$133.3M	\$125.6M	\$135.4M	\$9.8M
	Other Support	\$29.4M	\$27.0M	\$28.8M	\$1.8M

Recruiting and Retention		FY10	FY11	FY12	Delta
	Total	\$620.0M	\$681.5M	\$600.4M	(\$81.1M)
	Recruiting Total	\$326.3M	\$362.6M	\$305.0M	(\$57.6M)
	Accession Incentives	\$119.5M	\$128.1M	\$88.9M	(\$39.2M)
	Recruiter Support/Advertising	\$206.9M	\$234.5M	\$216.1M	(\$18.4M)
	Retention Total	\$293.7M	\$318.9M	\$295.4M	(\$23.5M)
	Enlisted	\$15.5M	\$22.7M	\$29.4M	\$6.7M
	SRB	\$117.6M	\$131.6M	\$95.9M	(\$35.7M)
	Officers	\$160.6M	\$164.6M	\$170.1M	\$5.5M

Learning and Development		FY10	FY11	FY12	Delta
	Total	\$1,461.8M	\$1,371.6M	\$1,462.0M	\$90.4M
	Officer Acquisition	\$145.9M	\$141.1M	\$147.5M	\$6.4M
	Specialized Skills	\$583.2M	\$487.3M	\$562.5M	\$75.2M
	Flight Training	\$7.6M	\$9.4M	\$9.0M	(\$.4M)
	Professional Development Education	\$172.0M	\$162.8M	\$172.3M	\$9.5M
	Training Support	\$106.1M	\$110.8M	\$108.3M	(\$2.5M)
	Off-duty & Vol Ed	\$149.7M	\$145.6M	\$140.3M	(\$5.3M)
	Civilian Ed and Train	\$101.3M	\$109.9M	\$107.6M	(\$2.3M)
	NROTC	\$132.9M	\$143.5M	\$151.1M	\$7.6M
	NJROTC	\$52.7M	\$50.4M	\$52.7M	\$2.3M
	Recruit Training	\$10.4M	\$10.8M	\$10.7M	(\$.1M)

Other		FY10	FY11	FY12	Delta
	Total	\$215.8M	\$3.4M	\$3.3M	(\$0.1M)
	Strategic Sourcing	\$1.4M	\$0.6M	\$0.2M	(\$.4M)
	External Relations	\$0.6M	\$0.7M	\$0.7M	\$0M
	Intl HQ	\$2.3M	\$2.1M	\$2.4M	\$0.3M
	Combat Operations	\$130.7M	\$0.0M	\$0.0M	\$0M
	BSIT	\$80.8M	\$0.0M	\$0.0M	\$0M

Source: PB-12 MPN Justification Book Feb 2011

OMN (MPTE) amount from PBIS, BSO 22 value

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.

END STRENGTH

In fiscal year 2010, the Marine Corps achieved both its accession and retention missions and maintained its 202,100 Active component end strength. For fiscal year 2011, we continue with this success, meeting all recruiting and retention missions, and the quality of our force has never been higher.

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 8 percent of new recruits receive an enlistment bonus, and the Marine Corps budget for enlistment bonuses has decreased from \$75 million in fiscal year 2008 to \$14.7 million in fiscal year 2012.

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 fiscal year 2009 to \$108.6 million in fiscal year 2012.

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.

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 fiscal year 2010. Though our incentives budget has been reduced to \$8.7 million in fiscal year 2011, we project an end strength of 39,589, less than 1 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 3 programs have produced a total of 379 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 fis-

cal year 2015. 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.

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 fiscal year 2010, 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 fiscal year 2011, 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 fiscal year 2012.

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.

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 noncommissioned officer and staff noncommissioned officer leadership needed to meet our demanding mission.

In fiscal year 2010, 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 fiscal year 2011, retention achievement remains on track and exceptionally strong. As of April 12, 2011, we have achieved approximately 96 percent of our FTAP and 112 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.

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.

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 that 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 fiscal year 2012.
- 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 6,000 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 10,000 today. We believe 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 fiscal year 2011 and five more in fiscal year 2012. Nevertheless, as you might expect, the demand for quality child care on-and-off installation continues to grow. 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, online 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 servicemember 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 September 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 readjust 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 calendar year 2009; 37 in calendar year 2010). 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 1,900 marines are trained as mentors.

In fiscal year 2011, 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 4 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.

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 lifelong 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 nontraditional 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 that 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.

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 fiscal year 2012 budgetary submission, demonstrating that our “best value” for the defense dollar applies to our civilians as well as our marines.

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.

APPENDIX A: Selected FY10-12 Budget Request Data

Major Programs	FY10	FY11	FY12
Marine Corps Family Community Support Programs	\$377.6M	\$377.3M	\$353.7M
WWR	\$21.7M	\$22.4M	\$26.6M
Enlistment Bonuses	\$42M	\$12.5M	\$14.7M
Selective Reenlistment Bonuses	\$193M	\$150M	\$108.6M
Recruiting Advertising	\$145.2M	\$137.7M	\$86.4M

Senator WEBB. Thank you, Secretary Garcia.
Admiral Ferguson, welcome.

STATEMENT OF VADM MARK E. FERGUSON III, USN, CHIEF OF NAVAL PERSONNEL, U.S. NAVY

Admiral FERGUSON. Thank you. Chairman Webb, Senator Graham, and distinguished members of the subcommittee, 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, growth in new 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.

Our forward-deployed naval forces give us the flexibility to respond rapidly around the globe. We have witnessed this unique capability over the past few months, where naval forces on scheduled deployments were quickly on hand in the waters off Japan, after the devastating earthquake and tsunami, to deliver humanitarian assistance to the Japanese people. Simultaneously, halfway around the globe, our ships, submarines, and aircraft were on station in the Mediterranean to set the conditions for a multinational no-fly zone over Libya. In the central command region, naval forces remained on call to support our ground troops and Special Operations Forces.

To sustain this force, we continue to adapt our family support programs to meet the needs of our sailors and their families. We monitor the health of the force through surveys and retention data, which indicate sailors are satisfied with their leadership, benefits, and compensation.

Your support has made this possible.

In developing our fiscal year 2012 budget request, we review current operations, our procurement profile, and readiness requirements. This review indicated the 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 that our Active and Reserve end-strength request will meet our 2012 projected requirements.

We continue to attract, recruit, and retain the Nation's best talent. Your Navy's received over 20 national awards, over the past year, recognizing accomplishments in workplace flexibility, management, training, recruiting, and workforce development.

On behalf of the men and women of the U.S. Navy and their families, I extend my sincere appreciation to the committee and Congress for your support. I look forward to your questions.

Thank you.

Senator WEBB. Thank you, Admiral Ferguson.

General Milstead, welcome.

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

General MILSTEAD. Chairman Webb and Ranking Member Graham, it's my privilege to appear before you today.

The Marine Corps is our Nation's expeditionary force in readiness, and we're ready to respond to today's crisis with today's force, today. The individual marine is our Corps' most sacred asset. 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-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 the funding to succeed.

A top priority of our Commandant is to keep faith with our marines, sailors, and their families; and, through program improvements, and with your continued support, we are doing just that. Marines are proud of their 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.

I look forward to answering your questions.

Senator WEBB. Thank you, General.

Secretary Ginsberg, welcome.

STATEMENT OF HON. DANIEL B. GINSBERG, ASSISTANT SECRETARY OF THE AIR FORCE FOR MANPOWER AND RESERVE AFFAIRS

Mr. GINSBERG. Thank you, Chairman Webb and Ranking Member Graham. I appreciate the opportunity to come and testify before you today. Your committee plays a vital role in overseeing the DOD, and we deeply appreciate your support, in the Air Force.

I begin with Secretary of the Air Force Donley's recent words that our most valuable asset is our people. I recently returned from a trip to Afghanistan with Secretary Lamont and can report that your airmen are making an incredible contribution to the joint and coalition warfight. Whether in the realm of air medical evacuation, forward airbase resupply, close air support, or intelligence, surveillance, and reconnaissance, the Nation's airmen are applying every ounce of their skills, talents, and energy to support their partners.

We have a total force that is indeed fully engaged in today's fight. We have deployed more than 42,000 airmen, and engaged significant stateside forces in support of global operations. There are approximately 10,000 deployed Guard and Reserve airmen supporting every combatant commander.

Under Secretary Donley's leadership, we are building on our longstanding commitment to taking care of our airmen and their families by establishing the Air Force Sense of Community, which is an outgrowth of last year's highly successful Year of the Air Force Family Initiative. This plan will strengthen our ties to one another, increase our operational abilities, and ensure our Air Force community is best positioned to meet future commitments and requirements.

In the all-important realm of wounded warrior and survivor care, we have significantly improved the Air Force Survivor Assistance, Recovery Care, and Air Force Wounded Warrior Programs. Our family liaison officers, recovery care coordinators, medical case-workers, Air Force wounded-warrior consultants, and community readiness consultants provide immediate and direct care for our airmen and their families through recovery, rehabilitation, and reintegration into the Air Force or into the civilian community.

Also, at the direction of Secretary Donley, we developed a plan to integrate the three Air Force component personnel management systems into one system. The strategic intent of this effort, which we call "3-in-1 integration," is to establish a single, uniform system

for Air Force personnel management, optimizing existing systems already in place. This effort will greatly improve efficiency, personnel management, and promote uniformity in policies and processes, to the extent practicable.

I look forward to answering your questions, and thank you for your continued support of the Air Force.

[The joint prepared statement of Mr. Ginsberg and General Jones follows:]

JOINT PREPARED STATEMENT BY HON. DANIEL B. GINSBERG AND LT. GEN. DARRELL D. JONES, USAF

INTRODUCTION

Chairman Webb, Senator Graham, and distinguished members of the subcommittee, we thank you for the opportunity to appear before you on behalf of America's airmen. 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 Assistant Secretary for Manpower and Reserve Affairs and Deputy Chief of Staff for Manpower, Personnel and Services, it is our 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, we remain dedicated to ensuring we organize and develop our Total Force so we are prepared to meet the challenges of the 21st century.

MILITARY AND CIVILIAN PERSONNEL BUDGET

Towards this end, our personnel budget submission reflects this focus as we have requested \$30.5 billion in MilPers and \$7.8 billion for CivPers for the regular component in fiscal year 2012. This decrease of \$600 million in CivPers from fiscal year 2011 levels is primarily due to a return to fiscal year 2010 manning levels. For the Air National Guard, we have requested \$2.2 billion for CivPers to pay our Title V and Title 32 (dual status military technicians) civilians and \$3.1 billion for MilPers. This is a \$10 million increase over fiscal year 2011 primarily due to price growth in pay, BAH, incentives, and Retired Pay Accruals, alleviated to a degree by targeted program reductions. For the Air Force Reserve we have requested \$1.7 billion for MilPers and \$1.2 billion for CivPers.

As part of our overall focus on efficiencies, the Air Force will not increase our civilian workforce to planned levels and will follow the Secretary of Defense's intent to maintain civilian full-time equivalents near the fiscal year 2010 levels. This will require some workforce rebalancing and we are conducting a strategic review to determine areas where we most need our valuable civilian personnel in the future. We are conducting this review concurrent with the development of our fiscal year 2013 budget. In order to maintain alignment of our workforce against our most critical missions and take care of our current workforce as we determine our long-term needs, we have recently instituted hiring controls to ensure the size of our workforce is consistent with our available civilian pay dollars. We will monitor the size of our workforce closely over the next months and adjust controls accordingly, but we'll continually focus on maintaining the right skillsets for our missions and taking care of our civil servants.

AIRMEN IN THE JOINT AND COALITION FIGHT

More than 97,000 Total Force airmen are currently forward stationed or deployed worldwide supporting combatant commanders. Another 133,000 provide daily strategic mobility, space and missile capabilities, command and control, and intelligence, surveillance, and reconnaissance to joint warfighters. In all, 43 percent of the Total Force directly supports combatant commander requirements every day.

END STRENGTH

The fiscal year 2011 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 fiscal year 2012 budget, we have requested a Total Force end strength that will actually decrease to 693,099. Active duty end strength

will 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 fiscal year 2012 budget captures efficiency efforts through reducing overhead and support functions which will allow us to shift manpower resources to our warfighter and readiness programs.

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. At the end of fiscal year 2010, the Air Force exceeded its end strength of 331,700 by approximately 2,300 officers while meeting enlisted end strength levels. We expect to exceed our fiscal year 2011 end strength by approximately 900 officers and could reach well above this level by fiscal year 2012 if we do not continue efforts to manage attrition. We have reduced and delayed officer and enlisted accessions to help manage our total end strength. Since its implementation, nearly 13,000 reservists have become trained and available. For fiscal year 2011, 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. Our force management strategy is not a rapid resolution, but a carefully tailored, multi-year effort designed to manage the force along a 30-year Continuum of Service in a manner that makes required efficiencies while still keeping faith with our career force.

ACCESSIONS

For fiscal year 2011, planned enlisted accession reductions are 2,135 but may be adjusted before the end of the year based on losses and retention rates. Planned officer reductions have been adjusted to approximately 300, down from 439. Reductions are realized in all officer competitive categories, with our rated force at 97 percent sustainment; non-rated line at 93 percent sustainment; and non-line at 93 percent sustainment. In fiscal year 2012, we anticipate few reductions in officer accessions. However, enlisted accession reductions are currently set for 2,037 but may be readjusted before the end of the year. In the past year, the Air Force Reserve experienced the most accessions in 16 years and the highest amount of non-prior service recruits in over 20 years.

RECRUITING, RETENTION, BONUSES, AND INCENTIVE PAYS

We are completely committed to retaining high quality airmen in order to successfully carry out today's missions as well as our new and emerging missions. America has 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 fiscal year 2012 budget request includes \$30.5 billion in military personnel funding, including a 1.6 percent pay increase. Although our recruiting quality and retention levels are at the highest in 16 years, we are allocating \$630 million for bonuses to recruit the right skill sets and retain experienced Airmen for today's fight and tomorrow's emerging missions.

Our fiscal year 2012 recruiting activities budget request includes \$65.5 million for recruiting activities and \$70.6 million for advertising efforts, including a strategic marketing campaign which focuses on diversity and science, technology, engineering, and math.

Similarly, the Air National Guard (ANG) is focusing its recruiting efforts on precision recruiting to fill existing vacancies. The Air Force Reserve has programmed \$31.3 million for bonus incentives in fiscal year 2012 and continues to show positive gains in all retention categories. The Air Force Reserve uses its bonus program to meet the demand for critical skills deemed vital to its mission. Its bonus program has been pivotal to recruiting and retaining the right people to meet combatant commander requirements. 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. To improve our chances of success, we have increased the number of recruiters working in the field to attract quality candidates.

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 spe-

cialties, which contribute significantly to the joint fight, include contracting, control and recovery, public affairs, civil engineering, intelligence, logistics readiness, and many of our medical professionals, including mental health and other critical wartime skills.

The overall Air Force budget for initial enlistment bonuses for fiscal year 2012 is \$14.5 million, providing 4 and 6 year bonuses ranging from \$1,000 to \$17,000. This helps us target hard-to-fill, chronically critical, and battlefield airmen occupational specialties, including airborne cryptologic language analyst; combat control; tactical air control party; survival, evasion, resistance, and escape; pararescue; special operations weather; explosive ordnance disposal; and security forces.

The remainder of the Air Force's recruiting bonuses attracts experienced health professionals in critical wartime specialties, such as physicians, dentists, nursing, pharmacy, public health, clinical psychology, and social work in order to more effectively meet validated health care needs. Increased operations tempo and outside competition are also impacting our ability to retain Health Professions Officers. To mitigate this situation, the Air Force Recruiting Service recruits Fully Qualified (FQ) Health Profession (HP) officers and Health Professional Scholarship Program (HPSP) candidates.

While active duty officer retention as a whole remained strong through fiscal year 2010, we still need higher retention in targeted year groups for specific specialties including contracting; control and recovery; public affairs; civil engineering; intelligence; logistics readiness; and certain medical specialties. In order to address officer retention concerns, contracting, control and recovery were approved by OUSD(P&R) in fiscal year 2009 as critical skills and are currently receiving a critical skills retention bonus (CSRB). The projected CSRB costs for fiscal year 2012 are approximately \$9 million (\$2.8 million budgeted for control and recovery and \$6.2 million for contracting). The Air Force also uses Cumulative Continuation Rates (CCR) to track retention by Air Force Specialty Code 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. Skills Retention Bonus (SRB) are also an effective tool for measuring targeted retention by AFSC and by zone.

DEPLOYMENTS

As of 25 April 2011, we have more than 40,000 personnel deployed, approximately 5,000 of whom are fulfilling Joint Expeditionary and Individual Augmentee taskings working with our sister services. In order to meet the growing demands of combatant commanders, Air Force 6 month tours increased from 12 percent of all deployments in calendar year 2004 to 65 percent 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 6 months, which will be normalized for all airmen by October 2012. Approximately 2,700 of our deployment requirements, or 7 percent of all deployments, require members to be away for 365 days. We are committed to ensuring we fulfill deployment commitments while taking the greatest care of our airmen and their families.

As we continue to provide air, space, and cyberspace support to combatant commanders, we are leveraging the capabilities resident within the Active, Guard, Reserve, and civilian forces, to include deployments and mobilization. Reserve airmen support our Nation's needs, providing operational capabilities around the globe.

Today, Air Force reservists are serving in every area of responsibility, and there are approximately 4,300 Air Force reservists activated to support operational missions. Likewise there are 5,554 Air National Guard members deployed. In calendar year 2010, 3,739 National Guard airmen performed domestic missions under Title 32 including U.S. air defense, border security, counterdrug operations, and search and rescue.

Through our Overseas Contingency Operations (OCO), we have budgeted \$1.5 billion in fiscal year 2012 and we invest in it as an equal partner with our sister services and coalition team members to effectively pursue national security objectives around the globe. We have a validation process for all OCO requirements and just recently implemented a prioritization system to ensure our Reserve component man-days meet the greatest need while remaining within our appropriated funds.

As the Department of Defense builds its civilian expeditionary workforce, Air Force civilians continue to be a significant part of the capability we offer to the combatant commander. For example, deployed civilians are currently augmenting our Office of Security Investigations, intelligence, logistics, comptroller, as well as various headquarters support positions worldwide. In addition, civilian employees throughout the Air Force provide vital support on a daily basis such as aircraft re-

pair, purchase of equipment and supplies for troops, continuity at home station for deployed military, and support for Air Force families.

DIVERSITY

In a nation where about 75 percent of our youth are ineligible or unable to serve in an all-volunteer military due to educational or health issues, it is a military necessity to maintain a diverse Air Force to overcome today's increasingly complex challenges. Our Active, Guard, and Reserve units throughout the country this year will participate in symposiums, career fairs, and expositions such as the Joint Women's Symposium and Air Force in the Community.

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 implementing diversity initiatives. Formalizing the Diversity Roadmap into an Air Force Instruction will provide the Total Force its final piece of strategic guidance. The vetted recommendations of the congressional-mandated Military Leadership Diversity Commission will be woven into the instruction. We anticipate completion of the instruction by the end of September 2011.

We furthered the institutionalization of diversity by holding a Diversity Senior Working Group in October 2010. Showcasing senior leader commitment, we had participation from the Chairman of the Joint Chiefs, Secretary and Chief of Staff of the Air Force, in addition to 60 senior leaders from the major commands and the Pentagon. They were challenged to promote diversity within their spheres of influence. The Air National Guard has championed this effort and created a diversity position, reporting directly to the Director, Air National Guard.

As a result of our commitment to advocate equity, diversity, and inclusion at the U.S. 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.

Air Force diversity is interwoven into our rich culture, heritage, and traditions and we will continue to emphasize the necessity to attract and recruit the best-qualified citizens to serve on our team, America's Air Force.

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 Noncommissioned 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. 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.

AIRMAN AND FAMILY RESILIENCE

We are totally committed to strengthening the resilience of our airmen and their families. Our leadership is committed 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. In addition, we established the Deployment Transition Center at Ramstein Air Base, Germany in July 2010. Since the Center's inception, more than 1,420 selected airmen have participated in this 2-day reintegration and decompression program while enroute to their homes from deployment.

We are also 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

active duty 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.

In concert with The First Lady's "Let's Move" family fitness initiative, we launched Air Force "FitFamily," which meets two of four goals of the "Let's Move" initiative. FitFamily 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.

SUICIDE PREVENTION

Since 1997, Air Force has worked resolutely to decrease the number of suicides among airmen, civilian employees, and families. The Air Force suicide prevention program uses a multi-faceted approach to address the needs of a variety of individuals from different backgrounds and in different career fields. Air Force programs involve the entire Air Force community, including leaders, airmen, families, chaplains, and health professionals in preventing suicide. Recent suicide prevention initiatives include the addition of mental health providers in primary care clinics where airmen can obtain care without concern about the perceived stigma associated with mental health care.

The annual Department of Defense/Department of Veterans Affairs Suicide Prevention Conference is another means by which our organizations and communities share research efforts, identify effective tools, discuss risk factors, and describe innovative programs. As our shared knowledge of the causes and risk factors associated with suicide increase, we are better prepared to create and tailor programs that afford our servicemembers, families, and employees the coping skills and help-seeking skills that minimize their susceptibility to suicide.

EXCEPTIONAL FAMILY MEMBER PROGRAM

Over the last 2 years we assessed available community and family support services for our special needs families, uncovering inconsistencies in service delivery. With Secretary Donley's approval, we implemented a new policy building an Exceptional Family Member Program (EFMP) which integrates enrollment and health care assistance, assignment coordination, and family support components into one seamless program.

In fiscal year 2010, the Secretary of Defense provided \$4.7 million in start-up funding, enabling the immediate hiring of 35 Air Force EFMP Coordinators to serve families at locations serving the majority of our 17,000 airmen with special needs family members. The Air Force is committed to funding these positions from fiscal year 2012 forward. All of our active duty remaining locations have a designated staff member at the Airman and Family Readiness Center to provide community/family support assistance to families with special needs.

Additionally, beginning in fiscal year 2012, the Air Force will add 36 active duty social work billets which will manage enrollment and assistance with health care responsibilities in order to improve coordination of care for high-risk families.

SENSE OF BELONGING

The Air Force developed an actionable plan to institutionalize our commitments to Fostering and Maintaining a Strong Air Force Community; Strengthening a Sense of Belonging to the Air Force; and Improving Airman and Family Resiliency. These three objectives will be achieved and maintained through four key strategic focus areas: Housing and Communities, Airman and Family Support, Education and Development, and Health and Wellness. Policy and process priorities have been translated into actions and tasks that will be accomplished over the next few years, perpetuating the Air Force's commitment to strengthening our ties to one another, improving our operational abilities, and ensuring our Air Force Community is best positioned to meet future commitments and requirements.

We are delivering on this commitment by expanding child care through different programs such as the Extended Duty program, Home Community Care, and the new Supplemental Child Care initiative to provide flexibility in meeting child care needs. Through our Extended Duty Program, we are able to provide 14,000 free hours of child care each month, assisting members who work nonstandard duty hour shifts, weekends and evenings. Additionally, Air Force Reserve and Guard members are able to obtain free child care during drill weekends through our Home Community Care Program. Consequently, our Youth Program serves nearly 68,000 youths

in our before and after summer programs, part-day preschools, and youth development camps.

Within our Airman and Family Readiness Centers, Spouse Employment Assistance is one of several areas where we have concentrated our efforts. We continue to work closely with our Service partners on the advancement of the Military Spouse Employment Partnership to increase portable career opportunities for all of our spouses. This year we completed six major Morale, Welfare, and Recreation construction projects valued at \$29 million and three major lodging construction projects valued at more than \$207 million.

These projects and upgrades not only greatly improve our airmen and their families' quality of life but also increase the readiness of our warriors to fulfill ongoing deployment commitments across the world.

SEXUAL ASSAULT PREVENTION AND RESPONSE

Sexual assault is a crime that violates our core values. It undermines the environment of professionalism, respect, and discipline that we need to succeed. It impacts the victim, the unit, the mission, friends, and family. In order to better understand the extent of and circumstances surrounding the crime, we commissioned Gallup to conduct a confidential survey to measure the incidence (past 12 months) and prevalence (lifetime in the Air Force) of sexual assault in the Air Force. We provided a copy of this report to this committee in March 2011.

At the direction of the Secretary of the Air Force, we did a top-to-bottom assessment of our Sexual Assault Prevention and Response (SAPR) program, looking at everything from leadership steps to prevention, response, and accountability. Our assessment included recommendations from Gallup subject matter experts, the Defense Task Force on Sexual Assault in the Military Services, and direction from Congress. We are currently moving forward with improvements to the program.

The Air Force projected \$35.1 million to execute the Air Force Sexual Assault Prevention and Response program for fiscal year 2011. The budget funds 199 fulltime positions and program funding for operational expenses for all first-responder agencies and field level activities. The manpower positions include 175 military and civilians serving as Sexual Assault Response Coordinators and assistants, and 24 dedicated investigative agents specializing in sexual assault investigations.

We are committed to a strong prevention program, victim safety and care, and holding assailants accountable for their actions.

YELLOW RIBBON REINTEGRATION PROGRAM

In addition to other Air Force programs designed to support our Air Force families, the Yellow Ribbon Program is a venue in which wing leadership, community, and State partners can address challenges facing airmen and their families during the deployment cycle. Through their Yellow Ribbon events, the Air Force effectively works partnerships with community organizations to ensure attendees receive information and counseling on a wide variety of issues through programs designed to help them during pre-deployment, deployment, and demobilization. These include programs on marriage counseling; services for children; substance abuse awareness and treatment; mental health awareness and treatment; financial counseling; anger management counseling; domestic violence awareness and prevention; employment assistance; and preparing and updating family plans. All these programs have tangible benefit for our airmen and their families as well as significant intangibles for the Reserve components. As Yellow Ribbon evolves our primary objective is to make a strong program even more robust and effective for those it serves.

WARRIOR AND SURVIVOR CARE

Our Military Health and Non-Medical Care system achievements have significantly changed the face of war. We can now deploy and set up hospitals in 12 hours of arrival almost anywhere in the world. We move wounded warriors from the battlefield to an operating room within minutes leading to a sustained less than 10 percent died-of-wounds rate. This includes moving our sickest patients in less than 24 hours of injury to be near their loved ones within 3 days to hasten their recovery. Since October 2001, we safely evacuated more than 86,000 patients. Our Centers for the Sustainment of Trauma and Readiness provide our medics with state-of-the-art training required for treating combat casualties.

As to non-medical care, the Air Force is fully committed to caring for our brave wounded ill and injured airmen and their families. In fiscal year 2010, we programmed \$13.3 million 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.

Our Wounded Warrior population has increased by 329 members to 1,043 as of March 31, 2011. The current breakdown by component includes: Regular, 762; Reserve, 131; and Air National Guard, 150. Of this total population, 635 or 61 percent suffer from psychological (PTSD) illness and the remaining 408 are recovering from injuries, including Traumatic Brain Injury. In this regard, we place heavy emphasis on the performance of our Recovery Care Coordinators and their ability to reach our airmen in all components regardless of location. In keeping pace with our growing population, the Air Force has hired 32 Recovery Care Coordinators to support 30 locations across the Air Force and we have increased our Air Force Wounded Warrior Care Managers from 12 to 21 positions.

INTEGRATED DISABILITY EVALUATION SYSTEM

The Integrated Disability Evaluation System (IDES) provides support to our servicemembers who have potentially disabling conditions. To date, approximately 40 Air Force installations have implemented disability processing under IDES. Under IDES, there is a 5.3 percent rate of appeal of informal physical evaluation board decisions, compared to a 15.4 percent rate of appeal under the legacy process. For these individuals, IDES has the potential for retaining them in an active status for considerably longer periods of time compared to the legacy disability evaluation system. As a result, the Air Force is especially pleased to be working with the Office of Wounded Warrior Care and Transition Policy in developing the IDES Remodel to incorporate streamlined processes within the medical evaluation phase of IDES.

PHYSICAL DISABILITY BOARD OF REVIEW

As a result of the 2008 NDAA Wounded Warrior legislation, the Department of Defense was directed to establish the DOD Physical Disability Board of Review (PDBR). OSD designated Air Force as the Lead Component to operate and manage this congressionally directed Wounded Warrior program. The Air Force operates the board on behalf of the Secretary of Defense and provides critical reviews for all uniformed services, including Army, Navy, Air Force, Marine Corps, Coast Guard, and their Guard and Reserve components. Since its inception, the board has received 2,296 applications and adjudicated nearly 800 cases with an overall recharacterization rate of 58 percent to a disability retirement.

The Department of Justice remanded a Post Traumatic Stress Disorder Class Action Lawsuit Litigation (Sabo, et al, v. United States) to the board for remediation. Nearly 1,200 individuals who were board eligible chose to join the suit. Since July 2010, the board has made recommendations to the Service Secretaries on more than 200 Sabo cases. Ninety-four percent of these cases have resulted in recharacterization recommendations to retirement.

Since the Physical Disability Board of Review is a DOD board, OSD programmed the funding to the Air Force for the board's standup and operations through fiscal year 2012. However, due to the extended operational requirement of the board and existing DOD policy, the Air Force will now pursue proportional reimbursement from each Service to fund current and future year operating costs.

TOTAL FORCE ENTERPRISE

We are diligently working to develop a requirements-based analytical model which we hope will enable us to more effectively balance the mix of regular and Reserve component forces across the Total Force Enterprise (TFE) and put them to their most effective use. The end state we seek is equilibrium between demand, requirements, inventory, manpower, costs, and employment guidance in the new strategic reality of today's dynamic operational environment. As we continue to utilize the Reserve component as an operational force, our goal is to design a process that will assure we are approaching force structure from a total force frame of reference and achieving the optimal balance of capabilities in a manner that is repeatable and transparent.

CONTINUUM OF SERVICE

Continuum of Service is a personnel management construct supporting the most efficient use of human capital to accommodate varying levels of individual services commensurate with a member's ability to serve either part-time or full-time to effectively meet Air Force requirements. This will allow the Air Force enterprise to more efficiently meet its human capital needs. In a collaborative effort, the Air Force Secretariat, Air Staff, Air Force Reserve, and Air National Guard staffs are developing and implementing Continuum of Service personnel policies, guidance, programs, and initiatives in support of Air Force Strategic guidance and Air Force priorities such

as modernizing organizations and developing and caring for airmen and their families.

INTEGRATION OF AIR FORCE COMPONENT PERSONNEL MANAGEMENT SYSTEMS

In late 2010, the Secretary of the Air Force directed a team of cross-functional leaders from across the Air Staff to develop a work plan to integrate the three Air Force Component Personnel Management Systems into a single system. This effort is charged to review, analyze and integrate not only data systems, but also organizations, laws, regulations and policies, processes, technology, and performance management. Our strategic intent is to establish a single, uniform system for Air Force personnel management optimizing existing systems already in place. This effort is known as the Integration of Air Force Component Personnel Management Systems, commonly referred to as 3-1 Integration, with a targeted initial implementation date of calendar year 2012, with follow-on actions through the Future Years Defense Plan.

The integration of personnel management systems across the Air Force is intended to improve efficiency in Air Force personnel management; promote uniformity in policies, processes, and regulations to the extent practicable across the Active Duty, Air National Guard, and Air Force Reserve; reduce barriers across the components; enhance career opportunities for a Continuum of Service; and provide better service to our airmen.

DON'T ASK, DON'T TELL

We are responsible for many 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, including the continuation of the Air Force's high standards of professional and personal conduct. 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, recruiting, and sexual orientation. The dignity and respect of our airmen will remain a top priority, as always. In the Air Force, all airmen receive the opportunity to reach their highest potential in an environment free from personal, social or institutional barriers.

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.

Senator WEBB. Thank you very much, Secretary Ginsberg.
General Jones, welcome.

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

General JONES. Thank you, sir. Chairman Webb, Ranking Member Graham, thank you for the opportunity to appear before you today and represent the men and women of your U.S. Air Force.

These tremendously talented men and women—officers, enlisted, and Air Force civilians of the total force—are the backbone of our Service in an era of evolving requirements, constrained budgets, our Air Force faces increasing set of challenges. As the Deputy Chief of Staff for Manpower, Personnel, and Services, I'll do everything I can to help deliver fully qualified and ready airmen to the joint warfighter, while meeting the essential needs of these airmen and their families.

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

strength in fiscal year 2011, and could experience additional growth in 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 Secretary of Defense to seek additional legislative authorities to provide us the tools to better manage our end strength.

America deserves the very best Air Force in the world, and that is what you have. We must 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 our critical warfighting skills. Without these funds, we will handicap our commanders and their ability to carry out the full range of missions America demands of its Air Force.

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

To that end, we would like to thank you for championing the post-9/11 GI Bill and the opportunities it has provided to many of our airmen and their families, including my youngest, who's in his first year at Texas A&M University in computer science.

On behalf of the Chief of Staff of the Air Force, we appreciate your unfailing support of our airmen, and we look forward to answering your questions today.

Senator WEBB. Thank you very much, General.

As I mentioned at the beginning of the hearing, your full statements will be entered into the record immediately after your oral statements. They have been, and they will be again, thoroughly examined by staff. There may be a number of follow-on questions, staff-to-staff, after this hearing. All of the information that you provided is valuable to us as we looking forward to marking up the defense bill this year.

I have a number of questions. I think what I'm going to do, because of the nature of the subcommittee, is, I will ask one and then ask Senator Graham to go ahead and ask one. Welcome, Senator Blumenthal. We can just rotate, rather than any one of us taking up a block of time the way that it's normally done on full committee.

I'd like to start with this. Last week, I raised the issue, with Under Secretary Stanley, and also with the Defense Comptroller,

about the nature of the contracting force, the civilian contractors. Many years ago, I was Assistant Secretary of Defense for Reserve Affairs. At that time, we were flushing out the structure of what we then called the "total force," which was the Active, Guard, and Reserve, and—shall we say, the formal civilian component of DOD. Since the post-September 11 buildups, we have had an enormous growth in civilian contractors, many of whom perform what, in the past, were military functions. We're having a hard time getting an actual number from DOD as to how many civilian contractors really are on board at any one given time. So, I would like to ask each of you, however you want to do this, by service component, how you take into account civilian contractors when you build your manpower models.

Secretary Lamont.

Mr. LAMONT. It's all part of our total force mix. Each Army military organization is required to maintain an inventory of all their functions to assess whether those functions are inherently governmental, closely associated, or not at all. From that, we determine, then, which positions can be converted to internal full-time employees. As we look at our total force policy, though, we look at all mix of all components, be it the Active Duty, be it the Guard and Reserve, be they civilians in our contractor mix—trying to create the most balanced and integrated total force that we have.

On the Army side, you will find in excess of 200,000 contractors at any given time. Like you, we have some issues determining precisely how many contractors we have at any given time. Given our drawdown that's looming—

Senator WEBB. Let me ask you one question—

Mr. LAMONT. Yes, sir.

Senator WEBB.—on that, because this is one of the issues that came up last week. When you say "200,000," does that include contractors that are brought on board through block operations and maintenance funding that goes out to the various combatant commanders?

Mr. LAMONT. Yes, it does.

Senator WEBB. It does? Okay.

Secretary Garcia?

Mr. GARCIA. A year and a half into my tenure, I shared the frustration with the challenge of putting a headcount on the contractor force. As we've wrestled with it, what we learn is that oftentimes a contract is let, and it's up to that contractor, as an entity, to determine how many folks they'll employ in that effort, ranging from folks operating in theater, obviously full-time, to part-time work, mowing the grass on bases.

It came to a head during the end game of this year's budget process, when the remaining variable, at the end of the process, was that contractor figure. What we found was that it was a less-than-strategic effort to meet our numbers; instead, was applied, salami-slice style, for lack of a better term, across the BSOs.

We started a 2-month initiative, a total force effort to drill down to ensure that each of the BSOs has a strategic voice in ensuring what their contractor force should be, and that it does not become an afterthought. In the meantime, we continue to drill down and put a headcount on the number of contractors out there, acknowl-

edging that it's a challenge, in that how a given entity deploys their personnel is up to them.

Senator WEBB. So, do you know how many contractors are in the Department of the Navy?

Mr. GARCIA. Candidly, we do not, Mr. Chairman.

Senator WEBB. It's kind of difficult to place—

Senator GRAHAM. Within 50,000, can you tell us?

Senator WEBB. It's kind of difficult to place cost-effectiveness on the use of a contractor if you don't know how many you're using.

Mr. GARCIA. We concur. What we do know is what we're paying in—for contractors and for those services. What we're trying to do with this 2-month initiative is, across the BSOs, make an assessment of whether we're using them wisely across each one.

Senator WEBB. So, you're working toward finding a number.

Mr. GARCIA. That's right.

Senator WEBB. Okay.

Secretary Ginsberg?

Mr. GINSBERG. Senator, we of course recognize that, in addition to all Active, Guard, Reserve, and civilian manpower, we have a great amount of work that's being undertaken by contractors. One of the major muscle movements that we've been engaged in over the past couple years is a great deal of insourcing, where we took a look at some of the work that was being done by our contractors, and we saw that it actually would save money and did get the work done as effectively by bringing it back in house. We've been undertaking that process.

In terms of tracking the amounts, we have a general idea. It's around 215,000 over the next few years. But, in terms of the specific granularity, that's a challenge that we're going to work on with our fellow Services, as well as the Office of the Secretary of Defense (OSD), in trying to get that granularity that we need.

But, we definitely recognize, of course, that there's great deal of work that has contributed to the Service, and that—fluctuations in that realm have an impact, and that we need to address.

Senator WEBB. For the record, we'd like to see your best estimates on those numbers, as we move toward the Defense bill this year, which means fairly soon.

[The information referred to follows:]

Mr. LAMONT. Army has 237,000 contractor full-time equivalents.

Mr. GARCIA. The Department of the Navy (DON) (Navy and Marine Corps) contracts for services and/or deliverables. The majority of these contracts are based on outcome and/or performance. As such, current contractual practices do not require the reporting of contractor headcount or workforce full-time equivalent (FTE) work-years. As required in 10 U.S.C. 2330a, the DON developed a methodology for estimating FTEs (due to performance based contracting) that reported 249,821 FTEs of contracted workload in fiscal year 2009. As directed in the National Defense Authorization Act for Fiscal Year 2011, the DON is currently working with the Department of Defense (DOD) to adopt the Army methodology for estimating contractor FTE work years.

Mr. GINSBERG. The Air Force contracts with private companies for the performance of commercial activities—we do not “maintain” any contractors. The size of this workforce is dependent on the definition used, but we have quantified three basic full-time equivalent definitions as found below:

Definition	Fiscal Year			
	2009	2010	2011	2012
All Service Contract		230,000	215,000	219,000
Title 10, Section 235		132,000	127,000	129,000
Title 10, Section 2330a	190,000	Under Development		

Definition Notes:

1. Title 10 Section 235, Procurement of contract services: specification of amounts requested in budget excludes services related to research and development and services related to military construction via statute.
2. Title 10, section 2330a, Procurement of services: tracking of purchases excluded portions of R&D Contracts (1, 2, and 3), leasing of equipment/facilities, and construction (OSD Direction in consultation with Congress)

These amounts were quantified using a derived average cost calculation methodology to document the number of contractor full-time equivalents similar to that the DOD used in the fiscal year 2009 Service Contract Inventory per USD(AT&L), Compliance Instruction for Inventories of Contracts for Services, dated 10 May 2010. Unfortunately, this is our only alternative since we do not have a data collection system in place that captures this contractor full-time equivalent information.

Senator WEBB. Senator Graham.

Senator GRAHAM. Thank you, Mr. Chairman. That was an excellent question.

I know it may be difficult to count, but as we try to figure out what force we can afford and pay for, and where's the best investment of taxpayer dollars, I think is very important that we understand, generally speaking, how many contractors we have.

That gets us back to numbers of people available for the fight. Secretary Lamont and General Bostick, I understand there are 20,000 Army personnel awaiting disability evaluation boards, or in that system. We're supposed to draw the Army down by 22,000 over the next couple of years. What are we doing to get the people through the system? That's 42,000 people, over the next couple years, that will be lost to the fight. How does that impact the Army? Nondeployable really means you can't go to the fight. Doesn't mean you can't contribute, but it does take away.

General BOSTICK. Yes, Senator. The nondeployable situation is just one factor in our overall challenges in manning the force. Congress helped us with the 22,000 temporary end strength increase, and that allowed us to account for not only the nondeployables, but the wounded warriors, and the fact that we had to stop using stop-loss. So, all of that 22,000 is being utilized today.

Additionally, we were supposed to stand up three additional brigade combat teams, and we did not do that. We did not apply structure to it. So, that gave us another 10,000 or so to work with.

Having said that, it's bigger than the nondeployable issue, which we're working. It's also the fact that we're going to come down the 22,000, then come down 27,000. We're going to do that in an environment where we're still fighting a war. But, the physical disability evaluation system (DES), in the process, despite all of our efforts and despite all of the leadership that has gone into it—it is not functioning at a pace that is keeping up with the number of soldiers that go in there. So, it grows every month, as opposed to—the input is much higher than the output.

So, we are working very closely with OSD to figure out how we can streamline it. We've worked closely with the VA on the integrated DES. So, instead of doing two physicals, we now do one physical. But, it takes more time on the Army time.

But, the bottom line is, I think we have an antiquated medical, physical DES that needs to be revamped for the war that we're in, and to really meet the needs of Active, Guard, and Reserve soldiers and other military needs.

Mr. LAMONT. If I might just add the DES is complex, disjointed, hard to understand, and takes way too long. That's the good news.

On top of that, it is, as you say, highly inefficient and truly does impact our readiness. We have to get a grip on this, and we are making every effort to do that, as we move hopefully to get to a single—

Senator GRAHAM. I understand it's frustrating. It's a balance here. You just can't throw people out. Most people want to stay. Being told you're disabled and unable to serve is a dramatic event. Some people obviously can't, and they need to be separated with dignity and quickly, and given the best treatment possible. You need a process that will convince people, who are challenging their decision, that they're not able to stay in—fair renderings of evaluations. Just let us know what we can do to help. This is a major problem for the country.

Mr. LAMONT. It's not all medical-related. We will find legal, being a fellow JAG—our legal issues, particularly on the due-process side, have expanded over the past 10 years. There are various other slices that contribute to the problem. But, medical is our largest.

Thank you.

Senator WEBB. Let me, if I may, add something on this—but the disability evaluation process—is much more complex than any civilian model that people may try to use. I say this as someone who worked for 4 years as committee counsel on the House Veterans Affairs Committee, years ago, and represented many veterans—pro bono, by the way—on their disability claims. It's not simply people who are trying to stay in, and want to stay in; there are a lot of people who want to get on with their lives and, at the same time, have suffered some sort of permanent disability, with respect to having served their country.

Disability law evolved out of the old private bills in Congress, where people who would have in other wars, would have had no recourse except for to get a Member of Congress to come in and say, "My constituent lost a leg and we'd like the government to sort of help him out." So, part of it is whether an individual is able to stay on Active Duty. Another part of it is simply compensating people—citizen soldiers, who have served—for any injuries and disabilities that they incurred when they stepped forward to serve their country.

I'm a little worried here. This is the reason that I'm raising this. I'm a little worried with this joint single-disability evaluation, because, in history, there are always two separate evaluations. There was the evaluation as to whether or not someone was fit to remain on Active Duty, and then, the second one, with the Veterans Administration (VA), was a lifetime evaluation. You could leave the military with a 10-percent incurred disability during your military service, but that disability could get worse as you get older; and when you're 55, 60, 65 years old, the VA, appropriately, could rate you as, say, 60-percent disabled.

What we're seeing right now, first of all, is a logjam, which is what Senator Graham is talking about. A lot of people who want to get out, who are ready to move on, who've done their time, can't get out. They're stuck on Active Duty until this process unwinds. Then, the second one is, there are people who are going to leave the military with a fairly small incurred disability that, over their lifetime, is going to grow. It's appropriate for us to take that into account, as well.

Do you want to add anything, Senator?

Senator GRAHAM. I agree.

Senator WEBB. Yes. All right.

Senator Blumenthal.

Senator BLUMENTHAL. Thank you, Senator Webb.

Thank every one of you, for your service to the Nation, and to the people who serve with you, and particularly your work on recruiting and training the best-qualified people who are entering the military, and people given such talent and skills, as we've just seen over the last couple of weeks. The briefings that we've received have emphasized that the triumph was an all-service triumph, truly. Although the Navy Seals are the ones in the spotlight, the training and the qualifications that you are instilling, I think, are seen not only at the tip of the spear, but throughout the armed services. This leads me to the question, focusing on the end, when these folks leave the military; among them, the most talented and dedicated in their age group, receiving tremendous training, and those skills may not be directly applicable to civilian needs, but they then become among the highest unemployed in the whole country. Depending on which numbers you pick, or which ages and so forth, their rates are multiples of the civilian populace, which seems to me not only unjust and unfair, but unproductive.

I have a general question, which I'd like to pose to you. I know time may not permit, and you may not have been fully prepared for this question. So, I would welcome anything you have, to follow in writing later. But, I think this is profoundly important for the whole Nation.

Why is it that the unemployment rates are so high among that 20- to 30-year age group? What can we do about it? I've looked at the testimony, and there's not a lot in here, but I would welcome any comments that you have.

Secretary Garcia?

Mr. GARCIA. Thank you, Senator. Thanks for raising the issue, and I speak for the Navy and the Marine Corps when I say that, candidly, our Transition Assistance Program (TAP) has not been sufficient. A 3- to 4-day evolution, required on the Marine side; but, the reality is, it's not been sophisticated enough, it's not been tailored for the individual. At a time when your Marine Corps is 60 percent under 25 years old, 40 percent lance corporal or junior, when that junior marine gets out—it's highly likely that he or she enlisted right out of high school, has never put a resume together, and he's in the same room, going through the same seminar as O-5, O-6, who has a different set of needs as he or she makes their transition.

What my colleagues and I are in the process of rolling out, a focused effort, a joint effort with the VA, with the Department of

Labor. It's a TAP 2.0, if you will, a new TAP that'll roll out, Veterans Day, this November—that instead of being a 3- to 4-day generic slice of what one could expect, it'll be focused and tailored for the individual, not just a 1-week evolution, but one that a member can reach back to in the weeks and months to come, that will address what we know to be a major chokepoint in hiring, that is, translating the skills that a member learned in the Navy or the Marine Corps into terms that are applicable for industry, that will have avenues for spouse engagement, as well. In many cases, we know that these days, they're the principal breadwinner. It will be an ongoing engagement. It'll also, at the same time, address veterans' benefits, access to the Reserves, and be an all-around, 360 revisitation or reformation of the TAP experience.

Senator BLUMENTHAL. I was actually going to ask whether a sort of re-TAP, or second-round TAP, once somebody gets home, or where that person is going to call home, might make some sense. But, it sounds like you're pursuing that approach.

Mr. GARCIA. I think it's going to be productive, Senator.

Senator BLUMENTHAL. Thank you very much.

Senator WEBB. Senator Ayotte.

Senator AYOTTE. Thank you, Mr. Chairman.

I want to thank all the witnesses who are here, for your testimony and for your leadership, for your service to our country, and to all of those that serve underneath you.

Lieutenant General Bostick and the other panel members, I'm pleased to see, in your written statements, your repeated recognition of the critical contributions that our guardsmen and women have been playing, in terms of our national security. As we all know now, they are an operational force. We've needed their assistance to conduct the wars in Afghanistan and Iraq, and it's been critical.

I want to follow up on actually a question that Senator Blumenthal asked you about. In the Guard and Reserve, the issue of unemployment—when you get back from a deployment, go back into your community, you're in a setting where you are not necessarily on a base, where you might get put right back in a civilian setting, where others might not understand or appreciate the experience you've gone through, and then also with the unique challenges of dealing with employment in a context where you're a civilian worker, and then you're called away and come back.

We have a program in New Hampshire called the Deployment Cycle Support Program, that's been a great public-private partnership that I've talked to many of your colleagues before our Armed Services Committee about. In the fiscal year 2011 Defense appropriation, there was \$16 million allotted for outreach and reintegration services under the Yellow Ribbon Reintegration Program. I spoke with Secretary McCarthy last week about this program.

Last week, Secretary McCarthy assured me that critical funds to continue, in our State, this Deployment Cycle Support Program, which has been very successful, in terms of measurable metrics, on reducing unemployment, on making sure that our guardsmen and women get the appropriate support on the mental health end and other services they need when they return, to cover the whole deployment cycle, are there. There were many of us that joined on a

letter. There were eight States that have these types of programs. Secretary McCarthy assured me that these funds that were allocated in fiscal year 2011 were making their way through the system to the National Guard Bureau and then to the eight States, including New Hampshire.

A week has passed, and many of the States—I can speak for my own, New Hampshire—are approaching the deadlines for putting this funding in place. If we delay any longer, we're going to risk a gap in service that will directly hurt our troops and our families.

So, I would like to ask either Assistant Secretary Lamont or Lieutenant General Bostick, or whoever is the most appropriate individual to answer this question, Can you tell me the status of where these funds are and when these funds will be provided to the National Guard Bureau and distributed the eight States who have these model programs?

We need a national way to address this. I'm proud that my State has a model that I think is a good one for everyone to examine, it's an efficient use of funds. It also brings the private sector in, which I think is very important. So I would urge you all to look at that on a national basis.

But, right now, I'm concerned about New Hampshire, and wondered where we were at in getting those funds to continue that program.

Mr. LAMONT. I'll take the first stab at it.

Senator AYOTTE. Thank you.

Mr. LAMONT. Which—it's a very serious question, and we appreciate the question. But, quite candidly, I cannot tell you the status of those funds right now. We will try to get you an appropriate answer as soon as we can.

[The information referred to follows:]

On May 13, 2011, the State of New Hampshire received \$2 million from the \$16 million outreach funding that was appropriated by Congress in the fiscal year 2011 budget.

Mr. LAMONT. As a 26-year guardsman, I can tell you I share your concern, here. As we do any kind of transition with Reserve component forces, it's always considerably different because of their location, the geographic differences from an installation which has quite a bit more service and support available to the returning veterans on the active side—we're very concerned about our transition efforts for our Reserve component.

We have a Yellow Ribbon Integration Program. We do try very hard to have employer-support relationships. We do have a regional service, medical centers.

The employment situation really is a great concern. This goes, also, to Senator Blumenthal's question. That cohort is not an easy one to help right now. We're making every effort, as I say, to bring in these employer relationships, set them up into our Yellow Ribbon Programs, to have them on the ground, there, to meet with them.

Also, I think the Reserves has a new program—it's called a "Helmets to Hardhats Program"—in which we have any number of skills—for instance, if you're a military police soldier, do you need to go back and requalify in your State to be a law enforcement officer? Do you need to take that over-the-road test for a commercial

driver's license if you are fully qualified in the transportation end? We are trying to find any number of those partnership linkages where it will assist them in going forward, back in their home States.

Senator AYOTTE. I very much appreciate what you're saying. We would love to have you up to our State to take a look at it and—because we've bridged those partnerships, and we're keeping metrics on issues like deployment retention, homelessness, unemployment, mental health. We've had instances where we've actually saved someone from committing suicide. So, I think that things always start, hopefully, as a pilot. You get measurable metrics and go forward. So, please come to visit New Hampshire.

I would also say, I'm hoping, in the short term—I would very much like an answer on where we are on the status of the funds. So, if you could follow up, or if—unless someone else on the panel has the answer—with the status of that, it's something that's an immediate need. We know it's there, and Secretary McCarthy is committed to getting those funds where they're needed. So, I would appreciate that.

Mr. LAMONT. Thank you.

General BOSTICK. Senator, we'll follow up. We don't have the answer to that today.

[The information referred to follows:]

On May 13, 2011, the State of New Hampshire received \$2 million from the \$16 million outreach funding that was appropriated by Congress in the fiscal year 2011 budget.

General BOSTICK. But, I did want to say that in our own Army Career and Alumni Program, our Vice Chief, General Chiarelli, asked us to relook at that program. That report's coming in this May. So, we've worked that with West Point and with the Guard, Reserve, the VA, and Secretary Ray Jefferson, over at Labor. That's going to be helpful to us.

What I would also say is that the 20- to 30-year-old age group is that same group that is having tough time with unemployment across the country. Our military reflects society, and where we differ is, they're part of the 1 percent that have worn the uniform. While the government and the military can help work a lot of these issues, after 4 years in recruiting, what I learned is that a lot of America wants to help, but they don't know how. Part of what I would offer is that our soldiers coming out may not be certified in the areas that they need. A truckdriver may not have the certifications, but can drive a truck anywhere. A medic may not have the exact certifications that they need, but can work anywhere.

An educator on our platforms, or an instructor at West Point, coming out, may not have the certifications to go into an elementary school or high school. But, what can the country do to accept those military without those certifications, get them into jobs, and then allow them to work on the certifications as they go along?

We're doing the same in reverse, because we are desperately short of alcohol and substance abuse counselors. The one thing that those counselors really need to be independent counselors is they need 2 years of study and tutelage under a supervisor. No one on the outside really has the time to deal with folks that need 2 years of study. So, we are bringing them on. We're making them commit

to moving with us when we tell them that they have to move to a part of the country that is not a big city, and that they have to stay with us for a certain amount of time. But, we'd ask the country, What can you do to take our soldiers on?

Senator BLUMENTHAL. Mr. Chairman, if I could just add a quick footnote to that—

Senator WEBB. Sure.

Senator BLUMENTHAL.—really excellent question. When you compile those numbers for New Hampshire, could you please get them for the other States, as well? I recommend visiting New Hampshire or New England, including Connecticut. This time of year, it's a beautiful time to be there.

Senator WEBB. Thank you, Senator Ayotte.

I don't think there are many issues in the military personnel that are more emotional or controversial than the issue of diversity.

Secretary Garcia, during your confirmation hearing 2 years ago, there was a debate going on at the Naval Academy about standards. I asked you about it during the confirmation hearing. There were allegations that there was basically a two-track admissions system—one for athletes and minorities and the other for other folks. You indicated you were going to get your arms around that.

Let me just say, I am aware, at least from the 1970s, that there have been DOD policies with respect to diversity. When I was Secretary of the Navy—every promotion board, there was a precept that went into the promotion board saying, "You will examine issues relating to diversity." At the same time, we just had a diversity commission come out recommending more—different kinds of policies. I know, in the Air Force statement, there was some observation in there that there's actually an officer in charge of diversity at the Air Force Academy, or something to that effect.

I'm just wondering what's going on. Secretary Garcia, why don't you start with the question that we had during your confirmation hearing?

Mr. GARCIA. Sure. Thanks for the opportunity, Mr. Chairman.

There's been a lot of coverage, a lot of ink spilled, on what's been depicted as a most diverse Academy class in its history, and the most diverse ROTC class in its history. I think the real significance is that, what is the largest is the most number of applications from minority Americans across the country, in Academy history, over the last 4 to 5 years. The same with ROTC. If the argument goes that if you cast a wider net, you'll get a better candidate, that, in the mission that the Nation now requires of our Navy and Marine Corps, that we can't afford to overlook talent anywhere, I think it follows that recruiting and looking for candidates in regions where we haven't had applicants before, drawing from congressional districts where we haven't had applicants before—the number of congressional districts who send less than three qualified applicants, within the recruiting year, has been cut in half over the last 4 years. We've gone to places we just haven't gone before. If that's the premise, I think you can draw a linkage between casting that wider net and the superior candidate we're getting now.

Tightly correlated with a spike in minority applications is a greater presence of minority midshipmen on the meritorious aca-

demic honor roles and a disconnection, less of an appearance on attrition roles—greater graduation among Hispanic midshipmen. In less than a decade, it's gone from 68 to 81 percent.

I continue to wrestle with this, specifically in the Naval Academy Prep School application. But, my guiding light, my northern star, remains in—I guess the academy position is that if we continue to recruit in places we haven't been before, cast a wider net, we'll continue to get the best of the best.

Senator WEBB. What are your findings with respect to the allegations about different standards?

Mr. GARCIA. The Academy employs a whole-person structure. It is documented that there are midshipmen who are accepted, who do not have traditionally as high a board scores, Scholastic Aptitude Test (SAT) scores as others. But, because of the whole-person structure, that takes into account other things—less quantifiable, perhaps; life experiences—they are admitted. I continue to wrestle with that and the results at the other end; that is, the graduation end, performance end, retention end, performance in the fleet—to ensure that we're getting the best we can get.

Senator WEBB. Let me make one other suggestion. If you're following that formula, there are a lot of differences among white cultures in this country. That's something that's not frequently talked about. I wrote a piece in the Wall Street Journal about this last July. When I was in law school, the University of Chicago did a study of white ethnic groups, and they broke them down into 17 different ethnic strata, and the difference between the top and the bottom, in white America, was greater than the difference between white America and black America at that time, in the 1970s.

So, if you're looking for places where people perhaps haven't been applying, you may want to examine areas like the Appalachian Mountains and areas like that.

Mr. GARCIA. Point taken, Mr. Chairman, and know that when I alluded to "regions" we disproportionately haven't heard from, that also includes Montana, the upper Midwest. I saw your Journal piece, and I take your point.

Senator WEBB. All right. Secretary Ginsberg?

Mr. GINSBERG. Senator, I appreciate the opportunity to talk about our diversity initiative in the Air Force. For us, we consider diversity a military necessity. It's not diversity in the way that you would think about in, sort of, legally-defined equal opportunity programs—race, ethnicity, gender. It's part of that. It's really, like you were talking about, as Secretary Garcia was mentioning—making sure we're not cutting ourselves off from any person who is capable of contributing to the Air Force, whether it could be somebody from inner-city or somebody from a region where we don't have as many recruits coming in as the past.

So, we see this as sort of a broad-reaching initiative to make sure we get the very best people, especially in a time when so many young people are not eligible to join the military. So, when we've looked at this, and when you can almost mathematically show this, that when you get people with different perspectives coming together and they look at a problem, and they look at it, time and time and time again, from those different angles, you get better outcomes.

Also, there are certain career areas where we have to retain people. If somebody who can contribute looks in and doesn't see somebody like them, in whatever way, then they're not going to want to join the Air Force.

This is something that the Chairman, Admiral Mullen, has talked about, as well as the Secretary of Defense. There are some dangers when the country starts looking significantly different—and again—not just in race, ethnicity, and gender, but a whole broad set of characteristics.

So, that's really what we have a diversity policy directive for, and the Academy has gone out and engaged a really super diversity officer. That's really what we're driving for. It's something distinct from equal opportunity, and it's certainly something distinct from affirmative action, if you will.

Senator WEBB. General Bostick.

General BOSTICK. Mr. Chairman, I'd say diversity is extremely important in the U.S. Army, as it is with the other Services. We compete for the talent that is out there. It's a broader definition, I would agree with the Air Force, of diversity.

In the Army, we are experiencing some challenges as—minorities in our combat arms, if you're just looking at the minority part of it.

But, we did meet with General Lyles, Air Force (Retired), and Lieutenant General Becton, Army (Retired), after they did the Military Leadership Diversity Commission. We understand we have work to do. We're looking at that commission's report. We also published our own diversity roadmap that the Secretary and the Chief of Staff signed on, and it's guiding the way ahead for Army.

What we have also found in our enlisted force, that is now helping in our officer force—and it just gets back to what Secretary Garcia said, that it's really a whole-person concept. This notion of quality being a test score or some other metric has not proven successful in many universities across the country and, in some cases, at our Academy and in our enlisted force. Our Army Research Institute has developed a number of unique tools for us to look at our enlisted soldiers, and now our officers, to try to predict their behavior and whether they will stay with the Army for the long haul, and whether they'll get promoted and serve as a leader. It's a personality assessment, an adaptive personality assessment tool that we have started; I think the Navy and the other Services are using. What we've found out is that there are some that don't test as high as those on the top rung, but perform extraordinarily well, even better, and then they stay with the military. That's important for ROTC. It's important for the academies, and we're looking at that as well.

Senator WEBB. Thank you. This is not a question that is openly discussed often enough, in my view. I want to be really clear here. I grew up in the U.S. military, the first institution in this country to be racially integrated, in 1948. I believe very strongly that there is strength in different cultures working together.

At the same time, the warning that I would have is, please be very careful when you lump so-called white America into one monolith in order to create your statistics. There are so many different

cultures in white America that you run the risk of undoing the very thing you want to construct, if you're not careful.

Senator Blumenthal

Senator BLUMENTHAL. Thank you. Thank you, Senator Webb.

I want to go a little further in the line of questioning I was pursuing regarding the TAP, and focus on another area which may not directly link to unemployment. But, I've asked a number of panels about traumatic brain injury (TBI), post-traumatic stress disorder (PTSD), which obviously is tied to unemployment, and wondered if any of you would share your thoughts or observation about how the outreach to young men and women, who may not even recognize that they should be seeking some kind of treatment, can be done, either through the TAP program or through something like it.

Mr. GARCIA. Let me start out with that, if I could, Senator.

Senator Ayotte referred to the use of the Guard and Reserve. While we don't have a Guard or Reserve that played heavily in a decade's worth of combat, on the Navy side, alone, we've deployed some 60,000 individual augmentees (IA) for year-long deployments. What we found, early on in the war, was that the reluctance—a fear of a stigma to identify—for an individual to stand up and to recognize—verbalize that they were wrestling with demons and may need some help.

What we've done since is initiate what we call a Post-Deployment Health Assessment (PDHA) that no longer requires raising a hand. Everyone gets it, removing that stigma.

An IA, coming back, takes a PDHA within 30 days, and then takes another one within 90 days, a followup. We think, in that sense, we've removed the challenge of raising your hand in a group of your buddies, taking the stigma out. We think it's reaped a benefit.

Senator BLUMENTHAL. I thank you for that answer. Commandant Amos and Sergeant Major Kent have spoken very persuasively and eloquently on this issue. I'm thinking not only of Active Duty members, but—and not only those as they transition out, but a year or so later.

I spoke, just coincidentally, this morning to a young marine who has been out for probably more than a year and called me because he'd had an unfortunate brush with the law. Nothing serious, but just sort of explosive behavior when stopped for speeding. He got himself into more difficulty. Then, with his Service experience in Iraq some things clicked in my mind. This young man really should be seeing someone before he gets himself deeper into trouble.

If there was some way to reach out to people who have been through these experiences and may not have been diagnosed, because so many of the cases are undiagnosed. That is just a suggestion or an observation.

General MILSTEAD. Senator, let me jump in here since you're using a marine as an example. We're very much involved in the PDHA, but your point is a good one. For those marines that have already separated from the Service and have gone on—and we've spoken about this—we've put our behavioral health—under the behavioral health umbrella, we put our combat operational stress, our family advocacy, our suicide prevention, our sexual assault prevention, substance abuse. They're all connected in many, many

ways. But for a young marine—and this kind of goes back to the TAP, and I won't spend a great deal of time on what we're trying to do with the TAP—but, we have a de-stress line, we have the means that a young marine can call someone, we have our Marine for Life Program, that is distributed in the towns across America. That's one of the things in our transition assistance, is making sure that we turn this transition assistance from an event—from a 3- or 4-day event—into, as we've discussed, a process, something that will take care of a marine. We like to say, "You're a marine for life," and to take care of marines for life, so that they can come back to us and they can reach back, if they begin to dance with the demons, something that they didn't have, that it has been postponed, and that they can come back and we can take care of them. I think that's important. We need to do a better job—and we're working at that—of making sure that those marines, before they go ashore and before they depart the Service, understand all those sorts of ways that they can come back. There are thousands of people out there, thousands of organizations, that want to help and we just have to connect them. They're all points of light, and we're working very hard on that.

Senator BLUMENTHAL. I think that's an excellent answer, and I thank you, General Milstead. I didn't mean to single out the marine. It just happened to be the one who called me this morning, and so it occurred to me. But, I thank you for that answer.

General JONES. Senator, I think, from the Air Force perspective, identification, obviously, of PTSD and TBI are very important. As we start bringing our airmen back from the fight, especially those outside the wire, we've started utilizing the Deployment Transition Center at U.S. Air Forces in Europe where it allows our airmen to decompress, to talk about their experiences with professionals, of what they saw, what they experienced, and start identifying some of those traumatic events early on.

Then a recent change we've also done, that I'm sure many of the Services also utilize, is, anyone being discharged, who has deployed within the last 2 years, who had any incident of PTSD or TBI, who is being discharged for anything less than an honorable discharge, is required to be evaluated by highly, highly skilled mental health professionals and psychiatrists. By doing that, we've realized that a lot of the misconduct that—maybe in the past, have gotten someone discharged for personality disorder or adjustment disorder, is really related back to the TBI. 61 percent of all of our airmen who we follow in the Wounded Warrior Program experience some portion, or some manifestation, of TBI or PTSD syndrome. Some, that's all that they experience, and that's why they're in the Wounded Warrior Program. Others obviously have other issues, along with that.

So, I think the identification, through the Deployment Transition Center, as they roll back. I know, the marines recently evaluated our program at Ramstein, and have wanted to use that for a lot of their marines that were outside the wire, dealing with conflict every day. It's a great program. I'd encourage you to come over and see it if you ever have an opportunity to pass through Ramstein.

Senator BLUMENTHAL. Thank you. I hope to do that. Thank you.

Senator WEBB. Thank you, Senator.

Air Force enlisted separations from fiscal year 2001 to fiscal year 2011 (year-to-date):

Air Force Enlisted Separations from FY 2001 - FY 2011 (YTD)
 *OC: HQ AFPC (01Y01, DSN 655-4275)
 NOTE 1: (01F4) implies records dropped from Bad, i.e. AMOL, Missing, Deserter, and/or Deceased
 NOTE 2: (UNKNOWN) implies records with missing Character of Discharge in MUDDS

Character of Discharge	Fiscal Year												FY 2011 YTD							
	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 YTD									
Discharge since FY 2001																				
Character of Discharge																				
BAD CONDUCT DISCHARGE	65	16.46	26	9.00	34	11.33	22	6.79	54	15.21	79	28.52	24	11.82	50	13.64	60	26.91	3	2.81
DISHONORABLE	1	0.25	2	0.69	2	0.67	3	0.89	10	2.82	2	0.72	1	0.45	-	-	5	2.24	1	0.87
GENERAL	1	0.25	-	-	-	-	-	-	-	-	-	-	-	1	0.45	-	-	-	-	-
HONORABLE	1	0.69	17	4.3	8	3.13	2	0.62	4	1.13	3	1.06	2	0.51	2	0.83	-	-	2	1.54
OTHER THAN HONORABLE	144	89.31	311	78.73	251	87.15	262	87.33	297	82.67	287	80.85	183	68.88	190	66.94	157	70.4	87	84.17
UNKNOWN	145	100	385	100	288	100	300	100	314	100	305	100	277	100	230	100	245	100	100	100
TOTAL	186	235	186	235	82	122	122	143	77	107	102	159	107	128	56	55	11	41	0.50	16
Character of Discharge																				
BAD CONDUCT DISCHARGE	186	235	186	235	82	122	122	143	77	107	102	159	107	128	56	55	11	41	0.50	16
DISHONORABLE	20	0.25	15	0.18	18	0.25	5	0.06	6	0.12	33	0.36	15	0.18	32	0.52	18	0.36	20	0.26
ENTRY LEVEL SEPARATION	2860	3531	3285	3817	2621	3415	2752	3282	1798	2437	2100	3265	2845	3532	2617	4246	2807	1840	2115	1001
GENERAL	2786	3456	2944	3474	2778	3618	2866	3418	2811	3887	2500	3887	2517	3787	2142	3475	2204	4401	3376	3064
HONORABLE	186	2472	186	2166	1916	2521	2437	2806	2313	3216	1504	2338	2750	3318	1179	1806	1132	226	3521	4541
ORDER OR RELEASE	2	0.02	1	0.01	4	0.06	4	0.06	6	0.09	3	0.04	7	0.11	1	0.02	2	0.03	1	0.03
OTHER THAN HONORABLE	181	225	210	248	221	288	189	218	206	286	189	189	189	189	189	189	189	189	189	189
UNKNOWN	27	0.34	34	0.4	10	0.13	18	0.21	28	0.38	4	0.06	1	0.01	20	0.32	3	0.04	2	0.03
TOTAL	8054	100	8475	100	7878	100	8386	100	7213	100	6432	100	8285	100	6164	100	5008	100	7754	100
INVOLUNTARY																				
Character of Discharge																				
DISMISAL	655	3.62	68	0.68	67	0.56	97	0.71	43	0.2	28	0.18	52	0.28	101	0.61	688	4.84	4.07	253
ENTRY LEVEL SEPARATION	1	0.01	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GENERAL	17362	86.1	8653	89.26	11796	89.33	13603	89.15	21185	89.66	15425	89.76	17907	89.64	15567	89.28	12564	84.92	11579	85.87
HONORABLE	48	0.27	5	0.05	8	0.07	17	0.12	38	0.14	7	0.06	8	0.04	5	0.03	13	0.1	5	0.04
ORDER OR RELEASE	18087	100	10027	100	11876	100	13732	100	21238	100	15466	100	17972	100	15887	100	13268	100	12078	100
TOTAL	186	0.72	264	1.4	118	0.58	156	0.7	99	0.34	156	0.7	186	0.7	82	0.36	88	0.48	101	0.5
Character of Discharge																				
BAD CONDUCT DISCHARGE	186	0.72	264	1.4	118	0.58	156	0.7	99	0.34	156	0.7	186	0.7	82	0.36	88	0.48	101	0.5
DISHONORABLE	20	0.08	16	0.08	21	0.11	7	0.03	12	0.04	33	0.15	17	0.06	33	0.14	18	0.1	25	0.12
GENERAL	3515	13.37	3504	17.48	2886	13.55	2846	12.71	1801	6.39	2128	9.56	2095	11.35	2718	11.78	2114	11.42	2131	10.63
ENTRY LEVEL SEPARATION	2787	10.8	2845	15.58	2781	14.01	2868	12.8	2811	9.76	2501	11.24	2321	8.75	2154	9.55	2207	11.82	2378	11.86
GENERAL	1974	75.7	11806	62.48	13741	69.25	16042	71.4	23507	81.64	16937	77.86	17788	76.91	17748	76.91	17748	76.91	17748	76.91
HONORABLE	2	0.01	3	0.02	3	0.02	3	0.02	5	0.02	7	0.03	4	0.02	8	0.03	1	0.01	2	0.01
ORDER OR RELEASE	181	0.69	210	1.11	221	1.11	185	0.82	206	0.72	189	0.87	149	0.56	115	0.5	158	0.75	153	0.76
OTHER THAN HONORABLE	220	0.84	350	1.85	268	1.36	297	1.33	354	1.33	288	1.34	302	1.36	215	0.83	223	1.2	164	0.82
UNKNOWN	26386	100	18897	100	15843	100	22406	100	38795	100	22353	100	26534	100	23071	100	18518	100	20025	100
TOTAL	186	0.72	264	1.4	118	0.58	156	0.7	99	0.34	156	0.7	186	0.7	82	0.36	88	0.48	101	0.5

General MILSTEAD. For the Marine Corps, sir, we'd like to take that for the record and come back to you so that you get a precise answer on it.
 [The information referred to follows:]

Officer Separations 2010		
1,771	Honorable/Retirement/Transfer/Death	97.31%
40	General	2.20%
9	OTH/BCD/GCM	0.49%
1,820	TOTAL	100.00%

Enlisted Separations 2010		
38,091	Honorable/Retirement/Transfer/Death	89.68%
980	General	2.31%
3,403	OTH/BCD/DD/GCM	8.01%
42,474	TOTAL	100.00%

General MILSTEAD. Of course, the vast majority——

Senator WEBB. I'd be curious to see it.

General MILSTEAD. Yes sir. We'll come back to you with it.

Senator WEBB. I can tell you, it was 97 percent, during the Vietnam era. That's a readily available piece of information I'd like to look at, honorable versus general versus unsuitable versus court-martial, bad conduct, or dishonorable discharge just for the record.

I'd like to throw a question out, here. I mentioned it last week. We've had testimony estimating that around 25 percent of the 17- to 24-year-olds in this country are eligible for enlistment, the disqualifying reasons being, generally, educational/physical requirements. I just find that mind-boggling. I know this is an enlistment-rich environment, for many reasons, right now. But, it's an issue that I think may come up, depending on circumstances in the future, and certainly for the health of the country, if we're talking about cross-sections of people coming in. Again, I go back to the Vietnam era because it was an era where there was conscription and there were a lot of people who didn't want to go in. But, still, one-third of the draft-eligible males during the Vietnam era, actually served, either on Active Duty or in the Guard and Reserve. Now we're saying 75 percent in this pool wouldn't even be able to, if these numbers are correct.

So I'm wondering, first of all, if this really is an accurate figure. Second, if there's some sort of evaluation of the disqualifying features that could be undertaken, or should be undertaken.

General Bostick.

General BOSTICK. Mr. Chairman, I'd be happy to start off.

The figure that I often use is less than 3 out of 10 are fully qualified to serve in the military. They're "not qualified" for several reasons, but it's education and aptitude. They don't have a high school diploma or they don't score high enough on the Armed Services Vocational Aptitude Battery (ASVAB); medical reasons, which include

all sorts of things, from asthma, eyesight, hearing, bad knees; and lately, some of types of psychological drugs that they may have had to take for attention deficit disorder and that sort of thing; and then, finally, conduct, or misconduct—misdemeanors and felonies of that sort.

So what can we do? In the area of weight, for example—I think weight and education are two areas that the country needs to go after. I think we—all the educators—and my wife is a principal at an elementary school here in Arlington—but, education is something the country needs to help us with. We’re doing our part in the military. Education is very important if you’re going to come into the military service. I think the GI Bill, tuition assistance, the emphasis of the military to say, “We don’t just want you in uniform. We don’t want you to just deploy. We want you to earn your education, from high school all the way up to the Ph.D., if it works for you.”

The other area is medical. Over the years, we’ve just gotten more and more overweight. One of the things that we have tried to do in the Army—again, working with our Army Research Institute—is to find those young men and women who have grown up eating hamburgers and other things all their life, and not doing the fitness kind of things that they need to do, but they have the motivation and strength to come in the Army. So we’ve created the Assessment of [Recruit] Motivation and Strength program. That would take a youngster who might be a little bit overweight—body mass index—but, we are assured based on this test that we give, that they can get through basic training. It has been a wonderful success. They come in. They graduate at the same levels as others that don’t have a weight issue. Then they lose the weight while they’re in the Army. But, I think the country has to take that on, and we’re trying to do our best in the military.

Senator WEBB. Thank you. Anyone else have a thought on that?

Admiral FERGUSON. Senator, I would just offer that there was a DOD study on this issue several years ago which we can provide to the subcommittee which breaks down the various factors and reasons. But I echo General Bostick’s comments that what we’re seeing is increased disqualification rates—health and education seem to be the primary factors.

[The information referred to follows:]

The accompanying report, *Estimating the Qualified Military Available*, was developed in November 2007, by the Lewin Group, Inc., at the request of the Director of Accession Policy, Office of the Under Secretary of Defense (Personnel & Readiness).

Estimating the Qualified Military Available Final Report reflects a count of youth who are mentally, medically, and otherwise eligible for service without requiring a waiver, and who are free of family commitments that would make them unavailable for duty. The Lewin Group developed an estimator that projected the number of 17- to 24-year-old youth who are qualified and available for service. This 17- to 24-year-old group comprises about 90 percent of non-prior service accessions annually. To estimate the number qualified, disqualification filters were developed for those who would be disqualified based on the Department of Defense standards. Data for developing medical/physical, conduct, and dependent filters came primarily from three sources:

- National Longitudinal Survey of Youth 1997 (NLSY97),
- National Health and Nutrition Examination Survey (NHANES), 1999–2002
- Substance Abuse and Mental Health Services Administration

Youth may be disqualified for more than one reason; however, a hierarchy of disqualifications was used so that only one disqualification applied to any one person.

- 9 percent are disqualified due to a low aptitude score on the Armed Forces Qualification Test.
- 35 percent are disqualified for medical conditions or physical fitness issues owing mainly to asthma, obesity, and other childhood maladies.
- 19 percent are disqualified for substance abuse (drugs and alcohol).
- 6 percent are disqualified based on the number of dependents under age 18 they have.
- 5 percent are disqualified for questionable conduct or law violations.

Combined, the data show that only about 26 percent of today's youth are qualified to serve without obtaining a waiver. Data also show that, 11 percent, although qualified, are enrolled in college, and therefore not available to serve. Subtracting for those in college, only 15 percent of the 17 to 24 youth population are both qualified and available for military service without requiring a waiver for one or more sources of disqualification.

[The Report “Estimating the Qualified Military Available” follows:]



Estimating the Qualified Military Available

Final Report

Prepared for:

**Director of Accession Policy, Office of the Under
Secretary of Defense (Personnel and Readiness)**

Prepared by:

The Lewin Group, Inc.

November 2007

Estimating Qualified Military Available

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Prepared by:

**The Lewin Group, Inc.
Rita Furst Seifert
Paul F. Hogan
Carol Moore**

November 2007

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INTRODUCTION

The military Services must recruit persons for military duty from the available youth in the nation. The number of youth qualified and available for military service is known as Qualified Military Available (QMA). The QMA includes persons who are mentally, morally, and medically qualified for service, and who are free of family commitments that would make them unavailable for duty. A quality measure used by the military for mental or cognitive aptitude is the Armed Forces Qualification Test (AFQT).

Previous studies have developed models to estimate qualified military available by geographical area. Both Thomas and Gorman (1991) and Thomas and Kocher (1994) used the National Longitudinal Survey of Youth (NLSY79) to estimate the percentage of youth scoring in AFQT categories I-III.A.¹ Those studies were based on the 1980 normed AFQT.

The Lewin Group developed a QMA Estimator (Moore, Handy and McCloy, 2005) that provided estimates of youth who are qualified within each race/ethnicity, sex, and education cell at the ZIP code level. The QMA Estimator developed estimates from the Profile of American Youth 1997 (PAY97) which was the core dataset for renorming the AFQT (Segall, 2004).

The foundation of the QMA Estimator is a database of population counts developed by Woods and Poole Economics (2003). The Woods and Poole data set has ZIP code level population counts derived from the 2000 Census as well as projections through 2020. The population counts are available by race/ethnicity, sex, education and age. The data set has been incorporated into DoD's Recruit Market Information System (RMIS). The previously mentioned studies estimated probabilities by geographic areas using socioeconomic variables as predictors. The probabilities were multiplied by the Woods and Poole population counts to project the numbers of qualified civilians by geographic areas.

The QMA Estimator gives estimated probabilities for mental qualification based on AFQT categories. It also overlays filters for medical, dependent and moral character eligibility qualifications. AFQT category probability estimates are based on race/ethnicity, sex, and education subgroups that are constant over all ZIP codes. The AFQT category projections of number of qualified youth varied across ZIP codes only to the extent that race/ethnicity, sex and education varied across ZIP codes.

The purpose of the current study is to improve the QMA Estimator by providing the Department of Defense (DoD) with estimates of AFQT categories that reflect greater variation at the ZIP code level. The fundamental problem we face is that there is no data set that contains AFQT scores and has a large random sample at each ZIP code level. We must use national samples with AFQT scores that include variables which will account for AFQT variation and can be measured at the ZIP code level.

The two primary challenges in creating the estimates were: (1) identifying data sources that have samples with national representation of youth and contain AFQT scores and (2) identifying variables that are predictive of AFQT scores and available at the ZIP code level. The national data files examined include: the National Longitudinal Survey of Youth 1997 (NLSY97), the MEPEDT2

¹ AFQT scores associated with each category are: I: 93-99, II: 65-92, IIIA: 50-64, IIIB: 31-49, IV: 10-30, V: 1-9.

(MEP) database and the Profile of American Youth 1997 (PAY97). In addition to these data sources, ZIP code level aggregate socioeconomic data from the Census 2000 Summary File 3 data sets (ftp://ftp2.census.gov/census_2000/datasets/Summary_File_3/) can be matched to individual data by Zip codes.

The new AFQT category probability estimates will be incorporated into the QMA Estimator to enable users to obtain qualified military available counts for AFQT categories at the ZIP code level and maintain the functions of the medical, dependent and moral character qualifier filters.

OVERVIEW OF METHOD

The general approach to estimating a model that predicts QMA at the ZIP code level is to start with a data set that has a sample of youth with their AFQT scores. From this data, a probability model is estimated by relating data on actual AFQT categories to other individual data, such as education, race/ethnicity, and socioeconomic status. The explanatory data are limited to those that have measures at the ZIP code level. The estimated model then can be applied to ZIP code level data so that the AFQT distribution within the ZIP code is estimated by education and other population characteristics within the ZIP code.

We used an ordered logit model procedure to estimate the probabilities of falling into specific AFQT categories (Thomas and Kocher, 1994). The model yields equations for predicted values for all but the last category. Data for a specific ZIP code can be substituted in the logit equations to yield probabilities of falling into each of the AFQT categories. The probabilities sum to 1 so that the last category can be computed as the complement.

For example, when we are predicting four AFQT categories and have three predictors, the ordered logit model has estimates for three intercepts and three predictors. The three equations for predicted values are:

$$\text{Predicted Probability Value 1: } 1 / 1 + e^{-(\alpha_1 + (\beta_1 x_1) + (\beta_2 x_2) + (\beta_3 x_3))}$$

$$\text{Predicted Probability Value 2: } 1 / 1 + e^{-(\alpha_2 + (\beta_1 x_1) + (\beta_2 x_2) + (\beta_3 x_3))}$$

$$\text{Predicted Probability Value 3: } 1 / 1 + e^{-(\alpha_3 + (\beta_1 x_1) + (\beta_2 x_2) + (\beta_3 x_3))}$$

The ZIP code characteristics (e.g. household poverty status) and/or population characteristics (e.g. race/ethnicity = black) replace the variables x_1 , x_2 and x_3 in the equations. The probabilities for each AFQT category are calculated from the predicted values.

$$\text{Probability AFQT I or II} = \text{Predicted Value 1}$$

$$\text{Probability AFQT IIIA} = \text{Predicted Value 2} - \text{Predicted Value 1}$$

$$\text{Probability AFQT IIIB} = \text{Predicted Value 3} - \text{Predicted Value 2}$$

$$\text{Probability AFQT IV-V} = 1 - \text{Predicted Value 3}$$

The probabilities are then applied to ZIP code level documented population counts of residents and authorized immigrants from the 2000 Census developed by Woods and Poole Economics. This database was obtained from RMIS and contains ZIP code level population counts as well as projections through 2020. There are separate counts within each ZIP code race/ethnicity, sex,

education and age (Woods and Poole Economics, 2003). We consolidated age categories and used 2007 counts for 17-21 years old and 22-24 years old.

The number of people in each AFQT category for each ZIP code is estimated by multiplying the probabilities by the population count. We calculated probabilities for 80 groups within each ZIP code that consist of combinations of race/ethnicity (Asian, Black, Hispanic, Native American/Other, and White), sex (male, female), and education (high school non-graduate not enrolled [HD], high school student 1-3 years [HE], high school senior [HS], GED or alternative degree [GG], high school graduate [HG], college enrolled [CE], associate degree not enrolled [AA], and college graduate or above [CG]). Although the population counts are separate for 17-21 year olds and 22-24 year olds, the probabilities are the same for the age groups within a race/ethnicity, sex and education group.

Models were estimated using three different primary data sets. Each of the data sets has advantages and disadvantages for estimation of this type of model. The objective is to develop the best model for predicting the AFQT distribution at the ZIP code level that the available data can support.

NLSY97

The NLSY97 documents the transition from school to work and is designed to be representative of people living in the United States in 1997 who were born between the years 1980 and 1984. The cohort includes 8,984 individuals, most of whom were 12-16 years old when first interviewed. Many of the survey participants took the Armed Services Vocational Aptitude Battery (ASVAB). The AFQT is derived from the ASVAB. The NLSY97 has additional variables (e.g., household income, parent education) that are likely to be correlated with the AFQT and are similar to the variables available from the U.S. Census Bureau at the ZIP code level.

We calculated AFQT scores using equations from "Development and Evaluation of the 1997 ASVAB Score Scale" by Daniel O. Segall (DMDIC, July, 2004, pp.11-12). Variables which had the highest Pearson product-moment correlations with AFQT were age ($r=.31$), Black ($r=-.29$), Hispanic ($r=-.14$), south region ($r=-.12$), highest grade completed by biological father ($r=.39$), highest grade completed by biological mother ($r=.37$), highest grade completed by resident father ($r=.39$), highest grade completed by resident mother ($r=.37$), household gross income ($r=.31$); and household poverty ratio ($r=.31$). The south region had the highest absolute correlation with AFQT of all the regions. The four parent education variables were highly correlated with each other ($r=.95-.97$). Even though father's education correlated slightly higher with AFQT, data was missing in a large number of cases. As an alternative, the highest grade completed by any parent was used as a ZIP code level predictor. Similarly, the household poverty ratio highly correlated with household gross income therefore we used the household poverty ratio as a ZIP code level predictor.

The final sample consisted of 5,231 individuals who had no missing values for the variables of interest. Breakdowns by race/ethnicity and sex are given in Table 1. The NLSY97 had a variable which defined race/ethnicity in four categories: Black; Hispanic; Mixed Race, Non-Hispanic; Non-Black, Non-Hispanic. For subsequent analyses, the very small group of Mixed Race, Non-Hispanic (1.22%) was included with Non-Black, Non-Hispanic.

Table 1: NLSY97 Race by Sex

	Male	Female	Total
Black	6.62%	6.87%	13.48%
Hispanic	5.67%	5.07%	10.74%
Mixed Race, Non-Hispanic	0.58%	0.54%	1.12%
Non-Black, Non-Hispanic	37.68%	36.98%	74.65%
Total	50.54%	49.46%	100.00%

A shortcoming of the NLSY97 is that most of the recorded ASVAB scores for the sampled youth occurred for tests administered when the youths were younger than age 17—the minimum recruit age. To adjust for this, AFQT category scores were computed based on the distribution within the NLSY97 sample rather than the official 1997 norming distribution. As shown in Table 2, there remains a relationship between AFQT category score and age. As age increases, the percentage of persons in Category I increases and the percent of persons in lower categories decreases.

Table 2: NLSY97 AFQT Categories by Age

Scores based on the distribution within the NLSY97 sample rather than the official norms

	12	13	14	15	≥16
I	0.74%	2.55%	5.94%	10.59%	14.59%
II	12.85%	22.38%	27.03%	32.70%	37.28%
IIIA	12.56%	14.36%	15.86%	15.87%	16.26%
IIIB	22.73%	22.77%	23.26%	17.73%	13.81%
IV	34.80%	26.86%	18.37%	17.47%	13.02%
V	16.32%	11.07%	9.54%	5.65%	5.04%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

To further adjust for the relationship between age and AFQT scores, AFQT category scores were converted to AFQT age category scores based on the weighted distribution within each age (12, 13, 14, 15, 16-18) of the NLSY97 sample. This assumes that the individual's age-specific percentile score would be preserved when the individual reached recruit age. For example, if an individual scores in the kth percentile of all 15 year olds when aged 15, that person will score in the kth percentile when the individual is of recruit age. The age value was determined by the date of interview. Ages 16-18 were combined due to the small number of 17 and 18 year olds. Using this method, each age group has approximately the same percentage of persons in each of the AFQT categories (see Table 3).

Table 3: NLSY97 AFQT Age Category Scores by Age

Scores based on the distribution within each age group of the NLSY97 sample

	12	13	14	15	≥16
I	8.28%	7.8%	8.46%	8.86%	8.45%
II	28.18%	28.7%	27.81%	27.39%	29.45%
IIIA	16.74%	15.14%	15.8%	15.63%	13.97%
IIIB	17.31%	19.78%	20.02%	18.56%	19.44%
IV	21.68%	20.13%	19.05%	20.61%	20.00%
V	7.82%	8.45%	8.86%	8.95%	8.68%

We used the methodology of Thomas and Kocher (1994) consisting of an ordered logit model to estimate AFQT age-adjusted categories I-II, IIIA, IIIB, and IV-V with the predictors: highest grade of parents' education, south region and household poverty ratio for the sample (Model 1). An ordered logit model was also calculated to estimate AFQT category scores based on the 1997 norming distribution (which has no adjustment for the sample or age) for the sample using the above variables and ages 12, 13, 14, 15, and 16 dummy coded as predictors (Model 2). Results for the two models are presented in Tables 4 and 5.

Table 4: NLSY97 Logistic Regression Results (Model 1)

Parameter	Estimate	Odds Ratio Estimates	Maximum Likelihood Estimates Wald Chi-Square	P-Value
Intercept I or II	-3.8890		548.4218	<.0001
Intercept IIIA	-3.1356		370.2007	<.0001
Intercept IIIB	-2.1350		177.1384	<.0001
Household Poverty Ratio	0.000943	1.001	63.1047	<.0001
South	-0.0858	0.918	2.2063	.1374
Highest Grade Parents Education	0.2351	1.265	398.0021	<.0001
Male	-0.1673	0.846	10.1103	.0015
Black	-1.4001	0.247	267.3997	<.0001
Hispanic	-0.6068	0.545	47.8025	<.0001

2 Log L: Intercept only = 13917.145, Intercept and covariates = 12586.011

Likelihood Ratio Chi-Square = 1331.1338, df = 6, p < .0001

R-square = 0.2247, Concordant = 74.0%

Table 5: NLSY97 Logistic Regression Results (Model 2)

Parameter	Estimate	Odds Ratio Estimates	Maximum Likelihood Estimates Wald Chi-Square	P-Value
Intercept I or II	-4.5241		485.7832	<.0001
Intercept IIIA	-3.6722		331.7567	<.0001
Intercept IIIB	-2.6194		174.7082	<.0001
Household Poverty Ratio	0.000692	1.001	42.6896	<.0001
South	-0.1135	0.893	3.2884	.0698
Highest Grade Parents Education	0.2513	1.286	415.4887	<.0001
Male	-0.0568	0.945	1.0150	.3137
Black	-1.3896	0.249	168.4729	<.0001
Hispanic	-0.6689	0.512	42.1470	<.0001
Age 12	-2.2677	0.104	253.0517	<.0001
Age 13	-1.5474	0.213	145.8921	<.0001
Age 14	-1.0445	0.352	70.8984	<.0001
Age 15	-0.4852	0.616	15.6158	<.0001
Age 16	-0.0483	0.953	0.1536	.6951

2 Log L: Intercept only = 12536.899, Intercept and covariates = 10869.504

Likelihood Ratio Chi-Square = 1667.3846, df = 11, p < .0001

R-Square = 0.2729, Concordant = 77.5%

The odds ratio estimates for household poverty ratio, south region, and highest grade of parents' education are very similar in both models. Whether estimating AFQT age category scores or AFQT categories with age groups as predictors, these variables are predictive of the AFQT.

MEP AFQT DATA

The Defense Manpower Data Center (DMDC) maintains a number of Military Entrance Processing Command (MEPCOM) data files on AFQT test-takers, including a student file, a school file and an applicant file. We were discouraged from using the student file because of ZIP and state code errors and missing values. We were also discouraged from using the school file because of differences between number of students tested in a given school year and the numbers in a given student file. We obtained the MEP applicant file which contained data for applicants who spoke to recruiters between October 1998 and September 2006. The data file contained AFQT scores, AFQT percentiles, AFQT categories, race/ethnicity, sex, age, ZIP code, and qualification data.

The MEP file had 4,043,396 records. We selected applicants that had AFQT scores, were 17-24 years old and had no prior military service. We performed validity checks to confirm the integrity of the data. Checks included:

- Identified and eliminated duplicate records. These were defined as more than one record with identical values on four variables: Date of Birth, Applicant Date, Applicant Home of Record ZIP code and AFQT Percentile.

- Age calculated using Date of Birth and Applicant Date matched the Applicant Age variable.
- Applicant Home of Record ZIP code was a valid ZIP code for the Applicant Home of Record State Code.

The final MEP file had 3,120,036 applicants. Of these, there were ZIP codes from 50 states, District of Columbia and 7 territories. Breakdowns by race/ethnicity and sex are given in Table 6. The MEP data had six race/ethnicity categories: American Indian/Alaskan, Asian or Pacific Islander, Black (Not Hispanic), Hispanic, White (Not Hispanic) and Other. We combined American Indian/Alaskan and Other.

Table 6: MEP: Race by Sex

	Male	Female	Total
Asian	2.68%	0.84%	3.51%
Black	12.47%	6.38%	18.86%
Hispanic	9.61%	3.02%	12.64%
Native American/Other	2.17%	0.76%	2.93%
White	49.95%	12.11%	62.06%
Total	76.89%	23.11%	100.00%

Although the MEP data includes a very large number of individuals, it is not a random sample. Instead, the file consists of youth who have decided to speak to a military recruiter. The AFQT category scores are given in Table 7. There are fewer persons in the highest scoring category and fewer individuals in the two lowest categories than would be expected if this were a random sample. Nevertheless, because it has such a large sample size, we investigated whether the MEP data file could be used to predict AFQT scores within ZIP codes.

Table 7: MEP AFQT Category Scores

	MEP Sample
I	4.01%
II	28.88%
IIIA	22.36%
IIIB	27.83%
IV	14.58%
V	2.33%
Total	100.0%

The Census 2000 Summary File 3 (SF3) data was accessed from the U.S. Census Bureau website. SF3 data has population variables available for 5-digit ZIP Code Tabulation Areas (ZCTAs). A ZCTA is a statistical geographic entity that approximates the delivery area for a U.S. Postal Service five-digit ZIP code. ZCTAs are aggregations of census blocks that have the same predominant ZIP code associated with the residential mailing addresses in the U.S. Census Bureau's Master Address File (<http://www.census.gov/geo/ZCTA/zcta.html>). ZCTA variables that were likely to correlate with AFQT scores were downloaded.

The SF3 data was combined with the MEP data file by matching 5-digit ZCTAs with ZIP codes. This process created a new data file such that each person had individual data (e.g., AFQT scores, race/ethnicity, sex, education) and data from their ZIP code (e.g., household income, percentage of males who have no high school degree). Correlations were computed between AFQT percentile score and the ZIP code data. Variables which were most highly correlated with AFQT included percentage of the population in the ZIP code with income below poverty level (poverty) ($r=-.23$), median household income (income) ($r=.20$), percentage of males in the ZIP code with no high school degree (% males no hs) ($r=-.24$), percentage of females with no high school degree (% females no hs) ($r=-.24$) and percent of males/females in labor force by race (range $r=.03$ to $r=.24$).

An ordered logit model was calculated for the MEP data to estimate AFQT categories I-II, IIIA, IIIB, and IV-V using race/ethnicity, sex and education as predictors. Race/ethnicity was dummy coded into variables Asian, Black, Hispanic, Native American/Other with White as the reference group. Sex was dummy coded as male. Education was dummy coded into variables high school student 1-3 years [HE], high school senior [HS], GED or alternative degree [GG], high school graduate [HG], college enrolled [CE], associate degree not enrolled [AA], college graduate or above [CG] with high school non-graduate not enrolled [HD] as the reference group. The other predictors included poverty, percentage of males with no high school degree, percentage of females with no high school degree and south region. Even though the correlation between AFQT percentile score and the south region was low ($r=-.05$), we included it as a predictor so we could compare the results with the NLSY97 sample. The model is shown in Table 8.

Table 8: MEP Logistic Regression Results

Explanatory Variables	Estimate	Odds Ratio Estimates	Maximum Likelihood Estimates Wald Chi-Square	P-Value
Intercept I-II	-0.6892		9861.0158	<.0001
Intercept IIIA	0.3392		2395.3596	<.0001
Intercept IIIB	1.8663		70463.6881	<.0001
Male	0.208	1.231	6844.5378	<.0001
Asian	-0.4305	0.650	5172.6684	<.0001
Black	-1.1498	0.317	148987.425	<.0001
Hispanic	-0.7157	0.489	42094.0442	<.0001
Native American/Other	-0.3931	0.675	3965.0046	<.0001
HE	0.1519	1.164	365.2979	<.0001
HS	0.5852	1.795	8160.0248	<.0001
GG	0.2475	1.281	1207.1161	<.0001
HG	0.6947	2.003	11737.4957	<.0001
CE	1.2088	3.349	13456.7434	<.0001
AA	1.7181	5.574	13341.0871	<.0001
CG	2.5974	13.428	30616.7981	<.0001
% below Poverty Level	-1.3627	0.256	6594.1548	<.0001
South	0.0406	1.041	336.2875	<.0001
% Males No HS	-1.3604	0.257	2428.6666	<.0001
% Females No HS	-0.3289	0.720	115.5950	<.0001

2 Log L: Intercept only = 8238265.0, Intercept and covariates = 7812063.3

Likelihood Ratio Chi-Square = 426201.696, df = 16, p < .0001

R-Square = 0.1309, Concordant = 65.6%

Given the large sample size of the MEP data, we explored whether we would have better predictability if we examined race and gender groups separately. For example, it may have been the case that the effect of certain socioeconomic variables had a different effect on AFQT depending on sex and race/ethnicity. We computed separate regressions for each race/ethnicity and sex. We used the following predictors: poverty, percentage of males/females with no high school degree, percentage of males/females of a specific race/ethnicity in the labor force and applicant's education. We used percentage males if the regression equation was for males and percentage of females if the regression was for females. Similarly, if the regression was for Asian/Pacific Islander males, we used the percentage of Asian males in the labor force and percentage of Pacific Islanders in the labor force. Abbreviated results for the models are presented in Table 9.

Table 9: MEP Logistic Regression Estimates for each Race by Sex Group

Parameter	Asian/PI Male n=54607	Asian/PI Female n=16316	Black Male n=376893	Black Female n=192334	Hispanic Male n=291313	Hispanic Female n=91612	Nat.Amer/ Other Male n=55387	Nat.Amer/ Other Female n=19189	White Male n=1523852	White Female n=369502
Intercept 1 - I or II	-1.2735	-0.7065	-1.8990	-2.3278	-1.8482	-1.9356	-0.4649	-0.8575	-1.0622	-1.1172
Intercept 2 - IIIA	-0.4218	0.2299	-0.8437	-1.1477	-0.7962	-0.7879	0.4932	0.2031	-0.0510	-0.0272
Intercept 3 - IIIB	0.8808	1.5762	0.6851	0.4348	0.7025	0.7243	1.8659	1.6769	1.4974	1.5626
% below Poverty Level	0.2804	-0.5544	-0.9068	-0.6914	-3.2201	-2.8259	-2.0859	-2.3374	0.1150	-0.0787
South	0.2483	0.1917	-0.1629	-0.1051	0.2823	0.2963	0.1321	0.1362	0.0221	0.0364
% Males/Females No HS	-1.6698	-1.3942	-1.1706	-1.0030	0.0853	0.0137	-1.7493	-1.3807	-2.4279	-2.0888
% Race Males/Females Labor Force	0.6267	-0.0078	0.4599	0.5316	0.9158	0.5217	0.1230	-0.1555	0.5110	0.5755
% Race Males/Females Labor Force	0.0334	0.0472					0.0818	0.1976		
% Race Males/Females Labor Force							-0.1008	-0.0764		
HE	0.2700	-0.0839	0.1638	0.0875	0.0921	0.0755	-0.1866	-0.2178	0.2477	0.0157
HS	0.5573	0.2239	0.4749	0.4562	0.4609	0.4723	0.2870	0.3254	0.6904	0.4564
GG	0.1508	-0.0892	0.2964	0.2025	0.2086	0.2318	0.1089	0.1836	0.3058	0.1368
HG	0.2619	0.0592	0.4551	0.5630	0.3450	0.5063	0.3303	0.4788	0.8865	0.7303
CE	1.1902	0.6949	0.6399	0.8730	0.8376	0.9919	0.5749	0.7764	1.4889	1.3115
AA	1.2575	0.7363	1.5510	1.4532	1.1551	1.2364	1.2673	1.3563	2.0167	1.7811
CG	2.1791	1.4682	2.2880	2.4036	1.9142	1.6968	2.0103	1.9598	3.1370	2.7215
R-square	0.0455	0.0334	0.0338	0.0355	0.0909	0.0657	0.0546	0.0596	0.0555	0.0553
Concordant	58.2%	57.3%	57.1%	56.8%	61.4%	59.9%	59.4%	59.8%	59.7%	59.1%

The separate ordered logit models did not improve the AFQT predictions. The generalized R^2 (R-square in the tables), which is a measure of predictive power of the model, is lower in all of the separate equations than it is in the single equation model (Table 8) but this is as expected. Another measure of predictive power is the association of predicted probabilities and observed responses which is indicated by the concordant percentage. These were lower in the separate equations than it was in the single equation model. The percentages of males or females by race in the labor force were inconsistent predictors. When added to the single equation model, the model was not improved. Median household was also considered in the single equation model but the predictive power did not improve. The magnitude of the MEP sample and its potential for analyses at the ZIP code level encouraged us to consider additional analyses.

EDUCATIONAL EXPENDITURES

Recruiters have reported that the best predictor of AFQT scores in a ZIP code is the quality of the area schools. School districts vary tremendously in size and jurisdiction. The U.S. Census Bureau does not report information on school districts by ZCTAs but the U.S. Department of Education does have some data on educational expenditures. This information includes student/teacher ratios, total expenditures and expenditures per pupil for each school district enrolling more than 15,000 students by state. Unfortunately, there is no simple way to match school districts to ZIP code.

To test whether these school district variables are likely to improve the model, we used the MEP data because it contains the largest sample size, and provides a sufficient number of individuals within one state. We selected all individuals who had ZIP codes in the state of Virginia. We used the ZIP codes of schools in the school districts to match individuals with school district variables. Two ordered logit models were computed. The first model used race/ethnicity, male, poverty, percentage of males with no high school degree, percentage of females with no high school degree, south region and median household income as the predictors. The second model used

the same predictors plus student/teacher ratios, total expenditures and expenditures per pupil. The new school district variables did not improve the model.

PROPENSITY SCORES TO ADJUST THE MEP SAMPLE

An important characteristic of the MEP data is that it is a selected sample. The sample contains only those who apply for entrance into the military and this self-selection may not be random with regard to AFQT scores. Self-selection screens out many college-bound youth who would be concentrated in the upper half of the AFQT distribution and may screen out those who know they are not likely to qualify for military service because they do not meet the educational standard or have consistently done poorly on standardized tests. The second source of screening and selection is the recruiter. The recruiter may use informal screens which would reduce the proportions at the lower end of the AFQT distribution who actually take the test.

Propensity scores have been used in non-experimental settings to adjust for the selection bias in samples that were not randomly selected. In this method, a comparable sample that has not been treated or self-selected is combined with the treatment/self-selected sample. A probability model which estimates the likelihood of being in the treatment group (the propensity score), is calculated using the predictor variables common in both samples. The PAY97 data (see next section for description of this data set) is a nationally representative sample of youth ages 17-23 years old who have AFQT scores. We combined the PAY97 data with the MEP data and used the predictor variables to estimate a probability model of being in the MEP data (i.e., a model of having applied to the military).

The adjustment for selection is based on the assumption that, if a sample can be selected from the MEP data that, by construction, duplicates the proportions by AFQT and propensity of a random sample, the relative proportions by ZIP code within that sample will estimate the true distribution. That is, this "constructed" sample will come from data for which the AFQT distribution is higher, on average. This is by no means guaranteed, but because the MEP data is the largest sample of data that includes AFQT scores, we believe that the adjustment is worth attempting.

The resultant propensity scores were used in several ways. The distribution of the PAY97 propensity scores was calculated. We then sampled from the MEP data individuals who had a propensity score that fell between the 10th and 90th percentiles of the PAY97 propensity score distribution. This MEP subgroup should be more similar than the entire MEP sample to the random sample of the PAY97 data. An ordered logit model was computed for the subsample. In a separate analysis, we sampled from the MEP data individuals who had a propensity score that fell between the 25th and 75th percentiles of the PAY97 propensity score distribution and computed an ordered logit model for that subsample. Neither of these two analyses improved the predictability of AFQT scores. Additionally, we used the inverse of the propensity score as a weight in an ordered logit model and used the propensity score as another predictor in an ordered logit model. None of these models eliminated the bias inherent in the MEP sample. They did not perform better than the MEP model without propensity scores.

PAY97

The NLSY97 data and the MEP data each have a significant shortcoming. Some AFQT scores in NLSY97 must be adjusted for age, which introduces potential error, while the MEP data is a selected

sample, rather than a random sample. Because both data sets have advantages—a rich set of explanatory variables for the NLSY97 and a very large sample size for the MEP data files—they were carefully considered as candidates for estimating the final model.

The PAY97 data suffers from no obvious flaw. We obtained PAY97 data from the DMDC. PAY97 was developed by the National Opinion Research Center (NORC) in conjunction with DoD and the Department of Labor. NORC collected a nationally representative sample of American youth ages 12-23. The persons aged 12-16 became the NLSY97 sample, the remainder became the PAY97 sample, which was used to update the AFQT national norms that had been based on the 1979 NLSY.

The PAY97 data included the following variables: AFQT score, race, ethnicity, sex, age, highest grade completed and ZIP code. The sample consisted of 5,606 individuals who had no missing values for race. Distributions by race/ethnicity and sex, which are weighted to be nationally representative, are shown in Table 10. The PAY97 had five categories of race: White, Black, American Indian, Asian and Other. It also had an ethnicity variable which had over 20 categories, 5 of which were Hispanic. Anyone who had Hispanic ethnicity was considered Hispanic for race. American Indian and Other were combined.

Table 10: PAY97 Race by Sex

	Male	Female	Total
Asian	1.44%	1.30%	2.74%
Black	5.69%	7.20%	12.89%
Hispanic	6.73%	6.28%	13.01%
Native American/Other	1.46%	1.43%	2.89%
White	34.33%	34.14%	68.47%
Total	49.65%	50.35%	100.00%

The AFQT category scores are consistent with the national norms (see Table 11).

Table 11: PAY97 AFQT Category Scores

	PAY97 Sample
I	7.87%
II	27.58%
IIIA	15.57%
IIIB	18.82%
IV	20.72%
V	9.44%
Total	100.0%

An ordered logit model was computed for the PAY97 data to estimate AFQT categories I-II, IIIA, IIIB, and IV-V. Race/ethnicity variables included Asian, Black, Hispanic, Native American/Other with White as the reference group. Sex was coded to take a value of one if male. Highest grade completed was recoded into four categories of education: less than 12 years (HD), 12 years

(HG&GG), 13-15 years (Some College) and 16+ years (College). ZIP codes were used to combine the PAY97 data with the SF3 data by matching ZIP codes with ZCTAs so each person had individual data, and data from their ZIP code. Predictors used were the race/ethnicity, sex, education, median household income, percentage in the ZIP code with income below poverty level, percentage of males in the ZIP code with no high school degree, percentage of females in the ZIP code with no high school degree and south as a region dummy variable. Results of this model are displayed in Table 12. The PAY97 data had more predictive power than the MEP and unlike the NLSY97 had an appropriate age group.

Table 12: PAY97 Logistic Regression Results

Explanatory Variables	Estimate	Odds Ratio Estimates	Maximum Likelihood Estimates Wald Chi-Square	P-Value
Intercept I-II	-2.2732		123.5508	<.0001
Intercept IIIA	-1.3871		46.6014	<.0001
Intercept IIIB	-0.2744		1.8379	.1752
Male	0.3121	1.366	34.0909	<.0001
Asian	-1.1180	0.327	48.4557	<.0001
Black	-1.4238	0.241	259.6230	<.0001
Hispanic	-1.2744	0.280	203.3031	<.0001
Native American/Other	-0.6534	0.520	17.1757	<.0001
HG&GG	1.0144	2.758	124.8982	<.0001
Some College	2.4123	11.159	656.2670	<.0001
College	3.2512	25.821	492.9056	<.0001
Median Household Income	0.000010	1.000	11.8167	.0006
% below Poverty Level	2.5779	13.169	24.4851	<.0001
South	-0.0742	0.929	1.5495	.2132
% Males No HS	-1.4984	0.223	3.7827	.0518
% Females No HS	-1.9021	0.149	5.1302	.0235

2 Log L: Intercept only = 14604.378, Intercept and covariates = 12276.896

Likelihood Ratio Chi-Square = 2327.4824, df = 13, p < .0001

R-Square = .3459, Concordant = 79.1%

ZIP CODE COMPARISONS

The purpose of developing these models is to predict AFQT categories at the ZIP code level. Predictions from the earlier model have somewhat limited variation across ZIP codes. We used the NLSY97 model with age-adjusted AFQT scores, the MEP model, which is subject to sample selection bias, and the PAY97 model to compare to the current QMA Estimator for two race/ethnicity and sex combinations. Specifically, we compared the estimated distribution of AFQT categories for Black females and for Hispanic males in two ZIP codes. We compared the results with the current QMA Estimator (QMA2005). We purposely chose ZIP codes that had a high population of Hispanics and Blacks and were similar in the percentage below poverty to see if the models would differ. ZIP code 11368 has a poverty rate of 22.2% and 71.5% of the population is Hispanic, 12.3% are Black and it is in the Northeast. ZIP code 77036 has a poverty

rate of 25.5%, 55.9% of the population are Hispanic, 25.0% are Black and is in the South. Both are within major cities. Tables 13 and 14 display the results.

Table 13: Comparison of Estimated AFQT categories for Black Females across 2 Zip Codes

	PAY97	MEP	NLSY97	QMA2005
ZIP Code: 11368				
Expected AFQT I-II	9%	13%	8%	12%
Expect AFQT IIIA	9%	19%	8%	12%
Expect AFQT IIIB	19%	37%	18%	23%
Expect AFQT IV-V	63%	31%	66%	52%
ZIP Code: 77036				
Expected AFQT I-II	10%	14%	9%	12%
Expect AFQT IIIA	10%	19%	9%	11%
Expect AFQT IIIB	19%	36%	19%	22%
Expect AFQT IV-V	61%	32%	63%	55%

Table 14: Comparison of Estimated AFQT categories for Hispanic Males across 2 Zip Codes

	PAY97	MEP	NLSY97	QMA2005
ZIP Code: 11368				
Expected AFQT I-II	7%	18%	14%	12%
Expect AFQT IIIA	7%	20%	12%	12%
Expect AFQT IIIB	15%	34%	23%	19%
Expect AFQT IV-V	71%	28%	51%	56%
ZIP Code: 77036				
Expected AFQT I-II	6%	18%	16%	9%
Expect AFQT IIIA	6%	20%	13%	11%
Expect AFQT IIIB	14%	35%	23%	18%
Expect AFQT IV-V	75%	27%	49%	62%

The estimates using the MEP data predict that a higher percentage of Black females and Hispanic males will be highly qualified than the other data sets. The NLSY97 estimates predict a higher percentage of Hispanic males will be highly qualified than the PAY97 or the QMA2005. None of the data sets estimate much variation between the ZIP codes.

MODEL COMPARISONS

The three data files we analyzed each had strengths and weakness. The NLSY97 data was a national representative sample but most of the participants are younger than our target age range of

17-24. We also did not have ZIP codes for individuals although we did have socioeconomic variables that could be measures for ZIP code level variables. The MEP data has a very large sample of over 3 million applicants within the target age range and contains ZIP codes for each individual. However it is a self-selected sample of persons who visit recruiting offices to apply for military service. The PAY97 data is a nationally representative random sample that was used to renorm the AFQT and contains ZIP codes but has fewer educational categories than the MEP data.

We were able to generate models from all three data files that predicted AFQT categories with statistical significance. We chose the model and data that has the most predictive power, the PAY97.

FINAL MODEL USING PAY97

Since RMIS required a model that predicts the six AFQT categories: I, II, IIIA, IIIB, IV and V, we recalculated the PAY97 logistic regression model with the same predictors to estimate the six AFQT categories. The model is displayed in Table 15. Although our initial target alpha level was $p \leq .05$ to identify which variables predicted AFQT categories, we did include variables that were $p \leq .10$ in the final model if they improved the prediction of AFQT categories. We considered additional models with a variety of interaction terms. We used two-way and three-way interactions in models and the resulting models did not add to the predictive power of the original equation.

Table 15: PAY97 Logistic Regression Results for 6 AFQT Categories

Explanatory Variables	Estimate	Odds Ratio Estimates	Maximum Likelihood Estimates Wald Chi-Square	P-Value
Intercept I	-4.6115		564.2271	<.0001
Intercept II	-2.3322		158.0080	<.0001
Intercept IIIA	-1.4486		61.8941	<.0001
Intercept IIIB	-0.3405		3.4488	0.0633
Intercept IV	1.4630		61.7713	<.0001
Male	0.2655	1.304	28.8580	<.0001
Asian	-0.9867	0.373	41.9115	<.0001
Black	-1.4803	0.228	327.3761	<.0001
Hispanic	-1.2730	0.280	239.8737	<.0001
Native American/Other	-0.6668	0.513	20.2692	<.0001
HG&GG	0.9213	2.513	132.5875	<.0001
Some College	2.3301	10.279	752.2384	<.0001
College	3.1473	23.274	628.3351	<.0001
Median Household Income	0.000012	1.000	21.5536	<.0001
% below Poverty Level	2.6527	14.193	33.0153	<.0001
South	-0.1024	0.903	3.4640	0.0627
% Males No HS	-1.6382	0.194	5.2922	0.0214
% Females No HS	-1.3799	0.252	3.1975	0.0738

2 Log L: Intercept only = 18727.343, Intercept and covariates = 16242.818

Likelihood Ratio Chi-Square = 2484.5249, df = 13, $p < .0001$

R-Square = 0.3644, Percent Concordant = 77.4

The estimated national distribution of AFQT categories based on the final PAY97 model is shown in Table 16.^{2,3}

Table 16: PAY97 Estimated National Distribution of AFQT Categories

	Estimated National
I	4.24%
II	25.95%
IIIA	20.94%
IIIB	24.88%
IV	19.05%
V	4.94%
Total	100.0%

Finally, we examined the degree to which the PAY97 model produces estimates of AFQT categories that reflect greater variation at the ZIP code level. The PAY97 estimates exhibit greater variation across ZIP codes than the original estimates.

For each sex, education, and race/ethnicity combination (SexEducRace), we found the minimum and maximum probability estimates of the PAY97 across ZIP codes for each of the six AFQT categories. We compared them to the probability estimates of the 2005 QMA Estimator which has probability estimates for each sex, education and race/ethnicity combination that are constant over all ZIP codes. The added variation in the new model is due to the continuous variables for median household income, percentage of the population with income below poverty level, a regional dummy variable and the percentage of males and of females without a high school degree.

Table 17 has 80 combinations of sex, education and race/ethnicity using the codes from the Woods and Poole database. For example, FAAN is the subgroup Female, Associate degree not enrolled, Native American/Other. MHGW is the subgroup Male, High school graduate, White. The categories are:

<i>Sex</i>	<i>Education</i>
F = Female	HD = High school non-graduate not enrolled
M = Male	HE = High school student 1-3 years
	HS = High school senior
<i>Race</i>	GG = GED or alternative degree
A = Asian	HG = High school graduate
B = Black	CE = College enrolled
H = Hispanic	AA = Associate degree not enrolled
N = Native American/Other	CG = College graduate or above
W = White	

² The estimated national distribution of AFQT categories based on the final PAY97 model using the Woods and Poole ZIP code level data is: I (6.35%), II (24.09%), IIIA (14.85%), IIIB (19.33%), IV (23.27%), and V (12.10%).

³ There were 861 ZIP codes in the Woods and Poole data that were not in the SF3 data. We included these ZIP codes by matching each to the closest in distance ZIP code that was in the same county and had AFQT percentages. A handful of ZIP codes were difficult to match but we used AFQT percentages from a ZIP code in the same county.

Table 17: Probability Estimates for AFQT categories across ZIP codes

SexEducRace	AFQT I Probability		AFQT II Probability		AFQT IIIA Probability	
	QMA2005	QMA Revised	QMA2005	QMA Revised	QMA2005	QMA Revised
	Range		Range		Range	
FAAA	0.1073	0.0024 - 0.4891	0.2092	0.0207 - 0.5152	0.1602	0.0310 - 0.2174
FAAB	0.0249	0.0015 - 0.3688	0.1646	0.0128 - 0.5152	0.1713	0.0195 - 0.2174
FAAH	0.0552	0.0018 - 0.4182	0.2332	0.0156 - 0.5152	0.1970	0.0238 - 0.2174
FAAN	0.0000	0.0033 - 0.5686	0.2747	0.0282 - 0.5152	0.2756	0.0410 - 0.2179
FAAW	0.1574	0.0065 - 0.7197	0.4475	0.0532 - 0.5152	0.1793	0.0221 - 0.2174
FCEA	0.1073	0.0024 - 0.4891	0.2092	0.0207 - 0.5152	0.1602	0.0310 - 0.2174
FCEB	0.0249	0.0015 - 0.3688	0.1646	0.0128 - 0.5152	0.1713	0.0195 - 0.2174
FCEH	0.0552	0.0018 - 0.4182	0.2332	0.0156 - 0.5152	0.1970	0.0238 - 0.2174
FCEN	0.0000	0.0033 - 0.5686	0.2747	0.0282 - 0.5152	0.2756	0.0410 - 0.2179
FCEW	0.1574	0.0065 - 0.7197	0.4475	0.0532 - 0.5152	0.1793	0.0221 - 0.2174
FCGA	0.1798	0.0055 - 0.6843	0.3639	0.0454 - 0.5152	0.1671	0.0260 - 0.2174
FCGB	0.1104	0.0033 - 0.5695	0.4919	0.0283 - 0.5152	0.1105	0.0408 - 0.2179
FCGH	0.1577	0.0041 - 0.6194	0.5995	0.0346 - 0.5152	0.1836	0.0338 - 0.2174
FCGN	0.2799	0.0075 - 0.7490	0.5013	0.0612 - 0.5152	0.0000	0.0192 - 0.2174
FCGW	0.2455	0.0145 - 0.8532	0.5731	0.1112 - 0.5152	0.1136	0.0101 - 0.2174
FGGA	0.0000	0.0006 - 0.1896	0.0000	0.0052 - 0.5061	0.6642	0.0081 - 0.2174
FGGB	0.0000	0.0004 - 0.1250	0.0221	0.0032 - 0.4576	0.1015	0.005 - 0.2173
FGGH	0.0129	0.0004 - 0.1495	0.0308	0.0039 - 0.4825	0.1277	0.0061 - 0.2174
FGGN	0.0000	0.0008 - 0.2437	0.0000	0.0071 - 0.5152	0.3994	0.0110 - 0.2174
FGGW	0.0141	0.0016 - 0.3856	0.1312	0.0137 - 0.5151	0.1868	0.0209 - 0.2174
FHDA	0.0000	0.0002 - 0.0852	0.0000	0.0021 - 0.3912	0.0000	0.0032 - 0.2141
FHDB	0.0030	0.0001 - 0.0538	0.0000	0.0013 - 0.3033	0.0045	0.0020 - 0.2163
FHDH	0.0000	0.0002 - 0.0654	0.0186	0.0015 - 0.3406	0.0214	0.0024 - 0.2172
FHDN	0.0000	0.0003 - 0.1137	0.0000	0.0028 - 0.4425	0.0000	0.0045 - 0.2173
FHDW	0.0000	0.0006 - 0.1999	0.0244	0.0055 - 0.5095	0.0574	0.0086 - 0.2174
FHEA	0.0000	0.0002 - 0.0852	0.1200	0.0021 - 0.3912	0.3250	0.0032 - 0.2141
FHEB	0.0000	0.0001 - 0.0538	0.0190	0.0013 - 0.3033	0.0240	0.0020 - 0.2163
FHEH	0.0180	0.0002 - 0.0654	0.0620	0.0015 - 0.3406	0.0360	0.0024 - 0.2172
FHEN	0.0000	0.0003 - 0.1137	0.0000	0.0028 - 0.4425	0.1510	0.0045 - 0.2173
FHEW	0.0100	0.0006 - 0.1999	0.2050	0.0055 - 0.5095	0.1630	0.0086 - 0.2174
FHGA	0.0620	0.0006 - 0.1896	0.1209	0.0052 - 0.5061	0.3728	0.0081 - 0.2174
FHGB	0.0050	0.0004 - 0.1250	0.0505	0.0032 - 0.4576	0.1154	0.0050 - 0.2173
FHGH	0.0238	0.0004 - 0.1495	0.0829	0.0039 - 0.4825	0.1455	0.0061 - 0.2174
FHGN	0.0000	0.0008 - 0.2437	0.1675	0.0071 - 0.5152	0.3239	0.0110 - 0.2174
FHGW	0.0557	0.0016 - 0.3856	0.2232	0.0137 - 0.5151	0.1846	0.0209 - 0.2174
FHSA	0.0000	0.0002 - 0.0852	0.1200	0.0021 - 0.3912	0.3250	0.0032 - 0.2141
FHSB	0.0000	0.0001 - 0.0538	0.0190	0.0013 - 0.3033	0.0240	0.002 - 0.2163
FHSH	0.0180	0.0002 - 0.0654	0.0620	0.0015 - 0.3406	0.0360	0.0024 - 0.2172
FHSN	0.0000	0.0003 - 0.1137	0.0000	0.0028 - 0.4425	0.1510	0.0045 - 0.2173
FHSW	0.0100	0.0006 - 0.1999	0.2050	0.0055 - 0.5095	0.1820	0.0086 - 0.2174

Table 17: Probability Estimates for AFQT categories across ZIP codes (continued)

SexEducRace	AFQT I Probability		AFQT II Probability		AFQT IIIA Probability	
	QMA2005	QMA Revised	QMA2005	QMA Revised	QMA2005	QMA Revised
	Range		Range		Range	
MAAA	0.0000	0.0031 - 0.5552	0.4465	0.0268 - 0.5152	0.1157	0.0395 - 0.2179
MAAB	0.0053	0.0019 - 0.4324	0.0940	0.0166 - 0.5152	0.1956	0.0251 - 0.2174
MAAH	0.0360	0.0024 - 0.4839	0.2037	0.0203 - 0.5152	0.1240	0.0304 - 0.2174
MAAN	0.0000	0.0043 - 0.6322	0.5550	0.0364 - 0.5152	0.0776	0.0322 - 0.2174
MAAW	0.0921	0.0084 - 0.7700	0.4965	0.0680 - 0.5152	0.1651	0.0172 - 0.2174
MCEA	0.2205	0.0031 - 0.5552	0.1209	0.0268 - 0.5152	0.2139	0.0395 - 0.2179
MCEB	0.0108	0.0019 - 0.4324	0.1429	0.0166 - 0.5152	0.1940	0.0251 - 0.2174
MCEH	0.0605	0.0024 - 0.4839	0.2437	0.0203 - 0.5152	0.1350	0.0304 - 0.2174
MCEN	0.0943	0.0043 - 0.6322	0.5539	0.0364 - 0.5152	0.1506	0.0322 - 0.2174
MCEW	0.1584	0.0084 - 0.7700	0.4775	0.0680 - 0.5152	0.1417	0.0172 - 0.2174
MCGA	0.3685	0.0071 - 0.7386	0.3288	0.0582 - 0.5152	0.1036	0.0202 - 0.2174
MCGB	0.1689	0.0043 - 0.6331	0.4746	0.0366 - 0.5152	0.1253	0.0321 - 0.2174
MCGH	0.0000	0.0053 - 0.6798	0.0926	0.0445 - 0.5152	0.2529	0.0265 - 0.2174
MCGN	0.3251	0.0098 - 0.7956	0.6749	0.0780 - 0.5152	0.0000	0.0149 - 0.2174
MCGW	0.3695	0.0188 - 0.8835	0.5006	0.1032 - 0.5152	0.0748	0.0078 - 0.2173
MGGA	0.0000	0.0008 - 0.2338	0.0000	0.0067 - 0.5150	0.0000	0.0104 - 0.2174
MGGB	0.0000	0.0005 - 0.1570	0.0000	0.0041 - 0.4883	0.0805	0.0064 - 0.2174
MGGH	0.0000	0.0006 - 0.1864	0.0503	0.0051 - 0.5048	0.0921	0.0079 - 0.2174
MGGN	0.0000	0.0011 - 0.2959	0.0000	0.0092 - 0.5083	0.2298	0.0142 - 0.2174
MGGW	0.0066	0.0021 - 0.4501	0.0446	0.0178 - 0.5152	0.1099	0.0268 - 0.2174
MHDA	0.0000	0.0003 - 0.1083	0.0000	0.0027 - 0.4343	0.0000	0.0042 - 0.2174
MHDB	0.0000	0.0002 - 0.0690	0.0000	0.0016 - 0.3510	0.0805	0.0026 - 0.2166
MHDH	0.0000	0.0002 - 0.0836	0.0503	0.0020 - 0.3876	0.0921	0.0032 - 0.2135
MHDN	0.0000	0.0004 - 0.1433	0.0000	0.0037 - 0.4770	0.2298	0.0058 - 0.2174
MHDW	0.0066	0.0008 - 0.2457	0.0446	0.0072 - 0.5152	0.1099	0.0111 - 0.2174
MHEA	0.0000	0.0003 - 0.1083	0.3250	0.0027 - 0.4343	0.2320	0.0042 - 0.2174
MHEB	0.0000	0.0002 - 0.069	0.0000	0.0016 - 0.3510	0.0580	0.0026 - 0.2166
MHEH	0.0040	0.0002 - 0.0836	0.0480	0.0020 - 0.3876	0.1450	0.0032 - 0.2135
MHEN	0.0000	0.0004 - 0.1433	0.3380	0.0037 - 0.4770	0.3280	0.0058 - 0.2174
MHEW	0.0670	0.0008 - 0.2457	0.3430	0.0072 - 0.5152	0.1000	0.0111 - 0.2174
MHGA	0.1889	0.0008 - 0.2338	0.1128	0.0067 - 0.5150	0.1111	0.0104 - 0.2174
MHGB	0.0020	0.0005 - 0.1570	0.0961	0.0041 - 0.4883	0.1462	0.0064 - 0.2174
MHGH	0.0101	0.0006 - 0.1864	0.1602	0.0051 - 0.5048	0.1436	0.0079 - 0.2174
MHGN	0.0148	0.0011 - 0.2959	0.4480	0.0092 - 0.5083	0.0237	0.0142 - 0.2174
MHGW	0.0617	0.0021 - 0.4501	0.2660	0.0178 - 0.5152	0.2046	0.0268 - 0.2174
MHSA	0.0000	0.0003 - 0.1083	0.3250	0.0027 - 0.4343	0.2320	0.0042 - 0.2174
MHSB	0.0000	0.0002 - 0.0690	0.0000	0.0016 - 0.3510	0.0580	0.0026 - 0.2166
MHSH	0.0040	0.0002 - 0.0836	0.0480	0.0020 - 0.3876	0.1450	0.0032 - 0.2135
MHSN	0.0000	0.0004 - 0.1433	0.3380	0.0037 - 0.4770	0.3280	0.0058 - 0.2174
MHSW	0.0670	0.0008 - 0.2457	0.3430	0.0072 - 0.5152	0.1000	0.0111 - 0.2174

Table 17: Probability Estimates for AFQT categories across ZIP codes (continued)

SexEducRace	AFQT IIIB Probability		AFQT IV Probability		AFQT V Probability	
	QMA2005	QMA Revised	QMA2005	QMA Revised	QMA2005	QMA Revised
	Range		Range		Range	
FAAA	0.2752	0.0279 - 0.2701	0.1867	0.0120 - 0.4211	0.0614	0.0024 - 0.4872
FAAB	0.2898	0.0442 - 0.2701	0.2231	0.0194 - 0.4226	0.1263	0.0039 - 0.6088
FAAH	0.2103	0.0365 - 0.2701	0.2369	0.0159 - 0.4226	0.0675	0.0032 - 0.5585
FAAN	0.1277	0.0206 - 0.2701	0.0531	0.0087 - 0.4226	0.2690	0.0017 - 0.4082
FAAW	0.1232	0.0108 - 0.2701	0.0744	0.0045 - 0.4210	0.0180	0.0009 - 0.2615
FCEA	0.2752	0.0279 - 0.2701	0.1867	0.0120 - 0.4211	0.0614	0.0024 - 0.4872
FCEB	0.2898	0.0442 - 0.2701	0.2231	0.0194 - 0.4226	0.1263	0.0039 - 0.6088
FCEH	0.2103	0.0365 - 0.2701	0.2369	0.0159 - 0.4226	0.0675	0.0032 - 0.5585
FCEN	0.1277	0.0206 - 0.2701	0.0531	0.0087 - 0.4226	0.2690	0.0017 - 0.4082
FCEW	0.1232	0.0108 - 0.2701	0.0744	0.0045 - 0.4210	0.0180	0.0009 - 0.2615
FCGA	0.2280	0.0127 - 0.2701	0.0611	0.0053 - 0.4225	0.0000	0.0011 - 0.2956
FCGB	0.2307	0.0205 - 0.2701	0.0344	0.0087 - 0.4226	0.0221	0.0017 - 0.4073
FCGH	0.0356	0.0168 - 0.2701	0.0236	0.0071 - 0.4226	0.0000	0.0014 - 0.3584
FCGN	0.0000	0.0093 - 0.2701	0.2187	0.0039 - 0.4156	0.0000	0.0008 - 0.2335
FCGW	0.0583	0.0048 - 0.2701	0.0096	0.0020 - 0.3518	0.0000	0.0004 - 0.1353
FGGA	0.2185	0.0269 - 0.2701	0.1173	0.0466 - 0.4226	0.0000	0.0097 - 0.7954
FGGB	0.2199	0.0167 - 0.2701	0.3922	0.0732 - 0.4226	0.2643	0.0159 - 0.8643
FGGH	0.2067	0.0204 - 0.2701	0.4631	0.0607 - 0.4226	0.1588	0.0129 - 0.8380
FGGN	0.3166	0.0362 - 0.2701	0.2840	0.0345 - 0.4226	0.0000	0.0071 - 0.7384
FGGW	0.3159	0.0414 - 0.2701	0.2733	0.0181 - 0.4226	0.0787	0.0037 - 0.5917
FHDA	0.0000	0.0110 - 0.2701	0.8147	0.0763 - 0.4226	0.1853	0.0241 - 0.9071
FHDB	0.1099	0.0068 - 0.2701	0.3857	0.0486 - 0.4226	0.4969	0.0389 - 0.9412
FHDH	0.0928	0.0083 - 0.2701	0.4815	0.0589 - 0.4226	0.3857	0.0318 - 0.9286
FHDN	0.5683	0.0151 - 0.2701	0.2420	0.0806 - 0.4226	0.1896	0.0176 - 0.8764
FHDW	0.2395	0.0286 - 0.2701	0.4868	0.0438 - 0.4226	0.1919	0.0091 - 0.7845
FHEA	0.0000	0.0110 - 0.2701	0.3040	0.0763 - 0.4226	0.2500	0.0241 - 0.9071
FHEB	0.0900	0.0068 - 0.2701	0.4230	0.0486 - 0.4226	0.4440	0.0389 - 0.9412
FHEH	0.2280	0.0083 - 0.2701	0.3560	0.0589 - 0.4226	0.3000	0.0318 - 0.9286
FHEN	0.6160	0.0151 - 0.2701	0.0000	0.0806 - 0.4226	0.2330	0.0176 - 0.8764
FHEW	0.2530	0.0286 - 0.2701	0.2840	0.0438 - 0.4226	0.0850	0.0091 - 0.7845
FHGA	0.2513	0.0269 - 0.2701	0.1574	0.0466 - 0.4226	0.0355	0.0097 - 0.7954
FHGB	0.2338	0.0167 - 0.2701	0.3585	0.0732 - 0.4226	0.2368	0.0159 - 0.8643
FHGH	0.2076	0.0204 - 0.2701	0.4049	0.0607 - 0.4226	0.1353	0.0129 - 0.8380
FHGN	0.2014	0.0362 - 0.2701	0.1432	0.0345 - 0.4226	0.1640	0.0071 - 0.7384
FHGW	0.2599	0.0414 - 0.2701	0.2155	0.0181 - 0.4226	0.0611	0.0037 - 0.5917
FHSA	0.0000	0.0110 - 0.2701	0.3040	0.0763 - 0.4226	0.2500	0.0241 - 0.9071
FHSB	0.0900	0.0068 - 0.2701	0.4230	0.0486 - 0.4226	0.4440	0.0389 - 0.9412
FHSH	0.2280	0.0083 - 0.2701	0.3560	0.0589 - 0.4226	0.3000	0.0318 - 0.9286
FHSN	0.6160	0.0151 - 0.2701	0.0000	0.0806 - 0.4226	0.2330	0.0176 - 0.8764
FHSW	0.2530	0.0286 - 0.2701	0.2840	0.0438 - 0.4226	0.0850	0.0091 - 0.7845

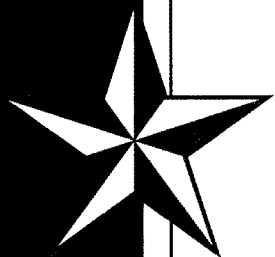
Table 17: Probability Estimates for AFQT categories across ZIP codes (continued)

SexEducRace	AFQT IIIB Probability		AFQT IV Probability		AFQT V Probability	
	QMA2005	QMA Revised	QMA2005	QMA Revised	QMA2005	QMA Revised
	Range		Range		Range	
MAAA	0.1720	0.0217 - 0.2701	0.1328	0.0092 - 0.4220	0.1330	0.0018 - 0.4215
MAAB	0.1435	0.0346 - 0.2701	0.3921	0.0150 - 0.4226	0.1695	0.0030 - 0.5441
MAAH	0.3251	0.0285 - 0.2701	0.2514	0.0122 - 0.4215	0.0599	0.0024 - 0.4924
MAAN	0.1320	0.0160 - 0.2701	0.1412	0.0067 - 0.4225	0.0942	0.0013 - 0.3460
MAAW	0.1341	0.0083 - 0.2700	0.0960	0.0035 - 0.4089	0.0163	0.0007 - 0.2136
MCEA	0.1199	0.0217 - 0.2701	0.2032	0.0092 - 0.4220	0.1216	0.0018 - 0.4215
MCEB	0.2508	0.0346 - 0.2701	0.1908	0.0150 - 0.4226	0.2106	0.0030 - 0.5441
MCEH	0.2196	0.0285 - 0.2701	0.2588	0.0122 - 0.4215	0.0824	0.0024 - 0.4924
MCEN	0.1218	0.016 - 0.2701	0.0794	0.0067 - 0.4225	0.0000	0.0013 - 0.3460
MCEW	0.1114	0.0083 - 0.2700	0.0778	0.0035 - 0.4089	0.0332	0.0007 - 0.2136
MCGA	0.1224	0.0098 - 0.2700	0.0768	0.0041 - 0.4180	0.0000	0.0008 - 0.2434
MCEB	0.0392	0.0159 - 0.2701	0.1919	0.0067 - 0.4225	0.0000	0.0013 - 0.3451
MCEH	0.6545	0.0130 - 0.2701	0.0000	0.0055 - 0.4224	0.0000	0.0011 - 0.2999
MCEG	0.0000	0.0072 - 0.2697	0.0000	0.0030 - 0.3971	0.0000	0.0006 - 0.1894
MCEW	0.0479	0.0037 - 0.2699	0.0072	0.0015 - 0.3143	0.0000	0.0003 - 0.1071
MCEG	0.0000	0.0345 - 0.2701	0.0000	0.0363 - 0.4226	1.0000	0.0075 - 0.7488
MCEB	0.0823	0.0216 - 0.2701	0.3718	0.0576 - 0.4226	0.4653	0.0122 - 0.8300
MCEH	0.1728	0.0263 - 0.2701	0.4284	0.0475 - 0.4226	0.2564	0.0099 - 0.7987
MCEG	0.3947	0.0462 - 0.2701	0.3755	0.0267 - 0.4226	0.0000	0.0054 - 0.6840
MCEW	0.2650	0.0324 - 0.2701	0.3754	0.0140 - 0.4226	0.1985	0.0028 - 0.5263
MCEA	0.0000	0.0143 - 0.2701	0.0000	0.0846 - 0.4226	1.0000	0.0186 - 0.8822
MCEB	0.0823	0.0088 - 0.2701	0.3718	0.0621 - 0.4226	0.4653	0.0301 - 0.9246
MCEH	0.1728	0.0108 - 0.2701	0.4284	0.0749 - 0.4226	0.2564	0.0246 - 0.9088
MCEG	0.3947	0.0195 - 0.2701	0.3755	0.0635 - 0.4226	0.0000	0.0136 - 0.8447
MCEW	0.2650	0.0366 - 0.2701	0.3754	0.0341 - 0.4226	0.1985	0.0070 - 0.7363
MCEA	0.2210	0.0143 - 0.2701	0.2220	0.0846 - 0.4226	0.0000	0.0186 - 0.8822
MCEB	0.2410	0.0088 - 0.2701	0.2720	0.0621 - 0.4226	0.4300	0.0301 - 0.9246
MCEH	0.1800	0.0108 - 0.2701	0.3280	0.0749 - 0.4226	0.2960	0.0246 - 0.9088
MCEG	0.3340	0.0195 - 0.2701	0.0000	0.0635 - 0.4226	0.0000	0.0136 - 0.8447
MCEW	0.1790	0.0366 - 0.2701	0.2050	0.0341 - 0.4226	0.1060	0.0070 - 0.7363
MCEA	0.0623	0.0345 - 0.2701	0.3792	0.0363 - 0.4226	0.1458	0.0075 - 0.7488
MCEB	0.2101	0.0216 - 0.2701	0.3401	0.0576 - 0.4226	0.2056	0.0122 - 0.8300
MCEH	0.1771	0.0263 - 0.2701	0.3772	0.0475 - 0.4226	0.1318	0.0099 - 0.7987
MCEG	0.2110	0.0462 - 0.2701	0.3025	0.0267 - 0.4226	0.0000	0.0054 - 0.6840
MCEW	0.2414	0.0324 - 0.2701	0.1710	0.0140 - 0.4226	0.0553	0.0028 - 0.5263
MCEA	0.2210	0.0143 - 0.2701	0.2220	0.0846 - 0.4226	0.0000	0.0186 - 0.8822
MCEB	0.2410	0.0088 - 0.2701	0.2720	0.0621 - 0.4226	0.4300	0.0301 - 0.9246
MCEH	0.1800	0.0108 - 0.2701	0.3280	0.0749 - 0.4226	0.2960	0.0246 - 0.9088
MCEG	0.3340	0.0195 - 0.2701	0.0000	0.0635 - 0.4226	0.0000	0.0136 - 0.8447
MCEW	0.1790	0.0366 - 0.2701	0.2050	0.0341 - 0.4226	0.1060	0.0070 - 0.7363

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[The Report “Ready, Willing, and Unable To Serve” follows:]



Ready, Willing, And Unable To Serve

**75 Percent of Young Adults Cannot Join
the Military**

**Early Education across
America is Needed to
Ensure National Security**

A Report by



MISSION: READINESS
MILITARY LEADERS FOR KIDS



A Message from America's Retired Generals, Admirals and Civilian Military Leaders:

Americans have always answered the call to military service. Hundreds of thousands of young men and women throughout America have put their lives on the line in both Afghanistan and Iraq, and served with honor on humanitarian and other missions around the world.

Unfortunately, many young Americans who want to join cannot. Startling statistics released by the Pentagon show that 75 percent of young people ages 17 to 24 are currently unable to enlist in the United States military. Three of the most common barriers for potential recruits are failure to graduate high school, a criminal record, and physical fitness issues, including obesity.

The United States military requires rigorous eligibility standards because it needs competent, healthy and educated individuals to staff the world's most professional and technologically-advanced military. The best aircraft, ships and satellite-guided weaponry alone will not be enough to keep our country strong. To ensure a strong, capable fighting force for the future, America's youth must succeed academically, graduate from high school, be fit, and obey the law. That is why retired senior military leaders are joining together to launch *MISSION: READINESS*.

The most proven investment for kids who need help graduating from high school starts early: high-quality early education. It also helps kids stay away from crime and succeed in life.

Our recommendation to state and federal policymakers is to ensure that America's children have access to high-quality early education. That is the best way to make certain that more young Americans will meet the tough standards of the United States military should they choose to serve. A strong commitment today to high-quality early education will keep America strong and safe tomorrow.

Very Respectfully,

General John M. Shalikashvili, US Army (Ret.)
 General Henry "Hugh" Shelton, US Army (Ret.)
 General Wesley Clark, US Army (Ret.)
 General Richard E. Hawley, US Air Force (Ret.)
 General Johnnie E. Wilson, US Army (Ret.)
 Admiral Leon A. "Bud" Edney, US Navy (Ret.)
 Admiral Edmund P. Giambastiani, Jr., US Navy (Ret.)
 Admiral Thomas B. Hayward, US Navy (Ret.)
 Lieutenant General Joe N. Ballard, US Army (Ret.)
 Lieutenant General Dennis L. Benchoff, US Army (Ret.)
 Lieutenant General Robert C. Gard, Jr., US Army (Ret.)
 Lieutenant General Jerome B. Hines, US Army (Ret.)
 Lieutenant General Donald L. Kerrick, US Army (Ret.)
 Lieutenant General Ricardo S. Sanchez, US Army (Ret.)
 Lieutenant General Ronald L. Watts, US Army (Ret.)
 Lieutenant General Joseph H. Wehrle, US Air Force (Ret.)
 Lieutenant General Robert J. Winglass, US Marine Corps (Ret.)
 Vice Admiral Donald Arthur, US Navy (Ret.)
 Vice Admiral Edward H. Martin, US Navy (Ret.)
 Vice Admiral James A. Zimble, US Navy (Ret.)
 Major General Earl L. Adams, US Army (Ret.)
 Major General Buford "Bufi" Blount, US Army (Ret.)
 Major General Roger R. Blunt, US Army (Ret.)

Major General William F. Burns, US Army (Ret.)
 Major General George A. Buskirk, Jr., US Army (Ret.)
 Major General Jack J. Catton, Jr., US Air Force (Ret.)
 Major General Carroll D. Childers, US Army (Ret.)
 Major General George F. Close, Jr., US Army (Ret.)
 Major General James W. Comstock, US Army (Ret.)
 Major General Wesley E. Craig, US Army (Ret.)
 Major General John T. Crowe, US Army (Ret.)
 Major General Nelson E. Durgin, US Air Force (Ret.)
 Major General Paul D. Eaton, US Army (Ret.)
 Major General Frank R. Faykes, US Air Force (Ret.)
 Major General John T. Furlow, US Army (Ret.)
 Major General Peter J. Gravett, US Army (Ret.)
 Major General George H. Harmeyer, US Army (Ret.)
 Major General Donald R. Infante, US Army (Ret.)
 Major General James A. Kelley, US Army (Ret.)
 Major General Paul E. Mock, US Army (Ret.)
 Major General Paul D. Monroe, Jr., US Army (Ret.)
 Major General George W. "Nordie" Norwood, US Air Force (Ret.)
 Major General Daniel J. O'Neill, US Army (Ret.)
 Major General Stephen E. Nichols, US Army (Ret.)
 Major General Joseph F. Perugini, US Army (Ret.)



Major General Walter F. Pudlowski, Jr., US Army (Ret.)
 Major General Carroll Thackston, US Army (Ret.)
 Rear Admiral James A. Barnett, US Navy (Ret.)
 Rear Admiral James J. Carey, US Navy (Ret.)
 Rear Admiral Edward K. Kristensen, US Navy (Ret.)
 Rear Admiral Roland G. Guibault, US Navy (Ret.)
 Rear Admiral John F. Hekman, US Navy (Ret.)
 Rear Admiral James E. McPherson, US Navy (Ret.)
 Rear Admiral Stuart F. Platt, US Navy (Ret.)
 Rear Admiral Alan M. Steinman, US Coast Guard (Ret.)
 Rear Admiral David M. Stone, US Navy (Ret.)
 Rear Admiral Robert Sutton, US Navy (Ret.)
 Brigadier General Clara L. Adams-Ender, US Army (Ret.)
 Brigadier General Sherian G. Cadoria, US Army (Ret.)
 Brigadier General Robert G. Carmichael, Jr., US Army (Ret.)
 Brigadier General George N. Clark, Jr., US Air Force (Ret.)
 Brigadier General James P. Combs, US Army (Ret.)
 Brigadier General Julia J. Cleckley, US Army (Ret.)
 Brigadier General John W. Douglass, US Air Force (Ret.)
 Brigadier General Michael A. Dunn, US Army (Ret.)
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Brigadier General Larry E. Gilman, US Army (Ret.)
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 Brigadier General Augustine A. Verrengia, US Air Force (Ret.)
 Brigadier General William L. Waller, Jr., US Army (Ret.)
 Brigadier General John M. Watkins, US Army (Ret.)
 Brigadier General Jack Yeager, US Army (Ret.)
 Chief Master Sergeant of the Air Force Frederick J. Finch (Ret.)
 Master Chief Petty Officer of the Navy James L. Herdt (Ret.)
 Sergeant Major of the Marine Corps John L. Estrada (Ret.)
 Sergeant Major of the Marine Corps Alford L. McMichael (Ret.)
 Sergeant Major of the Army Reserve Michele S. Jones (Ret.)
 Master Chief Petty Officer of the Coast Guard Vincent W. Patton, III (Ret.)
 Sergeant Major of the Army Jack L. Tilley (Ret.)
 Former Secretary of the Navy John H. Dalton
 Former Under Secretary of the Army Joe R. Reeder

Ready, Willing and Unable to Serve

75 percent of America's young adults cannot join the military
Early education is needed to ensure national security

The Pentagon reports that 75 percent of Americans aged 17 to 24 cannot join the United States military – 26 million young Americans. The reasons behind this are serious and, if left unaddressed, will adversely affect the future strength of our military. In the interest of national security, we must understand and deal with these problems now. We cannot rely on a continuation of what may be the worst recession since the Great Depression to ensure that America has enough qualified men and women to defend our country.

Three Crucial Reasons Why Young Americans Cannot Join the Military:

Although there may be multiple reasons why an individual is ineligible to serve in the military, the three biggest problems are that too many young Americans are poorly educated, involved in crime, or physically unfit.

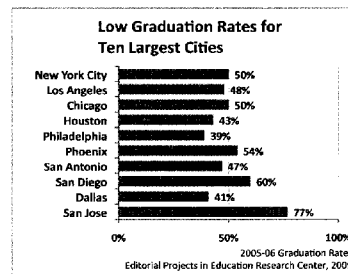
Inadequate education: Approximately one out of four young Americans lacks a high school diploma.¹ Students who have received a general equivalency degree (GED) can sometimes receive a waiver if they score well enough on the military's entrance exam. However, most of those who dropped out and obtained a GED instead of a regular degree do not possess sufficient math or reading skills to qualify.

Not only are too many young people failing to graduate, many of those who *do* graduate still lack the academic skills necessary to take their place alongside others in the workforce or in the military.

The "Nation's Report Card," the National Assessment of Educational Progress (NAEP), reports that in 2007, 69 percent of the nation's eighth graders scored below proficiency level in math, and 70 percent scored below proficiency level in reading.²

Even with a high school degree, many potential recruits still fail the Armed Forces Qualification Test (the AFQT) and cannot join. The test is used by the military to determine math and reading skills. About 30 percent of potential recruits with a high school degree take the test and fail it.³

Criminality: One in 10 young adults cannot join because they have at least one prior conviction for a felony or serious misdemeanor (and for five percent of young adults, trouble with the law is the only thing keeping them out).⁴



To illustrate how serious the crime problem is in America, there were more than 14 million arrests for crimes in the United States in 2007 and nearly 600,000 arrests for violent crimes.⁵ According to the Pew Center on the States, "One in 30 men between the ages of 20 and 34 is behind bars."⁶ Juvenile crime is also a serious problem, with over 2.2 million juvenile arrests in America in 2006.⁷

Physically unfit: 27 percent of young Americans are too overweight to join the military.⁸ Many are turned away by recruiters and others never try to join. Of those who attempt to join, however, roughly 15,000 young potential recruits fail their entrance physicals every year because they are too heavy.⁹

"One in 30 men between the ages of 20 and 34 is behind bars."

— Pew Center on the States

The percentage of Americans who are not just overweight but actually obese has risen rapidly. The rate of obesity among American adults has more than doubled over the past four decades, with one in three adults being obese.¹⁰ So, the



number of enlistment-age young adults who cannot join the military because of weight problems – currently 27 percent nationally – is likely to continue to rise in the next few years.

Nearly a third (32 percent) of all young people have **health problems – other than their weight** – that will keep them from serving. Many are disqualified from serving for asthma, eyesight or hearing problems, mental health issues, or recent treatment for Attention Deficit Hyperactivity Disorder.

When weight problems are added in with the other health problems, over half of young adults cannot join because of health issues.¹¹ Additional young people are not eligible to join because of drug or alcohol problems.

Even when recruits qualify, health problems can cause significant deployment and expense problems later; for example, 20 percent of the Army's reservists arrived at mobilization sites with dental conditions that made them non-deployable.¹²

Additional reasons beyond education, crime, and physical fitness: Other young people are not eligible to join because they are too tall, too short, or have other non-medical reasons making them ineligible. For example, single parents with custody of a child cannot join. The cut-off points for different service branches vary on many standards.

Multiple problems: Solving one problem is often not enough to allow someone to join. For example, some of the overweight individuals are also involved in crime or have other medical problems that would disqualify them even if they were to lose enough weight.

Not a problem in 2009 but... *The Washington Post* recently reported that, "For the first time in more than 35 years, the U.S. military has met all of its annual recruiting goals." During economic downturns, higher numbers of well-qualified candidates seek to enlist and the military can temporarily rely less on waivers for those with academic deficits or criminal records.¹³ But a weak economy is no formula for a strong military. Once the economy begins to grow again, the challenge of finding enough high-quality recruits will return. Unless we help more young people get on the right track today, our future military readiness will be put at risk.

In summary: when all the requirements are considered, only about two out of 10 young people are fully eligible to join the Army without any waivers, according to the Army's Accessions Command.¹⁴ The number of others who are eligible with waivers depends on the service branch and where they draw the lines on waivers for educational deficits, legal offenses or health problems. In his March 2009 testimony, Curtis Calkroy, the Pentagon's accessions policy director, testified that currently 75 percent of young Americans have problems that will keep them from joining the military.¹⁵

Quality early education increases graduation rates and cuts crime

Future Mission: Readiness reports will discuss health issues; this report is focused on what can be done to decrease drop-out rates and cut crime. Over 40 years of research on early education programs has found they successfully address both problems.

Research shows early education builds a foundation for future learning

Ninety percent of a person's adult brain weight is achieved by age five.¹⁶ According to the Institute of Medicine book *From Neurons to Neighborhoods*, brain scans and neuroscience have now shown

conclusively that the best time to influence a child's trajectory in life is during the child's earliest years when the architecture of the brain is literally under construction. Changes in neurons, connections and structures in the brain continue throughout life, but the most important changes come during the 0-5 years:

What happens during the first months and years of life matters a lot, not because this period of development provides an indelible blueprint for adult well-being, but because it sets either a sturdy or fragile stage for what follows.¹⁷

And "school readiness skills" are more than just learning the ABC's or knowing how to count. Young children also need to learn to share, wait their turn, follow directions, and

"Our men and women in uniform are the best in the world. But the sophistication of our military is increasing every year so we will soon need even better-qualified recruits. Unfortunately, the number of young Americans who have high-school degrees, are in good physical shape, and are without criminal records is declining. To keep our country strong and safe, we need to ensure all young Americans get the right start in life – we need more investments in high-quality early education."

– Henry "Hugh" Shelton General,
US Army (Ret.)
Former Chairman, Joint Chiefs of Staff

build relationships. This is when children begin to develop a conscience – differentiating right from wrong – and when they start learning to stick with a task until it is completed. Nobel-prize-winning economist James Heckman studies economic productivity and argues that these early social skills are crucial for future success in school and later in life. As Heckman explains, success builds on success. Unfortunately, failure also begets failure.¹⁸

“I first learned about early education from my wife’s personal experience. An early education teacher for 20 years, she would share her classroom experiences during our “How was your day today?” dinner conversations. It was clear to her that you could easily identify students who benefited from pre-kindergarten programs. They had better social skills and better cognitive skills and were more adaptive to the learning process. I was convinced.”

– Major General Frank R. Faykes
US Army (Ret.)

The solid research behind early education

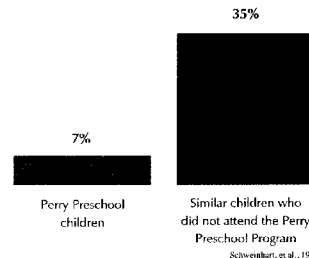
Those who have served in leadership positions in the United States military recognize that it is imperative that the military be able to field not just highly-competent individuals who can operate high-tech machinery and computer systems. The military also needs individuals who will have the ability to work in teams and the excellent judgment needed to successfully carry out their duties while deployed on active duty in high-stress situations. That cannot be acquired just in basic training.

Carefully designed studies have followed the children in those high-quality early learning programs for decades. The resulting research shows that children in the programs had higher rates of high school graduation and lower rates of arrest than the study participants who did not receive the preschool programs.¹⁹

In fact, of the many school reforms that can impact children’s chances of graduating, early education has the most solid proof that it can raise graduation rates.²⁰

QUALITY EARLY ED CUTS FUTURE CRIME

Chronic lawbreakers at age 27



At-risk 3- and 4-year olds randomly excluded from the High/Scope Perry Preschool Program were five times more likely to become chronic offenders (more than four arrests) by age 27.

Evidence supporting pre-kindergarten for at-risk children comes from a randomized-controlled study following children in the **High/Scope Perry Preschool Project** in Ypsilanti, Michigan. Beginning in 1962, preschool teachers worked intensively with low-income children ages 3 and 4. The children attended preschool during the week and teachers came to their homes once a week to coach their parents on appropriate parenting skills. Researchers followed the children up to age 40, comparing their life experiences with the children who did not participate in the early education program. The contrast was stark.

Almost half of the preschool children were performing at grade level by the age of 14, compared with just 15 percent of the children in the control group; and 44 percent more of the children in the Perry program went on to graduate from high school.²¹

By age 27, at-risk three- and four-year-olds left out of the Perry Preschool program were five times more likely to be chronic offenders than similar children who attended the program. Significant and meaningful differences in life outcomes continued through age 40.²²

“Quality early education increases graduation rates by as much as 44 percent.”

– Schweinhart, 2005



The **Child-Parent Center (CPC)** pre-kindergarten program has served over 100,000 at-risk, inner-city children in Chicago. By the age of 18, children left out of the program were 70 percent more likely than program participants to have been arrested for a violent crime. An outstanding charge or conviction for a violent crime usually prevents a young person from enlisting in the military.²³ The children left out of the program were also almost twice as likely to be placed in foster care as those in the program.²⁴ By age 20, participants in CPC were 29 percent more likely to have graduated from high school.²⁵

Child-Parent Centers: At-risk children left out of quality early education were 70 percent more likely to commit violent crimes.

— Reynolds, 2001

Beginning as early as possible is critical

The **Abecedarian** home visitation and preschool program randomly assigned children from impoverished families living in a small Southern town to either a full-day, enriched preschool program at a child center, or to no intervention. The children began in the program as infants (usually at 4 months) and continued receiving high-quality early education up to age five.

The children *not* in Abecedarian had lower IQ's at age 12, were 91 percent more likely to be held back in school, and dropped out of high school 48 percent more often. The children served by Abecedarian were nearly three times more likely to be attending a 4-year college at age 21.²⁶

The **Syracuse University Family Development Program** provided weekly home visitations and high-quality early learning programs to low-income, single-parent families beginning prenatally and lasting through age five. Ten years after the initial study ended, children who were not included in the program were 10 times more likely to have committed a crime than comparable children enrolled in the program (16.7 percent versus 1.5 percent). Furthermore, children not in the program committed more serious crimes, including sexual abuse, robbery, and assault.²⁷

These snapshots over time of the children's development show that early childhood education and parent coaching can have significant long-term impacts on a person's success or failure in school and beyond. Research shows that these interventions beginning before birth up to age five have far-reaching consequences later in life, and all of society benefits.

A strong investment with impressive returns

Not only does early education advance the educational success of students, it also produces solid savings to taxpayers. Disadvantaged children who repeatedly fail in school do not simply disappear. Too often these children grow up to have very troubled lives, and their struggles can be extremely costly to society. Special education, crime, welfare, and other costs account for staggering expenses for the nation's taxpayers.

The United States military itself understands the inherent value of early education. The Army, Navy and Air Force have been providing high-quality early care and education to the children of personnel at bases around the globe for more than a decade, and the military's Child Development Centers have been recognized for their path-breaking role in this area.²⁸

Individual children who grow up to drop out of school, abuse drugs and become career criminals cost society, on average, over 2.5 million dollars each.²⁹ There are over seven million Americans on probation, incarcerated, or on parole.³⁰ So, when a researcher, David Anderson, added up all the quantifiable private and public costs for an article in the University of Chicago's *Journal of Law and Economics*, it was not all that surprising that criminal behavior alone was found to cost Americans \$1.7 trillion a year.³¹

Because the various costs to society incurred by some of the at-risk kids can be so high, research shows that the benefits of investing in high-quality early childhood education for at-risk kids far outweigh the costs. According to cost-benefit studies done of the programs:

Net Savings from Early Education Investments	
High/Scope Perry Preschool	\$244,811 ³²
Chicago Child-Parent Centers	\$70,977 ³³

Unfortunately, America is still spending heavily on recurrent social problems and not enough on preventing them in the first place. For example, in order to take in fewer young people who have a criminal record, are overweight, or have no high

school degree, the Army has been spending about \$22,000 per recruit in enlistment bonuses.³⁴ As another example, while the Chicago Child-Parent Centers have shown that high-quality early education and parent coaching can cut foster care placements almost in half, state and federal governments together are paying over \$20 billion a year to identify and care for the victims of abuse or neglect in America.³⁵

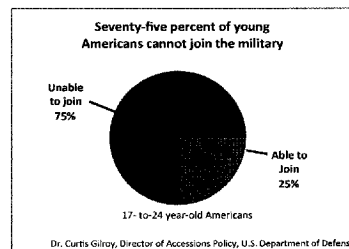
Individual children who grow up to drop out of school, abuse drugs and become career criminals cost society, on average, over 2.5 million dollars each.

Next steps for America

Nationwide, the proportion of four-year-olds served by state pre-k programs has risen from 14 percent in 2002, to 24 percent in 2008 – a 71 percent increase over six years.³⁶ While this is substantial progress, most states fall well short of serving most of their pre-k-age children. More than half of all states are reaching only 30 percent or less of their four-year-old children through state and federal programs, and ten states serve 20 percent or less of the four-year-olds in their state. Some states, such as Oklahoma, have undertaken serious efforts to offer families in their state pre-kindergarten. Oklahoma currently serves 71 percent of all of the state's four-year-olds in their voluntary, high-quality pre-kindergarten program. Combined with Head Start and programs for children with special education needs, 88 percent of Oklahoma's families with four-year-old children are taking advantage of voluntary state or federal pre-kindergarten programs.³⁷

Nationally, funding for Head Start, the nation's premier pre-kindergarten program for at-risk kids, is sufficient to serve less than half of all eligible children, and Early Head Start serves less than five percent of infants and toddlers from low-income families who are eligible.³⁸

Given this current lack of access, clearly a top national and state priority must be to increase the number children served by early education. However, as crucial as it is to increase access, it is equally important to deliver high-quality programs. The research is clear that only high-quality programs deliver strong results. Military commanders all know that quantity is no substitute for quality. A strong military unit needs both.



Conclusion: Early education is an investment in national security

The best aircraft, ships, and satellite-guided weapon systems are only as effective as the personnel the military can recruit to operate them. Just as with our evolving economy, tomorrow's military will need young people who are better prepared than earlier generations for tomorrow's challenges. But the trends are not encouraging. Too many young people are dropping out of school, getting involved in crime, and are physically unfit.

"Our national security in the year 2030 is absolutely dependent upon what is going on in pre-kindergarten today."

– Rear Admiral James Barnett,
US Navy (Ret.)

This cannot continue. Our military readiness, and thus our national security, will depend on the ability of the upcoming generation to serve. We need to take action now to reverse our current course.

If members of Congress, governors, and state legislators act now to ramp up both the quantity and quality of early education programs, they can count on strong support from the retired generals and admirals of MISSION: READINESS. America's military leaders fully understand what is at stake. America can, and must, do a better job of preparing our children for a successful life with many options in adulthood, including a career in the military if they choose to serve. Increased investments in high-quality early education are essential for our national security.

Appendix

Nationally, 75% of young people cannot join the military		States worse than the national average on:		
States	75% of 17-24 year-olds (a)	Overweight or Obese Juveniles (b)	Young people who did not graduate high school (c)	Adults on probation, incarcerated, or on parole (d)
United States	26,022,688			
Alabama	294,240	X	X	
Alaska	64,938	X	X	
Arizona	526,399		X	
Arkansas	231,008	X		X
California	3,370,138		X	
Colorado	407,687			X
Connecticut	284,309			
Delaware	73,864	X	X	X
District of Columbia	66,085	X	X	X
Florida	1,405,581	X	X	
Georgia	804,432	X	X	X
Hawaii	109,167			
Idaho	139,081			X
Illinois	1,146,808	X		
Indiana	529,827		X	X
Iowa	267,945			
Kansas	256,328			
Kentucky	333,529	X		
Louisiana	412,130	X	X	X
Maine	98,540			
Maryland	475,265			X
Massachusetts	582,311			X
Michigan	852,183			X
Minnesota	443,624			X
Mississippi	267,566	X	X	
Missouri	490,125			
Montana	83,280			
Nebraska	163,232			
Nevada	185,725	X	X	
New Hampshire	104,165			
New Jersey	672,771			
New Mexico	177,608	X	X	
New York	1,748,230	X	X	
North Carolina	772,531	X	X	
North Dakota	72,259			
Ohio	945,976	X		X
Oklahoma	323,492			
Oregon	295,723			
Pennsylvania	1,052,849			X
Rhode Island	100,132			X
South Carolina	383,160	X	X	
South Dakota	72,469			
Tennessee	481,510	X	X	
Texas	2,146,654	X	X	X
Utah	288,222			
Vermont	53,938			
Virginia	672,031			
Washington	533,776			X
West Virginia	138,161	X		
Wisconsin	484,398			
Wyoming	47,206			

Some states with more undereducated, physically unfit, or criminally-involved young adults than the national average will have more than 75 percent of their young people who cannot join the military. Other states will have fewer.

For state-specific data see the following pages, or the sources below:

(a) United States Census: <http://www.census.gov/hhes/youngadults/PSY-8512008-01.html>

(b) Trust for America's Health: <http://healthpolicytrust.org/press/overweight> (no data is available for 17-24 year-olds)

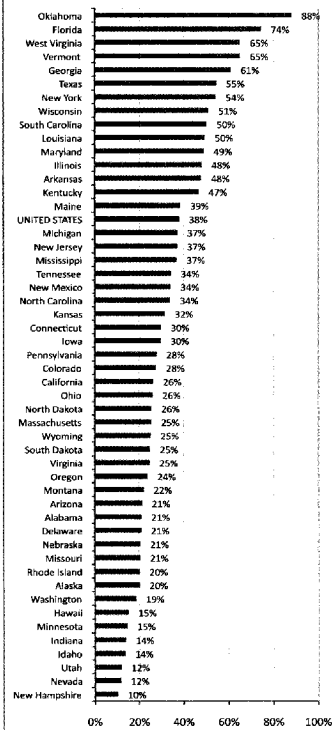
(c) Department of Education: See table 3 page 9, <http://www.ed.gov/pubs/2010/01/13.pdf>

(d) Pew Center on the States: See the table on the last page, http://www.pewcenteronthestates.org/uploads/Files/PSPP_16th_report_FINAL_WEB_3-26-09.pdf

(Statewide data is unavailable for juveniles, but since most adults in the adult system are young adults, this gives some relative sense of how crime may impact recruitment.)

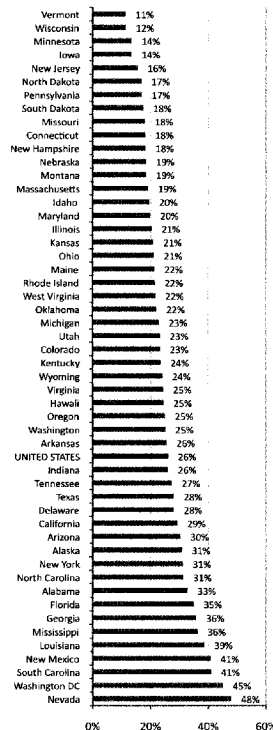


Percent of 4-year-olds in state- or federally-funded pre-kindergarten in 2008 (by state)³⁹



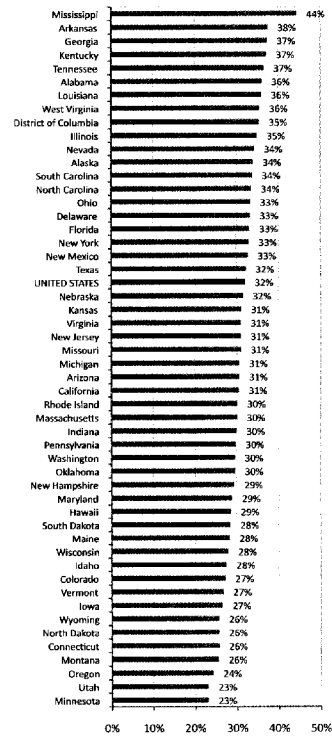
National Institute for Early Education Research (2009)

Percent of students who fail to graduate on time (by state)



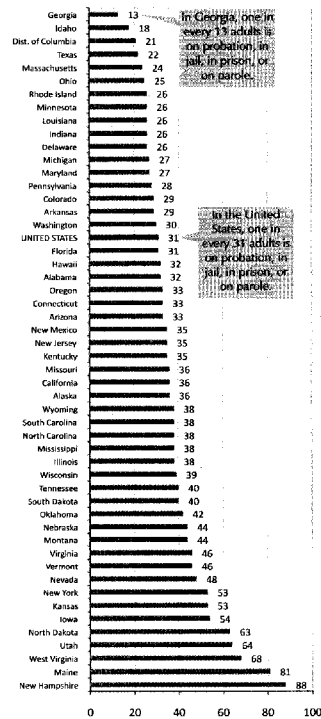
U.S. Department of Education (2009)

Percentage of 10-17
year-olds who were
overweight or obese
in 2007 (by state)⁴⁰



Trust for America's Health (2009)

Adults on probation,
in jail, in prison,
or on parole (by state)⁴¹



Federal Bureau of Investigation and Pew Center on the States, 2007 data



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- Early Head Start serves less than 4 (3.36) percent of those eligible. The percentage of income-eligible children who are enrolled in Early Head Start was computed by dividing the number of 0, 1 and 2-year-old children served in 2008 (n=90,841) by the number of 0-, 1-, and 2-year-old children in poverty in 2007 (n=2,698,000). The number of children in Early Head Start was calculated by multiplying the total number of children enrolled in Head Start and Early Head Start (n=908,412) in 2008 by the percentage of children aged 0-2 enrolled in Early Head Start (10%). For the number of children enrolled in Early Head Start, see Head Start Bureau. (2009). *Head Start program fact sheet - Fiscal year 2008*. Washington, D.C.: U.S. Department of Health and Human Services. Retrieved on June 16, 2009 from <http://www.acf.hhs.gov/programs/ohs/about/fy2008.html>; For the number of 3- and 4-year-old children in poverty, see: U.S. Census Bureau. (2008). *Current Population Survey - Annual social and Economic (ASEC) Supplement*. Washington, D.C.: Author. Retrieved on June 16, 2009 from <http://www.census.gov/hhes/www/poverty/detailedpovtab.htm#01>
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- 40 Data is not available for 17- to 24-year-olds, but this shows which states have more overweight youth.
- 41 Ten percent of young Americans cannot join the military because of convictions. Most offenders under correctional control are young adults. Arrest data is not fully available for all states. But corrections data gives some sense of the burden of crime and punishment in different states.





Acknowledgements

MISSION: READINESS is the nonpartisan, nonprofit, national security organization of more than 80 retired generals, admirals, and other senior military leaders. The military leaders of MISSION: READINESS call on all policy-makers to ensure America's security and prosperity by supporting interventions proven to help America's youth succeed academically, stay physically fit, and abide by the law.

MISSION: READINESS is supported by tax-deductible contributions from foundations, individuals, and corporations. Supporters include:

- The Pew Charitable Trusts and Pre-K Now, a campaign of the Pew Center of the States. Pre-K Now collaborates with organizations and policy-makers to lead a movement toward high-quality, voluntary pre-kindergarten for all 3- and 4-year-olds.
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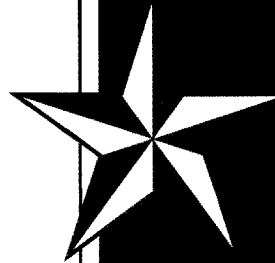
The opinions expressed are those of the authors and do not necessarily reflect the views of The Pew Charitable Trusts.

This report was authored by William Christeson, Amy Dawson Taggart, and Soren Messner-Zidell.

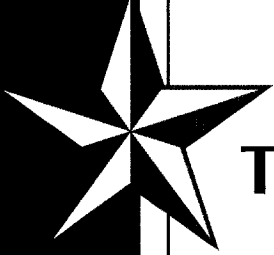
Ted Eismeier, Saif Khan, Matt Lambert, and Stephanie Schaefer also contributed to this report.



1212 New York Avenue NW, Ste 300
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[The Report “Too Fat Too Fight” follows:]



Too Fat to Fight

Retired Military Leaders Want
Junk Food Out of America's Schools

A Report by



MISSION: READINESS
MILITARY LEADERS FOR KIDS



A Message from America's Retired Generals, Admirals and Civilian Military Leaders:

As retired Generals, Admirals, and other senior leaders of the United States Armed Forces, we know firsthand that national security must be America's top priority.

Our organization recently released a report citing Department of Defense data indicating that an alarming 75 percent of all young Americans 17 to 24 years of age are unable to join the military because they failed to graduate from high school, have criminal records, or are physically unfit.

Being overweight or obese turns out to be the leading medical reason why applicants fail to qualify for military service. Today, otherwise excellent recruit prospects, some of them with generations of sterling military service in their family history, are being turned away because they are just too overweight.

We have witnessed countless acts of bravery and courage during our time in the Armed Forces. We are deeply proud of the talent and commitment of the young men and women in uniform. Our standards are high because we clearly cannot have people in our command who are not up to the job. Too many lives depend on it.

To reduce America's obesity rates we must start with the basics. In addition to exercise, we know that maintaining a balanced diet is key to long-term health and fitness. We also know that the childhood years are critical to the formation of sound eating habits. Millions of children buy breakfast, lunch and snacks in school every day. Properly managed, the school environment can be instrumental in fostering healthful eating habits that will last a lifetime.

We are calling on Congress to pass new child nutrition legislation that would (a) get the junk food out of our schools; (b) support increased funding to improve nutritional standards and the quality of meals served in schools; and (c) provide more children access to effective programs that cut obesity.

If we don't take steps now to build a strong, healthy foundation for our young people, then it won't just be our military that pays the price – our nation as a whole will suffer also.

Very Respectfully,

Executive Advisory Council

General John M. Shalikashvili, US Army (Ret.)
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 Master Chief Petty Officer of the Navy James L. Herdt (Ret.)
 Sergeant Major of the Marine Corps John L. Estrada (Ret.)
 Sergeant Major of the Marine Corps Alford L. McMichael (Ret.)
 Sergeant Major of the Army Reserve Michele S. Jones (Ret.)
 Master Chief Petty Officer of the Coast Guard Vincent W. Patton, III (Ret.)
 Sergeant Major of the Army Jack L. Tilley (Ret.)

Civilian Leadership

Former Secretary of the Navy John H. Dalton
 Former Under Secretary of the Army Joe R. Reeder

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Too Fat to Fight

Too Fat to Fight

Retired Military Leaders Want Junk Food Out of America's Schools

Summary

MISSION: READINESS, an organization of retired senior military leaders, is warning Congress that at least nine million 17- to 24-year-olds in the United States are too fat to serve in the military. That is 27 percent of all young adults. Obesity rates among children and young adults have increased so dramatically that they threaten not only the overall health of America but also the future strength of our military. The group is calling on Congress to take immediate steps to remove junk food and any remaining high-calorie beverages from our schools, noting that these products are major contributors to childhood obesity.

The report cites a new analysis of data from the Centers for Disease Control and Prevention (CDC) showing an alarming increase in obesity rates among young adults across the country. During the past decade, the number of states with 40 percent of young adults considered by the CDC to be overweight or obese has risen from one state to 39. In three states – Kentucky, Alabama and Mississippi – more than half of young adults are overweight.

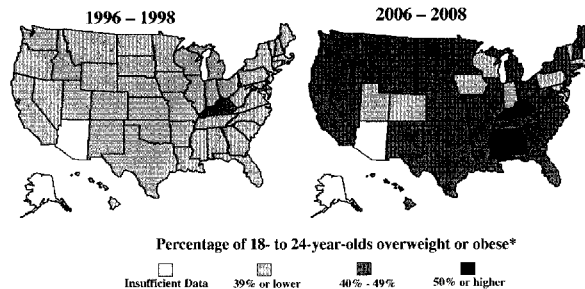
Military concerns about the fitness of our children are not new. In 1946, General Lewis Hershey was instrumental in convincing Congress to pass the original National School Lunch Act as a way to improve the nutrition of America's children, increase their height and weight, and ensure America's national security.

Today, as members of MISSION: READINESS, more than 100 retired generals and admirals are calling on Congress to reauthorize the Child Nutrition Act with the following changes:

- Allow the U.S. Department of Agriculture to adopt new nutrition standards that will get high-calorie, low-nutrition foods out of our schools;
- Support the administration's proposal for adequate funding to improve the quality of food available in schools and increase the number of children who have access to quality meals at school;
- Deploy proven school-based programs that enlist parents in helping children adopt life-long changes in their eating and exercise habits.

As retired U.S. Army General Johnnie E. Wilson says: *"Child obesity has become so serious in this country that military leaders are viewing this epidemic as a potential threat to our national security. We need America's service members to be in excellent physical condition because they have such an important job to do. Rigorous service standards are critical if we are to maintain the fighting readiness of our military."*

Over a ten-year period, the number of states with 40 percent or more of their young adults who were overweight or obese went from 1 to 39.



*Source: Centers for Disease Control and Prevention (CDC), Behavioral Risk Factor Surveillance System. If states were missing data for one or more years, data from 1995, 1999 or 2005 were used to generate a pooled average for three years in order to have large enough samples. Alaska did not have data for either period and Arizona did not have data for the later period.



"Every month hundreds of otherwise excellent candidates for military service are turned away by recruiters because of weight problems. Since 1995, the proportion of recruits who failed their physical exams because they were overweight has risen by nearly 70 percent. We need to reverse this trend, and an excellent place to start is by improving the quality of food served in our schools."

**General John M. Shalikashvili,
US Army (Ret.)
Former Chairman, Joint Chiefs of Staff**

Introduction

America's Military Leaders Have Sounded the Alarm in the Past

Military leaders have stood up before to make sure America's youth had proper nutrition for a healthy start in life. During World War II, the military discovered that at least 40 percent of rejected recruits were turned away for reasons related to poor nutrition.¹ Stunted growth from inadequate nutrition and poor health was so common that the young men who made it into the military during World War II were more than an inch and a half shorter, on average, than young American men today.² After the war ended, General Lewis Hershey, the military's Selective Service Director, delivered testimony that helped win passage of the National School Lunch Program.³ The National School Lunch Program, established in 1946, helped improve the health and well-being of our nation by making sure children across America had access to healthful meals at school.

An Epidemic That Threatens National Security

Once again, America's retired military leaders are alerting Congress to a threat to national security. The basic fact is that too many young American men and women are too fat to fight.

The Army's estimate of who is too heavy to join the military:

The Army's Accessions Command, which carries the responsibility for recruiting and the initial training of new Army recruits, estimates that over 27 percent of all Americans 17 to 24 years of age — over nine million young men and women — are too heavy to join the military if they want to do so.⁴ The Army's estimate is based on the national survey conducted for it by the Lewin Group in 2005. The estimate uses a weight-for-height cutoff that allows somewhat higher weights than the cutoff used by civilian organizations, such as the National Institutes of Health.⁵

The number of recruits actually turned away after taking their



Credit: U.S. Army Sgt. Daniel Lucas, 2010

physicals has risen dramatically in the last decade. If a young man or woman seeking to enter the military is otherwise qualified but is obviously too heavy, a recruiter will not schedule a trip for that person to the regional Military Entrance Processing Center. But between 1995 and 2008, the military had 140,000 individuals who showed up at the centers for processing but failed their entrance physicals because they were too heavy.⁶ Being overweight is now by far the leading medical reason for rejection, and between 1995 and 2008, the proportion of potential recruits who failed their physicals each year because they were overweight rose nearly 70 percent.⁷

The CDC's national and state estimates for who is overweight or obese: The CDC uses a more standard cutoff in their definition of who is overweight. Using that cutoff and their own Behavior Risk Factor Surveillance

Over the past 30 years, while adult rates of obesity have doubled, childhood obesity rates have tripled.

System data collected every year, the CDC found that 42 percent of young adults 18 to 24 years were either overweight or obese.⁸ That equals eleven million young adults. To be within the healthy weight range, those young people would have to lose almost 400 million total pounds.⁹



A Matter of Life and Death

For office workers in civilian life, having a colleague who is overweight may raise the cost of their health care but is not likely to threaten their safety. But for military personnel the physical abilities of their colleagues can be the difference between life and death. Consider Corporal Todd Corbin:

Running through the line of fire, [Corporal Todd] Corbin grabbed his

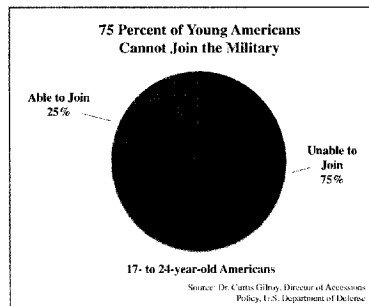
wounded patrol leader and threw him over his shoulder. He then sprinted back to his Humvee, firing at enemies as he ran. Corbin ran back and forth several times through the kill zone, moving everyone he could out of the withering fire and loaded them into his vehicle."

For his bravery, Corporal Corbin received the Navy Cross in April of 2006.

Source: U.S. Defense Department, Heroes website

Whichever measurement is used — the military's or the CDC's — it is beyond question that too many young Americans are overweight or obese. [See the map of CDC data on page 1]. Within just a ten-year period ending in 2008, the number of states reporting that 40 percent or more of their young adults were overweight or obese went from just one state, Kentucky, to 39 states. And in three states — Kentucky, Mississippi and Alabama — over 50 percent of young adults had become overweight or obese within the decade.¹⁰ [See also the appendix on pp. 10 for a table of these data.]

Childhood obesity rates have accelerated faster than adult obesity rates. Over the past 30 years, while adult rates of obesity have doubled, childhood obesity rates have tripled.¹¹ The *Journal of the American Dietary Association* reports that "Almost one-third of American children — nearly 23 million children and teens — are either overweight or obese."¹² Largely because of this epidemic of obesity, today's children may be the first generation of Americans to live shorter lives than their parents.¹³



Seventy-five percent of Americans 17 to 24 years old are unable to join the military for one or more reasons.¹⁴ A quarter of young Americans are currently not graduating from high school on time.¹⁵ Another 10 percent of Americans cannot join the military because of their criminal records.¹⁶ Some have other disqualifiers keeping them out and some have multiple reasons they cannot join.

When weight problems are combined with educational deficits, criminal records, and other disqualifiers such as asthma or drug abuse, 75 percent of Americans 17 to 24 years old are unable to join the military for one or more reasons.¹⁷ The military will need to have more fit young men and women if it is going to find enough recruits with the excellent qualifications needed for a modern military.

"A failing economy is no formula for filling the ranks of a strong military. These longer-term eligibility problems are not going away."

— Lieutenant General Norman R. Seip, US Air Force (Ret.)

The recent recession has temporarily reduced the challenges the nation's 15,000 military recruiters face in meeting their quotas for signing up qualified individuals.¹⁸ But recruiters remember the recent past when they could not sign up enough young men and women to meet the nation's needs.¹⁹

Under Secretary of Defense for Personnel and Readiness Clifford Stanley recently warned Congress about the need to avoid a "boom or bust" recruiting cycle.²⁰ And retired U.S. Air Force Lieutenant General Norman R. Seip has warned that "a failing economy is no formula for filling the ranks of a strong



The Challenge of Fighting Obesity

High numbers of obese and overweight young adults are clearly hurting our ability to build a strong military for the future. The many unhealthful food sources prevalent in America, combined with our hard-wired desire for sugar and fat, are leading millions of people toward obesity and unhealthy weight. The Food and Drug Administration commissioner under President George H. W. Bush, David Kessler, M.D., has tried to explain why this epidemic of obesity occurred and why it will be a national challenge to reverse. He reports that our desire for foods high in sugar, fat, and salt stems from when early human diets contained only about 10 percent fat and when sugars came primarily from modest amounts of ripe fruit:

Alone among the senses, taste is hardwired to brain cells that respond to pleasure. It prompts the strongest emotional response. ... [For animals] the breaking point at which [they] will no longer work for [a drink high in sugar and fat], ... is slightly lower than the breaking point for cocaine. Animals are willing to work almost as hard to get either.²⁵

It also turns out that lack of exercise is not the primary culprit. Although children and adults exercise less than they should, exercise patterns have not changed dramatically

in recent decades while obesity patterns have.²⁶ What has changed in recent years is the availability and lower prices of food products that are high in sugar, fat, and salt and the increased pressures on families' time. According to an article published by the Johns Hopkins Bloomberg School of Public Health, "Over the past two decades, Americans have increased their daily calorie intake by 250 to 300 calories, with approximately half of the additional calories coming from sugar-sweetened drinks."²⁷ As University of California, Berkeley professor Lorrene Ritchie explained in testimony before Congress, "Healthy food and beverage options generally require more time, money, energy and effort to consume than less healthy options."²⁸

Clearly, improving nutrition is crucial for tackling this problem. To reverse this epidemic of childhood and adult obesity will take a concerted effort by individuals, the private sector and various governmental and non-governmental agencies. If it were easy, more Americans would quickly become slim and stay slim, yet even in the military that does not always happen. Although the fundamental solution could not be simpler—take in fewer calories and burn off more calories through exercise—creating the right conditions to move a whole society to become more fit is a national challenge.

military, and these longer-term eligibility problems are not going away."²⁰

The military's – and America's – ongoing problems with weight: Unfortunately, the impact of weight problems on the military does not stop with those turned away. Every year, the military discharges over 1,200 first-term enlistees before their contracts are up because of weight problems; the military must then recruit and train their replacements at a cost of \$50,000 for each man or woman, thus spending more than \$60 million a year.²¹ That figure pales in comparison, however, to the cost of treating the obesity-related problems of military personnel and their families under the military's health care system, TRICARE, or the cost of treating obesity-related problems under the veterans' health care system.²²

Although estimates of the current costs of obesity vary, the costs associated with obesity-related heart disease, diabetes, cancer and other health problems are clearly increasing. The American Public Health Association projects, for example, that "left unchecked, obesity will add nearly \$344 billion to the nation's annual health care costs by 2018 and account for more than 21 percent of health care spending."²³

According to the most recent national surveys by the CDC, there are indications that childhood and adult obesity rates may be leveling off. But there is no consensus on whether this is just a plateau before rates increase again, or it is the

beginning of a reversal of this epidemic.²⁴ In any case, the current levels of obesity are much too high.

Schools Can Play an Important Role in Reversing the Epidemic

In order to address obesity, it is important to start early. The journal *Health Affairs* reports that "80 percent of children who were overweight at ages 10-15 were obese at age 25."²⁹ What children eat and drink at school is critically important. Other researchers writing for *Health Affairs* report that as much as 40 percent of children's daily calorie intake occurs at school.³⁰

This report focuses on three crucial issues now before Congress: reducing the high-calorie, low-nutrition foods available at schools; increasing access to healthier school meals; and helping schools take advantage of "teachable moments" to encourage children and their parents to adopt healthier eating habits that can last a lifetime.

How is junk food getting to our kids in schools? Although many schools are beginning to address this problem, in far too many districts many school-offered meals and the foods available for sale at schools are part of the problem, not part of the solution. More efforts are needed to get high-calorie, low-nutrition foods out of our schools. In an article published in March in *Health Affairs*, University of Minnesota researchers Nicole Larson and Mary Story reviewed the literature and

reported that, nationwide:

- “Nearly one in five elementary schools, one-third of middle schools, and half of all high schools have a **school store, canteen, or snack bar** where students can purchase food or beverages;
- **Vending machines** are available in 21 percent of elementary schools, 62 percent of middle schools, and 86 percent of high schools. ... [J]ust 20 percent of middle schools and 9 percent of high schools have only healthy options – foods that are high in nutrients relative to caloric content – available for purchase;
- **Students can purchase à la carte food or beverages** in two-thirds of elementary schools and roughly 80 percent of middle and high schools. ... Schools providing access to à la carte food and beverages nearly always have unhealthy options.”³¹ [emphasis added]

Larson and Story have also concluded that “nearly half of the states have no nutritional standards for [unhealthful foods sold in the schools], and only one has adopted most of the [Institute of Medicine] recommendations.”³²

The Institute of Medicine (IOM), part of the respected and independent National Academies of Sciences, was asked by Congress to develop standards for what foods and beverages should be allowed in schools. In 2007, IOM issued recommendations concerning competitive foods and in 2009 issued recommendations related to school meal programs.

There is promising news on the sugary-sodas front. A collaboration between the William J. Clinton Foundation, the American Heart Association and major beverage companies has resulted in a voluntary decrease of 88 percent (between 2004 and 2009) in the number of calories in beverages shipped by these companies to schools.³³ That is an important start in the process of getting all junk foods and high-calorie beverages out of the schools.



The snack food and beverage industries are to be commended for current efforts to voluntarily improve the nutrition of products sold in schools, but in the long run the only way to be certain that science-based guidelines are implemented nationwide is by setting national standards.

89 calories a day adds up: Although kids bring much of the junk food

“Over the past two decades, Americans have increased their daily calorie intake by 250 to 300 calories, with approximately half of the additional calories coming from sugar-sweetened drinks.”

Source: Powder, 2009, Johns Hopkins Public Health Magazine

and high-calorie beverages to school, the U.S. Department of Agriculture’s (USDA) recent school nutrition study showed that high-calorie, low-nutrition foods and beverages that are *obtained and consumed at school* contributed 89 calories to the daily energy intake of school children.³⁴ That may not seem like many calories, but as David Wallings noted in a *Health Affairs* article, “Over ten years, an extra 130 calories per day (less than what is in a twelve-ounce can of sugared soda) can spell the difference between a young child on her way to obesity and one who is not.”³⁵ An analysis of the USDA’s school nutrition study data further showed that:

School food policies and practices that limited the availability of [high-calorie] beverages were associated with reduced consumption of energy from sweetened beverages at secondary schools. Further, there was no evidence that students “made up” for consuming fewer sugar-sweetened beverages at school by consuming more of these beverages outside of school.³⁶

In addition, research shows that reducing high-calorie, low-nutrition foods and beverages sold in schools does not hurt a school’s bottom line. The sales of school lunches increase when junk food and sugary beverages are limited.³⁷

School efforts to teach students to eat healthful foods are seriously undermined when the school serves unhealthful foods or allows vending machines filled with high-calorie, low-nutrition snacks in the lunchroom. In short, schools must lead by example.

Successful School Interventions

There is evidence to show that intervening during school years and even earlier to provide healthful meals along with nutrition education and simple techniques to motivate children or their parents can reduce childhood weight gain.

Reducing by half the number of kids who become overweight: A peer-reviewed study published in *Pediatrics* documented a comprehensive intervention for Philadelphia students in grades four through six. This program not only improved the quality of the foods available in the schools, it also trained teachers to provide nutrition and exercise



education to their students and it experimented with rewarding the children with raffle tickets for prizes if they made wise choices both in what they ate from the school menu and what they brought to school to eat. Finally, the study took advantage of various opportunities to coach parents on ways to help their kids make wiser choices outside of school.

The researchers randomly assigned schools to participate or not. The program showed that, while reducing the number of children who were already fully obese was still a challenge, two years after the program began, the proportion of children who entered the overweight category dropped in half, from 15 percent to 7.5 percent. The total number of those who became or were already overweight (but not yet obese) decreased by 10.3 percent in the schools participating in the program while increasing by 25.9 percent in the schools not in the program. The study clearly shows that it is possible to reduce the number of children beginning to lose control of their weight.³⁸

Teaching Head Start children to adopt healthy habits of eating and exercise: Another successful program started with even younger children. This approach worked with Head Start children who were also eligible for USDA-funded school meals. It randomly assigned 12 Head Start programs to either receive the intervention or not. Children in the program classroom received lessons from puppets on healthy eating, and they increased their activity levels while their parents received newsletters and "homework" assignments, such as tracking their child's vegetable and fruit consumption for a week. Parents who completed the homework assignments received a five-dollar grocery coupon for each assignment completed.

The control children not in the intervention received health education on different issues, but nothing targeting eating habits. Those children gained 16 percent more weight over the following two years than the children in the program. Over a lifetime, a successful intervention such as this that changes longer-term eating habits can play a role in keeping "young children off the trajectory toward obesity."³⁹

Hunger and Obesity Co-Exist in America; School Lunches Can Help Solve Both Problems

The United States Department of Agriculture programs aimed at improving nutrition in America have richly deserved reputations for reducing the stunted growth and other health problems uncovered during World War II. Studies repeatedly

Food for Thought: The National School Lunch Act, 1946

"It is hereby declared to be the policy of Congress, *as a measure of national security*, to safeguard the health and well-being of the Nation's children and to encourage the domestic consumption of nutritious agricultural commodities and other food, by assisting the States, through grants in aid and other means, in providing an adequate supply of food and other facilities for the establishment, maintenance, operation and expansion of nonprofit school lunch programs." [emphasis added]

show, however, that too many low-income children still experience hunger in America.⁴⁰ The paradox for America's food policy is that some of these children can also be obese. When their families do have money for food, what is cheapest and most available at "corner" grocery stores and fast food restaurants is too often high in calories and low in nutrition. School lunches and breakfasts help low-income families balance their budgets and avoid this "feast or famine" situation by ensuring their children routinely get enough food to eat, but also by making sure that the food they eat will be of high enough quality to help them realize their full potential and avoid obesity.⁴¹

Recent research by Rachel Tolbert Kimbro of Rice University and Elizabeth Rigby of the University of Texas at Houston, published in *Health Affairs*, provided strong evidence that "Receiving [government subsidized] meals at school or child care helps children, particularly low-income children, maintain a healthy weight. ... Expanding access to subsidized meals may be the most effective tool to use in combating obesity in poor children."⁴²

The article showed that, at least for 3- to 5-year-old poor children, access to government-funded school lunches helped those children avoid excessive weight gain over the subsequent two years. The authors suggest that expanding access to these meals to more child care centers, to summer programs, and to all children in high-poverty Title I schools (not just those whose parents make it through the bureaucratic hurdles to qualify) would be one of the most promising ways to decrease childhood obesity.

While low-income and minority children are more likely to be overweight or obese, they are by no means the only ones becoming overweight or obese in America today. The problem impacts every classroom in the country. Obesity not only reduces career opportunities in the military for young adults, it also shortens lifespans, drives up health insurance costs, and may reduce civilian career opportunities because of bias against the obese or an inability to perform certain tasks.

BMI Calculator

For a simple way to calculate your Body Mass Index (BMI), a standard way of measuring the relationship of your weight to your height, go to a search engine and type in "National Institutes of Health, BMI Calculator."

Next Steps for Congress

What needs to happen in the schools is relatively straightforward: take the junk food out of schools, improve the meals served, provide healthier meals to more kids, and offer programs that encourage kids to eat better and exercise more.

1) The CDC and others have called for the adoption of the Institute of Medicine's (IOM) guidelines for what foods should be served and sold in schools.⁴³ **The next step is for Congress, as part of the pending reauthorization of the Child Nutrition Act, to give the Secretary of Agriculture the authority to adopt those IOM standards.** That is a necessary first step in getting control of this epidemic of childhood and adult obesity.

2) **Congress also should provide meaningful increases in the school lunch funding so that:**

a) **schools will have enough funding to make their meals more nutritious and more inviting for all children.** Otherwise, children will not learn the crucial lesson that healthful meals can also be appetizing.

Improvements in the quality of school meals are needed, and that requires funding. [The *Journal of the American Dietetic Association*] concluded that "Given the serious and persistent budget constraints many school food service administrators face, it is not surprising that fresh fruits, vegetables, and whole grains are not offered daily. The fact is that fresh fruits and vegetables and whole-grain products cost more."⁴⁴ Funding to equip and train food-service professionals with the means to prepare more nutritious and appealing meals is also necessary.

b) **schools will be able to ensure that more children who are already eligible for free and reduced-price meals are actually signed up and receiving them.** This can be done by changes such as streamlining the paperless enrollment process. The research study by Kimbro and Rigby, discussed on page 6 argues this could help poorer young children receive healthier meals, thus significantly reducing their risk of routinely eating unhealthful lunches that can contribute to obesity.

3) Changing what food is available in the schools, and the quality of that food, however, are necessary but not sufficient steps. To fully address the current obesity epidemic, additional efforts are needed.⁴⁵ **Schools should also receive funding to implement proven programs to increase education on healthy eating and exercising and especially to utilize simple techniques to encourage children and families to adopt those healthy new habits.** More research is certainly needed to develop even better approaches, but there are existing proven approaches with solid scientific evaluations showing they can deliver results.

"80 percent of children who were overweight at ages 10-15 were obese at age 25."

Source: Frieden, Dietz, & Collins, 2010, *Health Affairs*

Conclusion

After World War II, military leaders sounded the alarm about the health of America's children. The President and Congress heeded that warning by enacting the National School Lunch Program. Now, retired military leaders are again warning that America's children are at risk.

To begin reversing the epidemic of childhood obesity, Congress should:

- 1) **Get the junk food and high-calorie beverages out of our schools** by allowing the Secretary of Agriculture to adopt the Institute of Medicine standards for what can be served or marketed in schools.
- 2) **Increase funding for the school lunch programs.** This funding will help deliver healthier, lower-calorie meals to more poor children who are already eligible to receive them and to others from millions of families that purchase the meals. That can help the students control their weight now and - if the meals are more appetizing - reinforce the message that they can successfully adopt healthier life-long habits.
- 3) **Support the development, testing and deployment of proven public-health interventions** that can deliver the education and encouragement children and their parents need to adopt healthier life-long eating and exercise habits.

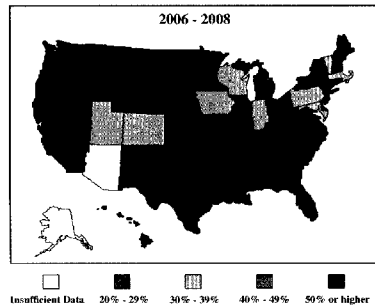
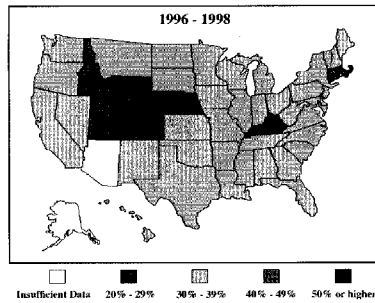
The United States military stands ready to protect the American people, but if our nation does not help ensure that future generations grow up to be healthy and fit, that will become increasingly difficult. The health of our children and our national security are at risk. America must act decisively.



Appendix

Over a ten-year period, the number of states with 40 percent or more of their young adults who were overweight or obese went from 1 to 39.

Percentage of 18- to 24-Year-Olds
Overweight or Obese



Overweight and Obese Men and Women, 18- to 24-Years-Old

(Based on the CDC's Behavioral Risk Factor Surveillance Survey)

Ranked by highest to lowest percentage for 2006-2008 (column A)	A) Percentage of 18- to 24-yr-olds overweight or obese (average percentage for 2006-2008) (a)	B) Percentage of 18- to 24-yr-olds overweight or obese (average percentage for 1996-1998) (a)	C) Total number of individuals overweight or obese, 2008
Kentucky	54.9%	40.8%	174,400
Alabama	51.2%	38.6%	218,400
Mississippi	50.1%	38.8%	98,500
South Dakota	48.4%	35.5%	37,600
West Virginia	48.1%	36.2%	72,200
Oklahoma	47.5%	31.0%	125,700
South Carolina (b)	47.5%	36.2%	182,100
Texas	47.3%	37.7%	1,079,700
North Carolina	46.6%	38.5%	357,900
North Dakota	46.5%	35.0%	37,100
Hawaii	45.9%	34.3%	51,200
Kansas	45.8%	35.8%	129,900
Arkansas	45.7%	37.2%	114,100
New Jersey	45.1%	33.3%	341,900
Tennessee	44.8%	32.6%	173,900
Rhode Island	44.2%	33.8%	39,000
Georgia	43.9%	34.4%	313,100
Delaware (b)	43.6%	30.8%	32,600
Missouri	43.3%	39.5%	223,300
Nebraska (b)	43.2%	29.9%	71,200
New Hampshire	43.1%	31.5%	45,200
Washington	43.1%	35.7%	258,400
Montana	42.6%	36.2%	33,200
Illinois	42.4%	32.8%	548,500
Michigan	42.1%	35.9%	401,600
New York	41.9%	33.3%	709,400
Wyoming	41.7%	26.7%	20,400
New Mexico (b)	41.6%	35.2%	71,300
Idaho	41.5%	29.1%	52,700
Virginia	41.4%	32.0%	265,400
Florida	41.3%	31.2%	407,900
Maine (b)	41.2%	38.4%	33,600
Nevada (b)	41.2%	30.0%	83,100
California	41.1%	34.8%	1,665,600
Minnesota	41.0%	35.0%	185,200
Louisiana	40.8%	35.7%	173,900
Connecticut	40.4%	27.4%	101,800
Ohio	40.4%	33.3%	410,700
Oregon	40.2%	34.5%	128,500
Iowa	39.9%	35.0%	101,400
Pennsylvania	39.6%	33.6%	438,400
Massachusetts	39.2%	28.8%	243,900
Vermont	39.2%	31.9%	24,100
Wisconsin	38.8%	31.9%	223,100
Indiana	38.6%	34.6%	212,800
Maryland	38.2%	33.7%	185,500
Colorado	36.8%	28.4%	162,700
Utah	33.1%	27.2%	98,900
United States	42.5%	33.4%	11,472,200

Alaska, Arizona and the District of Columbia did not have enough data for different years to provide comparison estimates.

SOURCE: Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System
(a) To have large enough samples to compare the percentage of overweight and obese young adults between states, we averaged the data over three-year periods.
(b) To calculate the averages for three years of data for each state, data from the year immediately before or after the three-year period were used in place of any missing years for these states.



Weight That 18- to 24-Year-Olds Would Have to Lose in Order to Be at Normal Weight			
Ranked by average pounds needed to lose, per person	Total number of individuals overweight or obese, 2008	Total pounds they would have to lose to reach a normal weight, 2008	Average pounds they would have to lose, per person, 2008
Alabama	218,400	10,000,000	46
Tennessee	173,900	7,200,000	41
Iowa	101,400	4,100,000	40
Ohio	410,700	16,600,000	40
Arkansas	114,100	4,600,000	40
Mississippi	98,500	3,900,000	40
Illinois	548,000	21,300,000	39
North Carolina	357,900	13,900,000	39
New Mexico	71,300	2,700,000	38
Michigan	401,600	15,200,000	38
Vermont	24,100	900,000	37
Delaware	32,600	1,200,000	37
Kentucky	174,400	6,400,000	37
Maryland	185,500	6,700,000	36
Wisconsin	223,100	7,900,000	35
North Dakota	37,100	1,300,000	35
Oklahoma	125,700	4,400,000	35
Missouri	223,300	7,800,000	35
New York	709,400	24,700,000	35
South Dakota	37,600	1,300,000	35
Pennsylvania	458,400	15,800,000	34
New Jersey	341,900	11,600,000	34
Georgia	313,100	10,500,000	34
Louisiana	173,900	5,800,000	33
Montana	33,200	1,100,000	33
Washington	258,400	8,500,000	33
Maine	33,600	1,100,000	33
Alaska	24,600	800,000	33
South Carolina	182,100	5,900,000	32
Texas	1,079,700	34,900,000	32
California	1,665,600	53,800,000	32
Indiana	212,800	6,800,000	32
Virginia	265,400	8,400,000	32
Florida	407,900	12,900,000	32
Minnesota	185,200	5,800,000	31
Massachusetts	243,900	7,600,000	31
Kansas	129,900	4,000,000	31
West Virginia	72,200	2,200,000	30
Wyoming	20,400	600,000	29
Nebraska	71,500	2,100,000	29
Utah	98,900	2,900,000	29
Hawaii	51,200	1,500,000	29
Oregon	128,500	3,700,000	29
New Hampshire	45,200	1,300,000	29
District of Columbia	17,400	500,000	29
Arizona	249,400	7,100,000	28
Rhode Island	39,000	1,100,000	28
Nevada	83,100	2,300,000	28
Idaho	52,700	1,400,000	27
Connecticut	101,800	2,600,000	26
Colorado	162,700	3,300,000	20
United States	11,472,200	390,000,000	34

Source: Centers for Disease Control and Prevention, Behavioral Risk Factor Surveillance System⁴⁶
The total number of individuals 18- to 24-years-old overweight or obese is for 2008 only, as is the average pounds they would need to lose to not be overweight, a Body Mass Index (BMI) equal to 24.9.



Estimated Annual Obesity Medical Expenditures by State*	
State	Total cost for population
Alabama	\$1,320,000,000
Alaska	\$195,000,000
Arizona	\$752,000,000
Arkansas	\$663,000,000
California	\$7,675,000,000
Colorado	\$874,000,000
Connecticut	\$856,000,000
Delaware	\$207,000,000
District of Columbia	\$372,000,000
Florida	\$3,987,000,000
Georgia	\$2,133,000,000
Hawaii	\$290,000,000
Idaho	\$227,000,000
Illinois	\$3,439,000,000
Indiana	\$1,637,000,000
Iowa	\$783,000,000
Kansas	\$657,000,000
Kentucky	\$1,163,000,000
Louisiana	\$1,373,000,000
Maine	\$357,000,000
Maryland	\$1,533,000,000
Massachusetts	\$1,822,000,000
Michigan	\$2,931,000,000
Minnesota	\$1,307,000,000
Mississippi	\$757,000,000
Missouri	\$1,636,000,000
Montana	\$175,000,000
Nebraska	\$454,000,000
Nevada	\$337,000,000
New Hampshire	\$302,000,000
New Jersey	\$2,342,000,000
New Mexico	\$324,000,000
New York	\$6,080,000,000
North Carolina	\$2,138,000,000
North Dakota	\$209,000,000
Ohio	\$3,304,000,000
Oklahoma	\$854,000,000
Oregon	\$781,000,000
Pennsylvania	\$4,138,000,000
Rhode Island	\$305,000,000
South Carolina	\$1,060,000,000
South Dakota	\$195,000,000
Tennessee	\$1,840,000,000
Texas	\$5,340,000,000
Utah	\$393,000,000
Vermont	\$141,000,000
Virginia	\$1,641,000,000
Washington	\$1,330,000,000
West Virginia	\$588,000,000
Wisconsin	\$1,486,000,000
Wyoming	\$87,000,000
United States	\$75,051,000,000

*Average annual expenditures are for 1998 to 2000.

Source: Finkelstein, 2004, *Health Affairs*

Steps to get to the CDC's county-level obesity maps and tables:



For Example: Alabama

- 1) Use a search engine and enter "diabetes, data and trends." Click link.
- 2) Under county level estimates-obesity, click "state maps."
- 3) Dropdown menu: Select indicator (obesity), year and state. Click "Go."
- 4) Scroll down list to view data for desired counties.

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Acknowledgments

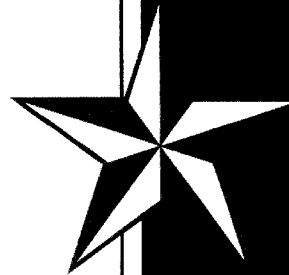
MISSION: READINESS is supported by tax-deductible contributions from foundations, individuals and corporations. MISSION: READINESS accepts no funds from federal, state or local governments. Supporters include: The Annie E. Casey Foundation, Birth To Five Policy Alliance, The Grable Foundation, W.K. Kellogg Foundation and The Pew Charitable Trusts and Pre-K Now, a campaign of the Pew Center of the States. Pre-K Now collaborates with organizations and policy-makers to lead a movement toward high-quality, voluntary pre-kindergarten for all 3- and 4-year-olds. The opinions expressed are those of the authors and do not necessarily reflect the views of The Pew Charitable Trusts.

This report was written by William Christeson, Amy Dawson Taggart and Soren Messner-Zidell.

Mike Kiernan, Ted Eismeier, Saif Khan, Stephanie Schaefer and Tracy Rausch also contributed to this report.



1212 New York Avenue NW, Suite 300
Washington, DC 20005
(202) 464-5224
www.MissionReadiness.org



General MILSTEAD. I'll just jump in here, Senator. After commanding the Marine Corps Recruiting Command for about 2½ years, the quality of young men and women that are coming in to the military today, is the finest that I've seen in my 35 years of service. I'll just use the Marine Corps' figures from last year. 99.7

percent of the young men and women that joined were at tier I; 73 percent, mental category three-alpha [3A]. You kind of hit it on the head. Right now, it's a buyer's market.

But to echo what was said, it is a national issue. It's a national problem. It's not a military problem, per se, but it's a national problem. It's something that—like education, like suicides—that we need to take on, on a national level. I'll just offer that.

Mr. GARCIA. If I could just put a punctuation point on General Milstead's point. We're seeing the same data that you are, Senator, in terms of one in four of the 17- to 24-year-old traditional recruiting demographic is either morally, medically, or legally ineligible for service. But, as the General said, by any objective metric, ASVAB, technical background, traditional academic diploma holders, we're off the charts; we haven't been here before. The same goes in the officer ranks. It's never been more competitive, at least academically, for ROTC scholarships and academy admission.

I would just leave with the point that every one of those kids who goes and stands on the yellow footprints or goes to Great Lakes does so knowing nothing but combat for their entire adult lives. So, out of that 25 percent that's left, we're getting an incredible cadre to raise their right hand.

General JONES. Senator, our quality in the Air Force is extremely high. But, I echo what my colleagues say; it is a national issue with having all Americans fit for military service. I think the biggest thing is the physical attributes that we have, not because we've gotten tougher, but because the country's gotten softer. In the Air Force, we need to make sure 90 percent of all of our recruits are in the top three mental categories. We have 60 percent as the goal for DOD. So, we're all experiencing, really, a high-quality standard. But, what that allows us to do is reduce our training costs. We used to program 10.5 percent attrition for basic military training. We're now down to 5 percent, because our recruits that come in are such high quality.

But, the number of recruits, as you pointed out, the number of people eligible to be recruited in the military is a significant concern for the future.

Senator WEBB. Certainly not as I said when I started this question, not a question of the quality of the military today. That is something that could well come up in the future. I'm not thinking that it will, in the way we are sizing our military and the way that we have been taking care of, in an appropriate way, our military members and their families, including post-military assistance, such as the GI Bill. But, it certainly is a stunning statistic, when you look out at the rest of the country. Perhaps going to what Secretary Garcia, you were saying, being more "embractive" in society.

I remember years ago, in the Marine Corps, they used to have a platoon down in Parris Island for the overweights. They'd just work them to death until they hit the weight marks, and then they would go on and begin their regular basic training. As far as I could tell, they weren't any different than any other marine when they came out of all that. Right now, I guess you don't have the need to be doing those things, in terms of the quality of the force. But it's just a stunning statistic.

You talked about in your testimony—many of you did and I don't have all your testimony in front of me—but, the reduction in enlistment and reenlistment bonuses that are now being paid, what happens to that money when it's not paid? Is it reprogrammed into other personnel accounts?

Secretary Lamont.

Mr. LAMONT. As an ability to reshape the force in other ways. What we don't need in our incentive for recruiting, for instance, we will look for the critical skill needs—so that we can add to our bonus situation there, for instance—as well as in our retention area, where we want to maintain those high-quality new captains coming out of there. So, we will provide any number of incentives, be it in terms of graduate school, be it in terms of bonus, be it in terms of assignment.

But, yes, we reallocate those funds primarily, as I say, to shape the force for our critical skill needs.

Mr. GINSBERG. Mr. Chairman, of course, in the Air Force, we want to make sure the budget requests that come up here are as accurate as possible, and that we project, in the future, how much we are going to need in recruiting and retention bonuses. So, of course, once the money's been appropriated, as the year goes on, we monitor it closely.

I would say that recruiting and retention bonuses are absolutely vital right now, especially for filling some of our stressed career areas that we are having—particularly in the realm of retention—having some challenges.

But we, of course, monitor it closely. We tailor it, because given, obviously, how scarce resources are right now, and that we do need to be good stewards of taxpayers' dollars, we want to target those as much as possible.

Senator WEBB. Thank you again for being here today, all of you, and for your continued dedication to the well-being of the people of the U.S. military and the others who are making our military posture successful in the total force. I appreciate the candor in which we've been able to conduct our discussions today. We will have some follow-on questions on some of these other areas.

This hearing is now adjourned. Thank you.

[Questions for the record with answers supplied follow:]

QUESTION SUBMITTED BY SENATOR RICHARD BLUMENTHAL

PRESCRIPTION DRUGS

1. Senator BLUMENTHAL. Secretary Lamont, I believe that the ability to utilize a local pharmacy to fill prescriptions contributes to the quality of life for military families, by providing them crucial face-to-face consultations and advice on filling prescriptions and medication safety. This relationship has many benefits, including reducing the likelihood of substance abuse or using prescription drugs outside of their intended guidelines. Military families recognize this value. In 2009, more than half of TRICARE prescriptions were filled at pharmacies, and only 8 percent were filled by mail order. As you know, the Department of Defense (DOD) has proposed an increase to the co-pay for prescriptions filled at a beneficiary's local pharmacy in order to incentivize the use of mail-order prescriptions. Requiring beneficiaries to pay more to be able to speak to a pharmacist about how to properly take their medication or to fill urgently needed prescriptions is, I believe, inappropriate and would actually hamper the ability of beneficiaries to take charge of their own health. What are the Army's views on the importance of pharmacists in preventing substance abuse and do you have any concerns that by incentivizing military families towards

a mail-order system the contribution of pharmacists in the fight against substance abuse may be diminished?

Secretary LAMONT. The Army views pharmacists as vitally important in the fight against substance abuse. At each point of service, pharmacists have medication profiles and can personally discuss any medication related issues with all beneficiaries. Mail-order prescriptions are intended for medications taken on a regular basis for chronic conditions and not intended for medications prescribed for acute illness or injury. Incentivizing military families towards a mail-order system for routine medications will not diminish the contribution pharmacists make to fight substance abuse.

QUESTIONS SUBMITTED BY SENATOR JOHN MCCAIN

TOUR NORMALIZATION IN KOREA

2. Senator MCCAIN. Secretary Lamont and General Bostick, on September 23, 2010, the Secretary of Defense directed U.S. Forces Korea and the Services to proceed with full tour normalization for Korea, as affordable, but not according to any specific timeline. This new policy will require the DOD to build facilities and infrastructure to support up to 14,000 families who will be stationed in Korea for up to 3 years. DOD's cost assessment office was directed to provide a plan by March 31, 2011, detailing schedules and costs for this policy decision. A major part of the plan involved committing funds allocated for overseas housing allowances (OHA) as the government's contribution to a public/private venture called the "Humphreys Housing Opportunity Program (HHOP)" for the construction and leasing of multiple high-rise towers containing thousands of housing units at Camp Humphries, Korea. Are you aware of any cost estimates for this proposal? If so, can you provide them?

Secretary LAMONT and General BOSTICK. As directed in the September 2010 memorandum, the Director of the Cost Assessment and Program Evaluation office provided a report to the Secretary of Defense that contained very broad options to normalize tours in Korea. To date no implementation decision or costing formulas have been released from OSD. The U.S. Forces Korea is in the process of relocating from Seoul to U.S. Air Guard (USAG) Humphreys under the Yongsan Relocation Plan (YRP). Under YRP, the United States provides housing at USAG Humphreys through the HHOP to support the relocation of families. The HHOP units deliver 1,400 family homes and support both YRP and the 3,198 Command Sponsored Families at USAG Humphreys during Phase I.

3. Senator MCCAIN. Secretary Lamont and General Bostick, at one time we heard the monthly OHA needed to finance this program would exceed \$4,000 a month paid as rent, not including utilities. What is the projected monthly OHA rate to support the Army's housing plan at Camp Humphreys and has this been approved by the Secretary of Defense?

Secretary LAMONT and General BOSTICK. On 18 October 2010, the Secretary of Defense directed the Army to execute the HHOP. Currently the fiscal year 2011 base HHOP rate is set at \$4,200 plus utilities, and is used as the basis for programming and cost analysis. Implementation of HHOP is currently under review by the Office of the Secretary of Defense.

4. Senator MCCAIN. Secretary Lamont and General Bostick, are any of these costs included in the President's budget request for fiscal year 2012 or in the current 5-year plan for DOD or the Army? If so, how much and in what account?

Secretary LAMONT and General BOSTICK. The funding has not been annotated in the President's budget for fiscal year 2012 or the out years. As no decision was made to support the action, it was not included in the budget.

ENLISTED RECRUITING AND ALTERNATE HIGH SCHOOL EDUCATION

5. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, a high school diploma from a brick-and-mortar high school has been the preferred qualification for recruits for many years. Graduates of such high schools are designated Tier 1 recruits. In recent years, many alternate forms of education have become popular, including distance learning and online public and private schools that are, nonetheless, fully accredited by States. These graduates are designated Tier 2 candidates, and, with the recruiting success you are having in this economy, Tier 2s are having a much harder time being recruited. Recognizing that DOD policies control in this area, what are your views about whether the Tier 1/

Tier 2 system works as advertised to reduce attrition while producing the best candidates your Service can get?

General BOSTICK. The Army agrees the Tier 1/Tier 2 systems are valid predictors of trainability, knowledge, and job skill based on over 20 years of evidence-based analysis. To date, there has been limited research completed on enlistees who hold nontraditional alternate high school credentials such as online and distance learning certificates. As we study these credential holders to assess their trainability, attrition, and performance in comparison to GED holders, home school graduates, National Guard Youth Challenge graduates, the Army has considerable hope that research instruments such as the Tailored Adaptive Personality Assessment System (TAPAS) will offer a tool that can predict higher performance from alternate credential holders. Although still in its infancy, the Army has begun collecting data on the distance learners and online graduates to assess their training and first-term attrition rates.

Admiral FERGUSON. The DOD Three-Tier System has proven effective in selecting applicants with the greatest likelihood of completing their initial service obligation. Navy focus is on quality Tier I applicants with a corresponding correlation to lower attrition rates during initial enlistment.

Of note, current Navy policy does allow for home school graduates to be considered as Tier I applicants, provided that they attain an Armed Forces Qualification Test (AFQT) score of 50 or higher on the Armed Services Vocational Aptitude Battery (ASVAB) and complete an Assessment of Individual Motivation (AIM). The AIM and ASVAB are utilized to assess the individual's aptitude for Navy service, and assists the applicant in job selection.

General MILSTEAD. The Marine Corps has found, through numerous studies over the years, the DOD Tier classification system is a very accurate predictor of the likely success an applicant will have in their first enlistment. The Marine Corps has focused on the high school market as our primary recruiting source for quality applicants since that is the educational credentialed cohort that has the lowest attrition. We recognize there are deserving applicants that are classified Tier 2, and in order for the Marine Corps to accommodate these applicants, we allow up to five percent of our annual accessions to enlist with these education credentials.

General JONES. At this time, the Air Force embraces the DOD tier system as a valid screening methodology for our recruits. The Air Force has always been a recipient of very high quality recruits, even during lean times. However, we believe that additional non-cognitive measures could be added to improve the screening process along with proactive evaluation of alternative credential holders. If there are validated options to identify other types of graduates that will be successful airmen, then we fully support a modification or change to the current system.

6. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, is the traditional high school experience, in your view, what's important? Or is it the achievement of the high school diploma?

General BOSTICK. We believe it is a combination of both experience and achievement. A diploma from a traditional high school program offers proof that an applicant attended and completed a 12 year graded program of classroom instruction. Applicants who have completed these programs successfully have a long history of demonstrating that the combination of experience and achievement they have gained are significant indicators of the type of personal commitment which proves to be an asset in adjusting to Army life. A high percentage of individuals who do not complete a traditional high school experience are more apt to demonstrate lower trainability, and performance and higher attrition and other problems in comparison to traditional high school diploma graduates.

Admiral FERGUSON. Both. While a high school diploma and equivalent credentials are measures of academic achievement, completion of a brick-and-mortar high school curriculum, in itself, is also a strong predictor for program completion success. The traits exemplified through completion of a traditional high school education are similar to those needed to complete Navy recruit and skill level training.

The motives behind a student's preference for alternative forms of education vary widely. While most of these reasons are in the best interest of an individual student's graduation prospects or personal education desires, analysis has shown non-traditional high school graduates to be less successful than the "traditional" brick and mortar students in completing basic military training. Experience has shown that, in general, students who participate in non-traditional forms of education have less exposure to varied social experiences and interaction that promote the growth and adaptability that strongly indicate success at Recruit Training Center (RTC). However, recognizing that completion of high school is not the sole indicator of suc-

cess at RTC, alternate education students who display academic excellence are eligible for Tier reassignment as previously stated.

General MILSTEAD. We believe the traditional high school experience, not just a diploma, is a better indicator of how an individual will adapt to military life. A candidate who receives a diploma through the traditional high school experience has demonstrated the ability to succeed in a structured environment and to work at length in pursuit of a goal, traits that will serve them well in future military service. The Marine Corps remains focused on the traditional high school market for recruiting and appreciates the assistance of Congress in ensuring our recruiters have access to high schools and student directory information.

General JONES. Currently, the high school diploma is our critical benchmark for Air Force recruiting. We know that our most successful first-term airmen are high school graduates. The traditional high school experience develops a well-rounded graduate from both a social and educational standpoint. The attrition data and analysis is conclusive-high school graduates have significantly lower attrition rates in training and are more likely to serve their entire first enlistment term. This saves valuable recruiting and training resources, and provides airmen with the skills and aptitude needed to perform well in Air Force jobs.

7. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, would you support a pilot program to evaluate whether graduates of nontraditional, online public schools perform as well as graduates of traditional high schools?

General BOSTICK. Yes, the Army would be highly supportive of such pilot. We think it is imperative that we begin studying applicants with these kind of educational credentials to assess their trainability, attrition, and performance in comparison to other non-traditional, alternate high school credentials, such as GEDs, home school graduates, and National Guard Youth Challenge graduates as well as in comparison with traditional high school diploma graduates.

Admiral FERGUSON. Navy would support a pilot program to evaluate whether graduates of nontraditional, online public schools perform as well as graduates of traditional high schools. We support evaluating pilot programs based on changing trends in education and their impact on the recruitable population.

General MILSTEAD. DOD provides oversight in the evaluation and classification of whether graduates of non-traditional or online public schools perform as traditional high school graduates. A standing military accession education committee, including representatives from all of the services, reviews and modifies the policies that evaluate whether graduates of nontraditional or online public schools perform as traditional high school graduates. We recommend the military accession education committee evaluate and recommend whether such a pilot program should be initiated.

General JONES. Yes, the Air Force is supportive of pilot programs or studies that could validate new options for increasing the potential talent pool of future airmen.

8. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, should we retain the current system, or move to a new "whole man" evaluation of some kind that does away with the Tier system?

General BOSTICK. The Army maintains that the current Tier systems are valid predictors of trainability, knowledge, and job skill and should be retained until a better system can be developed, studied, and has proven to be more credible than the current system. To date, there has been very limited research conducted on enlistees who hold nontraditional alternate high school credentials such as online and distance learning certificates to assess their training base and first term attrition rates. The Army is willing to revisit this issue after a study of empirical data has been conducted to determine the feasibility of transitioning to a different system.

Admiral FERGUSON. Until current research projects can validate a proven method to measure an individual's potential for success in the military, we recommend retaining the current Three-Tier system, since it has proven extremely successful in selecting individuals with the highest likelihood for success in the military service.

The Navy and Army have been working on developing and fielding Non-Cognitive Testing Instruments to assist the Services in improving the selection process. While the ASVAB is a very good predictor for a person's aptitude, it does not provide an assessment of an individual's probability for success in military.

Army has been administering its TAPAS test to potential Army recruits for more than 2 years, and preliminary results have indicated that soldiers who performed well on the TAPAS test, but scored less than 50 on the AFQT have attrition rates comparable to soldiers who scored greater than 50 on the AFQT. Based on Army's preliminary research findings, Navy has begun to use the Military Entrance Proc-

essing Centers to administer the TAPAS test to all potential future sailors, to determine if Army's TAPAS test is a viable predictor for success in the Navy.

General MILSTEAD. We do not recommend abandoning the Tier system. DOD established the current Tier system so that all of the services classify applicant education credentials in the same manner. This system has proven to be a very accurate predictor of military applicant attrition for well over 3 decades.

General JONES. The current tier system has proven to be a valid predictor of attrition. Our position supports that of the department to retain the current tier system. If results from new studies and analyses indicate that changes are supported, then the Air Force would be amenable to considering alternatives.

DISABILITY EVALUATION SYSTEM

9. Senator MCCAIN. Secretary Lamont and General Bostick, after almost 10 years of war, the Army is trying to move about 20,000 nondeployable soldiers through the Disability Evaluation System (DES). When considered against the requirement to cut 22,000 Active Duty soldiers from the Temporary End Strength Increase over the next 2 years, this looms as a significant readiness issue. What are you doing and what recommendations do you have to address the Army's problem with this large and growing backlog of soldiers in the DES?

Secretary LAMONT and General BOSTICK. The Army remains convinced statutory reform is the only sustainable way to achieve a system worthy of the sacrifices of our volunteer force in this era of persistent conflict. Although the DES is better than it was 4 years ago, the process remains complex, disjointed, hard to understand, and processing has become embarrassingly slow and unpredictable. While DOD and the Department of Veterans Affairs (VA) have integrated their separate disability systems, the laws, legal opinions, and policies specific to each department result in differing outcomes for the same type of determination; this duality creates confusion, a lack of trust, and a belief the Army is not being loyal to or fair with its soldiers.

The current DES is 60 years old and was designed for a draft-based military in an industrial/agricultural America; its focus on disability and compensation is inadequate for the needs of today's professional military. The unintended effects of disability compensation reduce incentives to participate in rehabilitation or to return to work. Some of our soldiers believe if they get better, they will receive less disability compensation; they may want to work, but they also need to maintain their income for themselves and their families. We need to reform the system—our soldiers deserve a more comprehensive system that promotes resilience, self-reliance, re-education, and employment, while ensuring enduring benefits for the soldier and their families.

The Army's current backlog is related to an inherently inefficient process. For perspective, a rapid improvement effort conducted at Fort Carson last year identified 155 distinct processing handoffs, organized into 10 sub-processes crossing 8 functional activities in 2 departments. At present, the Joint DOD/VA Integrated process takes nearly 400 days to complete, but our soldiers active participation in the process is less than 30 days. More to the point, even if we were meeting the DOD's 295-day goal, 10 months is simply too long for our soldiers to wait while their future hangs in the balance.

Although we fully support current efforts to redesign the Integrated Disability Evaluation System (IDES) to realize a 150-day process, we believe any effort to redesign the process within the constraints of legislation will likely have low payoff as it did in 2007, and more importantly, these efforts divert leadership away from real reform. As our Surgeon General argued in 2007, attempting to speed up a bad system will do little more than turn a bad process into "a fast bad process." However, we are not suggesting we do not; we understand effective reform will take time, and in the mean time we have to do what we can with the process we have. Therefore, the Army will continue to commit resources and leadership energy to improve our DES. Since 2007 the Army has increased resources dedicated to DES activities, conducted over 30 improvement projects, and increased command/leadership focus on the process. Ongoing improvement efforts include:

- Holding quarterly Video Teleconferences (VTC) with senior Army and VA leadership to identify and resolve systemic issues hindering efficient processing and share Best Practices/lessons learned.
- Simplifying Medical Evaluation Board requirements to reduce variability, improve quality, facilitate training of new examiners, and decrease redundancies.
- Providing additional resourcing to increase Medical and Physical Evaluation Board capacity to meet current and anticipated demands.

- Testing new medical evaluation and referral procedures at RC Soldier Medical Support Center (RC SMSC) in Pinellas Park, FL with the initial supporting Medical Treatment Facility (MTF) at Fort Gordon.
- Published a directive outlining the roles, responsibilities, and expectations for preparing an installation to transition from the Army's legacy Physical DES to the Joint DOD/VA Integrated DES.
- Continue to enforce existing standards for processing and adjudicating non-deployable soldiers.
- Continue to review and revise policies, processes and systems that have caused the non-deployable rate to increase.

Finally, we believe the rehabilitation and DESs required to sustain an All-Volunteer Force deserve a broader national and interagency discussion. This discussion must focus on the Nation's responsibilities to the less than 1 percent of the American population who volunteer to ensure our Nation's security, and through no fault of their own except for doing their duty become Wounded, Injured, or Ill and can no longer serve.

INDEPENDENT REVIEW PANEL TO STUDY THE JUDGE ADVOCATE REQUIREMENTS OF THE DEPARTMENT OF THE NAVY

10. Senator MCCAIN. Secretary Garcia, the Report of the Independent Review Panel to Study the Judge Advocate Requirements of the Department of the Navy (the Panel) was completed on February 22, 2011. The Panel recommended that the Navy's Judge Advocate General (JAG) Corps be manned at a level of 950 judge advocates. The Navy JAG testified to the Panel that his assessment was that there should be 926 JAG on Active Duty to meet current demands in missions including Office of Military Commissions and individual augmentees assignments. What is the Department of the Navy's plan with respect to responding to the report and recommendations of the Panel?

Secretary GARCIA. The Navy plans to fund 31 JAG Corps officer billets currently detailed to the Office of Military Commissions until the end of fiscal year 2015, and continue increasing the number of JAG Corps billets to 821 over the Future Years Defense Program (FYDP). This is consistent with the number of active-duty JAG Corps officer billets the JAG, VADM James Houck, testified before the 506 Panel are needed to meet baseline mission requirements (Individual Augmentee and the Office of Military Commissions assignments are not included in the baseline requirement). We have also begun to train enlisted members of the Legalman rating to obtain certification through the American Bar Association as paralegals, which will gradually ease much of the administrative burdens currently levied on JAG Corps officers.

11. Senator MCCAIN. Secretary Garcia, what is your assessment of the appropriate level of Active Duty JAG in the Navy and Marine Corps and what actions do you plan to take in this regard?

Secretary GARCIA. We have experienced increased demand for JAG Corps officers in areas such as operational law and support for sailors and their families. However, I believe the panel's estimate of the number of JAG Corps officers necessary to meet future requirements is high. For Navy Active Duty JAG Corps officers, I concur with VADM Houck's testimony before the 506 Panel that the number of Active Duty JAG Corps officers necessary to meet baseline mission requirements is 821 (Individual Augmentee and the Office of Military Commissions assignments are not included in the baseline requirement). To meet these requirements, the Navy intends to increase the number of JAG Corps billets to 821 across the FYDP. This increase, coupled with our ongoing initiative to train enlisted members of the Legalman rating to obtain certification through the American Bar Association as paralegals, will ease much of the administrative burdens currently levied on JAG Corps officers.

SEXUAL ASSAULT PREVENTION AND RESPONSE EFFORTS

12. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, preventing and responding properly to incidents of sexual assault remains a high priority for each of your Services, and progress has been made. Is the military a safer place for women to serve than before September 11?

General BOSTICK. The comprehensive Sexual Assault Prevention and Response (SAPR) Programs implemented across DOD and within all the Services have undoubtedly helped make the military safer for all servicemembers, female and male.

Although Army statistics show a significant increase in the number of reports of sexual assault since 2001, those statistics are misleading as sexual assault was and is the most under-reported crime in the Nation. Since the Army SAPR Program began in 2004, there has been a steady increase in the percentage of Army victims who break their silence and come forward to report a sexual assault. More victims are reporting because they feel safer and more confident with the response they will receive from their chain of command, criminal investigators, medical personnel and prosecutors.

Additionally, the Army has increased its focus on prevention by implementing a comprehensive sexual assault prevention strategy. The cornerstone of the Army's strategy is the "I. A.M. Strong" Sexual Harassment/Assault Prevention Campaign where the letters I-A-M stand for Intervene-Act-Motivate. The "I. A.M. Strong" messaging features soldiers as influential role models and outlines the Army's intent for all team members to personally take action and set a respectful standard of conduct, thereby providing a safe environment for all community members.

Admiral FERGUSON. Although measuring success in prevention is difficult, it appears that Navy's SAPR program may be contributing to a decrease in the incidence of sexual assault against servicemembers, as measured by the Defense Manpower Data Center (DMDC) 2010 Workplace and Gender Relations Survey of Active Duty Members. In 2006, 7.1 percent of active duty women, and 2.3 percent of active duty men, indicated they experienced unwanted sexual contact in the 12 months before the survey. In 2010, 4.4 percent of active duty women, and 1.1 percent of active duty men, indicated they experienced unwanted sexual contact in the prior 12 months.

General MILSTEAD. The Marine Corps SAPR program is focused on the safety, dignity, and the well-being of all marines. Our leadership has elevated and highlighted the importance of the SAPR Program by institutionalizing a zero tolerance policy, holding commanders accountable for establishing an environment of trust and respect, and developing "Bystander Intervention" training, an evidence-based best practice for engaging marines on their role in sexual assault prevention.

Although not conclusive, there was a slight decrease in the reported number of sexual assaults from fiscal year 09 to fiscal year 2010. In addition, command actions taken on sexual assaults (e.g. courts-martial, non-judicial punishments, and other administrative actions) increased from 41 in fiscal year 2009 to 52 in fiscal year 2010, which may correlate to greater offender accountability.

Since September 11, the Corps has taken a comprehensive look at the behavioral health needs of marines. The Commandant directed the integration of all Behavioral Health programs, including SAPR, in order to provide services that are responsive to the needs of victims and offer evidence-based practices to marines and their families. The SAPR program will continue its efforts to improve overall education and training on the need to prevent sexual assaults.

General JONES. Yes, we are confident that since the implementation of the SAPR program in June 2005, significant strides have been made to provide a safer environment for military women and men regarding preventing and responding to incidents of sexual assault. We also recognize that there is more to be done and will continue our efforts to enhance our program and aggressively work towards eliminating a crime that has no place in our Air Force.

13. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, do you think that additional legislation is needed to enhance the sexual assault prevention programs in DOD and your Service?

General BOSTICK. Additional legislation for sexual assault prevention programs is not needed at this time. The National Defense Authorization Act (NDAA) for Fiscal Year 2005 provided the necessary legislative impetus to create SAPR programs in DOD and the Military Services. Since then, DOD and the Services have worked very closely with each other and Congress to implement, assess and improve SAPR in the military.

For example, three GAO reviews, the congressionally mandated Defense Task Force on Sexual Assault in the Military Services (DTF-SAMS), as well as continuous internal assessments by DOD and the Services have identified ways to improve how we can prevent and respond to incidents of sexual assault.

This collaborative relationship among DOD, the Services and Congress facilitates identifying and implementing changes and enhancements, without the need for additional legislation.

Admiral FERGUSON. Existing laws have helped to achieve an enhanced and more efficient SAPR program. Navy continues to comprehensively evaluate our SAPR program and implement appropriate steps to eliminate sexual assault from the Navy. As our program evolves, we continuously monitor our efforts, and assess the impact of our initiatives, which will allow us to determine if additional legislation is re-

quired. Should new legislation be deemed necessary, we will recommend its inclusion in a future Defense Authorization request.

General MILSTEAD. The Marine Corps is currently working with DOD to implement the SAPR requirements set forth in the NDAA for Fiscal Year 2010. We do not believe additional legislation is needed at this time.

General JONES. Prior legislation initiated with the Ronald Reagan NDAA of 2005 and subsequent public laws have provided us with a robust framework to establish a SAPR program, while allowing integration with overall military readiness. We appreciate the attention Congress has brought to bear on this issue and the ongoing efforts to provide for strong prevention and response programs within the Department. For example, we support the recent Senate Armed Services Committee inclusion in the mark up of legislation to amend section 920 of title 10, U.S.C. (article 120 of the Uniform Code of Military Justice) to clarify the separate sexual assault offenses. This legislation was requested by the Joint Services Committee on Military Justice and the Secretary of Defense to address deficiencies in existing law that have been identified by military courts and which were addressed in the report of the Defense Task Force on Sexual Assault in the Military (December 2009).

PROGRESS OF IMPLEMENTATION OF DON'T ASK, DON'T TELL REPEAL

14. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, training for Repeal Day is currently underway in each of your Services that will pave the way for gay and lesbian individuals to serve openly in the Armed Forces. What is your assessment of the effectiveness of the training for your Service thus far?

General BOSTICK. The Army's Chain Teach method has been very effective in educating the force on the policy changes that will result from implementation of the repeal of Don't Ask, Don't Tell. It puts direct responsibility on commanders/leaders for their units' complete education, allowing them to personally engage their soldiers, civilians, and interested family members on this important policy change and to explain its impact and our expectations of them. Feedback to date continues to confirm confidence that Army commanders and senior noncommissioned officers are fully capable of providing strong leadership, a clear message and proactive education that are keys to successful implementation of DADT repeal.

Admiral FERGUSON. Navy assesses the training conducted to date to be effective and training remains on track for completion by July 1, 2011. The effectiveness of training is accomplished through objective and subjective measures. We are accounting for the number of individuals and units that complete training through a web-based Navy Family Accountability and Assessment System to preclude gaps in any major commands or regions.

To measure retention of training content, we administered knowledge-based tests to Command Leadership teams after completion of Tier 2 training with results showing over 90 percent comprehension. Training leadership teams provide feedback on questions and concerns that arise during training sessions.

Sailors also have the opportunity to submit individual questions or feedback about their training experiences through our Don't Ask, Don't Tell repeal web site. Questions posed during training sessions or submitted online are reviewed and responses are added to the "Frequently Asked Questions" section of the web site. Sailor feedback indicates the training is comprehensive, well-delivered, and effective. Additionally, we have observed no negative impacts to readiness, effectiveness, cohesion, recruiting, or retention.

Navy is confident that the training assessment measures we have in place, coupled with the overall positive feedback from the force, indicate that the training is effective.

General MILSTEAD. Feedback from the force indicates our training has been effective. Marines indicate an understanding of the policy change and what is expected of them upon repeal. The face-to-face training allows marines to engage their leadership and ask those questions that are most important to the individual marine. The time allotted to prepare and train for the repeal provides the opportunity for marines to really consider potential impacts and ensure they are aware of the change in policy.

General JONES. The Air Force is delivering the Office of the Secretary of Defense standardized tiered DADT repeal training. As of 1 Jun 11, the AF has trained 66 percent of the total force.

In order to assess the effectiveness of training, we're soliciting subjective feedback from our Major Commands (MAJCOMs) on a bimonthly basis. These reports include

feedback in the following areas: policy, readiness, effectiveness, unit cohesion, retention, repeal related incidents, and barriers to repeal

To date, the subjective reports from MAJCOMs are positive. MAJCOMs are indicating that the training is clear, on-target, and effective. The standardized slides and script are ensuring a consistent, accurate message is provided throughout the force. There has been no significant issues regarding policy, effectiveness, unit cohesion, retention, repeal related incident, and barriers to repeal.

15. Senator MCCAIN. General Bostick, Admiral Ferguson, General Milstead, and General Jones, the ground combat forces—soldiers and marines, as well as the Special Forces for all Services—registered the greatest concern about the effects on readiness and unit cohesion of repealing the Don't Ask, Don't Tell policy. What problems do you anticipate on ships and in the field when the repeal takes effect?

General BOSTICK. I do not anticipate significant or systematic problems from the repeal of Don't Ask, Don't Tell. Feedback from the field across all units is that this is not a significant issue to the soldiers. We will deal with this issue with the same professionalism that has marked our conduct of current operations and has been a hallmark of this institution for 236 years. Soldiers are expected to treat all others with dignity and respect, consistent with the core values that already exist within the Army. Harassment, bullying or victimizing of any kind will not be tolerated.

The Army is a force of over 1.1 million soldiers, and there will likely be inappropriate conduct by a few. Commanders and supervisors at all levels have the authority and responsibility to maintain good order, discipline and morale within their units; they should use existing tools (to include counseling, non-judicial punishment and court-martial) to deal with misconduct. Leaders will be educated on how to handle certain situations, and support will be provided as needed to ensure decisions are lawful, impartial, and promote unit cohesion.

The Army Guiding Principles for Implementation of the Repeal of DADT include: standards of conduct apply to every soldier; treat each other with dignity and respect; emphasize our role as professional soldiers; and good order and discipline will be maintained at all times. The clear message is that respecting each other's rights is critical to maintaining good order and discipline. Standards of conduct apply equally to all soldiers and inappropriate conduct should be corrected appropriately.

Admiral FERGUSON. We have seen no adverse effects associated with repeal training to date, and no significant problems are anticipated on ships or in the field when repeal takes effect. The Comprehensive Review Working Group (CRWG) study anticipated some limited and isolated disruption to unit cohesion and retention and concluded that the risks of repeal within warfighting units in a field environment or at sea, would remain within acceptable levels when coupled with a sustained commitment to core values of leadership, professionalism, and respect for all. While the CRWG identified potential areas of friction, Navy has focused its DADT Repeal training on preparing leaders with an in depth understanding of policy changes and discussions on implementation. Using informed leadership to present training to sailors has ensured appropriate emphasis is being placed on professionalism and mutual respect.

General MILSTEAD. We do not anticipate post-repeal problems that engaged leadership will not be able to successfully address. I expect that your marines will faithfully abide by the laws of this Nation and conduct themselves in accordance with their core values of honor, courage, and commitment. Any issues that may arise post-repeal will be immediately addressed upon identification.

General JONES. Air Force is satisfied that education and training policies and regulations adequately address concerns of our deployed forces.

Although 10 U.S.C. 654 has not yet been repealed, we have not received any reports from the field indicating negative operational impacts since legislation was passed allowing for repeal.

Reports of concerns regarding privacy in berthing and bathroom areas have been limited and thus are not considered a major concern. As we approach completion of training, we expect fewer questions regarding privacy concerns; however, we will continue to closely monitor feedback. We also believe existing standards of conduct already are in place, and commanders have sufficient authority and flexibility to address issues arising in the future.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

MENTAL HEALTH ASSESSMENTS FOR DEPLOYED SERVICEMEMBERS

16. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, the NDAA for 2010 required person-to-person mental health assessments at regular intervals before and after deployment for any member of the Armed Forces who is deployed in connection with a contingency operation. How is your Service implementing this requirement for members of the Reserve and National Guard?

General BOSTICK. The Army is implementing this requirement through its Comprehensive Behavioral Health System of Care. This campaign plan was launched in February 2010 to standardize, synchronize, and coordinate behavioral healthcare across the Army and through the Army Force Generation cycle. Included in this initiative is the identification of five touch points throughout the soldier's deployment cycle that will provide enhanced behavioral health screening in compliance with section 708 of the 2010 NDAA. For Reserve and National Guard soldiers, three of the five screening points will occur while the soldier is activated and transitioning through existing deployment processing centers. The Army is closely working with the Reserve and National Guard components to implement the required Post Deployment Reassessment and annual screening requirements. Additionally, the Army is exceeding the NDAA requirements by providing in-theater assessments, immediate redeployment screening for returning soldiers, and annual enhanced screening for all soldiers regardless of deployment status.

Admiral FERGUSON. The DOD force health protection strategy already requires servicemembers to participate in several deployment and nondeployment related health screenings to include: the Pre-Deployment Health Assessment (DD Form 2795), the Post-Deployment Health Assessment (DD Form 2796), the Post-Deployment Health Re-Assessment (DD Form 2900), and the Periodic Health Assessment (PHA). To the extent that the time frames for the additional mental health assessments correspond to those of existing health assessments, performing the assessments concurrently is desirable. In support of the Navy and Marine Corps, Navy Medicine has developed an electronic application of the mental health assessment and reconfigured the DD Forms 2795 and 2900 to streamline the process and capture the mental health assessments during existing processes. The Navy and Marine Corps Reserve Components (RC) complete these existing requirements by using organic medical assets as well as contract services under the Reserve Health Readiness Program (RHRP). RC representatives are working with the RHRP representatives at ASD (HA) to expand services and augment existing resources to meet the additional mental health assessment requirement. Implementation is expected to begin in July 2011.

General MILSTEAD. The DOD Force Health Protection Strategy already requires servicemembers to participate in several deployment and non-deployment related health screenings, to include: Pre-Deployment Health Assessment (DD Form 2795), Post-Deployment Health Assessment (DD Form 2796), Post-Deployment Health Re-Assessment (DD Form 2900), and Periodic Health Assessment (PHA). To the extent that the time frames for the additional mental health assessments correspond to those of existing health assessments, performing the assessments concurrently is desirable. In support of the Navy and Marine Corps, Navy Medicine has developed an electronic application for the mental health assessment and reconfigured the DD Forms 2795 and 2900 to streamline the process and capture the mental health assessments during existing processes. The Navy and Marine Corps Reserve components complete these existing requirements by using organic medical assets as well as contract services under DOD's Reserve Health Readiness Program (RHRP). Reserve components representatives are working with DOD to expand services and augment existing resources to meet the additional mental health assessment requirement. Implementation is expected to begin in July 2011.

General JONES. As of 1 April 2011, all Air National Guard (ANG) Wings began conducting Deployment Resiliency Assessments (DRA) in compliance with the four regular intervals required by the NDAA for Fiscal Year 2010, section 708: 60-days pre-deployment; 90–180 days post-deployment; 7–12 months post-deployment; 16–24 months post-deployment.

A contracted service offered by Logistics Health Incorporated (LHI) has been used to conduct the person-to-person DRAs. The option for unit-level privileged providers to conduct the person-to-person encounters is open to all ANG units and four ANG Wings have conducted DRAs locally. The ANG DRAs are tracked as part of the ANG deployment schedule initiated by the Pre-Deployment Health Assessment process.

Post-Deployment DRAs are scheduled to coincide with the Post-Deployment Health Reassessment and the member's annual Periodic Health Assessment (PHA). Due dates are tracked via the Air Force's PHA and Individual Medical Readiness program.

AFRC is using LHI to fulfill the requirements of the NDAA for Fiscal Year 2010 mental health assessments. This organization was already being used to contact servicemembers who have completed a post-deployment health re-assessment questionnaire. Implementation of the mental health assessments began on April 1, 2011 and is running smoothly, with minor changes being made to adjust for lessons learned during implementation.

UNIFIED MEDICAL COMMAND

17. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, the Government Accountability Office (GAO) issued a report earlier this year stating that DOD could save \$400 million by realigning medical assets into a single military command. I guess the House Armed Services Subcommittee on Personnel was listening, because they put it in their mark. Do you support a unified medical command, headed by a 4 star, with 3 subordinate commands each headed by a 3 star surgeon general, as a substitute for the current organization of the Military Health System (MHS)? If so, why? If not, why not?

Secretary LAMONT. No, not until DOD has reviewed the desirability of establishing a unified medical command and ensures that this new command will maintain and improve the care to our soldiers and their families.

Secretary GARCIA. Our sailors, marines, as well as all servicemembers and their families, are receiving the outstanding health care they need and deserve. I am privileged to have the opportunity to see firsthand the care being provided by our Navy medical personnel around the world—at sea, deployed with the Marines and at our medical treatment facilities. I have also had the opportunity to visit the Medical Education and Training Campus in San Antonio where our corpsmen are training together with their Army and Air Force counterparts in a joint learning environment. We have outstanding examples of our medical personnel working together to keep our servicemembers healthy and mission ready.

The Secretary of Defense has been resolute in his commitment to implement efficiencies within the Department, including the MHS. DOD will be carefully studying potential organizational constructs that allow for the delivery of high quality medical care in an efficient and cost-effective manner. As such, we defer specific comment on any MHS organizational changes until the assessments have been conducted and evaluated by DOD and the Services.

Secretary GINSBERG. We do not support a unified medical command. We do not agree there would be cost savings by the creation of a unified medical command.

We believe a more effective and efficient joint medical solution can be attained without the expense of establishing a unified medical command. Changes to doctrine can be made within current authorities and do not require a new unified medical command. Service specific and joint medical doctrine must be improved to assure Service capabilities are fully interoperable and interdependent to bolster unity of effort. The Services should continue integrating common medical platforms to reduce redundancy and lower costs.

A unified medical command may not achieve the intended synergy or unity of effort. All models of the unified medical command to date do not include medical forces intrinsic (line funded vs. Defense Health Program funded manpower authorizations) to Service line units. A unified medical command would not oversee medical forces serving in these line units. Air Force line funded medics represent 5 percent of Air Force medical personnel; Navy shipboard assets represent 25 percent of medical personnel; and Army line Tables of Organization and Equipment (TOE) funded medics represent 48 percent of Army active duty medics. Air Force ability to meet operational medical requirements would be disproportionately compromised in current models for unified medical command.

Any new unified medical command will require new systems and structure to oversee component headquarters and assigned forces. This will drive even higher costs. If a unified medical command follows the example of the current JTF CAPMED (Joint Task Force, National Capitol Region Medical), it is highly unlikely there will be cost savings. There is no need for a fourth military Service and establishing such in the form of a unified medical command, without the discipline and historical rule sets that govern existing Services, will likely drive costs much higher. Even more critical, a unified medical command may not be as responsive to the needs of Service warfighters as is the current oversight by the Services.

BRAC 2005 created many opportunities for joint oversight of medics. Given time to mature, these initiatives along with the Service Surgeon Generals' efforts to consolidate oversight of common support functions (information management, contracting, military health facility construction and financial management) in the new co-located medical headquarters will reduce redundancies. Adoption of a single Service accounting system to allocate Defense Health Program dollars and improve accountability would do more to reduce costs than a unified medical command.

18. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, would establishment of a unified medical command help or hurt recruitment and retention of medical personnel?

Secretary LAMONT. Without a thorough study and analysis by DOD, it is unknown if establishment of a unified medical command would help or hurt recruitment and retention of medical personnel or more importantly, why.

Secretary GARCIA. We know how important the health care benefit is to our sailors, Marines and their families. Access to quality care is vital to force readiness as well as recruiting and retention. Our personnel deserve outstanding medical care and I believe we are providing it—around the world, each and every day.

The Secretary of Defense has been resolute in his commitment to implement efficiencies within the Department, including the MHS. The DOD will be carefully studying potential organizational constructs that allow for the delivery of high quality medical care in an efficient and cost-effective manner. As such, we defer specific comment on any MHS organizational changes until the assessments have been conducted and evaluated by DOD and the Services.

Secretary GINSBERG. The establishment of a unified medical command creates an uncertain environment for recruitment and retention of medical personnel. Currently, each Service offers unique opportunities and a Service specific culture which attracts and retains healthcare professionals to the Service of their choice. There are candidates who elect to serve in any military branch, however, most seek to be part of a specific Service culture. The establishment of a unified medical command could result in significant changes to Service culture, perceived quality of life (Sea, Land, or Air), Service specific initiatives, and professional development opportunities.

Like the other Services, the Air Force Medical Service competes for fully qualified health care professionals from the private sector and other Federal agencies such as the Department of Veterans Affairs and the Public Health Service. We attract fully qualified specialists and retain them through competitive compensation using accession bonuses and other financial incentives. If accession bonuses and special pays were funded through a unified medical command, special attention would be necessary to ensure all Service operational support requirements were adequately covered.

Without additional data, it remains unclear if the establishment of a unified medical command would help or hurt recruitment and retention of medical personnel.

EDUCATION OF SCHOOL AGED MILITARY CHILDREN

19. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, last year, we received testimony from DOD that more than half of the 300 local educational agencies serving military children were not meeting academic standards in reading/ language arts and/or math. Are you aware that a DOD grant program, which provided grants to improve learning opportunities for military kids at 284 local schools, was cut in the DOD efficiencies initiative?

Secretary LAMONT. Yes, the Army is aware that DOD determined it would be more cost effective to replace grants to local education agencies with an alternative means of outreach. I would defer to the Office of the Secretary of Defense for details on their decision to discontinue the program and their planned way ahead.

Secretary GARCIA. Yes, the DoN has received confirmation from the Department of Defense Education Activity (DODEA) that although the grant program is still in law, the funding to operate the entire DODEA Partnership Branch (which administers the grant program and other initiatives involving stateside local education agencies that support military-connected students) has been cut significantly starting in fiscal year 2012.

Secretary GINSBERG. Yes, these grants effectively targeted assistance to school districts serving military children, particularly districts with the greatest needs. We had hoped to see OSD continue its funding of this initiative. Air Force will work closely with OSD to get the remaining grant funds used to the fullest extent possible.

We have funded School Liaison Officers (SLOs) at every base to serve as a key resource for parents as they navigate education information and they also serve as a central resource for area school districts to help provide orientation and assistance to new teachers and staff on the unique needs of military children affected by PCS moves and deployments. In addition, we have required military leader participation in local school boards to voice the issues pertinent to military children. In March 11, we brought together our SLOs, along with our new Exceptional Family Member Program (EFMP) Coordinators and key education leaders and experts to build the partnerships to create optimal educational settings and opportunities for our children. Training our staffs and leaders in conjunction with the school districts and community educational resources will remain a priority for Air Force.

We greatly appreciate the Congress providing \$250 million this fiscal year for school construction which will significantly improve the condition and capacity of public schools on military installations. This core support improves the educational environments for large numbers of our military children. We are committed to sustaining a close relationship with the school districts, OSD and Sister Services, and the community organizations to continually improve the educational opportunities of military children, a critical quality of life issue.

20. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, do you agree that providing access to a quality education for our kids is a readiness requirement for the All-Volunteer Force?

Secretary LAMONT. Yes, the Army wholeheartedly agrees that providing access to a quality education for our children is a readiness requirement for the All-Volunteer Force. Since 1999, the Army has undertaken many initiatives to demonstrate to families its commitment to ensuring that schools, communities, and military installations respond confidently to the complexities of frequent transitions and parental separations and provide families the assurance that their children's academic well being is a high priority. The Army actively collaborates with the Department of Education; DODEA; national, State, and local education agencies; public and private sector youth serving organizations; community groups; and Army and Defense Department agencies to build effective and enduring partnerships in support of our children's education.

Secretary GARCIA. I agree that quality education programs for children are valuable to the readiness of military families whether a servicemember is at home or deployed.

Secretary GINSBERG. Absolutely. We recognize that the integration of children into local education systems is a major influence on morale and propensity to remain in the Air Force. Senior wing leadership involvement, as military School Liaison Officers (SLO), is required to ensure Air Force children are successfully integrated into local school systems. In saying that, we have established civilian SLO positions to provide even greater levels of support. Recently, the Air Force reemphasized the continued need for all senior leaders to stay involved in support of military child education issues.

21. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, what initiatives do you have underway to address this?

Secretary LAMONT. Army Child, Youth & School Services programs exist to support military readiness by reducing the conflict between a soldier's mission requirements and his or her parental responsibilities. The Army School Support Services Strategic Plan addresses students' learning environments, academic skills, and personal management skills to produce a military school support system that ensures positive outcomes for military students by:

- Using community resources to reduce the impact of relocations and transitions of Army children
- Providing predictable support services that assist children with relocation, life transitions, and achieving academic success
- Helping parents, children, school, commanders and communities to access resources that facilitate school transitions
- Identifying barriers and developing solutions to ensure academic success
- Promoting parent and community involvement by providing tools to overcome obstacles
- Educating schools and communities on the needs of Army children and the impact that a military lifestyle has on academic success and school adjustment

Secretary GARCIA. The School Liaison program has been implemented within the Navy and Marine Corps to help support transitioning families in obtaining edu-

cational information and assistance from local school districts. The mission of School Liaisons is to mobilize and use community resources to reduce the impact of the mobile military life style on military school-age children and families, and to implement predictable support services that assist school-age children with relocations, life transitions and achieving academic success.

School Liaisons provide expertise, experience and resources to assist military children in their transitions to different schools; to improve the ability of teachers and administrators in meeting the needs of military children; and to educate parents on the Local Education Agency's (LEA) academic requirements, and to provide assistance to LEAs on deployment support for military children.

Additionally, we value DODEA's grant program which provides LEAs with financial assistance to improve academic programs for military children.

We also support the Defense-State Liaison Office collaborations with the Council of State Governments to develop Interstate Compacts on Educational Opportunity for Military Children. The purpose of the Compact is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents. Some of the issues addressed include: timely enrollment; student placement process; qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities; on-time graduation; and promoting flexibility and cooperation between educational systems, parents and students.

Secretary GINSBERG. Our major initiative is the authorization of 53 additional civilian School Liaison Officer positions, to have Air Force-wide coverage. The school liaisons work with parents and families who face the challenges of the mobile military lifestyle and associated transition and parental separation issues. Other initiatives include: Providing MAJCOM and installation guidance/emphasis on support for military child education issues and a comprehensive Desk Guide for School Liaison Officers (SLO). Also, we have funded Air Force membership in the Military Child Education Coalition and the Military Impacted Schools Association. Finally, we have standardized training for all SLOs as well as EFMP-Family Support Coordinators and have added Military Family Life Consultants for schools at selected installations.

SPECIAL EDUCATION PILOT

22. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, testimony from the Marine Corps today points out something important with respect to military families who have kids with special needs that is important: "National economic impacts and subsequent State budget cuts . . . may impede school districts' abilities to provide special education services." Last year I proposed a pilot program to see if scholarships would help kids with special educational needs achieve their goals when local schools could not meet their Federal obligation to do so. Unfortunately, that provision was not agreed to in the final agreement for the NDAA. From your perspective, what are some of the best practices in support of families with kids with special needs and what more can Congress do to help?

General BOSTICK. Army School Liaison Officers and EFMP managers continually collaborate with local education agencies to provide military children, including those with special needs, with the best possible education. The Interstate Compact on Educational Opportunity for Military Children is a best practice that removes barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents by:

- Facilitating timely enrollment for children of military families and ensuring they are not disadvantaged due to difficulty in the transfer of education records from the previous schools or variations in age requirements
- Facilitating student placement through which children of military families are not disadvantaged by variations in attendance requirements, scheduling, sequencing, grading, course content, or assessment
- Facilitating qualification and eligibility for enrollment, educational programs, and participation in extracurricular academic, athletic, and social activities
- Facilitating on-time graduation for children of military families
- Providing for the uniform collection and sharing of information among States, schools, and military families
- Promoting flexibility and cooperation among educational systems, parents, and students to help students achieve educational success

Thirty-six States have signed the Interstate Compact on Education Opportunity for Military Children.

Congress can support the education of all military children by providing full and timely funding for the President's budget request.

Admiral FERGUSON. Navy's recent Exceptional Family Member (EFM) Quick Poll, conducted in March 2011, indicated that families found TRICARE, family support services, information and referral services, TRICARE Extended Care Health Option, early intervention services both in CONUS and OCONUS, and EFM Respite Care to be most helpful.

The program with the highest participant satisfaction was EFM Respite Care. Respite Care provides specialized care to Navy families who have children with special needs, so they can leave the house, go to an appointment, or just rest, knowing that their child is being cared for by a qualified provider. This program provides families with a qualifying family member (birth to age 18), who live in designated areas up to 40 hours of respite care a month. Navy's EFM Respite Care program is currently funded with Overseas Contingency Operations funding.

School Liaisons also play an important role. Although the primary role of the School Liaison is to empower parents to be advocates for their children, they also help connect families of children with special needs to academic support and resources that will enhance their success in the classroom. Resources include the Parent Handbook on Special Education; Special Needs Parents Toolkit, Specialized Training of Military Parents (STOMP); and Medicaid to assist in payment for services not covered by TRICARE. School Liaisons also keep our installation commanders updated about policies that affect children with special needs.

The NDAA for Fiscal Year 2011 directs the OSD Office of Community Support for Military Families with Special Needs to develop a report on DOD educational programs and childcare provided for military dependent children with special needs, and whether those programs comply with applicable disability law. The report will address obstacles in obtaining special education, evidence based research, and feasibility/costs of enhancing and expediting special education services. We expect this report to provide significant information for Congress' consideration.

General MILSTEAD. Families enrolled in the Marine Corps EFMP are provided multiple layers of support, to include:

- Family Case Workers provide non-medical case management and serve as liaisons to medical, State, or educational providers. These case workers may attend school special education meetings with parents to ensure the adequate provision of educational services. The case workers also coordinate with school liaisons to address special education concerns that are systemic to the local education agency. This coordination is critical for families who are relocating and provides a family training to increase their understanding of disability-specific information and help them connect with other families who have similar requirements.
- EFMP attorneys provide legal advice and representation to families seeking Federal and/or State benefits and services for an exceptional family member.
- EFMP Assignment Coordinators individually screen each EFMP enrolled dependent to ensure that the medical and/or educational services can be provided at the sponsor's next duty station.
- Respite Care is available to all enrolled EFMP families and is funded by the Marine Corps. Respite care is intended to reduce stress on sponsor families by providing temporary rest periods for up to 40 hours per month.
- EFMP also provides outreach, family training, forums, support groups and referrals.

General JONES. The Air Force EFMP was developed to educate and increase special needs awareness of service personnel in a timely, clear and credible format for our more than 17,000 airman enrolled in the EFMP, with one or more special needs family members.

In March 2011, a joint training of EFMP-Family Support Coordinators and School Liaison Officers (SLO) set the stage for a collaborative, working relationship between these key installation education advocates. Training topics ranged from navigating resources, TRICARE services, the assignment process, medical and legal information, deployment support, homeschooling and the interstate compact. During the training, several installations presented their best practices: Exceptional Fitness, Sensory Movie Program, In School Support Group for Children with Deployed Family Members, Military Child Education Guide and the EFMP Multi-Disciplinary Team.

The NDAA for Fiscal Year 2011 requires the OSD Office of Community Support for Military Families with Special Needs to provide Congress an in depth report on

obstacles obtaining special education, evidence based research, and feasibility/costs of enhancing and expediting special education services.

We expect the outcome of the report to provide significant information for Congress' consideration for future legislative courses of action. We currently do not know the extent of problems, whether they require intervention or further training for military families about the Individuals with Disabilities Education Act. A system that requires States and school districts to report complaints regarding special education issues by military families would provide valuable data on the extent of the problems.

INCREASES IN SUPPORT FOR FAMILY PROGRAMS

23. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, all of the Services have indicated vastly increased support of family programs, which our families need. Are these enduring increases in the base budget for fiscal year 2012, or are these contingent on war-time funding?

General BOSTICK. The enduring increases for Army Family Programs are in the base budget for fiscal year 2012. To divest itself from dependence on war-time funding, the Army identified enduring family program requirements while developing the fiscal year 2010 budget, and placed the increases in the fiscal year 2010 and future base budgets.

Admiral FERGUSON. fiscal year 2012 funding for Navy Fleet and Family Support Programs is in the base budget and not contingent on war-time funding. War-time funding of family programs is limited to support of forward-deployed active duty members in Africa and Southwest Asia.

General MILSTEAD. Yes, these enduring increases for family programs have been added to the baseline budget for fiscal year 2012.

General JONES. Out-year funding requests include spend plans for Airman & Family Readiness (A&FR) Programs. To align services and resources that support and enhance mission and family readiness appropriately, all A&FR efforts are geared toward resource and service provision that enhance stability of members, making them war-ready and confident that the needs of their families are met. War-time funding would provide program enhancements.

YELLOW RIBBON REINTEGRATION PROGRAM

24. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, many of our witnesses this year have testified about the importance of the Yellow Ribbon Reintegration Program (YRRP) which is funded in the President's budget request for fiscal year 2012 at nearly \$250 million. In last week's Personnel Subcommittee hearing, Assistant Secretary McCarthy voiced his strong support for continuation of this program, yet we have since learned that it may not be included in next year's budget request. Do you agree that the YRRP is an important resource for servicemembers and their families returning from deployment?

Secretary LAMONT. Yes, the reintegration our servicemembers and their families experience has second and third order repercussions in nearly all aspects of their military and civilian lives. Servicemembers and their families must understand how to access the support network that is available to them. Reintegration is as significant as any other part of the deployment cycle and must be resourced as such. The YRRP has been refined through lessons learned over a decade of hard deployments. It is imperative to identify the most effective and efficient models, institutionalize them in much the same way as we institutionalize the other areas of the deployment experience.

Secretary GARCIA. Yes, YRRP is very important and has been successful in providing transitional support services for servicemembers and their families. Though the majority of focus falls on post-deployment services, YRRP supports the military family through all phases of deployment, including but not limited to pre-deployment, deployment, demobilization, and post-deployment and reconstitution phases. It's designed to provide the operational reservist with as equitable levels of support as possible to what we provide to our Active Component personnel.

Secretary GINSBERG. Yes. Today airmen are deployed abroad to numerous locations around the globe. Operations tempo in the deployed environment remains high and the rate of operations at home is higher than ever as airmen, both deployed in-place and in-between deployments dutifully perform their missions while balancing their home life. Support to airmen (whether they are Active Duty, Air National Guard or Air Force Reserve), civilians, and their families, is more critical now than at any point in the history of the U.S. Air Force.

The YRRP provides for the physical, emotional, and cognitive well-being of airmen and families.

The importance of the YRRP cannot be overstated. The goal is to provide servicemembers and their families with a delivery structure ensuring a continuum of care, with specific emphasis on the Deployment Cycle Support (DCS) so they are better prepared and sustained throughout the entire deployment cycle. The National Guard YRRP provides sufficient information, services, referral and proactive outreach opportunities for servicemembers and their families. The National Guard recognizes that each servicemember and family is part of a support structure and a network of protection that helps them cope and even thrive in the face of life's challenges.

If YRRP is not funded or not fully funded for fiscal year 2012, ARC servicemembers and their families will be put at a disadvantage for receiving information and resources throughout the deployment cycle. Before this program was created, many ARC servicemembers and their families received partial information before and after deploying. This increased stress level places undue burden on them, which affected both their home and professional lives. There is no other funding stream or program like this available to ARC members. Cutting this would be a detriment to the Air National Guard and the Air Force Reserve.

25. Senator GRAHAM. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg what would replace it if budget cuts forced its cancellation in future years?

Secretary LAMONT. The YRRP is one of several programs that provide an important service to our soldiers. Some of the other programs are Strong Bonds, Army Strong Community Centers, Employer Partnership of the Armed Forces, Transitional Health Care and RC Soldier Medical Support.

Secretary GARCIA. It would be most unfortunate if YRRP were to be cancelled. However, were that to be the situation, the Department of the Navy would continue to provide its Returning Warrior Workshop program designed to reduce combat stress and other personal issues associated with a servicemember's deployment. These workshops are made available to the servicemember, their spouse, or if unmarried, significant other or close family member.

Secretary GINSBERG. There is no replacement for the YRRP. It is a DOD-wide effort, mandated in Public Law 110-181, section 582. Before the onset of the National Guard YRRP, substantial funding and resources were not available to assist Air National Guard (ANG) servicemembers and their families throughout the entire deployment cycle. ANG servicemembers received counseling sessions by the ANG Airmen and Family Readiness Program Managers (A&FRPMs) that may or may not have included their families. These A&FRPMs provided Family Program counseling and information on each ANG installation. Despite the one-deep position, A&FRPMs manage as many programs as their active duty counterparts; therefore, not allowing the opportunity to provide the same level of service provided by YRRP.

The YRRP has made a difference in the lives of thousands of servicemembers and their families with informational events and activities to facilitate access to services supporting their health and well-being throughout the deployment cycle. If the YRRP is not supported with appropriate funding, servicemembers and their families would be at a disadvantage on receiving information and resources. Continuing support from Congress, the Military Departments, the National Guard and Reserve, Federal agencies, nongovernmental agencies, and State and local partners will ensure our National Guard and Reserve servicemembers and their families remain strong and ready!

The Air Force Reserve has always taken great pride in the level and quality of support and services provided for airmen and families. YRRP provides a one stop shop for military members and their families through all phases of the deployment cycle with information, services, referral, and proactive outreach programs.

Many of the programs mentioned exist and with future budget cuts will require leaders to identify and prioritize where the needs are greatest to ensure the wisest use of critical financial resources while focusing toward meeting the needs of the Air Force Community.

The work of strengthening the Air Force family and building a stronger Air Force community will continue. It is a priority because it is the right thing to do for our airmen and the smart thing to do to ensure America's Air Force accomplishes its mission and continues to be the world's best air, space, and cyber force.

SUICIDE IN THE GUARD AND RESERVE

26. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, our committee has overseen a significant expansion of resources and programs by the Services in recent years to prevent suicide. I know that none of us is yet satisfied with our results. Recently we have seen reports of rising numbers of suicide in the Reserve components, and that is the focus of my questions today. We all agree that the Reserve components, including the National Guard, will continue to be operational assets of the armed forces, is that correct?

General BOSTICK. Yes, over the past 15 years our military has become increasingly reliant on the Reserve components including the National Guard to perform title 10 missions. Although the operational tempo is expected to be less intense than it has been, the National Guard is uniquely suited to fulfill both military support to domestic civil authorities as well as integrating with Active and service Reserve components to perform full spectrum operations.

Admiral FERGUSON. Yes, the Navy Reserve will continue to be a vital operational asset of Navy's Total Force.

General MILSTEAD. That is correct. The Marine Corps is developing our concept of how to employ the Reserves as an operational force after current contingency operations have concluded.

General JONES. The Reserve Component (RC) will continue to be an operational asset. There is significant capability in the RC, and in some cases the preponderance of key capabilities are in the RC. The AF has also embraced the concept of "Total Force" with very close integration of the Active (AC) and Reserve components. The AF uses various organizational constructs to augment and integrate the RC to ensure operations are seamless when called upon. With the Total Force construct and capacity within the RC, the RC will remain an operational asset for the foreseeable future.

We know of no evidence that supports a link between the operational demands of the ARC and ARC suicides. The Army's 2010 Health Promotion, Risk Reduction and Suicide Prevention report found no direct correlation between military suicides and deployments. Rather, the report identified a correlation of suicide with high-risk behaviors and increased life stressors. In the Air National Guard (ANG), data also shows no direct correlation with deployments, though with the complex issue of suicide, it is difficult to know how much each factor and life event impacts someone's eventual decision to take their own life. The ANG sees a need to help airmen improve their protective factors, deployed or not.

27. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, the majority of suicides reported in Reserve components are carried out by servicemembers who have never deployed, is that correct?

General BOSTICK. Yes, in general the Reserve components deployment profile of suicide deaths is different from the active duty deployment profile, and the majority of Reserve component soldiers have not deployed. However, this difference is consistent with overall deployment profile of the Army Reserve and Army National Guard where less than 50 percent of the force has a deployment history.

In 2010, 79 of the 145 (54 percent) confirmed and pending (final medical examiner determination) suicide deaths for those who were not serving on active duty at the time of their death had no deployment history. Thus far in 2011, 24 of 48 (50 percent) of the confirmed and pending suicide deaths for non-active duty soldiers had no deployment history.

Eight of the 16 (50 percent) Reserve component soldiers who died of suicide while on active duty in 2010 had no deployment history, and in 2011 two of the four (50 percent) soldiers had no deployment history.

Admiral FERGUSON. The vast majority of Navy Reserve suicide victims have deployed. Of the seven Navy Reserve sailors who died by suicide in 2010 and year to date 2011, one had never deployed, two had deployed within 2 years of their deaths, the remaining four had deployed earlier in their career.

General MILSTEAD. According to our records, suicides by Reserve Component Marines do not significantly vary between those with and those without a history of deployment. On 1 Jan 2009, DOD began requiring the reporting of suicides by members of the Select Reserve (SELRES) who were not on active duty or in a drilling status. From 1 Jan 2009 to 31 Mar 2011, there were 20 suicides by SELRES marines not on active duty or drilling. Ten of those had no history of deployment and 10 had a history of deployment. From 1 Jan 2002 to 31 Mar 2011, there were 18 suicides by SELRES Marines on active duty or drilling. Eight of those had no history of deployment and 10 had a history of deployment.

General JONES. The answer to this question depends on what is coded as a deployment. Analysis of the available data revealed that 67 percent of the reservists and 60 percent of ANG members who committed suicide had not served on orders in support of a contingency.

28. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, we have been inconsistent in our tracking of suicide, mental health care, and follow-up medical care for members of the Reserve components who have deployed, especially those in the Individual Ready Reserve, is correct?

General BOSTICK. Significant effort is being made to track the suicide deaths of soldiers who are assigned to the Individual Ready Reserve. However, the Army relies on the family to notify the Army of the death. Because those assigned to the Individual Ready Reserve have chosen to not become members of an Army Reserve unit, they do not have the same leadership oversight that is provided to member of the Army Reserves in troop units.

Admiral FERGUSON. The Reserve component (RC) uses the same suicide tracking system (DOD suicide event report) system as the Active component (AC). They also have suicide prevention coordinators at each Navy Operational Support Center (NOSC) who conduct the same peer-to-peer prevention training provided to the AC. The Deployment Health Assessment (DHA) process is also in place in the RC, in addition to required annual Periodic Health Assessments (PHA) which are tracked in the same data base as the AC. The NDAA for Fiscal Year 2010 added a mental health assessment requirement that we are currently integrating into the DHA process to be assessed as part of pre-deployment (PDA), immediate post-deployment (PDHA) and later post-deployment—3 to 6 months following return (PDHRA). These are performed by primary care providers, either as group events or partially on-line, with follow-up at a Reserve Health Readiness Program (RHRP) center within 50 miles of the reservist's residence. The PDHA process does track individuals who have deployed and are no longer on active duty. Selected Reserve personnel are tracked for suicides in the same manner as the AC. There is no consistent tracking of deaths or specific suicide prevention outreach for members of the individual Ready Reserve (IRR), who have no unit affiliation.

Additionally the Reserve Psychological Health Outreach Program (PHOP) teams—five to six full-time licensed mental health providers, are embedded within each geographic Navy Reserve Region to help commands, their families and to help RC personnel meet their care needs. This support includes manning a 24/7 watch bill. They provide screening, find local affordable resources, make referrals, and follow-up to ensure that the care was effective. They are also charged with contacting all returning personnel and attend unit events to provide training and assessment. They have helped many find appropriate care for medical and mental health needs by connecting them with available and accessible Federal and State programs as well as with local programs and services.

Members who had mobilized and were subsequently transferred to the IRR are still required to complete the PDHRA requirements which include psychological/mental health screenings. Navy has identified 316 IRR members who are due for this post-deployment evaluative tool. Navy's contracted PDHRA administrator, Logistics Health, Inc., is currently conducting call center events designed to drive PDHRA completion for this group of sailors. As of 1 June, three members have been referred to the VA for additional care as a result of this initiative.

For our wounded personnel, Navy works closely with the Department of Veterans Affairs to provide transitional support for case management of medical and nonmedical care recipients. Navy's Safe Harbor program supports nonmedical case management for wounded, and seriously ill and injured sailors.

General MILSTEAD. The Reserve component (RC) uses the same suicide tracking system as the Active component (AC). The Deployment Health Assessment (DHA) process is also in place in the RC, in addition to the required annual Periodic Health Assessments (PHA). Reserve personnel affiliated as SELRES are tracked for suicides in the same manner as the AC. There is no consistent tracking of deaths or specific suicide prevention outreach for Individual Ready Reserve (IRR), who have no unit affiliation.

Members who had mobilized and were subsequently transferred to the Individual Ready Reserve are still required to complete the PDHRA requirements which include psychological/mental health screenings.

For our wounded personnel, the Marine Corps works closely with the Department of Veterans Affairs to provide transitional support for case management of medical and non-medical care recipients. The Marine Corps' Wounded Warrior Regiment supports non-medical case management of our seriously wounded, ill, and injured sailors.

General JONES. Tracking of participating ARC members is consistent and reliable. Tracking of mental health care and follow-up medical care for AFR members who have deployed is tracked two ways. Servicemembers, with an identified need, who have received medical services through the military healthcare system (to include official referrals to non-military providers), are tracked using the same process as Active Duty. Second, AFR members who return to civilian status, and receive healthcare outside of the military system and not through TRICARE, are required to report that care to their respective Reserve medical unit (RMU). Reports may be made while in any status and include completion of well-known screening instruments (e.g., PHA and DD forms 2795, 2796, and 2900).

Active Guard members (i.e., Title 10 and Title 32) are also monitored by multiple means. The new Wing Directors of Psychological Health (DPH) work closely with the ANG medical units in providing referral and case management when pre- and post-deployment assessments reveal mental health concerns. A primary goal of this program is to help ANG members, regardless of the genesis of the mental health issue, navigate the mental health system and follow through with care. Continuity of post-deployment medical care is addressed by the Medical Continuation process, wherein members are kept on Active Duty orders with full pay and benefits in order to continue care for deployment related conditions. An enhancement planned for the Medical Continuation program is the institution of a case management structure to ensure members are assisted throughout the medical care process.

When an ANG member becomes an Individual Ready reservist, they fall under the Air Force Reserve Center and are not tracked by the Guard. Currently AFR does not track suicides, mental health care or follow-up medical care of members in the IRR because we don't typically mobilize AFR members out of the IRR. Since 2001, we have not mobilized any of our AFR members from the IRR.

29. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, continuity of health care can be a significant problem for members of the Guard and Reserve, is that correct?

General BOSTICK. Yes, continuity of care is a complex issue for members of the Reserve components as they may be eligible for care from multiple sources. Reserve soldiers may be eligible for health care insurance from either TRICARE or non-TRICARE sources depending on where they are in the deployment life cycle. Additionally, their chosen civilian providers may or may not participate in TRICARE for which the soldier is eligible. Hence, continuity of both health care coverage and health care providers can be a significant problem for members of the Reserve Components throughout their deployment life cycle.

Admiral FERGUSON. Given the mobile nature of our military force and the fact that many Reserve component (RC) sailors reside outside of a Military Treatment Facility (MTF) catchment areas, continuity of care can be challenging. RC servicemembers transition between civilian healthcare providers and military providers over the course of their military service. However, Navy, in partnership with the entire MHS and the Department of Veterans Affairs (VA), is fully committed to ensuring the health and well-being of sailors as they make this transition. Continuity of care is maintained through a combination of the TRICARE benefit, Navy-specific outreach and entitlement programs, and the support and resources of the VA.

From the time a RC sailor receives their early TRICARE eligibility entitlement, in advance of mobilization through actual demobilization, they receive the same level of care and access to services as any other member of the Active Force. Once demobilized, they maintain eligibility for TRICARE through the Transitional Assistance Management Program (TAMP) and may receive care at an MTF or through civilian providers. Following the 180-day TAMP eligibility period, these members may elect to purchase TRICARE Reserve Select, if they qualify through their Reserve affiliation. Those who do not qualify may elect to purchase the Continued Health Care Benefit Program. As these Reserve component servicemembers retire, they may elect to purchase TRICARE Retired Reserve coverage until age 60, when they become eligible for TRICARE retired benefits.

The Reserve Component Medical Programs System is available to provide continued medical care and financial support for Reserve component members who incur or aggravate an injury, illness, or disease, in the course of their military duties. Members may be retained on active duty through the Medical Hold Program or they may receive a Line of Duty (LOD) Determination. The LOD allows them to receive care for that condition in a non-activated status. LOD care may be provided within an MTF catchment area or, in remote areas, through civilian providers, with authorization from the TRICARE Management Activity Military Medical Support Office (MMSO). Oversight of these Reserve Component members is maintained by their

unit or Navy Operational Support Center, Navy Personnel Command, as well as an MTF or the MMSO. The program provides incapacitation pay in those instances in which a member's condition prevents them from working in their civilian occupation.

The Deployment Health Assessment process is designed to reach out to Reserve Component members who have returned from deployment and demobilized. These members are assessed at established intervals from pre-deployment through up to 24 months post deployment, to evaluate both their physical and mental health.

The Navy Bureau of Medicine and Surgery's PHOP teams, which are embedded within each Navy geographical Reserve Region, also assist commands, Reserve component members and their families. This can include helping with the LOD process when necessary, finding local resources, and obtaining other health care services when personnel do not have access to military medical benefits, or have limited, or no, health insurance. The PHOP teams can also provide screening, follow-up and referrals to Federal, State, local, and nongovernmental resources.

Finally, the VA offers medical and psychological health services, including treatment for sexual assault, for RC servicemembers who have served in combat areas, whether they are still in the Reserves, separated or retired. Veteran Centers, with additional psychological and family support services, including marital counseling, are found in many local areas in which current and former Reserve component servicemembers reside.

General MILSTEAD. Given the more mobile nature of our military force and the fact that many of our reservists reside outside the catchment area of a Military Treatment Facility (MTF), continuity of care can be challenging. Reserve component members transition between their civilian healthcare providers and military providers over the course of their military service. However, the Department of the Navy, in partnership with the entire MHS and the Department of Veterans Affairs (VA), is fully committed to ensuring the health and well being of our servicemembers as they make this transition. Continuity of care is maintained through a combination of the TRICARE benefit, Navy-specific outreach and entitlement programs, as well as VA support and resources.

From the time a reservist receives their early TRICARE eligibility entitlement in advance of mobilization through actual demobilization, they receive the same level of care and access to services as members of the Active Force. Once demobilized, they maintain eligibility for TRICARE through the Transitional Assistance Management Program (TAMP) and may receive care at an MTF or through civilian providers. Following the 180 day TAMP eligibility period, these members may elect to purchase TRICARE Reserve Select, if they qualify through their Reserve affiliation. For those who do not qualify, they may elect to purchase the Continued Health Care Benefit Program. As these same members retire, they may elect to purchase TRICARE Retired Reserve coverage until age 60, when they then become eligible for TRICARE retired benefits.

The Reserve Component Medical Programs System is available to provide continued medical care and financial support for reservists who incur or aggravate an injury, illness or disease in the course of their military duties. Members may be retained on active duty through the Medical Hold Program or they may receive a Line of Duty (LOD) Determination. The LOD then allows them to receive care for that condition in a non-activated status. LOD care may be provided within an MTF catchment area or in remote areas through civilian providers.

General JONES. Continuity of care can be a challenge in the Guard and Reserve due to many factors, including changes in status and geographic dispersement.

The ANG is in the process of placing a Director of Psychological Health (DPH) in each Wing to promote and support the psychological health and continuity of care of servicemembers. The Wing DPHs work closely with the ANG medical units in providing referral and case management when pre- and post-deployment assessments reveal mental health concerns. Wing DPHs can work closely with their State DPH counterparts when additional support is required.

Additionally, if a member chooses to participate in Tricare Reserve Select or has private health insurance, there should not be a problem with continuity of care.

30. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, stigma and confidentiality in mental health are uniquely significant for servicemembers who live and work in small towns all over our country, is that correct?

General BOSTICK. Stigma is a concern for those seeking behavioral health care across the entire Army community. Over the last few years, the Army has focused significant attention, with a great deal of success, at reducing soldier unwillingness to seek behavioral health support attributed to stigma. Behavioral health care utili-

zation has increased across the Army. The Army established the Health Promotion, Risk Reduction and Suicide Prevention Task Force to further understand and mitigate the effects stigma has in extending care to the Army family.

Admiral FERGUSON. We are continuing to address such concerns for Reserve Component personnel, whether they reside and work in small towns or in communities with larger populations, through our suicide prevention and psychological health programs, including Operational Stress Control (OSC), which is integrated into the Navy career training continuum. DOD and Navy have made policy changes to support this development over the past few years, and to encourage sailors to seek help. We are fully committed to reducing the stigma associated with mental health care and to raising awareness within the Reserve community that there is confidentiality for mental health care, especially when self-initiated.

General MILSTEAD. We are not aware of any professional literature that addresses the significance of stigma and confidentiality rates in small towns versus more populated areas in America. However, we are continuing to address these concerns for Reserve Component personnel who may live and work in either small towns or in communities with larger populations through our suicide prevention and psychological health programs, including Operational Stress Control (OSC) which is integrated into the Marine career training continuum.

DOD and the Marine Corps have made policy changes to support this development over the past few years and to encourage help-seeking by marines. We are fully committed to reducing the stigma associated with mental health care and to raising the awareness within the Reserve community that there is confidentiality for mental health care, especially when self-initiated.

General JONES. There is some evidence to support this conclusion, likely due to the lack of anonymity in small towns.

31. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, prevention programs that work in one State or community, may or may not be the right approach in another one—in other words, one-size-does-not-fit-all, is that correct?

General BOSTICK. There are numerous studies that suggest there are “universal” aspects of suicide prevention programs. Resources such as the Suicide Prevention Resource Center (<http://www.sprc.org/about—sprc/index.asp>) acknowledge there are some cultural differences in how programs and services are provided (e.g., appropriate language, etc.). The observed differences in the effectiveness of a program has less to do with the differences in communities and is more influenced by the behavioral health condition the program is attempting to address (e.g., a program targeted towards those with depression are less effective in helping someone who has a substance abuse problem).

Admiral FERGUSON. Many complex and individual pathways lead both toward and away from suicidal ideation and attempts. No single message, training, intervention, or approach will intercept everyone on a deadly path. Intuitively it makes sense that different populations would respond in a non-uniform manner to various intervention attempts, given cultural differences between communities. Lessons from research and years of program efforts have shown that multiple approaches working within a strategic framework are required to reduce suicide risk.

Each of the Services has developed unique programs designed to fit their communities/cultures, including their respective Reserve Components. These programs are based on the best evidence available, including accepted professional models and best practices. Each Service takes many measures to prevent suicide, including: mandated annual peer-to-peer training; regular safety briefings; large-scale social marketing campaigns to encourage members to seek help and promote suicide prevention; and offer programs that include suicide prevention at accession points, schoolhouses, and at critical career decision points and milestones. Also inherent to all of the Services’ programs is emphasis on the broader concepts of buddy care, leaving no one behind and bystander intervention.

General MILSTEAD. Suicide prevention relies primarily on Marine Corps leadership, regardless of location. Beginning at the non-commissioned officer level and extending up through the ranks, leaders prevent suicide by fostering individual and unit resilience, encouraging self-care and peer-intervention, and managing command climate in a way that encourages Marines to engage helping services early, before problems worsen to the point of suicide.

General JONES. One size certainly does not fit all especially when it comes to the Reserve Components. ANG and AFR units are very unique based on their population, geographic diversity, economic circumstances, and a number of other critical factors. Because of this reality, the recent National Guard Bureau Warrior Care Initiative focused on researching and recommending a toolbox of resilience-building

programs so that each State/Territory can choose the programs that best fit its unique needs. In this instance, all programs fit into the Comprehensive Soldier Fitness/Comprehensive Airman Fitness pillars of wellness. Thus, prevention programs do need to be tailored for their recipients, and can be based upon certain principles and guiding theories. Programs should provide some latitude for local factors (e.g. culture, resources, etc.) and demands of the wing missions, but should also be proven effective prior to widespread implementation.

32. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, community involvement is essential for the Reserve components—even more so than the Active component, is that correct?

General BOSTICK. Community involvement is equally important for all components. Many of the soldiers serving as recruiters and supporting Reserve component are stationed away from military installations and require the support of the local community. Many of the medical professionals return from deployments and return to work in community hospitals, where they are no longer around the soldiers with whom they deployed and on whom they learned to rely for support during that deployment. Reserve component soldiers also experience this sense of isolation when they return to their hometown and lack “peer to peer” support. It is impossible to say if community support is more important for one component versus another.

Admiral FERGUSON. Yes, community involvement is essential for the Reserve Components. Reserve sailors typically have limited access to resources available on base and may only interact with members of their unit when drilling. On-line and telephone resources, such as the Navy help-line and Military OneSource, are available to all military servicemembers and their families. However, due to the distance between some RC sailors and face-to-face services, accessing available civilian community resources is important to their quality of life. Active component sailors are typically more rooted in the associated military community, while Reserve component sailors are more closely connected to their civilian communities, in part because they tend to relocate less frequently.

Regarding suicide prevention, however, military involvement remains essential for Reserve sailors so they may benefit from all DOD resources designed to promote resiliency and prevent suicide, including effective peer-to-peer suicide prevention training. Our PHOP offers five counselors in each Navy Region responsible for reaching out to sailors returning from mobilization and for being readily available when leadership or shipmates sense a need for a sailor to speak with a professional.

General MILSTEAD. Community involvement is equally important to suicide prevention in the Reserve and Active components. A marine’s community must recognize signs of distress, know where to turn for help, and be willing to assure that the marine gets the needed help.

General JONES. Absolutely. Citizen airmen are more engrained in their communities. Traditional Guard members and reservist in particular spend much more time in their communities and at their civilian jobs than with their unit. The member and their families, although eligible for some military services, are often geographically separated from, or otherwise not exposed to, the unique aspects of an active duty lifestyle, which readily offers more assistance, accountability and oversight. Because of this, it is critical that leadership and policymakers begin to engage with the community in efforts to prevent suicide in airmen. This would help educate community providers and other community supporting agencies about the unique stressors faced by our Guard and Reserve members. Partnering with community initiatives in suicide prevention and educating agencies that assist citizen airmen about their unique stressors could prove to be helpful in reducing suicide rates. The ANG anticipates the newly-placed ANG Wing Directors of Psychological Health (WDPHs) will be instrumental in assisting with this effort. They are best able to impact the immediate community in which the wing is located.

33. Senator GRAHAM. General Bostick, Admiral Ferguson, General Milstead, and General Jones, the YRRP is funded in fiscal year 2012, but may not be funded in fiscal year 2013. It’s part of the solution but not the entire solution, is that correct?

General BOSTICK. The YRRP is one of several programs that provide an important service to our soldiers. Some of the other programs include:

- Strong Bonds
 - The Strong Bonds mission is to increase soldier and family readiness through relationship education and skills training.
 - Strong Bonds helps single soldiers, couples, and families thrive in the turbulence of the military environment.
- Army Strong Community Centers

- The Army Strong Community Center (ASCC) program was established by the Army Reserve to support military members and their families who live away from the larger military installations where support is readily available.
- The ASCC aims to connect geographically dispersed families with support resources in their own community.
- The ASCC is an information and referral office dedicated to assisting and supporting servicemembers, retirees, veterans, and family members.
- The ASCC serves all branches of the military, Active and Reserve.
- There are currently three ASCC locations in Rochester, NY; Brevard, NC; and Coraopolis, PA.
- Employer Partnership of the Armed Forces
 - The Employer Partnership (EP) is a key program to help mitigate economic stress on Reserve component soldiers.
 - EP was created as a way to provide America's employers with a direct link to some of America's finest employees—servicemembers and their families.
 - EP's partner with over 1,000 employers who include 96 of the 2010 Forbes Fortune 500 Companies, and the list is growing.
 - There are 500,000 jobs available online on the EP website (employerpartnership.org).
 - Nearly 4,000 soldiers, family members, wounded warriors, and veterans have been hired through the program.
 - EP launched a powerful new online job search portal on Veterans Day 2010.
- Transitional Health Care Program
 - The Transitional Health Care Program provides 180 days of transitional health care benefits, including psychological health care, to demobilized Reserve soldiers and their families.
 - TRICARE Reserve Select (TRS) is a premium-based health plan that qualified RC soldiers may purchase; the monthly premium for TRS individual coverage is \$47.51, and the monthly premium for TRS family coverage is \$180.17.
 - Military OneSource. Military OneSource is an information and referral clearinghouse that can guide AR members to the right resources. Through Military OneSource, the soldier and each family member has access to up to 12 in-person counseling sessions with a licensed counselor at no cost.
- RC Soldier Medical Support Center
 - Its purpose is to ensure continuity of care/VA benefits by integrating and streamlining the medical review process across all States and territories.

Admiral FERGUSON. Yes, that is correct. The YRRP is an invaluable program that benefits sailors in many ways. However, it is just one of a number of tools available to ensure returning reservists successfully and seamlessly reintegrate into their communities. Navy also administers a comprehensive and highly effective suicide prevention, intervention, and response program, to address the challenges and stressors with which Active and Reserve sailors contend, particularly upon returning from prolonged absences and assignments in combat zones.

General MILSTEAD. Reserve suicide prevention relies in part, but not entirely on the YRRP. The Marine Corps has several other programs focused on Reserve suicide prevention, to include:

- The Never Leave a Marine Behind suicide prevention and awareness education series trains Active and Reserve marines to recognize the warning signs for suicide, foster personal and unit resiliency, know where to go for behavioral health care, engage helping services early, and in the case of senior leaders, how to manage command climate to reduce the risk of suicide.
- The Operational Stress Control and Readiness (OSCAR) program is being implemented at the Battalion/Squadron level to train marines and medical and religious ministry personnel to prevent, identify, and manage stress problems as early as possible. OSCAR team members know their unit members and can quickly recognize any unusual changes. Since the Marines are familiar with their team members, it is more likely that marines will talk about their stress.
- The Marine Corps is currently piloting a 24-7 by-Marine-for-Marine counseling line, available to all Marines, whether Active, Reserve, or vet-

eran, and their loved ones. The DSTRESS Line is being piloted in the Western U.S.

- The Marine Corps Behavioral Health Information Network (BHIN) is a web-based clearinghouse for the latest information and tools for Reserve and Active marines on prevention and other resources concerning behavioral health. These free educational materials are excellent tools that will assist units and installation support services in their efforts to educate the military community about building resiliency, recognizing reactions and determining the need for help.
- The PHOP provides psychological health professionals at six regional Marine Forces Reserve sites to screen and refer members for behavioral health services. Marines that are referred to the program can be screened for behavioral health issues, medically referred, and provided a road to recovery. Outreach specialists will follow each referred reservist through the resolution of that member's case, whether it is return to active Reserve status, or resolution through the DES.

General JONES. The YRRP provides information, services and referrals to servicemembers and their families. While suicide prevention briefings, information and counseling referrals are made at YRRP events, it is not the entire answer to suicide prevention in part because YRRP focuses only on supporting members who have deployed and because the events are based on voluntary attendance. The majority of reservists requiring behavioral health support has never deployed and thus would not be eligible or even exposed to these YRRP programs.

The Air National Guard continues efforts to create and help implement strategies for suicide prevention with the development of outreach programs such as the ANG Wingman Project, whose goal is to eliminate warfighter and family member suicide through human outreach, media and training. Chaplains, Military Family Life Consultants, DPHs, and Military OneSource are just some of the resources available for anyone considering suicide. Suicide prevention success is driven by the collective action of individuals and communities across the Nation.

QUESTIONS SUBMITTED BY SENATOR SAXBY CHAMBLISS

SERVICEMEMBERS CIVIL RELIEF ACT

34. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, the number of service men and women experiencing significant financial problems with their mortgage companies and banks is unfortunately well known. While the operational tempo of our Armed Forces will hopefully decrease following the withdrawal of our combat forces from Iraq, the OPTEMPO will likely still remain high and we will continue to rely on our Reserve components to meet operational requirements for the foreseeable future. With this in mind and if private lenders continue to violate or ignore the provisions of the Servicemembers Civil Relief Act (SCRA), what adjustments do you believe may be necessary to that SCRA to protect the interests of our service men and women?

Secretary LAMONT and General BOSTICK. The Servicemember's Civil Relief Act (SCRA) should be amended in two ways:

- (1) The SCRA (codified at 50 U.S.C. App. §§501–597b) should be amended to make it easier for the lending industry to properly apply the 6 percent interest rate cap. Section 527 requires the servicemember to provide the lender with a copy of his or her official orders to show the period for which the 6 percent interest rate cap should apply. These orders, however, can be difficult to understand and interpret.

Section 535 defines military orders to include “any notification ... from the servicemember's commanding officer, with respect to the servicemember's current or future military duty status.” This basically allows the commander to write a letter clearly stating when the servicemember is or will be on active duty. This definition, however, only applies to section 535, and not to the 6 percent interest rate cap section, which, as noted, still requires a copy of the more complicated official orders.

If the definition of military orders found in section 535 were made applicable to the entire SCRA by moving it to section 511—the definition section, which is applicable to the entire Act—then the lending industry could more readily determine when a servicemember was eligible for the 6 percent interest rate cap.

This amendment would also make it easier for the lending industry to determine when the interest rate applied to Reserve component servicemembers who had received orders but had not yet reported for active duty. The SCRA extends some of

its protections and benefits (including the 6 percent interest rate cap) to those with orders even though they have not yet reported for duty. Determining when the orders were received can be complicated. But if servicemembers were allowed to provide a letter from their commander, the period of applicability could be stated clearly.

- (2) The SCRA should be amended to extend mortgage foreclosure protections to all servicemembers' mortgages, not just those secured by pre-service obligations. Section 533 provides protections against the non-judicial sale, foreclosure, or seizure of the property secured by a mortgage obligation that originated before the period of the servicemember's active duty. This means a court must enter a valid order before the sale, foreclosure, or seizure of such property can take place, and such an order cannot be entered unless and until the creditor files a lawsuit against the servicemember, gets service of the suit on the servicemember, and the servicemember has an opportunity to come into court and seek relief from the foreclosure. If the property is secured by a mortgage obligation created after the period of active duty, then the SCRA does not provide these protections.

Losing one's home to foreclosure almost inevitably leads to a cascade of financial complications. If it occurs while on active duty, these complications are no less painful and disruptive to mission accomplishment just because the obligation was created while on active duty, rather than prior to entering active duty.

To ensure that servicemembers remain focused on the military mission, the mortgage foreclosure protection should be extended to cover all servicemembers' mortgage obligations, not just pre-service ones.

Such expanded protection would also simplify the process for the lending industry. If such an amendment were adopted, the foreclosing creditor would only have to determine whether the servicemember is on active duty at the time of the proposed sale, foreclosure, or seizure (or was on active duty within the nine months preceding the sale, foreclosure, or seizure). The foreclosing creditor would not have to sort through a possible series of prior mobilizations to determine the status of the servicemember at the origination of the mortgage obligation.

Secretary GARCIA and Admiral FERGUSON. DOD is currently evaluating the need for three amendments to the Servicemembers Civil Relief Act (SCRA) (50 U.S.C. App. §§ 501–597b), which may warrant consideration by Congress:

- Amend the SCRA to ease eligibility determination and proper application of the 6 percent interest rate cap by the lending industry. Under section 527, a servicemember can secure an interest rate cap of 6 percent per year on all loans incurred before entering active duty if military service affects the member's ability to meet the obligation. To qualify, the member must provide the lender with a copy of official orders to show that he or she is on active duty. However, military orders can be difficult for lenders to interpret. Section 535 provides a broader definition of military orders to include "any notification . . . from the servicemember's commanding officer, with respect to the servicemember's current or future military duty status." Applying section 535 definition of "military orders" to the entire SCRA would allow lending institutions to more readily determine eligibility for SCRA protections, including the 6 percent interest rate cap provision.
- Amend the SCRA to extend mortgage foreclosure protections to all servicemember mortgages, vice only those secured by pre-service obligations. Section 533 requires a valid court order before sale, foreclosure, or seizure of a servicemembers mortgage-secured property, but only if the mortgage obligation of the servicemember was created before the period of active duty began; consequently, servicemembers who incur mortgage obligations after commencing active duty are not protected. Expanding protections to all servicemembers would ease lending institution compliance by removing the burden of determining whether the debt was incurred pre-active duty or after entry on active duty. Providing foreclosure protections for all servicemembers would ensure court oversight, help servicemembers remain mission-focused knowing they have this judicial supervision, and help them avoid or mitigate financial complications that often follow a foreclosure.
- Increase penalty provisions for SCRA violations to enhance financial compliance with the act.

Secretary GINSBERG and General JONES. We commend the Department of Justice for their recent investigations into violations of the SCRA. This Act is an important protection offered to our servicemembers, particularly those who are deployed, or have been deployed multiple times over the past 10 years. Enforcing this act greatly

contributes to peace of mind many of our personnel appreciate when they are deployed for extended time periods. The recent examples of nationally known mortgage companies being held accountable for violating SCRA should sound a clarion call to the industry. Lenders must ensure servicemembers are not harmed by their lack of due diligence in meeting the requirements of SCRA and working with our servicemembers to avoid home foreclosures. SCRA makes clear that lender's responsibility to work with servicemembers is not negotiable. When a violation occurs, impacting the credit and financial status of any servicemember, the financial institution must take action to remedy negative consequences and ensure the servicemember's credit rating is restored to pre-foreclosure value.

General MILSTEAD. I do not currently foresee any necessary adjustments to the SCRA. The SCRA was completely rewritten in 2003 and substantially amended again in 2008. The SCRA currently offers expansive protections to servicemembers in the areas of default judgments, civil stay provisions, maximum interest rates (to include mortgages), eviction and foreclosure protection.

UNIFORMED SERVICES EMPLOYMENT AND REEMPLOYMENT RIGHTS ACT

35. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, the Uniformed Services Employment and Reemployment Rights Act (USERRA) protect millions of people, largely National Guard and Reserve members, as they transition between their Federal duties and civilian employment. USERRA is intended to eliminate or minimize civilian employment disadvantages resulting from service in the Reserve components and protect the rights of those members when they deploy. Since September 11, 2001, over 500,000 citizen soldiers have been mobilized to fight the war on terrorism. Many American soldiers have served more than one tour of duty and may be required to serve more. While some would argue that it is statistically reasonable for the number of employment discrimination complaints filed by service men and women during this time period to have increased—based on the number of deployments—the data needed to make such a judgment remains incomplete. Furthermore, data from a 2004 DOD survey showed that at least 72 percent of National Guard and Reserve members with USERRA problems never sought assistance for their problems, raising questions as to whether complaint numbers alone can fully explain USERRA compliance or employer support. Finally, the time it takes to process USERRA complaints, while somewhat improved, remains unacceptable when you are speaking in terms of whether or not a veteran and/or his family will lose their home due to a negligent or willfully mistaken foreclosure action. In light of these factors, do you see the need for any changes to USERRA to address these issues or provide additional protection to our Guard and Reserve members?

Secretary LAMONT and General BOSTICK. Yes, based on the heightened operations of the last 10 years and anecdotal evidence gathered by ESGR Volunteers and Ombudsman, USERRA should be reviewed. Aside from minor amendments, USERRA has not been holistically reviewed since 1994.

Based on information from the ESGR office, USERRA complaints and inquiries have risen statistically since September 2001, but the number of cases requiring ESGR intervention represents less than 0.01 percent of all Reserve component members.

There are also some indications of employer fatigue from 10 years of continuous mobilizations. To verify the impact on employers, ESGR is sponsoring two efforts:

- (1) The "2011 Department of Defense National Survey of Employers" was sent to a cross-section of 80K civilian employers across America. The survey runs through July 6 with the results expected late in fiscal year 2011.
- (2) As a companion piece to this survey, ESGR is sponsoring a study to examine the results of the survey and incorporate information gleaned from four regional focus groups of civilian employers. The focus groups will participate in questions formulated based on the survey results and used to provide meaningful narrative to a report summarizing both efforts. The collective efforts of these employer engagements should be available late in CY 11.

Secretary GARCIA and Admiral FERGUSON. I currently do not see a need to amend the USERRA. We continue to monitor the effects of continued and persistent usage of the Reserve component on sailors, marines, and their families. The DON has found that engaged leadership throughout the chain of command and use of Employer Support of the Guard and Reserve (ESGR) representatives coupled with existing USERRA legislation meets the challenges faced by Reserve component sailors and marines.

Secretary GINSBERG and General JONES. USERRA is crucial to protect the employment rights of our citizen airmen. We are not currently proposing changes to USERRA, but with the increased reliance on the National Guard and Reserve since September 11, it might be time for Department of Labor to reevaluate the authority. Regardless, the statute has served us well since its inception. Within the Air Force, we have experienced tremendous support from our civilian employers when we have asked our airmen to support their military commitments. Moreover, the Air Force has received a limited number of USERRA complaints. We believe this attests to the tremendous support our civilian employers extend to our citizen airmen while they are performing their military duties. The Air Reserve Components (ARC) conduct a number of ongoing employer out-reach programs to bring civilian employers into the fold of local Reserve component installations and provide them the opportunity to experience the military commitments of their employees. Additionally, through a number of ARC and Employer Support of Guard and Reserve (ESGR) awards programs, the Air Force recognizes the outstanding support of the employers to the military community. Finally, we provide relevant USERRA education to our citizen airmen on the benefits of this law to include points of contact should they experience concerns or issues. It should also be noted the ESGR has expanded its mission to provide a stronger advocate role for civilian employers by “developing and promoting a culture in which all American employers support and value the military service of their employees”. The support of ESGR is a key component of maintaining good relations between our airmen and their employers.

General MILSTEAD. I currently do not see a need to amend the USERRA. We continue to monitor the effects of continued and persistent usage of the Reserve component on our marines and their families. The Marine Corps has found that engaged leadership throughout the chain of command and use of Employer Support of the Guard and Reserve (ESGR) representatives, coupled with existing USERRA legislation, meets the challenges faced by Reserve Component Marines.

RESERVE RETIREMENT

36. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, the 2008 NDAA included a provision which I authored which authorized members of the Reserve component who perform Active Duty for significant periods in support of contingency operations to collect retired pay early. Feedback I have gotten on how this provision is affecting the troops so far has been very positive. What feedback have you received on this issue?

Secretary LAMONT and General BOSTICK. Overall, we have received positive feedback. Soldiers like the retirement as outlined in the NDAA 2008. We believe that it has been a very positive incentive in support of contingency operations.

Secretary GARCIA and Admiral FERGUSON. Feedback from the Reserve Force on the early collection of retired pay for the performance of Active Duty in support of contingency operations is uniformly positive.

Secretary GINSBERG and General JONES. The Air Force has received overall positive feedback from the ARC regarding this statute change. The provision is not only an incentive to support volunteerism for contingency operations; it may also be viewed as a retention tool for the Reserve components.

General MILSTEAD. We have not received any negative feedback and believe the law has been successful in incentivizing and rewarding Reserve marines who mobilize in support of contingency operations.

37. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, how could Congress modify this provision to further incentivize and appropriately reward members of the Reserve components who deploy for significant periods of time?

Secretary LAMONT and General BOSTICK. Currently, a Reserve component soldier who retires prior to age 60 under the 2008 NDAA provision receives retired pay, but no other benefits, e.g. medical care. At age 60, the retired Reserve soldiers receive the remainder of their retirement benefits. This benefit was established in the NDAA for Fiscal Year 2008 and supports the expanded role of Reserve component soldiers.

Secretary GARCIA and Admiral FERGUSON. Thank you for the opportunity to provide my thoughts on provisions that may further incentivize and reward members of the Reserve components. Remaining consistent with administration policy and established budget guidelines, I believe that Congress would be best served if DOD

uses the standard authorization and budget process to request changes to existing authorities, if the Department determines that changes are needed.

Secretary GINSBERG and General JONES. Our Reserve component has a long-standing heritage of selflessly supporting our national security, and we recognize the expanded role Air Force Reserve and Air National Guard airmen are fulfilling in accomplishing the mission. We are also keenly aware of the significant costs associated with incentives offered to our Reserve airmen and appreciate the generous support provided by legislative leadership. If after careful analysis it is determined a modification is needed to current Reserve benefits or entitlements, we will submit a proposal through the standard budget and authorization process.

General MILSTEAD. There are several potential ways the provision could be modified if it is determined that the Services need to amend the retirement structure for reservists who serve on Active Duty for significant periods of time. This is an issue for further study, including within the context of the recent military retirement reform review.

RESERVE RETIREMENT

38. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, I understand that there is some confusion or lack of consistency regarding how the provision authorizing early receipt of retired pay is being interpreted within DOD. As the primary author of that provision, I would like to state my original intent for the record. First, my intent was to reward servicemembers who perform Active Duty for significant periods. We had to bind the provision somehow so we set the period during which members would be required to serve an aggregate of 90 days of duty to be the confines of a single fiscal year, fiscal year 2010, or fiscal year 2011, and so forth. The intent was not that a servicemember should be rewarded for any aggregate duty of 90 days that they served over their Reserve career. Second, my intent was to reward servicemembers who were activated, mobilized, deployed, or called to duty in support of a contingency operation. In my view this should include any duty, in the continental United States (CONUS) or outside the continental United States (OCONUS), which is related to a contingency operation or national emergency, regardless of the specific order type is utilized to call the member to duty. With that explanation, I would appreciate your feedback on how DOD is interpreting the current statute, what ambiguities you believe may exist in the language, and the extent to which the Services are interpreting the provision differently.

Secretary LAMONT and General BOSTICK. The Army follows the DOD interpretation of the NDAA for Fiscal Year 2008 provision that is based on the fiscal year restriction. I am unable to comment on how the other Services interpret the NDAA for Fiscal Year 2008 provision.

Secretary GARCIA and Admiral FERGUSON. DOD implementing instructions limit accrual of 90-day aggregate increments to service performed during a fiscal year. Given this interpretation, with which Navy agrees, an inequity exists by not permitting credit toward otherwise qualifying 90-day periods of Active Duty that happen to cross fiscal years. There also appears to be ambiguity regarding the types of active duty orders for which credit may be awarded. For instance, it is unclear whether periods of operational support duty performed while on Annual Training under title 10, U.S.C., sections 10147 or 12301(b) qualify. Navy reservists provide significant operational support while on Annual Training; thereby, contributing to contingency operations in ways which warrant the awarding of credit towards the 90-day aggregate. My understanding is that some of the other Services may not be awarding credit for early receipt of retired pay for reservists on Annual Training orders.

Secretary GINSBERG and General JONES. We believe DOD has interpreted and subsequently issued implementation guidance based on the intent you have identified. We further believe the current language is written as 'generic' as it can in order to not constrain the department and services in implementation. Each of the services, are complying with the intent of acknowledging those called to duty in support of contingency operations. The OSD guidance is written in a manner to permit service secretaries latitude to establish service policy to implement the 'full intent' of this provision in rewarding our servicemembers for their continued sacrifices. There does not appear to be any discrepancy in the interpretation and application of this law by ARPC between the two Air Force Reserve components.

General MILSTEAD. The Marine Corps adheres to the DOD policy, "Service Credit for Reserve Retirement" with the exception that, based on the clarifying language found in the NDAA for Fiscal Year 2011, we no longer limit qualifying Active Duty to periods wholly served within the same fiscal year.

39. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, what sort of clarity could Congress provide to eliminate some of the ambiguity and inconsistency between the Services in this area?

Secretary LAMONT and General BOSTICK. DOD Instructions that implement the 2008 NDAA provision provide clear guidance to the Services, so the Army requires no additional guidance.

Secretary GARCIA and Admiral FERGUSON. To eliminate ambiguity and uncertainty, Congress could amend title 10, U.S.C., to eliminate the per-fiscal year calculation of days of certain Active Duty or active service used to reduce the minimum age at which a member of a Reserve component of the uniformed services may retire for non-regular service, as proposed in S. 3406, introduced in the 111th Congress. Such an amendment will codify the intent expressed in the Sense of Congress enacted in section 635 of the NDAA for Fiscal Year 2011, by expanding the authority to permit credit when an otherwise qualifying 90-day period of Active Duty or active service crosses between 2 fiscal years. Additionally, amending the language to clarify that all types of active duty orders are to be included in calculations for early receipt of non-regular retired pay under title 10, U.S.C., section 12731, would ensure greater consistency in awarding credit under this law.

Secretary GINSBERG and General JONES. There does not appear to be any discrepancy in the interpretation and application of this law by ARPC between the two Air Force Reserve components.

General MILSTEAD. Given the clarification provided in the NDAA for Fiscal Year 2011, we are not aware that ambiguity and inconsistency currently exists between the Services.

40. Senator CHAMBLISS. Secretary Lamont, Secretary Garcia, Secretary Ginsberg, General Bostick, Admiral Ferguson, General Milstead, and General Jones, Senator Tester and I recently filed a bill which would change the requirement for the duty to be performed within "any fiscal year" and instead allow it to fall within "any 2 consecutive fiscal years." This would allow individuals who mobilize for 90 days to receive credit if the mobilization or deployment happened to span 2 fiscal years, which is often the case. I would appreciate your feedback on that proposed change and if you believe it might eliminate some of the confusion and inequity in the current provision.

Secretary LAMONT and General BOSTICK. The Army would support a bill that removes the fiscal year constraints imposed by the original law, and believes such a provision would eliminate the confusion and inequity resulting from the current law.

Secretary GARCIA and Admiral FERGUSON. I greatly appreciate your commitment to reward members of the Reserve component who perform Active Duty in support of contingency operations. As written, however, the "Reserve Retirement Deployment Credit Correction Act" (S. 866) would establish eligibility for early receipt of non-regular retired pay credit for certain Reserve personnel who complete an aggregate of 90 days Active Duty or active service which occurs across 2 fiscal years, which Navy supports, but would remove eligibility for reservists who currently qualify for early receipt of non-regular retired pay credit by completing 90-day increments of qualifying Active Duty or active service within a single fiscal year. We surmise that the latter is not intended and would clearly not be a desirable outcome of the legislation. As an alternative, Navy would support amendment of S. 866 to adopt the language reflected in S. 3406, 111th Congress, which would retain credit for all those currently eligible, while expanding the authority to permit credit when an otherwise qualifying 90-day period of active duty or active service crosses between 2 fiscal years.

Secretary GINSBERG and General JONES. The proposed change will have positive impact. A number of deployments cross fiscal years as the member is on site to support the mission requirement. Allowing for the duty to be performed within any 2 consecutive fiscal years will provide more Reserve component members the benefit of this provision. Finally, this action will support recruiting and retention in the Reserve components.

General MILSTEAD. Given the clarification provided in the NDAA for Fiscal Year 2011, we are not aware that ambiguity and inconsistency currently exists between the Services and do not believe an "any 2 consecutive fiscal years" change is warranted.

NAVY CHAPLAINS PERFORMING GAY MARRIAGES

41. Senator CHAMBLISS. Secretary Garcia, yesterday May 10th, the Navy suspended their decision to allow chaplains to perform same-sex unions. I applaud the Navy for that course of action. Regarding the Navy's initial decision—once Don't Ask Don't Tell policy is repealed—to authorize chaplains to perform same-sex marriages on military bases located in States that permit same-sex marriage or union, did the Navy seek a ruling from the Navy and/or DOD General Counsel regarding how the Navy's proposed policy may or may not conflict with the Defense of Marriage Act? If so, what ruling did the Navy and/or DOD General Counsel provide?

Secretary GARCIA. Prior to the issuance of that guidance, the Office of the Judge Advocate General of the Navy discussed the issue with the Offices of the Judge Advocates Generals of the Army, the Air Force, and the Office of the General Counsel of DOD. Navy's guidance was then developed and issued only after this discussion. Following the receipt of a letter from several Members of Congress questioning this guidance, the DOD General Counsel and the Navy General Counsel together personally decided that further legal review was warranted.

42. Senator CHAMBLISS. Secretary Garcia, do you agree that, regardless of the Navy or the administration's views on the Defense of Marriage Act, that it is, in fact—law—and therefore should be followed until it is repealed or deemed unconstitutional?

Secretary GARCIA. Yes, the Navy will follow the law, including the Defense of Marriage Act, until such time as it ceases being the law.

WOMEN IN COMBAT

43. Senator CHAMBLISS. General Bostick, the Army's current policy for female soldiers allows women to serve in any officer or enlisted specialty or position except those in specialties, positions, or units (battalion or smaller) which are assigned a routine mission to engage in direct combat or which collocate routinely with units assigned a direct combat mission. I understand this policy is undergoing a routine review. I also understand that a military advisory commission known as the Military Leadership Diversity Commission recently released a report recommending that DOD create an equal playing field for women. At this time, do you personally support a change in the current Army policy in this area?

General BOSTICK. I do personally support a change to current Army policy in this area at this time. The Army recently completed a routine cyclic review of its current assignment policy for female soldiers. As a result of this review, the Army is prepared to align its policy with that of DOD by adopting DOD terminology and definitions and by eliminating its collocation restriction. However, the Army does not intend to take action to change Army policy until after the comprehensive NDAA for Fiscal Year 2011 mandated review is completed, as this review may generate changes that extend well beyond the scope of our routine cyclic review. Any change in policy will increase further career opportunities for female soldiers and provide a larger pool of qualified soldiers.

Women will continue to be assigned to units and positions that may necessitate combat actions within the scope of their restricted positioning—situations for which they are fully trained and equipped to respond.

RESERVE COMPONENT INTEGRATION

44. Senator CHAMBLISS. General Bostick, during a decade of sustained engagement in combat operations, the Reserve components 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. While DOD and the military Services have come a long way in realizing the vision of an Operational Reserve, more work needs to be done to fully implement this concept. In addition to the items you mention in your written statement, what additional steps are required to truly make the Reserve components the Operational Force of the future?

General BOSTICK. As DOD continues to transform the National Guard and Reserves from a strategic to an operational force, a revised "limited" title 10 U.S.C. authority is needed to provide the Secretary of Defense and the Military Departments an authority for employing the Reserves and National Guard to support peace-time (non-emergency) force generation requirements. Such authority, would allow DOD components to program and budget for a greater use of the Reserves and National Guard to meet steady-state requirements within our base budget, such as

theater security cooperation missions, rotational forces to Europe and/or Korea, and other force generation requirements that are longer than 29 days in duration. The President has requested that Congress consider amending 10 U.S.C., section 12304, to permit the use of the Reserve components for non-emergency requirements. We ask for your consideration of this request. Ideally, the Army would like an authority to permit the Secretary to begin programming and budgeting for involuntary use of the RC to perform missions vital to U.S. national interests at home and abroad as part of a flexible, accessible, cost effective Total Force.

FORCE BALANCE—CIVIL AFFAIRS

45. Senator CHAMBLISS. General Bostick, in your written statement you note that “the Reserve components make up 51 percent of the Army’s manpower. Moreover, many of the capabilities that the combatant command would prefer to use in theater security cooperation activities do not exist in sufficient quantities in the Active component. For example, approximately 90 percent of the Army’s Civil Affairs forces are in the USAR.” Given that the majority of Civil Affairs personnel will continue to reside in the Army Reserve and continue to deploy primarily in support of conventional forces, why should Special Operations Command retain proponent responsibility for all Civil Affairs forces, Active and Reserve?

General BOSTICK. Civil Affairs Operations are a core activity of Special Operation Forces.

46. Senator CHAMBLISS. General Bostick, is Civil Affairs an Army or a Special Operations capability?

General BOSTICK. Civil Affairs is an Army capability that is housed within U.S. Army Special Operations Command.

47. Senator CHAMBLISS. General Bostick, if the Army maintained proponent responsibility for Civil Affairs, how would you recommend better integration of the Active and Reserve Civil Affairs forces in support of the overall war effort?

General BOSTICK. As the 2010 QDR noted, Civil Affairs forces serve as the vanguard of DOD’s support to partner nations in the fields of rule of law, economic stability, governance, public health and welfare, infrastructure, and public education and information. The Army’s current plan for Civil Affairs force modernization at U.S. Army John F. Kennedy Special Warfare Center and School is no longer tenable, given the recent decision by the Secretary of Defense to transfer proponent responsibility for U.S. Army Reserve (USAR) Civil Affairs forces from Commander, U.S. Special Operations Command (SOCOM) to the Department of the Army. The Commander, SOCOM is tasked with developing options for transferring proponent responsibilities for USAR Civil Affairs to the Department of the Army. The Army should establish a new force modernization and branch proponent for Civil Affairs within the U.S. Army Training and Doctrine Command that supports the Army’s total force, with common standards between the Active and Reserve Forces.

QUESTIONS SUBMITTED BY SENATOR SUSAN COLLINS

YELLOW RIBBON REINTEGRATION PROGRAM

48. Senator COLLINS. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, Reserve component members returning from combat to civilian communities are often geographically dispersed from military bases. The additional pressures of finding or resuming civilian employment and finding behavioral health support make it more difficult to provide them with an effective reintegration experience. The National Guard Bureau’s YRRP and the Office of Secretary of Defense’s Military and Family Life Counseling (MFLC) programs are designed to help assist these servicemembers and their families in making this transition. Do you have metrics that demonstrate whether or not these programs are meeting their objective?

Secretary LAMONT. The Defense Management Data Center (DMDC) conducted a web-based survey in fiscal year 2010. This survey, Status of Forces Survey of Reserve Component Members: Reunion and Reintegration, solicited input from 86,000 Reserve component members (31,815 responded). DMDC findings show respondents found YRRP to be very effective compared with other DOD programs with which they were familiar in the following areas: Overall effectiveness of reunion and reintegration support; Helpfulness of support services for members dealing with deployment related stress; Overall satisfaction with reunion and reintegration support;

Helpfulness of support services for spouse or significant other dealing with deployment related stress; and Overall assessment of readjustment.

The success of YRRP is largely predicated on the effectiveness of its events. It is for that reason Yellow Ribbon event planners are required to submit an After Action Report (AAR) following every Yellow Ribbon event. These AARs allow the National Guard and Reserve program leadership and the YRRP office to identify the needs and gauge the effectiveness of the program. Based on the reports from the Services, it is evident that YRRP is meeting the needs of its Service and family members and community partners.

The National Guard will continue to work with The Yellow Ribbon Center for Excellence which is the analytical element of the YRRP to enhance and improve the development of data collection, analysis and distribution systems to provide best practices and measures of performance and effectiveness of YRRP.

Although National Guard servicemembers and their families utilize MFLC programs offered within the States, the National Guard Bureau does not manage this program or track metrics that demonstrate their effectiveness.

Secretary GARCIA. The Navy and Marine Corps YRRPs have consistently received praise for its ability to smooth the process for reservists transitioning from mobilized service to the civilian sector. However, it remains voluntary and feedback is provided on a case-by-case basis. Exit surveys have been utilized which indicate a strong approval rating for both the workshop, as a whole and the material presented. In an effort to gain greater metrics, the Center for Naval Analysis (CNA) has been requested to conduct a comprehensive study of Navy's implementation of the YRRP. Reserve component members also are protected from the pressures of finding and resuming civilian employment by current laws such as the USERRA.

There are metrics that demonstrate whether or not these programs meet their objective. OSD(P&R) coordinated an independent third party evaluation of the MFLC Program by Virginia Tech University. OSD(P&R) can provide the specific results of the evaluation as they apply to DOD.

Secretary GINSBERG. In fiscal year 2011, YRRP will continue to build on its successes by pursuing a number of objectives including publishing the DOD Instruction and developing a plan to execute Joint events. These objectives and others will allow for the most efficient use of resources when conducting events.

For fiscal year 2011, approximately 1,700 Yellow Ribbon Events are scheduled across the country. This level of commitment, in terms of fiscal resources and service provider support being spread thin, appears unsustainable based on feedback from YRRP Advisory Board, YRRP Conference attendees, and service providers. In addition, an increased emphasis on the role YRRP will play in terms of decreasing unemployment/underemployment must be addressed.

YRRP continues to work diligently to enhance and improve the Program by finding new and innovative ways to communicate and deliver information to servicemembers and their families. In addition, the Program has also placed more emphasis on Service collaboration to better serve servicemembers and their families. These efforts provide the foundation for the Program's growth and achieving its mission to help, support, and ultimately increase the readiness of Service and family members throughout the deployment cycle.

YRRP has made a difference in the lives of thousands of our soldiers, sailors, marines, airmen, and their families. Continuing support from Congress, the Military Departments, the National Guard and Reserve, Federal agencies, nongovernmental agencies, and State and local partners will ensure our National Guard and Reserve servicemembers and their families will remain strong and ready!

49. Senator COLLINS. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, what is the projected funding for the next 5 years for the YRRP and the Military and Family Counseling programs?

Secretary LAMONT. The Army National Guard (ARNG) uses the Army Community Services budget line for Base funding of all of their quality of life programs which include Yellow Ribbon, Family Programs, Survivor Outreach Services and Joint Staff. The Fiscal Year 2012 Operation/Maintenance (O&M) funding amount is \$82.317 million; the Army is still working the numbers for the out years.

The Air National Guard (ANG) funds their Yellow Ribbon program through Overseas Contingency Operations (OCO) funding. The fiscal year 2012 funding includes both O&M at \$17.4 million and Military Personnel (MILPERS) at \$9.4 million for a total of \$26.8 million. The Army is still working the numbers for the out years.

National Guard servicemembers and their families utilize MFLC programs offered within their States. However, the National Guard Bureau does not manage funding for this program or track metrics that demonstrate their effectiveness.

Secretary GARCIA. The YRRP is currently funded through fiscal year 2012. No additional funding has been sourced to support the program beyond fiscal year 2013.

Secretary GINSBERG. YRRP currently remains adequately resourced to carry out the mission as mandated by law. The AFR fully supports the YRRP and will continue to work with the Service YRRP Managers, Liaisons, General Counsel, OSD Comptroller, and other OSD Offices to resolve issues that impact the ability to execute funds in support of servicemembers and their families. We anticipate funding for the next 5 years of approximately \$75 million.

50. Senator COLLINS. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, do you believe you have adequate mental health and behavioral health personnel in the appropriate locations to reach all of the returning Reserve and National Guard servicemembers?

Secretary LAMONT. The U.S. Army Medical Command has sufficient behavioral health personnel to provide behavioral health screening to returning National Guard and Army Reserve soldiers. However, across the Army, we do not have sufficient numbers of behavioral health care providers in the appropriate locations to treat all of our returning soldiers with behavioral health care issues resulting from deployment. The Army is using numerous mechanisms, including bonuses, scholarships, and expansions in training programs, to recruit and retain both civilian and uniformed behavioral health providers.

Secretary GARCIA. We are committed to improving the psychological health, resiliency and well-being of all our sailors, marines, and their family members, both Active and Reserve component. Our priority remains ensuring that our personnel and their families have access to the providers, programs and services they need. We recognize that shortfalls within the market of qualified mental health providers has led to challenges in contracting and filling provider and support staff positions; however, recruitment and retention of uniformed personnel have improved. We are also working hard to ensure that required civilian and contracted personnel positions are filled to meet the needs our personnel, regardless of location. Our programs are designed to make best use of our trained mental health personnel and resources including:

- Reserve commands have trained Combat/Operational Stress Control (C/OSC) caregivers and C/OSC training is conducted regularly in order to prevent suicide, sexual assault and family violence, and to normalize buddy-care and help-seeking behavior as early as possible. Like the Active component, these OSC concepts are integrated into all sailor and family programs in the RC, including alcohol awareness and SAPR—which also highlight the importance of bystander intervention. Together these efforts combine to create a culture of caring among shipmates, where seeking help for oneself or someone else in need is fast becoming the new social norm.
- These efforts are further supported by trained Suicide Prevention Coordinators within each Reserve Command who provide effective interactive peer-to-peer training as part of an ongoing social media campaign to destigmatize help-seeking.
- Reserve PHOP teams of five to six full-time licensed mental health providers are embedded within each geographic Navy Reserve Region or Marine Forces Reserve Region to help commands, reservists and their families, to meet their care needs. Each Region's team provides a 24/7 on-call service. They also contact every reservist returning from a combat deployment, and provide mental health screening, find local, affordable resources, make referrals and then follow-up to ensure that the care was effective. This program continues to help RC personnel with finding appropriate care for medical and mental health needs by connecting them with available and accessible state-of-the-art face to face, telephonic and web-based Federal and State programs, including those offered by TRICARE, Military OneSource, Military and Family Life Consultants serving in the Joint Family Support and Assistance Programs and the VA. PHOP teams conduct local Navy Operational Support Center (NOSC) visits at least annually and have participated in the YRRP Warrior and Family Support pre-deployment family readiness conferences and annual Periodic Health Assessments at NOSC. They also receive referrals for assistance as a result of Post Deployment Health Assessments conducted by health care providers for reservists returning from deployments.
- Returning Warrior Workshops (RWWs), a 2-day weekend program designed specifically to support the successful reintegration of returning reservists and their families following mobilization are conducted within each Region usually each quarter. The PHOP teams serve as facilitators at these

YRRP signature events which normalize the impact of combat stress, provide support and opportunities to assess mental health needs, destigmatize help-seeking, and provide resources for identified issues or concerns.

- Families OverComing Under Stress, a family-centered resilience training program based on evidence-based interventions that enhance understanding of combat and operational stress, psychological health and developmental outcomes for highly stressed children and families, is available for RC personnel serving in areas with a high active duty fleet concentration.

Secretary GINSBERG. ANG implemented the Psychological Health Program (PHP) during this fiscal year. The ANG PHP places licensed mental health professionals as DPHs into each wing to provide subject matter expertise on psychological health to wing commanders and to provide consultation, information, referral, and case management for airmen and their family members in need of assistance. Though the ANG does not provide treatment, these professionals help distressed airmen navigate the complex mental health system in order to obtain the help they need. They support airmen throughout the deployment cycle and are a resource when post-deployment assessments determine an airman is experiencing difficulties.

The Wing DPHs work collaboratively with other wing helping agencies, such as Chaplains and Airman and Family Readiness Program Managers. Additionally, they partner with State DPHs, Joint Family Support Assistance Program Military and Family Life Consultants, and others who support Guard members and their families. Wing DPHs serve as consultants to medical personnel conducting pre- and post-deployment assessments of airmen, providing further screening, referral and case management as appropriate. Wing DPHs are involved in the YRRP to provide support for Guard members and their families throughout the deployment cycle.

The Wing DPHs play a critical role in addressing the mental health needs of returning Reserve and National Guard servicemembers. However, the ANG would benefit from additional resources, as a single asset cannot possibly meet all needs. For example, as members of the Reserve component return from deployments, they undergo assessments at multiple locations, and changes in their Federal/State status. The ANG has begun to address this issue using the Deployment Resiliency Assessment.

51. Senator COLLINS. Secretary Lamont, Secretary Garcia, and Secretary Ginsberg, if there are additional resources or programs that must be implemented to ensure the behavioral and mental health needs of reservists and guardsmen returning from war and their families are fully met, please describe those proposals.

Secretary LAMONT. Returning reservists and guardsmen are authorized extended care through the VA, TRICARE network, and direct care system as they transition from their combat experiences. However, they must be located near participating healthcare facilities or network providers to obtain such care. The Army is expanding a tele-behavioral health system that will greatly increase access for returning soldiers by enabling them to seek and receive care in remote locations. We are currently addressing the issues inherent in this expansion, with State licensure limitations of behavioral health professionals being one of the most critical challenges.

Secretary GARCIA. We maintain a culture of continuous improvement in critically evaluating our programs of support for all our sailors, marines, and their families. At the same time, the leadership within the Navy and Marine Corps is committed to eliminating any stigma associated with seeking care or assistance. We continue to make progress in providing better care, as well as seamless services and support to our personnel and their families and believe we have the resources necessary to meet our requirements moving forward.

Secretary GINSBERG. Air Force Reserve proposes to adding wing-level personnel who will focus specifically on increasing access to services, improving the psychological health needs and resilience of AFR personnel and their families, and, when possible, mitigating the negative effects of community risk factors.

The challenges of serving as a citizen airman are many. To attempt to meet this challenge, ANG implemented the PHP during this fiscal year. This program supports the force health protection of airmen by promoting resilience and psychological health. The ANG PHP places licensed mental health professionals as DPHs into each wing to provide subject matter expertise on psychological health to wing commanders and to provide consultation, information, referral, and case management for airmen and their family members in need of assistance. Though the ANG does not provide treatment, these professionals help distressed airmen navigate the complex mental health system in order to obtain the help they need. They also support the psychological health of wing members by providing psychoeducational presentations on topics such as post-traumatic stress, improving sleep, communication, and relationships.

Mental health care of citizen airmen is complicated by geographic dispersal. Many members live in remote areas where access to care is limited. Continuing to expand funding for and availability of telehealth services, community mental health services and other population health efforts will be beneficial.

Ongoing funding of the ANG PHP is essential. Funding is needed to continue the program beyond fiscal year 2012. The PHP is critical to ensuring the continuum or continuity of care for the Guard member.

[Whereupon, at 2:59 p.m., the subcommittee adjourned.]

