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S. HRG. 113–465, PT. 6

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2015 AND THE FUTURE YEARS DEFENSE PROGRAM

HEARINGS

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

ON

S. 2410

TO AUTHORIZE APPROPRIATIONS FOR FISCAL YEAR 2015 FOR MILITARY ACTIVITIES OF THE DEPARTMENT OF DEFENSE, FOR MILITARY CONSTRUCTION, AND FOR DEFENSE ACTIVITIES OF THE DEPARTMENT OF ENERGY, TO PRESCRIBE MILITARY PERSONNEL STRENGTHS FOR SUCH FISCAL YEAR, AND FOR OTHER PURPOSES

PART 6
PERSONNEL

MARCH 26 AND APRIL 9, 2014

Printed for the use of the Committee on Armed Services

DEPARTMENT OF DEFENSE AUTHORIZATION FOR APPROPRIATIONS FOR FISCAL YEAR 2015 AND THE FUTURE YEARS DEFENSE PROGRAM—Part 6 PERSONNEL

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DEPARTMENT OF DEFENSE AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2015 AND THE FUTURE YEARS DEFENSE PROGRAM

WEDNESDAY, MARCH 26, 2014

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 10:03 a.m. in room SR–222, Russell Senate Office Building, Senator Kirsten Gillibrand (chairwoman of the subcommittee) presiding.

Committee members present: Senators Gillibrand, Hirono, Kaine, King, Ayotte, Graham, and Lee.

OPENING STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND, CHAIRWOMAN

Senator GILLIBRAND. The subcommittee meets today to receive testimony from the Department of Defense (DOD) on the Active, Guard, Reserve, and civilian personnel programs in review of the Defense Authorization Request for Fiscal Year 2015 and the Future Years Defense Program.

Today, we will have two panels. The first one consists of our senior DOD leaders, with whom we will discuss not only DOD personnel policy issues but specific budget proposals in furtherance of our subcommittee's oversight responsibilities.

The Honorable Robert F. Hale, Under Secretary of Defense, Comptroller; the Honorable Jessica L. Wright, Acting Under Secretary of Defense for Personnel and Readiness; the Honorable Jonathan A. Woodson, Assistant Secretary of Defense for Health Affairs; the Honorable Frederick E. Vollrath, Assistant Secretary of Defense for Readiness and Force Management; and Mr. Richard O. Wightman, Acting Assistant Secretary of Defense for Reserve Affairs.

Our second panel will consist of representatives from beneficiary groups who represent the interests of Active Duty and Reserve servicemembers, retirees, and their families. I will introduce them after the first panel concludes.

DOD submits its budget for fiscal year 2015 at a time of tremendous challenge and uncertainty for the Nation, the military, and

our servicemembers, retirees, and their families. DOD will not be under sequestration in the coming fiscal year but nevertheless faces a constrained fiscal environment. The $496 billion top line for DOD is unchanged from the funding levels in fiscal years 2013 and 2014 and remains more than $30 billion below the funding provided to DOD in fiscal years 2010, 2011, and 2012.

Military personnel funding, including funding for health care for servicemembers, their families, and retirees, totals $176.6 billion in the fiscal year 2015 request. This represents a slight decline over last year's total, although the portion of the total budget devoted to personnel has risen slightly.

The proposal before us includes numerous reductions in pay and benefits about which many, including myself, have serious concerns. The budget put forward by DOD proposes significantly lower end strengths for the ground forces through 2019, including a reduction of 50,000 more than had previously been planned in Active Duty Army end strength, with smaller reductions in the Guard and Reserve. The budget sets a pay raise for servicemembers below the rate of inflation, freezes pay for general and flag officers, begins a phased reduction in the growth of the housing allowance that will result in servicemembers paying 5 percent out-of-pocket for housing costs, reduces support to commissaries that will result in higher prices, and makes significant and structural changes to the TRICARE benefit.

In all, DOD's personnel and compensation proposal seeks to save over $2 billion in fiscal year 2015 and shifts those savings to the Operation and Maintenance account. Each of these reductions is significant in and of itself, but I am extremely concerned about the cumulative effect of all of these cuts, especially on the junior members of the force and their families.

These benefit proposals are being made, I would note, while the Military Compensation and Retirement Modernization Commission (MCRMC), established in the 2013 defense bill, has yet to finish its work. The MCRMC was established to review all aspects of the military compensation and retirement systems, including health care, and how these systems might be reformed to modernize and enhance the viability of the All-Volunteer Force. It will report its findings and recommendations next February.

The Services continued the process of removing barriers to service by women, an effort I strongly endorse. This past January, the Army notified Congress of its intent to open 33,000 positions to women that were previously closed due to their proximity to combat. These positions are in military occupational specialties (MOS) already open to women. The real challenge moving forward will be opening occupations such as infantry that are currently closed.

A little more than a year ago, Secretary Panetta and General Dempsey rescinded the Ground Combat Exclusion Policy and gave the Services and the Special Operations Command until January 2016 to open all positions to service by women or to request an exception to keep certain positions closed. I believe in the value of a deliberative and scientific approach in evaluating occupational standards for all military jobs, which I hope will be the Services' approach. I do expect that once these standards are properly validated, be they physical, mental or technical, that all service-

members, men and women, will be able to serve and compete for any military job for which they meet the requirements necessary for the position.

I remain concerned about sexual assault in the military. I was disappointed that despite the support of the majority of my colleagues, we were not given an opportunity to vote on passage of my proposal to make sure that decisions to prosecute serious offenses are made by trained, professional, and independent lawyers rather than commanders who don't necessarily have the training or perspective to make these decisions objectively. But I have not given up on making this change that so many survivors have told us will make a difference when it comes to reporting the crime.

I will also continue my efforts to make sure that the changes that have been legislated are implemented in an effective manner and will continue to work toward initiatives to better address this scourge in our military.

I am also interested to hear more about the standard of care you are providing to our servicemembers and their families, something which must not be sacrificed in an era of belt-tightening. I believe that ensuring that servicemembers, retirees, and their families get the best care is fundamental to readiness. As you are aware, I am particularly concerned about your work in support of the developmentally disabled dependents of servicemembers.

I look forward to hearing your testimony about other important personnel programs and the overall morale and health 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 the subcommittee's attention. Let us know how best we can assist our servicemembers and their families to ensure that our military remains steadfast and strong.

So now I would like to turn it over. When Senator Graham joins us, he can use his opening statement at his discretion.

Secretary Hale, if you would like to start with your statement.

Secretary HALE. Madam Chairwoman, I'm going to defer to Secretary Wright to open up. Then I'll have a brief statement.

Senator GILLIBRAND. That's fine.

Secretary Wright.

STATEMENT OF HON. JESSICA L. WRIGHT, ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS; ACCOMPANIED BY HON. JONATHAN A. WOODSON, ASSISTANT SECRETARY OF DEFENSE FOR HEALTH AFFAIRS; HON. FREDERICK E. VOLLRATH, ASSISTANT SECRETARY OF DEFENSE FOR READINESS AND FORCE MANAGEMENT; AND RICHARD O. WIGHTMAN, ACTING ASSISTANT SECRETARY OF DEFENSE FOR RESERVE AFFAIRS

Ms. WRIGHT. Chairwoman Gillibrand, Senator Graham, distinguished members of the subcommittee, I appreciate the opportunity to appear before you to discuss personnel and readiness programs in support of the President's fiscal year 2015 budget request.

More than a third of the DOD's base budget supports our military personnel pay and benefits package. As Secretary Hagel testified, DOD's priority for this budget is to balance pay and benefit compensation with force readiness.

We have planned for a capability favoring a smaller force that is trained properly and modernized to accomplish the mission. This budget reflects long and careful deliberations, and it came with some very sobering choices that we had to make.

This budget reflects a 1 percent pay raise in base pay for military personnel, with the exception of general and flag officers, whose pay will be frozen for a year. DOD is proposing to gradually slow the growth of the tax-free basic allowance for housing (BAH) until BAH ultimately covers approximately 95 percent of the average servicemember's housing expense. We will also eliminate renter's insurance costs from the allowance. These changes will be phased in over several years to allow members to plan accordingly.

We propose a $1 billion decrease over 3 years to the annual budget to operate the commissaries. Our plan does not direct the closure of any commissaries. Overseas commissaries and those commissaries in remote locations will continue to receive subsidies.

We will simplify and modernize our TRICARE health program by consolidating all of the plans and by adjusting deductibles and co-pays. These changes will encourage members to use the most affordable means of care, such as the Military Treatment Facilities (MTF), preferred providers, and generic prescriptions. The proposed single TRICARE system consolidates the various TRICARE options into one plan.

We know that compensation and benefits are only part of what attracts and retains people in our military, and this is especially true when we talk directly to our servicemembers. Our members join our Services to learn and exercise their skills. We believe that readiness and training are clearly the ultimate care we can give our servicemembers. If we cannot afford to train, exercise, and operate, if the quality of their service is diminished, we will precisely lose those servicemembers we want to retain.

We have an obligation to ensure servicemembers and their families are fairly and appropriately compensated and that caring for them during their time and after their time in uniform is also on our radar scope. We also have the solemn responsibility to give our troops the finest training and the finest equipment possible. When America calls upon our servicemembers, they must be prepared with every advantage we can give them so they return home safely to their family and friends. The President's budget fulfills both of these promises to our servicemembers and their families.

Ma'am, thank you, and I look forward to your questions.

Ma'am, we were asked for only one statement, and Mr. Hale will follow.

Secretary HALE. Madam Chairwoman, Senator Graham, thank you for the chance to appear today. Secretary Wright has outlined the key personnel issues with DOD's 2015 budget. I would like to expand on a couple of them, with a focus on the budget.

Balance is the key goal in the 2015 DOD budget. We have made hard choices designed to create a force that can carry out the overall defense strategy, though with higher risk in some missions.

To minimize risk, we sought a balanced combination of military readiness, size, and technical capability, and we did this while meeting some pretty stringent budget limits. Achieving this bal-

ance required a lot of difficult decisions. I will focus on just two that are particularly related to personnel.

Even under the budget proposed by the President, we had to reduce the size of our military forces. Compared to levels expected at the end of this year, total Active Duty military personnel will decline by about 6 percent by fiscal year 2019. Guard and Reserve personnel decline by a lesser amount, 4 percent. Civilian personnel decline about 5 percent.

These planned cutbacks in personnel would be even larger if sequester-level budgets return. The President has proposed budgeting at levels above the Budget Control Act caps, the sequester levels, by a total of $115 billion in the years 2016 through 2019. If Congress does not increase the caps to accommodate the President's proposed budget levels, then military forces would have to decline by larger amounts. For example, instead of a 6 percent decline in Active Duty, it would go to 9 percent under sequester-level budgets.

These personnel cutbacks mean that we will have fewer forces available. Under the President's proposed budget, the Air Force will retire more than 300 aircraft, including all of its A–10 and U–2 fleets. The Navy will put 11 ships into phased modernization and eliminate crews while the ships are in this status. The Army will reduce the number of brigade combat teams and combat air patrols, and force reductions would be even larger under sequester-level budgets.

We believe that a smaller military force, even though it means accepting more risk in some missions, is necessary so that we can comply with the budget limits while still having enough funds to modernize and provide a high level of readiness. Smaller forces are one key to maintaining the balance that is the theme of this budget.

Balance also requires some reductions and rebalancing in the Guard and Reserve. The Reserve components have performed superbly over the past 10 years. I have watched this for 40 years. If you had told me we could have seen the Guard and Reserve in 13 years of war and still maintain recruiting and retention, I think I would have been very skeptical, but they did it. We intend to maintain the Reserve components as full war-time partners in addition to their homeland defense mission and the other important things they do.

However, there are some missions that are simply best suited for the Active Forces—for example, the "Fight Tonight" kinds of missions. Therefore, as we work toward balanced reductions in the size of the military, we plan some cutbacks in Reserve component forces, though by a smaller percent than the cuts imposed on the Active-Duty Forces.

Another key to balance is the difficult decisions we have made regarding military compensation. As Secretary Wright has reviewed those, I won't go through them again. We made them in order to comply with budgetary limits while preserving enough funds for training and maintenance. We need that to return to a high state of military readiness.

Our compensation proposals follow some clear principles. No one's pay and allowances will be cut. We will slow the growth, but

we will not cut pay and allowances. We will ensure that compensation is sufficiently generous to attract and retain the people we need to man the military in a very demanding profession. We will make sure that we support the All-Volunteer Force. The funds saved by slowing the growth in military compensation will all be reinvested in training and maintenance. That is a commitment we made to the Joint Chiefs when they developed these proposals, and we have kept it.

Secretary Wright, as I said, already reviewed the proposals. They have an important effect on the balance in this budget. Madam Chairwoman, you referred to this. If Congress turns down all of these proposals, most of which require legislation, then in order to live within the budgetary limits, Congress will have to find $2.1 billion in other cutbacks in fiscal year 2015, and together we will have to identify $31 billion of additional cutbacks over the next 5 years. These cuts are going to have to come out of readiness and modernization. There is nowhere else to go. This will harm the balance that we believe is needed to minimize risk to national security.

Senator KING. Excuse me. What was the figure for the 5 years?

Secretary HALE. $31 billion.

We know that this budget features difficult choices. They were difficult for us—I sat through I don't know how many meetings on the budget as we went through this with the Chiefs and the Secretary—and they are also very difficult for you. But we believe we have created a balanced package of changes that meet budgetary limits while permitting us to carry out the current defense strategy, though with some added risks in certain missions. We ask for your support for these budgetary proposals.

With that I'll stop, and I believe we are now ready for questions.

[The joint prepared statement of Secretary Wright, Secretary Vollrath, Secretary Woodson, and Secretary Wightman follows:]

JOINT PREPARED STATEMENT BY HON. JESSICA L. WRIGHT, HON. FREDERICK VOLLRATH, HON. JONATHAN WOODSON, AND MR. RICHARD O. WIGHTMAN, JR.

Chairwoman Gillibrand, Senator Graham, and distinguished members of the subcommittee, I appreciate the opportunity to appear before you to discuss key personnel and manpower matters in support of the President's fiscal year 2015 budget request. The fiscal year 2015 Defense budget request of $495.6 billion includes $176.6 billion for our military personnel pay and benefits, such as retirement benefits and medical care, which make up more than a third of the Department's base budget request.

As Secretary Hagel testified before you, the Department's priority was to balance readiness, capability and capacity, favoring a smaller force that is properly trained, capable and modernized to accomplish its mission. The Secretary of Defense has been very clear that sequestration funding limits imposed by the Budget Control Act (BCA) of 2011 will yield a force that is too small, and not ready enough to meet the Nation's security objectives. That said, the President's budget allows us to begin responsibly adapting and reshaping our defense enterprise in an era of unprecedented uncertainty and change.

The President's plan reflects the imperative to ensure that our military forces are ready and capable of responding to a rapidly evolving and complex security environment both now and in the future. It also reflects the difficult choices brought about by severely constrained resources and extreme fiscal uncertainty. These choices include:

- Reductions in troop strength and force structure in every Military Service—Active and Reserve—in order to sustain our readiness and technological superiority, and to protect critical capabilities like Special Operations Forces and cyber resources.

• Terminations or delays in some modernization/procurement programs to protect our most acute readiness challenges in training and maintenance.
• Slowed growth of military compensation costs in ways that will preserve the quality of the All-Volunteer Force, but also free up critical funds needed for sustaining training, readiness, and modernization.

BALANCING A READY AND CAPABLE FORCE

Thirteen years of demanding operations in support of Operation Iraqi Freedom and Operation Enduring Freedom required the Services to generate forces suited to those missions at the expense of maintaining the full spectrum of capabilities demanded by the 2012 Defense Strategic Guidance (DSG). As those operations began to wind down, the Services faced a series of challenges of simultaneously broadening their operational focus and reducing force capacity in an era of diminishing resources. The President's budget request for fiscal year 2014 reflected the Services' plans for recovering these full-spectrum capabilities over the next 5 years. Sequestration in fiscal year 2013, operating under a 6 month continuing resolution, and unanticipated war costs all contributed to degraded readiness and hindered those initial readiness recovery plans. As a result, readiness was alarmingly low by the end of fiscal year 2013.

The Bipartisan Budget Act (BBA) of 2013 unquestionably stemmed this readiness decline. The fiscal year 2014 enacted appropriations targeted the most pronounced shortfalls, especially in the areas of training and maintenance. However, fiscal year 2015 funding levels do not sustain that level of investment. The budget does not provide adequate funding for modernization, increased training and facility sustainment needed to resolve the Department's readiness challenges. However, under the very tight constraints of the fiscal year 2015 funding caps and the uncertainty of funding levels in future years, the breadth and scope of our existing readiness challenges guarantee that they will take years of sustained investment to fix. It took years to produce our readiness challenges and it will take years to resolve them.

Over the last decade, counterinsurgency training and operations have crowded out the ability to train for higher-end, doctrinal missions. This not only reduced the full-spectrum capability of units, it limited the leadership development of the junior and mid-grade members who will lead future operations. The Army estimates that over 5,500 company commanders did not receive the necessary professional development in combined arms maneuver as part of unit decisive action training. The Air Force, Marine Corps and Special Operations Forces saw similar patterns and while their units have performed extraordinarily well for the missions they are currently assigned, they are not prepared for the full spectrum of conflict. Fiscal year 2014 and 2015 funding allowed some training recovery, but not enough to relieve this backlog.

Much of the funding requested in the Opportunity, Growth and Security Initiative is designed to further close readiness gaps in training. For example, while the Army already programmed for 17 full-spectrum training rotations for fiscal year 2015, it would apply its investment funds to additional ground and aviation training, allowing them to make greater progress in regaining full-spectrum capability. The Marine Corps would direct additional funds towards training its operational forces, maximizing its opportunity to create expeditionary, highly capable forces to provide forward presence and crisis response. The Air Force would increase flying hours with extra funds to give pilots more flying time to further restore capabilities across the full range of required missions. U.S. Special Operations Command will provide additional funding to help recover maritime skills for SEALs and full-spectrum aviation readiness for special operations aviators.

The Opportunity, Growth and Security Initiative would also help resolve some of the Service's maintenance challenges, especially aviation maintenance. However, probably the most important use of this investment fund is to address mounting degradations in the facilities, ranges, logistics support, and procurement. The Services have been driven to underfund these accounts in order to protect higher-priority training and maintenance concerns. While defendable, this strategy is not sustainable. For example, the Navy needs additional funding to reinstate a large portion of their facility sustainment, recapitalization and modernization accounts. This funding will help protect the industrial base and allow for fluid throughput at the maintenance centers and shipyards. Similarly the Marine Corps and Air Force both seek additional funding to cover range upkeep and modernization.

The President's plan to create a smaller but capable force did not come without sobering choices. The most difficult involve drawing down end strength and slowing the growth military and civilian personnel costs. We know that the single most critical readiness determinant is the quality of our people. Our military personnel and

their families have shouldered the worst costs of the longest war in our Nation's history and deserve the most compensation a grateful nation can afford. We have also vowed to never again send our people into harm's way unprepared for the missions they will face. Today's fiscal climate creates huge challenges in balancing these two imperatives. This budget reflects long and careful deliberation about how to strike this balance. Below are specific force structure and compensation proposals that would allow the Department to achieve that end.

Reduction in End Strength

Since the Department of Defense (DOD) strategy will no longer size the force for prolonged stability operations, the Army will accelerate the pace of its drawdown, attaining an end strength of 490,000 by the end of fiscal year 2015 from the current 520,000 and will continue to drawdown to a range of 440,000 to 450,000 Active Duty soldiers in subsequent years. To maintain a balanced force, the Army National Guard and Reserves will also draw down in fiscal year 2015 to 350,200 and 202,000, respectively and continue to 335,000 and 195,000 in subsequent years. We will help ensure this force remains well trained and equipped.

However, if sequestration returns in 2016, both the Army Active and Reserve components would be forced to be smaller, with an uncertain level of readiness, resulting in a drawdown to 420,000 Active, 315,000 National Guard, and 185,000 Reserves.

The Marine Corps Active Force numbers about 190,000 today and will draw down to 182,000 in the next several years. This figure provides for about 900 additional marines for embassy security. Unfortunately, like the Army, they will have to reduce further, to about 175,000, if sequestration is not avoided. The Marine Corps Reserve is also planning for a slight decrease.

Air Force end strength reflects force structure choices, decreasing to 310,900 in fiscal year 2015, while the Reserve and Guard decrease slightly to 67,100 and 105,000, respectively. Like the Air Force's, Navy end strength complements force structure choices. Navy strength remains steady in fiscal year 2015 at 323,600, while the Reserve declines slightly to 57,300.

Pay Increase (except GO/FO for 1 year)

The fiscal year 2015 President's budget requests a 1 percent raise in basic pay for military personnel, with the exception of general and flag officers, whose pay will be frozen for a year. Basic pay raises in future years will be similarly restrained, though modest increases will continue.

Finding the appropriate balance between providing the men and women who serve our great nation a competitive package of pay and benefits and, while providing them the best possible training and equipment is a monumental challenge in the current fiscal environment. Making appropriate adjustments to control the growth in compensation costs now will aid the Department in achieving this balance.

Basic Allowance for Housing (BAH)

DOD is proposing to gradually slow the growth rate of the tax-free basic allowance for housing, until the BAH ultimately covers approximately 95 percent of the average servicemember's housing expenses, and eliminate renter's insurance costs from the allowance. This will allow the Department to effectively operate under constrained budgets, while still being able to recruit and retain an All-Volunteer Force. These changes will be phased in over several years to allow members to plan accordingly. Additionally, the rate protection feature already in place for BAH will remain in effect. A member's BAH will not be reduced so long as that member retains eligibility for BAH at the same location and does not change dependency status or lose rank. Servicemembers in the same pay grade but living in different areas would have their BAH rates adjusted by the same dollar amount to ensure members retain the same purchasing power regardless of the cost of housing in their local area. Adjusted rates will be publicly available (as they are today) to allow members to make informed decisions when making housing choices. Depending on a member's actual housing choices, they may or may not have to pay any out of pocket costs. Savings generated from this proposal will be reinvested back into the force for training and readiness.

COMMISSARIES—REDUCING DIRECT SUBSIDIES

Commissaries currently receive an appropriation of $1.4 billion per year. We propose a $1.0 billion decrease to the annual budget to operate commissaries, with the decrease taking place gradually over the next 3 years. Our plan does not direct the closure of any commissary. Under this plan overseas commissaries and those in re-

mote locations will continue receiving direct subsidies. The Defense Commissary Agency (DeCA) will continue to receive approximately $400 million to support overseas commissaries and those commissaries designated by the Department as remote/isolated. Prices at all commissaries will rise, however, and the mix of products may change. Commissaries will also need to find additional operating efficiencies. This plan requires changes to U.S. law. The Department is drafting a proposal for the National Defense Authorization Act (NDAA) for Fiscal Year 2015 to implement the adjustments.

DOD recognizes the value of commissaries to our people, especially younger military families and retirees. Stateside commissaries, however, have many private-sector competitors and it is reasonable to operate more like a business. Commissaries will continue to provide good deals to servicemembers, military families and retirees and will remain a dependable benefit for families, particularly those serving overseas and in remote and isolated areas.

TRICARE—SYSTEM MODERNIZATION

We will simplify and modernize our TRICARE health insurance program by consolidating plans and adjusting deductibles and co-pays in ways that encourage members to use the most affordable means of care—such as military treatment facilities, preferred providers, and generic prescriptions, while also increasing their freedom of choice. The proposed TRICARE Consolidated Health Plan consolidates the various TRICARE plans, while also increasing their freedom of choice. Prime, Extra, and Standard, into one plan. The proposal also includes modest changes in beneficiary out-of-pockets costs for Active Duty families, retirees and their families, and Reserve Component members and their families.

Servicemembers on Active Duty would have no out-of-pocket expenses regardless of the point of care delivery (Military Treatment Facilities [MTF], network, or out-of-network) and the highest priority for MTF care. The cumulative effect of the proposed TRICARE fee increases still ensures beneficiary out-of-pocket costs: (a) remain far below costs experienced by military beneficiaries in 1994; and (b) remain far better than virtually every comparable employer in the United States today. The TRICARE benefit remains one of the most comprehensive benefits in the country, as it should be.

The Quality of Service

The quality of our men and women in uniform directly contributes to our role as the world's pre-eminent fighting force. We know that pecuniary compensation is only part of what attracts and retains people, and this is especially true for military members. Our members join the Service to learn and exercise new skills. The opportunity for overseas travel is often an explicit benefit cited by recruits. However, if we cannot afford to train, exercise, or operate—in other words, if the quality of our Service diminished, we will lose precisely those members who we want to retain the most.

We have experienced just these problems before. In the late 1990s, when budgets were under significant pressure, the Navy and Air Force were not able to keep aircraft up and flying. Problems were so acute, that the Navy even experimented with "bagging" aircraft as a means of storing aircraft that they could not afford to fly. At the same time, the airlines were actively recruiting and, as a result, we suffered significant losses in second-tour, experienced pilots. It took years and a variety of bonuses to recover from the degradation.

We are very concerned about repeating these mistakes. Today, we are struggling to maintain the same promise of a valuable military career to our members and must protect our training and exercise dollars to keep our best and brightest.

America has an obligation to make sure servicemembers and their families are fairly and appropriately compensated and cared for during and after their time in uniform. We also have a responsibility to give our troops the finest training and equipment possible—so that whenever America calls upon them, they are prepared with every advantage we can give them so that they will return home safely to their families. The President's budget fulfills both of these promises to our servicemembers and their families by making several specific proposals.

TOTAL FORCE AND FORCE MANAGEMENT

A fundamental key to future readiness is the well-reasoned management of the Total Force of Active and Reserve military, government civilians and contracts for services. DOD must balance force readiness with fiscal reality in the face of uncertain, evolving operational challenges.

We do not believe this is simply an issue of the "least costly force." Moreover, the Nation's uniformed All-Volunteer Force is the implicit assumption upon which all our commanders' plans are predicated. If we fail to sustain it, little else will matter. However, even the All-Volunteer Force must conform to today's fiscal challenges. The proposed Active and Reserve Force structure in the fiscal year 2015 budget reflects this reality while ensuring that we meet our defense strategy.

The Services continue to reduce their forces to meet their prescribed end strengths. With the assistance of Congress, DOD has the force shaping tools necessary to meet the drawdown in its current plan. However, continued budget reductions make it necessary to revisit the composition of all components of the Total Force—Active Duty, Reserve component, DOD civilians and contractors. Future assessment may require requesting additional congressional authorization for force shaping tools to meet reduced end strengths.

Active and Reserve Component Recruiting and Retention

The All-Volunteer Force has performed remarkably well for more than 40 years. This success does not come easily and is the result of teamwork and countless hours by a dedicated force of professional recruiters. Even after 13 years of protracted conflict our recruiters continue to attract the best and the brightest of America's youth from around the country. These diverse young men and women represent the United States proudly around the world as members of the strongest and most respected military in the world.

Fiscal year 2013 was a successful recruiting year. All but two of the components achieved fiscal year 2013 missions, with only the Army Guard (99 percent) and the Army Reserve (88 percent) recruiting less than their goal. Competition for high quality Reserve recruits will increase as the economy improves and the Services draw down. Reserve recruiting missions may be more difficult to achieve. As such, the recruiting forces have already begun to adopt a more aggressive proactive canvassing approach to their efforts. However, as the Active component continues to reduce end strength, some Active Duty members may choose to continue Service in the Reserve component.

Collectively, DOD recruited 276,210 new enlisted members for the Total Military force in fiscal year 2013. The Department also met or exceeded both of the established benchmarks for new recruits in fiscal year 2013. DOD-wide, 99.6 percent of new Active Duty recruits, and 96.6 percent of Reserve recruits, were high school diploma graduates against our benchmark of 90 percent. Further, 75 and 67 percent respectively scored above average on the AFQT, versus our benchmark of 60 percent. Through the first quarter of fiscal year 2014, all Services except Army Reserve have met or exceed recruiting quantity and quality objectives year-to-date.

The recruiting market is changing and DOD's continued recruiting success may become more difficult and we must remain focused and vigilant. Today, nearly 75 percent of our youth are not qualified for military Service with medical conditions and weight accounting for most of the disqualifications. Data from the Joint Advertising and Market Research and Studies (JAMRS) program also show that only 14 percent of youth are inclined to serve in the Military. Current economic conditions have highlighted the value of serving in the military to some people who in the past may not have given it serious consideration. However, the downward trend in youth unemployment indicates we are entering a more competitive employment environment, which can make Military Service less attractive.

In these times of constrained resources each Service has reviewed and made adjustments to its recruiting programs. However, we must be prudent in considering further cuts to these programs. In order to man the All-Volunteer Force, sustained resources must be available for the Services to continue to meet the recruiting missions which are vital to our Nation's security.

Fiscal year 2013 was also a successful year for retention, as each of the Services successfully met their overall retention goals. Reserve component attrition has also remained consistent in both fiscal year 2012 and 2013. The aggregate fiscal-year-to-date departmental attrition rate was 5.97 percent in fiscal year 2013 and is currently at 5.99 percent. However, as we reduce the budget and the economy continues to improve, it will become increasingly challenging to retain the best and most qualified servicemembers. Reduced discretionary funds will limit our ability to offer selective reenlistment bonuses in high demand-low density skills that are equally valued in the private sector.

Special Pays and Bonuses

While retention has been strong over the past several years, certain career fields and specialties continue to see manning shortages and experience difficulty in filling billets in certain critical skills. As a result, DOD continues to rely on the use of spe-

cial and incentive pays. At less than $4 billion, these pays are a small, but critical, part of the total budget. They provide a cost effective and efficient tool by selectively and precisely targeting pay to incentivize specific behaviors in order to address our specific force manning challenges.

DOD is currently in the midst of a 10-year plan to transition the legacy special and incentive pays to the new, flexible special and incentive pay authorities provided by Congress. To date, the Department has implemented seven of the ten consolidated authorities in subchapters II and III, chapter 5, title 37 U.S. Code. For example, the general bonus authority for enlisted members (section 331) consolidates nine separate authorities, allowing the Department to offer enlisted bonuses to members in the Active and Reserve components. We are currently on schedule in the transition process and expect the entire transition process to be complete on time.

The "Right" Mix of the Active and Reserve Forces

The Reserve component offers the opportunity to preserve military capability and capacity at reduced cost. Keeping the Reserve component prepared through periodic deployments adds value to the military by maintaining Guard and Reserve readiness, augmenting the Active component, and providing force structure options in our resource constrained environment.

Recently passed legislation has enabled the Services to program the operational use of the Reserve component by providing access for National Guard and Reserve utilization. I appreciate the authorities and support this committee has provided in this matter.

The Reserve components are more integrated, and are better manned, equipped and trained than ever before in history. Reserve component units and servicemembers have answered the call globally and in significant domestic crises. The systems for producing ready Active component and Reserve component forces have improved dramatically in the last 13 years of war. Those systems that are working now must be sustained to retain the best of what has been gained. As we shift to a smaller military, more modern and capable of global actions, the Department will continue to leverage the Reserve component.

As overall deployments decrease, military integration and initiatives to enhance integration will sustain readiness. The Air Force, by example, has pioneered a culture of utilization of the Reserve component, specifically, where associate units share equipment and facilities and maintain readiness to identical standards. Across the Services, there are opportunities to further integrate Reserve component into Active component and vice versa, leading to greater efficiency and effectiveness. The fiscal challenges we face call for innovative solutions to readiness problems, and we will continue to foster greater utilization and integration of the Reserve component.

Civilian Hiring Freeze and Furloughs

One of the highest profile effects of sequestration was the furlough of the majority of DOD's civilian workforce. We applied furlough actions in a consistent and equitable manner, with exceptions based on specific mission requirements. We also implemented, with limited exceptions, a civilian hiring freeze during this tough budget period.

The disruptions of the furlough had an immediate negative impact on our civilian workforce, potentially damaging our ability to carry out the Department's mission. Declines in morale and productivity, as well as recruiting were all exacerbated by the challenging fiscal environment. The hiring freeze also put the Department further at risk of competency gaps and critical skill shortages in key mission critical areas.

Going forward, DOD is working to reshape our civilian workforce to increase efficiencies and meet targeted reductions, while ensuring that the workforce has the skills needed for the future. As we do so, our goal is to do everything possible to avoid more hardship. Where necessary, we will continue hiring freezes, and encourage the liberal use of Voluntary Separation Incentive Pay (VSIP) and Voluntary Early Retirement Authority (VERA), both of which have been valuable in reducing involuntary separations and associated costs.

Achieving Better Governance of Contract Services

We are giving this element of the Total Force more scrutiny. The $29.9 billion in contracting efficiencies DOD has budgeted is a good start. Moreover, we have gained efficiencies by improving requirements definition, negotiating lower labor and overhead rates, increasing competition, improving our purchasing processes, and by aggressively reviewing Services contracts. In many cases, Components have reprioritized services and divested contracted workload of lower or marginal value.

Further savings are possible as we reduce the military force structure and continue to implement process and system improvements to actively manage contracted services.

SUSTAINING SUPERIOR AND COST-EFFECTIVE MILITARY HEALTH SYSTEM

American medicine has changed since the TRICARE plans were put into place 18 years ago, and it is time to update and modernize TRICARE based on what we learned. Currently, elements of our TRICARE health plan design are costly and administratively complex—differentiation for beneficiaries in selecting sources of care, resulting in patients using less optimal and more costly care options. For example, no cost-sharing for emergency room (ER) care has contributed to almost double the ER utilization rate seen in civilian health plans. In addition, we have not increased out-of-pocket costs since the TRICARE program was first introduced.

We are taking a number of steps to ensure the long-term viability of the TRICARE Program. First, we are taking an aggressive approach to health promotion and prevention. Operation Live Well is the overarching framework for a set of programs and Services we are offering to our military communities. We are also focusing our efforts on the Healthy Base Initiative. For this Initiative, 14 military installations and Defense agency offices around the world are participating in highly customized local efforts to improve health and well-being.

Second, over the last 4 years, DOD has identified a number of efforts focused on reducing purchased care costs—to include the implementation of outpatient prospective payment, reimbursement changes for Sole Community Hospitals, and changes in how we reimburse the Uniformed Services Family Health Plan providers for our dual-eligible Medicare/TRICARE beneficiaries.

Third, we are taking steps to improve the execution of the TRICARE Health Plan by better integrating the Services provided in our direct care and purchased care systems. As this generation of TRICARE contracts nears the end of its contract term, DOD is looking to reshape our contracts in ways that can improve integration with military medical facilities, reduce unnecessary overhead and achieve greater simplicity for the beneficiary and the government.

Fourth, our fiscal year 2015 budget proposal includes efforts to modernize TRICARE, which has not changed since its inception in 1995. In this proposal, we plan to simplify and modernize the existing TRICARE program in ways that provide incentives for wellness, decrease health services overutilization, and allow beneficiaries to choose their providers. Preventive Services would be covered at no cost to beneficiaries, regardless of where they receive their care—MTF, network or out-of-network.

Finally, we are focused on ensuring that our servicemember, families, and retirees continue to receive the best medical care possible. Regardless of the budget realities, that commitment and priority does not change. They deserve no less.

Autism and Applied Behavior Analysis (ABA)

The Military Health System provides one of the most comprehensive sets of specialized services for children with an Autism Spectrum Disorder (ASD) diagnosis, to include the provision of ABA, in the United States. The TRICARE Basic Program is a comprehensive health benefit plan offering a full array of medically necessary services to address the needs of all beneficiaries with ASD. TRICARE's Basic Program provides occupational therapy to promote the development of self-care skills, physical therapy to promote coordination/motor skills, speech and language therapy to promote communication skills, child psychiatry and child psychology to address psychopharmacological needs, and psychological testing. The full range of medical specialties to address the additional medical conditions common to this population are covered.

All TRICARE family members with a diagnosis of an ASD, established by a TRICARE authorized provider, are eligible for ABA by a Board Certified Behavior Analyst (BCBA) or Board Certified Behavior Analyst-Doctorate-level provider (BCBA–D). Further, the Department is processing claims for additional ABA Services authorized under the Extended Care Health Option (ECHO) Autism Demonstration, extended to March 15, 2015. The central aspect of the ECHO Autism Demonstration is to provide reimbursement for one-on-one ABA services delivered by individuals who are not TRICARE-authorized providers. These non-certified individuals are referred to in the ECHO Autism Demonstration as "ABA Tutors" by TRICARE, or "ABA Behavioral Technicians" by the Behavior Analyst Certification Board (BACB). Also, under the added authority of the 1-year ABA Pilot Program established by section 705 of the 2013 NDAA (the ABA Pilot), a new interim TRICARE ABA reinforcement benefit for retired family members was implemented on July 25, 2013, modeled after the ECHO Autism Demonstration.

Mental Health Support

DOD considers the behavioral health of its servicemembers and their families a top priority. The TRICARE plan provides a generous and comprehensive mental health benefit for Active Duty, Reserve, and Guard servicemembers, retirees, and their families, including psychiatric outpatient, inpatient, partial hospitalization, and residential treatment services. To ensure access to this care, DOD has hired more behavioral health specialists, brought on Public Health Service medical professionals, expanded the TRICARE network, issued regulations to recognize the independent practice of certified mental health counselors, worked to further de-stigmatize mental health treatment and expanded the ways by which our beneficiaries can access mental health services.

The requirements of the Mental Health Parity Act of 1996 and the Mental Health Parity Addiction Equity Act of 2008, as well as the plan benefit provisions contained in the Patient Protection and Affordable Care Act, do not apply to the TRICARE program. However, DOD fully supports the principle of mental health parity and has undertaken a complete review in order to assess and address any perceived gaps in parity. Should gaps be identified, DOD will request legislation and modify regulations to eliminate any barriers to medically necessary and appropriate mental health services.

Traumatic Brain Injuries (TBI) and Post Traumatic Stress Disorder (PTSD)

Since most Traumatic Brain Injuries (TBIs) incurred by servicemembers are mild (mTBI), the Department has focused on early identification to ensure effective mitigation and treatment of the physical, emotional, and cognitive effects of the injury. DOD is also investing heavily in TBI research with an emphasis on the development of diagnostic tools, evidence-based care protocols, and studies that follow TBI patients over time to better understand the course of the condition. This research has already led to advances in understanding what happens to the brain after a concussive event, including advancements in neuroimaging, biomarkers, and rehabilitation efforts.

The long-term effects of TBI, including conditions that can occur after mTBI is another area of focus for the DOD. We know that a person will experience more symptoms and longer recovery times with higher numbers of concussions. Some of these symptoms may complicate recovery and are often associated with other conditions such as PTSD, depression, chronic pain, sleep problems, or substance use disorders. DOD has several programs in place to better understand the long-term effects of TBI and the effects that occur with it.

A recent "game changer" in the field of TBI is the Defense and Veterans Brain Injury Center (DVBIC) developed guidance, a "how to" manual on Progressive Return to Activity following mild TBI, which defines what "rest" should be after concussion, as well as outlines the steps to take and what to avoid in order for an individual to successfully return to pre-concussion activities. This tool is the first of its kind in the world.

Following implementation of theater-wide policies, including the September 2012 DOD Instruction 6490.11 "DOD Policy Guidance for Management of Mild Traumatic Brain Injury/Concussion in the Deployed Setting," approximately 16,300 servicemembers were screened for mild TBI/concussion following potentially concussive events in theater (August 2010 to December 2013). Of those screened, approximately 16.1 percent (2,629) were diagnosed with mild TBI/concussion, which has been a consistent trend over the last 3 years.

DOD continues to place great emphasis on policies and procedures related to Post-Traumatic Stress Disorder (PTSD). Refinements to policies and procedures for review of post-September PTSD cases have provided unprecedented levels of protections for our affected servicemembers. The Department remains committed to maintaining and improving policies and procedures to ensure fairness and equity in the review of all PTSD claims with a view toward appropriate disposition based upon the facts and circumstances of each individual case.

Substance Abuse Program Policies

DOD is taking steps to improve and sustain Substance Use Disorder (SUD) Services. These efforts include removing the ban on substitution therapies for the treatment of SUDs, revision of policy and changes to TRICARE coverage of SUD care, and formation of an Addictive Substance Misuse Advisory Committee in March 2011 to standardize SUD prevention and treatment efforts.

In addition, DOD Instruction 1010.01, "Military Personnel Drug Abuse Testing Program," was published on September 13, 2012, to establish standards for specimen and data collection on drug use and misuse and to direct the Services to issue guidance regarding participation in national anti-drug awareness, community out-

reach, and education campaigns. Finally, a new DOD Instruction 1010.04, entitled "Problematic Substance Use by Department of Defense Personnel," was published on February 20, 2014. It establishes requirements for prevention, screening, and intervention for SUDs.

Laboratory Developed Tests

DOD is aware of industry and beneficiary concern with our policies regarding the reimbursement for select Laboratory Developed Tests (LDTs)—medical tests created and owned by individual laboratories for purposes of determining a diagnosis or providing information to guide potential treatment. We are in the process of proposing an expanded demonstration program to provide a pathway for the Department to reimburse laboratories for LDTs that are medically appropriate and meet the standard of care. We are committed to identifying and implementing administrative solutions that will be more responsive to rapidly evolving medical technologies.

Care of Our Wounded, Ill, and Injured Servicemembers

We have made great strides towards improving the disability evaluation of our wounded, ill, and injured servicemembers. In 2007, DOD and Department of Veterans Affairs (VA) created the Integrated Disability Evaluation System (IDES) to provide servicemembers a fairer, faster, and more transparent process to receive both their DOD and VA disability benefits. As of January 2014, the IDES has reduced the "benefits cliff" between military Service pay and disability compensation from 240 to 77 days. In our most recent IDES customer survey, 83 percent of servicemembers indicated satisfaction with the IDES process.

The departments continue to improve the IDES process. We have increased our IDES staff and improved our timeliness, which has decreased DOD process times (106 days against a 105-day goal). We have created an electronic case file transfer capability to eliminate mailing paper records and are collaborating with VA on completion of its interface to the Veterans Benefits Management System that will enable both departments to process IDES cases electronically.

We are not stopping there. We are implementing an IDES Quality Assurance Program to measure accuracy and consistency of Medical and Physical Evaluation Board decisions. Additionally, we are studying options to reform DOD's disability evaluation and temporary disability retirement programs. We will not have the recommendations and results of those studies until later this year at which time we will decide whether legislative relief is required for implementation.

Electronic Health Records

A critical force multiplier for our system of care and important element of our modernization priorities is to implement a new Electronic Health Record (EHR) in the coming years. Over the last 10 months, we have made tactical changes in how we will work with the VA on this effort, but our strategic objectives remains the same: (1) Provide seamless, integrated sharing of standardized health data among DOD, VA, and private sector providers; and (2) Modernize the electronic software and systems supporting DOD and VA clinicians. The Department is now moving forward with our plan to procure a new EHR through full and open competition.

Suicide Prevention

Deaths from suicide in the U.S. Armed Forces increased between 2001 and 2012, peaking in 2012. Preliminary 2013 data indicates this trend is reversing, with Active component deaths from suicide declining (~18 percent), and Reserve component deaths from suicides showing a slight increase (~5 percent). Several more years of data will be needed to substantiate a trend. Reducing suicide in the military will always be a difficult task, one that broader society also struggles to accomplish; as suicide is the 10th leading cause of death in the general population.

The DOD Suicide Event Report indicates that those who have died by suicide have predominately been younger, Caucasian males, in junior ranks who used a firearm. About half had deployed and a small percentage had seen combat. Less than half had a known mental health diagnosis.

Regardless of the associated factors with suicides, the lives of our service men and women are too important for me to not make suicide prevention a priority. DOD has responded by focusing on resilience training, outreach campaigns that reduce stigma, conducting program evaluation and research, and increasing access to behavioral health care by increasing the size of its mental health system and embedding providers in primary care and line units, at home and abroad. Additionally, confidential peer support and resilience case management are key components in expanding venues for addressing this complex problem.

SEXUAL ASSAULT PREVENTION AND RESPONSE

Preventing and responding to sexual assault is a top priority, and considerable efforts are underway to combat this crime. Our program is proactive, victim-focused, and multi-disciplinary, with leaders at all levels taking steps to establish a culture of dignity, respect, and professional values. We employ and must sustain a multi-pronged approach, which requires persistence and innovation in victim assistance, prevention, investigation, accountability, and assessment. A critical element to our approach is increasing victim confidence, so that more victims are willing to report. We know that our response to a report of sexual assault will impact future victims' decisions to report—and reporting is essential to delivering care and to holding offenders appropriately accountable.

Our preliminary data for fiscal year 2013 shows a dramatic increase in reports when compared to all previous years. Historically, reports of sexual assault have increased about 5 percent per year since 2007. In fiscal year 2013, reports are up an unprecedented 50 percent with commanders at the center of our military justice system making disposition decisions. We assess this increase as consistent with a growing level of confidence in our response systems. This provides an indication that the wide range of sexual assault prevention and response initiatives fielded over the past year and a half are having a positive impact throughout the force, as more victims are reporting and accessing critical support.

Status of 2013 and 2014 NDAA Progress

In cooperation with congressional leadership, the Services are implementing a number of significant reforms put forward in recent Defense Authorization bills. In fact, the 2014 NDAA provided the most sweeping reform to the Uniform Code of Military Justice (UCMJ) since 1968 with 16 different military justice provisions that enhance victims' rights and constrain convening authorities' power. Specifically, the 2014 NDAA included 33 different sections of law containing multiple provisions in each section. We have already taken action to put into effect three provisions: the prohibitions on accessions for those who have sexual assault convictions; the ability to conduct an expedited transfer of the suspect; and the mandatory referral of sexual assault incidents to independent Military Criminal Investigative Organizations.

The 2013 NDAA contains 18 substantive provisions and requires five congressional reports. With the issuance of an updated DOD Instruction earlier this year, the vast majority of these provisions have been fully implemented. Four are still in progress. Two involve the independent Response Systems Panel review of the UCMJ and a separate Judicial Proceedings Panel review, both of which are continuing their work. The Panels' reports will be filed by their suspense dates, the first of which is June of this year. The two remaining policy provisions will be completed when our instructions on Reserve Component Line of Duty Findings for Health Care and the Military Equal Opportunity Program are issued. Of the five congressional reports, three have been completed with the submission of the Special Victims Capability report, the fiscal year 2013 Sexual Assault Prevention and Response Annual Report, and the report on General Officer reviews of separation of members who were sexual assault victims.

Status and Progress of Secretary of Defense Initiatives

In addition to the work of Congress, DOD continues to be proactive in fielding solutions that will make a difference in preventing and responding to sexual assault, particularly when the Secretary has the authority to do so. Secretary Hagel has directed the implementation of 21 specific initiatives since May 2013. These actions are designed to empower victims, improve care, and enhance the administration of military justice. I wanted to highlight a few for you here today:

- Implementation of the Special Victims Counsel program, which offers sexual assault victims legal consultation and representation throughout the justice process. More than 185 attorneys are now fielded across the Armed Forces.
- The Services have fielded evaluation methods to assess the performance of military commanders and enlisted leaders in establishing command climates of dignity and respect and adhering to SAPR principles.
- Another critical element of establishing the culture we desire is the Secretary's direction to elevate command climate surveys to the next commander in the chain of command to increase the level of accountability for maintaining a climate of dignity and respect.
- We have also now taken a best practice from one of the Services—the Marine Corps 8-day oversight report—and intend to make it a common practice across all of the Services. That policy is in final coordination and

will ensure that general officers have oversight of the immediate response to a sexual assault report.

Additionally, in coordination with the release of the Military Service Academy Report in January, Secretary Hagel directed five additional measures to enhance program effectiveness, advance the culture we desire, and expand alcohol policies at the Academies.

Surveys

DOD utilizes the Workplace and Gender Relations Survey of Active Duty Members, conducted by the Defense Manpower Data Center, to assess the prevalence rate of sexual assault and sexual harassment in the Active-Duty Force. DOD has comparable unwanted sexual contact rates for 2006, 2010, and 2012. In fiscal year 2014, DOD survey will be conducted by an outside organization. RAND will design, analyze, and report the survey results in our Progress Report to the President in December 2014 and the DOD Annual Report on Sexual Assault in the Military in April 2015.

Way Ahead

Sexual assault is one of the most serious challenges facing our personnel and compromising our military readiness. We will continue our prevention efforts on all fronts and at all levels by educating all servicemembers, commanders, and leaders, and holding them appropriately accountable. We must preserve the system of justice and response systems that we have fielded and continue to improve upon; they are making a difference and motivating more victims to come forward. We will sustain our current intense level of attention, focus, and emphasis throughout the entire DOD.

MILITARY PERSONNEL POLICY AND FAMILY SUPPORT ISSUES

While we remain attentive to all military personnel policies and family support programs, I want to highlight several recent areas of interest. We are working to address congressional concerns and I am committed to keeping open communications and working closely with you to address these important issues to our servicemembers and their families.

Military Retirement System

While not part of DOD's fiscal year 2015 proposals, DOD completed its 2-year review of military retirement. Earlier this month, Acting Deputy Secretary of Defense Fox sent a letter to the Military Compensation and Retirement Modernization Commission and Congress that offered four military retirement design options for consideration: the current retirement system, the "cost-of-living adjustment (COLA) minus one," and a white paper that outlines two retirement design concepts developed by the Department.

DOD does not specifically endorse any of the four design options submitted to the commission, but we offered these four options for consideration and further deliberation. DOD, however, continues to firmly support the position that any new retirement system must be "grandfathered" to protect servicemembers currently serving and current retirees.

Women in the Services

DOD is proceeding in a measured, deliberate, and responsible manner to implement changes that will enable servicemembers to serve in any capacity based on their abilities and qualifications and not their gender. Using the Joint Chiefs' guiding principles to ensure successful implementation, the Services and the U.S. Special Operations Command (SOCOM) are conducting thorough doctrine, training, education, facilities, and policy analyses to ensure deliberate and responsible implementation. DOD is committed to opening positions and occupations when and where it makes sense while preserving unit readiness, cohesion, and the quality of the All-Volunteer Force.

Implementation through 2016 will be an evolutionary process. Since start of the Women in Service Review effort in 2012, DOD has notified Congress of our intent to open approximately 57,000 positions that were previously closed to women, and we look forward to expanding opportunities for women into all newly opened positions and occupations within the Armed Forces, to the fullest extent, over the next 2 years.

Religious Accommodation

DOD has the responsibility to safeguard the First Amendment rights and the free exercise of religion for all military personnel. DOD places a high value on the rights

of personnel and their families to observe the tenets of their religions and recognize that the free exercise of religion is an important element of the operational readiness and well-being of our force.

DOD, as well as its respective Services, has, through policy and practice, consistently sought to strike the proper balance in respecting members' religious practices and maintaining military operational readiness.

To maintain this balance, DOD revised and published policy in DOD Instruction 1300.17, Accommodation of Religious Practices within the Military Services, to ensure the protection of rights of conscience of members of the Armed Forces in accordance with the 2013 and 2014 NDAA. Specifically, this policy balances and protects individual expression of sincerely held beliefs with military readiness and indicates to servicemembers and their commanders that requests for religious accommodation will be considered on a case-by-case basis.

To ensure more specific protections for the chaplains, DOD also revised policy in DOD Instruction 1304.28, Guidance for the Appointment of Chaplains to the Military Departments. Chaplains are protected from being required to perform any rite, ritual, or ceremony that is contrary to the conscience, moral principles, or religious beliefs of the chaplains, or to discriminate or take any adverse personnel action against a chaplain, including denial of promotion, schooling, training, or assignment, on the basis of the refusal by the chaplain to perform such duties. Because chaplains are servicemembers, their rights are also protected in DOD Instruction 1300.17.

In summary, DOD policies more clearly provide for individual expressions of religious beliefs and strive to accommodate requests for religious accommodation. If concerns arise, commanders of the unit involved handle these issues on a case-by-case basis with advisement from chaplains to find the best avenue in balancing religious freedoms with mission accomplishment.

Diversity Management and Equal Opportunity

The purpose of the Defense Equal Opportunity Management Institute (DEOMI), under my oversight, is to enhance mission readiness by promoting human dignity through education and research in equity, diversity and cultural competence. DEOMI's primary mission is to enhance unit combat and operational readiness and organizational leadership and cohesion by training DOD military personnel assigned to units as equal opportunity advisors (EOAs) to military commanders. DEOMI has trained thousands of EOAs in its 43 years of existence and recently celebrated 30 years of accreditation with the National Council on Occupational Education.

Recent congressional and media interest have focused on DEOMI after military members in the field identified in their equal opportunity training certain organizations as extremists or hate groups. Maintaining or relating lists that identify organizations as extremists or hate groups is inconsistent with DOD policy and DEOMI training. DEOMI does not support or endorse any entities list of extremist organizations or hate groups.

The Military Tuition Assistance (TA) Program

DOD supports servicemembers in the pursuit of their educational goals via the military TA program, which helps to defray the rising cost of tuition. Given the current and projected fiscal environment, we must continually evaluate programs across DOD and provide guidance to the Services to ensure consistency. Each year, a third of our servicemembers enroll in post-secondary education courses leading to associates, bachelors and advanced degrees. During fiscal year 2013 we saw over 827,000 course enrollments, and more than 55,000 servicemembers earn degrees and certifications. This statistic has held steady over the previous few years.

Ensuring the quality of education provided our servicemembers is essential to DOD. Underpinning this effort is DOD's requirement that all post-secondary institutions that participate in the TA program must be accredited by an accrediting body recognized by the Department of Education. The implementation of the requirements in Executive Order 13607 makes it easier for servicemembers and veterans to make informed decisions regarding their educational choices and helps counter deceptive practices by some educational institutions.

Starting in summer of 2013, the DOD, VA, Department of Education, and agency partners, including: the Department of Justice, the Consumer Financial Protection Bureau. and Federal Trade Commission, began implementing pieces of the legislation. These efforts included launching a student complaint system. This system provides a centralized, online tool for students to provide feedback on schools. The Post-secondary Education Complaint System went on line on January 30, 2014. The system ensures judicious stewardship of taxpayer dollars by increasing and improving oversight of the educational programs offered to our servicemembers by the 3,245

educational institutions that signed an MOU with DOD agreeing to provide special protections for military students.

DOD is committed to offering high quality, comprehensive, lifelong learning opportunities for servicemembers and effectively delivering voluntary education programs that meet the changing needs of the military.

SUPPORT FOR MILITARY FAMILIES WITH SPECIAL NEEDS

DOD continues to make progress addressing gaps in Services supporting military families with special needs. At the forefront of this effort is a multi-year functional analysis of the current Exceptional Family Member Program (EFMP), which will standardize the EFMP to be completed across the military Services. The goal is to provide families with the same level of access to the program regardless of location or Service affiliation, to include uniform procedures to support timely identification and enrollment and to centralize management of cross-service data. A working group within DOD is being formed to further address challenges for families with special needs. Training has already been conducted on the new Quick Reference Guide and Family Needs Assessment form.

Future of Servicemember and Family Support—Efficiencies and Transformation

The Task Force on Common Services for Servicemember and Family Support Programs conducted a joint 1-year senior-level review of total cost and methods of providing common Services for military and family programs DOD-wide. It explored 15 different support areas in detail (such as child care, youth, family programs; lodging; Exceptional Family Member Program; personal financial management programs) and documented more than 200 actionable recommendations to improve effectiveness, increase economies of program delivery, and reduce related overhead expenses. The results suggest that there is significant room for improvement in cooperation and collaboration, with the potential for consolidating certain kinds of support to all, with no impact to the end user.

TRANSITION SUPPORT

Our commitment continues as we assist our servicemembers transition successfully to civilian careers and veteran status. Transition assistance is a vital to aiding our servicemembers, spouses, and family members. We will continue to work closely with the VA, Department of Labor (DOL), and other Federal, State, and local entities to coordinate our efforts to better meet the needs of those who have served our Nation in uniform.

DOD–VA Backlog

An increasingly important element of support that we give to all servicemembers is the careful regard shown when they transition out of the U.S. military, especially those who require care. To that end, we maintain a close collaborative relationship with our counterparts in VA through executive committees for benefits, health and information sharing.

The backlog of Service-related disability benefit claims is a major concern. DOD has refined our processes whereby we respond to VA requests for personnel and medical information required to finalize veterans' claims. These include Service central cells and single points of contact to manage individual Service Treatment Records. Additionally, we have provided military liaison officers to assist VA with a more efficient and accurate transfer of necessary information. In fact, as of January 1, 2014, we now provide Service Treatment Records in an electronic format, and we are on track to develop interoperable electronic health records. These initiatives will help VA to focus on the current backlog and preclude future disability benefit claims from becoming a part of the backlog.

Transition Assistance Program

DOD, along with its interagency partners (VA and DOL), has made significant improvements to the content, delivery, and availability of the Transition Assistance Program (TAP). We have implemented Career Readiness Standards that servicemembers meet prior to separation. We launched a comprehensive new curriculum—Transition GPS (Goals Plans Success), with a robust set of core training modules (pre-separation counseling, VA benefits briefing, DOL employment workshop, including résumé preparation) and specialized optional tracks (assessing higher education track, career technical track and entrepreneurship track) tailored to a servicemember's goals and interests.

Transition GPS is now also accessible virtually to all servicemembers and spouses even after separation. Also, in January, we completed a Memorandum of Understanding that was signed by all interagency partners to include VA, DOL, Small

Business Administration, the Office of Personnel Management, and the Department of Education. This MOU codifies our shared commitment to transitioning servicemembers and establishes formal roles and responsibilities for all partners contributing to Transition Assistance.

As part of our 2015 Agency Priority Goals, our next major step is to embed the Transition Assistance Program throughout the military lifecycle, beginning as early as accession. Rather than confining career readiness preparation to a servicemember's final months of service, this model will provide our servicemembers with knowledge and support to conduct proactive career planning early and often in their military careers. Implementation of the Military Lifecycle Transition Assistance Program model will be completed by the end of 2014.

The Yellow Ribbon Reintegration Program

The Yellow Ribbon Reintegration Program (YRRP) continues to evolve to meet the unique resilience and transition challenges facing the Reserve component community. Through fiscal year 2013, YRRP has served 1,326,758 servicemembers and families through 10,382 events hosted by the Reserve components. In response to high RC unemployment rates, as well as the accompanying unemployment compensation (UCX) costs, YRRP partnered with Employer Support of the Guard and Reserve (ESGR) to launch Hero2Hired (H2H), a comprehensive career Services program containing tools that help connect job seekers with military-friendly employers. H2H tools include a military skills translator; resume builder; military-friendly job listings; career exploration tools; and education and training resources. Since its launch, H2H has registered more than 173,878 job seekers and 21,530 employers through https://h2h.jobs and supported 13,068 direct hires through 56 Employment Transition Coordinators.

CONCLUSION

During the past 13 years, the men and women who comprise the All-Volunteer Force have shown versatility, adaptability, and commitment, enduring the constant stress and strain of fighting two overlapping conflicts. Throughout it all, we were able to build, support and transition the finest military ever known. We understand that in order for us to continue on this path, we must be vigilant in our efforts and resources to ensure that we provide all the necessary recruiting, training, support and transition tools for success. DOD is committed to our servicemembers' success. Now we need your help in the most ready and capable force that will apply the lessons-learned from the past and prepare to address the challenges of the future.

Thank you for your continued support for our Total Force.

Senator GILLIBRAND. Thank you very much for your testimony.

Senator Graham is going to submit his opening statement for the record at this time.

[The prepared statement of Senator Graham follows:]

PREPARED STATEMENT BY SENATOR LINDSEY GRAHAM

Thank you, Madam Chairwoman. I look forward to hearing from our witnesses this morning concerning the administration's proposed cuts to pay and benefits to servicemembers in the 2015 budget request; specifically, why these changes cannot be made, if necessary, after the Military Compensation and Retirement Modernization Commission reports it finding in early 2015. I also want to thank the witnesses for appearing today and for their willingness to serve our Nation.

Senator GILLIBRAND. I will start with Secretary Wright.

With the MCRMC set to report out about a comprehensive approach next February, what is the rationale for the timing of these proposals? Why not wait until the commission reports?

Ms. WRIGHT. Thank you, ma'am. Frankly, with the proposals that we are submitting in this budget, we know DOD has gone through enough rigor and enough analysis to submit them. We are looking to the commission. We have submitted four retirement proposals to them. As you see, there is nothing in the budget that looks at retirement. We are waiting until they come back. We have submitted four different proposals to them. We are waiting for

them to do the rigor and the analysis on those retirement proposals for us to look at moving forward on them.

But on the BAH, the commissary, and the pay, we really believe that we have looked at enough information, that we have gathered all of the data in order to make some of these very difficult choices to balance between both compensation and benefits, and readiness and modernization.

Secretary HALE. May I just add to that briefly? As Secretary Wright said, we think we have the information. But the budget caps are in effect right now. If we wait 2 years until we have the commission results, and it will take that long, then we are going to have to take all this money out of readiness and modernization, and we think that will destroy a balance and damage national security. So that is why we are doing this.

We would rather wait. We would rather not do it. But the limits are in effect, and we don't see them changing.

Senator GILLIBRAND. But there is no requirement that you have a certain amount of savings out of every aspect of spending within the military. You don't have to silo every budget and find savings in every budget. You in your opening statement said that it was important that you offer pay packages that are sufficient that we keep an All-Volunteer Force.

But if you're looking at the enlisted rates E–2 through E–9, you're talking about salaries from $20,000 to roughly $70,000, and so much of what you're cutting is considered compensation to men and women who serve. For example, having a pay raise that is equivalent at least to the cost-of-living adjustment (COLA). So, yes, we can cut the rate by which their pay increases, but if you cut it less than the COLA, it just means their paycheck doesn't go as far. If you cut their housing allowance and have them have some kind of co-pay or a percentage, you're basically just undercutting how much is defrayed from the housing allowance. If you cut TRICARE through your modernization efforts, again that is out-of-pocket money for retirees or for families. If you limit what places they can go to get services, what it means is you have much longer drive times. If you are no longer Active Duty or your family doesn't live near a base, you may have to drive 90 miles or 100 miles to get basic services.

Commissaries, which, I can understand they filled a need before that isn't necessarily true today. But again, average personnel, they see about a 30 percent savings for their weekly grocery bills.

So we offer a set of benefits and pay to incentivize our forces to take on these very tough jobs and make the sacrifices of having to relocate your family every 2 years, every 3 years, have to sacrifice that your spouse may not be able to work because of that relocation. So we really are changing the deal.

My concern is, if we have this commission and they are going to do a more balanced approach, it seems to be a missed opportunity to not wait to see what they can come up with as well, because these are, as you've said in your testimony, very tough cuts to figure out. This was not an easy process. But these are real cuts.

So if you're a family that's making $20,000 a year, or $30,000 a year, that 30 percent of groceries that you were just taking away,

that savings, matters. So I would like to push back a bit that this is easy. I just don't think $2 billion in 1 year is easy.

Secretary HALE. Let me start, and then I would ask Secretary Wright if she wants to add.

I agree with what you said. These are tough choices. The Chiefs had meeting after meeting debating these very points. But if we choose or if you choose to go back on these proposals, you're going to have to take it out of somewhere. I don't think you want to take it out of modernization. We could have the same debate about whether we are buying enough aircraft and ships. I know, or I hope you don't want to take it out of readiness. But those are the choices you have.

So we feel we have provided you a balanced proposal. Incidentally, you used the word "cuts." I respectfully disagree. They are slowing the growth. We are not cutting anybody's pay and allowances. We are slowing the growth to free up money so that we can keep them ready in case they have to put themselves in harm's way, and that is what the Chiefs have repeatedly said.

We feel strongly that we need to provide the training and maintenance and the equipment to give them the best opportunity if they have to be in harm's way, and we think our proposal does it. But these are difficult choices, and I'd fully agree with you in that regard.

Senator GILLIBRAND. Thank you, Mr. Secretary.

My time has expired. I have questions that I will submit for the record and if we have a second round, specifically about the TRICARE changes, the Defense Finance and Accounting Service cuts, also concerns about benefits for families that have children with special needs, educational challenges, autism and other developmental disabilities. That is still an issue that Secretary Wright and I have worked on in the past that is a very important issue for me. So in the second round, if we have one, or for the record, I will submit those questions.

Senator Graham?

Senator GRAHAM. Thank you, Madam Chairwoman.

I want to associate myself with the chairwoman's comments. I understand where you're coming from. You have a budget cap, and this is the world we've created in a bipartisan fashion, which seems to me every day becoming more and more a bizarre world. I hope we'll reevaluate what we've done to the military and to some other vital programs and see if we can come up with a more sensible way to make budget cuts.

Secretary Wright, the commissaries, $1.4 billion basically is salaries and transportation; is that right?

Ms. WRIGHT. Yes, sir.

Senator GRAHAM. The base exchange (BX), post exchange (PX), most of that is non-appropriated fund activity; is that true?

Ms. WRIGHT. Yes, sir.

Senator GRAHAM. If you get people going off base in terms of shopping, what effect would a change in commissaries have on the PX or the BX?

Ms. WRIGHT. So, right now, as I have indicated, we are not looking to close any commissaries, and we are looking for our commissary population to remain. I understand that our budget does

bring it down from a 30 percent savings to somewhere around a 10 percent savings, but it is still a savings.

However, to your point, if people do not use the commissary, we suspect that they also won't come into the PX. We understand that, and so the PX savings and/or what they contribute to the Morale, Welfare, and Recreation (MWR) fund may go down. But at this point in time, with our research and what we're looking at, we believe that we are on firm ground.

Senator GRAHAM. For the benefit of the committee here, in a prior life I dealt with appropriated fund and non-appropriated fund activities and spent a lot of legal time figuring out what account was the right one to be looking at and how you could move money around.

The PX and the BX, whatever money they make, about 40 percent of the people that work at these places are family members of Active Duty or retired veterans; is that correct?

Ms. WRIGHT. In the commissaries? Yes, sir.

Senator GRAHAM. What about the BX or the PX?

Ms. WRIGHT. I'm going to defer to Mr. Vollrath for that, please, sir.

Secretary VOLLRATH. Sir, I don't have a specific number for you, but it's about the same.

Senator GRAHAM. Yes. So, basically, you've moving your families around a lot, and if you have a teenage son or daughter, it's a place you can go be a bag person. Your spouse can work maybe part-time at the BX, and that's some money for the family, and I think that's what Chairwoman Gillibrand is trying to say. The structural changes do have a ripple effect, and if the shopping becomes less at the commissary, eventually people are less likely to shop at the BX and PX.

I know you're shaking your head.

The MWR account, the quality-of-life issues that are pretty much funded by the servicemembers themselves take a hit. Could you maybe—what's your name, sir?

Secretary VOLLRATH. Vollrath.

Senator GRAHAM. Do you generally agree with what I'm saying as a concern?

Secretary VOLLRATH. Fundamentally, yes, because in the deliberations, in taking a look at the commissary reduction, we did have discussions about potential impacts on the exchange system.

Senator GRAHAM. Yes.

Secretary VOLLRATH. The leaders of the exchange system told us that if the patronage in the commissaries goes down, that they would expect the patronage in the exchanges to go down because of the habits of the patrons now.

Senator GRAHAM. The auto hobby shop, and you can just name whatever MWR activities you might have on base, eventually get hit, right?

Secretary VOLLRATH. That depends on where the commanders and the local commanders want to spend the MWR dividend.

Senator GRAHAM. They'll just have less choices because they'll have less money.

Secretary VOLLRATH. Correct. The money won't go as far.

Senator GRAHAM. It's not just one thing but they will have an inventory of MWR activities and they'll have to delete some of them.

I just bring that up to show that one thing is connected to the other.

Mr. Hale, we've had great discussions over the last several years about budgets. Would it be fair to say if Congress could find $2 billion outside of DOD to interject into this budget process this year, a lot of these choices that we're talking about, structural changes, could be delayed until the commission reports back?

Secretary HALE. If you find another way to offset it, yes. I'm not going to go to where you do that. I'll leave that up to you to do that. But if you find a way to offset it, I guess that's true. But given the budget caps and the seeming no chance of changing them, it's going to come out of defense.

Senator GRAHAM. I got you.

Here's the challenge for the subcommittee, for all the bright minds at this table, excluding myself. [Laughter.]

Could we find $2 billion outside DOD, or even inside DOD, that would avoid us having to make structural decisions about commissaries, about TRICARE and other things, about compensation, which I will eventually probably support? I'd just like the commission to do it. It's not that I don't trust your work product. We have ourselves in a bind here. You have a commission studying the same subject matter. You have an administration that has to come up with money in the budget caps. You're doing what we required you to do.

So if we could find a $2 billion safety valve here, I think it would prevent them from having to just ignore the personnel account and raid other accounts and allow the commission to do its work. To me, that would be a great exercise, because the structural changes that are going to come—and they will come—have to be better thought out, I think. If you're going to ask people to give up housing allowances, pay 5 percent or whatever, I'd just like to make it a more thoughtful process and be able to go to these folks and say we've had people, the best minds in the country outside of the administration, outside of Congress, to look at this. I just think it would make sense and be easier for us to sell.

So that's my challenge to the subcommittee, not to you guys, to see if we can find $2 billion.

Secretary HALE. Can I add two thoughts? First, I think these are well thought out. There were more than a dozen meetings the Joint Chiefs participated in fully. In the end, with all due respect to the commission, I think the Chiefs have a great deal of expertise and they are the ones that you want to make recommendations to you.

Second, it's just not the $2.1 billion in fiscal year 2015. If you delay all these, the whole budget slips. So we're going to have to take another $10 billion or so out of the—I don't know the exact number, but if you delay it a year or probably 2——

Senator GRAHAM. I don't want to—you said just a few minutes ago that if you could find $2 billion——

Secretary HALE. In fiscal year 2015. But then we will have to turn around in 2016 through 2020 and, because you've delayed it probably 2 years to wait for the commission, probably another $15 billion or so in that period. I don't know the exact number. I will

supply it for the record. But what you're doing is forcing further cuts in perhaps numbers of personnel or modernization in the out-years.

[The information referred to follows:]

By delaying the proposed pay and compensation changes included in the fiscal year 2015 President's budget by 2 years in order to wait for the results of the Military Compensation and Retirement Modernization Commission, the Department of Defense would lose approximately $18 billion of the savings assumed within the current Future Years Defense Program (fiscal year 2015 to fiscal year 2019). With the topline fixed, these added costs will lead to cuts in needed funds for readiness or modernization.

Senator GRAHAM. I look at it the other way. I'm looking at trying to make structural changes that will affect quality-of-life in a more reasoned way. That's what I'm looking at, and I think $2 billion would help. Everything does affect the other. That's why I'm going with this thing. I will be your strongest advocate for structural changes because you're going to have to, but not this way.

Thank you.

Senator GILLIBRAND. Senator King?

Senator KING. Thank you, Madam Chairwoman.

Mr. Hale, it would help me to understand the context of this if, for the record, you guys could produce a graph, an historic graph of compensation costs per capita, not compensation costs as a percentage of the defense budget, because that relates to the number of soldiers. I'm looking for what has been the growth over, say, a 10-year, 15-year period of compensation costs; and then secondarily, compensation costs per capita as a percentage of the DOD budget. Because I get 50 percent, 30 percent, 65 percent, and I'm trying to separate that from numbers of people to the package.

If you want to respond, that's fine. But I assume——

Secretary HALE. We can do that for the record. If it helps, I'll say that since 2001 the pay and benefits for military personnel have gone up about 40 percent more than the growth in the private sector. So we've seen—we created a new healthcare system, we had higher pay raises than the Employment Cost Index (ECI), we phased out all the out-of-pocket costs in the Department of Veterans Affairs (VA). So we've seen sharp growth.

Now, some of that was needed to make up for problems in the 1990s, but we do believe our analysis says we can recruit and retain the people we need even with these modest slow-downs in compensation that we're proposing now. But we will supply the details for you.

Senator KING. You understand what I'm looking for.

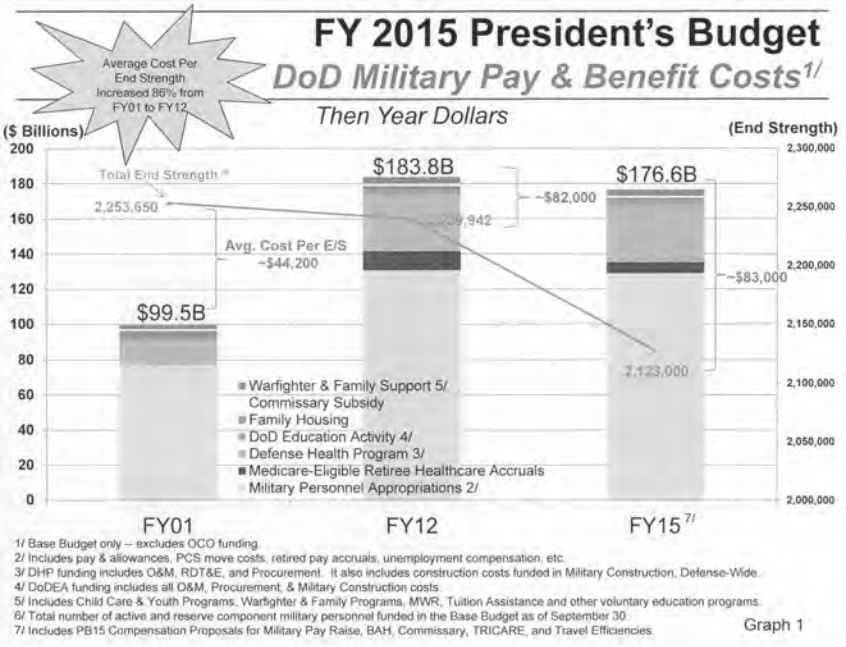
Secretary HALE. I do.

[The information referred to follows:]

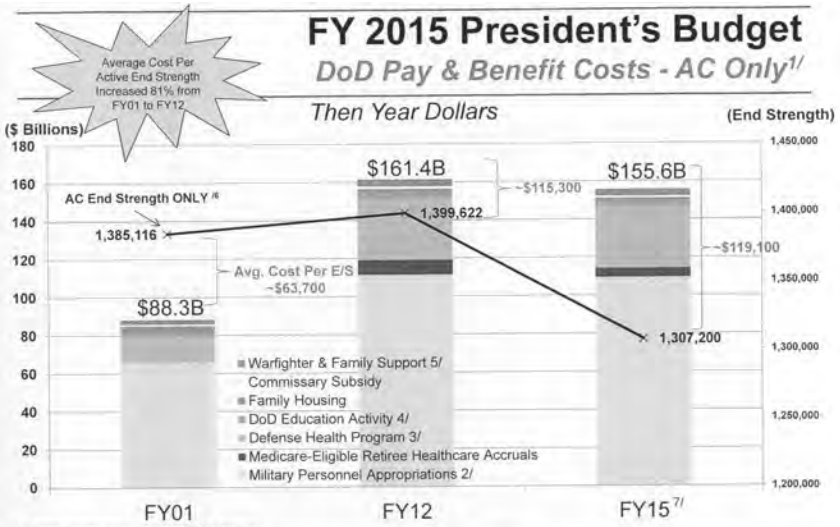
The attached graphs provide the historical military personnel compensation costs per capita requested for the record. The first graph shows the Department of Defense's (DOD) base budget military pay and benefit costs for fiscal year 2001, fiscal year 2012, and the fiscal year 2015 President's budget request along with the total Active and Reserve component end strength levels. For fiscal year 2001, these costs totaled $99.5 billion and supported a total end strength of 2,253,650, which equates to an average cost per end strength of approximately $44,200. By fiscal year 2012, pay and benefit costs increased to $183.8 billion while the total end strength actually decreased to 2,239,942—equating to an average cost per end strength of roughly $82,000. Therefore, over the 11-year period from fiscal year 2001 to fiscal year 2012 the average pay and benefit cost per end strength increased by 86 percent.

The second graph attempts to provide per capita figures for Active component personnel only by excluding the Reserve component Military Personnel Appropriations and Medicare-Eligible Retiree Health Care Accrual costs from the numerator and the Reserve component end strength from the denominator. However, it should be noted that DOD's military pay and benefit costs include many programs and in-kind benefits (e.g., commissaries, family programs, et cetera) that are utilized or available to all military and their families (Active component and Reserve component), and in some cases retirees and their families, but are not specifically funded or easily allocated by component. Therefore, these costs are fully allocated to the Active component in the per end strength figures shown.

As shown in the second graph for fiscal year 2001, Active component pay and benefit costs totaled $88.3 billion and supported an Active component end strength of 1,385,116, which equates to an average cost per Active component end strength of approximately $63,700. By fiscal year 2012, pay and benefit costs increased to $161.4 billion while Active component end strength increased by about 1 percent to 1,399,622—equating to an average cost per end strength of roughly $115,300. Therefore, over the 11-year period from fiscal year 2001 to fiscal year 2012, the average pay and benefit cost per Active component end strength increased by 81 percent.



Graph 1



1/ Base Budget only -- excludes OCO funding.
2/ Includes pay & allowances, PCS move costs, retired pay accruals, unemployment compensation, etc.
3/ DHP funding includes O&M, RDT&E, and Procurement. It also includes construction costs funded in Military Construction, Defense-Wide
4/ DoDEA funding includes all O&M, Procurement, & Military Construction costs.
5/ Includes Child Care & Youth Programs, Warfighter & Family Programs, MWR, Tuition Assistance and other voluntary education programs.
6/ Total number of active component military personnel funded in the Base Budget as of September 30.
7/ Includes PB15 Compensation Proposals for Military Pay Raise, BAH, Commissary, TRICARE, and Travel Efficiencies.

Graph 2

Senator KING. Of course, the other question is, this is a business, a business that's very dangerous, but the real question is recruiting and are you able to recruit and retain the people you need based upon whatever the compensation schedule is.

Secretary HALE. We believe we can.

Senator KING. I'd appreciate doing that, and I think it should be noted for the record that you didn't ask to be thrown into this situation, that this is a zero-sum game that you're in, in terms of the way the budget caps work, and that every dollar that stays in compensation is a dollar that comes out of readiness or modernization, and Congress has certainly had a major role in creating that situation, and I think we have to own up to that.

The other important thing, it seems to me, is to be thinking about prospective changes, because even though some changes—for example, on retirement—should only affect new people, and they may not take effect for 20 years. They may not save us money, but 20 years has a way of coming. We learned in the budget deal that changes in current retirees' structure isn't going to fly, at least not for more than about 42 days, I think.

But we really do need to think about prospective changes that will provide savings to future presidents and future Congresses.

Secretary Wright?

Ms. WRIGHT. Sir, I fully agree, and DOD agrees. The four proposals that we sent to the commission went with the understanding that those individuals that are presently in the Services under the retirement system that they're in need to be grandfathered, because that's the retirement system that they signed up for. So we understand that the savings won't come immediately, or maybe there won't even be savings, but the retirement system can be different.

But the issue is that grandfathering, to use that term, is extremely important when we talk about the retirement system.

Senator KING. The other piece, and you alluded to this, is what people sign up for. In other words, what are the expectations, and what is in writing when you sign that paper. Now, I realize 18-year-olds probably don't study the fine print of the enlistment form, but it seems to me that that's an area that deserves some thought in terms of bold print, this is what you're committing to, and this is what the likely compensation is, this is the retirement plan, so that we can have some clear understandings going forward for people, what it is they're committing to.

Ms. WRIGHT. Sir, if I can add, I'm a retired officer, and I was an enlisted soldier, and when I signed up, you sign an oath of office. It doesn't, to my knowledge—and, of course, I was young when I did it, but it doesn't have on there what the retirement system is, what the healthcare system is, what the pay system is. It has that you will support and defend the Constitution of the United States against all enemies, foreign and domestic.

I will turn it over to Mr. Vollrath, who is also retired, to add if there is more to that than I remember.

Secretary VOLLRATH. You have a very good memory, but so do many other Americans.

Senator, I would agree with your point. The young recruit, in most cases, does not start out saying "I think I'm going to go for

20 years because it's just a knockout retirement." They primarily join for various other reasons. But in the back of their mind, we know that is also there.

Equally important, what we know is that the influencers of those young men and women understand what the long term means. I don't know what anybody's experience on the committee has been, but in my experience, I can't tell you how many people I have bumped into in my lifetime that said: "If I'd only stayed in the military," and they are referring to the retirement and the benefits, et cetera.

So what we do know when it comes to recruiting is that the influencers understand the system, and that also drives that new recruit and the decision of that young man or woman. So it is an art, unfortunately. It's not a science.

Second, I would agree with your point. I think if and when we do change the retirement system, we need to be very clear, right up front with the new cohorts coming in, as to what that retirement system is, because those that are grandfathered will have one set of experiences and beliefs, and that will have an effect on the new cohort coming in.

Senator KING. Is there a potential issue or problem of recruiters making promises or assertions that may not turn out to be, or could—in other words, the paper doesn't say it, but the recruiter says "sign here and you have 20 years and lifetime"?

Secretary VOLLRATH. That is certainly a possibility, and we know that from time to time it does occur. But, frankly, we work overtime to make sure that the recruiters have the facts and only the facts and put forth that in their recruiting efforts.

Senator KING. Thank you.

Thank you, Madam Chairwoman.

Senator GILLIBRAND. Senator Lee?

Senator LEE. Thank you, Madam Chairwoman.

Thanks to each of you for being here. It's an honor to have you here with us.

Secretary Wright, I have a few questions for you. I was alerted to a situation a few weeks ago that occurred at the Air Force Academy involving the removal of a Bible verse from a whiteboard outside of a cadet's dormitory room. Are you familiar with that incident?

Ms. WRIGHT. Yes, sir, I am.

Senator LEE. Okay. Let me just restate the basic facts as I'm aware of them and then tell me what I'm missing.

Based on the information that I and my staff have been able to obtain from the Air Force, the cadets at the Air Force Academy use these whiteboards, according to the Air Force, in order to display "items, quotes, or other things that reflect their personality or from which they draw inspiration."

The cadet in question made this display, wrote this Bible verse up on his whiteboard, found himself being reported through his chain of command within the cadet structure, and also apparently the commanding officer became involved in the situation and used it as what someone described as a teachable moment, and the cadet apparently took it down.

Now, those who have provided this account said that he took it down voluntarily, although I do find the use of the word "voluntarily" to be curious given that it occurred after intervention from those in his chain of command.

The Bible verse in question that he was quoting was not one that I would regard as offensive. It was from Galatians, chapter 2, verse 20, which is fairly innocuous, as I read it. It says simply, "I am crucified with Christ, nevertheless I live, yet not I but Christ liveth in me, and in the life which I now live, in the flesh, I live by the faith of the Son of God who loved me and gave himself for me."

Now, last year, the Senate Armed Services Committee passed an amendment that I introduced in connection with the National Defense Authorization Act (NDAA) for Fiscal Year 2014. The amendment I introduced passed in this committee, survived the various iterations of the NDAA for Fiscal Year 2014, and it now appears in section 532(a). It says, "Unless it could have an adverse impact on military readiness, unit cohesion, and good order and discipline, the Armed Forces shall accommodate individual expressions of belief."

Now, I regard this as an individual expression of belief. It's also an expression of something from which this cadet apparently draws inspiration. So my question for you is how can this particular Bible verse quoted by this cadet from the Book of Galatians simply declaring his faith from which he draws inspiration, placed on a board that traditionally is used for that purpose, to reflect that cadet's personality and sources from which the cadet draws inspiration, how can that be deemed inappropriate?

Ms. WRIGHT. First, sir, I am not as familiar with the case as it appears you are, and what I have heard from the members of the Air Force, I have a little conflicting information. So to address the case right now I think would be inappropriate, but I would like to come over or bring someone over specifically to address this case myself and/or somebody from the Air Force.

But globally, for DOD, we do support freedom of speech, and we totally support the freedom to exercise your religion. I will be honest with you. I'm of the Catholic faith. I have a mass card of St. Theresa on my desk which I use as my faith. I don't start out my meetings that way because as a leader of 32,000 people, that would be inappropriate. But I use that.

So I think that common sense needs to clearly be applied when we talk about whether or not they can have an article of faith or something like that on their desk or on their wall. But when you're a leader, you have to understand that you have all faiths that you command, and you must respect everybody's faith.

So again, I don't know the very specific facts of the Air Force case. I don't want to get into that in public.

Senator LEE. You said a moment ago that your understanding of it is a little bit different than mine. Can you enlighten me as to how it was different?

Ms. WRIGHT. Sir, I heard that it wasn't he that wrote the verse. I heard it was his roommate. But I need to make sure that I am getting the correct information if it conflicts with your information. I think the bottom line is we both need to know exactly the end state.

Senator LEE. Right, right.

Ms. WRIGHT. So, if you don't mind, sir, if I can come over and bring the Air Force A1, the person in charge of personnel, that would be great.

Also, Mr. Vollrath, do you have anything to add on the religious——

Secretary VOLLRATH. No, I don't, Secretary Wright, except just to reinforce what she said. We certainly are trying to comply with the law, and intend to. It is fundamental to free speech and the exercise of religion. It is part of what makes America America.

Senator LEE. Certainly, and I definitely agree with that. My time is winding down, and so I appreciate the offer to come by and inform me as to what the facts were.

Ms. WRIGHT. Yes, sir.

Senator LEE. As to whether it was this cadet or whether it was the cadet's roommate, somebody wrote it——

Ms. WRIGHT. Yes, sir.

Senator LEE.—as an expression of their faith, and somebody took it down. The fact that it was taken down is itself alarming, much as it would be alarming, I would think, if someone came to you and removed something from your desk that is a source of faith and inspiration for you. This is exactly the kind of scenario we had in mind when we adopted this amendment, certainly when I introduced this amendment.

I would also note that on the Army's Web site can be found a very inspiring statement from General Eisenhower sent just prior to the invasion at D-Day in which he concluded his remarks by saying to the soldiers, sailors, airmen, and marines who were about to embark on this very dangerous mission, "Let us all beseech the blessings of almighty God upon this great and noble undertaking." If that's not offensive, then I find it difficult to understand how the decision by this cadet at the Air Force Academy, placed on a whiteboard outside his dormitory for the purpose of expressing something about his personality and about sources from which he draws inspiration, how that could possibly be deemed offensive, how that could require a teachable moment, and how that could require those in his chain of command to give him encouragement that would result in him taking it down.

Thank you very much.

I see my time has expired. Thank you, Madam Chairwoman.

Senator GILLIBRAND. Secretary Wright, did you want to respond?

Ms. WRIGHT. I was only going to say that I totally understand and would be more than happy to come over with the Air Force and clear up the facts as they are.

Senator LEE. Thank you. That would be wonderful.

Senator GILLIBRAND. I would be grateful for a report on it, as well.

Ms. WRIGHT. Yes, ma'am.

Senator GILLIBRAND. Thank you.

Senator Hirono.

Senator HIRONO. Thank you, Madam Chairwoman.

I have a follow-up question regarding the commissary changes. The testimony indicates that prices in the commissaries will go up. So my question is, would these increase in prices to service-

members, retirees, and families be the same across all locations? Would there be some differentiation that would occur in these price increases?

Ms. WRIGHT. Ma'am, if I could, I'm going to turn to Mr. Vollrath. The commissary comes under his direct supervision.

Secretary VOLLRATH. Thank you, Senator, a very good question. The intent in this change is to have common pricing throughout all commissaries, be they overseas, remote sites, or in metropolitan areas such as Fort Bragg or here in Washington, DC, common pricing, not differentiated based on rank or Active Duty or Reserve or retired status. It would be the same.

Senator HIRONO. Right now, the difference between the prices at commissaries and what the prices would be outside, although we have a lot of competition for lower prices through Costco and other places, is about 30 percent right now, isn't it?

Ms. WRIGHT. The savings in the commissary?

Senator HIRONO. The savings in the commissary.

Ms. WRIGHT. Yes, ma'am.

Senator HIRONO. So if the savings becomes only about 10 percent, would you expect to lose a lot of commissary customers to these other places? What would that do to the entire commissary system?

Secretary VOLLRATH. It is a possibility that that would occur. The probability we don't know yet until we embark on it. But in working with some of the other retail organizations, when your price goes up, the patronage tends to go down. So we would expect a reduction in patronage.

Senator HIRONO. Yes.

Secretary VOLLRATH. Again, that's not just based on working with other retail organizations. We know that some of the patrons, particularly retirees, will drive a long distance because of the current savings, and they may not if the savings drop. They may not drive 2 hours from where they are retired to come in to get those savings. So there is a probability that the patronage will go down, yes.

Senator HIRONO. If it goes down very significantly to the point where we may be having to close some commissaries, that might happen, that could happen?

Secretary VOLLRATH. It's a possibility. I don't know what the probability is. Our hope in working this, which is an art, that we will still offer enough benefit that the servicemembers and their families will value that.

Senator HIRONO. Well, I hope so.

Regarding recruitment and retention, on page 12 of your testimony I note that there's a reference that only 14 percent of youth are inclined to serve in the military. So there is already just a small percentage of the young people who want to serve in our military, and that even for those who want to join, a huge percentage of them are not able to join. Maybe 75 percent—that's a number that I came across in some other setting—are not qualified, a lot of them due to the fact that they may not have high school degrees.

While this may not be in your wheelhouse, we're talking about a very small number of people who would even be able to qualify.

So what are your thoughts on what we can do to enhance graduation from high school as a start?

Secretary VOLLRATH. You have your facts right. About 75 percent of the youth 18 to 24 in America do not meet the basic qualifications for enlistment because of weight or lack of schooling or some other run-in with the law, for example. So that leaves us with about 25 percent of the youth that can qualify to our standards.

The 14 percent propensity is within that, and of course the key to recruiting is to increase that propensity and get as many as we can out of the 25 percent that are eligible. So that's the challenge in recruiting, is to expand from the 14 percent up.

We have been very successful with our recruiting incentives and with our quality-of-life and with the challenging lifestyle to attract sufficient people from that small population in America over the last 10 years. All of the Services last year met their recruiting numbers except for the Army Reserve, which went down slightly for the first time in years, and the quality standards that we have have been far exceeded, to the degree that 95.9 percent of all of the recruits last year had a high school diploma and were graduates, or the equivalent of that. So we're taking the best of the best given the current conditions that we have.

We are, however, cognizant of the fact that as the economy improves—and thank goodness for America, it is improving—as the economy improves, it may present us with greater challenges in recruiting. Therefore, we are vigilant now to make sure that we have enough recruiters and we're not going down that road, and we have enough recruiting incentives and we're not taking any great shots at that, because we have learned our lesson from the 1990s, the last time DOD had a significant drawdown. We're concurrent with the drawdown. We cut recruiters, we cut advertising budgets, we cut incentives and, of course, hit the wall at the end of the 1990s in trying to recruit.

So we are cognizant of the fact that we don't need to make those mistakes twice.

Senator HIRONO. I think, as a general proposition, that it behooves all of us to care about the graduation rates throughout our country, and clearly whatever the military can do, what you all can do to support the education efforts across-the-board, that would be a good thing.

My time is running out, but I do have a question also about the GI bill. There have been some concerns about certain, basically, for-profit colleges that recruit heavily among veterans, and the outcomes may not be all that terrific. They rely a lot on loans and all that.

Do you have any concerns about the recruitment tactics used by some of these schools? What are you doing about it, if you have such concerns?

Ms. WRIGHT. First, yes, we do. We're working with a lady named Holly Petraeus, who also has a huge concern over this particular issue. We're also working with the education centers that we have throughout DOD that are on the post, camps, and stations that people come into to apply for college to let them understand that there are for-profit colleges that you can get a degree, but the degree is very expensive and not marketable once you get it. So

you've spent all this time, energy, and money for a degree that's not marketable if you choose to not stay in the military and potentially use that degree.

So we're working to make sure our servicemembers understand that there are great institutions throughout this Nation that will not only take your money but also give you a great education and a very marketable degree.

Mr. Vollrath?

Secretary VOLLRATH. We have also instituted a document that all institutions of higher learning have to sign, which has in the document principles of excellence, how they will conduct the education and how they will treat the students, and we have more than 3,200 already signed up. So they have to meet standards going in and coming out.

We have set up a system with other agencies in the Federal Government for students to report, both by phone or electronically, any problems they have with the school, and then we will take them on in DOD; or if they appear to be criminal in some way, we do pass them over to the Department of Justice, because we understand that there may be people who are not that well-intentioned.

Senator HIRONO. Thank you.

I do thank the chairwoman for her indulgence. I went over my time.

Senator GILLIBRAND. Your questions were so good, I didn't want to interrupt you.

Senator HIRONO. Thank you.

Senator GILLIBRAND. Senator Ayotte?

Senator AYOTTE. Thank you, Madam Chairwoman.

I wanted to, first of all, thank you all for being here and for the work that you're doing.

I was just in Afghanistan last week, and I met a New Hampshire soldier who has been in the Army for 8 years, and he's done five deployments in those 8 years, and I can tell you some of the personal experiences he's had with his personal life have been very difficult as a result of being deployed so many times.

I think it's also a very difficult challenge for our Guard and Reserve because they're being deployed multiple times, and then they come back to a civilian setting where they're not on a base where other people have had the similar experiences that they've had, and that presents unique challenges for us as the Guard and Reserve have been operational.

We have a program in New Hampshire that I've mentioned before that I'm very proud of. It's called the Deployment Cycle Support Program. It's really a public-private partnership where we've partnered State resources with Easter Seals in the non-profit sector that has raised money for it, and then taken some of the Yellow Ribbon money from DOD and really leveraged it.

In our State, we just last year served 523 servicemembers. We intervened in 10 suicides where there was a suicide risk; 102 participants previously unidentified for mental health issues were diagnosed and received treatment. We got 77 people to work, 55 people prevented from homelessness, 62 people were going to lose their homes and we stopped them. We referred over 1,000 participants overall to other care providers, and raised a lot of money on the

local level from the private sector to really maximize the Federal dollars.

So although I'm supportive of the Yellow Ribbon program, the way we've done it, frankly, I'm quite proud of being able to really leverage those dollars.

So I wanted to ask you, all of you who—certainly Secretary Wright, Secretary Woodson, Secretary Wightman, what you think of this program, and if you haven't had a chance to see how it's working, we would love to have you in New Hampshire because I think it's a model to leverage scarce Federal dollars in a way that brings the entire community in.

Ms. WRIGHT. Yes, ma'am. First, your panel members up here are comprised of a guardsman and two reservists. So we do understand what the National Guard and Reserve have done, particularly in the last years, and I am very familiar with your program from the standpoint of hearing about it. I have not had the pleasure of going up and seeing exactly what they do.

Senator AYOTTE. We'd love to welcome you if you'd like to come up.

Ms. WRIGHT. I will take you up on that.

But to your point, the program funded with Beyond the Yellow Ribbon money is excellent, and it does do exactly what you have said, and potentially more, because those individuals who either get housing or get jobs or are taken care of then affect tons of people that are their immediate and also extended family. So it does support many more than just the guardsman and the reservist.

I'd like Mr. Wightman also to add information. He is responsible for the Reserve components.

Mr. WIGHTMAN. Thank you. Senator, this is a great program. I have not been there as well, and I would love to come out there and see the program in action.

It appears that Beyond the Yellow Ribbon is an extension of the Yellow Ribbon program, and what you've done out there is fantastic. The Yellow Ribbon program goes up to a point through the entire deployment cycle, and then this program gets down with a care coordinator, with the family in the community, and that seems to be the full spectrum from one end to the other.

So I would commend the program. I know you have $1.2 million coming your way as a result of the work that's been done in the past.

Senator AYOTTE. Thank you. I appreciate it. I think it also gets the community more involved, which is really important, I think, to provide that support structure back in the community.

Let me just ask about the proposed benefit changes. I want to associate myself with the comments of the chairwoman, as well as the ranking member, about really looking at this in a holistic manner with the commission. I'm concerned about moving on this now.

Here is one of my big concerns. It's usually the junior military personnel who are going to spend a higher percentage of their total income on housing, food, and health care. As I see these changes, they're going to be hit the biggest because, frankly, they're the junior enlisted soldiers that make the least. As I understand it, unfortunately, some of our soldiers are even having to be on food stamps.

When I think about those soldiers having to pay whether it's more at the commissary or, if they have to live off base, a reduction in housing allowance, I'm very concerned for our enlisted soldiers, not that I'm not concerned for all of our soldiers because I am, but it seems that we're also hitting our enlisted disproportionately here as we look at the economic challenges that these families face.

Can you help me understand what is going to be the impact on the junior enlisted, and do you agree with me that they're likely to get hit, looking at how much they make and how much they just logically have to spend on housing and food, that they're going to get hit the biggest on this? They already have a lot of challenges, so I'm worried about this.

Secretary HALE. Perhaps I can start. First off, I think we did look holistically. The Joint Chiefs designed this program personally, and I have great respect for the commission and I understand why you set it up, and I would hope you would listen to them.

In terms of the overall design, I haven't done the numbers by grade, but I can tell you that we have benchmarks that suggest that we can recruit and retain the people that we need. The enlisted now are around the 90th percentile or in the 90s in terms of their pay and allowances, and the officers in the 80s. So our benchmarks suggest we can do it.

If we're wrong and we find that we have created retention and recruiting problems with these really fairly modest changes overall, then we'll reverse them. We're going to support the All-Volunteer Force. We have a strong commitment to do that. But we don't think we'll have to do that. We think we can do this and free up the money to help their training. I keep asking you to come back to that because that's why we're doing this. If you don't mind cutting readiness, then I suppose that we can do away with these proposals. But none of us want to do that.

Senator AYOTTE. Let me just be straight. I voted against sequestration, and I think that we should work together to address sequestration, especially since the world is in a very challenging time, not only with Ukraine, Syria, every other risk we face in the world. I understand the challenges you're under.

What I would like to hear from the panel, I would very much like to know what will be the financial impact and what analysis you did, particularly looking at the junior enlisted and how much your average junior enlisted, and I assume before you proposed this, you all ran these numbers and really looked at rank versus how much that person will pay more.

I think that that's really important for us to see the numbers that you relied on and the underlying data, because this, to me, is, again, I think of deep concern to the greatest asset we have in our military, our people. We can have all the greatest equipment and everything else, but without the people, as I know you all agree, we can't do anything.

I'm just going to submit that for the record, just to get the numbers, and I'm sure that all of us would like to see what was the analysis done, and also by rank and what your average person makes and how this would impact them.

Thank you.

[The information referred to follows:]

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

Assumptions:

- Pay includes basic pay, the basic allowance for housing, and the basic allowance for subsistence.
- Basic pay rate grows by 1.0% in FY15 - FY17
- BAH rate grows = 4.2% annually
- BAH out of pocket costs begin in 2015 and are amounts provided by DTMO based upon pay grade and dependency status
- BAS rate grows = 3.4% annually
- Analysis is for a static pay cell. Thus the analysis considers for each year the same pay grade, YOS and family size. (i.e., does not consider longevity pay increases)
- Annual Commissary Savings (based upon shopping at the Commissary approximately 80% of the time)
  - Single member shopping 100% at Commissary saves $1,500; 80% shopping=$1,200 savings
  - Married member, no children shopping 100% at Commissary saves $2,800; 80% shopping=$2,240
  - Married member, one child shopping 100% at Commissary saves $3,500; 80% shopping=$2,800
  - Married member, two children shopping 100% at Commissary saves $4,500; 80% shopping=$3,600
  - PB15 proposals - Savings estimates - FY14=30%, FY15=26%, FY16=18%, FY17=10%
  - Based upon FY2014 USDA Moderate Cost Plan (Oct 2013-Jan 2014)
  - Uses Savings Data from DeCA 2013 Formal Price Survey
  - Commissary savings calculations that assume members shop 100% of the time at the Commissary were rounded down to the nearest $100. Calculations of savings for members shopping 80% of the time at the Commissary were based upon these rounded estimates.
- Tricare out-of-pocket costs are treated as monthly reductions in income of $5.67 per dependent (e.g., $17/month for 3 dependents) (per OASD HA)
  - This is based upon a blended use of both the military treatment facility and Tricare for an average active duty family.
  - Active duty members incur zero out-of-pocket cost
  - Active duty family members receiving care at the military treatment facility continue to have no out-of-pocket expense.

Monthly Impact of PB1S Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	E3 Under 2 YOS Family Size 2	E4 with 3 YOS Family Size 2	E5 with 6 YOS Family Size 4	E6 with 12 YOS Family Size 4	E7 with 20 YOS Family Size 4	E8 with 22 YOS Family Size 4	E9 with 26 YOS Family Size 4
Monthly Pay in 2014	**$3,562.95**	**$3,955.35**	**$4,601.05**	**$5,590.95**	**$6,509.15**	**$7,377.85**	**$8,897.45**
Basic Pay	$1,805.40	$2,215.80	$2,734.50	$3,530.40	$4,371.60	$5,115.30	$6,486.90
BAH	$1,400.00	$1,382.00	$1,509.00	$1,703.00	$1,780.00	$1,905.00	$2,053.00
BAS	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$3,839.29**	**$4,241.76**	**$4,919.86**	**$5,959.37**	**$6,913.17**	**$7,820.83**	**$9,401.43**
Basic Pay	$1,860.11	$2,282.94	$2,817.36	$3,637.37	$4,504.06	$5,270.30	$6,683.46
BAH	$1,583.91	$1,563.55	$1,707.23	$1,926.72	$2,013.83	$2,155.25	$2,322.69
BAS	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27
Total Increase in Pay	**$276.34**	**$286.41**	**$318.81**	**$368.42**	**$404.02**	**$442.98**	**$503.98**
BAH Out-of-Pocket Expense	($94.00)	($94.00)	($102.00)	($116.00)	($121.00)	($129.00)	($139.00)
Tricare Out-of-Pocket Expense	($5.67)	($5.67)	($17.00)	($17.00)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	**$176.68**	**$186.75**	**$199.81**	**$235.42**	**$266.02**	**$296.98**	**$347.98**
Reduction in Commissary Savings (Commissary usage at ~80%)	($124.44)	($124.44)	($200.00)	($200.00)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	**$52.23**	**$62.30**	($0.19)	**$35.42**	**$66.02**	**$96.98**	**$147.98**

Monthly Impact of PB1S Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	W1 with 10 YOS Family Size 4	W2 with 14 YOS Family Size 4	W3 with 18 YOS Family Size 4	W4 with 22 YOS Family Size 4	W5 with 28 YOS Family Size 4
Monthly Pay in 2014	**$5,855.84**	**$6,831.34**	**$7,944.74**	**$9,084.24**	**$10,444.54**
Basic Pay	$4,050.60	$4,751.10	$5,704.50	$6,768.00	$8,046.30
BAH	$1,559.00	$1,834.00	$1,994.00	$2,070.00	$2,152.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$6,209.36**	**$7,242.21**	**$8,405.52**	**$9,587.23**	**$10,997.03**
Basic Pay	$4,173.34	$4,895.06	$5,877.35	$6,973.08	$8,290.11
BAH	$1,763.80	$2,074.93	$2,255.94	$2,341.93	$2,434.70
BAS	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$353.52**	**$410.87**	**$460.78**	**$502.99**	**$552.49**
BAH Out-of-Pocket Expense	($106.00)	($124.00)	($135.00)	($141.00)	($146.00)
Tricare Out-of-Pocket Expense	($17.00)	($17.00)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	**$230.52**	**$269.87**	**$308.78**	**$344.99**	**$389.49**
Reduction in Commissary Savings (Commissary usage at ~80%)	($200.00)	($200.00)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	**$30.52**	**$69.87**	**$108.78**	**$144.99**	**$189.49**

Monthly Impact of PB1S Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	O1 Under 2 YOS Family Size 2	O2 with 3 YOS Family Size 2	O3 with 6 YOS Family Size 2	O4 with 12 YOS Family Size 4	O5 with 20 YOS Family Size 4	O6 with 24 YOS Family Size 4
Monthly Pay in 2014	$4,672.44	$6,282.74	$7,614.54	$9,439.54	$11,178.44	$13,002.84
Basic Pay	$2,905.20	$4,390.50	$5,415.30	$6,921.30	$8,422.20	$10,134.60
BAH	$1,521.00	$1,646.00	$1,953.00	$2,272.00	$2,510.00	$2,622.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	$4,986.26	$6,657.99	$8,061.17	$9,973.71	$11,789.35	$13,680.35
Basic Pay	$2,993.23	$4,523.54	$5,579.39	$7,131.02	$8,677.40	$10,441.69
BAH	$1,720.81	$1,862.23	$2,209.56	$2,570.46	$2,839.73	$2,966.44
BAS	$272.22	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	$313.82	$375.25	$446.63	$534.17	$610.91	$677.51
BAH Out-of-Pocket Expense	($103.00)	($112.00)	($132.00)	($154.00)	($170.00)	($178.00)
Tricare Out-of-Pocket Expense	($5.67)	($5.67)	($5.67)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	$205.15	$257.58	$308.96	$363.17	$423.91	$482.51
Reduction in Commissary Savings (Commissary usage at ~80%)	($124.44)	($124.44)	($124.44)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	$80.71	$133.13	$184.52	$163.17	$223.91	$282.51

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	E3 Under 2 YOS Single	E4 with 3 YOS Single	E5 with 6 YOS Single	E6 with 12 YOS Single	E7 with 20 YOS Single	E8 with 22 YOS Single	E9 with 26 YOS Single
Monthly Pay in 2014	**$3,264.95**	**$3,651.35**	**$4,375.05**	**$5,276.95**	**$6,176.15**	**$7,065.85**	**$8,526.45**
Basic Pay	$1,805.40	$2,215.80	$2,734.50	$3,530.40	$4,371.60	$5,115.30	$6,486.90
BAH	$1,102.00	$1,078.00	$1,283.00	$1,389.00	$1,447.00	$1,593.00	$1,682.00
BAS	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$3,502.14**	**$3,897.83**	**$4,664.17**	**$5,604.12**	**$6,536.42**	**$7,467.84**	**$8,981.69**
Basic Pay	$1,860.11	$2,282.94	$2,817.36	$3,637.37	$4,504.06	$5,270.30	$6,683.46
BAH	$1,246.77	$1,219.61	$1,451.54	$1,571.47	$1,637.09	$1,802.27	$1,902.96
BAS	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27
Total Increase in Pay	**$237.19**	**$246.48**	**$289.12**	**$327.17**	**$360.27**	**$401.99**	**$455.24**
BAH Out-of-Pocket Expense	($73.00)	($73.00)	($87.00)	($94.00)	($98.00)	($108.00)	($114.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	**$164.19**	**$173.48**	**$202.12**	**$233.17**	**$262.27**	**$293.99**	**$341.24**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	**$97.53**	**$106.81**	$135.46	$166.50	$195.61	**$227.32**	**$274.57**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	W1 with 10 YOS Single	W2 with 14 YOS Single	W3 with 18 YOS Single	W4 with 22 YOS Single	W5 with 28 YOS Single
Monthly Pay in 2014	**$5,446.84**	**$6,554.34**	**$7,620.74**	**$8,767.24**	**$10,243.54**
Basic Pay	$4,050.60	$4,751.10	$5,704.50	$6,768.00	$8,046.30
BAH	$1,150.00	$1,557.00	$1,670.00	$1,753.00	$1,951.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$5,746.63**	**$6,928.82**	**$8,038.95**	**$9,228.58**	**$10,769.63**
Basic Pay	$4,173.34	$4,895.06	$5,877.35	$6,973.08	$8,290.11
BAH	$1,301.07	$1,761.54	$1,889.38	$1,983.28	$2,207.30
BAS	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$299.79**	**$374.48**	**$418.21**	**$461.34**	**$526.09**
BAH Out-of-Pocket Expense	($78.00)	($106.00)	($113.00)	($119.00)	($132.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	**$221.79**	**$268.48**	**$305.21**	**$342.34**	**$394.09**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	**$155.12**	**$201.81**	**$238.55**	**$275.68**	**$327.42**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	O1 Under 2 YOS Single	O2 with 3 YOS Single	O3 with 6 YOS Single	O4 with 12 YOS Single	O5 with 20 YOS Single	O6 with 24 YOS Single
Monthly Pay in 2014	**$4,422.44**	**$6,107.74**	**$7,341.54**	**$9,134.54**	**$10,795.44**	**$12,665.84**
Basic Pay	$2,905.20	$4,390.50	$5,415.30	$6,921.30	$8,422.20	$10,134.60
BAH	$1,271.00	$1,471.00	$1,680.00	$1,967.00	$2,127.00	$2,285.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$4,703.42**	**$6,460.00**	**$7,752.30**	**$9,628.64**	**$11,356.04**	**$13,299.08**
Basic Pay	$2,993.23	$4,523.54	$5,579.39	$7,131.02	$8,677.40	$10,441.69
BAH	$1,437.97	$1,664.24	$1,900.70	$2,225.40	$2,406.42	$2,585.17
BAS	$272.22	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$280.98**	**$352.26**	**$410.76**	**$494.10**	**$560.60**	**$633.24**
BAH Out-of-Pocket Expense	($86.00)	($100.00)	($114.00)	($134.00)	($144.00)	($155.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	**$194.98**	**$252.26**	**$296.76**	**$360.10**	**$416.60**	**$478.24**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	**$128.31**	**$185.59**	**$230.10**	**$293.43**	**$349.93**	**$411.57**

Senator GILLIBRAND. I'd like to associate myself with Senator Ayotte's comments. I would like that report as well. I think she's exactly right.

Senator AYOTTE. Thank you.

Senator GILLIBRAND. Senator Kaine?

Senator KAINE. Thank you, Madam Chairwoman. I know we have a vote call, so I'll try to move quickly.

Senator Lee asked some important questions, I think, about accommodations of religious expression. I know that it is a very challenging and subjective issue, often, for a leader to determine what is expression and what is proselytization or pressure that makes others feel uncomfortable, and that's something you can't write a rule for.

But here's something that is pure expression, and it's a particular passion of mine, and I know of the chairwoman's as well, and that's the treatment of Sikhs who serve in the military. Sikhs could serve in the military and wear their traditional hair, beard, garb, up through the late 1980s, but then there's been a change to make that more difficult.

The chairwoman and I have written a couple of letters about this and we want to continue our focus on this issue. For me, this is not just an issue of the protection of an individual's religious rights, which is extremely important, but in a world now where so many of the conflicts we are seeing are conflicts driven by sectarian religious intolerance, one of the best things we can do as a Nation is demonstrate that we are welcoming and open and we tolerate different religious practices that don't go over the line into proselytization.

I think actually a change in accommodation for Sikhs would serve an important purpose of showing how we as a society can model this. I am just really putting that on the radar screen. It's something I'm going to continue to focus on with others here.

Secretary Wright, I want to ask you a question. Part of the testimony deals with a brief report about the success of the military in eliminating gender exclusions in MOSs in the last year. Could you just talk about progress there?

Ms. WRIGHT. Yes, sir. Secretary Panetta and Chairman Dempsey are the ones that eliminated the 1994 Ground Combat Exclusion Rule. The Services have until 1 January 2016 to thoughtfully and deliberately integrate women into those closed positions. The Services are continuing the review to come up with gender-neutral standards which will allow women to then come into these otherwise closed occupations.

The Army and the other Services have opened up and, frankly, I will have to turn to Mr. Vollrath for the specific number, but many different jobs for women, and they have also opened up—the Army, in particular, I can use as an example. If you are, say, for example, a medic, which women can go into, they have opened up units that were previously closed, an infantry battalion if you will, so that female medics can be in those units.

Senator KAINE. Can I just say, something that I would ask you to pay attention to, and we will, and I hope this isn't a concern but just history being a guide. In Virginia and in many States, when the Federal Government changed via Constitution the ability of a

State to exclude voters on the grounds of race, my State said, okay, we can't exclude voters on the grounds of race, but we can come up with new requirements that have never been imposed before to basically exclude those voters, and that might trip up some others as well.

I would just hope in this effort, and I assume good faith, and I was so excited with this announcement last year, in the effort to come up with the neutral criteria to use to determine suitability for MOSs other than gender, I hope that there is some scrutiny to what those criteria are in an effort to make sure that they really are fair and objective and they're not an attempt to exclude women from MOSs without having a specific gender exclusion.

Ms. WRIGHT. Yes, sir, they are. In fact, we have hired scientists to do this. We are not doing this on our own as an organization. We need to pay attention to the occupational standards that are required to perform these jobs, and that's why I used the term "thoughtful and deliberate," because we have to continue to do the mission in the fashion that the mission needs to be done, and we can't negate that mission or lower that mission or lower standards to perform that mission.

We need to also have the standards be scientifically reviewed and established for anyone to perform those particular jobs.

Mr. Vollrath?

Secretary VOLLRATH. The only thing that I would add, Senator, is that in addition to the scientific approach to make sure that any bias isn't there, if perchance there is, and we don't think there is honestly, we also know that implementation has to be done in good fashion. You can't just dictate this. Given the military assignment-reassignment system, that process has already begun, and we are very cognizant of the fact that there will always be the first in some of these units. So we are cautioning commanders and senior noncommissioned officers that they need to understand and make sure that they are prepared for this, because it needs to be successful for the proper defense of this country.

Senator KAINE. I'm extremely supportive of this effort, and I recognize that human beings are human beings, so there are going to be some glitches along the way. Our best wishes in this effort, and we'll continue to dialogue on it.

One last question, briefly, for Secretary Wright. My first legislation got wrapped up and included in the NDAA last year, which is the Troop Talent Act, largely about the credentialing of military members during Active Duty service with the skill sets they obtain, when they obtain them, and I know that there's been a pilot project on this, and the DOD evaluation of the pilot was very positive. It found in the pilot that the cost of credentialing, about $285 a person, was significantly less than trying to go in and deal with people's employment needs once they were veterans or much later as they're getting ready to transition out. The cost of Department of Labor programs, the cost of unemployment insurance that the military pays, these are significant costs, and much better to give somebody a civilian translatable skill set for $285 than have to pay costs down the road.

What more can we be doing to facilitate DOD and Service branch-wide acceleration of credentialing initiatives?

Ms. WRIGHT. Sir, we have someone that is clearly working that aspect, credentialing and licensing, from the DOD job, from the military job to a civilian job. Frankly, yesterday I met with financial people to see what their standards were to see if we can move forward on that. So we are doing it all the time.

The individual's name is Mr. D—we call him D9. I apologize.

Secretary VOLLRATH. DiGiovanni.

Ms. WRIGHT. DiGiovanni, yes. He works for Mr. Vollrath, so if you want to add a little bit?

Secretary VOLLRATH. Senator, we're right in line with your philosophy and direction, and it's a two-way street. It is not just focused on the individual and trying to get the individual credentialed for life after Service. What we've learned in the process is we, DOD, get benefit from this, too. So, for example, if a medic can be credentialed as an emergency medical technician, we in DOD gain, as does that individual, and they can take it with them through life. So it increases our professionalism in those particular skills.

What we've also learned is that members who drive vehicles can begin to move toward the commercial driver's license, that they become more professional and more turned on, if you will, about their job.

We've also discovered that we can take this into some other areas that people generally don't think about—for example, human resources. There is a professional body that licenses civilian human resource professionals. So we're going to move in that area and improve professionalism there.

So it is a win-win proposition from our perspective.

Senator KAINE. Thank you.

Thank you, Madam Chairwoman.

Senator GILLIBRAND. Thank you for your testimony.

Because we will vote, and Senator Kaine and I only have about 5 minutes to get there before the close, we need to close this panel. I do have additional questions that I will submit for the record.

I am very grateful for your service and your testimony. I know how hard you've worked on this issue. I know it's not easy. As you can see, there's a lot of concern among the subcommittee about doing this because we somehow have to pay for all our cuts within personnel, and I think there's a push-back on that within the subcommittee, and we may be waiting for the larger-scale, longer-term structural reforms that come with the commission's recommendations.

Thank you for your work. Thank you for your service.

We will reconvene this hearing at 12:10 p.m., which will accommodate the votes—we have four votes—for the next panel. You are dismissed. Thank you very much. [Recess.]

Welcome, everyone. Our second panel has convened. We have members of The Military Coalition (TMC), a consortium of nationally prominent uniformed service and veteran organizations. Retired Colonel Michael F. Hayden is the Director of Government Relations, Military Officers Association of America (MOAA); Mrs. Kathleen B. Moakler is the Government Relations Director of the National Military Family Association (NMFA); Mr. John R. Davis is the Director of Legislative Programs, Fleet Reserve Association

(FRA); and retired Captain Marshall Hanson is the Director of Legislative and Military Policy, Reserve Officers Association (ROA).

I invite you all to give an opening statement, to keep your oral statement to under 5 minutes. I invite John Davis to speak first.

STATEMENT OF JOHN R. DAVIS, DIRECTOR, LEGISLATIVE PROGRAMS, FLEET RESERVE ASSOCIATION

Mr. DAVIS. My name is John Davis and I'm Director of Legislative Programs with the FRA. I want to thank you for allowing me to speak with you today.

At the heart of the budget challenges facing DOD is the devastating effect of sequestration. FRA and our coalition partners insist Congress should exclude defense from sequestration. We agree with Secretary of Defense Hagel, who stated at his February 24th press conference that continued sequestration cuts will create a hollow force.

While debt reduction is a national priority, we believe that such a disproportionate share of this burden must not continue to be foisted on DOD, especially on the backs of military members and families who sacrifice so much for their country.

Adequate pay increases are needed to at least in part offset the extraordinary demands and sacrifices expected in a military career. We want to thank the chairwoman for her mentioning junior enlisted families regarding pay cuts and benefit cuts. FRA advocates that to sustain a first-class career military force requires a strong bond of mutual commitment between the servicemember and his or her employer. Pay and allowances remain the top retention choice for Active Duty military personnel since the beginning of the All-Volunteer Force. The highest rated benefit for Active Duty in FRA's online survey done in February and March 2014 was base pay, 93 percent of Active Duty believe base pay is very important, the highest rating.

The Active Duty community is disappointed that Congress capped the 2014 Active Duty pay raise at 1 percent, which is 0.8 percent less than the growth of the private sector pay measured by the ECI, and is the smallest pay increase in recent memory.

In 1999, it was determined that there was a 13.5 percent pay gap between military and private sector pay, and Congress made a commitment then to gradually close that gap. FRA believes that Congress should hold fast to that commitment. The gap was reduced to 2.4 percent, but it is now headed in the other direction with the 2014 pay increase.

BAH is an allowance paid to Active Duty servicemembers based on pay grade, dependency status, and geographic location within the United States. The fiscal year 2015 budget eliminates compensation for renter's insurance and cuts the average payment by 5 percent.

BAH is the third highest priority for Active Duty members in FRA's online survey, indicating that 83 percent of Active Duty see BAH as very important. In 2000, BAH payments provided 80 percent of housing costs. Congress at that time made a commitment to increase the benefit to 100 percent as part of the overall effort to enhance pay and other benefits to improve retention and recruitment. FRA is concerned that Congress has not learned from past

mistakes that pay caps and other benefit cuts eventually impact negatively on retention and recruitment.

Also, adequate military end strength is vital in sustaining our national security. The strain and inadequate dwell time of repeated deployments are significant and related to end strength levels. This is reflected in troubling stress-related statistics that include alarming rates of suicide, prescription drug abuse, alcohol use, and military divorce rates.

For the last 13 years, servicemembers and their families have endured unprecedented sacrifices, often having less than a year at home before returning again for another year in combat. Roughly 1 percent of the population has volunteered to shoulder 100 percent of the responsibility of our national security. Now, with these even greater end strength reductions, many servicemembers worry if they will be able to continue serving their Nation.

I'll be glad to answer any questions. Thank you.

[The prepared statement of Mr. Davis follows:]

PREPARED STATEMENT BY THE FLEET RESERVE ASSOCIATION

INTRODUCTION

Chairwoman Gillibrand and Ranking Member Graham, the Fleet Reserve Association (FRA) salutes you, other 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 armed services, their families, and survivors. This support is critical in maintaining readiness and is invaluable to military personnel engaged in operational commitments throughout the world and in fulfilling commitments to those who've served in the past.

The current All-Volunteer Force (AVF) has been through a dozen years of wartime sacrifices never envisioned by those who designed a voluntary military force. The U.S. military is a stressed force with many serving in multiple deployments in Iraq and Afghanistan. The current benefit package is the glue that holds the AVF together, and any budget-driven cuts in pay and benefits could have adverse impact on recruitment and retention and ultimately threaten the very foundation of the AVF. Military service is unlike any other occupation. Roughly 1 percent of the population has volunteered to shoulder 100 percent of the responsibility for our national security. The benefits associated with this service have been earned through 20 or more years of arduous military service.

The whole purpose of a unique military retirement pay and health care benefit is to offset the extraordinary demands and sacrifices expected in a military career. FRA advocates that to sustain a first-class, career military force requires a strong bond of mutual commitment between the servicemember and his/her employer.

SYNOPSIS

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

DOD BUDGET AND SEQUESTRATION

FRA notes with concern the decrease in the Department of Defense (DOD) personnel programs from $144 billion in the current fiscal year 2014 budget to $135 billion proposed in the administration's fiscal year 2015 request. Secretary of Defense Chuck Hagel stated that this is the first budget to reflect the end of American involvement in Afghanistan, and will significantly reduce end strength for all branches of the military including the Reserve component. Hagel warned that future sequestration budget cuts mandated by the 2011 Budget Control Act (BCA) will create a "hollow force." FRA shares the Secretary of Defense's concerns about a "hollow force" military and supports adequate end strengths for our military's operational commitments. The Association believes that Defense should be excluded from sequestration cuts mandated by the BCA. FRA opposes new TRICARE fee increases,

cuts to commissary benefits and cuts to Basic Allowance for Housing (BAH). FRA also believes that active-duty pay increases should at least keep pace with comparable civilian pay increases as measured by the Employment Cost Index (ECI).

Pentagon officials have repeated expressed concern that personnel cost are "eating us alive." The facts do not support that assertion. Other data indicates that personnel costs have remained at approximately one-third of the Defense budget for many years.

The BCA of 2011 established automatic budget cuts known as sequestration that mandates that 50 percent of the cuts come from Defense even though Defense only makes up 17 percent of the budget. These cuts put America's national defense capabilities at greater risk. Unless current law is changed, the DOD will have to cut an additional $54 billion in fiscal year 2016 and some $269 billion over the following 5 fiscal years.

The DOD budget was already scheduled to be cut by $487 Billion over a 10-year period BEFORE the enactment of sequestration, that if fully implemented will cut an additional $500 billion in the defense spending. The Bipartisan Budget Act of 2013 mitigated the spending cuts for fiscal year 2014 and 2015. However, the original sequestration cuts fiscal year 2016 thru 2021 remain in effect continuing to place national security at risk.

Sequestration has already forced the Services have already canceled deployment of ships, slashed flying hours, renegotiated critical procurement contracts, temporarily furloughed civilian employees, and are in the process of reducing force structure by some 124,000 personnel. Additionally, the Defense Authorization Bill for Fiscal Year 2014 capped military pay raises at 1 percent, the lowest pay raise in 50 years.

The proposed fiscal year 2015 defense budget assumes some additional monies will be forthcoming to mitigate sequestration impacts. However, the budget proposes additional force reductions of some 78,000 personnel in the Army, Army Reserves, Army National Guard, and the Marines Corps (6,000) giving America the smallest military force since before World War II. If sequestration relief is not ended, additional force reductions will likely go deeper and training and modernization will be further impacted.

The fiscal year 2015 budget submission proposes several compensation measures to free monies for force structure and modernization by capping the fiscal year 2015 pay raise at 1 percent, a figure below the mandated ECI, slowing the growth in base housing allowances and increasing out-of-pocket expenses for personnel, reducing commissary savings and increasing TRICARE fees for both retirees and active duty personnel.

While debt reduction is a national priority, such a disproportional share of this burden must not be imposed on military families who already have sacrificed for their country.

COST-OF-LIVING ADJUSTMENT CUTS

FRA welcomed the repeal of the 1-percent cost-of-living adjustment (COLA) cut for those joining the military before January 1, 2014 but was disappointed the COLA cut applies to future retirees that joined the military on or after January 1, 2014. The Association is delighted that all current retirees and almost all of those currently serving are excluded from the 1-percent COLA cut. FRA remains concerned, however, that the 1-percent COLA cut provision for those enlisting after January 1, 2014, could have a negative impact on recruitment. Further, these changes should go through the "regular order" of subcommittee and committee hearings in the House and Senate to thoroughly review the impact on the future of the All-Volunteer Force (AVF). Additionally, FRA argues that any changes to retirement benefits and military compensation should be put on hold until the Military Compensation and Retirement Modernization Commission (MCRMC) makes its final report in February 2015. FRA will continue to advocate for repealing COLA cuts for all future retirees.

RETIREMENT REFORM AND THE COMMISSION

Secretary of Defense Hagel clarified at his February press conference that he will await the final report from the MCRMC, which is due February 2015, before proposing any changes to military retirement benefits. FRA is thankful for the Secretary's restraint but wonders why DOD has proposed other changes in TRICARE, and military compensation that is also be reviewed by the Commission. The nine-member MCRMC, created by the NDAA for Fiscal Year 2013, has held a series of hearings and has continued to seek input from various interested parties. The commission has been charged to review "the full breadth of the systems," including

healthcare, military family support, and any Federal programs that could influence the decision of current or future servicemembers to stay in uniform or leave the Service. Before making their final recommendations to Congress and the President, the commission must examine the impacts of proposed recommendations on currently serving members, retirees, spouses, children, and survivors.

TRICARE BENEFITS AND FEE INCREASES

FRA's membership appreciates the following Sense of Congress provisions in the National Defense Authorization Act (NDAA) for Fiscal Year 2013: (1) DOD and the Nation have a committed health benefit obligation to retired military personnel that exceeds the obligation of corporate employers to civilian employees; (2) DOD has many additional options to constrain the growth of health care spending in ways that do not disadvantage beneficiaries; and (3) DOD should first pursue all options rather than seeking large fee increases or marginalize the benefit for beneficiaries.

The fiscal year 2015 DOD budget will shift costs to military beneficiaries by:

Consolidating the TRICARE Health Plans into one—results in much higher costs while reducing access

Raising annual fees for retired and active duty families of all ages and categories

Dramatically increasing pharmacy copays

Imposing means-testing of military retiree health benefits—which no other Federal retirees endure

FRA advocates that DOD must sufficiently investigate and implement other options to make TRICARE more cost-efficient as alternatives to shifting costs to TRICARE beneficiaries, and the Association opposes any indexing of future TRICARE Fee increases beyond CPI indexed COLA increases.

The administration's fiscal year 2015 budget request includes a complex plan to merge TRICARE Prime, Standard and Extra into one program for all retirees under age 65; Raising annual fees for retirees under age 65 and active duty family members; Dramatically increasing pharmacy co-pays for retirees under age 65; and new annual fee for new TIRICARE-for-Life (TFL) beneficiaries. FRA opposes the new proposed fee increases included in the fiscal year 2015 administration's budget and opposes the merger of programs that will result in TRICARE Standard and Extra beneficiaries paying a new annual "participation" fee, and TRICARE Prime beneficiaries paying higher co-pays and deductibles.

Background

TRICARE Prime enrollment fees for military retirees increased by 13 percent in 2012 with future increases tied to the annual COLA increase. In addition Congress increased pharmacy co-pays and mandated future increases tied to the annual percentage increase in the retiree COLA starting in 2014 through 2022. A 5-year pilot program also requires TFL beneficiaries to obtain refills of maintenance drugs through the TRICARE home delivery program for at least 1 year.

FRA will vigorously oppose Pentagon efforts to shift the cost of health care to beneficiaries. DOD has proposed merging TRICARE Prime, Standard, and Extra into one program. The Association believes under the pretext of this merge that retirees under age 65 will be forced to accept TRICARE Standard benefits with TRICARE Prime enrollment fees and more fees.

Military retirees under age 65 and are enrolled in TRICARE Prime experienced a 13-percent increase in their annual enrollment fees 2 years ago, and these fees are increased annually based on inflation. TRICARE Standard, Extra, and Prime beneficiaries have their pharmacy co-pays increased every year with the rate of inflation.

FRA will vigorously oppose Pentagon efforts to shift the cost of health care to beneficiaries. DOD has proposed merging TRICARE Prime, Standard, and Extra into one program. The Association believes under the pretext of this merge that retirees under age 65 will be forced to accept TRICARE Standard benefits with TRICARE Prime enrollment fees and more fees.

The Association believes that DOD should fix inefficiencies first before shifting health care costs to retirees. There have been many GAO reports that indicate that the DOD cost accounting system is dysfunctional and cannot be audited. Also consolidating the DOD health care system into a unified medical command would create a more efficient organization that could obtain substantial savings.

ACTIVE DUTY PAY

FRA strongly supports a full Employment Cost Index (ECI) military pay increase for fiscal year 2015. Pay and allowances remain the top retention choice for active

duty military personnel since the beginning of the All-Volunteer Force and that is reflected in the FRA online survey (February/March 2014) indicates that 93 percent of active duty see base pay as "Very Important"—the highest rating. So I'm sure the active duty community is disappointed that Congress capped the 2014 active duty pay raise at 1 percent, which is 0.8 percent less than the growth of private sector pay (ECI), and the smallest pay increase in recent memory.

In the 1970s several annual pay caps contributed to a serious retention problem that was fixed by large salary increases in 1981 and 1982. Throughout the 1980s and 1990s budget limitations lead to several salary caps providing salary increases below the annual ECI. In 1999 it was determined that there was a 13.5 percent gap between military and private sector pay, and Congress made a commitment then to gradually close that gap, and FRA believes that Congress should hold fast to that commitment. The gap was reduced to 2.4 but now is headed in the other direction with the 1 percent increase in 2014 the smallest increase in many years. Adequate pay increases are needed to at least in part offset the extraordinary demands and sacrifices expected in a military career.

BASIC ALLOWANCE FOR HOUSING CUTS

Basic Allowance for Housing (BAH) is an allowance paid to active duty servicemembers based on pay grade, dependency status, and geographic location within the United States. The fiscal year 2015 budget eliminates compensation for renter's insurance and cuts the average payment by 5 percent. The fiscal year 2015 budget eliminates compensation for renter's insurance and cuts the average payment by 5 percent. BAH is the third highest priority for active duty in FRA's online survey indicating that 83 percent of active duty sees BAH as "very important."

UNIFORMED SERVICES FORMER SPOUSES PROTECTION ACT

FRA urges Congress to review the Uniformed Services Former Spouses Protection Act (USFSPA) with the intent to amend the language so that the Federal Government is required to protect its servicemembers against State courts that ignore the act. The USFSPA was enacted 30 years ago; the result of congressional maneuvering that denied the opposition an opportunity to express its position in open public hearings. The last hearing, in 1999, was conducted by the House Veterans' Affairs Committee rather than the House Armed Services Committee which has oversight authority for USFSPA.

Few provisions of the USFSPA protect the rights of the servicemember, and none are enforce-able by the Department of Justice (DoJ) 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 DoJ or DOD 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. Another infraction is com-mitted by some State courts awarding a percentage of veterans' compensation to ex-spouses, a clear violation of U.S. law; yet, the Federal Government does nothing to stop this transgression.

There are other provisions that weigh heavily in favor of former spouses. For example, when a divorce is granted and the former spouse is awarded a percentage of the servicemember's retired pay, the amount should be based on the member's pay grade at the time of the divorce and not at a higher grade that may be held upon retirement. FRA believes that the Pentagon's USFSPA study recommendations are a good starting point for reform. This study includes improvements for both former spouse and the servicemember.

RESERVE COMPONENT ISSUES

FRA stands foursquare in support of the Nation's reservists and to improved compensation and benefits packages to attract recruits and retain currently serving personnel. These changes should include eliminating the fiscal year early retirement limitation which is addressed in the "Reserve Retirement Deployment Credit Correction Act" (S. 240) sponsored by Senator Jon Tester (MT) and its House companion bill (H.R. 690), sponsored by Representative Tom Latham (IA). The Association also wants to make the early retirement credit retroactive to September 11, 2001, after which the Reserve component changed from a strategic reserve to an operational reserve.

The Association supports the "Healthcare for Early Retirement Eligible reservists Act" (H.R. 738), sponsored by HASC Personnel Subcommittee Chairman Representative Joe Wilson (SC), that would allow retirees of the Reserve component to receive medical and dental care at military treatment facilities (MTF) or VA facilities prior to reaching age 60. The NDAA for Fiscal Year 2009 granted qualifying reservists

early retirement, but did not authorize healthcare benefits. In addition reservists in the Individual Ready Reserve have no access to health care.

FRA also supports restoring the Reserve Montgomery GI Bill benefits to at least 47 percent of active duty MGIB benefits. Further FRA recommends funding of a tailored Transition Assistance Program (TAP) to meet the unique needs of reservists, including academic protections for mobilized reservists students such as refund guarantees, exemption from repayment of Federal student loans during activation, and maintaining academic standing.

CONCURRENT RECEIPT

FRA continues its advocacy for legislation authorizing the immediate payment of concurrent receipt of full military retired pay and veterans' disability compensation for all disabled retirees. The Association appreciates the progress that has been made on this issue that includes a recently enacted provision fixing the Combat Related Special Compensation (CRSC) glitch that caused some beneficiaries to lose compensation when their disability rating was increased. There still remain Chapter 61 retirees receiving Concurrent Retirement and Disability Pay (CRDP) and CRDP retirees with 20 or more years of service with less than 50 percent disability rating that should receive full military retired pay and VA disability compensation without any offset.

The Association strongly supports pending legislation to authorize additional improvements that include Senate Majority Leader Harry Reid's legislation (S.234), Representative Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333) and Representative Gus Bilirakis' "Retired Pay Restoration Act" (H.R. 303).

SURVIVOR BENEFIT PLAN/DEPENDENCY AND INDEMNITY COMPENSATION OFFSET REPEAL

FRA supports the "Military Surviving Equity Act" (H.R. 32) sponsored by Representative Joe Wilson (SC) and its Senate companion bill (S. 734) sponsored by Senator Bill Nelson (FL), to eliminate the Survivor Benefit Plan (SBP)/Dependency and Indemnity Compensation (DIC) offset for widows and widowers of servicemembers. These bills would eliminate the offset, also known as the "widow's tax," on approximately 60,000 widows and widowers of our Armed Forces.

SBP and DIC payments are paid for different reasons. SBP is 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 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. Further FRA believes Congress should reduce the age for paid-up SBP to age 67 for those who joined the military at age 17, 18 or 19. Congress should also authorize SBP annuities to be placed into a Special Needs Trust for permanently disabled survivors who otherwise lose eligibility for state programs because of means testing.

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. 1360), introduced by Representative Walter Jones (NC) that achieves this goal.

Current regulations require survivors of deceased military 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 DOD of the death. The Department's financial arm (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 recouping is made without consideration of the survivor's financial status.

The measure is related to a similar pay policy enacted by the VA. Congress passed a law 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.

DISLOCATION ALLOWANCE

Moving households on government orders can be costly. Throughout a military career, servicemembers endure a number of permanent changes of station (PCS). Often each move requires additional expense for relocating to a new area far away from the servicemember's current location. To help servicemembers defray these additional expenses Congress in 1955 authorized the payment of a special allowance referred to as "dislocation allowance." Unfortunately servicemembers preparing to retire from the military are not eligible for this allowance, yet are subject to the same additional expenses they experience a PCS. In either case, moving on orders to another duty station or retiring are both reflective of a management decision. Therefore FRA supports authorizing payment of a dislocation allowances to servicemembers retiring or transferring to an inactive status such as the Fleet Reserve or Fleet Marine Reserve who execute a "final change of station" move.

WOUNDED WARRIORS AND SEAMLESS TRANSITION

FRA strongly supports the administration's efforts to create an integrated Electronic Health Record (iEHR) for every servicemember which would be a major step towards the Association's longstanding goal of a truly seamless transition from military to veteran status for all servicemembers and permit DOD, the Department of Veterans Affairs (VA), and private health care providers immediate access to a health data.

The importance of fully implemented interoperability of electronic medical records cannot be overstated. The Association was grateful that the National Defense Authorization Act (NDAA) for Fiscal Year 2014 has a provision that requires DOD and VA to implement a seamless electronic sharing of medical health care data by October 1, 2016. This provision was in response to the VA and DOD shelving plans to jointly develop an iHER system due to cost and schedule challenges, and instead the two agencies decided to pursue separate efforts to modernize or replace their existing systems. However, according to a new Government Accountability Office (GAO) report (GAO–14–302) the VA and DOD "have not substantiated their claims that the current approach will be less expensive and more timely than the single-system approach." The GAO report also notes that neither department has provided a joint strategic plan that explains lines of responsibility, time schedule, how to eliminate management barriers, and how much the project will cost. FRA has long supported efforts to ensure adequate funding for DOD and VA health care resource sharing in delivering seamless, cost effective, quality services to personnel wounded in combat and other veterans, and their families.

There is some sharing now between DOD, VA, and the private sector, but more needs to be done. Wider expansion of data sharing and exchange agreements between VA, DOD, and the private sector is needed. VA's "Blue Button" initiative permits veteran's online access to some medical history, appointments, wellness reminders and military service information, but most is only accessible only after in-person authentication. VA is also moving forward on its paperless disability processes that is Health Insurance Portability and Protection Act compliant.

Jurisdictional challenges notwithstanding this subcommittee must remain vigilant regarding its' oversight responsibilities associated with ensuring a "seamless transition" for our Nation's wounded warriors.

MENTAL HEALTH/SUICIDE

FRA believes post-traumatic stress (PTS) should not be referred to as a "disorder." This terminology adds to the stigma of this condition, and the Association believes it is critical that the military and VA work to reduce the stigma associated with PTS and TBI. Access to quality mental health service is a vital priority, along with a better understanding of these conditions and improved care. "Roughly 20 percent of the 2.5 million men and women who served in Afghanistan and Iraq have PTSD or other mental ill. About 200,000 incarcerated veterans in the United States, about 14 percent of the Nation's prisoners. Contrary to public perception, Afghanistan and Iraq vets are only half as likely to be incarcerated as those who fought in earlier wars, but . . . suffer from PTSD at three times the rate of older veterans." [1] PTS diagnosis and treatment remain a major challenge for the VA. "The number of vet-

[1] Time Magazine, Feb. 10, 2014, "A Troubled Marine's Final Fight" page 38–39, Mark Thompson

erans who received VA treatment for PTSD and other mental health issues reached 1.3 million last year, up 400,000 since 2006."[2]

An average of 22 veterans a day commit suicide and because of that fact suicide prevention is a priority issue for FRA. More specifically the Association is deeply concerned that "suicides among young veterans climbed sharply in a recent 3-year period, according to a new government analysis focused on Veterans Health Administration clients. The number of suicides among 18- to 29-year-old men increased from 88 in 2009 to 152 in 2011. That translates into a 44 percent rise in the suicide rate, which jumped to 57.9 suicides per 100,000 veterans."[3] In 2005 the VA's 13,000 mental health professionals were providing care for veterans. Today there are more than 20,000 mental health professionals at the VA and that number should continue to increase. The VA/DOD crisis hot line has assisted more than 640,000 people and rescued over 23,000 from potential suicide, and there must be readily available counseling support and expanded awareness of help that's available to veterans in crisis.

A member posted this on FRA facebook page January 14, 2014: "Suicide prevention and the FAILURE of the VA. 22 Veterans committed suicide every day in 2010. This past Sunday (January 12, 2014) at 2008 hours I chose to call the VA's suicide/crisis hotline on behalf of a veteran I felt was in distress and prone to taking his life. My call was answered by a machine, was immediately placed on hold with elevator music and my call was DROPPED after 4:15 min/sec ... having never spoken to a human. Suicide/crisis line ... never answered after 4+ minutes ... REALLY?!?!?!" FRA passed on this information to VA staff.

Expanding VA counseling to veteran's family members, strengthening oversight of IDES, and requiring VA to establish accurate measures for mental health were included in the NDAA for Fiscal Year 2013 are also important in addressing this issue. "The number of military suicides declined significantly in 2013, a relief to the Services after record and near record levels in 2012."[4]

ADEQUATE END STRENGTHS

Adequate military end strength is vital in sustaining our national security, and FRA is concerned about budget-driven calls for reducing end strength. The strain and inadequate dwell time of repeated deployments are significant and related to end strength levels. This is reflected in troubling stress-related statistics that include alarming suicide rates, prescription drug abuse, alcohol use and military divorce rates. For the last 13 years, servicemembers and their families have endured unprecedented sacrifices often having less than a year at home before returning for another year in combat.

Now with these even greater end strength reductions, many servicemembers worry if they will be able to continue serving their nation.

FRA believes that the Nation needs to maintain an adequate force to respond to unexpected contingencies and retaining combat experience by encouraging departing veterans to join the Guard and Reserve. On September 10, 2011 no one expected the following 12 years decade would find us engaged in a protracted war.

Cutting Guard/Reserve Forces as well as Active Forces will make achieving these goals even more difficult to obtain. The Association is thankful that Congress has provided the Services with various voluntary tools to draw down the forces, but in the sequester-driven budget times, the Services are reverting to use of involuntary methods.

MILITARY PREDATORY LENDING LAW

FRA thanks this subcommittee for improvements in the Military Lending Act (MLA) specified in the fiscal year 2013 Defense Authorization bill. This provision provides an explicit private right of action and civil penalties for predatory lenders, and expands oversight and enforcement authority to the Consumer Financial Protection Bureau (CFPB) and the Federal Trade Commission (FTC). Unfortunately, other related amendments to close loopholes in the definitions of payday and car title loans in the Senate version of the NDAA were not included in the final bill.

The CFPB in January 2013 took its first enforcement action against a payday lender by ordering Cash America International, Inc. to refund consumers for robo-

[2] The Washington Post, Nov. 11, 2013 "VA Shinseki is determined to Leave no Vet Behind" Steve Vogel

[3] Los Angeles Times, Jan. 12, 2014, "More Young Veterans Committing Suicide, Data Show" Alan Zarembo

[4] Marine Corps Times, Feb. 17, 2014, "Military Suicides Decline but Data Incomplete," Patricia Kime

signing court documents in debt collection lawsuits. The CFPB also found that Cash America—one of the largest short-term, small-dollar lenders in the country—violated the Military Lending Act (MLA) by illegally overcharging servicemembers and their families. Cash America will pay up to $14 million in refunds to consumers and it will pay a $5 million fine for these violations and for destroying records in advance of the Bureau's examination.

After a routine CFPB examination of Cash America's operations, the CFPB found multiple violations of consumer financial protection laws. This is the Bureau's first public enforcement action against a payday lender, its first public action under the Military Lending Act (MLA) and the first public action for a company's failure to comply fully with the CFPB's supervisory examination authority.

FRA applauds CFPB efforts to regulate predatory lenders through enforcement of the MLA. The Association was in the forefront of supporting the enactment of the MLA in 2006 and supported the creation of the Office of Military Liaison within the CFPB when the Bureau's enabling legislation was enacted in 2010. FRA continues its work to ensure active duty personnel are protected from predatory lenders, and urges this subcommittee to ensure that the MLA is effectively administered.

The NDAA also called on DOD to conduct a study to identify harmful credit products and practices and recommend protections to close loopholes. DOD is also required to promulgate a regulation to implement changes in the law. FRA, CFPB, and consumer groups have asked DOD to include payday and car title loan definitions in the regulation and also clarify that nonresident military borrowers are protected by all State credit laws. FRA urges continued oversight by this subcommittee to ensure that the report is timely and accurate.

PROTECT THE COMMISSARY AND EXCHANGE SYSTEMS

FRA opposes the proposed reduced funding for military commissaries. Military commissaries and exchanges are essential parts of the military benefit package and FRA's on-line survey completed in February/March 2014 indicates that 61 percent of active duty respondents and more than 63 percent of retirees rated Commissary/Exchange privileges as "very important."

A 2013 study by the Resale and MWR Center for Research entitled "Costs and Benefits of the DOD Resale System" indicates that these programs provide military members, retirees and their families with shopping discounts worth $4.5 billion annually. These stores are the biggest employers of military family members with 50,000 spouses, dependent children, retirees and veterans on the payrolls, adding $884 million a year to military household incomes. Exchange profits also fund important base morale, welfare and recreation programs (MWR) that contribute to an enhanced quality of life for military beneficiaries.

CONCLUSION

FRA is grateful for the opportunity to provide these recommendations to this distinguished subcommittee.

Senator GILLIBRAND. Thank you.

Colonel Hayden?

STATEMENT OF COL. MICHAEL F. HAYDEN, USAF (RET.), DIRECTOR, GOVERNMENT RELATIONS, MILITARY OFFICERS ASSOCIATION OF AMERICA

Colonel HAYDEN. Madam Chairwoman, the MOAA, along with our coalition partners, disagree strongly with the budget proposal to shift billions more in health care costs to military beneficiaries. Fortunately, Congress rejected last year's TRICARE fee proposals, and we thank you for that.

Yet this year, TRICARE fee proposal is much more than a regurgitation of last year's. It includes similar disproportionate pharmacy fee increases and means-tested TRICARE for Life enrollment fees, both rejected by Congress. It also includes a plan to consolidate the three major elements of TRICARE—Prime, Standard, and Extra—to what is being characterized as streamlining or modernization, which you heard this morning. Actually, this proposal will have families and retirees paying more and getting less. It re-

tains the TRICARE Prime enrollment fee by relabeling it as a participation fee, yet eliminates the one major element that the enrollment fee assured, and that was guaranteed access standards.

But even more concerning is that this includes fees where fees never existed before and provides no additional discernible value. For the first time, this proposal would have working-age retirees paying to be seen in the MTFs. DOD's proposal would also have military families paying more for their health care when they have limited or no access to military facilities.

A main argument of this year's budget submission is to slow the growth of personnel costs to include health care. Critics continue to make claims of unsustainable health care cost growth since 2000, as if that was some type of reasonable starting point. But it's not. Congress enacted TRICARE for Life in 2001 to correct the ejection of older retirees from military health care in the 6 years before that. There was a spike as they returned to coverage in 2002 and 2003, but cost growth has been declining ever since, and since 2010 the combination of military personnel and health care cost growth has been slowed to less than 2 percent per year.

I do want to make one thing clear. The military TRICARE benefit is, by and large, an excellent one, but it has to be to help induce large numbers of top-quality people to accept the extraordinary demands and sacrifices inherent in a multi-decade military career. That's why assertions that military retirees pay far less for health care than civilians are so aggravating to those who wear the uniform or who have worn the uniform. Military people already pay far steeper premiums for health care coverage than any civilian ever has or ever will.

We realize DOD is in a very difficult situation with sequestration's arbitrary and disproportionate cuts, cuts that need to be eliminated. However, we also believe that DOD can look at making the system much more efficient instead of simply shifting costs onto the beneficiaries. For example, there is no single point of responsibility for budgeting or delivery of DOD health care. The Defense Health Agency is a small step in the right direction, and the jury is still out on the projected savings. However, this fiscal year 2015 proposal does nothing to improve the benefit. It simply shifts DOD's cost onto the families and retirees because it's easier to do.

We have worked with this subcommittee and the House of Representatives counterparts for the past several years to put what we think are reasonable fee standards in law, including annual adjustments tied to the retiree pay COLA percentage. We have accepted mail order requirements in lieu of higher pharmacy co-pays. All of these changes we accepted will save DOD billions in the coming years and have slowed the growth of health care costs. Now we think it's time to develop management efficiencies that won't impact beneficiaries, access to care, or delivery of quality of care.

In closing, Secretary Hagel stated before the fiscal year 2015 budget release that "continuous piecemeal changes will only magnify uncertainty and doubt among our servicemembers about whether promised benefits will be there in the future." We couldn't agree more. Any changes to pay, compensation, and benefits to include health care should be looked at comprehensively, not piecemeal. Since the congressionally-directed MCRMC has been tasked

to take a holistic and comprehensive look at the entire compensation package and propose even broader reforms next year, these piecemeal budget-driven changes are even more inappropriate.

Finally, we believe the budget will require balance, but we are concerned that DOD is heading down a previous path, repeating some of the very same mistakes that led to significant retention problems the Nation experienced by the late 1990s. History shows comparability can't work unless it is sustained through both good times and bad budget times. We are still a Nation at war. Capping pay and forcing troops and their families to pay more for their housing, health care, and groceries sends the wrong message.

Thank you. I look forward to your questions.

[The prepared statement of Colonel Hayden follows:]

PREPARED STATEMENT BY THE MILITARY OFFICERS ASSOCIATION OF AMERICA

Madam Chairwoman and Ranking Member Graham, on behalf of over 380,000 members of the Military Officers Association of America (MOAA), we are grateful for this opportunity to express our views and appreciate the subcommittee for hosting this hearing on the fiscal year 2015 defense budget submission and the related personnel program proposals.

MOAA does not receive any grants or contracts from the Federal Government.

We are truly grateful for your unwavering commitment to men and women who defend our fine Nation.

We appreciate that Congress have given personnel issues top priority in the past decade. You have had difficult choices to make while bolstering a weak economy and addressing budget deficits. The past few years have been arduous, with our military winding down operations in Afghanistan and the Nation dealing with the effects of sequestration.

SEQUESTRATION

Sequestration was thought to be so harmful that it would have never come to pass. But it is a reality with DOD still taking a disproportionate share of the fix.

The Bipartisan Budget Act of 2013 mitigated the sequestration spending cuts for fiscal years 2014 and 2015. However, the original sequestration cuts of fiscal year 2016 thru 2021 remain in effect, continuing to place national security at risk.

This concern for readiness and national security was reinforced during Secretary Hagel's February 24, 2014, press conference outlining the fiscal year 2015 budget submission when he stated " ... the only way to implement sequestration is to sharply reduce spending on readiness and modernization, which would almost certainly result in a hollow force ... the resulting force would be too small to fully execute the President's defense strategy."

The Services have been forced to slash flying hours, cancel the deployment of ships, renegotiate critical procurement contracts, temporarily furlough civilian employees, and are in the process of reducing force structure by some 124,000 personnel.

As a result, sequestration caused the Pentagon to submit proposals in fiscal year 2014 that have started to reverse some of the needed pay and benefits fixes Congress put in place over the past decade—specifically, the military pay raise cap below the Employment Cost Index (ECI) of 1 percent, the lowest pay raise in 50 years and cutting the housing allowance.

The proposed fiscal year 2015 defense budget assumes some additional monies will be forthcoming to mitigate sequestration impacts. However, the budget proposes additional force reductions of over 78,000 personnel. If sequestration is not ended, additional force reductions will likely go deeper and training and modernization will be further impacted—to include putting our national security strategy at risk.

But what greatly concerns MOAA and should concern the subcommittee are the fiscal year 2015 budget submission proposals to "slow the growth" of personnel costs—a second year of capping the military pay raise below ECI with the possibility of four additional years, increasing out-of-pocket housing expenses for military families, significantly reducing commissary savings, and a consolidation of TRICARE plans which will have all beneficiaries except those in uniform paying more for their health care while eliminating access standards.

While debt reduction is a national priority, such a disproportional share of this burden must not be foisted on the backs of military families who already have sacrificed more for their country than any other segment of Americans.

Congress needs to end the harmful effects of sequestration by supporting a bipartisan debt reduction package that avoids disproportional penalties on the Pentagon and on servicemembers and their families.

MILITARY PERSONNEL AND HEALTHCARE OVERVIEW

The most important element to a strong national defense is sustaining a top-quality, All-Volunteer Force. This requires a pay and benefits package that is fundamentally different from those of the private sector in order to induce young men and women to wear the uniform for not only one term of enlistment, but also for two decades or more.

But military pay and benefits continue to come under attack. For many years, critics have claimed military personnel costs are "rising out of control" and, if left un-checked would "consume future defense budgets."

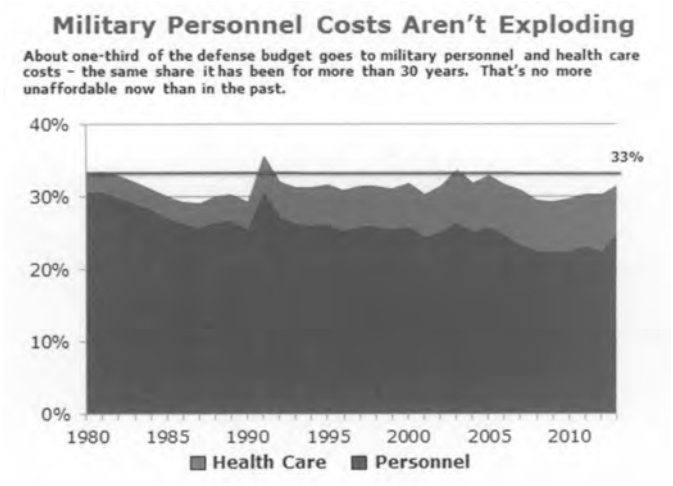
They've attacked pay, retirement, health care, and other military benefits in hopes of diverting funds to hardware or non-defense programs.

But time and some hard experiences have proven such claims wrong in the past—and they are still wrong today.

But with this year's budget rollout, defense leaders were suggesting cuts to pay, the housing allowance, the commissary, and health care stating spending on pay and benefits for service members has "risen about 40 percent more than growth in the private sector" since 2001.

In addition, late last year there have been other alarming statements on the glide path that personnel costs are on, such as: "by 2025 or so 98 cents of every dollar [will be] going for benefits."

The truth is the same one-third of the defense budget has gone to military personnel and health care costs for the last 33 years. That's no more unaffordable now than in the past.



THE FISCAL YEAR 2015 BUDGET

The fiscal year 2015 budget submission proposes several significant pay and benefit cuts which are inconsistent with the sacrifices exemplified by the last 12 years of war.

- Capping pay below the Employment Cost Index (ECI) for a second straight year (with more planned);
- Reducing Basic Allowance for Housing (BAH) by 5 percent, reversing DOD's own initiative to eliminate out-of-pocket housing cost completed in 2005;
- Reducing commissary savings for uniformed service families; and

- Restructuring the TRICARE benefit where active duty families and retiree beneficiaries will pay more for their health care.

The Pentagon is suggesting these cuts, in order to "slow the growth" of personnel costs stating personnel costs have "risen about 40 percent more than growth in the private sector" since the turn of the century.

But this is statement needs to be put in the proper context. Personnel cost growth has gone up at a rate greater than the private sector since 2000 . . . that's true. Since 2000, personnel and health care costs experience an average rate of growth of nearly 7.6 percent annually.

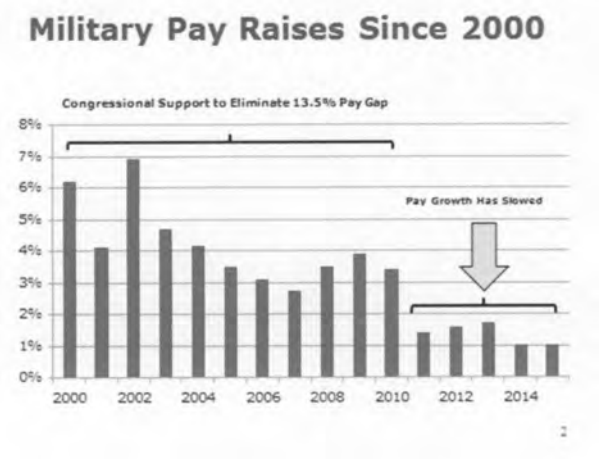
But using "2000" as the baseline without reflecting on the historical context is misleading—it implies that 2000 was an appropriate benchmark for estimating what reasonable personnel and healthcare spending should be—it's not.

Years of budget cutbacks led to a 13.5 percent pay gap, a 25 percent reduced retirement value for post-1986 entrants, a point where service members were paying nearly 20 percent out-of-pocket for their housing costs, and beneficiaries over 65 were completely thrown out of the military health care system.

In the late 1990s, retention was on the ropes, and Congress was being asked to correct these problems to prevent a readiness crisis.

Congress did so over the next decade restoring military pay comparability (slide to the left), repealing the retirement cuts, zeroing-out member out-of-pocket housing costs, and restoring promised health coverage for older retirees.

Cost growth since 2000–2001 was essential to keep the previous compensation cutbacks from breaking the career force.



Since 2011, personnel cost growth has already slowed to less than 2 percent per year.

The rate of military personnel and health cost change will only decline further in the out-years due to:

- Significant pharmacy copay increases which started last year (fiscal year 2013);
- Significant savings from requiring mandatory mail-order/military pharmacy refills of maintenance medications for Medicare-eligible beneficiaries starting this year;
- Savings associated with shrinking TRICARE Prime service areas;
- Significant reductions to end strength;
- Recent changes to the retirement system for new entrants; and
- Savings from sustaining pay with private sector pay growth (ECI) since 2011.

However, the proposals in this year's defense budget are a huge step backwards repeating many of the same bad habits during past drawdowns—cutting end strength, capping pay, and attacking benefits—that led to the difficult retention times of the late 1990s.

Past experience of capping military raises below private sector pay growth has proven that once pay raise caps begin, they continue until they undermine retention and readiness—and this is the second year of proposed pay caps with a possibility of four more.

One pay cap is a data point, two is a line, and three is a trend. Six years of planned caps is definitely a bad trend and does not bode well for the currently serving.

This proposal is not limited to pay. This "quadruple whammy" of capping pay, increasing out-of-pocket expenses for housing, slashing commissary savings, and having military families pay more for their health care, would be major steps backward on the road towards repeating the insidious measures which led to retention and readiness problems in the past.

Each may seem small by themselves . . . a pay cap of .8 percent. A 5 percent out-of-pocket housing cost. Copays for family off-post doctor visits. Reduced savings at the commissary.

However, the elimination of the $1 billion subsidy for the commissary benefit itself will reduce the purchasing power of a military family of four by nearly $3,000 annually.

When you add up the fiscal year 2014 and fiscal year 2015 pay caps, the proposed BAH reductions, the reductions in commissary savings, and the new TRICARE fee structure, an E–5's family of four would experience a loss of nearly $5,000 in purchasing power annually; and an O–3's family of four would experience a loss of nearly $6,000.

These are very conservative projections seeing that it only includes 2 years of pay caps and the new TRICARE consolidation/fees will be very dependent on a military family's access to an MTF and special needs.

TRICARE Consolidation

DOD again is proposing similar disproportionate pharmacy fee increases and a means-tested TFL enrollment fee as they did last year and in the past that thankfully Congress has rejected.

But it also includes a plan to consolidate the three major elements of TRICARE—Prime, standard, and extra—into what is being characterized as "streamlining" or "modernizing".

In this proposal currently serving families and retirees will pay more and get less. It retains the TRICARE prime enrollment fee by re-labeling it as a "participation" fee yet eliminates the one element that the enrollment fee assured . . . guaranteed access standards.

But even more disconcerting is that the proposed change includes fees where fees never existed before and provides no discernable value. For the first time, this proposal would have working-age retirees paying to be seen in the military treatment facilities.

The Pentagon proposal will have military families paying more for their health care when they have limited or no access to military facilities.

MOAA wants to make one thing clear. The military TRICARE benefit is by and large an excellent one.

But it has to be, in order to induce large numbers of top-quality people to accept the extraordinary demands and sacrifices inherent in a multi-decade military career.

Military people already pay much steeper premiums for health coverage than any civilian ever has or ever will.

Defense leaders say they'll keep faith with the currently serving on retirement reform, and would apply changes only to new entrants.

But if it's breaking faith to change the rules for someone with 10 years—or 1 year—of service, it's doubly so to impose new fees on military families who don't have access to the MTFs as well as imposing fees for use of the MTF on those who already completed 20 or 30, whether they'll retire next year or are already retired.

We believe DOD must look at making the system much more efficient instead of simply shifting costs. For example, there's still no single point of responsibility for budgeting or delivery of DOD health care.

DHA is a small step in the right direction and the jury is still out on projected savings; however, this fiscal year 2015 proposal does nothing to improve the benefit . . . it simply shifts DOD's costs onto the families and retirees, because it's easier.

We've worked with this subcommittee and the House counterpart for the past several years to put what we think are reasonable fee standards in law . . . including annual adjustments tied to the retired pay COLA percentage.

We've accepted mail-order requirements in lieu of higher pharmacy copays.

All of these changes we accepted will save DOD billions in the coming years and has slowed the growth of health care costs.

Now we think it's time to develop management efficiencies that won't impact beneficiary fees, access to care, or delivery of quality care and simply shift more of DOD's costs onto them.

SUMMARY

In closing, Secretary Hagel stated before the fiscal year 2015 budget release that, "Continuous piecemeal changes will only magnify uncertainty and doubts among our service members about whether promised benefits will be there in the future."

We couldn't agree more. Any changes to pay, compensation, and benefits, to include health care, should be looked at comprehensively—not in a piecemeal manner.

Since the congressionally-directed Military Compensation and Retirement Reform Commission has been tasked to take a holistic and comprehensive look at the entire compensation package, and propose broader reform proposals next year, these piecemeal, budget-driven changes are even more inappropriate.

What's needed is to sustain pay and benefits for the men and women in uniform and their families as well as those that have faithfully served two decades or more.

MOAA remains concerned that the Pentagon is heading down a previously taken path, repeating some of the very same mistakes that led to significant retention problems the Nation experienced by the late 90s and undoing the needed compensation improvements Congress has made since 2000 to match the extraordinary demands and sacrifices of military service and a military career.

History shows comparability can't work unless it's sustained through both good and bad budget times. We are still a nation at war – capping pay and forcing troops and their families to pay more for their housing, health care, and groceries sends the wrong message.

The most important element of a strong national security is the sustainment of a dedicated, top-quality mid-level noncommissioned officer and office force. These changes will significantly devalue the compensation and benefits needed to sustain those seasoned, trained, and talented troops and ultimately have a negative impact on recruiting, retention, and overall readiness.

Senator GILLIBRAND. Thank you.

Captain Hanson?

STATEMENT OF CAPT MARSHALL HANSON, USNR (RET.), DIRECTOR, LEGISLATIVE AND MILITARY POLICY, RESERVE OFFICERS ASSOCIATION

Captain HANSON. Thank you, Madam Chairwoman. I am Marshall Hanson. In addition to my legislative job at the ROA, I am also a co-chair for TMC's Guard and Reserve Committee. We appreciate the opportunity to testify this afternoon.

All of us have heard how the Army expects to reduce its numbers to below the manning levels prior to World War II. What is missing from this explanation is a back-up plan if DOD's strategy is wrong. Between 1924 and 1939, while the Active Army was small in size, the plan was to mobilize 1.3 million men within 4 months of any crisis. No such fallback plan exists today, placing the full onus onto the Reserve and National Guard to provide any surge.

While there is an increasing number of studies supporting the Reserve and Guard cost efficiencies, the Army is pushing back against the role of the Reserve Force. Using the Quadrennial Defense Review as a reference, the Army is now challenging how quickly the Reserve or Guard can be mobilized to respond to a crisis. Over the last 13 years, nearly 900,000 Reserve and Guard members have been mobilized.

TMC believes that the Nation needs to continue to use the Reserve components as an operational force and sustain this number as a surge capacity for unexpected contingencies. As DOD is willing to accept risks, as we heard this morning, the Reserve and Guard

are the only insurance policy. It is important to retain the combat experience of veterans in the Reserve component during a reduction in the total force. Cutting the Reserve and Guard, as well as the Active-Duty Forces, will make achieving readiness goals even more difficult.

This is why there needs to be caution before making compensation cuts to the Reserve Force. Compensation needs to keep pace with the Nation's ever-increasing reliance on the Reserve and the Guard. Yet DOD wants to reduce monthly reimbursement, has suggested changes to retirement, and cost increases for benefits.

If you calculate the number of days worked against current pay, the ratio for both Active and Reserve components are the same. Reducing monthly pay will drive away the best, as they can reap higher rewards elsewhere. Suggested changes to retirement will actually pay Reserve Force retirees less over their lifetime.

A fiscal year barrier exists, denying reservists a 90-day credit if their service crosses between 2 fiscal years. TMC supports S. 240 by Senators Tester, Chambliss, and Blumenthal to retroactively fix this problem in U.S. Code. TMC also advocates expanding the early retirement to the warriors who served since September 11, 2001. As many senior officers and enlisted are performing duty without pay, TMC also endorses crediting all inactive duty toward Reserve retirement.

Several years ago, DOD reassured beneficiary associations that TRICARE Reserve Select (TRS) would not be included in fee increases that DOD had requested. This year, however, if fees are increased, DOD leaders say they will be the same for TRS as it will be for TRICARE Standard beneficiaries. DOD views TRS not as a health program for Reserve and Guard, but as a health insurance option. Reserve Force members have proven themselves over the last 13 years and should have a health care program fit for warriors.

Undesirably, transitions between different military health care programs are not seamless. Serving members need to re-enroll at various points as they transition on and off Active Duty. This has caused many Reserve members to be uncertain about TRS. TMC supports an option to pay a stipend to employers during mobilization periods, permitting family members to continue on their civilian medical insurance.

For those reservists who are wounded or injured, many are not receiving the same disability rating as their Active Duty counterparts. If any warrior is asked to take a risk, their benefits should not be discounted, because no one is part-time in a war zone. Similarly, if they make the final sacrifice in the line of duty, Reserve and Guard surviving family members should receive the same level of survivor benefits as their Active Duty counterparts.

TMC looks forward to working with this subcommittee on these and other issues highlighted in the written testimony. I thank you. I await your questions.

[The prepared statement of Captain Hanson 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 and the Reserve Enlisted Association thank the committee for the opportunity to submit testimony on personnel issues affecting serving Active and Reserve members, retirees, their families, and survivors.

With less than 7 percent of the U.S. population ever having served and less than 1 percent of the population currently in uniform, the Reserve Forces provide a necessary link between the military and the civilian communities. The utilization of America's Reserve and National Guard during all phases of military operations is a fundamental enabler to properly gaining and sustaining the support of our citizens.

Both the Title 10 Reserve and the National Guard provide support to States during natural and man-made disasters, as well as provide homeland defense against foreign threats.

The Federal Reserve and the National Guard are integral contributors to our Nation's operational ability to defend itself, assist other countries in maintaining global peace, and fight against overseas threats. They are an integrated part of the Total Force, yet remain a surge capability as well.

ELIMINATING THE RESERVE GAP

After 13 years of war, Reserve Force members feel they have done their share as equal partners in the total force. Bolstered by comments such as "when you go into the combat theater, you can't tell the difference between Guard, Reserve, or Active-Duty member—which have been made by both congressional and Pentagon leadership—members of the Reserve Force feel they have contributed to the total All-Volunteer Force.

Congress and the American people in many cases do not recognize the incredible value of the Reserve Forces, overlooking the contributions that have been made, and the readiness factor that the Reserve Force provides. Sadly, the Reserve Force is often overlooked when legislation is written, leaving gaps in protections, benefits, and funding.

At 1.1 million serving members, the military's Reserve Force makes up 48 percent of the Armed Forces. During the last 13 years of war, the Pentagon has ordered nearly 900,000 call-ups from the Reserve and National Guard in support of the Total Force. The war couldn't have been fought without the Reserve Force.

Yet, a perception gap exists between the Active and Reserve components that has lead to the current clash between the Army and the National Guard. Recent comments by Army leadership suggested that the Army Reserve Force was assigned missions that required less sophisticated tactical planning, coordination, and execution that has been interpreted as casting the Army Reserve Component, in particular the Guard, as a second-rate fighting force. This is insulting and shocking to a generation of Guard and Reserve warriors who thought Army leaders valued their service.

Starting from the top with Army Chief of Staff Ray Odierno, Army active duty leadership have argued that Reserve Force troops who train part-time are ill-prepared to quickly mobilize for missions that are reactive to crises and rapidly emergent threats.

The Reserve component leadership, on the other hand, wants their components to be considered equally vital and used more operationally. Active Duty leadership sees vulnerability in an availability cycle that is "mobilize, train, and deploy." Reserve leadership supports a cycle of "train, mobilize, and deploy" to improve mobilization readiness. These differences in view are based on available resources and willingness to invest in advance on the training.

DOD directive 1235.10 states that "Predictability of the Reserve component forces is maximized through the use of defined operational cycles and utilizing force generation plans to provide advanced notification that allows the implementation of the train-mobilize-deploy model."

Advance notification is becoming a stumbling block. Last year's National Defense Authorization Act (NDAA) requires a minimum 120-day notification prior to deployment and a minimum 180-day notification prior to cancellation of deployment for the operational Reserves. This causes the active duty leadership to prefer Active-Duty Forces over Reserve Forces for deployment because of greater flexibility.

The Active Navy views their Reserve as an augmentation force. The Navy Reserve has declined in size by nearly 63 percent since the end of the Cold War. Today,

there are fewer units with specific fleet missions or operational responsibilities. Expeditionary missions that were developed within the Navy Reserve were taken over by the Active Force. With the end of the Iraq War and the draw down in Afghanistan, the U.S. Navy is reducing the size of the supporting Navy Reserve Expeditionary Force. Thirteen years of war merely delayed the active duty plans to reduce the Reserve Seabee battalions with the Navy announcing a 45 percent reduction in Navy Reserve construction forces.

The Air Force is perhaps the most integrated service. It acknowledges that traditional guardsmen and reservists in the Air Force dedicate themselves fully to their service's core principles and ideals, and the Reserve components cannot be a traditional strategic Reserve Force, but there is still a separate but "equal" status between the components. Unlike other Services, the Air Force components don't have to necessarily train together. Associate units exist but not necessarily with integrated crews. Parallel commands, missions and administration continue despite common use of equipment.

The National Commission on the Restructuring of the Air Force found that barriers remain between the Active and Reserve components in the Air Force. "Some of those barriers are contained in law, but others reside solely in service policy, tradition, and culture."

The report points out that "the Air Force must embrace the idea that service in the Reserve components does not constitute 'separation' or 'getting out of the Air Force,' but rather is a way for airmen to continue to serve and for the Nation to maintain capability and preserve its investment in highly trained and dedicated people."

The Coast Guard Reserve has been embedded into the active Coast Guard since the mid-1990s. During the war it was undermanned at 8,100, but met mission requirements both in war overseas and domestically during natural and manmade disasters. Budget constraints have required the active duty leadership to transfer about 1,000 of the authorized end strength into the non-paid Individual Ready Reserve.

Also, at issue for all Reserve components is training to service standards. Reserve and Guard members need to be trained and equipped to the standards expected of the Active Force, to do otherwise, will leave the United States a military that is ill-prepared to meet future challenges.

However, the risk continues to exist where Defense planners may be tempted to put the Federal Reserve and the National Guard back on the shelf, by providing them "hand me down" outmoded equipment and by underfunding training.

This committee need not be reminded about the 2010 study "The Independent Panel Review of Reserve Component Employment in an Era of Persistent Conflict," written by Gen. Dennis J. Reimer, LTG Roger C. Schultz, and LTG James R. Helmly, all retired. Also known as the Reimer report, it says that Reserve Forces must be "consistent and sustained over time instead of the past paradigm of fight-win-demobilize-return to garrison and subsequently mobilize for another conflict—at huge cost in people and money."

Requested Action:

- Include the Reserve Force in legislation protecting serving members.
- Recognize the Title 10 Reserves as well as the National Guard in bills and press releases.
- Provide funding for family, health care and veteran support for Reserve Force members:
    - Family Support Programs for families of serving Reserve and Guard members.
    - Mental and behavioral health care for pre- and post-activation periods.
    - Military and Veteran Health coverage in remote locations.
- Restore Reserve Force education parity to Active Duty:
    - Begin eligibility when the service member elects to use the program the first time.
        - Extend eligibility to 10 years following enrollment.
    - Increase MGIB-Selected Reserve to 47 percent of MGIB-Active of $1,564 per month.
    - Include 4 year as well as 6-year reenlistment contracts to qualify for MGIB-SR.
    - Allow use of the MGIB benefit to pay off student loans.
    - Continue eligibility for up to 10 years after separation from the Selected Reserves.

Recent studies by both the Reserve Forces Policy Board and by DOD has found that a Reserve component member costs the Department of Defense (DOD) 31 percent of the cost of his or her Active duty counterpart over the life cycle of the warrior.

ECONOMIC ARGUMENT

The Reimer report included many common-sense ideas for maintaining what is arguably the most cost-effective part of the military.

The National Commission on the structure of the Air Force report echoes the Reserve as the cost saving component: The "Part-time" force structure—that capability delivered by traditional reservists and guardsmen who do not serve continuously on active duty—costs less than the force structure provided by "full-time personnel ... Based on the record before the Commission, and subject to all the caveats set out [in the report], the Commission determined that the cost of a traditional reservist, who is not performing active duty missions during a year, is approximately 1/6th the cost of a full-time Active component airman."

While the Reserve Force Policy Board (RFBP) calculated different savings, it came to the same conclusion: "The cost of a Reserve component servicemember, when not activated, is less than one third that of their Active component counterpart," reported the RFPB to the Secretary of Defense in January 2013. "According to RFPB analysis of the fiscal year 2013 budget request, the Reserve component per capita cost ranges from 22 percent to 32 percent of their Active component counterparts' per capita costs, depending on which cost elements are included. While Reserve component forces account for 39 percent of military end strength, they consume only about 16 percent of the Defense budget."

Even DOD's internal Cape Report concludes that Reserve and Guard troops are not only cheaper when in drilling status but also when fully mobilized, in part because their overall compensation is lower when taking into account noncash benefits such as retirement accrual and health care. Additionally, the overhead cost overall for reservists are lower because part-time troops do not tap into many military perks such as family housing, DOD schools, military base family support and permanent change of station moving allowances while active-duty troops move every few years when they are reassigned.

With so many studies supporting the life-cycle saving if DOD better utilized the Reserve component, the Active component leadership is now pushing back, using the Quadrennial Defense Review (QDR) as their reference. DOD is challenging how quickly the Reserve Force can be mobilized during a crisis, and emphasizing that conducting operations with Reserve component forces is not always less expensive than doing so with Active component forces.

An example of the latter is Gen. G. Michael Hostage, III, Commander Air Combat Command, who while acknowledging the need to operationalize reservists in order to maintain dwell cycles for the active duty, stressed that in order to activate a reservists, he would have to have a 270-day call-up in order to gain 180 days of operational support.

General Martin E. Dempsey noted in the 2014 QDR that "since time is a defining factor in the commitment of land forces, I strongly recommend a comprehensive review of the Nation's ability to mobilize its existing Reserves as well as its preparedness for the potential of national mobilization."

The Active component wants to return to the days of round-out units (strategic reserve). No one argues that Active Duty units will not always be the first responders, but Reserve Force units if properly trained and equipped are perfectly capable for follow-on operations or during a long conflict.

Rather than be limited by historical thinking, and parochial protections, creative approaches should be explored. The Reserve component needs to continue in an operational capacity because of cost efficiency and added value. Civilian skill sets add to the value of the individual Reserve component serving member.

A common sense balance between Active and Reserve components is needed; as the American people are unwilling to pay for an Active Army large enough to meet all of Nations defense responsibilities by itself. If we don't take care of the Guard and Reserve, we'll have no "safety net" for the next fight.

At a time when the Pentagon and Congress are examining our Nation's security, it would be incorrect to discount the Reserve components' abilities and cost efficiencies. Instead, these part-time warriors provide a cost savings solution and an area to retain competencies for missions not directly embodied in the administration's strategic guidance policy.

ROA and REA support changes to U.S. Code to require DOD to use a costing methodology based on a true fully-burdened and life-cycle costing."

In the Hamilton Project report—"National Defense in a Time of Change", authors ADM Gary Roughhead, U.S. Navy (Ret.) and Kori Schake recommend that "we must redesign our forces and budget to our strategy, and not to equal service share between branches . . . . Putting more of the responsibilities for ground combat into the combat-proven Reserve component is both consistent with the new demands of the evolving international order and justified by the superb performance of National Guard and Reserve units in our recent wars." The study authors suggested that while Congress should reduce the Army, "the [R]eserve and National Guard units would be increased by 100,000 and would have the principal mission of arriving in a mature theater for sustained combat."

PROVIDE AND EXECUTE AN ADEQUATE NATIONAL SECURITY

The Reserve Officers Association is chartered by Congress "to support and promote the development and execution of a military policy for the United States that will provide adequate national security." The Nation must have adequate military force structure, training, and equipment to defeat any known or emerging military force that could be used against us.

Requested Action

- Hold congressional hearings on the budget implications of the policy "Sustaining U.S. Global Leadership: Priorities for the 21st Century Defense."
- Reconcile the budget in order to end the Defense Sequestration budget cuts.
- Study the impact of manpower cuts to Army and Marine Corps on National Security.
- Avoid parity cuts of both Active and Reserve components without analyzing rebalance.
- Maintain a robust and versatile All-Volunteer Armed Forces that can accomplish its mission to defend the homeland and U.S. national security interests overseas.

ROA and REA question the current spending priorities that place more importance on the immediate future, rather than first doing a short- and long-term threat analysis. The result of such a budget-centric policy could again lead to a hollow force whose readiness and effectiveness is degraded, because of suggested changes to compensation and benefits.

ROA and REA are concerned that as the Pentagon strives to achieve the administration's goals for this new strategic policy, it is not seriously considering the available assets and cost efficiencies of the Reserve component, and that it instead views the Reserve and National Guard as a bill payer. Congress, starting with the leadership of this subcommittee, should insist on a methodical analysis of suggested reductions in missions and bases before authorizing such changes.

This lack of understanding about the contributions of the Reserve component can handicap strategy planning and the budget process, as discussions occur in both Congress and the Pentagon on how to reduce the budget and the deficit.

The Reserve and National Guard should also be viewed as a repository for missions and equipment that aren't addressed in the administration's new Strategic Policy. They can sustain special capabilities not normally needed in peacetime.

To maintain a strong, relevant, and responsive Reserve Force, the Nation must commit the resources necessary to do so. Reserve strength is predicated on assuring the necessary resources— funding for personnel and training, equipment reconstitution, and horizontal fielding of new technology to the Reserve component, coupled with defining roles and missions to achieve a strategic/operational reserve balance.

National Guard and Reserve Equipment Allowance (NGREA)

The Reserve and National Guard are faced with ongoing challenges on how to replace worn out equipment, equipment lost due to combat operations and legacy equipment that is becoming irrelevant or obsolete. The National Guard and Reserve Equipment Allowance provide critical funds to the Reserve Chiefs and National Guard Directors to improve readiness throughout procurement of new and modernized equipment. Continued receipt of NGREA and congressionally added funding will allow the Reserve components to continue to close the Active/Reserve component modernization and interoperability gap.

ADDITIONAL FUNDING FOR RESERVE COMPONENT SUPPORT PROGRAMS

While Reserve components have worked closely with their parent services to develop seamless, integrated family readiness and support programs to provide infor-

mation and services to all members, support differs between the Active and Reserve components.

Family Support

Family readiness centers are located on military bases, but unfortunately few Reserve units are located near such bases. It is more likely for spouse and dependents to move to families for support rather than onto active military locations. Additionally, active units have developed internal family support networks. These are not as easy to maintain in the Reserve and Guard as member families are scattered throughout the civilian community. The most common support for Reserve Force families is online at such websites as Military OneSource.

Reserve Force members face unique challenges balancing military service with civilian life. Unlike active duty members of the Armed Forces, they juggle the demands of both military and civilian jobs. Their families often live where there is less community support available to them than active duty military families who can share issues and concerns with people dealing with the same challenges.

Many in Congress and in the Pentagon overlook the challenges faced by Reserve families. The 2004 Quadrennial Quality of Life Review noted, from a spouse survey, that more than 60 percent of Reserve component spouses had 2 weeks or less notification before activation. The spouses indicated they needed time during pre-activation to resolve dependent care, legal, health coverage, and financial issues. Due to limited support, marital problems for the Reserve components have increased from 37 percent in 2006 to 44 percent in 2008.

A child of an active duty military family whose parent is deployed often has several friends with military parents, whereas a reservist's child may be the only one in his or her school with a parent who is deployed. ROA is working up a school kit to explain to teachers about the stresses faced by children of Reserve or Guard members who are deployed.

Mental Health

A team of Medill students found significant gaps between the health care and support for the Reserve and National Guards members who have fought in Iraq and Afghanistan and their active-duty counterparts. Many Reserve Force members have been hastily channeled through a post-deployment process that has been plagued with difficulties, including reliance on self-reporting to identify health problems. They report higher rates of some mental health problems and related ills than active-duty troops. The students' 2011 research suggest that attempts by Congress, the military and private contractors to address the problems have been uncoordinated and often ineffective.

A study by Marian E. Lane, Ph.D. found rates of post-traumatic stress disorder (PTSD) and suicidal ideation were significantly higher in the deployed reservists compared to deployed active-duty personnel. Lane believes that reservists may react more extremely to the anxiety of potential deployment than active-duty personnel because they are somewhat removed from the daily stresses of military action. One size treatment doesn't fit all; providing services and interventions tailored to reservists will better facilitate the successful return and reintegration of servicemembers experiencing post-deployment mental health issues.

Reservists lack access to the system or networks that are needed to assess and treat their injuries. After brief demobilization assessments, Reserve troops return home and must navigate disparate health-care and support providers. This is further complicated by distances between Reserve Force members and the military health and behavior provider networks.

Education

The Reserve Force education allowance is woefully inadequate, at less that 23 percent of the Active Duty MGIB (Chapter 30) and 11.5 percent of the new Post-9/11 GI Bill tuition and allowances. Most selected reservists (which include National Guard as well as Reserve members) don't apply, because they are unable to take advantage of the education benefit while performing their Reserve duties. Based on their service in the global war on terrorism at home and abroad, today's military reservists deserve enhancements to their eligibility under the MGIB for Selected Reserves.

In 2008, amendments to U.S. Code, chapter 1606 made the Montgomery GI Bill for Selected reservists in a drill status even more restrictive. The only education program is offered to traditional reservists after their initial active duty obligation, when they reenlist is for a period of 6 years. Eligibility ends when the individual is separated from the Selected Reserve, either upon completion of their reenlistment, upon retirement, or when transferred out of a pay status.

Where servicemembers once had up to 14 years to use their MGIB–SR benefits from the time they became eligible, such language has been stricken. Eligibility for these benefits now only lasts until the reservist or guardsman stops drilling. An exception is if a reservist stops drilling after being activated, he or she may switch back to Chapter 1606 for a period equaling the length of deployment plus 4 months. Active Duty recipients have 10 years after separation to use their benefits.

RESERVE LIFE

Reserve and Guard members have provided unprecedented service and sacrifice for the past decade. Congress should make a commitment to them to provide lifelong support for them through career growth, civilian employment, seamless health care, family support and deferred compensation that has been promised to them upon retirement. This will be an incentive to continue to serve.

This will require a seamless continuity of military healthcare, supported by TRICARE; and an accumulative documentation of both Active and Reserve active duty service, published on a single DOD form, rather than a series of Certificate(s) of Release or Discharge from Active Duty (DD Form 214), whenever someone leaves active duty.

Reserve Life Issues supported by the Reserve Officers and Reserve Enlisted Associations include:

Changes to retention policies:

- Permit service beyond current mandatory retirement limitations.
- Eliminate the fiscal year barrier, permitting the accumulation of active service between 2 years.
- Retain serving members for skill sets, even when passed over for promotion.
- Support incentives for affiliation, reenlistment, retention, and continuation in the Reserve component.
- Advocate against cuts in Reserve component; support Reserve commissioning programs
- Reauthorize yellow ribbon program to support demobilized Guard and Reserve members.

Pay and Compensation:

- Reject recommendations by The 11th Quadrennial Review of Military Compensation to reduce Reserve component pay for monthly inactive duty training in half.
- 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.
- Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, and Diving Special Duty Pay.
- Simplify the Reserve duty order system without compromising drill compensation.

Spouse Support:

- Expand eligibility of surviving spouses to receive Survivor Benefit Plan (SBP)-Dependency Indemnity Clause (DIC) payments with no offset.
- 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.
- Change U.S. Code to eliminate the fiscal year barrier toward full credit toward early retirement.
- 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.
- Continue to protect and sustain existing retirement benefits for currently retired.

Continuity of Health Care

REA and ROA support improving health care continuity to all drilling reservists and their families. While Transitional Assistance Management Program (TAMP) TRICARE and TRICARE Reserve Select (TRS) are good first steps, TRICARE is neither universally accepted nor accessible to everyone entitled.

Recent DOD policies on mobilization frequency of the Reserve and National Guard members set a goal of 1 year out of 5. This will make continuity of health care even more important to Reserve component members.

Requested Actions:

- Make Tricare Reserve Select a standalone health care program by:
  - Decoupling it from any changes made to Tricare Standard; and
  - Requiring members to opt out rather than enroll in.
- Continue to improve health care continuity to all drilling reservists and their families by:
  - providing individuals an option of DOD paying a stipend toward employer's health care,
  - extending TRS coverage to mobilization ready IRR members; levels of subsidy would vary for different levels of readiness,
  - allowing demobilized retirees, and reservists involuntarily returning to IRR to qualify for subsidized TRS coverage,
  - allowing demobilized Federal employees the option of TRS coverage.
  - Fund restorative dental care prior to mobilization.
  - Request a GAO Review of TRR premiums which currently do not support a continuity of healthcare.

Reserve and Guard members experience problems when moving from their civilian health care to TRICARE while being deployed. They frequently must change physicians, which is extremely stressful for family members who require continuing care, such as a pregnant spouse or a family member who requires special care. Members and their families can also experience problems when returning to private healthcare insurance from TRICARE if there is a condition which began while in the TRICARE system.

Additionally, REA and ROA view the military health care provided to retirees as an earned benefit. This is also a deferred incentive that encourages both Active and Reserve members to be retained. REA and REA cannot support recommended fee increases and the relabeling of the military health program. DOD health care inefficiencies and wartime expenses should not be a financial burden placed on these retirees. ROA and REA are grateful to Congress for the passage of TRICARE Standard coverage for gray-area reservists but hope that the Armed Services Committees can request a review of premium levels.

A SECOND LOOK AT BASE REALIGNMENT AND CLOSURE

Reports have surfaced that the Pentagon has authority (10 U.S.C. Section 2687) to close bases domestically, as archaic laws remain on the books providing DOD with authority to close facilities without congressional approval. This authority only requires notification. Both the Army and the Air Force say that without further infrastructure that budget reduction would require deeper end strength cut, reduced readiness, and reductions in weapons procurement.

To oversee the process, Congress must maintain control; the most effective tool is Base REalignment and Closure (BRAC). The BRAC process reduces political influences with the establishment of an independent panel, and an up or down approval of the commission's recommendations by Congress.

Requested Action:

- Limit any BRAC to base closures where expenses will be covered by savings within the first 5 years.
- Set a goal to maintain a Title 10 military presence in every State.
- Study overseas basing and relocation within the United States before determining excess domestic infrastructure.
- Do not use Reserve and Guard installations to be the bill payers to keep active facilities open.
- Update bonuses and travel allowances for Reserve Force personnel displaced by future BRAC decisions.
- Provide Reserve Transition Incentives to offset the penalty of earlier retirement. Include the cost of allowances and incentives in calculation of overall BRAC expenses.

Any future round of BRAC must include force realignment analysis to take into account future integration of Reserve and Active duty units, as the elimination of parallel unit structures may give reason for consolidation of infrastructure.

CONCLUSION

ROA and REA restate our profound gratitude for the bipartisan success achieved by this committee by improving parity on pay, compensation and benefits between the Active and Reserve components. The challenges being faced with proposed budget cuts and sequestration are going to make this committee's job that much harder.

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

Senator GILLIBRAND. Thank you.

Mrs. Moakler?

STATEMENT OF KATHLEEN B. MOAKLER, GOVERNMENT RELATIONS DIRECTOR, NATIONAL MILITARY FAMILY ASSOCIATION

Ms. MOAKLER. Good afternoon, Madam Chairwoman. I am Kathleen Moakler, Government Relations Director of the NMFA and a proud military family member. I also co-chair two committees for TMC.

Thank you for allowing me to speak to you on behalf of military families this afternoon, and thank you for your eloquent words about military families in your comments before the first panel this morning. My statement will reinforce your words.

While some families still have loved ones deployed, many families felt the hardships were over for a while. For 13 years, they have experienced repeated deployments, worried about a loved one in harm's way, parented on their own, and put their lives on hold year after year. They know this is what their servicemember had signed up for, but they also felt their government was there to support them, to have their backs, and had provided them the tools they needed to get through it, many provided by this subcommittee.

Servicemembers and their families have kept trust with America through over 13 years of war. Unfortunately, that trust is being tested. Recent national fiscal challenges have left military families confused and concerned about whether the resources contributing to their strength, resilience, and readiness will remain available to support them. We know that looming cuts mandated by sequestration threaten these programs and services they rely on.

The administration's proposals to cut pay increases, reduce housing allowances, eliminate commissary savings, and increase health care costs, all at the same time, pose significant risk to the financial well-being of military families.

We ask Congress to oppose shifting health care costs to Active Duty family members. The proposed consolidated TRICARE health plan would create a barrier to accessing care by making military families pay more when they need to see a doctor outside the military hospital or clinic.

We have been successful over the past few years in reducing the stigma associated with military families seeking behavioral health counseling. Because of the shortage of military behavioral health providers and the appropriate focus on first providing care to the servicemember in the MTF, our families often have no choice but to seek counseling outside the military hospital. Special needs fam-

ilies face the same limited choices for most of their specialty care. Let's not prevent military families from seeking the help they need because they have to pay out-of-pocket.

Military families tell us they rely heavily on the commissary savings and appreciate the good deal they get. We believe that the 30 percent savings available to military families who regularly shop at the commissary is an important part of compensation. In 2013, for every dollar spent from appropriations, military families realized $2 in savings. Why are we messing with a successful system?

We repeat and reiterate what we told this subcommittee last year. We need Congress to end sequestration once and for all, which places a disproportionate burden on our Nation's military to reduce the deficit.

We also want to speak for those who have been affected the most by these past years of war. We ask you to correct inequities in survivor benefits by eliminating the Dependency Indemnity Corporation (DIC) offset to the survivor benefit plan. We agree with the recommendations of the 11th Quadrennial Review to ensure Survivor Benefits Plan (SBP) annuities for the family of a reservist who dies while performing Active Duty training are calculated using the same criteria as for a member who dies while on Active Duty.

Servicemembers and their families must be assured that our Nation will provide continued, unwavering support to the wounded, ill, and injured. This support must also include programs and services that help military caregivers, typically spouses or parents, successfully navigate their new role. Please continue to support these important resources and ensure that the resources adapt as the needs of these families change.

In order to keep the trust of military families, the Nation must keep its promises. Reject budget proposals that threaten military family financial stability as a way to save money for the government. Military families continue to do their part to ensure the readiness of our fighting force. We ask the Nation to do their part in providing for the readiness of military families. Our highest priority, as is yours, is a ready force.

Thank you. I await your questions.

[The prepared statement of Ms. Moakler follows:]

PREPARED STATEMENT BY THE NATIONAL MILITARY FAMILY ASSOCIATION

Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of the subcommittee, the National Military Family Association thanks you for the opportunity to present testimony concerning the quality of life of military families—the Nation's families. After more than 13 years of war, we continue to see the impact of repeated deployments and separations on our servicemembers and their families. We appreciate the Personnel Subcommittee's recognition of the service and sacrifice of these families. Your response through legislation to the ever-changing need for support has resulted in programs and policies that have helped sustain our families through these difficult times.

We also appreciate the creation by Congress of the Military Compensation and Retirement Modernization Commission. We feel it is imperative that its charter be honored. It was formed to examine the entirety of the military compensation system. We have provided input to the Commission on issues important to military families and suggested alternatives that could enable the Department of Defense (DOD) to provide benefits and family support services more effectively. We are not opposed to changes in the compensation system if they are made after thoughtful research and consultation and careful study about how the changes in individual elements of the system affect the whole. A piecemeal approach will not work. We expect the

commission process to be respected and the recommendations thoughtfully considered in consultation with all the stakeholders.

We endorse the recommendations contained in the statement submitted by The Military Coalition on personnel issues and health care. We have chosen to focus our statement on issues affecting current servicemembers and their families.

EXECUTIVE SUMMARY

The U.S. military is the most capable fighting force in the world. Over more than a decade of war, servicemembers and their families never failed to answer the call, gladly sacrificing in order to protect our Nation. They made these sacrifices trusting that our government would provide them with resources to keep them ready. Recent national fiscal challenges have left military families confused and concerned about whether the programs, resources, and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. DOD must provide the level of programs and resources to meet this standard. Sequestration weakens its ability to do so. Servicemembers and their families have kept trust with America, through over 13 years of war, with multiple deployments and separations. Unfortunately, that trust is being tested. The fiscal year 2015 budget proposal put forward by the administration will undermine military family readiness in fundamental ways, by cutting families' purchasing power and forcing them to bear more of their health care costs. At the same time, looming cuts mandated by sequestration threaten the programs and services they rely on for support. Our Association makes the recommendations in this statement in the name of supporting the readiness of military families and maintaining the effectiveness of the All-Volunteer Force. We ask the Nation to keep the trust with military families and not try to balance budget shortfalls from the pockets of those who serve.

We ask Congress to:

Let the Military Compensation and Retirement Modernization Commission (MCRMC) do its job in evaluating compensation, including health care, Basic Allowance for Housing (BAH), and commissaries, holistically.

As you evaluate the proposals submitted by DOD, we ask you to consider the cumulative impact on military families' purchasing power and financial well-being, as well as their effects on the morale and readiness of the All-Volunteer Force now and in the future. We ask you to:

- reject budget proposals that threaten military family financial well-being as a way to save money for the government.
- keep military pay commensurate with service and aligned with private sector wages.
- oppose shifting health care costs to active duty family members. We especially ask you to oppose any TRICARE change that will create a barrier to military families' access to behavioral health care.
- protect the 30 percent savings military families receive when shopping at the commissary by continuing the annual appropriation to support the system at its current level. Commissaries are part of compensation and provide important savings for military families.
- ask DOD how the reduction in BAH payments will impact the contracts that have been negotiated with the privatized housing contractors. Will this result in fewer services, reduced maintenance or families paying over and above their BAH for their privatized housing?

We especially ask Congress to end sequestration, which places a disproportionate burden on our Nation's military to reduce the deficit.

We have addressed the immediate and long-term impacts of the proposed fiscal year 2015 budget on military families. Our Association also asks Congress to make improving and sustaining the programs and resources necessary to keep military families ready a national priority. We ask Congress to:

- Provide oversight to ensure DOD and the individual Services are supporting families of all components by meeting the standards for deployment support, reintegration, financial readiness, and family health in Department of Defense Instruction (DODI) 1342.22. Fund appropriately at all levels. Special attention needs to be paid to the flexibility for surge capabilities.
- Join with DOD to help civilian communities realize their role in supporting servicemembers and families is ongoing, even as servicemembers transition to veteran status.
- Continue funding the Yellow Ribbon program and stress the need for greater coordination of resources supporting Reserve component families.

• Ensure families of all seven Uniformed Services have timely access to high quality, affordable health care and a robust TRICARE benefit including preventive health care services.
• Instruct DOD to ensure future TRICARE policy changes are thoroughly analyzed before being implemented with the impact on beneficiary access to the medical standard of care as a top consideration.
• Ensure military families' access to the medical and non-medical counseling they need to recover from the stress of long years of war.
• Ensure TRICARE makes the process for accessing specialty care more flexible and streamlined to address the unique aspects of military life without having families pay more out-of-pocket.
• Instruct TRICARE to enhance the Extended Care Health Option (ECHO) program's utility to military families by ensuring it covers the products and services families need. Extend ECHO eligibility for 1 year following separation to provide more time for families to obtain services in their communities or through employer-sponsored insurance.
• Continue funding DOD's Spouse Education & Career Opportunities (SECO) programs. Make military spouse preferences and hiring authorities non-discretionary. Expand outreach and eligibility for the My Career Advancement Account (MyCAA) to spouses of all of the Uniformed Services to facilitate better utilization and access.
• Ensure adequate funding for military child care programs, including child care fee assistance programs.
• Ensure appropriate and timely funding of Impact Aid through the Department of Education (DoEd) and restore funds to the Impact Aid Federal properties program.
• Continue to authorize DOD Impact Aid for schools educating large numbers of military children and restore full funding to Department of Defense Education Activity (DODEA) schools and the DODEA Grant Program.
• Help families in crisis by funding ongoing tracking of military family suicides. Ensure Family Advocacy programs are funded and resourced appropriately to help families heal and aid in the prevention of child and domestic abuse.
• Correct inequities in Survivor benefits by eliminating the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP); allowing payment of the SBP annuity into a Special Needs Trust to preserve disabled beneficiaries' eligibility for income based support programs; and ensuring SBP annuities for a reservist who dies while performing active duty training are calculated using the same criteria as for a member who dies while on active duty.
• Ensure better cooperation and accountability between DOD and the Department of Veterans Affairs (VA) at the highest levels in the support of transitioning wounded, ill, and injured servicemembers and caregivers. The lack of a seamless transition between agencies still exists and must be corrected.
• Exempt the Special Compensation for Assistance with Activities of Daily Living (SCAADL) from income taxes, enhance marketing of SCAADL to the eligible population, and add an electronic application process to reduce the burden of completing SCAADL paperwork.
• Encourage DOD and the VA to develop a solution to continue in-vitro fertilization (IVF) coverage for veterans and military retirees facing service connected infertility.
• Require DOD and VA to regularly assess the unmet needs of caregivers and develop programs to address their evolving requirements.

KEEPING THE TRUST OF MILITARY FAMILIES

America's All-Volunteer Force is the most capable fighting force in the world. Over more than a decade of war, servicemembers and their families have heroically answered our Nation's call to serve. Their sacrifice—of life, limb, and family—is offered selflessly, trusting in the steadfastness of our government to provide for their readiness and the needs of their families.

Many military families feel their sacrifices go unnoticed by civilian society, which is consumed with domestic concerns such as the economy and unemployment. Military families share those concerns. But they also feel the Nation is forgetting the price they alone have paid in 13 long years of war.

Trust in government is essential to the long term viability of the All-Volunteer Force. That trust is reinforced through the predictability, efficiency and fairness of

compensation and benefits. Since 2006, throughout the wars in Iraq and Afghanistan, the administration has proposed various benefit "reforms," mostly in health care, which would have increased the financial burden of those who have served. The changes proposed in the fiscal year 2015 budget, coupled with the arbitrary reductions forced by sequestration, undermine the trust military families have in the government's commitment to support the All-Volunteer Force over the long term. This is a price the Nation cannot afford to pay.

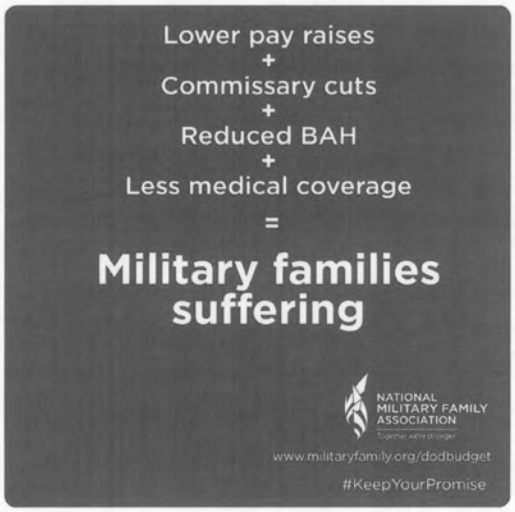
Moreover, the administration's proposals to cut pay increases, reduce housing allowances, eliminate commissary savings, and increase health care costs pose significant risk to the financial well-being of military families. Congress must resist these changes.

The forthcoming report of the Military Compensation and Retirement Modernization Commission (MCRMC) should become a catalyst for a broad discussion of military compensation and benefits for future generations. Taxing those currently serving, and those who have served, in order to finance other priorities, is wrong headed and unacceptable to military families. We ask Congress to honor its commitment to military families and not to balance budget shortfalls on the backs of those who serve.

> "The All-Volunteer Force is comprised of people who trust—they trust that we will treat them with dignity, respect, and due regard for their overall well-being. This trust is priceless. This trust puts in place the greatest weapons system we can provide the sailors of the U.S. Navy. That weapons system is called unit morale."—Master Chief Petty Officer of the Navy (MCPON) Mike Stevens

THE ADMINISTRATION BUDGET PROPOSAL: A DISASTER FOR MILITARY FAMILY POCKETBOOKS

The administration's budget proposal has only added to the growing sense of frustration in the military community. Military families are financially savvy. They are doing the math and feel they are shouldering the burden for balancing the budget when they've shouldered the entire burden of the last 13 years of war.



Pay Raise

For the second year in a row, the administration is proposing a pay increase of only 1 percent, below the level of private sector wage increases. The Employment Cost Index (ECI) was chosen as the standard for active duty pay raises in order to recruit and retain the quality of servicemembers needed to sustain the All-Volunteer Force. What's changed?

We ask Congress to keep military pay commensurate with service and aligned with private sector wage increases.

Basic Allowance for Housing

Under the administration proposal, servicemembers will receive 95 percent of the Basic Allowance for Housing (BAH) for their rank and location resulting in greater out of pocket housing costs. This "slowed growth" of the BAH will affect families whether they rent or own their own home. We appreciate the lower BAH will not affect a military family until their next duty assignment, but are concerned about the long-term impact on families' ability to find and pay for appropriate housing.

BAH is paid at a with-dependent or without-dependent rate and varies based on the servicemember's rank and the rental and utility costs for housing within a reasonable commuting distance of where the servicemember is assigned.

What will be the effects of lower BAH rates on privatized housing? Right now, the rent for privatized housing is tied to the BAH rate for each rank. Privatized housing has been a good deal for the government and for military families. If the amount paid to the contractors is reduced, what will that mean in terms of maintenance and renovation down the road? Would military families be responsible to pay the difference between rent and BAH?

> Please ask DOD how the reduction in Basic Allowance for Housing (BAH) payments will impact the contracts that have been negotiated with the privatized housing contractors. Will this result in fewer services, reduced maintenance, or families paying over and above their BAH for their privatized housing?

Commissaries

Our Association believes that the 30 percent savings available to military families who regularly shop at the commissary is an important part of compensation. Reengineering the way the commissary does business by reducing the appropriation and thus raising prices wreaks havoc with a system that has been recognized as a model of efficiency. In 2011, the commissary saved customers more than $2.79 billion,[1] with a cost to DOD of only $1.34 billion. In 2013, the commissary continued to provide $2.08 billion in savings to patrons for every $1 of appropriations.[2] Why would the government want to cut a program that returns twice the value to customers that it costs DOD to provide?

Military families appreciate that efficiencies must be found, especially to preserve readiness. However, the commissary is not just a quality of life program that can be downsized. It, too, is intended "to support military readiness, recruitment, and retention" (10 U.S.C. § 2481). While other readiness programs have had to grow in cost to support growing numbers of servicemembers and patrons, the government contribution for the commissary has stayed relatively level.

DOD proposes commissaries take on a business model closer to that used by the exchanges. The exchanges operate on a for-profit model that allows them to set prices above cost, currently prohibited by law to the commissary. Furthermore, the exchanges and commissaries carry few of the same products and serve entirely different purposes. Profits from the exchange are used for operations and help fund Morale, Welfare and Recreation (MWR) programs. We wonder if military installations would be able to support two for-profit entities in their environs, especially if they carry duplicate products. We wonder what the effect will be on contributions to MWR when the commissary starts selling more of the same products as the exchange. If the purpose of the commissary system is to support servicemembers and families by selling groceries at cost plus a surcharge for construction and renovation, why is raising prices acceptable?

Out of all of the cuts in the fiscal year 2015 budget proposal, many families tell us the reduction in commissary savings is what will prove most detrimental to their financial well-being. Even with the 10 percent savings proposed by DOD, a family of four that shops regularly at the commissary would lose at least $200 per month.[3]

> I think it's personally ridiculous that we're going to go after something that saves some . . . young lance corporal, . . . $4,500 a year for every time he walks in there—he has two kids and every time he . . . shops it's $240. Well, . . . he just put $80 worth of gas into his car and he doesn't even know it.—Sergeant Major of the Marine Corps Micheal Barrett

Military families tell us they rely heavily on the commissary savings and appreciate the good deal they get. Some tell us they don't use the commissary often due

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[1] http://www.commissaries.com/press—room/press—release/2012/DeCA—28—12.cfm

[2] http://www.commissaries.com/press—room/press—release/2014/DeCA—01—14.cfm

[3] Current estimations show that a military family of four shopping regularly/exclusively at the commissary saves $3,600/$4,500 annually (http://www.commissaries.com/press—room/fast—facts.cfm).

to distance, unfamiliarity, or inconvenience and they may not realize the overall savings they can achieve. For servicemembers who qualify for the Supplemental Nutrition Assistance Program (SNAP) or the Women, Infants and Children (WIC) nutrition program, using the commissary allows families to stretch their benefit and provides a buffer to the many others who may be teetering on the financial edge. The many who use the commissary tell us they not only value this benefit, they do not know how they would provide for their families without it. Recently, a family member told us:

Anyone who says the commissary is unnecessary has never tried raising a family on $1,400/month and has never been on recruiting duty. The commissary is a budget lifesaver.

Senior leaders tell us they will not close commissary stores as part of this proposal. But when military families lose their savings at the commissary, they will stop shopping there. Fewer patrons will reduce the ability of the commissary system to leverage economies of scale—the revenues generated at the larger commissaries such as Fort Belvoir allow the family shopping in a smaller commissary in Guam or Dugway, UT, to realize the same savings. This will have tragic consequences for a system that currently works. Military families need savings; they don't need just another grocery store that is convenient to where they live!

Protect commissary savings by continuing the annual appropriation to support the system at its current level. Commissaries are part of compensation and provide important savings for military families.

Consolidated TRICARE Health Plan

Our Association opposes shifting health care costs to active duty family members. We are particularly troubled the Consolidated TRICARE Health Plan proposal does not spread these costs evenly among all beneficiaries. Rather, the additional out of pocket expenses will be concentrated among those who cannot receive care at a Military Treatment Facility (MTF) and special needs families who require extensive specialty care. Even though the Consolidated TRICARE Health Plan proposal suggests the impact on families will be modest, we believe the proposed plan will have a significant negative impact on those populations mentioned above. We also firmly oppose any policy that will create a barrier to military families' access to behavioral health care. The Consolidated TRICARE Health Plan raises many unanswered questions and significant concerns that it will ultimately result in diminished access to care for military families.

The Consolidated TRICARE Health Plan proposed in the fiscal year 2015 budget would eliminate the current TRICARE managed care and fee-for-service options (Prime, Standard, and Extra) and replace them with a cost sharing structure for everyone including active duty family members.

Active Duty Family Member Outpatient Cost Sharing for Consolidated TRICARE Health Plan effective January 1, 2016

	MTF Co-Pays		TRICARE Network Co-Pays		Out-of-Network Cost Share[a]
Services	E4 & below	E5 & Above	E4 & below	E5 & Above	All ADFMs[b]
Clinical Preventative Services	$0	$0	$0	$0	$0
Primary Care Visit	$0	$0	$10	$15	20%
Specialty Care Visit[c]	$0	$0	$20	$25	20%
Urgent Care Center	$0	$0	$25	$40	20%
Emergency Dept	$0	$0	$30	$50	20%

Ambulance	$10	$15		$10	$15	20%
Ambulatory Surgery	$0	$0		$25	$50	20%

a. Out of Network Cost Share = Percentage of TRICARE maximum allowable charge after deductible is met
b. ADFM = Active Duty Family Members
c. Specialty Care Visits include physical therapy, occupational therapy, and **behavioral health**
d. Cost sharing is higher for retirees and their families
e. Service members will still pay no out-of-pocket costs

Currently, the 79 percent of active duty family members enrolled in Prime[4] pay no cost shares for treatment received at an MTF or from civilian providers in the TRICARE network, assuming the beneficiary follows TRICARE referral and authorization policies. Previous reform proposals have focused on retirees. The fiscal year 2015 proposed Consolidated TRICARE Health Plan reform will create unavoidable out of pocket health care costs for many active duty families, driven largely by their geographic location, health care condition, and ability to access care in an MTF.

The current TRICARE Prime referral and authorization process can be cumbersome and sometimes prevents timely access to specialty care. While we appreciate that the Consolidated TRICARE Health Plan proposal provides beneficiaries with open access to providers of specialty care, we are concerned cost will become the new barrier to accessing health care. Proposed cost shares are the lowest in MTFs, higher in the network, and highest out of network. While we understand this cost structure is designed to encourage use of military clinics and hospitals, thereby improving efficiency of the Defense Health Agency's (DHA) fixed facility cost structure, we believe it is important to understand that not every active duty family has access to a military hospital or clinic.

Some servicemembers, for instance those in recruiting positions, are stationed far from the nearest MTF. Others are at installations where the MTF is at capacity and family members are routinely referred to the network for most or all of their care. Still other military families are at installations with limited direct care resources. For instance, when the Army reactivated the 10th Mountain Division at Fort Drum, Army leaders decided to take advantage of excess capacity in local hospitals rather than building an inpatient facility on post to serve 10th Mountain military personnel and their families. As a result, nearly 20,000 Fort Drum family members receive most of their specialty care from civilian providers because the post clinic only offers basic services. Because there is no hospital on post, Samaritan Hospital of nearby Watertown, NY, provides 90 percent of the post's inpatient care needs.[5] With the Consolidated TRICARE proposal, Fort Drum families will face cost shares for much of their health care, not because they have chosen civilian providers, but because they do not have the option of seeking care at an MTF.

DHA has characterized the proposed cost shares as modest. However, the relatively low "per family" dollar impact the DHA presents[6] is an average assuming cost shares are spread evenly across the beneficiary population. In reality, costs shares will be borne disproportionately by families without MTF access, those who need specialty care, and those with special needs family members. We fear that, for these families, co-pays will become a barrier to accessing necessary medical care.

While cost shares will disproportionately impact all families without MTF access, junior enlisted families will be particularly vulnerable. With their relatively lower incomes, cost shares ranging from $10 to $50 per visit (see chart above) will necessarily have a greater impact on their family budgets. Junior enlisted families without access to an MTF may not be able to absorb co-pays for every medical appointment. We are concerned they may elect to forego medical care to avoid the out of pocket costs.

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[4] Evaluation of the TRICARE Program: Access, Cost, and Quality, Fiscal Year 2013 Report to Congress, Office of the Office of the Assistant Secretary of Defense (Health Affairs)

[5] Defense Communities 360: Community Network Provides Inpatient, Specialty Care for Fort Drum Personnel, January 29, 2014 http://www.defensecommunities.org/headlines/community-network-provides-inpatient-specialty-care-for-ft-drum-personnel/#

[6] U.S. Department of Defense fiscal year 2015 Budget Request Overview, March 2014, Office of the Under Secretary of Defense.

We are pleased DOD has listened to requests for protections of benefits for those who have been medically retired and surviving spouses. Keeping their health care fees at the same level as active duty family members reflects their extraordinary sacrifice and service.

Due to their greater requirements for specialty care, the Consolidated TRICARE Health Plan will also have a pronounced effect on special needs families. Many special needs families require medical care that is not typically delivered at MTFs. While special needs families enrolled in TRICARE Prime can now seek specialty care in the network at no cost, the new proposal will result in cost shares for each network appointment. Given the number of specialty appointments many of these families require, we fully expect their expenses to reach the catastrophic cap: $1,500 for network care, $2,500 for combined network/out-of-network care. The $1,500 cap for network care is $500 above the current cap for active duty military families, thus they will have to spend more for health care before DOD will pick up additional costs. This will have a significant impact on the purchasing power of special needs families.

Our Association finds the behavioral health care co-pays in the Consolidated TRICARE Health Plan absolutely unacceptable. Network behavioral health appointments are treated the same as any other specialty care with co-pays of $20–$25 per visit. Because of the heavy demand by servicemembers in the MTF, more families have no choice but to seek care in the network. With co-pays of $20–$25 per appointment, we fear this will have a devastating effect on military families' ability and willingness to seek behavioral health care.

Recognizing that 13 years of war has taken a toll on our community, TRICARE has made improvements in facilitating access to behavioral health care for military family members. Currently, TRICARE beneficiaries do not need referral or prior authorization for the first eight outpatient behavioral health care visits per fiscal year.[7] This has allowed military family members to more easily access critical mental health resources. TRICARE Prime family members currently incur no costs for behavioral health care whether they access it at an MTF or in the network.

Our Association believes it is imperative that behavioral health care, whether it is delivered in the Military Treatment Facility (MTF) or in the network, continues with no out of pocket costs for active duty military families.

The Consolidated TRICARE Health Plan is designed to increase demand for MTF health care. We are concerned about how this increased demand will be managed. How will active duty families be prioritized within the MTF? Will they face longer waits for appointments? Will acute care be available when needed? We fear military families' access to care will be hampered by the increased demands placed on the MTFs.

In addition to the concerns outlined above, our Association has many unanswered questions about the proposed TRICARE Consolidated Health Plan and its potential impact on military families, including:

> What modifications will be needed to the current TRICARE Managed Care Support Contracts to implement these changes? Will there be changes in requirements for the contractors to build and maintain networks and to keep accurate listings of which providers are in the network?
>
> What resources will remain in place for the management of complex illnesses or conditions where coordinated care is needed? Where will that responsibility reside, with the MTF or the TRICARE contractor?
>
> Will military retirees and their family members with Other Health Insurance (OHI) who wish to use TRICARE as a second payer be required to pay the same participation fee as those who want to keep TRICARE as their primary insurance?
>
> Will there be changes in how network maternity care will be reimbursed? Maternity is generally a bundled benefit with different cost sharing. For example, instead of paying a co-pay for each doctor's visit, the doctor accepts a flat amount, regardless of the number of visits and the mom pays a percentage of the fee. Also, maternity hospitalization has a different rate for mom and then for baby, generally less than traditional hospitalization. How will this be handled?
>
> What will be the cost to the Services/MTFs to create systems to process co-payments by retirees and their families?
>
> How much savings will the Consolidated TRICARE Health Plan provide to DOD?

[7] TRICARE Behavioral Health Care Resources Fact Sheet

Transition Challenges During Downsizing

Downsizing of the force has already begun as a result of sequestration. The fiscal year 2015 budget calls for a greater decrease especially in the Army. The effects of this downsizing are many. The servicemember and their family may feel the many years they spent facing multiple deployments are not appreciated. Morale will be low. Families are still dealing with the after-effects of war, problems with reintegration, with coming together again as a family, and the impact of the invisible signature wounds of these conflicts—post-traumatic stress and traumatic brain injury. We don't know what the long term implications are and what services will be needed by the servicemember and by the family as well.

A national debate is needed now on how veterans' families will be supported once they leave the safety net of support they had while the servicemember was on active duty. What can the VA do to help families as well as veterans ease into civilian life and recover from multiple wartime deployments? What help will communities need to support these families?

A Holistic Approach Is Needed

We firmly believe the administration's fiscal year 2015 budget proposal did not consider the cumulative effects of a reduced pay raise combined with lower BAH payments, loss of commissary savings, and possible out-of-pocket health care costs on the purchasing power of servicemembers and their families. This budget proposal would reduce cash in a servicemember's pocket!

We ask Congress to reject budget proposals that threaten military family financial well-being as a way to save.

Let the Military Compensation and Retirement Modernization Commission (MCRMC) do its job in evaluating compensation, including health care, holistically.

SEQUESTRATION: AN ONGOING THREAT TO FAMILY READINESS

The effects of sequestration have already resulted in cuts to benefits and programs that military families have come to rely on. Much of the funding for these programs is embedded in the Service Operations and Maintenance Accounts, which have been the hardest-hit by sequestration. Understanding what is affected by sequestration has been confusing for families. Our Association used social media to help military families tell truth from fiction and to keep them up to date on how sequestration would affect them. Our families used social media to voice their frustration about sequestration's effects on their servicemembers' ability to do their jobs and on the damage caused to the military community.[8] Military families were impacted by sequestration with cuts to services and the threat of closure of DOD schools when civilian workers were furloughed and hiring was frozen. Sequestration limited the availability of health care appointments because furloughs of civilian medical staff resulted in reduced hours of operation at military hospitals and clinics. Military families reported longer wait times for appointments and delays in obtaining treatment. Some were told to go to the emergency room for acute care that would normally be handled at the MTF.

When we speak to military families about sequestration, one of their major areas of concern is child care. Servicemembers who rely on installation child care centers worry centers will reduce their operating hours or turn more families away. Families who use the fee assistance program wonder if those funds will still be available. We have already heard from families that child care respite programs for families of deployed servicemembers are being phased out. Other locations have curtailed or eliminated hourly or drop-in care. Losing these services is a particular hardship to families overseas or in remote locations, who may have few child care alternatives.

Impact Aid was one of the first casualties of sequestration cuts, because unlike other education programs, Impact Aid is current-year funded. Over the course of the past year, we heard reports from school districts facing significant funding cuts due to sequestration. For example, the Killeen Independent School District, which serves 18,000 military children, faced the loss of more than $2.6 million in 2013. Our Association thanks Congress for restoring $65 million to the Department of Education Impact Aid program in the fiscal year 2014 Consolidated Appropriations Act. This funding is critical to public school districts educating large numbers of military children. However, we continue to be concerned about the long-term consequences the spending caps imposed by the Budget Control Act (BCA) will have on school districts reliant on Impact Aid.

[8] http://www.militaryfamily.org/assets/pdf/Sequestration-Photo-Book—final—web.pdf

While the Bipartisan Budget Act of 2013 provided some relief, we know that with future cuts required down the road, military families will continue to see cuts and threats to the programs and resources they require for readiness.

We ask Congress to end sequestration and end the threat to the resources military families depend on for their readiness.

KEEPING MILITARY FAMILIES READY: WHAT DO MILITARY FAMILIES REQUIRE?

We have addressed the immediate and long-term impacts of the proposed fiscal year 2015 budget on military families. But we ask you not to forget that military families depend on a variety of programs and resources that must be sustained and, in some cases, improved.

The National Military Family Association believes our Nation's leaders should guarantee the readiness of our force by taking care of servicemembers and their families, serving in both Active and Reserve components, no matter where they live. We ask you to sustain support by providing: quality, accessible health care; behavioral health support; spouse career opportunities; good schools for military children; quality, affordable child care; a secure retirement; and unwavering support for those wounded, widowed, or orphaned. We challenge Congress and the administration to join us in seeking greater collaboration between government and community agencies to enhance support and enable military families to thrive and be ready to answer any call to duty, now and in the future.

DOD created a blueprint for the framework of family readiness in DODI 1342.22, "Military Family Readiness".[9] The DODI integrates policy for core family readiness services into a single source, including requirements for financial education and counseling, relocation assistance, emergency family assistance, spouse employment and requirements for delivery of services to the Reserve Components. It spells out the expectation that families be empowered to enhance their own readiness, but have the ability to access a trusted network of services regardless of branch of Service, active or Reserve status, or geographic location. It changes the traditional mindset of military family support, which focused on installation-based services and created the expectation that families should come to the support rather than having the support service connect with families where they are. The DODI emphasizes the importance of creating a family readiness system in which servicemembers, families, other government agencies, and private organizations collaborate to support troops and families. It focuses on three areas of readiness: mobilization and deployment readiness, mobility and financial readiness, and personal and family life readiness.

Our Association believes full implementation of DODI 1342.22 across all Services and components is essential for the readiness of both the current and future force. It sets the structure and expectations for family readiness and must be resourced appropriately.

Deployment and Reintegration Support

Military families have been living a revolving door existence since the beginning of the wars in Afghanistan and Iraq. They experienced repeated deployments, each the same with the strains of separation, but unique with the dynamic of their family at that moment in time. They had repeated reunions, honeymoons followed by the hard work of rebuilding their family. As they rebuild, they still worry about the future, the nagging thought that soon their family will be doing this again.

Despite the drawdown in the Middle East, the mission of the U.S. military continues. Deployment patterns will change, but deployments will continue. A downsized force will still be busy doing more missions with fewer troops. A structure should be maintained to meet families' deployment related needs. DODI 1342.22 requires that programs be flexible enough to respond swiftly to the changes in needs of servicemembers and families. If deployment support programs are dissolved completely they will not easily be regenerated when needed again. We cannot lose the structure for proven programs such as pre-mobilization briefs that prepare families for deployment. During deployment, families rely on the programs and staff that support them, including respite care and the Army family readiness support assistants (FRSAs), Marine Corps family readiness officers (FROs), ombudsmen, and Military OneSource. This support network is essential for the families of many servicemembers who are sent apart from their units as individual augmentees. Readiness does not stop when a unit comes back from an operation or start up when a new operation is identified. Readiness is the underpinning that must be maintained and sustained at an appropriate level for the unit and their families.

[9] http://www.dtic.mil/whs/directives/corres/pdf/134222p.pdf

"With guys doing multiple deployments, they're getting a tough 9 to 10 deployments over a 12-year period, the impact on families is going to be noticeable. Anything that can cut down and make the deployments less vigorous in terms of operation tempo is going to be a better thing".—Rear Admiral George Worthington, USN (retired), retired Navy seal [10]

Reintegration programs, along with deployment support, are key ingredients 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 encouragement to seek assistance when having financial, relationship, legal, and occupational difficulties. DODI 1342.22 calls for this support to promote positive adjustment to deployment, family separation, and family reunion.

Successful reintegration 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 in national parks under our Operation Purple® program, promoting family reintegration following deployment.

During the past 13 years of war, our Nation has relied on the services of the National Guard and Reserve more than ever before. Our Association appreciates the great strides made by both Congress and the Services to help support our Reserve component families. We believe sustaining effective support programs for our "Citizen Soldiers" and their families is essential at every stage of deployment. DOD agrees by integrating family readiness for the Reserve component into DODI 1342.22. We ask Congress to provide funding for preventive and follow-up counseling and behavioral health services for mobilized Reserve component members and their families.

We have been in touch with the staff of the Yellow Ribbon Reintegration Program (YRRP) and are pleased they have developed a way ahead for the Yellow Ribbon program as a best practice for continued Reserve Component family readiness. The Reserve components will continue, for the foreseeable future, to execute operational missions globally in response to our Nation's security needs. As the operating environment evolves, YRRP will be there to provide vital information and resources to servicemembers and families throughout and beyond deployment periods. It will remain an enduring component of unit and individual readiness and reintegration challenges. More about the program and the resources can be found at www.yellowribbon.mil. Additionally, the YRRP has been working with Office of Military Community and Family Policy (MC&FP) on accreditation standards as MC&FP works to accredit Family Programs in the Army Reserve and National Guard.

Provide oversight to ensure the Defense Department and the individual Services are supporting families of all components by meeting the standards for deployment support, reintegration, financial readiness, and family health in DODI 1342.22. Fund appropriately at all levels. Special attention needs to be paid to the flexibility for surge capabilities.

Continue funding the Yellow Ribbon Reintegration Program (YRRP) and stress the need for greater coordination of resources supporting Reserve Component families.

Support for Transitioning Families

Transitioning due to downsizing affects the whole family. In addition to the transition assistance program available to servicemembers, resources need to be identified that is pertinent to the family members that would also be transitioning. Training on issues like health care coverage for dependents including information on the Affordable Care Act, how to find community resources to replace DOD programs and general inclusion of the military spouses role in the long term care of the family as a whole aren't really covered in the transition classes.

We are developing a transition program specific to spouses. We will highlight the programs available through the DOD and develop a framework of best practices for family transition. Military spouses are a critical component in familial stability, often leading issues in health care and finances in the home. Their role in transition is equally critical to the success of the entire family in the move to civilian life.

Expand the opportunity for spouses to attend transition classes with servicemembers. Through other military information portals tailor other information to address family transition issues.

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[10] Read more: http://www.washingtontimes.com/news/2014/mar/11/special-ops-forces-wearing-thin-from-high-demand/?utm—source=RSS—Feed&utm—medium=RSS

We encourage Congress to join with DOD to help civilian communities realize their role in supporting servicemembers and families is ongoing, even as servicemembers transition to veteran status.

Military Health Care

Affordable and timely access to health care is important to all families, but it is vital for military families. Repeated deployments, caring for the wounded, ill, and injured, the stress and uncertainty of military life, and the ability to maintain family readiness, demand quality, and readily available health care. A robust and reliable health care benefit allows families to focus on managing the many challenges associated with military life versus worrying about how they are going to access and pay for essential health care. Any changes to the military health care benefit must recognize the unique conditions of service and the extraordinary sacrifices demanded of servicemembers and their families.

The National Military Family Association strongly asserts that any discussion of military health care, especially its costs, must make a distinction between the health care readiness needs of servicemembers versus the earned health care benefit provided to family members, retirees, and survivors. Ensuring the physical and mental health of servicemembers so they can perform their mission is a readiness cost and not part of the compensation package.

Likewise, the health care costs associated with wartime operations or the care of wounded, ill, and injured servicemembers should not be included as part of the cost of providing a health care benefit to the children, spouses, and surviving family members of servicemembers and retirees. Our Association believes DOD, in its statements about the rising costs of the military health care benefit, has not effectively differentiated health care readiness costs from the costs of providing the earned health care benefit. This failure, we believe, puts both the readiness function and access to care for family members and retirees at risk.

The military health care system—because of its dual readiness and benefit provision missions—does not function like civilian plans. The TRICARE benefit includes both direct care provided by MTFs as well as coverage that enables military families to access health care within the civilian community.

Access to care is also impacted by TRICARE's reimbursement policies. We believe TRICARE's reimbursement policies should be comparable to commercial and other government plans. They should align with current standards of medical care. Furthermore, they should be flexible enough to accommodate changes in medical technologies and treatment protocols.

Ensure families of all seven Uniformed Services have timely access to high quality, affordable health care and a robust TRICARE benefit including preventive health care services.

In the past year, military families have faced several reimbursement policy decisions that made TRICARE coverage inferior to commercial and other government plans, ignored medical standards of care, and created hardship for beneficiaries. These policy decisions include:

- Changes to the referral and authorization requirements for Applied Behavior Analysis (ABA) created significant barriers to military families accessing this therapy. These changes were later reversed for the TRICARE Basic and ECHO Demonstration programs and were applied only to the ABA Pilot.
- Compound prescription coverage changes. In June, TRICARE announced it would cease coverage of all compound pharmaceuticals containing non-Federal Drug Administration (FDA) approved bulk chemicals or ingredients. This policy change would have created difficulties for many beneficiaries, such as children, who rely on compounding for safe and effective prescriptions. TRICARE eventually reversed this decision.
- Laboratory Developed Tests coverage denials. In January 2013, TRICARE ceased coverage of over 100 diagnostic genetic tests without notice to health care providers or beneficiaries. These tests are covered by Medicare and Medicaid as well as commercial health plans. They represent the standard of care and include a common prenatal screening for cystic fibrosis that the American Congress of Obstetricians and Gynecologists has recommended for over 10 years. Denying access to these tests could lead to substandard health care for military families. We have been working with DHA and congressional offices for over a year to get this policy reversed. In the meantime, we have heard from numerous families faced with paying for lab tests out of pocket or foregoing tests ordered by their physicians.

Reimbursement denials for diagnostic genetic tests have significant implications for military families. An active duty Army family contacted our Association regard-

ing their daughter whose eye was removed due to retinoblastoma, a cancer that can spread to the brain. Her physician recommended genetic testing to determine the likelihood that the cancer would appear in her other eye. Without the genetic test, the child would require close monitoring until age 6 including eye exams under anesthesia as well as sedated magnetic resonance imaging (MRIs) every 4–6 weeks. After getting the genetic test results, her treatment plan was modified to greatly reduce the number of eye exams and MRIs. Because TRICARE refused to cover the diagnostic genetic test, this Army family had to find a third party to pay for it. Without the test results, this family would have faced greater uncertainty about their daughter's condition, while the child would have been subjected to many more sedated eye exams and MRIs—at a significant cost to the government. We appreciate the understanding of the egregiousness of this policy expressed by members of the Senate in their recent letter to Assistant Secretary of Defense for Health Affairs Dr. Jonathan Woodson.

Arbitrary reimbursement policy changes create confusion and uncertainty among military families. We request that DOD ensure future policy changes are thoroughly analyzed before being implemented. The impact on beneficiary access to the medical standard of care should be a top consideration. Should reimbursement policy changes be made, we request that TRICARE inform providers and beneficiaries with sufficient lead time to allow alternative treatment plans to be developed.

TRICARE's reimbursement policies should be comparable to commercial and other government plans.

DOD should ensure future TRICARE policy changes are thoroughly analyzed before being implemented with the impact on beneficiary access to the medical standard of care as a top consideration.

We remain especially concerned about access to care for National Guard and Reserve families. We continue to believe that paying a stipend to a mobilized National Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan may work out better for many families in areas where the TRICARE network may not be robust. This option will remain viable as the current pattern of mobilizations declines with the end of conflicts. DOD leaders say our military will continue to rely on National Guard and Reserve members to perform the changing missions of the future. A different set of health care options may be needed to accommodate the needs of these mission-critical servicemembers, their families, and the military.

Pay a stipend to a mobilized National Guard or Reserve member for their family's coverage under their employer-sponsored insurance plan.

TRICARE's policies often present challenges in accessing the appropriate pediatric care. Children's health care needs differ from those of adults. Because TRICARE is modeled on Medicare, its policies are sometimes ill-suited for pediatric care. TRICARE's policies should address the unique needs of children when defining medical necessity to ensure military children receive comprehensive and quality health care consistent with pediatric best practices. It is imperative the quality of health care provided to our military children is commensurate with the sacrifices made by our servicemembers and their families.

We appreciate the inclusion in the National Defense Authorization Act (NDAA) for Fiscal Year 2013 for a report to comprehensively review TRICARE health care policies and practices to make recommendations that specifically account for children's health care and pediatric care settings. Encourage DOD to release the results of the review as soon as possible.

TRICARE's policies should address the unique needs of children when defining medical necessity to ensure military children receive comprehensive and quality health care consistent with pediatric best practices.

Behavioral Health

Research validates the high level of stress and mental strain military families are experiencing.

- A recent study published by the Journal of Adolescent Health indicates children with a parent or sibling deployed in the military during the last decade of war are more likely than their peers to experience depression and suicidal thoughts, particularly if the servicemember deployed more than

once.[11] The same study also found multiple deployments by a parent or sibling were associated with an increased likelihood of drug and alcohol use.[12]

• Another study, Wartime Military Deployment and Increased Pediatric Mental and Behavioral Health Complaints, found an 11 percent increase in outpatient behavioral health visits for military children from the ages of 3–8 during 2006–2007. Researchers found an 18 percent increase in pediatric behavioral health visits and a 19 percent increase in stress disorders when a parent was deployed.[13]

• Additional research found an increase in mental health care use by spouses during their servicemembers' deployments. A study of TRICARE claims data from 2003–2006 published 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.[14]

• In the research they conducted for our Association, RAND found military children reported higher anxiety signs and symptoms than their civilian counterparts. Our research also found the mental health of the caregiver directly affects the overall well-being of the children.[15] Therefore, we need to treat family members as a unit as well as individuals.

The body of research focusing on the increased levels of anxiety and utilization of mental health services causes our Association concern about the overall shortage of mental health providers in TRICARE's direct and purchased care network. While TRICARE contractors have expanded their behavioral health provider networks to help meet demand, military families in some areas continue to report provider shortages, especially for psychiatric care for children and teens. We believe one of the consequences of almost 13 years of war is demand for mental health services that continues to outstrip supply. More must be done to persuade mental health care providers to participate and remain in the TRICARE network, even if that means raising reimbursement rates.

It is also critical that TRICARE keeps provider lists up-to-date. We hear 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. Behavioral health provider lists must be up-to-date and robust enough to handle real time demands by military families. Inaccurate provider lists present a barrier to accessing behavioral health care for military families.

Families tell us they appreciate the access to non-medical counseling through Military OneSource and the Military Family Life Counselors (MFLC). DOD implemented these resources to help servicemembers and their families access counselors where they work and where they live with a certain degree of anonymity. MFLCs have also been used effectively in training local educators on techniques to help their military students cope with deployment and in supporting National Guard and Reserve Yellow Ribbon events. We believe the need for behavioral health care will continue to grow over the next several years and we encourage DOD to continue to seek innovative solutions to providing care for military families.

It is a moral imperative to provide military servicemembers and their families with the help they need after years of enduring repeated combat deployments and to meet the challenges of the future.

Ensure military families' access to the medical and non-medical counseling they need to recover from the stress of long years of war.

Access to Health Care for Military Special Needs Families

Caring for a special needs family member can be difficult and draining for any family. However, the impact for military families is magnified by the unique challenges associated with military service. Frequent geographic relocations are a fact of life for military families. A geographic relocation will, by definition, disrupt the continuity of care that is so important in managing complex medical conditions.

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[11] Tamika D. Gilreath, et al., "Well-Being and Suicidal Ideation of Secondary School Students From Military Families", Journal of Adolescent Health, November 18, 2013

[12] Tamika D. Gilreath, et al., "Substance Use Among Military-Connected Youth", American Journal of Preventative Medicine, January 8, 2013

[13] Gregory H. Gorman, Matilda Eide, and Elizabeth Hisle-Gorman,"Wartime Military Deployment and Increased Pediatric Mental and Behavioral Health Complaints", Pediatrics: The Official Journal of the American Academy of Pediatrics, November 8, 2010.

[14] Alyssa J. Mansfield, et al., "Deployment and the Use of Mental Health Services among U.S. Army Wives," The New England Journal of Medicine, January 14, 2010.

[15] Anita Chandra, et al., RAND Center for Military Health Policy Research, Views from the Homefront: The Experiences of Youth and Spouses from Military Families, 2011

After every move, special needs military families must begin a lengthy cycle of referrals, authorizations and waitlists at each new duty station, resulting in repeated gaps in care. A nationwide shortage in pediatric specialists means even when families have successfully navigated the authorization and referral process at their new location, they may face a delay of weeks or even months before treatment can restart. Military families fear these repeated treatment delays have a cumulative and permanent negative effect on their special needs family members.

It is frustrating for military parents to know these treatment delays could be mitigated if the process for accessing specialty care were more flexible and streamlined to address the unique aspects of military life. Unfortunately, TRICARE's rigid referral and authorization process too often hinders the transition process for military families rather than facilitating it. In addition, providers often tell us working with TRICARE is overly complex. Many choose not to participate in the TRICARE network because it is too difficult to navigate and administer. The resulting shortage of TRICARE network providers further impedes families' access to specialty care. While the fiscal year 2015 budget proposal appears to fix this problem by getting rid of referrals and authorizations, it will force these families to pay more out of pocket.

TRICARE should make the process for accessing specialty care more flexible and streamlined to address the unique aspects of military life without forcing active duty families to pay more out of pocket.

For special needs military families, frequent relocation presents another obstacle: the inability to qualify for services through Medicaid waivers. Caring for children with complex medical needs can be incredibly expensive. Most families in this situation ultimately receive some form of public assistance, typically through State Medicaid waivers. State Medicaid programs provide assistance not covered by TRICARE: incontinence supplies, respite care, employment support, housing, and more flexible medical coverage. Because the demand for these services far outstrips the supply, there is a lengthy waiting list to receive assistance in most states. For that reason, these services are often out of reach for a military family who must relocate every 2 to 3 years. Even if a military family places their special needs child on a Medicaid waiver waiting list, they must start again at the bottom of the waiting list when they move to a new state. The Defense State Liaison Office (DSLO) has recognized military families' inability to access care through Medicaid waivers as one of its high priority issues and is working with State legislatures to address this problem. However, little progress has been made in resolving this disparity.

TRICARE's ECHO program was designed in part to address this imbalance, by allowing families to access non-medical services not covered under TRICARE. According to TRICARE's website, benefits covered under ECHO include "training, rehabilitation, special education, assistive technology devices, institutional care in private nonprofit, public and State institutions/facilities and, if appropriate, transportation to and from such institutions/facilities, home health care and respite care for the primary caregiver of the ECHO-registered beneficiary." However, in practice military families find it difficult to obtain services through the program.

This reality was reflected in TRICARE's May 30, 2013 report, The Department of Defense Report to Congress on Participation in the ECHO, detailing military families' usage of the ECHO benefit. They reported that, in 2012, 99 percent of funds expended through the ECHO program were spent on Applied Behavioral Analysis (ABA) therapy and ECHO Home Health Care (EHHC). Although these services are important and popular with special needs families, it is impossible to see this statistic and not wonder why families are not accessing the long list of other services ostensibly available to them under ECHO.

When families do manage to navigate the process of applying for benefits through ECHO, they often find that it does not pay for the products and services they actually need. For example, many families need larger than normal diapers for their disabled children. ECHO deems this a convenience item and will not pay for it, although incontinence supplies are regularly paid for by state Medicaid programs.

Another service much in demand by families is respite care. For families with special needs children, the time away afforded by respite care is vital. Access to quality respite care allows families to run errands, spend time with other children, and simply recharge. Studies even show that parents of special needs children have healthier marriages when they are able to access regular respite care. Thus, access to respite care can be seen as an important element in military family readiness. Respite care is ostensibly available through the ECHO program, but TRICARE policies limit its utility. ECHO sets strict requirements for respite care providers, making it difficult for families to identify eligible providers. In addition, TRICARE requires that families use another service through ECHO in any month that respite

care is also provided. In its May, 2013 report to Congress, TRICARE describes this rule as a "reasonable demand management tool."

Congress has given DOD much more discretion in its coverage of ECHO benefits than it has concerning medical benefits provided under the Basic Program. Thus, TRICARE has the authority to make changes that would enhance the ECHO program's utility to military families. Easing the restrictions on respite care, for example, would do much to enhance special needs military families' readiness and quality of life.

Our Association has suggested a DOD pilot study to identify what products and services special needs families need to enhance their quality of life. We recommend that families in the pilot receive $3,000 annually above what is provided under ECHO to purchase self-selected items not currently covered, such as cooling vests, cranial helmets, diapers and nutritional supplements. DOD would be required to authorize each type of purchase to verify that it was appropriate. The program would be similar to the "money follows the patient" model already adopted by several state Medicaid programs and would identify gaps in coverage while providing a better picture of what military special needs families really need.

TRICARE should enhance the ECHO program's utility to military families by ensuring it covers the products and services families need.

The transition out of the military and into civilian life is difficult for many families but especially so for special needs families, who immediately lose access to ECHO benefits. Families may still face long waits before being eligible for care through Medicaid, which leads either to gaps in treatment or financial hardship for a family trying to pay for needed care. As more servicemembers and families transition out of the military, this problem will become more widespread. To ease the hardship for families in this situation, we recommend ECHO eligibility be extended for 1 year following separation to provide more time for families to obtain services in their communities or through employer-sponsored insurance.

We ask Congress to extend eligibility for the ECHO for 1 year following separation to provide more time for families to obtain services in their communities or through employer-sponsored insurance.

Additional Support for Special Needs Families

The main vehicle through which DOD provides support to special needs military families is the Exceptional Family Member Program (EFMP). The EFMP is intended to perform three interrelated functions: identify and enroll eligible family members; coordinate the assignment process to ensure special needs families are not sent to locations that lack adequate resources; and provide families with information about and referral to local resources.

To be successful, the EFMP requires smooth communication and coordination. The offices responsible for assigning families to new duty locations must work with installation medical personnel and service providers to ensure that families are assigned appropriately. EFMP personnel at sending and receiving installations must coordinate to make sure that families receive information about programs available at the new installation to avoid interruption in services and ensure a smooth transition. Too often, however, this communication does not occur. In the worst case scenario, families may find themselves assigned to locations without appropriate medical or educational services for their special needs family member. Other families tell us about delays in receiving services at their new installations because of a lack of communication between EFMP Coordinators at the old and new locations.

This problem is exacerbated when families move to an installation operated by a different Service. Currently communication and coordination among the different Services' medical, personnel, and family support components is extremely limited. This lack of coordination adds to the stress of families who are already coping with the difficulty of moving with a special needs family member. Families need the reassurance that they will have continuity of care and a warm hand-off as they move from installation to installation.

The Office of Community Support for Military Families with Special Needs (OSN) was created in the NDAA for Fiscal Year 2010 to enhance and improve DOD support for military families with special needs, whether medical or educational. A 2012 GAO report, Better Oversight Needed to Improve Services for Children with Special Needs, (GAO–12–680, September 10, 2012) noted there are no Department-wide benchmarks to set standards for the Services' EFM programs. As a result, DOD has been unable to assess the effectiveness of the branches' EFM programs and ensure that improvements are made when needed. In addition, although OSN was created to enhance and monitor the military branches' support for families with special needs, it has no authority to compel the branches to comply with DOD or Service-level program requirements and it has no direct means by which to hold them ac-

countable if they fail to do so. We appreciate that OSN has been working closely with the Services' EFMP programs to standardize services and improve communications. However, much work remains to be done in this area.

We ask DOD to improve coordination and communication within and among Services' EFMP and to set consistent standards for support of special needs military families.

FINANCIAL READINESS

While military families are shown to have better financial literacy rates than their civilian counterparts, their military commitments often make it difficult to grow their investments over the long term.[16] Frequent moves and deployments can be a barrier to home ownership or force families in and out of lease agreements. Spouses have reduced earning power, yet many military families are paying on one or more student loans. Frequent moves make spouses ineligible for public service loan forgiveness programs.

Some elements of the military compensation package are meant to take the sting out of those losses. However, as sequestration continues and budgets are cut, military families will face more and more disadvantages compared to their civilian counterparts. We ask Congress keep in mind the fiscal restraints imposed on military families when evaluating changes to the military compensation package.

Support for Spouse Education and Employment

Every time a permanent change of station (PCS) occurs, a working military spouse, or one who would like to be employed, has to start from scratch. Lack of longevity in any one location or job position negatively affects career trajectory and earning power. Frequent moves disrupt educational goals. State licensing requirements and industry tenure restrict employment opportunities for military spouses. Military spouse unemployment or underemployment affects the total earning power of the military family. The First Lady and Dr. Biden initiated Joining Forces in 2011 to help address these issues, and we have seen progress, but military spouses continue to face significantly lower earnings, higher unemployment and underemployment than their civilian counterparts.[17] Syracuse University Institute for Veterans and Military Families released a Military Spouse Employment Survey with Military Officers Association of America that showed 90 percent of active duty spouses responding are underemployed meaning they possess more formal education/experience than needed at their current or most recent position.[18] The results are evidence of ongoing career barriers that military spouses face during their servicemembers commitment.

DOD has realized spouse education and employment opportunities are linked. DOD provides the Spouse Education & Career Opportunities (SECO) program, which oversees the Military Spouse Employment Partnership (MSEP) and the My Career Advancement Account (MyCAA) Scholarship. Recently, SECO launched the My Individualized Career Plan (MyICP) tool to help military spouses build a roadmap specific to their goals and plans, educational and professional. These programs are vital to bridging the unemployment and wage gap (26 percent and 25 percent, respectively) military spouses face as a result of the requirements and pressures of military family life. These programs provide financial assistance in education and training for portable careers, career planning and job search assistance, networking assistance and advocacy at no cost to the military spouse.

We ask Congress to continue funding DOD's Spouse Education & Career Opportunities programs.

Military spouse preferences and non-competitive hiring authority for military spouses have been expanded over the years, but implementation is onerous and complex. The process for using these options must be simplified for the job seeker and non-discretionary for the hiring agency in order to serve the purpose intended; aiding military spouses seeking Federal employment. The Office of Personnel Management (OPM) is considering revising its rules to make it easier to achieve career tenure in the Federal Government by allowing employees to earn time toward tenure in aggregate rather than in continuity. We are pleased frequent moves are recognized as a barrier to this career goal for military spouses, but are concerned more bureaucratic barriers will exist that make Federal career employment an impossibility for most spouses.

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[16] http://www.usfinancialcapability.org/downloads/NFCS—2012—Report—Military—Findings.pdf

[17] Http://vets.syr.edu//reserach-highlights/milspouse-survey

[18] Http://vets.syr.edu//reserach-highlights/milspouse-survey

We ask Congress to make military spouse preferences and hiring authorities non-discretionary.

Since 2004, our Association has been fortunate to sponsor our Joanne Holbrook Patton Military Spouse Scholarship Program. Of particular interest, of nearly 7,000 applicants from our 2013 scholarship applicant pool, more than 50 percent were not eligible for the MyCAA program because of rank or service ineligibility. We ask Congress to better address the educational needs of spouses of all servicemembers, including those in the Coast Guard and the Commissioned Corps of NOAA and the U.S. Public Health Service.

We ask Congress to expand outreach and eligibility for MyCAA to spouses of all of the Uniformed Services to facilitate better utilization and access.

Quality, Affordable Child Care

Media reports about military compensation often refer to subsidized child care as one of many "benefits" provided to military families. To our Association, this view is a mischaracterization of the role and importance of child care to the military and military families. Access to quality, affordable child care is not just a "nice-to-have" part of a benefit package. Rather, it is central to servicemember and family readiness.

More than 40 percent of servicemembers have children, and the largest cohort of military children is under age 5.[19] Servicemembers face the same challenges as all working parents. If child care arrangements fall through or the babysitter gets sick, a parent may find himself forced to miss work. When the parent who must miss work is in the military, his or her absence may threaten the readiness of an entire unit.

Quality child care is also essential to military family financial stability. Like most families, many military families rely on having two paychecks in order to make ends meet. However, military spouses face many barriers to employment, including distance from extended family who might otherwise be available to assist with child care. Quality, accessible child care is inextricably linked to spouse employment and thus to military family financial readiness.

We appreciate that Congress and DOD have recognized the importance of child care to military families and have taken steps to make quality child care both more available and more affordable. Thanks to those efforts, military families have access to a wide range of child care options to meet their needs, from on-installation Child Development Centers (CDCs) to in-home care providers.

While installation CDCs are the preferred option for many families, they are not always a viable choice, either because of long waiting lists or because the family lives far from the installation. However, particularly in high cost areas, quality child care is often unaffordable for military families. Recognizing this need, DOD established a program to provide fee assistance to families without access to on installation child care centers. This program, operated through a partnership with Child Care Aware, has proven to be popular with families and an effective means of ensuring that families can afford quality care. Because this partnership has been so successful, we are concerned about the Army's plan to begin managing its fee assistance program itself in 2014. We intend to watch closely to ensure the transition is seamless and Army families can continue to benefit from the fee assistance program.

Ensure adequate funding for military child care programs, including child care fee assistance programs.

SUPPORT FOR MILITARY CHILDREN

The military lifestyle includes inevitable challenges for children, who must cope with repeated moves and frequent separation from their servicemember parent. Parents worry about the effect of these disruptions on their children's emotional well-being and academic achievement. Ensuring that military children receive a quality education as well as emotional support is both a moral imperative for our Nation and essential to military family retention and readiness.

Education of Military Children

The task of educating military-connected children falls largely to the Nation's local public schools, where more than three-quarters of school-aged military children are enrolled.

Although most communities welcome military children and families, the fact remains that an influx of children connected to a military installation presents increased costs to a school district. At the same time, the presence of a military instal-

[19] 2012 Demographics: Profile of the Military Community

lation or other Federal property in a school district reduces its tax base and thus its available funding level. Most school districts receive the majority of their operating funds through local property taxes. Since Federal land—including military installations—is not subject to local property tax, school districts with large numbers of military connected children often have few sources of revenue.

Department of Education (DoEd) Impact Aid was established in 1950 to address this imbalance and reduce the burden on local communities and taxpayers. It recognizes the Federal Government has a responsibility to help communities educate children who are only there because of their connection to a military installation or other Federal activity. federally-impacted school districts rely on these funds to meet payroll, operate school buses, and purchase textbooks. All children and families in a district—not just military families—benefit from Impact Aid funding.

We also note for the third year in a row the administration has proposed the elimination of the Impact Aid category covering Federal properties. Eliminating this funding would affect more than 50 military-impacted school districts in 19 States. We thank Congress for acting to restore these section 8002 funds last year and ask that you do the same this year.

While we understand this committee does not have jurisdiction over this program, we ask you to work with your colleagues to ensure appropriate and timely funding of Impact Aid through DoEd and restore funds to the Impact Aid Federal properties program as essential to meeting the needs of military families.

We strongly urge Congress to ensure appropriate and timely funding of Impact Aid through the Department of Education and restore funds to the Impact Aid Federal properties program.

We appreciate the inclusion of $40 million for DOD Impact Aid in the NDAA for Fiscal Year 2014 to support public schools with large numbers of military children, as well as $5 million for districts educating military children with disabilities. This funding is vitally important to help districts provide the military children they serve with a high quality education. We also thank Congress for appropriating funds to renovate and expand public schools on military installations, many of which are overcrowded and in disrepair.

Continue to authorize Department of Defense Impact Aid for schools educating large numbers of military children.

In 2007, the John Warner National Defense Authorization Act established a grant program to directly support public schools educating large numbers of military-connected children. These grants, which are managed by the Department of Defense Education Activity (DODEA), support programs that enhance student achievement in science, technology, engineering, and mathematics. Funds have also been directed toward programs that support military children as they transition to new schools or cope with the stress of a parent's deployment. Grant funds have given military children in more than 50 public schools greater access to and success in Advanced Placement (AP) courses in math, science, and English. Since 2009, this innovative partnership program has directly supported 320,000 military students at 1,500 public schools. We were disappointed funding for this valuable program was not included in the NDAA for Fiscal Year 2014 and encourage Congress to restore this program in fiscal year 2015.

Restore funding for the DODEA Grant Program.

Department of Defense Schools

More than 80,000 military children in grades pre-K through 12 are enrolled in schools operated by the DODEA. The agency operates schools both at overseas locations and at 15 installations in the United States. DODEA is vital in helping to ensure military children can receive a quality education regardless of where their parents are stationed. Thus, our Association was concerned to see the administration's budget proposal included a cut to funding for DODEA. How can DODEA absorb these cuts without affecting the classroom experience of the military children they serve? We believe strongly the education of military children should not be compromised due to budget constraints. We ask Congress to restore DODEA funding to ensure military children receive the best possible education.

In late 2013, DOD announced the launch of the CONUS Education Options Assessment (CEOA), which will analyze the operations of the Domestic Dependent Elementary and Secondary Schools (DDESS) at installations in the United States. The purpose of this study is to assess education options that effectively balance cost and quality considerations. Possible recommendations include maintaining the status quo, turning the schools over to local school districts, and establishing charter schools, among other options. We welcome the opportunity to learn more about DDESS schools and are pleased DOD is including the views of parents, students, administrators and local public school officials in its study. However, we urge DOD

to move cautiously before making any changes to its education program. These schools have become tightly woven into the fabric of the communities they serve. Eliminating them would be complicated and expensive for DOD, costly for local communities, and painful for military children and their families. Most importantly, closing DDESS schools would jeopardize the education of thousands of military children, at least in the short term. In some cases, the existing school buildings are not up to state standards and would have to be extensively renovated. States and localities would have to be compensated for the additional expense of educating military children over and above what they receive from Impact Aid.

Restore full funding to Department of Defense Education Activity schools.

MILITARY FAMILIES IN CRISIS

Even though the war in Afghanistan is coming to an end, military families continue to live extraordinarily challenging lives. Reintegration continues to pose challenges for some. Others are concerned they will be impacted by the military drawdown and are anxious about their financial futures. Most military families are resilient and will successfully address whatever challenges come their way. However, some will need help. It is critical that military families trust DOD services and programs and feel comfortable turning to them in times of need. These programs and services must be staffed and resourced adequately so when families reach out for help, they can trust it is available. Military families must be assured our Nation will support them in times of family or personal crisis.

Suicide

Earlier this year, the Defense Suicide Prevention Office (DSPO) released a report outlining an approach for tracking military family member suicides. The report, Suicide and Military Families: A Report on the Feasibility of Tracking Deaths by Suicide among Military Family Members, was requested by the Senate and House Armed Services Committees.

The National Military Family Association appreciates that DSPO in its report has identified a methodology for tracking military family member suicides. Anecdotal reports indicate the number of military family suicides is growing. We cannot address the problem until we know its extent. Identifying a methodology is an important first step in accomplishing this goal.

The National Military Family Association strongly urges Congress to fund ongoing tracking of military family member suicides.

Preventing Child Abuse and Neglect, and Domestic Violence

Research commissioned by our Association[20] and others during the past decade documents the toll of multiple deployments on children and families, the difficulties many families face on the servicemember's return, and the added strain a servicemember's physical and invisible wounds can place on a family. These stressors put military families at risk for marital/relationship problems and compromised parenting that must be addressed with preventative programs.

Current research validates families will experience the effects of war long after deployments end. A recent study highlighted parenting challenges fathers face following deployment. The study found that while deployment is a time of great stress for families, the need for support and a strong community continues during the extended period of reintegration after the servicemember returns. This need is particularly pronounced when the returning servicemember is father to a young child, and he faces the core challenge of reconnecting with a child who has undergone significant developmental changes while he was away.[21] A 2013 research brief issued by Child Trends, Home Front Alert: The Risks Facing Young Children in Military Families,[22] concluded many children negatively impacted by a parent's repeated combat deployments will continue to have exceptional needs as they grow older.

As the war winds down in Afghanistan, those looking for budget cuts may find it tempting to slash family support, family advocacy, and reintegration programs. However, bringing the troops home does not end our military's mission or the necessity to support military families. Recent media coverage indicates the incidence of child abuse and neglect among Army families has increased. We are concerned the

[20] Anita Chandra, et al., RAND Center for Military Health Policy Research, Views from the Homefront: The Experiences of Youth and Spouses from Military Families, 2011

[21] Tova B. Walsh, et al., "Fathering after Military Deployment: Parenting Challenges and Goals of Fathers of Young Children," Health & Social Work: A Journal of the National Association of Social Workers, February 2014.

[22] "Home Front Alert: The Risks Facing Young Children in Military Families", Child Trends, July 22, 2013.

extraordinary stress military families have faced could lead to increased domestic violence as well. Preventative programs focused on effective parenting and rebuilding adult relationships are essential. The government should ensure military families have the tools to remain ready and to support the readiness of their servicemembers.

We are encouraged that the Family Advocacy Program, a congressionally-mandated DOD program designed to prevent and respond to child abuse/neglect and domestic abuse in military families, has redoubled its focus on prevention programs. Their efforts to repair relationships and strengthen family function will be essential.

We thank Congress for the study included in the National Defense Authorization Act for Fiscal Year 2014 that will look at the needs of the families of those servicemembers convicted of a crime.

We encourage Congress and DOD to ensure that Family Advocacy programs are funded and resourced appropriately to help families heal and aid in the prevention of child and domestic abuse.

Military Sexual Trauma

Our Association appreciates the legislation included in the NDAA for Fiscal Year 2013 concerning Military Sexual Trauma (MST) and the further legislation that was passed this year. We believe these changes will enhance trust in the system among both victims and their loved ones. However, we feel the impact of MST on both the families of victims and perpetrators has been overlooked.

Our research indicates civilian organizations supporting sexual assault survivors recognize both the importance of family support for the victim and the difficulties family members face following their loved one's assault. Some of these civilian resources offer guidance on how to help the sexual assault survivor through the recovery process. They also provide tips to help family members cope with their own emotions, including shock, anger, sadness, anxiety and fear, so they are better equipped to help the sexual assault victim. Perpetrators' families are not addressed by these resources or any others we could find. They could also be invisible victims.

It appears there are limited resources specific to MST victims' families. Although the DOD Safe Helpline website (operated by RAINN – Rape, Abuse & Incest National Network), has a section called What to Do if You or Someone You Know has been Sexually Assaulted, we feel more needs to be done to support family members of MST victims and perpetrators.

We request DOD conduct a needs assessment among family members of MST victims to determine the ways in which they are struggling to support their servicemembers and deal with their own emotions. Together with an environmental scan to determine currently available resources, this will provide a foundation for developing a family support strategy. Directing MST victims' families to existing civilian resources may be part of the solution.

We encourage those supporting victims of sexual assault to remember to share resources and support with the families of the victims and the families of the perpetrators.

Survivors

The Services continue to improve their outreach to surviving families. We appreciate the special consideration, sensitivity, and outreach to the families whose servicemembers have committed suicide. We do have some concerns about the effect Federal civilian employee downsizing or hiring freezes will have on programs when certain expectations for survivors have been established. DOD and the VA must work together to ensure surviving spouses and their children can receive the mental health services they need.

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). Although we know there is a significant price tag associated with this change, ending this offset would correct an inequity that has existed for many years.

Eliminate the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP) to recognize the length of commitment and service of the career servicemember and spouse. We support H.R. 32, which provides for that elimination.

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. This cost of this adjustment cannot compare to the peace of mind this affords the parents of these special needs children.

Allow payment of the Survivor Benefit Plan annuity into a Special Needs Trust to preserve disabled beneficiaries' eligibility for income based support programs.

The 11th Quadrennial Review of Military Compensation released in June 2012 recognized the Survivor Benefit Plan (SBP) annuity for Reserve component personnel who die while performing inactive duty is significantly less than the benefit available to survivors of active duty members and Reserve members who die on active duty. Despite their inactive status, these reservists are still performing military duties at the time of their death. The review report recommends calculating SBP benefits for a reservist who dies while performing active duty training using the same criteria as for a member who dies while on active duty.

Calculate Survivor Benefit Program annuities for a reservist who dies while performing active duty training using the same criteria as for a member who dies while on active duty.

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 DOD and the 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 address problems and implement 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 5 years, we have held 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 that many issues still create difficulties for them well into the recovery period. Our Association believes everyone must focus on treating the whole family, with DOD and VA programs offering skill based training for coping, intervention, resiliency, and overcoming adversities. DOD, the VA, and non-governmental organizations must provide opportunities for the entire family and for the couple to reconnect and bond, especially during the rehabilitation and recovery phases.

Ensure better cooperation and accountability between the Departments of Defense (DOD) and Veterans Affairs (VA) at the highest levels in the support of transitioning wounded, ill, and injured servicemembers and caregivers. The lack of a seamless transition between agencies still exists and must be corrected.

Caregiver Support

Servicemembers and their families must be assured that our Nation will provide unwavering support to the wounded, ill and injured. This support must extend beyond the recovering warrior's medical and vocational rehabilitation. It must also include programs and services that help military caregivers, typically spouses or parents, successfully navigate their new role. The VA acknowledges that: "Caregivers provide crucial support in caring for veterans." However, providing this support often has an enormous personal impact on caregivers. The time required can result in lost jobs or lost wages.[23]

Our Association appreciates the strides DOD has made in providing monetary compensation to caregivers of catastrophically wounded, ill, and injured servicemembers. The Special Compensation for Assistance with Activities of Daily Living (SCAADL) helps offset the loss of income by a primary caregiver who provides non-medical care, support, and assistance to the servicemember. We believe, however, more can be done to optimize the program. SCAADL is considered taxable income, which diminishes its value to wounded warrior families. Awareness of SCAADL is low and families report difficulties in applying for the benefit. Consistent with recommendations from the Recovering Warrior Task Force, we request a legislative change to exempt SCAADL from income taxes, enhance marketing to the eligible population, and add an electronic application process to reduce the burden of completing SCAADL paperwork.

Exempt SCAADL from income taxes, enhance marketing to the eligible population, and add an electronic application process to reduce the burden of completing SCAADL paperwork.

One of our legislative priorities is to help wounded warrior families become whole again, including addressing service-connected infertility. Combat injuries involving pelvic, abdominal, or urogenital wounds have led to an increase in the number of

[23] U.S. Department of Veterans Affairs web page: http://www.caregiver.va.gov/support—benefits.asp

servicemembers and veterans facing infertility. DOD has authorized assisted reproductive services, including in-vitro fertilization (IVF), for severely or seriously injured active duty servicemembers. Unfortunately, once wounded warriors leave active duty, they are no longer covered for IVF by TRICARE or the VA, greatly limiting their ability to start or grow their families. Considering the sacrifices these wounded warriors and their families have made, we believe it is incumbent on our Nation to make every effort to restore their reproductive capabilities. We urge DOD and the VA to develop a solution to continue IVF coverage for veterans and military retirees facing service connected infertility.

We urge the Departments of Defense (DOD) and Veterans Affairs (VA) develop a solution to continue in vitro fertilization (IVF) coverage for veterans and military retirees facing service connected infertility.

Thanks to a grant from the Elizabeth Dole Foundation, our Association conducted a study with caregivers last year. This resulted in a tool developed by military caregivers for military caregivers to help them navigate their new role.[24]

We believe that DOD and VA must regularly assess the unmet needs of caregivers and develop programs to address their evolving requirements. These programs not only enable our military caregivers to provide essential support to recovering warriors, they also signal a commitment to all servicemembers and their families. These assurances allow military families to more willingly accept the risks inherent in military service resulting in enhanced family readiness.

Require DOD and the Department of Veterans Affairs (VA) to regularly assess the unmet needs of caregivers and develop programs to address their evolving requirements.

MILITARY FAMILIES—MAINTAINING THEIR READINESS

We have made many recommendations in our statement today all in the name of supporting the readiness of military families. Recent national fiscal challenges have left military families confused and concerned about whether the programs, resources, and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. Our Association believes the DODI 1342.22 must be the baseline for military family readiness. DOD must provide the level of programs and resources to meet this standard. Sequestration weakens its ability to do so.

Servicemembers and their families have kept trust with America, through over 13 years of war, with multiple deployments and separations. We ask the Nation to keep the trust with military families and not try to balance budget shortfalls from the pockets of those who serve.

Bringing the troops home does not end our military's mission or the necessity to support military families, dealing with the long-term effects of more than a decade at war. The government should ensure military families have the tools to remain ready and to provide for the readiness of their servicemembers. Effective support for military families must involve a broad network of government agencies, community groups, businesses, and concerned citizens.

Senator GILLIBRAND. Thank you for your testimony. I think it is vital that each of your testimonies is part of this debate because you are the voice for so many who have served our country, who are still serving our country, and those who rely on the support that benefits and wages actually provide for these families.

So I have three questions for all of you to answer in whatever measure you prefer.

The first is, do you support any of the proposals that the administration has offered?

Second, if you don't, do you have any proposals that could yield savings that could be used to restore readiness and modernization?

Third, do you believe that we should wait for the MCRMC to report next February so we can consider these proposals more holistically? Some of you said that in your testimony.

But those are the three questions.

Mr. Davis, you can start if you like.

[24] http://www.militaryfamily.org/get-info/caregiver/care-for-the-caregiver/tips-from-caregivers.html

Mr. DAVIS. I'm not sure where you'd want me to start with as far as what the proposals are for the—

Senator GILLIBRAND. Wherever you like.

Mr. DAVIS. Okay. We certainly don't have any problem with them looking at the merger of the TRICARE as long as it's done in an adequate way. We do oppose them shifting the cost of TRICARE to the beneficiaries, as Colonel Hayden mentioned in his statement.

Senator GILLIBRAND. Do you have concern about the fact that you have to travel to a hospital or medical services on a base for those who are retired? I thought that might be an issue for a lot of people.

Mr. DAVIS. It is. We have a considerable number that are near MTFs, but it is for a lot of our members as well the travel that they want to save money. We have come forward with some proposals with that. For example, the direct mail, which I know is being implemented for the TRICARE for Life, and I know it's been talked about for extending that to other beneficiary groups as well, and I think that's important.

I think the main thing is we've painted ourselves into a corner with sequestration, and we need to look at how we can get around that, not only just with the benefits for enlisted people and for the retirees but also just for our national security. I think when you see the cuts coming down the road in the coming years, we could cut all kinds of benefit programs and we still wouldn't have enough, and we'd end up cutting significant end strength and weapons programs and other parts of the military that would really jeopardize our national security.

Senator GILLIBRAND. Thank you.

Colonel HAYDEN. Senator, if I could, it's an interesting question, line of questioning when you take a look at it. I'm going to actually try to answer the last question first, because it really comes down to piecemeal approaches.

It appears that the budget proposal this year, especially when you're talking about the overall impact on what it would be for military members and their families, as well as the retiree population, this is like Jello on a wall. We just threw as many things as we could, and we've had to do some things, we've had to assume some risk, and DOD is basically saying here are the areas where we can assume some risk, and we may or may not impact recruiting and retention.

From our perspective, those piecemeal approaches should be the last thing that we should be looking at. If you're going to look at broader reforms and you have a commission that Congress directed to do just that, that's what we should be looking for, much broader reforms.

I'm encouraged that TMC has had an opportunity to meet with the members of the commission, as well as with their staffs, and we're encouraged that they're looking at it from more of a perspective of how do we provide the same level of benefits, or even much better benefits, which potentially could be at a lower cost. The idea there is that this is the way this should be approached. Unfortunately, what we see, and at least from MOAA's perspective, that these are really budget-driven decisions.

This overall impact of the E–5, as we have on the chart there, it shows it's about $5,000 annually. When you start looking at our pay caps of just 2 years, and the proposal is actually for pay caps of what would be 6 years, and all of those just repeat the same bad behaviors that we did in the 1990s. When I was in the Service, I was a recruiter in the 1990s, turn it around, was the chief of personnel policy in the Air Force in 2003 to the 2005 time period, with all of the drawdown aspects we were doing at the time, these are starting to be some of the same repeat bad behavior that I was involved with in the 1990s. So we're capping pay, we're cutting back on a commissary benefit, and all of this has a direct impact.

So the first question that you asked, I'd say no. I'd say that we have to take a look at this. How can we do this much more efficiently? That's what the commission is supposed to be doing and provide those holistics, as well as much more streamlined.

We even offered that a single budget authority could be one of the ways we look at it just in the health care delivery. There are other things that can be done as you look forward and going on to provide the benefit structure.

But these that they've proposed right now is just Jello on the wall.

Senator GILLIBRAND. Thank you.

Captain HANSON. Thank you. I'm going to be the one who says it. The proposals for TRICARE that DOD is coming up with is just slapping a label onto a bottle of wine that already exists. There aren't really new proposals. They just want to re-identify things, and one of the best examples is the fact that they're changing what used to be called "enrollment fees" to "participation fees."

When a group of the beneficiaries were on a teleconference call with DOD leadership, they got confused on what term to use. When it was pointed out that they were confusing enrollment fees with participation fees with premiums, they said, oh, it's all the same.

Senator GILLIBRAND. It's about how much money are you going to pay, how much money can we get from you.

Captain HANSON. Right. So the whole purpose of this repackaging is to find ways to shift the cost burden from DOD onto the backs of the beneficiaries.

On to the question of travel to hospitals and MTFs, it should be remembered that the Guard and the Reserve for the most part are outside of the normal TRICARE network. Because of this, they have long distances to travel, and they also have challenges to get doctors to accept their TRICARE. So, one, they have longer distances to probably find someone, a provider who accepts it. Two, with a relabeling, you're going to see the same confusion occur in the civilian area that occurred when CHAMPUS changed to TRICARE, and those two terms are still being used interchangeably today. So we may actually drive providers out of the system because things get relabeled.

As to the question on alternatives, I can share with you that when the COLA minus 1 percent issue came up, and we thank Congress for having fixed that so quickly, the associations got together and started considering certain options to find offsets to help correct that problem. You managed to do that on your own, and I can share with you that we do have some in our pocket to

discuss with the subcommittee if we have to find these offsets in the near future.

Now, one example that I can share with you that we tend to agree with, a big area that can be improved upon within DOD is their acquisition programs. Purchasing of weapons systems is not the most efficient, and a lot of dollars are being lost in how things are occurring, and that money could be used to save some of the benefits.

We are working, as was mentioned, with the MCRMC, and what concerns the ROA the most is DOD's white paper that they submitted to the MCRMC already. What we found is this white paper is a patchwork of utilizing previous studies and throwing out a lot of different choices to the MCRMC. Again, these aren't well thought through. I describe it as Jello on the wall, but it's definitely a patchwork, and this is a concern that we have to go through and analyze these things thoroughly.

If people are going to submit things to the MCRMC, they should do the full staff work in advance rather than relying on the MCRMC to do the work for them.

Thank you.

Senator GILLIBRAND. Ms. Moakler?

Ms. MOAKLER. First off, I agree with the previous panelist that we cannot stress how important it is for the MCRMC to finish their work. We agree that they have been most open in speaking with us. We have had chances to submit testimony, to speak with the different commissioners. So they are really doing due diligence to try to look at the entire compensation picture.

Military families know that there are budget cuts coming down the pike, and they have already experienced them, and they've seen the agencies that provide programs and resources for them trying to do more with less, with the people in the brick and mortar buildings wearing multiple hats. They kind of expect that.

But what they didn't expect was the volley of hits to their pocketbook that were the budget proposals, the less-than-ECI pay raise, the slowing of the growth of the BAH, the attack on the savings from the commissary. The commissary is such an important part of life and the source of such savings to really help the financial stability of our military families, it is something that they rely on.

Was it 8 years ago that we finally opened it to the Guard and Reserve so they could shop there as often as they wanted to? So that is a great resource for them, as well.

I think the most egregious is forcing Active Duty families to assume some of their costs for health care. When we were on that same phone call with the leadership, it was implied that families have a choice whether they want to go to a provider in the network or out of the network, as opposed to going to the MTF, the military hospital or clinic. As I spoke to in my statement, sometimes they don't have a choice.

Senator GILLIBRAND. Is that because the military provider doesn't exist, or because——

Ms. MOAKLER. No, because you may be the family of a recruiter. You may be a family of someone doing Reserve Officers' Training Corps duty. You may be attached to a Reserve unit. We were reminiscing earlier. When my husband was in graduate school, that was

the first time I had to use treatment for my children that was outside the MTF back in the days of CHAMPUS, and that was quite a hit to our pocketbook then.

Senator GILLIBRAND. That's because your kids weren't covered under your husband's——

Ms. MOAKLER. No, because we weren't near a military hospital.

Senator GILLIBRAND. Oh, logistically.

Ms. MOAKLER. Logistically, and that's what is going to be tough for our families.

Senator GILLIBRAND. That's what I'm worried about. If your kid is sick, you can't drive 90 minutes to get him antibiotics. That is not going to work with your schedule. There is not going to be time in the day to do that. I think it's crazy.

Ms. MOAKLER. It's not good health care.

Senator GILLIBRAND. It's terrible health care.

Ms. MOAKLER. It's not good practice, even for our retirees. To think that they're going to drive 2 hours just because they're going to be able to access the MTF is a fallacy. They should have health care close to where they live.

Senator GILLIBRAND. Right.

Ms. MOAKLER. Plus, we are wondering how they are going to address capacity issues, because they're talking about giving preference to those folks who are already enrolled in TRICARE Prime so that they would be able to stay in the military hospital. But one of the beauties of the TRICARE system was that it allowed the military hospitals to ebb and flow, for them to make sure that there was room in the hospital or in the network, before they had to pay, that they would be able to be seen.

Now we don't know what capacity there will be for military families as they move from place to place because we have a mobile society with our military families, and how are they going to know when they move from one station to another whether there is going to be room in the military hospital for them? So that's a big concern that we have.

It's just an awful lot for families to take considering the sacrifices that they've made over the past few years. I think there is some other way that DOD could come up with to make these cuts. We don't have any suggestions on our part, but we're hoping that they would be able to come up with those.

Senator GILLIBRAND. Let me ask you specifically, for all of you who have an answer on this. I am very worried. Our last hearing we had was on suicide rates, and there has been a horrible increase in the number of both Active Duty and veteran status personnel who have committed suicide, and family members, because of the strains with multiple deployments, because of the nature of the deployments, and because of a lot of untreated issues like sexual assault in the military.

My concern is, under these new proposals for health care, that we won't have the access that we need for specialists, particularly mental health specialists, for family members, or for veterans, or for retired, or for Active Duty, and I'd like you to speak to that to the extent you know how these proposals could impact that access.

Mr. DAVIS. One of the things that I could tell you is, and this is from not only hearings of the Senate Armed Services Committee

but also the Senate Veterans Affairs Committee, there is a shortage of mental health professionals.

Senator GILLIBRAND. Yes.

Mr. DAVIS. So we can mandate that we can hire more mental health professionals, but literally there may not be enough out there to take care of everyone. So that's a major concern that we're very concerned about.

We are concerned about, like I said, with the reduction in end strengths, that that can cause a lot of stress on the families. That includes the kids and the spouse and the servicemember, and this can cause a lot of problems with regard to suicide, but also alcoholism and other bad behavior that just exacerbates that situation.

So we're very concerned about it, but we're very concerned that there may not be enough mental health counselors out there to fill that void.

Senator GILLIBRAND. I think you have to be very aware, and we heard that from the statements by Senators today, that the recommendations of this panel will be taken very seriously, and you have to recognize that it could include every single one of the administration's recommendations. I think, in order to prepare and to actually give them access to the information that they need, you must document what the impact of these administration proposals are for the MCRMC, because these are minor compared to, I think, what the MCRMC will come up with.

I think while we're resting on this, the MCRMC is going to look at everything, it's going to be more holistic, we're very hopeful. If we see what the MCRMC's recommendations are and it's all of these cuts plus 10 more, we are going to be in a very concerned place.

I think this is an opportunity for you to heighten your advocacy, to get more specifics, and I think even begin to document not only the suicide rate but the increase in domestic violence rate, and the increase in divorce rate. You can show the trauma that is going on amongst these retirees, veterans, and family members that is not being addressed. When you change the access to mental health services and other health care services, you're going to continue to degrade the force, because ultimately this is about military readiness, and you will not have the force you have today if you can't meet their medical needs, and that includes their family members. If you have increases in divorce rates and domestic violence rates, you're not going to have a ready force.

I really think you need to look into this issue. We've never seen suicide rates as high as we've seen in the military today. We've never seen family members committing suicide at the rate we've seen today. It's because of the pressure we're putting on the force.

I really think, to the extent you can spend a lot of time and effort investigating and actually coming up with this is the impact of these cuts on every single constituency that you represent, it will be very meaningful, because people are thinking these are just numbers.

I can tell you how Washington works. When they look at budgets, they think it's just a number, and we know from the administration's proposal how much every single one of these budget proposals add up to. This one is $400 million, that one is $600 million.

We know it's a number, and it adds up to $2.1 billion, and they're going to just see it as a number, and we have to change that reality and see it as a consequence to real people, real families, men and women that we ask everything from and who deserve better from this country. I will request your help.

Does anybody else want to speak to mental health while we're still on that topic?

Captain HANSON. Mental health is a challenge for those that are in the Guard and Reserve because, as I mentioned before, they're further away from the network, and some of the tele-counseling programs have been cut back on that were experimented with a couple of years ago under demonstration projects.

The suicide rate for the Guard and Reserve is a challenge. Oddly enough, what brings it about is employment, or I should perhaps say unemployment, relationships because of the stresses that you pointed out, and in some ways deployment. Ironically, it's not so much having been deployed but not having been deployed to where we have young reservists and Guard members who are now left out of the cadre of the people who went over and fought overseas.

One thing that I know we support is a mental evaluation program done upfront when an individual affiliates. One, it can filter out personality disorders, which has been a challenge for the Services; and two, create a benchmark so that if someone is indeed deployed, you know what their mental state was before they went, and then you can measure it again when they come back. I think that would help on the mental health side to see these changes so you can target those people who need to be counseled the most.

Senator GILLIBRAND. Certainly, that would be helpful in benefits, because for a lot of those who have been sexually assaulted or raped in the military, one of the ways some of these personnel were retaliated against was giving them a mental disability, literally saying we're kicking you out of the military because you have now displayed emotional problems, which these members of the military did not have coming in, that they were created because they were subjected to the worst kind of treatment, not only by the assailants but then by their command structure that should have protected them but allowed retaliation and didn't allow proper reporting and justice to be done.

It's a dual betrayal which is undermining so much of their ability to be able to continue to thrive in the military, and many have been forced out with, now, emotional or personality disorders. I think that would be a very useful thing to be able to have a baseline, because it's been a tool, unfortunately, used to get rid of members of the military who have been so bold to report a sexual assault or a rape.

Ms. MOAKLER. Madam Chairwoman, I just want to highlight the recent study that DOD provided to Congress that was congressionally mandated on the feasibility of tracking suicides of family members, and to encourage you to encourage DOD to take the next step and start tracking the suicides of family members so we can help analyze what's causing it and what tools are needed to help stop it.

Senator GILLIBRAND. We will try to get that in the next NDAA, because it would be very useful.

The last question I want to talk about is, particularly for military families, what are the most useful programs we have now for our military families? What are the things that support them the most? Do the reintegration programs after military deployments meet the needs of our military families? Is there sufficient transition assistance? What should be done to improve on these programs?

Ms. MOAKLER. I think one of the most helpful programs that has far-reaching effect on all military families, no matter where they live, is Military OneSource. That was an innovative program at the beginning of the war to address the needs of Guard and Reserve families, geographically dispersed families. The website is available for those non-ID-card-holding families.

The counseling session of it was amazing and really helped a lot of folks cope with the challenges that they met during deployments. So we really appreciate Military OneSource and feel that it was money well spent.

In our testimony we highlighted the fact that the Yellow Ribbon program, the folks at the headquarters are working on a plan for the future, and they've come up with a plan for the future on how to adapt the Yellow Ribbon program to the ebb and flow of how we're using the Guard and Reserve and how to adapt it. They offer three different ways to reach everyone, whether they're drilling, whether they're being deployed, however they're being used.

Senator GILLIBRAND. I would like to work with you on that because I think that's very important.

Ms. MOAKLER. Yes, it really is. We are very concerned with downsizing and how we are going to help our families transition, because they have been used to a very robust set of support services, and the challenges that they have aren't going to go away just because their servicemember is out of uniform.

Senator GILLIBRAND. Correct.

Ms. MOAKLER. How we can educate them on the services that are available in their community, and educate communities on meeting the challenges that these families are going to have.

Senator GILLIBRAND. I want to thank all of you for your testimony.

Yes, Mr. Hanson?

Captain HANSON. Thank you, ma'am. One of the things that was covered in the ROA written testimony is the fact that support for families is one of the Reserve gaps that we found. I think Kathy has given a good summary of efforts that are occurring to help the Guard and Reserve in family support. But the big challenge you have, of course, is the geographic dispersement, unlike military Active Duty organizations where families are close together.

I think it's going to take a public-private partnership to accomplish building additional programs to help the Guard and Reserve in this area because there is still a void there.

One area I know that the ROA is working on is School Kits, as we call it, because when you have Active Duty children going on-base to school or just off a base to school, the teachers are very familiar with deployments and things like this, but you could very much have a Reserve child as an individual within a school with the teachers not realizing the type of stresses that they face.

We've been working with the NMFA on developing this kit, and we've been trying to get partnership in the private sector so that we can beta test this.

Senator GILLIBRAND. I'd be delighted to work with you on that. I think we should also try to engage the Governors Association because, obviously, the Governors are supposed to have a responsibility towards National Guard and Reserve. So maybe a collaborative effort between Federal Government and State government could be beneficial in that.

Again, thank you all for your testimony. You can submit any additional testimony for up to a week. I think it's been very important that you're here to be part of this debate. As I mentioned, this is going to be a very long debate, and so I urge constant advocacy in every State because I think people have to see the face and understand the family impacts of these types of decisions. If it's just a number, it's very easy to cut. If it's families and people and real lives, it is less easy to cut.

Thank you. We are adjourned.

[Whereupon, at 1:09 p.m., the subcommittee adjourned.]

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR KIRSTEN E. GILLIBRAND

TRICARE CHANGES

1. Senator GILLIBRAND. Dr. Woodson, every year since at least 2006, the Department of Defense (DOD) has proposed changes to the TRICARE program to shift more of the cost to beneficiaries. Congress has not supported these efforts. While we have not yet seen the DOD legislative proposal for this year, we understand that it is an effort to fundamentally restructure TRICARE. How does this year's proposal differ from prior DOD proposals?

Dr. WOODSON. Previous years' proposals were largely proposed changes (increases) to the costs borne by participants. The fiscal year 2015 President's budget proposal is a wholesale renovation of the TRICARE program that offers real improvements to participants. This proposal would simplify and modernize the existing TRICARE program in ways that provide incentives for wellness, decrease overutilization of health services, and allow beneficiaries to choose their providers whenever they need care. This proposal includes modest increases in beneficiary out-of-pocket costs for Active Duty families, retirees and their families, and Reserve component members and their families, although some families may actually see a decrease. The TRICARE benefit would remain one of the most comprehensive benefits in the country, as it should be. Servicemembers on Active Duty would have no out-of-pocket expense regardless of where care is delivered (Military Treatment Facility (MTF), network, or out-of-network) and the highest priority for access to MTF care.

2. Senator GILLIBRAND. Dr. Woodson, how would this year's proposal increase the out-of-pocket cost of healthcare for Active Duty family members, military retirees under the age of 65, and military retirees using TRICARE for Life (TFL)?

Dr. WOODSON. In the fiscal year 2015 President's budget submission, DOD seeks to leverage proven utilization management controls by building a shared commitment to health care while offering beneficiaries more flexibility and choices. DOD is proposing a consolidated TRICARE health plan to replace the TRICARE Prime, Standard, and Extra health insurance-like plans. Following are key financial elements of the consolidated health plan:

- No change for Active Duty—who would maintain priority access to health care without any cost sharing and would still require authorization for civilian care.
- Cost shares—will depend on beneficiary category (excluding Active Duty) and care venue and are designed to minimize overutilization of costly care venues, such as emergency departments. Cost shares would be the lowest in MTFs, higher in the network, and highest out of network, which will facilitate the effective use of military clinics and hospitals and thereby improve the efficiency of our fixed facility cost structure.

• Participation Fee—for retirees (not medically retired), their families, and survivors of retirees (except survivors of those who died on Active Duty). They would pay an annual participation fee or forfeit coverage for the plan year.
• Catastrophic caps—which have not gone up in 10 years would increase slightly but still remain sufficiently low to protect beneficiaries from financial hardship. The participation fee would no longer count towards the cap.
• Medically retired members and their families and survivors of those who died on Active Duty would be treated the same as Active Duty family members with no participation and lower cost shares.

In addition to consolidating TRICARE Prime, Standard, and Extra, DOD proposes to:

• Increase co-pays for pharmaceuticals (excludes Active Duty servicemembers). While the National Defense Authorization Act (NDAA) for Fiscal Year 2013 included some adjustments to the TRICARE pharmacy co-pay structure and initiated a pilot program requiring the use of mail order to refill maintenance medications for TFL beneficiaries, DOD determined that additional adjustments are necessary to fully incentivize the use of mail order and generic drugs. The proposed pharmacy changes in the fiscal year 2015 budget are phased-in over a 10-year period, and prescriptions will continue to be filled at no cost to beneficiaries at MTFs. In addition, the proposal requires that all prescriptions for long-term maintenance medications (e.g., blood pressure, cholesterol) must be filled through the MTFs or the TRICARE mail order pharmacy.
• Implement modest annual fees for TFL coverage, but the proposal will grandfather TFL beneficiaries in the program prior to enactment. The TFL enrollment fees will be phased in over a 4-year period and will be based on a percentage of the beneficiary's military gross retired pay up to an annual fee ceiling, with indexing to retiree cost-of-living adjustment after fiscal year 2018. There will be a separate fee ceiling specifically for general/flag officers.

RECORD INTEGRATION

3. Senator GILLIBRAND. Secretary Wright, in your written testimony you discuss the work being done to integrate DOD and Department of Veterans Affairs (VA) Electronic Health Records (EHR) systems. DOD and VA previously worked to integrate their two existing systems, and after many years and millions of dollars the plans were scrapped and DOD announced it would find a way to build its own system. In fact, a recent Government Accountability Office (GAO) report stated "VA and DOD have not substantiated their claims that the current approach will be less expensive and more timely than the single-system approach." Every day that we wait for an integrated Electronic Health Record (iEHR) system is a day that veterans are held up while trying to process their claims. It is unacceptable. Please explain why work to establish a joint system fell apart last year and why DOD thinks trying to establish and integrate separate systems will work better than finding a way to create a single system?

Ms. WRIGHT. In December 2012, Secretaries Panetta and Shinseki directed a joint review of the iEHR program with the goal of simplifying and accelerating the achievement of data interoperability while reducing the cost and technical risk of what had proven to be a complex and expensive joint IT development program.

In January 2013, the Secretaries of both Departments directed the DOD/VA Interagency Program Office (IPO) to execute several near-term data interoperability initiatives on an accelerated timeline. The accelerators included the creation of a data management service that retrieves electronic data from across DOD and VA EHR system data repositories for any given patient and shares it between DOD and VA in a standardized format. This enables data that was previously shared between the two Departments as "viewable" only, to be more clinically useful to providers in the delivery of care. This has been accomplished for seven critical clinical areas—medications, problem lists, allergies, laboratory results, vital signs, immunizations, and note titles—which represent the vast majority of most patients' clinical information. This level of interoperability was achieved without replacing the healthcare management software system for either Department. The standardized health data is easily exchanged regardless of the EHR system used, similar to how two different email systems are able to exchange email messages.

It is important to note that, for the DOD, achieving data interoperability is also the path forward to exchanging health information with private healthcare pro-

viders. Today, 65 percent of all servicemember, dependent, and beneficiary healthcare is provided outside the military health network through private providers. Capturing this health information from patient encounters that are performed outside the military health system (MHS) can only be accomplished through interoperability standards championed by the Department of Health and Human Services (HHS) and being adopted by commercial health care providers. The use of open national standards to express the content and format of the information, not a single healthcare management software system, is the cornerstone of seamless exchange of health information.

Today, DOD and VA are pursuing complimentary but different paths to modernize the EHR. On May 21, 2013, Defense Secretary Hagel announced the DOD decision to pursue a full and open competition to modernize its EHR systems while continuing to ensure interoperability with VA. VA will be modernizing their VistA-based platform over the coming years. DOD under the DOD Healthcare Management System Modernization (DHMSM) Program will be acquiring an industry-based EHR platform with the goal to have initial operating capability by the end of calendar year 2016. DOD will build upon many of the iEHR and legacy interoperability efforts so that when the DHMSM EHR system comes on line it will have developed interoperability capabilities to interact with the modernized VA EHR system and private healthcare providers. Further, DOD will work with IPO and the HHS Office of the National Coordinator to drive the adoption of national data standards required for seamless exchange of health information through the DHMSM acquisition.

DEFENSE FINANCE AND ACCOUNTING SERVICE

4. Senator GILLIBRAND. Mr. Hale, it has come to my attention that the Army is considering a proposal to restructure its financial enterprise in a way that would impact how the Army uses the Defense Finance and Accounting Service (DFAS). This plan could severely impact the civilian employees currently working at DFAS sites like the one in Rome, NY, who ensure the centralization, professionalism, and efficiency of DOD's accounting. I believe DFAS is a logical focal point to ensure that DOD has independent accountants developing standardized, auditable records. What can you tell me about this plan?

Mr. HALE. The Army Financial Management Optimization initiative is intended to adopt best practices, increased effectiveness and efficiencies, reduce redundant capacity, and produce auditable financial statements.

As part of this initiative, the Army will conduct a pilot program that will consolidate internal Army Finance Corp activities into a single location to gain efficiencies. This pilot will begin October 1st of this year. We cannot forecast the results of this pilot program; however, the pilot itself will not have an effect on the workload of any DFAS location.

5. Senator GILLIBRAND. Mr. Hale, what is your vision for DFAS's role and functions?

Mr. HALE. As a service provider, DFAS supports DOD's finance and accounting needs. DFAS will meet these needs in the most cost effective and efficient means possible while maintaining high standards and supporting DOD's audit readiness goals.

6. Senator GILLIBRAND. Mr. Hale, I am concerned that I had to hear about the impact to my State through back channels. Do I have your assurances that you will highlight this with your successor as a priority and ask that my office be kept apprised of all future action relating to changes in the DFAS mission and force structure?

Mr. HALE. I will ask my successor to keep you and Congress informed of any changes to the DFAS mission or force structure.

AUTISM

7. Senator GILLIBRAND. Dr. Woodson, I would like to update you on changes to applied behavioral analysis (ABA) coverage since the last time you addressed this subcommittee: in 2013 Federal Employees Health Benefits Program plans began offering coverage of ABA as a medical treatment; there are now 34 States that require insurers to cover ABA as medical care; since the roll out of the Affordable Care Act (ACA), half of the State exchanges picked up coverage of ABA as a medical benefit; dozens of large self-insured companies like Home Depot, United Technologies, Cap-

ital One, Qualcomm, and American Express provide ABA coverage, including services delivered by ABA technicians and assistant behavior analysts, for their employees as medical care, yet TRICARE does not. I understand that TRICARE offers three different programs through Basic, Extended Care health Option (ECHO), and the pilot program, yet each program comes with its own set of restrictions on coverage. And during last year's hearing you even stated that you would prefer ABA to be an educational benefit instead of a medical benefit despite a broad recognition of it as a medical benefit. We are now less than 4 months away from the end of the pilot program that was authorized during the NDAA for Fiscal Year 2013. Please update me on the ABA therapy pilot program that was authorized as part of the NDAA for Fiscal Year 2013. How many families have made use of the program?

Dr. WOODSON. The ECHO Autism Demonstration ABA tiered service delivery model was extended to non-Active Duty family members (NADFM) under a 1 year pilot project (these NADFMs include retiree dependents and participants in TRICARE Reserve Select (TRS), TRICARE Retired Reserve, TRICARE Young Adult, TFL, and the Continued Health Care Benefit Program). Any NADFMs who choose not to participate in the ABA pilot may still receive ABA under the TRICARE Basic Program. Based on contractor feedback (TRICARE purchased-care claims can be submitted up to 1 year after the service is provided and, therefore, claims data is incomplete and not a reliable indicator of current ABA pilot participation), as of March 2014, there were 124 beneficiaries approved to receive ABA for Autism Spectrum Disorder (ASD) under the ABA pilot and another 177 pending approval.

8. Senator GILLIBRAND. Dr. Woodson, do you have data you can share on the success of the program?

Dr. WOODSON. Based on contractor feedback (TRICARE purchased-care claims can be submitted up to 1 year after the service is provided and, therefore, claims data is incomplete and not a reliable indicator of current ABA pilot participation), as of March 2014, there were 124 beneficiaries approved to receive ABA for ASD under the ABA pilot and another 177 pending approval.

9. Senator GILLIBRAND. Dr. Woodson, I understand that several primary barriers to service have been identified as a result of the requirements to participate in the pilot program. I have heard from families that these barriers were so restrictive that many families decided it was not worth it to participate in the program, which has contributed to low enrollment. What are those barriers and what are you doing to eliminate them?

Dr. WOODSON. Completion of psychometric testing and assessment requirements is the biggest barrier. Specifically, obtaining the required psychometric testing—Autism Diagnostic Observation Schedule, Second Edition (ADOS–2) and/or Vineland Adaptive Behavior Scale II (Vineland-II), is primary reason for reported treatment delays.

TRICARE has been engaging in focus groups with various stakeholders regarding the ABA pilot and TRICARE's coverage of ABA for ASD. Included in these focus groups have been participants from various organizations, families of children with ASD, military providers who treat ASD, and ASD advocacy groups. Feedback was provided regarding the ABA pilot, to include concerns about the availability of psychometric testing.

Adjustments have already been made to policy regarding the ABA pilot in response to feedback from focus groups. For example, administration of the ADOS–2 is required only at the beginning of enrollment in the ABA pilot, and waiver requests for continued ABA beyond 2 years will not require a repeat ADOS–2. Another example of feedback from the focus groups was a concern regarding continuity of care during transition periods. Subsequently, Active Duty family members enrolled in the ECHO Autism Demonstration who transition to retiree status will be allowed direct entry into the ABA pilot, and a 1-year grace period will be granted to meet the ABA pilot's diagnosis, referral, and assessment requirements. TRICARE continues to integrate feedback from the focus groups to make improvement in the delivery of ABA services.

10. Senator GILLIBRAND. Dr. Woodson, families report that the limited number of available board certified behavior analysts makes access to ABA services under the TRICARE basic program difficult. To meet the demand for care in the civilian marketplace, ABA services are often delivered through a tiered service delivery model that uses assistant behavior analysts and ABA technicians who work under the supervision of a board certified behavior analyst. This delivery model is allowed by insurance carriers under State insurance laws and State exchanges, helps deliver

treatment economically, and allows for the expertise and oversight needed to reach treatment goals. As we have seen through the Autism Demonstration, the tiered service delivery model has the ability to greatly expand the number of providers that deliver ABA services, thereby improving access to care for TRICARE beneficiaries. Are there any statutory or regulatory barriers that prevent the TRICARE basic program from covering ABA services delivered under the tiered service delivery model? Are there any emergency regulations that allow you to address this need immediately?

Dr. WOODSON. Yes, ABA has not been shown by reliable evidence to meet the requirements of 10 U.S.C. 1079 (a)(13) and 32 C.F.R. section 199.4(g)(15) to be proven medically or psychologically necessary appropriate medical care for ASD. The reliable evidence standard for cost-sharing required by 32 C.F.R. section 199.4(g)(15) has not been met. An interim coverage determination of June 28, 2013, reaffirmed that reliable evidence does not support coverage under the basic program, but deferred any change during the 1-year NDAA–2013 ABA pilot, which has a statutory end date of July 24, 2014.

In response to the second question, yes, using DOD's demonstration authority in section 1092 of title 10, U.S. Code, DOD will address this need by consolidating TRICARE coverage of ABA into a new Autism Care Demonstration to improve the quality, efficiency, convenience, and cost effectiveness of those autism-related services that do not constitute the proven medical care provided under the medical benefit coverage requirements that govern the TRICARE basic program. The Autism Care Demonstration will offer comprehensive ABA, including the tiered model, for all TRICARE eligible beneficiaries with an ASD when diagnosed by an appropriate provider.

11. Senator GILLIBRAND. Dr. Woodson, the pilot program is set to expire on July 24, 2014. Do you have a plan in place to allow for continued coverage of ABA therapy for families accessing the pilot?

Dr. WOODSON. Yes, DOD seeks to consolidate TRICARE coverage of ABA based on DOD's demonstration authority in section 1092 of title 10, U.S. Code.

12. Senator GILLIBRAND. Dr. Woodson, have you addressed this with the impacted families so that they may plan for coverage after the pilot expires?

Dr. WOODSON. Yes, the Defense Health Agency (DHA) has been engaging in focus groups with various stakeholders regarding the ABA pilot and TRICARE's coverage of ABA for ASD. Included in these focus groups have been participants from various organizations, families of children with ASD, military providers who treat ASD, and ASD advocacy groups. The DHA will proactively educate beneficiaries, providers, and other stakeholders about the new Autism Care Demonstration (ACD). To ensure continuity of ABA care for all beneficiaries, the ACD will be implemented in a phased approach to transition from those coverage rules that currently exist under the patchwork of programs to the new consolidated ACD, and all contracting actions necessary to start services under the ACD are completed. DOD will commence ABA coverage under the ACD model by July 25, 2014, the statutory end date of the current ABA pilot, with all beneficiaries transitioned from their current ABA coverage model to the new consolidated ACD not later than December 31, 2014.

13. Senator GILLIBRAND. Dr. Woodson, what have you included in your budget submission for fiscal year 2015 to improve upon TRICARE's coverage of ABA therapy for military dependents?

Dr. WOODSON. Using DOD's demonstration authority in section 1092 of title 10, U.S. Code, DOD will consolidate TRICARE coverage of ABA into a new ACD to improve the quality, efficiency, convenience, and cost effectiveness of those autism-related services that do not constitute the medical care provided under the medical benefit coverage requirements that govern the TRICARE basic program. An independent government cost estimate for this initiative is pending. However, reflecting the growth in the number of program users, total government costs for Active Duty family member ECHO and Basic ABA program participants with ASD diagnoses nearly quadrupled between fiscal year 2009 and fiscal year 2013 (from $31.0 to $122.8 million) increasing at an average annual rate of 41 percent over the period. In addition, non-Active Duty family members incurred a total of $6.4 million in expenditures using the TRICARE basic and ABA pilot programs.

14. Senator GILLIBRAND. Dr. Woodson, I would like specifics on how many TRICARE beneficiaries have been diagnosed with ASD and other disorders requiring ABA treatment. How many are dependents of Active Duty service members; how many are dependents of non-Active Duty servicemembers, including National

Guard, Reserve, and retirees; how many are dependents of members of the Coast Guard, National Oceanic and Atmospheric Administration, the Public Health Service, and their retirees?

Dr. WOODSON. In fiscal year 2013, there were a total of 7,808 Active Duty family member beneficiaries with an ASD requiring and receiving ABA services. Of those beneficiaries, 3,397 were dependents of Active Duty Army, 1,733 Navy, 1,656 Air Force, 775 Marine Corps, 192 Coast Guard, and 55 other. In addition, 634 non-Active Duty family members required and received ABA services.

BASIC ALLOWANCE FOR HOUSING

15. Senator GILLIBRAND. Secretary Wright, DOD has proposed increasing out-of-pocket housing costs by approximately 5 percent and also the same dollar amount for everyone in a certain rank regardless of location over the next several years. The current housing allowance is based on rental data and is intended to cover 100 percent of housing costs. Can you please explain how you plan to implement this?

Ms. WRIGHT. The out-of-pocket percentage will be phased in beginning in fiscal year 2015; because members will be rate protected at their current location, the exact percentage to be taken each year during the phase-in is dependent on the actual change in housing costs from 1 year to the next. Renter's insurance accounts for about 1 percent of BAH rates and will be removed in 2015. The proposal allows for a growth in BAH rates of 1.5 percent per year, with the difference between this and otherwise unconstrained BAH rates to be made up through increasing out of pocket. Using a planning factor of 4.2 percent growth in housing costs per year and removing renter's insurance in the first year, we expect to see out-of-pocket housing costs growing as follows: 1.6 percent in 2015, 4.1 percent in 2016, and 5 percent for 2017 and beyond (when also considering the removal of renter's insurance, the average impact to the member is expected to be 2.6 percent/5.1 percent/6 percent). However, the actual out-of-pocket percentage could then be modified each year based on other factors such as retention.

In order to ensure members are treated equally regardless of whether they are stationed in high-cost or low-cost areas, the out-of-pocket percentage will be taken from the national average BAH rate for each grade. This will determine the dollar amount of reduction to be applied to each BAH rate for that grade.

SEXUAL ASSAULT AND HARASSMENT

16. Senator GILLIBRAND. Secretary Wright, although you discussed an increase in reports of sexual assault last year, you did not do a prevalence survey, making it impossible to know if reporting rates actually went up or down. Why did you not do a prevalence study last year and do you plan to do one this year?

Ms. WRIGHT. Section 481 of title 10, U.S.C. requires DOD to conduct a Workplace and Gender Relations Survey (WGRS) so as to solicit information on issues relating to gender-based harassment, assault and discrimination, and the climate in the Armed Forces for forming professional relationships between men and women. The WGRS is conducted biennially and is to be conducted for 2014. The WGRS includes prevalence rate and fulfills this requirement. DOD understands that servicemembers are asked to respond to numerous surveys from internal DOD agencies and external organizations on a variety of topics and interests, including sensitive topics such as sexual assault. As the number of surveys rises, we have seen decreasing response rates across all military survey efforts. We feel maintaining a biennial cycle for the WGRSs is the best way to protect our members from survey fatigue and produce the most accurate data on this topic to DOD, Congress, and the public.

17. Senator GILLIBRAND. Secretary Wright, are you making any changes to how the study will be implemented?

Ms. WRIGHT. Yes, we are. The fiscal year 2014 WGRS was contracted with RAND Corporation, a federally-funded research and development center (FFRDC) to independently design, administer, and analyze.

In addition to reporting prevalence of sexual assault and associated risk factors (e.g., sexual harassment, alcohol use, etc.), RAND will also conduct a critical review of the DOD's survey methodology, implement improvements for the 2014 WGRS to increase response rates and reduce non-response bias, and recommend additional improvements for future WGRS administrations by DOD.

With respect to development of the survey questions and definitions, RAND intends to consult with an advisory panel of nationally-recognized experts in survey methodology, assessment of sexual assault and harassment, military law, and re-

lated topics. The panel will review and modify, as necessary, the sexual assault and harassment survey questions to ensure consistency with the offense definitions in Articles 120, 125, and 80 of the Uniform Code of Military Justice (UCMJ).

RAND's methodological design will include:

- A Larger Sample. RAND will invite 100 percent of Active Duty female servicemembers and 25 percent of Active Duty male servicemembers to take the survey. This approach will produce a sample of about 500,000 Active Duty servicemembers—or one-third of the Active Force. In order to support the requirements of the report to the President due later on this year, a sample of Reserve component members will also be included. This approach will maximize our ability to examine the impact of these behaviors on subgroups in the military sample. Given the census of women and the large sample of men, weighting of results is not planned.
- Comparability of Results to Prior Survey Administrations. RAND will administer the unwanted sexual contact and sexual harassment survey questions from the 2012 WGRS to a subsample of survey respondents. This will allow them to assess the effects of survey question wording on assessed prevalence rates, and will clarify how the new survey relates to earlier time trend data.
- Methods to increase response rates. Finally, RAND will make recommendations to improve response rates to this and other DOD surveys.

DOD considers the comparability of previous Defense Manpower Data Center surveys with the results of the 2014 WGRS of utmost importance. RAND has also been asked to evaluate and validate DOD's current survey methodology to identify areas of improvement, if any, for future DOD-administered surveys.

18. Senator GILLIBRAND. Secretary Wright, you also mentioned in your testimony that the increase in the number of reports suggests an increase in confidence in response systems. Last year the DOD Inspector General (IG) evaluated the handling of 501 sexual assault cases by Military Criminal Investigative Organizations (MCIO) and found that 56 had significant deficiencies. Of the 56 cases, the MCIOs reopened 31 cases for additional investigative work but determined that for the remaining 25 cases additional investigative activity was not practicable due to the amount of time elapsed or based on their judgment that additional efforts would be useless. What measures has DOD put in place to ensure the accuracy of these investigations and the proper investigation of all sexual assault cases by MCIOs?

Ms. WRIGHT. In July 2011, the OIG DOD established the Violent Crime Division (VCD) as a means of anticipating and meeting DOD's current and future needs for oversight of sexual assaults and other crimes of violence. The VCD completed the evaluation you mentioned and they continue to provide oversight for these reopened investigations as they are completed to ensure the deficiencies have been resolved to the maximum extent possible.

The VCD continues to work closely with the MCIOs to oversee their closed sexual assault investigations by providing a program of regular and recurring oversight in order to monitor and evaluate investigative quality and conformance with policy guidance.

In response to Secretary Hagel's August 2013 request to ensure investigative quality, the OIG DOD will evaluate the adequacy of "closed sexual assault investigations on a recurring basis." As such, the OIG DOD recently announced the second recurring review of MCIO sexual assault investigations with adult victims. The case reviews began in April 2014 and the project will consider a statistically valid sample of over 500 investigations closed in 2013, for cases opened since January 1, 2012. The objective of this project is to determine whether MCIOs completed each investigation as required by guiding DOD, Military Service, and MCIO policies and procedures.

It is the responsibility of the OIG DOD to issue criminal investigative oversight policy. As such, in January 2013, the OIG DOD published DOD Instruction 5505.18, "Investigation of Adult Sexual Assault in the Department of Defense," which establishes policy, assigns responsibilities, and provides procedures for the investigation of adult sexual assault within the DOD. This policy made the MCIOs solely responsible for thoroughly investigating all sexual assault allegations of which they become aware, irrespective of severity or credibility. It also established minimum training requirements for all MCIO personnel engaged in the conduct of sexual assault investigations.

In February 2014, the OIG DOD published a Directive-Type Memorandum setting forth department-level policy for the establishment of the investigative portion of the Special Victim Capability (SVC) required in the NDAA for Fiscal Year 2013,

which mandates a distinct, recognizable group of appropriately trained investigators to investigate allegations of all designated SVC covered offenses. SVC covered offenses include: allegations of adult sexual assault offenses, domestic violence involving sexual assault and/or aggravated assault with grievous bodily harm, and child abuse involving sexual assault and/or grievous bodily harm.

19. Senator GILLIBRAND. Secretary Wright, the evaluation also found that there were differences between the MCIOs' policies and gaps in all of their work. What is DOD doing to ensure that the MCIOs use best practices in investigating cases of sexual assault?

Ms. WRIGHT. The OIG DOD is conducting a comprehensive review of current MCIO sexual assault investigation policies, including their alignment with DOD and Service requirements relative to sexual assault investigations. The evaluation compares the MCIOs' policies against:

(1) DOD and Military Service level guidance,
(2) each set of MCIO policies to identify gaps between them and to identify MCIO best practices not yet shared,
(3) industry best practices, and
(4) the Council of Inspectors General on Integrity and Efficiency (CIGIE) Quality Standards for Investigation (QSI).

While CIGIE QSI and law enforcement best practices are not mandated by DOD, OIG DOD's research identified some of them as useful for consideration in DOD's sexual assault investigations. The OIG DOD is also evaluating whether the MCIOs' sexual assault investigation policies include procedures equivalent to the relevant CIGIE QSIs and law enforcement industry sexual assault investigative best practices. The results of this review will not only inform the MCIOs, but be used by OIG DOD to assess the need for additional DOD level, overarching sexual assault investigative policy.

20. Senator GILLIBRAND. Secretary Wright, I understand that there is good research being done on how to identify predators. Is DOD looking at ways to identify predators before they enter the military?

Ms. WRIGHT. DOD has been consulting with researchers on this topic for a number of years. Research in the civilian sector has consistently shown that there is no psychological test or psychometrically sound screening tool that reliably and accurately differentiates individuals who have committed sexual crimes from those that have never committed sexual crimes. In addition, there is no scientifically sound research that can predict to a quantifiable degree of certainty whether someone will commit a sexual crime, if there is no prior, documented sex crime conviction. Prototype screening instruments developed in the civilian sector demonstrate unacceptably high rates of false positives (identifying people as potential offenders when they're not) and false negatives (identifying people as non-offenders when they actually are). Nevertheless, given the data we've collected since the inception of the Sexual Assault Prevention and Response (SAPR) Program, we will continue to investigate whether military sexual offenders have behavioral and/or history factors that might be used to improve screening efforts.

21. Senator GILLIBRAND. Secretary Wright, I understand that you are working on a congressionally-mandated report on a comprehensive approach to dealing with sexual harassment that was due earlier this year, but it is part of a broader program of implementing equal opportunity efforts that is not yet complete. When can we expect to see the report?

Ms. WRIGHT. NDAA for Fiscal Year 2013 required a plan to collect data and information from the Military Services on substantiated incidents of sexual harassment. We submitted the plan in August 2013. This month, we will submit to Congress the DOD Report on Substantiated Incidents of Sexual Harassment in the Armed Forces, resulting from the data collection plan. This initial report will serve as a baseline for future sexual harassment data and information collection and reporting, as we continually work toward zero incidents of sexual harassment in the DOD workplace.

NDAA for Fiscal Year 2013 also required a comprehensive policy on reporting, preventing, and responding to incidents of sexual harassment. We are coordinating a directive-type memorandum, with interim sexual harassment policy guidance to the Services and expect it to be issued in early summer. Meanwhile, our revised DOD Military Equal Opportunity (MEO) Instruction, which details sexual harassment policy guidance, has been updated and is in coordination. We expect to publish the DOD MEO Instruction this year.

22. Senator GILLIBRAND. Secretary Wright, I understand that currently sexual harassment fits under the Office of Equal Employment Opportunity and Diversity. Do you think that this is the most effective place for it?

Ms. WRIGHT. I do think the current alignment under our Office of Diversity Management and Equal Opportunity (ODMEO) is most effective.

Relevant laws define sexual harassment as a form of sex discrimination for DOD civilians and military personnel. Therefore DOD centralizes policy oversight responsibility for sexual harassment in the same functional area as is housed discrimination based on other protected categories defined in law and policy.

To move sexual harassment policy oversight to another office that currently does not have policy oversight for other types of unlawful discrimination would create management challenges that could detract from our current prevention efforts. Under such a construct, DOD would have to maintain at least two separate offices both performing the same task of policy oversight for programs to prevent unlawful discrimination.

As we continue to work to eliminate sexual harassment in DOD, we are reviewing the roles, responsibilities, and resources of ODMEO in its sexual harassment policy oversight function.

23. Senator GILLIBRAND. Secretary Wright, I recently held a hearing about the links between sexual assault, post-traumatic stress disorder (PTSD), and suicide in which it was clear that sexual harassment can also lead to PTSD and other mental health injuries. At the same time, I understand that predators often start with harassing behavior before attempting assaults. How can we address it properly if it is not seen as part and parcel of our approach to addressing sexual assault? Where and how should we draw the lines?

Ms. WRIGHT. DOD believes that we cannot effectively address sexual assault without considering the impacts of harassing behaviors and other risk factors defined by DOD as the continuum of harm. The newly revised 2014–2016 DOD Sexual Assault Prevention Strategy defines and explains the relationship between harassing behaviors and sexual assaults.

Currently, the DOD organizational framework and the Military Services, with the exception of the Army, handle sexual assault and sexual harassment under separate programs. However, every Service acknowledges the continuum of harm in their prevention training and has taken steps to eliminate the environments that support these inappropriate behaviors.

Leaders are responsible for creating climates of mutual respect and diginity. To help leaders better understand the factors at play within their units, DOD updated the SAPR questions on the DEOMI Equal Opportunity Climate Survey to assist commanders in identifying damaging attitudes and behaviors within their units. Conducting a climate assessment enhances a leader's knowledge about the specific needs of his or her unit or organization. Commanders must then use this unit-specific information to develop their approach to eliminate sexual violence from their ranks. To this end, leaders must employ targeted interventions, standards, and messaging to address issues unique to their unit climate.

The 2013 DOD SAPR Strategic Plan tasks the Sexual Assault Prevention and Response Office (SAPRO), in conjunction with DEOMI, with "assessing the extent to which the continuum of harm is or should be addressed in SAPR policy." Also, the 2014–2016 DOD Sexual Assault Prevention Strategy tasks SAPRO to evaluate prevention focus on the continuum of harm. This recognizes the connection between preventing sexual assault in terms of the continuum of harm such as sexist jokes, bullying, sexual harassment, hazing, excessive drinking, and stalking. The assessment will provide additional insight on DOD's approach to preventing sexual assaults.

24. Senator GILLIBRAND. Secretary Woodson, two survivors of military sexual assault recently testified that they were diagnosed with PTSD as a result of their military sexual trauma, and that their medical treatment involved overmedication. We have also heard from many of our wounded warriors that they were overmedicated as part of their medical treatment. Do you believe that military doctors overuse medication in the treatment of PTSD, other mental health conditions, and for pain management?

Dr. WOODSON. There is little evidence to suggest that overmedication of the population of servicemembers is an ongoing problem. Our most recent analysis, in February 2014, of medications used for PTSD and other mental health conditions was very reassuring. The analysis suggests that less than 5 percent of servicemembers take antidepressants, less than 1 percent take anti-anxiety medication, and less than 0.5 percent take antipsychotic medication.

Further, DOD has multiple programs and risk mitigation strategies in place to safeguard the therapeutic use of medication in the treatment of PTSD, other mental health conditions, and for pain management.

The culmination of more than 10 years of war and advanced medical practices and medical evacuation has resulted in unprecedented combat injury survival rates. However, these factors have also contributed to significant emotional and physical challenges for many combat injured warfighters. Unfortunately, many of psychological and physical wounds of war are chronic conditions whose long-term treatment often requires both complicated pharmacotherapy and other supportive care. Scientific evidence that has accrued over the past several decades shows that appropriately selected and timed medications, or combinations of medications, can limit the severity and duration of mental illness, while medication to treat chronic physical conditions (e.g. chronic pain) is essential to the physical and emotional rigors of rehabilitation.

DOD has undertaken several actions to mitigate the risk of adverse outcomes related to the prescribing of pharmaceuticals which include:

- The DOD Pharmacy Operations Division (POD) uses the Pharmacy Data Transaction Service (PDTS), an online centralized prescription data repository that automatically checks new prescriptions against the patient's computerized medication history for possible adverse events or therapeutic duplications before the new drug is dispensed. In addition, prescriptions filled at retail, mail order, and MTFs are also screened against theater prescriptions. PDTS provides a single, comprehensive patient drug profile for DOD beneficiaries and it permits DOD to monitor and conduct surveillance for drug usage patterns of concern. PDTS has helped to avoid more than 171,000 potentially life-threatening drug interactions ensuring our patients receive medication that is safe and medically indicated.
- When a suspicion of patient drug-seeking behavior is a concern, the Sole Provider Program is available to providers in all Services. This program requires periodic reviews of all prescriptions for controlled substances, and seeks to identify suspicious patterns of drug use. Should patterns of drug use be validated or remain of concern, the issuance of prescriptions can be assigned to a single provider.
- Prescribing safeguards include guidelines in clinics that limit the number of pills dispensed to potentially high-risk patients, warning flags that appear in electronic drug dispensing menus which require physician attention, and the MTF prescription restriction program. We have also increased our reviews of the circumstances of manual overrides of system warning flags by physicians.
- Pharmacists throughout the MHS provide consumers with a medication information sheet on each new and renewed prescription. DOD evaluates for drug-drug interactions on every prescription filled at mail order, a retail pharmacy or MTF, ensuring our patients receive safe medications. Additionally, the Provider and Prescription Program is an integrated program between medical and pharmacy which focuses on utilization management of narcotics. Pharmacy identifies high utilizers of narcotics and refers these beneficiaries to their primary care medical provider or MTF. The medical contractor or MTF reviews the profiles to determine if the beneficiary has a medical condition that supports increase use of narcotics and offers the appropriate case management or pain management options. A PDTS warning flag was recently added to advise MTF providers and pharmacies of restricted patients.

The misuse or abuse of prescription drugs is not consistent with military service and may be indicative of psychiatric conditions that require treatment. In order to identify personnel engaged in such activities all servicemembers are subject to random drug testing for both licit and illicit substances. Presence of drug metabolites in urine in the absence of a bona fide prescription or other evidence of therapeutic use (e.g. anesthesia) is grounds for punitive legal action. These actions involve due process for the servicemember and nearly always occur while treatment avenues are pursued. Additional measures are in place to mitigate risks that may be associated with abuse of prescribed medications:

- In November 2010, the Chairman of the Joint Chiefs of Staff sent a memorandum to the Under Secretary of Defense for Personnel and Readiness (USD(P&R)) describing the new drug threat to military personnel from prescription drug misuse and abuse. USD(P&R) concurred and moved forward with an initiative to add prescription drug monitoring to the panel of testable drugs within the Military Personnel Drug Abuse Testing Program.

- Drug testing has been expanded to identify nearly all prescription opiates and benzodiazepines. This is the single most important effort DOD has made in demand reduction for potentially dangerous medications.

In addition to risk mitigation measures associated with prescription medication, DOD promulgates evidence-based care guidelines for pain management and mental health care. For example, the DOD–VA Clinical Practice Guideline, "Management of Opioid Therapy for Chronic Pain" (2010) describes the critical decision points in the management of opioid therapy for chronic pain and provides clear and comprehensive evidence-based recommendations incorporating current information and practices for practitioners throughout the DOD and VA Health Care systems (http://www.healthquality.va.gov/cot/). As psychotherapy is the preferred first-line method of providing mental health care, numerous working groups and Defense Centers of Excellence within DOD have been advancing provider training and research of proven psychotherapeutic techniques.

There are several ongoing research studies addressing polypharmacy in the MHS. The 2013 Joint Forces Pharmacy Seminar (JFPS), Journal of the American Pharmacists Association, japha.org SEP/OCT 2013 ♭53:5, includes 18 studies that specifically address different aspects of polypharmacy in the MHS including improving the ability to monitor polypharmacy. Research findings are actively translated into recommendations for clinicians, including the use of effective medication assisted therapies. DOD–VA scientific and clinical working groups have revised and created Clinical Practice Guidelines (CPGs) for several psychiatric illnesses, including Major Depressive Disorder, Substance Use Disorders, and PTSD. The Assistant Secretary of Defense for Health Affairs (ASD(HA)) has published specific policy guidance addressing the safe practice of using medications during psychiatric treatment, provider training recommendations, and specific provider documentation and patient informed consent when prescribing psychotropic medication (Clinical Policy Guidance for Assessment and Treatment of PTSD, published August 2012); and policy guidance pertaining to the prescription of antipsychotic medication (Guidance for Providers Prescribing Atypical Antipsychotic Medication, http://www.health.mil/libraries/HA—Policies—and—Guidelines/12–003.pdf)

25. Senator GILLIBRAND. Secretary Woodson, what has DOD done to determine whether military doctors are prescribing too many drugs to treat these conditions?

Dr. WOODSON. DOD has undertaken several actions to mitigate the risk of adverse outcomes related to the prescribing of pharmaceuticals:

- The PDTS, an online centralized prescription data repository that automatically checks new prescriptions against the patient's computerized medication history for possible adverse events or therapeutic duplications before the new drug is dispensed. In addition, prescriptions filled at retail, mail order, and MTFs are also screened against theater prescriptions. PDTS provides a single, comprehensive patient drug profile for DOD beneficiaries and it permits DOD to monitor and conduct surveillance for drug usage patterns of concern. PDTS has helped to avoid more than 171,000 potentially life-threatening drug interactions ensuring our patients receive medication that is safe and medically indicated.
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a medical condition that supports increased use of narcotics and offers the appropriate case management or pain management options. A PDTS warning flag was recently added to advise MTF providers and pharmacies of restricted patients.

• Peer review, part of our credentials verification and privileging process for individual providers in the MHS direct care system contains safeguards to ensure that individual prescribing practices meet the standard of care for safe and effective medical care the routine clinical quality monitoring performed by a peer in the same profession and clinical area of expertise as the provider under review.

26. Senator GILLIBRAND. Secretary Wright, in December, the President instructed the Secretary of Defense and the Chairman of the Joint Chiefs "to continue their efforts to make substantial improvements with respect to SAPR, including to the military justice system" and to "report back to [him] with a full-scale review of their progress by December 1, 2014." The President said that he would consider additional reforms if he didn't see sufficient progress. Have you been involved in developing plans to comply with the President's direction?

Ms. WRIGHT. Yes, I have been involved in the planning, and my SAPRO has been working with representatives from the Army, Air Force, Marine Corps, Navy, and National Guard to draft a report in accordance with the President's request. This report will focus on key initiatives on SAPR from December 2011 to September 2014, and will illustrate DOD's comprehensive approach to strategy, policy, and programmatic enhancements. Specifically, the report will contain quantitative and qualitative measures on both prevention and response efforts, to include results from surveys on command climate, workplace and gender relations, and survivor experience, as well as feedback from Service and National Guard focus groups across rank and gender at CONUS installations. This report is scheduled for delivery to the President by December 2014 and will offer examples of best practices, provide a review of the military justice system, and identify if other reforms are necessary.

27. Senator GILLIBRAND. Secretary Wright, how does DOD propose to measure progress and evaluate success in preventing and responding to sexual assault in the military?

Ms. WRIGHT. The aim of DOD is to reduce, with the ultimate goal to eliminate, the crime of sexual assault from the Armed Forces. DOD is committed to preventing sexual assault in the military, and, if these crimes do occur, to providing victims the care and support they need to seek justice and heal from these traumatic events. Our biggest challenge in eliminating sexual assault from the Armed Forces is the underreporting of the crime. This affects our ability to provide care to the victim, as well as hinders our ability to prosecute the offender.

DOD's objective is to establish the conditions within the military which lower sexual assault prevalence and increase reporting. DOD's goal is to reduce sexual assault prevalence while increasing the percentage of victims who report. DOD SAPRO identified two key overarching measures of effectiveness to assess the success of the SAPR program:

• Reduction in sexual assault prevalence as estimated in DOD-wide surveys (Defense Manpower Data Center Workplace and Gender Relations Surveys).

• Closing the gap between prevalence estimates and servicemember victims who report sexual assaults to authorities.

DOD developed an initial set of metrics to assess the effectiveness of our programs in prevention, investigation, accountability, and victim assistance. The metrics include analysis of data trends and data snapshots. We will continue to refine and develop additional metrics in the future and report them transparently.

Trends

• Metric 1—Reports of Sexual Assault
• Metric 2—Military Victim Reports Per 1,000 Servicemembers
• Metric 3—Percentage of Sexual Assault Reports for Incidents Occurring Prior To Service
• Metric 4—Voluntary Conversions from Restricted to Unrestricted Reports

Snapshots

• Metric 5—Investigation Length
• Metric 6—Full Time SAPR Personnel Certification

Fiscal year 2013 data shows a 50 percent increase in victim reports of sexual assault when compared to fiscal year 2012. Historically, reports of sexual assault have

increased about 5 percent per year since 2006. We assess this unprecedented increase in reports as consistent with a growing level of confidence in our response system. This is supported by an additional metric—there are growing numbers of reports made by victims about incidents that took place prior to joining the military. These metrics provide indications that the wide range of SAPR initiatives are having a positive impact throughout the force, as more victims are reporting and accessing SAPR support.

28. Senator GILLIBRAND. Secretary Woodson, in January 2013, GAO issued a report in which they found that "military health care providers do not have a consistent understanding of their responsibilities in caring for sexual assault victims who make restricted reports of sexual assault. These inconsistencies can put DOD's restricted reporting option at risk, undermine DOD's efforts to address sexual assault issues, and erode servicemembers' confidence. As a consequence, sexual assault victims who want to keep their case confidential may be reluctant to seek medical care." What is DOD doing to ensure that health care providers understand their responsibilities to protect the confidentiality of victims who file a restricted report of sexual assault?

Dr. WOODSON. DOD released, DODI 6495.02 "SAPR Program Procedures" on March 28, 2013. Enclosures 7, 8 and 10 outline a comprehensive, standardized policy for compassionate medical response to survivors of sexual assault, including a requirement that healthcare personnel receive appropriate training. This policy includes guidance for both restricted and unrestricted reporting and treating all sexual assault victims as priority emergencies.

The ASD(HA) issued a memorandum to the Services on April 15, 2013, to notify the Services about the publication of the revised DOD Instruction. The memorandum noted the enhancements to guidelines for provision of health care support for survivors of sexual assault, including the restricted reporting process. The memorandum noted the standards for health care and training requirements for health care personnel who manage both acute and long-term care needs for victims of sexual assault and for providers who would conduct sexual assault forensic examinations (SAFEs). In that memorandum, the ASD(HA) also requested submission of an annual report to include information on the capability of each MTF to provide SAFEs, and information on agreements with local civilian providers in cases where there was not SAFE availability within the MTF. Finally, the ASD(HA) requested that the Services submit written plans with target dates for implementation to meet the requirements of the revised DOD Instruction.

DOD received and reviewed the responses from the Services and determined that Service implementation plans already meet the requirements of the DODI and also include enhancements to their training programs for Service certification to perform SAFEs. The Services report that their training assures that all health care personnel are aware of restricted reporting requirements. These training programs also include Service-specific criteria for certification to perform SAFEs that are consistent with the guidelines set forth in the U.S. Department of Justice-National Protocol for Sexual Assault Medical Examinations for Adults and Adolescents. The Services noted that they are enhancing their training programs to include a wider variety of experiences in both care of the victim and courtroom testimony. This includes live examination experiences with standardized patients or volunteers and observation of mock trials.

In an effort to provide the highest quality of care, the Services are continuously evaluating and updating training in this area. Each Service has either already updated its operational polices or will complete their current updates by the end of fiscal year 2014.

We are monitoring completion of Service program implementation and issued an additional memorandum on March 27, 2014, that outlines all elements of the oversight plan and sets dates for submission of reports. This plan requires an annual update of SAFE provider coverage, training enhancements, and policy and procedure changes. Additionally, we monitor program performance on an ongoing basis throughout the year at the SAPR Integrated Program Team and the Health Affairs Women's Health Issues Working Group meetings, both of which address health care related to the response to sexual assault.

COMBAT INTEGRATION

29. Senator GILLIBRAND. Secretary Wright, the Services are in the process of integrating women into ground combat roles in compliance with the 2013 DOD directive that opens all combat roles to women by January 1, 2016. This directive requires

the Services to ensure that all physical standards are gender neutral. What are you doing in your role to ensure the Services are complying with this directive?

Ms. WRIGHT. Prior to providing Congress with notification of DOD's intent to open positions to women in previously closed occupations and units, I thoroughly review the documentation submitted by the Services, and U.S. Special Operations Command (SOCOM) where applicable, with particular focus towards compliance with Public Law 103–160, section 543, which requires that qualification for, and continuance in, occupational career fields be evaluated on the basis of common, relevant performance standards and not on the basis of gender.

The Services' and SOCOM's current efforts to review and validate their occupational standards are built upon science and experience to ensure we continue to maintain our high standards and preserve the quality of the All-Volunteer Force (AVF). Gender neutral application of occupational standards will enable us to select those best-qualified and may reduce non-combat-related injuries for both men and women.

I am also staying apprised of the numerous ongoing studies of doctrine, organization, training, material, logistics, personnel, and facilities being led by the Services and SOCOM. In March 2014, members of my staff went to Fort Stewart, GA, to observe the Army's physical demands study for infantry and armor.

Lastly, DOD has contracted with RAND to: (1) identify best-practice methods for development of physical standards; (2) assist me in reviewing the various methods the Services are using to validate their occupational standards; and (3) recommend adjustments that reflect those best-practice methods consistent with the Secretary's guidance.

I will continue to stay engaged as the Services and SOCOM progress toward identified decision points when they will make final recommendations to open occupations and positions or request an exception to policy to keep a position or occupation closed. I will review any requests for exception prior to it being forwarded to the Secretary of Defense and the Chairman of the Joint Chiefs of Staff for approval.

30. Senator GILLIBRAND. Secretary Wright, in particular, what are you doing to ensure that the Services are, in fact, producing gender neutral physical standards?

Ms. WRIGHT. Prior to providing Congress with notification of DOD's intent to open positions to women in previously closed occupations and units, I thoroughly review the documentation submitted by the Services, and SOCOM, where applicable, with particular focus towards compliance with Public Law 103–160, section 543, which requires that qualification for and continuance in occupational career fields is evaluated on the basis of a common, relevant performance standard and not on the basis of gender.

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31. Senator GILLIBRAND. Secretary Wright, is DOD consulting with outside experts, including those in gender studies and sports physiology?

Ms. WRIGHT. Yes, each Service and SOCOM are working with various scientific and research agencies, both inside and external to DOD, to review and validate occupational standards to ensure they are current, operationally valid, and are applied on a gender-neutral basis.

Additionally, each Service and SOCOM are conducting thorough studies and analyses of doctrine, organization, training, material, logistics, and facilities to ensure deliberate and responsible implementation. All study results will be used to inform final recommendations to the Chairman of the Joint Chiefs of Staff and the Secretary of Defense.

32. Senator GILLIBRAND. Secretary Wright, according to a recent article in the Marine Corps Times, the Marine Corps is prepared to seek exceptions to the DOD directive. Is it DOD's goal to achieve 100 percent integration of women?

Ms. WRIGHT. DOD's goal is to eliminate all remaining gender-based barriers to service and to allow servicemembers to serve in any capacity based on their ability and qualifications. It continues to be essential to mission effectiveness that every person is fully qualified to perform their occupation. Further, we owe it to all servicemembers to put them in positions where they have the highest probability of success. DOD is committed to removing all barriers that would prevent service men and women from rising to their highest potential, based on ability and not constrained by gender-restrictive policies.

To that end, we are proceeding in a measured, deliberate, and responsible manner to open positions and occupations to women when and how it makes sense, while preserving unit readiness, cohesion, and the quality of the AVF.

33. Senator GILLIBRAND. Secretary Wright, what reason would there be to prevent the most-qualified applicant from competing for a position regardless of gender?

Ms. WRIGHT. Any eventual recommendation to keep an occupational specialty or unit closed to women must be personally approved by both the Chairman of the Joint Chiefs of Staff and the Secretary of Defense. Exceptions must be narrowly tailored, and based on a rigorous analysis of factual data regarding the knowledge, skills, and abilities needed for the position. That being said, DOD is proceeding in a measured, deliberate, and responsible manner to implement changes that enable servicemembers to serve in any capacity based on their ability and qualifications, regardless of gender.

CYBER

34. Senator GILLIBRAND. Secretary Wright, the National Commission on the Structure of the Air Force recently released their findings, which highlighted the importance of the National Guard and Reserve in the U.S. cyber mission. Specifically, it noted that the Guard and Reserve were uniquely positioned, because of their part-time status, to attract and retain the best and the brightest in the cyber field. Additionally, the NDAA for Fiscal Year 2014 directed DOD to look at the integration of the Guard in all its statuses into the cyber workforce. I have long agreed with this assessment, and introduced the Cyber Warrior Act which would establish National Guard cyber teams in each State to leverage this talent pool. What are your visions for the roles of both the Guard and Reserve in U.S. Cyber Command (CYBERCOM) and within the distinct Service cyber elements?

Ms. WRIGHT. I envision the Guard and Reserve will play a vital role in DOD's cyber mission by working through Military Services which can leverage the civilian skill sets of the Guard and Reserve. Moreover, the dual mission of the Guard and the complementary nature of reservists help address specific needs, fill gaps, and provide a surge capability within the Active component.

The Guard and Reserve Force structure is determined by the needs of the Nation and is organized the same way as the Active-Duty Force structure. As DOD refines its cybersecurity requirements, develops the appropriate force structure, and addresses legal and functional issues concerning the use of the Guard and Reserve components for national cyber missions, it is clear that the Guard and Reserve will have a role to play. We continue to work closely with CYBERCOM and the Department of Homeland Security (DHS) as we determine how best to employ the Reserve component for this critical issue.

35. Senator GILLIBRAND. Secretary Wright, I want to be helpful to DOD in recruiting the best talent and acquiring the best tools for our cyber mission. In your opinion, what can Congress do to assist DOD in this effort?

Ms. WRIGHT. At this time, DOD has a good array of tools for recruiting the best talent for our cyber mission.

For civilian hires, DOD has available Schedule A hiring authority to recruit cyber talent. This affords leaders the opportunity to select qualified candidates without the extended recruitment period associated with traditional hiring authorities. The Office of Personnel Management (OPM) has extended DOD's Schedule A hiring authorities for CYBERCOM until December 31, 2014. Additionally, commanders and hiring officials can use traditional competitive hiring methods to announce positions on the OPM-hosted USAJOBS web site.

For military accessions, section 533 of title 10, U.S. Code, was modified to allow the Military Services to award consecutive service credit to a person with cyber-

space-related experienced or advanced education for purposes of determining the individual's grade upon initial appointment as an officer. This authority has been a helpful recruiting tool when applied to other career fields and, similarly, will help to increase the inventory of officers with special experience and training in cyberspace-related fields.

36. Senator GILLIBRAND. Secretary Wright, what do you believe DOD needs in order to remain on the cutting edge of cyber defense?

Ms. WRIGHT. As DOD continues to build and provide trained and ready cyber teams, we will leverage expertise from the private sector, the Reserve component (Guard and Reserve), academia, other Federal agencies such as DHS, and our allies. This includes any additional authorities that may be necessary to achieve this objective. Some of my colleagues are working with you on this task.

For military accessions, section 533 of title 10, U.S. Code, was recently modified (January 2014) to award commensurate service credit to a person with cyberspace-related experience or advanced education for purpose of determining the individual's grade upon appointment as an officer. This authority has been a helpful recruiting tool when applied to other career fields, similarly, will help to increase the inventory of officers with special experience or training in cyberspace-related fields.

37. Senator GILLIBRAND. Secretary Wright, I've also heard about DOD's needs in terms of its civilian cyber workforce. What mechanisms are currently in place for civilian recruitment and retention?

Ms. WRIGHT. DOD has Schedule A Direct Hiring Authority available to recruit cyber talent. This affords the opportunity for leadership to select qualified candidates without the extended recruitment period associated with hiring authorities. OPM has extended DOD's hiring authority for CYBERCOM until December 31, 2014. Additionally, commanders and hiring officials can use traditional competitive hiring methods of announcing positions on the OPM-hosted USAJOBS web site.

38. Senator GILLIBRAND. Secretary Wright, have you considered ways to leverage the talent pool of servicemembers who are retiring or leaving the military to encourage them to work as DOD civilian cyber experts?

Ms. WRIGHT. Yes, we have considered ways to leverage this talent pool. DOD hires veterans under the 30 Percent or More Disabled Veterans Program, Veterans Recruitment Appointment, and the Veterans Employment Opportunities Act of 1998. Veterans make up approximately 48 percent of the overall on-board DOD appropriated fund civilian workforce, and veterans made up 53 percent of new DOD hires in the first quarter of fiscal year 2014.

39. Senator GILLIBRAND. Secretary Wright, do you have plans in place to compete with the private sector for this talent pool?

Ms. WRIGHT. Yes, we have plans in place. Service component personnel offices are using the authority to employ various methods and resources that are approved by OPM to recruit talent from the private sector by incentivizing employment with DOD. Incentives include hiring bonuses, superior qualifications, special salary pay, leave accrual, specialized training, the possibility of foreign overseas duty, and the job satisfaction derived from participation in operational missions.

40. Senator GILLIBRAND. Secretary Wright, what additional authorities do you need in order to maintain a high-quality civilian cyber force?

Ms. WRIGHT. We believe that we have sufficient authorities to maintain a high-quality civilian cyber force. However, we appreciate the continued support of Congress and of OPM in permitting DOD to use the various direct/expedited hiring authorities and incentives that are necessary for DOD to be recognized as an employer of choice.

41. Senator GILLIBRAND. Secretary Wright, I understand that DOD is preparing a Cyber Workforce Strategy under the direction of the Chief Information Officer. However, cyber security is not just an information technology problem. In today's work, everything from our thermostats to our water and electric supply is networked. The industrial control systems that engineers use to monitor and maintain DOD's assets are also at risk of cyber attack. Could you please update me on the status of the Cyber Workforce Strategy?

Ms. WRIGHT. DOD released its Cyberspace Workforce Strategy on May 1, 2014. This document reflects key collaboration among the Offices of the Under Secretaries of Defense for Personnel and Readiness, Policy, and Intelligence, the Chief Informa-

tion Officer, U.S. Strategic Command/CYBERCOM, and the Military Services, to include their associated Reserve components.

42. Senator GILLIBRAND. Secretary Wright, what workforce elements does this strategy encompass?

Ms. WRIGHT. The strategy addresses the broad spectrum of the cyberspace workforce. The cyberspace workforce is comprised of personnel who acquire, build, secure, operate, defend, and protect DOD cyberspace resources, along with those that conduct related intelligence activities, and project power in or through cyberspace.

43. Senator GILLIBRAND. Secretary Wright, are industrial control system engineers included in this strategy?

Ms. WRIGHT. Yes, the strategy applies to this functional category.

QUESTIONS SUBMITTED BY SENATOR KAY R. HAGAN

SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS CIVILIAN PERSONNEL

44. Senator HAGAN. Secretary Vollrath, in Section 1107 of the NDAA for Fiscal Year 2014, this committee provided DOD laboratory directors with a set of personnel management flexibilities that we expect will allow them to be more competitive in competing with the private sector, national laboratories, and universities for the highest quality and most innovative and productive scientists and engineers. What is the status of the implementation of these authorities and the delegation of the flexibilities to the laboratory directors? Please provide the committee with a timeline for the delegation of these flexibilities to the laboratory directors, as was the intent of the statute.

Mr. VOLLRATH. Section 1107 of the NDAA for Fiscal Year 2014 authorized Scientific and Technical Reinvention Laboratory (STRL) directors to appoint both qualified candidates possessing a bachelor's degree and qualified veteran candidates, to covered positions as defined in section 1107, and established senior scientific technical manager positions classified above GS–15 of the General Schedule in each STRL. A Federal Register Notice (FRN) to implement these authorities is in final coordination. The estimated publication date is early summer 2014. Once published, STRL directors will be able to execute these flexibilities.

WORKFORCE QUALITY AND DIVERSITY

45. Senator HAGAN. Secretary Vollrath, what new initiatives are you developing to enhance the quality and diversity of the DOD science, technology, engineering and mathematics (STEM) workforce?

Mr. VOLLRATH. Enhancing the quality and diversity of DOD's STEM workforce is important to DOD and aligns with the administration's Federal 5-Year STEM Education Strategic Plan. (http://www.whitehouse.gov/sites/default/files/microsites/ostp/stem—stratplan—2013.pdf).

To develop and promote a highly competent and diverse STEM workforce, DOD manages multiple programs offering internship opportunities from high school through graduate school and beyond. These programs provide students with meaningful education, training, and career development opportunities, with particular emphasis on developing potential candidates for STEM positions in many different fields. Programs include, but are not limited to, the Science, Mathematics, and Research for Transformation (SMART) scholarship program, DOD Centralized Apprenticeship Program (DCAP), Student Training and Academic Recruitment (STAR) Program, and the Pathways Programs.

The DOD Science and Technology Reinvention Laboratory Demonstration projects are currently using numerous human resources flexibilities to attract, recruit, and retain a highly-skilled and diverse workforce by providing competitive salary offers through the use of pay banding, and rewarding high performers through contribution-based and pay-for-performance programs. Laboratory demonstration projects have access to Federal Government hiring processes, and are experimenting with numerous flexibilities to attract, hire, and retain scientists and engineers. These flexibilities include Expedited Hiring Authority, Direct Hire Authority, and the use of interns.

Additionally, as an overarching framework to ensure workforce quality and diversity, DOD has implemented a comprehensive and strategic Diversity and Inclusion Plan to encourage and integrate diversity and inclusion in our enterprise-level human resources strategies. We have identified specific actions to establish/expand

strategic relationships with key stakeholders, including those focused on STEM initiatives. Additionally, the laboratories have entered into partnerships with numerous minority serving institutions of higher education in a proactive effort to enhance the candidate pool with applicants from diverse backgrounds.

46. Senator HAGAN. Secretary Vollrath, are there specific actions the committee can take to support you in these efforts?

Mr. VOLLRATH. We would appreciate your continued support for human resource flexibilities, such as the direct hiring authorities authorized in the NDAA for Fiscal Year 2014, that enable the Department to attract, recruit, and retain a highly qualified STEM workforce.

EDUCATION PROGRAMS

47. Senator HAGAN. Secretary Vollrath, what specific initiatives have you undertaken to improve the access of our military children in public schools and DOD-run schools to innovative STEM education opportunities and high quality programs?

Mr. VOLLRATH. The Department of Defense Education Activity (DODEA) is implementing a four-pronged strategy to improve access to STEM education opportunities in DOD-run schools: (1) DODEA is increasing opportunities for students to take rigorous science and mathematics courses as part of regular coursework, and in programs that extend beyond the traditional school day or year; (2) DODEA is developing sustainable partnerships that engage STEM professionals employed in school-based and afterschool activities to leverage their expertise; (3) DODEA is investing in teachers through rigorous sustainable professional development in STEM education and application of 21st century teaching methods; and (4) DODEA is providing resources to military-connected public schools through a competitive grant program designed to support STEM educational opportunities.

48. Senator HAGAN. Secretary Vollrath, what new initiatives or expanded efforts are being proposed with this budget request for the committee to consider?

Mr. VOLLRATH. The DODEA recognizes that a quality STEM education is based on standards that are rich in content and practice and teacher preparation and development. To move in this direction and expand our efforts in STEM, DODEA has adopted the Common Core State Standards for mathematics (CCSSM) and plans to adopt Next Generation Science Standards (NGSS). However, implementation of the CCSSM and NGSS will require major shifts in instructional practices. The required changes may challenge many teachers due to limited STEM content knowledge, pedagogical experiences, and/or confidence in conducting hands-on projects.

To meet this challenge, DODEA is funding a summer STEM professional development program with the U.S. Naval Academy. Starting this summer, 80 DODEA teachers will be offered the following courses to enhance their competence in teaching STEM: Basics of Engineering Design; Basics of Automation; Discrete Mathematics; World of Engineering; World of Chemistry; World of Earth Science; and World of Life Science.

49. Senator HAGAN. Secretary Vollrath, what can this committee do to support efforts to improve the quality of STEM education being provided to military children?

Mr. VOLLRATH. DOD operations and national security depend on having a diverse STEM-literate talent pool. With that in mind, DOD recognizes that competency in science and mathematics, including awareness of engineering careers, gained in grades K–12, forms the foundation of an educated, capable, and technical future workforce. Congressional focus has enabled DOD's efforts and progress to date.

With the support of Congress, DOD will endeavor to:

- Prioritize the staffing and funding of DOD STEM initiatives.
- Expand the capacity and diversity of the STEM workforce by promoting the inclusion of underrepresented minorities and women in STEM fields as well as STEM educator professions.
- Emphasize partnerships between DOD STEM professionals and the DODEA.
- Create opportunities for classroom teachers to work directly with STEM professionals through internships and participation in field experiences and STEM-related research.
- Utilize STEM professionals to aid in the development of curricular resources to support STEM.

QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

DEPARTMENT OF DEFENSE AND DEPARTMENT OF VETERANS AFFAIRS COLLABORATION

50. Senator BLUMENTHAL. Secretary Wright and Secretary Woodson, although there seems to be some agreement on what a shared or interoperable electronic medical record should look like, there still is not one in practice. I understand that one of the challenges to achieving that goal is the inability of the VA to access the Service Treatment Record (STR) in a timely manner. What actions are being taken to improve the disability evaluation timeline?

Ms. WRIGHT and Dr. WOODSON. As of January 1, 2014, DOD successfully implemented the capability to digitize and electronically archive complete certified STRs in standard formats and to make those STRs electronically available to approved STR consumers, such as the Veterans Benefits Administration (VBA), upon a servicemember's separation or discharge.

The DOD STR, which captures a static record of a servicemember's medical history from his or her period of military service, is instrumental in providing the healthcare evidence the VBA requires to establish a Service connection for a disability claim. Today, when a VBA claims adjudicator initiates a disability benefits claim on behalf of a newly separated servicemember within VA's automated claims processing system—the Veterans Benefits Management System (VBMS)—an automated request is sent through a secure interface to the DOD's Health Artifact and Image Management Solution (HAIMS) to query and electronically retrieve the required STR from the HAIMS repository. DOD intends to submit a report to Congress on the interoperability capability established as required by section 713(j) of the NDAA for Fiscal Year 2014 (P.L. 113–66).

DOD is taking a number of actions to improve timeliness. First, DOD is maintaining an increased Integrated Disability Evaluation System (IDES) staff presence (127 percent increase since 2010) to ensure that sufficient administrative case managers (Physical Evaluation Board Liaison Officers) are available to manage case load. Additionally, each Military Department is augmenting personnel required to conduct Medical and Physical Evaluation Boards. The Army has 21 Reserve component servicemembers working with the VA Disability Rating Activity Site in Seattle to assist in the development of IDES case files, which helps VA reduce the inventory of soldiers awaiting a proposed disability rating. DOD regularly provides VA with servicemember separation documents to help expedite the determination of final disability ratings (over 13,000 since May 2013). Finally, DOD is in the process of implementing a Quality Assurance Plan, that will ensure accuracy and consistency, therefore reducing the amount of redundant work on case adjudication and improving timeliness.

These efforts are reducing the benefits gap between military service pay and disability compensation from 240 to 51 days, and improving DOD-specific process timeliness to 97 days against a 105-day goal. Furthermore, in our most recent survey, 83 percent of servicemembers indicated they were satisfied with the IDES process.

51. Senator BLUMENTHAL. Secretary Wright and Secretary Woodson, does the Health Insurance Portability and Accountability Act (HIPAA) create unintended challenges to information being passed and reviewed by the VA to facilitate claims?

Ms. WRIGHT and Dr. WOODSON. HIPAA provides for DOD to release to VA information on separating servicemembers for purposes of benefits determination. However, it also restricts the ability of a covered entity, such as the MHS, to release information to a non-covered entity, such as VBA, to only the minimum necessary to perform the function, and to disallow access to information of any other non-separating person whose information is also in the database.

It is also well understood at DOD that direct access to the pertinent databases, such as for example AHLTA, vastly improve the response time for VBA to make the necessary benefits determinations. Under HIPAA, we are not permitted to merely allow VBA unrestricted, direct access to the databases, because of the opportunity for accessing information of others who are not separating.

The Defense Health Agency Privacy and Civil Liberties Office has been informed that the Joint Legacy Viewer (JLV) will be configured to permit the VBA to only access names entered onto a Master File Index, and these names are the appropriate individuals for the benefits determination process. Therefore, although this has been a challenge for HIPAA compliance and data sharing between DOD and VBA, we believe that a solution is possible.

52. Senator BLUMENTHAL. Secretary Wright and Secretary Woodson, I understand that DOD is continuing to partner with the VA to improve near-term interoper-

ability. The Janus JLV has been deployed at seven different locations around the Nation in order to ascertain compatibility between the two systems. How can we get such a system in operation in Connecticut in order to expedite the processing of claims for our deserving veterans?

Ms. WRIGHT and Dr. WOODSON. In 2013, DOD and VA deployed Janus JLV to a limited number of users at seven sites, which includes the five VA Polytrauma Rehabilitation Centers and two DOD MTFs. They later expanded use of JLV at two sites in Anchorage, Alaska: Joint Base Elmendorf-Richardson Hospital and the Alaska VA Health Care System.

There are plans to expand JLV to 3,500 users by the end of this year. The approximate 1,000 JLV accounts in DOD will allow DOD clinicians to be able to view DOD and VA health care data to enhance health care delivery.

VA will need to determine the split of the approximately 2,500 JLV users between the VBA and Veterans Health Administration, and which specific individuals at certain sites will be granted access to JLV.

WORKFORCE REQUIREMENTS AND SHORTFALLS

53. Senator BLUMENTHAL. Secretary Wright and Secretary Vollrath, in light of the fiscal year 2015 budget proposal, we will likely see cuts in the size of our military. As we undertake various efforts to downsize, DOD will be returning thousands of capable veterans to the civilian workforce. While transition-assistance programs are provided by each Service and made available to military personnel awaiting discharge, I understand that these programs focus on general workforce skills such as resume-writing, professional dress, and interview processes. Upon discharge, military servicemen and women tend to either stay in place or return to their original home of record. However, in today's more mobile economy, it may make better sense for the veteran to consider a different location—an industrial cluster more accommodating to the years of experience they have gained from their years in service. For instance, a helicopter mechanic with 8 years of experience working aboard an Army base who is seeking to leave Active Duty might be especially suited for work at Sikorsky. What mechanisms are in place to direct or target specific occupational specialties (such as avionics or intelligence) to existing industrial clusters?

Ms. WRIGHT and Mr. VOLLRATH. DOD agrees that it makes better sense for transitioning servicemembers and veterans to focus as much on different geographic locations when deciding whether to relocate after separation or retirement, and more on industrial clusters based on the years of experience they have gained from their military service. The Transition Goals, Plans, and Success (GPS) curriculum provides our veterans and transitioning servicemembers with the skills, resources and tools to make such an informed career decision.

DOD, in collaboration with the VA, DHS, OPM, and the Departments of Labor, Education, and the U.S. Small Business Administration, redesigned the Transition Assistance Program (TAP) to better meet the needs of today's transitioning servicemembers. The bedrock of the redesigned TAP requires servicemembers to meet certain Career Readiness Standards (CRS).

CRS are a set of common and specific activities and associated deliverables that must be achieved to demonstrate appropriate preparation by servicemembers to transition effectively and pursue their personal post-separation goals in higher education, career technical training, or civilian employment. One element of the Transition GPS curricula is a process for servicemembers to identify personal interests and leanings that enable transitioning servicemembers to make informed career decisions.

This also allows transitioning servicemembers to target specific occupational specialties (such as avionics, automotive, computer technician) and search for jobs within those existing industrial clusters nation-wide, by region, State, or zip code.

During TAP, servicemembers can identify where the jobs they desire are located geographically, as well as identify which industries or career fields show future growth, status-quo, or decline. This enables the transitioning servicemember and his/her family to make an informed post-military employment decision to remain where they currently are located, return to their home of record, or choose an entirely different geographic location based on the most viable and robust employment opportunities.

This information is reinforced when servicemembers attend the Department of Labor Employment Workshop (DOLEW). The DOLEW curriculum instructs participants on conducting Labor Market Information (LMI) research on Department of Labor's American Job Center (AJC) web site and Careerinfonet.org. Careerinfonet.org contains online tools for detailed research on occupational trends

such as fastest growing, most openings, and highest paying. The new DOLEW curriculum is far more robust and interactive than the previous curriculum. Although servicemembers may produce a general résumé at the conclusion of the DOLEW, the Department of Labor stresses that all résumés should be tailored to the specific job announcement.

On April 23, 2014, the First Lady announced the administration's authoritative site for employers and veterans, ebenefits.va.gov. This site builds on the President's Veterans Job Bank and creates a résumé bank which will be used by Active-Duty servicemembers, transitioning servicemembers, veterans (from all eras), and eligible family members seeking employment opportunities.

54. Senator BLUMENTHAL. Secretary Wright and Secretary Vollrath, how will DOD coordinate with VA and what will be the priorities as we continue the expected reductions in end strength?

Ms. WRIGHT and Mr. VOLLRATH. As part of DOD's ongoing efforts to ensure a successful transition from military to civilian life for separating servicemembers, DOD collaborates with VA through a number of formalized efforts. DOD and VA, in collaboration with our interagency partners from the Departments of Labor, Education, Homeland Security (Coast Guard), the U.S. Small Business Administration, and OPM established a permanent governance structure for the TAP as of October 1, 2013. The structure, Executive Council and Senior Steering Group, is comprised of senior representatives from each interagency that oversee the TAP redesign. These agencies provide transition assistance to all eligible transitioning servicemembers, to include those affected by force shaping and reductions in end strength. The governance allows for transparency, efficiency, and effectiveness within the TAP through the collaboration and commitment of all the Federal agencies. It provides direct contact with all stakeholders to determine priorities to ensure we meet the needs of our transitioning servicemembers and future veterans.

Priorities for fiscal year 2014 include the following:

- Monitoring fiscal year 2014 end strength reductions and ensuring appropriate resources are made available to installations to provide the redesigned TAP and implement Transition GPS
- Establishing a baseline for servicemembers to meet CRS
- Implementation of the Military Life Cycle
- Strategic Communications

Additionally, DOD has been assisting VA with its benefits claims backlog by ensuring medical record information it needs to process disability claims is provided in a expeditious manner. We will continue to seek ways to make this information available to VA in an electronic format, rapidly and accurately.

55. Senator BLUMENTHAL. Secretary Wright and Secretary Vollrath, how does DOD plan on ensuring that every servicemember received training, education, and credentials needed to successfully transition to the civilian workforce?

Ms. WRIGHT and Mr. VOLLRATH. DOD is working several initiatives along these lines. The Services are conducting pilot programs in the occupational areas of: aircraft mechanic, automotive mechanic, health care support, logistics and supply, truck driver, machinist, and information technology. These pilots represent the combined efforts of organizations from across the Federal Government, State governments, industry, education, and trade associations to credit servicemembers for skills they earned throughout their military careers. Currently, 3,500 servicemembers from 57 military occupational codes are enrolled in all pilots.

Also, this year DOD is conducting a more in-depth analysis of combat arms occupational areas and how the associated skills might better transfer to civilian workforce requirements. Section 551 of NDAA for Fiscal Year 2012 allows eligible members of the Armed Forces to participate in job training and employment skills training within 180 days of separation from military service. Under this authority, several employers are establishing job skills training programs at military instillations.

We are also launching a Twitter-based application called "DOD Skillbridge." This application will be used by the private sector to announce job skills training opportunities for separating servicemembers on their personal mobile devices and will allow our troops to make their preferences known to industry and search previously announced with regard to job opportunities.

Finally, section 542 of NDAA for Fiscal Year 2014 requires the Services to make available information about credentialing and the cross-walk of Military Occupational Codes (MOC) to civilian skills to members of the Armed Forces at every stage of training. The Services are currently working to implement these requirements.

As a means of ensuring that servicemembers can match up their qualifications with credentialing programs, the Services are expanding their Credentialing On-Line (COOL) web sites to increase servicemember access and credentialing information. The Army and Navy have been operating COOL sites for years. The Air Force instituted its own COOL program that is expected to be online by October 1, 2014, and the Marine Corps is in the process of initiating its COOL program through the Navy. COOL maps every MOC to its related civilian credentials. Detailed analysis of the gaps between military training and civilian credentials requirements are provided for most MOCs. COOL sites also link to credentialing exam resources. State licensing, which is based upon a national certification exam such as Emergency Medical Technician, is also included on COOL and there are links to the Department of Labor for information on other State licenses available.

QUESTIONS SUBMITTED BY SENATOR TIM KAINE

DEPARTMENT OF DEFENSE UNEMPLOYMENT INSURANCE

56. Senator KAINE. Secretary Hale and Secretary Wright, on Thursday, March 27, the Commandant of the Marine Corps, General James Amos, mentioned at a Senate Armed Services Committee hearing that the Marine Corps paid approximately $152 million in unemployment insurance last year. According to the Congressional Research Service (CRS), between fiscal year 2001 and fiscal year 2012, a total of $9.663 billion in unemployment insurance benefits were paid to former servicemembers. On average, how much does DOD spend in unemployment insurance annually? How is this allocated among the Services, and what is the estimated expenditure per servicemember?

Mr. HALE and Ms. WRIGHT. The table below depicts DOD's expenditures for Unemployment Compensation for Ex-servicemembers (UCX) over the last 10 fiscal years. It also includes the total average annual expenditure for DOD as well as for each of the Services over the same period. Because there is such wide variance in how States maintain and supply data to DOD on unemployment claims by ex-servicemembers, it is not currently possible to provide the average expenditure per member. Furthermore, there is a significant variation by State in the number of ex-servicemembers receiving unemployment benefits, the number of weeks ex-servicemembers are entitled to and receive benefits, and the maximum weekly benefit amount paid, which add additional levels of complexity to analyzing these expenditures. Past expenditures may not be reflective of the future given the anticipated increase in separations due to the reduction in strength.

Department of Defense--Unemployment Compensation for Ex-servicemembers Fiscal Year 2004 through Fiscal Year 2013 ($000)					
	Army	*Navy*	*Marine Corps*	*Air Force*	*Total*
FY2013	$431,744	$142,132	$130,339	$76,145	$780,360
FY2012	$502,529	$177,907	$155,451	$92,338	$928,225
FY2011	$514,867	$167,956	$151,647	$102,259	$936,728
FY2010	$504,551	$157,109	$129,267	$81,277	$872,204
FY2009	$336,444	$123,199	$90,962	$67,066	$617,671
FY2008	$225,709	$99,254	$62,822	$58,992	$446,777
FY2007	$225,830	$102,678	$68,270	$61,066	$457,844
FY2006	$297,347	$92,625	$69,773	$58,649	$518,394
FY2005	$281,518	$95,404	$64,331	$63,367	$504,620
FY2004	$246,454	$92,058	$82,244	$51,458	$472,214
Average	$356,699	$125,032	$100,511	$71,262	$653,504

57. Senator KAINE. Secretary Hale and Secretary Wright, a recent DOD report on the pilot program on civilian credentialing found that the attainment of civilian credentials benefits both the armed services and the servicemember, with minimal implementation costs (averaging $285 per participant). How does the amount of funds spent on unemployment insurance per servicemember compare to the amount of funds spent on tuition assistance per servicemember? How does the amount of funds spent on unemployment insurance per servicemember compare with credentialing efforts per servicemember?

Mr. HALE. Civilian credentialing, tuition assistance, and UCX are three distinct programs for different purposes.

• Obtaining a civilian credential while on Active Duty can improve the member's skill set, but military specialties often have inherent skills and responsibilities not required in the civilian sector. However, civilian credentialing is recognized outside the military, and if obtained, it can be a significant asset to the member's employment prospects after military service. The $285 cost per participant in the DOD pilot program is misleading as it includes only direct costs; it does not incorporate preparatory costs such as education and training fees, management and operational costs (e.g., the personnel costs to DOD to conduct the pilot), nor living expenses.

• The primary purpose of tuition assistance is to enable military members to take educational courses towards a degree. The member directly benefits from the additional education, but DOD also benefits as individual readiness is enhanced and retention is bolstered. Military members primarily use tuition assistance after duty hours, so time away is minimal.

• The purpose of UCX is to assist former servicemembers while they seek employment. UCX costs vary greatly depending on job availability, the State the ex-servicemember files his/her claim, and the former member's qualifications, to name a few. Therefore, comparing the costs of the three programs can be misleading.

In fiscal year 2013, DOD paid $780 million in unemployment compensation benefits to ex-servicemembers. Because there is such wide variance in how States maintain and supply data to DOD on unemployment claims by ex-servicemembers, it is not currently possible to provide the average expenditure per member. Furthermore, there is a significant variation by State in the number of ex-servicemembers receiving unemployment benefits, the number of weeks ex-servicemembers are entitled to and receive benefits, and the maximum weekly benefit amount paid, which adds additional levels of complexity to analyzing these expenditures. The most reliable estimate is found in an August 2013 study by the Center for Naval Analyses, the "21st Century Sailor and Marine: Demographic Profile of Transitioning Sailors." The Center for Naval Analyses concluded that the 2011 the average was approximately $5,000 per ex-servicemember.

Tuition assistance is an invaluable program used extensively by Active Duty personnel. Tuition assistance is one of many options available to servicemembers to further their education. In fiscal year 2013, tuition assistance totaled $540,448,557 for 277,872 Active component servicemembers (average: $1,945 per servicemember). A profile of a typical active servicemember utilizing tuition assistance: he/she takes 3 courses per year while working full time; attend multiple institutions; have breaks in their program due to deployments and duty assignment changes; take 7 years to earn an associate's degree; 79 percent take some on-line courses; and they do not immediately seek employment after earning a degree.

Ms. WRIGHT. Civilian credentialing programs, tuition assistance, and even UCX are all benefits that assist military personnel in their transition from military to civilian life. These programs can complement one another, but they are designed for very distinct purposes and are not necessarily interchangeable. How they are employed often is predicated on the individual circumstance of an individual servicemember or veteran and thus, cost comparisons can be misleading.

Civilian credentialing, as the DOD pilot program has shown, can be a significant asset to a transitioning member. With the civilian credential in hand, a military member is able to demonstrate to a potential civilian employer that his or her military skills in a given trade directly translate to ones that are instantly recognized and accepted outside the military. At an average cost of $285 per pilot program participant, civilian credentialing appears to be very cost effective, although it must be acknowledged that this average cost figure includes only the direct cost of the program. It does not incorporate preparatory costs such as education and training fees, management and operational costs (e.g., the personnel costs to DOD to conduct the pilot), or living expenses.

Tuition assistance is an invaluable program used extensively by members who are furthering their education/training or pursuing a degree. In fiscal year 2013, tuition assistance costs totaled $540 million for 277,872 Active component members, at the average cost of $1,945 per member. For servicemembers whose desire upon leaving the military is to enter a different career field or move up the ladder into a white collar or professional job, tuition assistance is an excellent, proven means for them to accomplish these kinds of goals. Tuition assistance is often the means by which a member is able to achieve the end state of a Bachelor's degree and a civilian credential, such as a teacher's license. While tuition assistance does, on average, carry a higher cost per participant than the civilian credentialing pilot program, it clearly can result in a much greater benefit to the transitioning member who leaves the

military with a college degree and the greater earning potential that degree represents.

Civilian credentialing and tuition assistance are benefits available to personnel during their military service; UCX, on the other hand, is meant to be used once a member leaves the military and relocates to a civilian community. Its purpose is to provide some financial assistance to former members while they seek employment. In fiscal year 2013, DOD paid out $780 million to reimburse States for the unemployment compensation benefits paid to former members. Due to the wide variance in how States maintain data on unemployment claims, it is not currently possible to provide the average expenditure per member. However, there is an August 2013 study by the Center for Naval Analyses (the "21st Century Sailor and Marine: Demographic Profile of Transitioning Sailors") that estimated the 2011 average UCX cost at approximately $5,000 per year per ex-sailor. Circumstances vary greatly as to why a former member may need the financial help UCX offers. It could be that a member utilizes UCX for a short period while he or she completes his or her job search, or a member may need UCX for a longer period due to the particular economic conditions in a specific community (e.g., an unemployment rate that is much higher than the national average). A member with a family to support may be more apt to apply for UCX than a single member. No matter what those individual circumstances may be for eligible individuals, UCX provides a valuable benefit to veterans as they transition to civilian life.

In conclusion, civilian credentialing, tuition assistance, and UCX are benefit programs for current or former military members that often complement one another, but do not necessarily substitute for each other. To the extent data comparing the average cost per participant is available, it has been provided above; however, care should be taken to avoid misinterpreting the data or drawing any conclusion that more investment in one program will lead to reduced cost in another.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

DEFENSE COMMISSARY SUBSIDIES

58. Senator GRAHAM. Secretary Hale, did the administration consider the full impact of decreased commissary subsidies on the purchasing power of young military families who can least afford higher grocery bills?

Mr. HALE. DOD considered the Quadrennial Review of Military Compensation report, which indicates the buying power of enlisted members is like that of their civilian counterparts, in deciding to decrease commissary subsidies. DOD intends to direct the remaining subsidies to cover the extra costs associated with operating commissaries overseas so commissary prices for troops stationed overseas will be comparable to stateside commissary prices. If Cost-of-Living Allowance reports indicate shortfalls for personnel stationed overseas, DOD can address the shortfalls.

59. Senator GRAHAM. Secretary Wright, with lower commissary savings, shoppers may choose to get their groceries in local civilian grocery stores. This kind of change in shopping behavior can also affect foot traffic at military exchanges whose sales greatly benefit the morale, welfare, and recreation (MWR) activities on military bases. How much will foot traffic decrease in the military exchange system if fewer beneficiaries choose to shop in commissaries?

Ms. WRIGHT. Although difficult to quantify at this point, we do expect there will be a decrease in foot traffic at the military exchange main stores and other facilities if fewer beneficiaries choose to shop in the commissaries.

60. Senator GRAHAM. Secretary Hale, how will DOD make up the lost funds generated by exchange sales that support critical MWR activities?

Mr. HALE. The proposed commissary changes would not begin to be phased in until fiscal year 2015, so DOD does not expect any impact on exchange sales at least until then. DOD is seeking to quantify the expected impact of these changes on the shopping patterns of customers in the commissaries and exchanges, and the extent to which they can be offset by other changes like the introduction of non-branded items sold at lower prices. DOD will continue to actively engage the three Exchange Boards of Directors to ensure commissaries and exchanges are attractive shopping options, producing the exchange dividends that continue to help support important MWR activities.

61. Senator GRAHAM. Secretary Wright, what will be the impact of reduced sales on commissary and exchange employees—many of whom are military spouses and retirees?

Ms. WRIGHT. The commissaries and exchanges will monitor their sales and make appropriate business decisions. They may have to adjust operating hours and employee work schedules. DOD values our employees, many of who are military spouses and retirees, and every effort will be made to minimize the impact.

62. Senator GRAHAM. Secretary Wright, under a new funding plan, do you believe that some commissaries will eventually close if their sales volumes diminish so much that they cannot cover their expenses?

Ms. WRIGHT. Commissaries considered remote and isolated will remain open to support areas where access to a commercial grocery store is limited, as will overseas commissaries. There are no plans to close any commissaries in the United States. Customer usage will determine whether or not any commissaries close in the United States. Savings currently average 30.5 percent and will decrease. The projected savings will fluctuate as they do in the commercial sector but we believe they will be substantial enough to retain customers.

We take the commissary benefit seriously, and we are trying to mitigate the effects of any changes that may impact our servicemembers and their families.

63. Senator GRAHAM. Secretary Wright, how will the families of servicemembers who qualify for the Supplemental Nutrition Assistance Program (SNAP) or the Women, Infants and Children (WIC) nutrition program be impacted by higher commissary prices that will result from lower subsidies?

Ms. WRIGHT. Commissaries will have to recover costs which will decrease customer savings. The savings to servicemembers participating in the SNAP and WIC programs will also decrease. Consequently, servicemembers participating in the SNAP and WIC programs who shop in commissaries will not receive as much in value as they do presently; however, they should still receive more value than their civilian counterparts who shop in commercial grocery stores.

UNIFIED MEDICAL PROGRAM FISCAL YEAR 2015 BUDGET REQUEST

64. Senator GRAHAM. Secretary Hale, in the DOD medical budget request, there is $122 million added for expected TRS participation due to Obamacare mandates and increases expected from the Supreme Court ruling on the Defense of Marriage Act (DOMA). When did DOD realize that Obamacare mandates would increase DOD health care costs?

Mr. HALE. DOD routinely tracks TRS users and costs, so we are able to identify changes in this program on a monthly and yearly basis. We speculated that the ACA, and specifically the individual mandate provision, as well as the DOMA could drive an increase in users and costs. We did experience a modest increase in TRS participation in fiscal years 2012 and 2013, although we cannot specifically attribute that to ACA or DOMA. However, based upon this increasing participation, we felt it prudent to request reasonable additional funding for the program beginning in fiscal year 2015. We will track participation and costs and make appropriate adjustments based upon actual experience.

65. Senator GRAHAM. Secretary Woodson, the DOD budget request assumes almost $92 million in savings from health system modernization. We know there is an effort underway to downsize some military hospitals and shift beneficiaries' medical care to the private sector. Can you explain how that would work and how you get that much savings so quickly?

Dr. WOODSON. Our analysis showed that several of our legacy inpatient facilities are significantly underutilized and this lack of workload put our military medical providers' currency and skills at risk. We devised a plan to move these military providers to markets that would provide more opportunity for them to practice their specialty, an absolute necessity if they are to be prepared to meet wartime medical requirements. Although we proposed these moves primarily to maintain the readiness skills of our providers, a corollary benefit is that they will see more patients within the MTFs, so we will not have to pay those costs in the private sector. This will generate the projected savings.

66. Senator GRAHAM. Secretary Woodson, do you plan to brief Congress before you downsize military hospitals?

Dr. WOODSON. Yes. Meetings were held with House and Senate Armed Services Committees staff members on April 11, 2014, and we plan ongoing communications with Congress regarding this matter.

67. Senator GRAHAM. Secretary Woodson, can you give me a list of those facilities that DOD plans to downsize?

Dr. WOODSON. The attached table are the interim results of our resizing analysis.

Location	Transition Action
Fort Knox, KY	Transition to an outpatient-only Ambulatory Surgery Center (ASC)
Fort Polk, LA	Transition to ambulatory clinic, maintain holding beds
Fort Sill, OK	Transition to an outpatient-only ASC, maintain holding beds
Fort Jackson, SC	Transition to ambulatory clinic, maintain holding beds
Fort Riley, KS	Transition to birthing center, outpatient-only ASC
Naval Hospital (NH) Lemoore, CA	Transition to outpatient-only ASC, maintain holding beds
NH Beaufort, SC	Transition to outpatient-only ASC, maintain holding beds
NH Oak Harbor, WA	Transition to birthing center and outpatient-only ASC, maintain holding beds

AUTISM AND APPLIED BEHAVIORAL ANALYSIS

68. Senator GRAHAM. Secretary Woodson, is applied behavior analysis (ABA) therapy intended for children with developmental disabilities other than ASD? If so, which developmental disabilities, other than ASD, benefit from ABA therapy?

Dr. WOODSON. ABA for children with developmental disabilities other than ASD is not clinically indicated or legally supportable. Developmental disabilities encompass many physical disabilities for which ABA is never an indicated intervention. All TRICARE beneficiaries with a developmental disability currently are eligible to receive robust medical benefits, such as physician services, pharmacotherapy, speech therapy, occupational therapy, physical therapy; as well as behavioral interventions when indicated, including psychotherapy and neuropsychological testing. While ABA is a promising emerging treatment for ASD, it has been repeatedly determined through comprehensive review of available evidence by the TRICARE Management Activity (now the DHA), to not yet meet TRICARE's standards as a proven medical intervention. There is much less scientific evidence to support the use of ABA for developmental disabilities other than ASD.

69. Senator GRAHAM. Secretary Woodson, if DOD offered ABA therapy to all persons with developmental disabilities, what would be the estimated additional annual costs to DOD?

Dr. WOODSON. DOD estimates roughly $67.4 million in annual costs for ABA therapy services for beneficiaries with developmental disabilities.

70. Senator GRAHAM. Secretary Woodson, if TRICARE coverage is expanded to provide ABA therapy for all children with developmental disabilities, will the available supply of ABA therapy providers accommodate the increased demand for services?

Dr. WOODSON. DOD estimates that about 4,300 TRICARE beneficiaries with developmental disabilities will use ABA services. This will certainly impact the availability of ABA and would be a significant resource concern if TRICARE expanded coverage of ABA to all children with developmental disabilities.

MEDICAL BENEFIT EXPANSION AND READINESS

71. Senator GRAHAM. Secretary Wright, during this time of great fiscal pressure on DOD, how would a large medical benefit expansion, of any kind, impact the readiness of servicemembers?

Ms. WRIGHT. It depends on the nature, scope, and scale of the budget expansion. DOD is actively investing in finding better treatments for combat injuries and, should those investments pay off, an expansion that would cover those new treatments could greatly benefit the readiness of servicemembers.

In a very general sense though, as long as budgets remain tight, the money to offset a medical benefit expansion would have to come from somewhere. In the short run, operations, maintenance, and procurement accounts are typical offsets, and these accounts are directly associated with readiness.

LABORATORY DEVELOPED TESTS

72. Senator GRAHAM. Secretary Woodson, TRICARE stopped reimbursing for Laboratory Developed Tests (LDT) on January 1, 2013, and it resulted in an inequitable benefit in the TRICARE system. Essentially, patients getting care in military hospitals could get those tests at no cost, but patients getting civilian healthcare had to pay for those tests out-of-pocket. What are you doing to resolve this inconsistency?

Dr. WOODSON. Health Affairs and the DHA are committed to evaluating emerging medical treatments and techniques to meet patient needs while ensuring safety. Therefore, the DHA will initiate a new Laboratory Developed Tests Demonstration Project to be implemented by summer 2014. Many LDTs currently available in MTFs will be evaluated under the demonstration. LDTs approved under the Demonstration Project will be integrated into the both the purchased care and direct care system providing more consistency between both systems.

73. Senator GRAHAM. Secretary Woodson, will TRICARE retroactively reimburse beneficiaries if they have previously paid for tests that may be covered in the future?

Dr. WOODSON. Beneficiaries who previously paid for LDTs that are approved and covered under the demonstration may be eligible for reimbursement. A review will need to be done to determine if the LDT was medically necessary and appropriate for reimbursement purposes. Additional details will be published in the Federal Register demonstration notice.

74. Secretary Woodson, do you believe that TRICARE regulations have enough flexibility to keep pace with rapid advancements in medical science and technology that often result in changes in national standards of care?

Dr. WOODSON. The hierarchy of reliable evidence as defined in regulation serves TRICARE well by using evidence-based guidelines to assess which treatments and procedures are safe and effective for our beneficiaries. However, I do see the need for TRICARE to have greater flexibility to provide reimbursement for drugs, devices, medical treatments or procedures that result from rapid advancements in medical science and technology. Currently TRICARE covers participation in National Cancer Institute sponsored Phase I, Phase II, and Phase III studies for the prevention and treatment of cancer. Expansion beyond cancer clinical trials to support the advancement of medical science will be considered. Also, use of our demonstration authority like the LDT Demonstration Project offers us an avenue to examine new treatments and procedures that have not yet met our reliable evidence criteria. Also our MTFs can be utilized to conduct clinical trials or participate in registries where the information gathered can inform future benefit decisions.

TRICARE FOR KIDS

75. Senator GRAHAM. Secretary Woodson, section 735 of the NDAA for Fiscal Year 2013 requires DOD to conduct a comprehensive review and develop a plan to ensure that TRICARE meets the pediatric-specific needs of military families and protects their access to specialized services and care settings. How will DOD incorporate input from all stakeholders—pediatric health care advocacy and professional organizations, military family advocacy organizations, and military families—in the plan required by section 735?

Dr. WOODSON. To develop the report, as required by section 735 of the NDAA for Fiscal Year 2013, the DHA working group was provided with information and perspectives on current and proposed changes in TRICARE pediatric benefits from the following organizations, including: American Academy of Pediatrics; Autism Speaks; Children's Hospital Association; Department of Defense Military Family Readiness Council; Easter Seals; Family Voices; March of Dimes; Maryland Coalition of Families for Children's Mental Health; Military Special Needs Network; Military Officers of America Association; National Military Family Association; and Specialized Training of Military Parents. A meeting was held in August 2013 with the following advocacy groups who provided information for consideration in report preparation including: American Academy of Pediatrics, Autism Speaks, Children's Hospital Association, Military Officers Association, and Military Special Needs Network.

76. Senator GRAHAM. Secretary Woodson, does TRICARE use adult-based assumptions when determining medical necessity of a pediatric health care intervention, treatment or therapy?

Dr. WOODSON. TRICARE is mandated by Congress to deliver safe and effective medically necessary care. Safe, effective, and medically necessary care is based on the clinical needs of the beneficiary, reliable evidence, and medical need, not on assumptions of a specific age group. Pediatric health care interventions, treatments, and therapy are based on clinical evidence of safe and effective care.

77. Senator GRAHAM. Secretary Woodson, what mechanisms are in place to link military children with special needs with local community health care resources, like pediatric specialty care providers?

Dr. WOODSON. Dependent children with special health care needs are linked with local community health care resources like pediatric specialty care providers through coordination of care between the MTFs and the purchased care network of TRICARE authorized providers. TRICARE beneficiaries have access to appropriate medical care in MTFs where specialty care is available or based on referrals to providers in the community coordinated by regional contractors. The regional contractors provide monthly network adequacy reports to the TRICARE regional offices to ensure the networks are able to support the TRICARE beneficiary medical needs based on contracted ratios. TRICARE networks include many children's hospitals and pediatric specialty care providers in each geographic region who provide care to military children with special needs.

The report to Congress required by the NDAA 2013, section 735, titled: "Study on healthcare and related support for children of members of the Armed Forces" is being prepared for submission to Congress by July 2014. One of the elements to be addressed is mechanisms for linking dependent children with special health care needs with State and local community resources, including children's hospitals and providers of pediatric specialty care; which is similar to question being asked. DOD's report will have a more detailed discussion on this issue.

CHILDREN WITH SPECIAL NEEDS

78. Senator GRAHAM. Secretary Wright, one of the key components of the Exceptional Family Member Program is assignment coordination to determine if special needs services are available at a servicemember's next projected duty assignment. During the assignment process, the Services are supposed to match a family's special needs requirements against available services before assigning a servicemember to a new location. We hear anecdotal reports that the Services have assigned families to locations where support services aren't available. How do you plan to address gaps in the assignment coordination process?

Ms. WRIGHT. The Services are required to screen servicemembers' dependents for medical and special education needs prior to any accompanied or command sponsored assignment to ensure adequate services are available at the projected PCS location for those special needs family members enrolled in the Exceptional Family Member Program. If there are specific cases where this is not occurring, I would be glad to research them to ensure compliance once we have the details.

79. Senator GRAHAM. Secretary Wright, children with special health needs and complex medical conditions require an assortment of specialized health care and education services. To ensure continuity of health care and educational services, military families with special needs children must get "warm handoffs" as they transition to new assignments. How can this transition process be improved to ensure that these children receive continuous health care and education services at the sponsor's next duty location?

Ms. WRIGHT. DOD, including the Services, works continuously to improve and standardize support to military families with special needs during every phase of military life, including during transition. DOD policy stipulates that the special medical and educational needs of family members must be considered during the assignment process. During the assignment process, the Services review the medical and educational needs of a servicemember's family members enrolled in the Exceptional Family Member Program (EFMP). Every reasonable effort is made to ensure families are stationed in locations at which services to meet their needs are available, ensuring the assignment also meets the needs of the Service.

Within the United States, the Individuals with Disabilities Act (IDEA) requires that services be available to all children with disabilities. IDEA governs how States and public agencies provide early intervention, special education, and related services to eligible infants, toddlers, children, and youth with disabilities. The education of children with disabilities in overseas DODEA schools is also governed by the

IDEA. For families transitioning to overseas assignments, their special educational needs are reviewed by the DODEA.

To support military families with special needs, EFMP Family Support Providers offer a warm hand-off for families transitioning to a new duty station. This warm hand-off includes connecting families to the EFMP family support provider at the new location. To consistently document and understand families' needs, DOD has developed the Family Needs Assessment and Services Plan. DOD has also developed the Inter-Services Transfer Summary (ISTS) to document family support assistance received by families transferring between installations not run by their own Service (e.g., a soldier transferring to or from a Navy run installation).

TRICARE REFORM

80. Senator GRAHAM. Secretary Woodson, under DOD's TRICARE reform proposal, what modifications will be needed to TRICARE Managed Care Support Contracts to implement a new consolidated TRICARE plan?

Dr. WOODSON. Contract modifications would be necessary for claims adjudication, network development, participant fee collection, and other processes. It is important to note that these modifications would simplify program administration. We recommended implementing the new TRICARE Consolidated Health Plan in fiscal year 2016 based on DOD's internal estimates of the potential costs associated with these modifications and considered these costs in the overall cost-benefit evaluation of the proposal. It was determined that the benefits exceeded the cost of waiting until the next generation of TRICARE contracts was awarded.

81. Senator GRAHAM. Secretary Woodson, will there be changes in requirements for the contractors to build and maintain networks and to maintain accurate lists of network providers?

Dr. WOODSON. No, there will be no change to this requirement.

82. Senator GRAHAM. Secretary Woodson, what resources will remain in place for the management of complex illnesses or conditions where coordinated care is needed?

Dr. WOODSON. Care coordination should continue to occur through the patient's relationship with his or her primary care provider, just as it does now. For example, those participants who choose to receive their care in a MTF will continue to enjoy the benefits of Patient Centered Medical Home, a holistic approach to medicine. The Consolidated TRICARE Health Plan simply removes administrative burdens that impede the access to care; it does not affect the close patient-provider relationships that have developed over time.

BASIC ALLOWANCE FOR HOUSING REFORMS

83. Senator GRAHAM. Secretary Wright, how much savings will DOD realize as a result of the proposal to increase servicemember Basic Allowance for Housing (BAH) out-of-pocket contribution in fiscal year 2015?

Ms. WRIGHT. DOD estimates that this proposal will provide $391 million in cost savings for fiscal year 2015, and that cost savings would grow to reach $1.28 billion in fiscal year 2019. These cost savings include removing renter's insurance from the computation beginning in 2015 and gradually increasing the out-of-pocket percentage to 5 percent over 3 years (2015 to 2017).

84. Senator GRAHAM. Secretary Wright, if a member lives on base with their family, will their rent still be covered 100 percent or will they have to pay 5 percent of the cost?

Ms. WRIGHT. Rental amounts are currently based on the BAH provided to uniformed members. The amount out-of-pocket that a member may or may not have to pay to the privatized partner of on-base housing will depend on changes to project agreements. The Under Secretary of Defense for Acquisition, Technology, and Logistics is currently working with the Services to assess how best to implement any BAH reductions into the project rent structures. DOD believes it has the authority under the Military Housing Privatization Initiative to make the necessary adjustments.

85. Senator GRAHAM. Secretary Wright, is there currently on-base housing that is vacant or not being utilized by servicemembers?

Ms. WRIGHT. The overall occupancy of military privatized housing is about 95 percent. About 5 percent of those occupants are "waterfall," or non-uniformed tenants. This occupancy rate for privatized housing is higher than it had been before privatization.

In privatized projects, members are not assigned to housing. They may choose to live on base or in town. If there is insufficient demand from Active Duty military families, then the privatized housing owners may lease units to a so-called "waterfall" of potential tenants. Active Duty member families have the highest priority for privatized housing, but depending upon conditions, units can also be rented to unaccompanied members, DOD civilians, military retirees, and others in order to maintain occupancy.

86. Senator GRAHAM. Secretary Wright, how will this reduction affect privatized housing companies who receive money from DOD for on-base housing?

Ms. WRIGHT. The impact to privatized partners will depend on how the legislation is implemented by the Military Services and their private partners. Under Secretary of Defense for Acquisition, Technology, and Logistics is currently working with the Military Services to assess how best to implement any BAH reductions into the project rent structures. DOD believes it has the authority under the Military Housing Privatization Initiative to make the necessary adjustments.

TROOP PAY

87. Senator GRAHAM. Secretary Wright, how much savings will DOD realize by capping the pay increase at 1 percent for fiscal year 2015?

Ms. WRIGHT. DOD's proposal to provide a 1.0 percent basic pay increase for pay grades O–6 and below in lieu of the automatic 1.8 percent increase would save $534 million in fiscal year 2015 and $3.4 billion over fiscal years 2015 to 2019.

88. Senator GRAHAM. Secretary Wright, how much savings will DOD realize by freezing general and flag officer pay?

Ms. WRIGHT. The fiscal year 2015 request includes a 1.0 percent basic pay raise for pay grade O–6 and below, and seeks a pay freeze for general and flag officers. While the pay freeze for general and flag officers provides only limited savings of about $1 million in fiscal year 2015 and $8 million through fiscal year 2019, the Joint Chiefs were adamant that if they are asking our young men and women to accept a slower growth in pay, then the most senior leadership ought to accept an even lower level.

SUNSET

89. Senator GRAHAM. Secretary Wright, what congressionally-mandated personnel programs do you believe are no longer useful to servicemembers and their families that could be cut or modified to promote a more efficient use of resources?

Ms. WRIGHT. We do not believe that our current portfolio of military community and family programs requires cuts or legislatively mandated modifications. Each year comprehensive reviews of these programs are conducted to ensure that services are not duplicative or redundant, and that resources are appropriately allocated. Examples of these types of reviews include those conducted in generating the Defense Program and Planning Guidance and the DOD Policy and Plans for Military Family Readiness congressional report, and by the Military Family Readiness Council. As a result of these efforts, the Office of the Secretary of Defense and the Services regularly adjust the delivery of programs to ensure that the unique needs of the military population continue to be met. When necessary, DOD seeks legislative relief for congressionally-mandated programs.

ASSIGNMENT OF WOMEN TO COMBAT ARMS

90. Senator GRAHAM. Secretary Wright, if combat arms positions are opened to women, and if not enough women volunteer for those positions, will DOD involuntarily assign women to combat arms units?

Ms. WRIGHT. Once positions are open with a single standard for entry, each Service will follow its respective policies for the classification and assignment of personnel. These policies will be applied equally to men and women, consistent with the needs of the Services, SOCOM, and mission.

It continues to be essential to mission effectiveness that the person selected for an occupation is fully qualified to perform that occupation. Further, we owe it to

all servicemembers to put them in positions where they have the highest probability of success. DOD's goal is to ensure the mission is met with the highest, best-qualified, and most capable people, regardless of gender. Evaluations will be made in accordance with our guiding principles.

SELECTIVE SERVICE

91. Senator GRAHAM. Secretary Wright, when did DOD last review the role of the Selective Service System in meeting the wartime requirements of the Nation?

Ms. WRIGHT. During our 2013 GAO audit, DOD was asked to reevaluate the mission and military requirements for the Selective Service. We found that the changes in the world following the end of the Cold War have revised our mobilization requirements. As such, DOD has no operational plans that envision mobilization at a level that would require conscription. However, while there may be no immediate military necessity, there may be national necessities for continuation of the Selective Service System.

Since 1974, the United States has relied upon an AVF to meet the Nation's military requirements. The AVF has performed successfully everywhere from the Balkans to the Gulf of Arabia, in Operations Desert Shield/Desert Storm, and in our Nation's longest military engagements for over 12 years in Iraq and Afghanistan. The current AVF is combat experienced, highly educated, and diverse. Currently, the AVF is of adequate size and composition to meet America's security needs.

SEXUAL ASSAULT

92. Senator GRAHAM. Secretary Wright, does DOD or the Services require any additional authorities to support victims of sexual assault?

Ms. WRIGHT. DOD has not identified additional authorities needed to support victims of sexual assault. Military and civilian leaders are working to sustain their current level of attention, focus, and emphasis on the implementation of critical reforms and protections for victims. DOD efforts to combat sexual assault rely on the continued implementation of SAPR initiatives and programs, as well as intensified efforts to educate all servicemembers, frontline commanders, and leaders on SAPR policies and procedures.

The NDAA for Fiscal Year 2014 included 33 sections related to sexual assault. Many of the provisions require support to victims, such as provisions:

- Requiring a Special Victims' Counsel program for each Service.
- Requiring a sexual assault nurse examiner per MTF.
- Extending the rights afforded by the Crime Victim Rights Act to victims of offenses under the UCMJ.
- Expanding protections against retaliatory personnel actions for servicemembers who report sexual assaults.
- Requiring defense counsel to make requests to interview victims through trial counsel and permitting victims to request presence of trial counsel or outside counsel during interview.

Additionally, we want to thank Congress for supporting victims of sexual assault by passing NDAA for Fiscal Year 2013, section 576. The process established by this legislation calls for an independent panel to study sexual offense reporting, investigation, and prosecution under military and civilian jurisdictions. This panel is providing a fact-based investigation of the response and judicial systems for sexual assault and will provide important recommendations on potential reforms to the system to support victims of sexual assault.

93. Senator GRAHAM. Secretary Wright, does DOD or the Services require any additional authorities to empower commanders, criminal investigators, victim advocates, or judge advocates to continue efforts to combat sexual assault?

Ms. WRIGHT. DOD has not identified additional authorities needed to empower commanders, criminal investigators, victim advocates, or judge advocates, as they work to combat sexual assault in the military. Military and civilian leaders are working to sustain their current level of attention, focus, and emphasis on the implementation of critical reforms, which are detailed below. DOD efforts to combat sexual assault rely on the continued implementation of SAPR initiatives and programs, as well as intensified efforts to educate all servicemembers, frontline commanders, and leaders on SAPR policies and procedures.

DOD is focused on implementing more than 60 provisions of law included in the past three NDAAs that are related to sexual assault. Further, each Service is imple-

menting 22 initiatives directed by the Secretary of Defense to strengthen DOD SAPR programs.

The NDAA for Fiscal Year 2014 included 33 sections related to sexual assault. Many of the provisions affect military justice, such as provisions that will:

- Require higher level review of any decision by a commander not to refer a sexual assault case to a general court-martial;
- Give military victims the opportunity to decline to testify at Article 32 hearings;
- Limit the authority of commanders to overturn court-martial findings and sentences;
- Limit jurisdiction for rape and sexual assault offenses to general courts-martial;
- Establish mandatory punitive discharge for sexual assault and rape convictions; and
- Eliminate the 5-year statute of limitations for sexual assault offenses.

94. Senator GRAHAM. Secretary Wright, who in DOD is responsible to look at recent legislation from the standpoint of the military member accused of sexual assault, to ensure that commanders and those who support them are protecting the constitutional rights of the accused?

Ms. WRIGHT. The preservation of the constitutional rights of everyone involved in the Military Justice system is of paramount importance. The Judge Advocates General of the Military Departments and the Staff Judge Advocate to the Commandant of the Marine Corps, who administer the Military Justice process for their respective Services, have primary responsibility for this function. Also critical in this function is the DOD Office of General Counsel.

QUESTIONS SUBMITTED BY SENATOR KELLY AYOTTE

SPECIAL VICTIMS COUNSEL

95. Senator AYOTTE. Secretary Wright, section 1716 of the NDAA for Fiscal Year 2014 required the Services to establish the Special Victims' Counsel Programs to provide independent legal advice for victims of sexual assault. How is the Special Victims' Counsel Program going in each of the Services?

Ms. WRIGHT. All Services have implemented their Special Victims' Counsel programs. The Special Victims' Counsel program forms an extensive sexual assault victim representation system. Preliminary assessments of the Services' programs are favorable. They are an important component of DOD's ongoing efforts to eradicate sexual assault from the Armed Forces while supporting victims and holding offender appropriately accountable when such assaults do occur.

96. Senator AYOTTE. Secretary Wright, do you think the availability of Special Victims' Counsels at least partially explains the increase in reporting we have seen?

Ms. WRIGHT. While we believe the Special Victims' Counsel program holds great potential for helping victims navigate the military justice process, we do not believe that the full effects of this program were seen in the increased reporting that occurred in fiscal year 2013. This is because only the Air Force had a fully operational Special Victims' Counsel program in fiscal year 2013. The other three Services deployed their full programs in fiscal year 2014. DOD will be monitoring reporting trends and surveying victims in fiscal year 2014 to discern the impacts of the Special Victims' Counsel program throughout the Military Services.

DOD believes that we must take a number of actions to help increase victim confidence, as there is no single silver bullet solution. Our response requires sustained progress, persistence, and innovation. We must treat survivors of this crime with sensitivity, privacy, and responsive support. How we treat current victims will impact future victims' decisions to report.

A key element of DOD's approach is to increase victim trust and confidence in our response system so that victims are willing to report. DOD has implemented a number of programs designed to improve victim confidence, recognizing that increased victim confidence and reporting is a bridge to greater victim care and offender accountability. These reforms are not limited to the creation of dedicated legal support to victims, but also include reforms to the military justice system, enhanced access to victim advocacy, and increased training and awareness for the entire force. Specifically, these reforms include:

- Implementing policy across the Services to provide commanders with balanced options to eliminate victims' continued contact with their accused offenders, through expedited transfers;
- Fielding more than 25,000 professionally certified Sexual Assault Response Coordinators (SARCs) and Victim Advocates (VAs), located across the globe;
- Developing the DOD Safe Helpline to ensure that victims have anonymous, worldwide 24/7 crisis support via online chat, telephone, and texting services;
- Requiring investigators and prosecutors to receive specialized training on how to best support sexual assault victims and their cases; and
- Requiring sexual assault cases to be treated as medical emergencies in MTFs.

Initial fiscal year 2013 data shows a 50 percent increase in victim reports of sexual assault when compared to fiscal year 2012. We assess this increase in reports as consistent with a growing level of confidence in our response system. This is supported by an additional metric—there are growing numbers of reports made by victims about incidents that took place prior to joining the military.

COMPENSATION

97. Senator AYOTTE. Secretary Wright, please provide specific and detailed analyses on the financial impact on junior enlisted and junior officers of the DOD's proposed housing allowance and commissary changes. How much more will these individuals have to pay as a result of the proposed commissary changes?

Ms. WRIGHT. Our estimates of the impacts of the proposals on the monthly compensation of members are in the attached charts.

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

Assumptions:
- Pay includes basic pay, the basic allowance for housing, and the basic allowance for subsistence.
- Basic pay rate grows by 1.0% in FY15 - FY17
- BAH rate grows = 4.2% annually
- BAH out of pocket costs begin in 2015 and are amounts provided by DTMO based upon pay grade and dependency status
- BAS rate grows = 3.4% annually
- Analysis is for a static pay cell. Thus the analysis considers for each year the same pay grade, YOS and family size. (i.e., does not consider longevity pay increases)
- Annual Commissary Savings (based upon shopping at the Commissary approximately 80% of the time)
  - Single member shopping 100% at Commissary saves $1,500; 80% shopping=$1,200 savings
  - Married member, no children shopping 100% at Commissary saves $2,800; 80% shopping=$2,240
  - Married member, one child shopping 100% at Commissary saves $3,500; 80% shopping=$2,800
  - Married member, two children shopping 100% at Commissary saves $4,500; 80% shopping=$3,600
  - PB15 proposals - Savings estimates - FY14=30%, FY15=26%, FY16=18%, FY17=10%
  - Based upon FY2014 USDA Moderate Cost Plan (Oct 2013-Jan 2014)
  - Uses Savings Data from DeCA 2013 Formal Price Survey
  - Commissary savings calculations that assume members shop 100% of the time at the Commissary were rounded down to the nearest $100. Calculations of savings for members shopping 80% of the time at the Commissary were based upon these rounded estimates.
- Tricare out-of-pocket costs are treated as monthly reductions in income of $5.67 per dependent (e.g., $17/month for 3 dependents) (per OASD HA)
  - This is based upon a blended use of both the military treatment facility and Tricare for an average active duty family.
  - Active duty members incur zero out-of-pocket cost
  - Active duty family members receiving care at the military treatment facility continue to have no out-of-pocket expense.

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	E3 Under 2 YOS Family Size 2	E4 with 3 YOS Family Size 2	E5 with 6 YOS Family Size 4	E6 with 12 YOS Family Size 4	E7 with 20 YOS Family Size 4	E8 with 22 YOS Family Size 4	E9 with 26 YOS Family Size 4
Monthly Pay in 2014	$3,562.95	$3,955.35	$4,601.05	$5,590.95	$6,509.15	$7,377.85	$8,897.45
Basic Pay	$1,805.40	$2,215.80	$2,734.50	$3,530.40	$4,371.60	$5,115.30	$6,486.90
BAH	$1,400.00	$1,382.00	$1,509.00	$1,703.00	$1,780.00	$1,905.00	$2,053.00
BAS	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	$3,839.29	$4,241.76	$4,919.86	$5,959.37	$6,913.17	$7,820.83	$9,401.43
Basic Pay	$1,860.11	$2,282.94	$2,817.36	$3,637.37	$4,504.06	$5,270.30	$6,683.46
BAH	$1,583.91	$1,563.55	$1,707.23	$1,926.72	$2,013.83	$2,155.25	$2,322.69
BAS	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27
Total Increase in Pay	$276.34	$286.41	$318.81	$368.42	$404.02	$442.98	$503.98
BAH Out-of-Pocket Expense	($94.00)	($94.00)	($102.00)	($116.00)	($121.00)	($129.00)	($139.00)
Tricare Out-of-Pocket Expense	($5.67)	($5.67)	($17.00)	($17.00)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	$176.68	$186.75	$199.81	$235.42	$266.02	$296.98	$347.98
Reduction in Commissary Savings (Commissary usage at ~80%)	($124.44)	($124.44)	($200.00)	($200.00)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	$52.23	$62.30	($0.19)	$35.42	$66.02	$96.98	$147.98

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	W1 with 10 YOS Family Size 4	W2 with 14 YOS Family Size 4	W3 with 18 YOS Family Size 4	W4 with 22 YOS Family Size 4	W5 with 28 YOS Family Size 4
Monthly Pay in 2014	**$5,855.84**	**$6,831.34**	**$7,944.74**	**$9,084.24**	**$10,444.54**
Basic Pay	$4,050.60	$4,751.10	$5,704.50	$6,768.00	$8,046.30
BAH	$1,559.00	$1,834.00	$1,994.00	$2,070.00	$2,152.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$6,209.36**	**$7,242.21**	**$8,405.52**	**$9,587.23**	**$10,997.03**
Basic Pay	$4,173.34	$4,895.06	$5,877.35	$6,973.08	$8,290.11
BAH	$1,763.80	$2,074.93	$2,255.94	$2,341.93	$2,434.70
BAS	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$353.52**	**$410.87**	**$460.78**	**$502.99**	**$552.49**
BAH Out-of-Pocket Expense	($106.00)	($124.00)	($135.00)	($141.00)	($146.00)
Tricare Out-of-Pocket Expense	($17.00)	($17.00)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	**$230.52**	**$269.87**	**$308.78**	**$344.99**	**$389.49**
Reduction in Commissary Savings (Commissary usage at ~80%)	($200.00)	($200.00)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	**$30.52**	**$69.87**	**$108.78**	**$144.99**	**$189.49**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	O1 Under 2 YOS Family Size 2	O2 with 3 YOS Family Size 2	O3 with 6 YOS Family Size 2	O4 with 12 YOS Family Size 4	O5 with 20 YOS Family Size 4	O6 with 24 YOS Family Size 4
Monthly Pay in 2014	**$4,672.44**	**$6,282.74**	**$7,614.54**	**$9,439.54**	**$11,178.44**	**$13,002.84**
Basic Pay	$2,905.20	$4,390.50	$5,415.30	$6,921.30	$8,422.20	$10,134.60
BAH	$1,521.00	$1,646.00	$1,953.00	$2,272.00	$2,510.00	$2,622.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$4,986.26**	**$6,657.99**	**$8,061.17**	**$9,973.71**	**$11,789.35**	**$13,680.35**
Basic Pay	$2,993.23	$4,523.54	$5,579.39	$7,131.02	$8,677.40	$10,441.69
BAH	$1,720.81	$1,862.23	$2,209.56	$2,570.46	$2,839.73	$2,966.44
BAS	$272.22	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$313.82**	**$375.25**	**$446.63**	**$534.17**	**$610.91**	**$677.51**
BAH Out-of-Pocket Expense	($103.00)	($112.00)	($132.00)	($154.00)	($170.00)	($178.00)
Tricare Out-of-Pocket Expense	($5.67)	($5.67)	($5.67)	($17.00)	($17.00)	($17.00)
Subtotal of Impact Before Commissary Savings	**$205.15**	**$257.58**	**$308.96**	**$363.17**	**$423.91**	**$482.51**
Reduction in Commissary Savings (Commissary usage at ~80%)	($124.44)	($124.44)	($124.44)	($200.00)	($200.00)	($200.00)
Net Impact on Member after Commissary Savings	**$80.71**	**$133.13**	**$184.52**	**$163.17**	**$223.91**	**$282.51**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	E3 Under 2 YOS Single	E4 with 3 YOS Single	E5 with 6 YOS Single	E6 with 12 YOS Single	E7 with 20 YOS Single	E8 with 22 YOS Single	E9 with 26 YOS Single
Monthly Pay in 2014	**$3,264.95**	**$3,651.35**	**$4,375.05**	**$5,276.95**	**$6,176.15**	**$7,065.85**	**$8,526.45**
Basic Pay	$1,805.40	$2,215.80	$2,734.50	$3,530.40	$4,371.60	$5,115.30	$6,486.90
BAH	$1,102.00	$1,078.00	$1,283.00	$1,389.00	$1,447.00	$1,593.00	$1,682.00
BAS	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55	$357.55
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$3,502.14**	**$3,897.83**	**$4,664.17**	**$5,604.12**	**$6,536.42**	**$7,467.84**	**$8,981.69**
Basic Pay	$1,860.11	$2,282.94	$2,817.36	$3,637.37	$4,504.06	$5,270.30	$6,683.46
BAH	$1,246.77	$1,219.61	$1,451.54	$1,571.47	$1,637.09	$1,802.27	$1,902.96
BAS	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27	$395.27
Total Increase in Pay	**$237.19**	**$246.48**	**$289.12**	**$327.17**	**$360.27**	**$401.99**	**$455.24**
BAH Out-of-Pocket Expense	($73.00)	($73.00)	($87.00)	($94.00)	($98.00)	($108.00)	($114.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	**$164.19**	**$173.48**	**$202.12**	**$233.17**	**$262.27**	**$293.99**	**$341.24**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	**$97.53**	**$106.81**	**$135.46**	**$166.50**	**$195.61**	**$227.32**	**$274.57**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	W1 with 10 YOS Single	W2 with 14 YOS Single	W3 with 18 YOS Single	W4 with 22 YOS Single	W5 with 28 YOS Single
Monthly Pay in 2014	**$5,446.84**	**$6,554.34**	**$7,620.74**	**$8,767.24**	**$10,243.54**
Basic Pay	$4,050.60	$4,751.10	$5,704.50	$6,768.00	$8,046.30
BAH	$1,150.00	$1,557.00	$1,670.00	$1,753.00	$1,951.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$5,746.63**	**$6,928.82**	**$8,038.95**	**$9,228.58**	**$10,769.63**
Basic Pay	$4,173.34	$4,895.06	$5,877.35	$6,973.08	$8,290.11
BAH	$1,301.07	$1,761.54	$1,889.38	$1,983.28	$2,207.30
BAS	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	**$299.79**	**$374.48**	**$418.21**	**$461.34**	**$526.09**
BAH Out-of-Pocket Expense	($78.00)	($106.00)	($113.00)	($119.00)	($132.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	**$221.79**	**$268.48**	**$305.21**	**$342.34**	**$394.09**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	**$155.12**	**$201.81**	**$238.55**	**$275.68**	**$327.42**

Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes
Estimates for Illustrative Purposes Only

	O1 Under 2 YOS Single	O2 with 3 YOS Single	O3 with 6 YOS Single	O4 with 12 YOS Single	O5 with 20 YOS Single	O6 with 24 YOS Single
Monthly Pay in 2014	$4,422.44	$6,107.74	$7,341.54	$9,134.54	$10,795.44	$12,665.84
Basic Pay	$2,905.20	$4,390.50	$5,415.30	$6,921.30	$8,422.20	$10,134.60
BAH	$1,271.00	$1,471.00	$1,680.00	$1,967.00	$2,127.00	$2,285.00
BAS	$246.24	$246.24	$246.24	$246.24	$246.24	$246.24
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	$4,703.42	$6,460.00	$7,752.30	$9,628.64	$11,356.04	$13,299.08
Basic Pay	$2,993.23	$4,523.54	$5,579.39	$7,131.02	$8,677.40	$10,441.69
BAH	$1,437.97	$1,664.24	$1,900.70	$2,225.40	$2,406.42	$2,585.17
BAS	$272.22	$272.22	$272.22	$272.22	$272.22	$272.22
Total Increase in Pay	$280.98	$352.26	$410.76	$494.10	$560.60	$633.24
BAH Out-of-Pocket Expense	($86.00)	($100.00)	($114.00)	($134.00)	($144.00)	($155.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Subtotal of Impact Before Commissary Savings	$194.98	$252.26	$296.76	$360.10	$416.60	$478.24
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)	($66.67)
Net Impact on Member after Commissary Savings	$128.31	$185.59	$230.10	$293.43	$349.93	$411.57

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98. Senator AYOTTE. Secretary Wright, what specific impact will this have on MWR revenues?

Ms. WRIGHT. We expect the proposed commissary changes could have some negative impact on MWR activity revenues, both directly and indirectly. Among the direct impacts, MWR activities might no longer be able to purchase food from the commissary at cost; higher food costs in those MWR activities would in turn drive up selling prices and fees. In addition, reduced commissary foot traffic on base could have a cascading effect on participation in MWR activities, which in turn would reduce overall revenue to support the system. The indirect impact would occur when a possible reduction in commissary foot traffic is in turn reflected in reduced foot traffic in the exchanges; the resulting drop in exchange sales would then reduce the exchange dividends that support MWR programs.

99. Senator AYOTTE. Secretary Wright, will some personnel who live on post have difficulty traveling to off-post grocery stores?

Ms. WRIGHT. The question assumes that no commissary will be available for those living on bases. There are no plans to close commissaries. Difficulty traveling to off-installation grocery stores will vary installation-to-installation depending on distance and availability of transportation.

100. Senator AYOTTE. Secretary Wright, please provide examples, by rank, of how much junior enlisted servicemembers will not receive for their housing allowance in more expensive locations.

Ms. WRIGHT. Our estimates of the impacts of the proposals on the monthly compensation of members are in the attached charts. (See answer to question 97). The proposed out-of-pocket expense for the BAH contained in the fiscal year 2015 proposal would vary by pay grade and dependency status but not by location. The out-of-pocket expense amount would be computed as a percentage of the national mean housing allowance for each pay grade and dependency status. The computed, fixed dollar amount would be applied to the BAH rate for that pay grade and dependency status for each location. As a result, impact on a member from this proposal would

be the same dollar amount, regardless of whether the member resides in a high-cost or low-cost housing area.

See answer to question 97.

SEXUAL ASSAULT RESPONSE COORDINATORS FOR THE GUARD AND RESERVE

101. Senator AYOTTE. Mr. Wightman, section 1724 of the NDAA for Fiscal Year 2014 requires each Service Secretary to ensure timely access to a SARC for any member of the National Guard or Reserve who is the victim of a sexual assault. Can you please provide an update on how DOD is doing in implementing this provision related to SARCs for the Guard and Reserve?

Mr. WIGHTMAN. The DOD SAPRO provides oversight and guidance to the Services as they implement NDAA for Fiscal Year 2014 provisions. Each of the Services has addressed providing timely access and support of SARC services differently that takes into consideration organizational structure and geographic coverage apart from the military unit. A summary of the status to providing timely access to SARCs for Reserve component servicemembers follows:

- The National Guard has hired one full-time SARC in every State and Territory (54 States and Territories), for servicemembers who are located at the Joint Forces Headquarters and serve in either Title 32 Active Guard Reserve (AGR), Technician, or Active Duty Operational Support (ADOS) status. Every SARC is trained to provide service to both Air and Army National Guard within the State or Territory. Additionally, the Air National Guard has placed one airman, who serves on full-time status, to serve in the SARC role as required within each Wing. The Army National Guard has one SARC, called the Collateral SARC, at each Division down to Brigade.
- U.S. Army Reserve (USAR) policy requires that a servicemember victim be linked to the SARC that is located closest geographically. In addition, the USAR maintains 5 hotlines (1 hotline for each of 4 Regional Support Commands and 1 in Puerto Rico) staffed by 35 full-time Military Technicians and Active Guard and Reserve SARCs. The hotlines are staffed 24/7. These SARCs offer support on the phone when a victim calls, and can refer them to local civilian resources in crisis situations. The hotline numbers, along with the DOD SAFE Helpline phone number, are prominently posted in unit/drill areas. The U.S. Army Reserve Command publishes an array of products listing all five hotline numbers.
- Each U.S. Navy Reserve (USNR) unit is required to have a designated Unit SAPR VA who responds to servicemember victims. In addition, the USNR provides SAPR response and services through a Navy Operation Support Center (NOSC) which is aligned with a Navy region with the Installation SARC providing services. The contact number for 24/7 SAPR Victim Advocate (SAPR VA) and SARC services is posted in the NOSC and is made available via the DOD Safe helpline. Audits are conducted monthly to ensure posted telephone contacts are accurate and victims receive immediate support.
- All U.S. Marine Corps Reserve (USMCR) sites have at least one trained and appointed Uniformed Victim Advocate (UVA) assigned to the site to provide in-person response to victims of sexual violence. All of the sites have MOUs with other SAPR military and civilian rape crisis centers in their localities. In addition, the USMCR maintains a 24/7 Sexual Assault Helpline which provides immediate telephonic crisis response to all Active Duty and Reserve component marines/sailors assigned to the 162 Marine Reserve sites throughout the United States including Alaska, Hawaii, and Puerto Rico. The Helpline is staffed by the SAPR Program Manager, three SARCs, and two civilian VAs located in New Orleans. Once a report is received, a referral will be made to the UVA to provide immediate in-person response. UVAs are required to answer all calls within 15 minutes and to respond in person within 1 hour of notification. All Marine Reserve locations are mandated to post the SAPR Helpline as well as the DOD SAFE Helpline throughout common areas of their facilities.
- The U.S. Air Force maintains a civilian SARC at each of the 11 Host Wings. All Wing SARCs report to the Command SARC who is located at Robins Air Force Base. Each of the SARCs is issued a government cell phone and is on call 24/7. These SARC numbers along with the DOD Safe Helpline are posted in many locations to ensure airmen are aware of the support.

INCREASE IN REPORTING

102. Senator AYOTTE. Secretary Wright, based on the statutory reforms passed in the NDAA for Fiscal Year 2014, as well as the additional reforms DOD has been implementing, are we seeing an increase in reporting of sexual assaults in the military?

Ms. WRIGHT. Yes, during fiscal year 2013, there were 5,061 reports of sexual assault. This figure represents an increase of 50 percent over fiscal year 2012 numbers. The average annual increase in reports of sexual assault has been approximately 5 percent since the first full year of Restricted Reporting in 2006, as compared to a 50 percent increase in reporting between fiscal year 2012 and fiscal year 2013. In addition, there was a substantial increase in the number of reports made by victims for incidents they experienced prior to joining the military. In fiscal year 2013, about 10 percent of the 5,061 reports of sexual assault received from servicemembers were for sexual assaults that occurred to them prior to entering military service. In past years' reporting, that figure has never exceeded 4 percent. DOD believes these reports reflect an increased level of confidence in the DOD response system and are a sign that victims trust DOD to treat and support them in their recovery.

Despite increased reporting, sexual assault remains a persistent challenge. During fiscal year 2014, DOD will intensify its focus on preventing the crime by implementing the 2014 to 2016 DOD Sexual Assault Prevention Strategy. Prevention is more than training and education of individuals. A successful prevention strategy addresses the entire continuum of harm, shapes the environment, and includes a wide range of integrated elements targeting accountability, community involvement, communication, deterrence, incentives, and harm reduction at every level of military society.

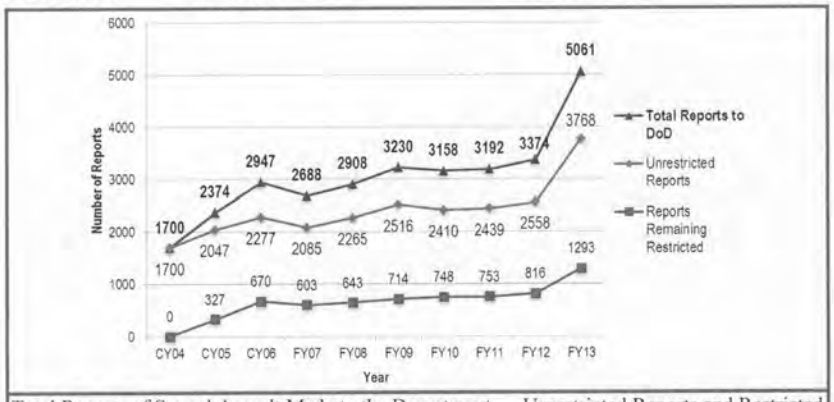
These continuing efforts, plus the reforms passed in the NDAA for Fiscal Year 2014, are essential elements to reducing the prevalence of this crime and ensuring, if it does happen, that our response is professional and comprehensive.

103. Senator AYOTTE. Secretary Wright, are we seeing a proportional increase in unrestricted reporting?

Ms. WRIGHT. No. Proportionally, we had a slightly larger increase in Restricted Reporting than we did in Unrestricted Reporting. In fiscal year 2013, there was a 47 percent increase in Unrestricted Reporting from fiscal year 2012. In comparison, there was a 53 percent increase in initial Restricted Reports. Of those initial Restricted Reports, 208 later converted to Unrestricted Reports.

That being said, after accounting for those conversions, the proportion of Unrestricted Reports to Restricted Reports stayed largely the same: About three quarters of reports are Unrestricted and a quarter of reports remained Restricted at the end of fiscal year 2013. Each year, the proportion of Restricted to Unrestricted Reporting varies by a percentage point or two, so the small differences between years shown in the table below aren't meaningful. The parallel lines in the graph depicted below also demonstrate that the proportion has stayed largely the same since 2006.

	FY12:	FY13:
Restricted	816/3374 = 24%	1293/5061 = 26%
Unrestricted	2558/3374 = 76%	3768/5061 = 74%



Total Reports of Sexual Assault Made to the Department — Unrestricted Reports and Restricted Reports, CY04–FY13

104. Senator AYOTTE. Secretary Wright, are victims feeling more confident that if they come forward they will receive the support, protection, and justice they deserve?

Ms. WRIGHT. Yes. DOD assesses the unprecedented increase in reports received in fiscal year 2013 as consistent with a growing level of confidence in the DOD response system. This year, a record number of victims sought assistance and care by making a report. Since 2006, the average annual increase in reports of sexual assault has been approximately 5 percent. In fiscal year 2013, reports of sexual assault increased by 50 percent from fiscal year 2012.

We know that victim choice is a centerpiece of building victim confidence and our policy follows a victim-empowerment model that allows victims to determine their reporting options, medical care, whether to undergo forensic exams, expedited transfer, and legal assistance. We legally protect victims' privacy through privileged communications with SARCs, SAPR VAs, mental health providers, and attorneys that ensure private coordination of care and legal advice.

During fiscal year 2013, DOD implemented numerous advocacy and victim assistance programs, initiatives, and policy enhancements.

To expand victim rights, the Secretary of Defense directed the General Counsel to develop a method to incorporate the rights afforded to victims through the Crime Victims' Rights Act into military justice practice. The General Counsel was also directed to develop language that will amend the Manual for Courts-Martial to provide victims of crime the opportunity to provide input to the post-trial action phase of courts-martial. DOD also implemented policy for the extended retention of DOD Forms 2910 and 2911 in cases of Restricted Reports, when requested by the victim.

To enhance victim protections, the Secretary of Defense directed the Secretaries of Military Departments to develop and implement policy allowing the administrative reassignment or transfer of a servicemember who is accused of committing a sexual offense based on credible report. Furthermore, the Director of National Intelligence issued new security clearance guidance that is intended to de-stigmatize mental health counseling used by sexual assault victims in their recovery. The Secretary of Defense also directed the Military Departments to improve overall victim care and trust in the chain of command, to increase reporting, and to reduce the possibility of ostracizing victims. To do this, the Military Departments will implement and monitor methods in forthcoming years to improve victim treatment by their peers, co-workers, and chains of command. Victim input will be solicited in the development of these methods.

To improve and expand victim advocacy services, DOD completed the fielding of the DOD Sexual Assault Advocate Certification Program (D–SAACP), developed an advanced training course for D–SAACP-certified SARCs and SAPR VAs, and developed standardized core competencies and learning objectives for SARCs and SAPR VAs. DOD also sustained and expanded DOD Safe Helpline services, continued col-

laborating with civilian community victim advocates, and continued to provide training for recovery care coordinators.

We believe this multi-disciplinary approach provides victims with the support they need, the sensitivity they deserve, and instills the confidence they need to come forward and get help.

MILITARY SEXUAL ASSAULT—ROLE OF THE COMMANDERS

105. Senator AYOTTE. Secretary Wright, Secretary Woodson, Secretary Vollrath, and Mr. Wightman, why do you believe it is important to keep commanders at the center of the military justice system making disposition decisions?

Ms. WRIGHT, Dr. WOODSON, Mr. VOLLRATH, and Mr. WIGHTMAN. DOD is committed to solving the problem of sexual assault in the military. We do not believe, however, that removing prosecutorial discretion from commanders will help DOD prevent or respond to this crime. On the contrary, removing commanders' prosecutorial discretion would likely harm prevention efforts. Solving the problem of sexual assault requires commander involvement.

Senior commanders make profound decisions every day, both in and out of combat that impact the lives and careers of servicemembers and their families. They are accountable for mission accomplishment, as well as the health, welfare, readiness, and discipline of those under their command. The powers that commanders exercise in the military justice system are important tools to achieve these goals.

In addition, the independent Response Systems Panel, created by Congress, recently issued an assessment finding that there was no evidence that such a change would reduce the incidence of sexual assault or increase reporting of sexual assaults in the Armed Forces.

Commanders and leaders create the climate in which victims choose to report. They facilitate the reporting of sexual assaults by gaining victims' confidence in our response system when they understand these issues and provide supportive climates. The significant increase in reports during fiscal year 2013, with commanders making disposition decisions, suggest that our efforts to combat sexual assault are starting to increase victim confidence.

GENERAL OFFICER RETIREMENT PAY

106. Senator AYOTTE. Secretary Wright, the NDAA for Fiscal Year 2007 made significant changes to the pay authorities of flag officers. The 2007 legislation provided incentives for senior officers to continue serving by extending the basic pay table from a cap at 26 years to provide increase in longevity pay out to 40 years of service. According to a press report in USA Today, using 2011 numbers, this could result in a four-star officer retiring with 38 years of experience receiving $84,000 more per year in retirement than previously allowed (63 percent more). The 2007 changes not only increased longevity pay for senior officers but also allows senior officers retiring with 40 years of service to receive 100 percent of their Active Duty pay. Unlike the cap on annual pay, there is currently no cap on retired pay for these senior officers. Was the purpose of this legislation to encourage combat experienced one- and two-star admirals and generals to continue to serve during a time of war?

Ms. WRIGHT. The legislation, although enacted during a period of extended conflict, was intended to address the longer-term concern about general and flag officer retention.

At the time the legislation was enacted, DOD was losing 75 percent of the general and flag officer corps 3 or more years prior to their mandatory retirement date. With the exception of cost of living increases, most O–9s and O–10s were serving for over a decade without increases in salary or retired pay.

Research published by RAND in 2004 indicated compensation was inadequate for longer careers and found the opportunity costs of continued service to lifetime earnings were substantial.

DOD does not object to review of, or recommendations regarding, retired pay calculations for general and flag officers. However, because of the complexity of the military retirement system, any proposal for change should be done in the context of a review of that system holistically and should, thus, come from the congressionally-established Military Compensation and Retirement Modernization Commission (MCRMC).

107. Senator AYOTTE. Secretary Wright, do you believe this program is still necessary given the fact that we have withdrawn from Iraq and are withdrawing most of our troops from Afghanistan?

Ms. WRIGHT. DOD does not object to review of, or recommendations regarding, retired pay calculations for general and flag officers. However, because of the complexity of the military retirement system, any proposal for change should be done in the context of a review of that system holistically and should, thus, come from the congressionally-established MCRMC.

108. Senator AYOTTE. Secretary Wright, what is the justification, if any, for keeping this in place?

Ms. WRIGHT. DOD does not object to review of, or recommendations regarding, retired pay calculations for general and flag officers. However, because of the complexity of the military retirement system, any proposal for change should be done in the context of a review of that system holistically and should, thus, come from the congressionally-established MCRMC.

109. Senator AYOTTE. Secretary Wright, is DOD recommending the repeal of this provision? Why or why not?

Ms. WRIGHT. DOD does not object to review of, or recommendations regarding, retired pay calculations for general and flag officers. However, because of the complexity of the military retirement system, any proposal for change should be done in the context of a review of that system holistically and should, thus, come from the congressionally-established MCRMC.

CHANGE IN REIMBURSEMENT FOR LAB TESTS

110. Senator AYOTTE. Secretary Woodson, on February 27, I joined several of my colleagues in writing to Secretary Hagel about my serious concerns with a change in TRICARE's reimbursement policy that excludes certain LDTs and Molecular Pathology Laboratory tests from coverage and reimbursement for some TRICARE beneficiaries. These tests include ones commonly used to test for diseases or conditions that may develop during pregnancy—for example: cystic fibrosis, Fragile X syndrome, and spinal muscular atrophy. In the letter, we asked for responses to four questions and requested that we receive answers no later than March 14. To date, my office has not yet received a response to that letter. How soon do you anticipate you will provide a formal written response to our letter?

Dr. WOODSON. The response and answers to the four questions was signed by Acting USD(P&R) Wright and was mailed on April 11, 2014.

111. Senator AYOTTE. Secretary Woodson, regarding the change in reimbursement, many TRICARE beneficiaries as well as laboratories, said they were not aware of this change in policy. Did the policy change go through the regular notice and public comment period?

Dr. WOODSON. There has been no change in TRICARE's underlying coverage policies. In January of 2012, the American Medical Association (AMA) released an updated laboratory coding section, including codes that previously could be used to bill for LDT. This was done to provide greater transparency and insight into what tests were being performed by laboratories. When these older codes (with tests that ranged from simple blood panels to extremely complex LDTs) were no longer able to be used, laboratories began using the new codes, which often specified a gene sequence to be looked at, or a reaction to a specific therapy. Many of these codes represent LDTs that have not received Food and Drug Administration (FDA) approval. In accordance with the Federal regulations governing the TRICARE program, medical devices, including LDTs, that require FDA approval or clearance for marketing when such approval or clearance has not been given are excluded from the TRICARE program.

112. Senator AYOTTE. Secretary Woodson, what stakeholder input and feedback did TRICARE consider when making the decision to exclude certain laboratory tests from reimbursement?

Dr. WOODSON. TRICARE considered its current statute and regulations which provide the exclusion for devices (such as laboratory tests) that lack FDA approval. In accordance with the Federal regulations governing the TRICARE program, medical devices, including LDTs, that require FDA approval or clearance for marketing when such approval or clearance has not been given are excluded by TRICARE. When the new Current Procedural Terminology (CPT) codes created by the AMA for molecular pathology took effect on January 1, 2013, TRICARE reviewed these codes and their corresponding LDTs to see if any had FDA approval. Per Federal regulation, those LDTs that did not have FDA approval are excluded from coverage.

113. Senator AYOTTE. Secretary Woodson, is there a sufficient appeals process in place for services that a physician determines are medically necessary for a specific patient but not covered under current TRICARE policy?

Dr. WOODSON. Yes, TRICARE has a well-established appeals and hearing process which allows patients to challenge adverse benefit determinations. The regulations governing the appeal and hearing procedures may be found at Title 32, Code of Federal Regulations, Part 199.10.

Determinations of medical necessity and the accompanying TRICARE coverage are made on the basis of medical evidence and diligent review.

It is our number one responsibility to ensure that our patients receive only safe and effective treatment. Our demonstration project will allow us to address the immediate issue of existing LDTs. However, the ongoing development of new tests will present similar issues in the near future.

114. Senator AYOTTE. Secretary Woodson, what authorities do you currently have that may allow you the flexibility to reinstate reimbursement for the laboratory tests that TRICARE decided to exclude from coverage?

Dr. WOODSON. Under current Federal regulations (Title 32, Code of Federal Regulations (CFR) 199.4(g)(15)(i)(A)), TRICARE may not cost-share medical devices, including LDTs under the private sector program, if the device has not received FDA marketing 510(k) clearance, or premarket approval. Pursuant to Title 10, United States Code (U.S.C.) Chapter 55, Section 1092, the Secretary of Defense may initiate a demonstration project to review non-FDA approved/cleared LDTs for safety and efficacy.

10 U.S.C. 55 section 1092 establishes that the Secretary of Defense, in consultation with the other administering Secretaries, shall conduct studies and demonstration projects on the health care delivery system of the uniformed services with a view to improving the quality, efficiency, convenience, and cost-effectiveness of providing health care services (including dental care services) under this title to members and former members and their dependents. Such studies and demonstration projects may include the following:

(A) Alternative methods of payment for health and medical care services;
(B) Cost-sharing by eligible beneficiaries;
(C) Methods of encouraging efficient and economical delivery of health and medical care services;
(D) Innovative approaches to delivery and financing of health and medical care services;
(E) Alternative approaches to reimbursement for the administrative charges of health care plans; and
(F) Prepayment for medical care services provided to maintain the health of a defined population.

115. Senator AYOTTE. Secretary Woodson, isn't it true that the FDA recognizes certain tests as either valuable, appropriate, or as a standard of care, even though they may not necessarily be FDA-approved?

Dr. WOODSON. I can only speak of LDTs as it relates to the MHS. This question would best be answered by the FDA.

ASSESSING PROGRAMS TO HELP MEMBERS AND VETERANS WITH PSYCHOLOGICAL DISORDERS

116. Senator AYOTTE. Secretary Woodson, according to the Institute of Medicine (IOM), between 2000 and 2011, nearly 1 million servicemembers or veterans were diagnosed with at least one psychological disorder either during or after deployment. Almost half of those diagnosed had multiple disorders.

As the result of a congressional mandate, DOD and VA asked the IOM to conduct a report on the needs of veterans returning from Iraq and Afghanistan. The report—"Returning Home from Iraq and Afghanistan: Assessment of Readjustment Needs of Veterans, Service Members, and Their Families," was released last year. Recently, the IOM released a follow-up report titled, "Preventing Psychological Disorders in Service Members and Their Families: An Assessment of Programs."

Earlier this year, the Washington Post reported on the latest IOM study and noted that the study found that several programs at DOD were, "not consistently based on evidence ... [and] are evaluated infrequently or inadequately." The study also found that "each military service and the Office of the Secretary of Defense administer dozens of family-focused prevention programs," and that instead "a more coordinated, comprehensive, and systematic approach is needed."

In these studies, the IOM also found that DOD lacks the performance measures necessary to conduct a systematic evaluation of its early identification and intervention programs that are tailored to servicemembers and members of their families who may already have or may be at risk for developing a psychological disorder. The IOM recommended that DOD focus on implementing a more "coordinated, comprehensive, and systematic approach" to support prevention programs across the life cycle of military service. What steps can you take to ensure DOD is able to coordinate efforts in a more efficient manner so that prevention and/or early intervention is able to take place and our veterans, servicemembers, and their families are able to receive the support they may need?

Dr. WOODSON. Significant DOD and VA resources and attention have been, and continue to be, actively deployed to address issues of integration, coordination, and quality of care within and across both agencies. This focus began most intensely in 2010 with the initiation of the Integrated Mental Health Strategy (IMHS) chartered by the DOD and VA Health Executive Committee, followed by the development of the Interagency Task Force (ITF) on Military and Veteran Mental Health established by Executive order in August 2012, and has continued with new allocation of efforts. Built upon public health principles, the IMHS between DOD and VA is comprised of 28 Strategic Actions designed to strengthen access to clinical services, improve continuity of care across the Departments, streamline the adoption and implementation of evidence-based practices, and ensure our mental health providers are delivering state-of-the-art care.

DOD has furthermore greatly increased access to support needed by our servicemembers and their families by quadrupling the size of its mental health operations since September 11, 2001, and the number of providers has increased by 42 percent since 2005. Nearly 10,000 DOD mental health providers and 65,000 network providers are currently in place to treat the force and numerous lines of effort have reduced stigma associated with mental health care. There were more mental health visits (2 million) than servicemembers (1.4 million) last year. Since embedding behavioral health care into line units throughout the Military Departments, use of mental health services by servicemembers has doubled and the need for inpatient psychiatric admissions has declined by 25 percent. Further, sleep and nutrition programs are seeing success, resulting in lower body mass indexes and other signs of overall physical health. It is DOD policy that access to mental health care has parity with the availability and provision of other types of medical care. Compliance with access standards is continuously monitored.

- A new appointment for routine care must be available within 7 days. A recent data run suggests that the access performance for routine appointments in mental health clinics is 6.5 days.
- Urgent appointments must be available within 24 hours and an emergency appointment must be available on demand. Compliance with these standards nears 100 percent.
- All mental health and multi-disciplinary clinics have an established walk-in care process and clinics now encourage walk-ins as needed to meet servicemembers' needs in the moment. This practice represents a nationwide best practice for access—the ability to take walk-ins at the moment of need.
- DOD has also begun tracking minimal effective care levels; for example, tracking the percentage of people who receive 4 behavioral health visits within 90 days after initial diagnosis of PTSD or depression. This helps ensure that evidence-based interventions (therapy, medication, or both) are being pursued.

DOD and VA and other leading professional organizations have been collaborating on the development of clinical practice guidelines since the early 1990s. In 2010 the Institute of Medicine identified VA and DOD as leaders in clinical practice guideline development. Implementation of these jointly deployed evidence-based clinical practice guidelines improves care by reducing variation in practice and systematizing best practices within and between these agencies. Two of the most recently developed CPGs, now widely in use are the "Assessment and Management of Patients at Risk for Suicide (2013)" and "Management of Post-Traumatic Stress Disorder and Acute Stress Reaction (2010)." Both of these CPGs provide clear and comprehensive evidence-based recommendations incorporating current information and practices for practitioners throughout the DOD and VA Health Care systems to improve patient outcomes and local management of patients with suicide related behavior and management of patients diagnosed with PTSD or ASD and are intended to improve patient outcomes and local management of patients with one of these diagnoses. Implementation of common and coordinated training in evidence-based psychotherapies

(EBPs) for psychological health conditions (e.g., from fiscal year 2011 through fiscal year 2013, DOD provided training to over 4,700 staff members on EBPs and added 78 new EBP trainers/consultants). Measures of effectiveness of treatment for depression, anxiety, and PTSD are now required by policy, "Military Treatment Facility Mental Health Clinical Outcomes (2013)." The Army's Behavioral Health Data Portal, a standardized, mobile, and cost-effective standalone system for outcome measurement, will be adapted for its best use by all Military Departments.

Other steps taken to ensure DOD is able to coordinate efforts in a more efficient manner so that prevention and early intervention are able to take place are demonstrated by ongoing joint goal-setting and programmatic efforts such as:

- Completion of a series of joint suicide prevention summits with national leaders and support professionals engaged in suicide prevention.
- Execution of two proofs of concept pilots to share mental health staff during times of need with follow-on recommendations proposed to the HEC. The PH/TBI WG and the Credentialing and Privileging work group are implementing recommendations in response to lessons learned from these pilot programs.
- Release of two web-based self-help training courses: "Moving Forward" and "Parenting for Servicemembers, Veterans, and their Families." These courses were developed to enhance access to and engagement with evidence-based mental health resources, and are accompanied by companion mobile applications.
- Dissemination of four required Military Culture Training modules on the VA Training Management System and the mhs.health.mil web sites in November 2013. The release of these modules will increase VA, TRICARE-network, and non-network provider knowledge about military ethos and its impact on psychological health and treatment.

Most recently, the Cross-Agency Priority Goal (CAP Goal) on servicemembers and veterans mental health was announced on March 10, 2014, which will continue over a 3-year period. The CAP Goal is led jointly by the Deputy Secretary of Veterans Affairs, and the Deputy Director of the White House Domestic Policy Council, together with senior leaders from DOD, HHS, and the White House policy councils. Progress on the CAP Goal will be overseen by the Office of Management and Budget (OMB) and the Performance Improvement Council, and CAP Goal Leaders are required to report quarterly to OMB on their progress under the CAP Goal.

- The CAP Goal was designed to leverage the successes made by the VA, DOD, and HHS in implementing the President's Executive order on improving access to mental health services for veterans, servicemembers, and their families. Much of this work has been carried out by the ITF which is currently co-chaired by the DOD Assistant Secretary of Defense for Health Affairs (ASD(HA)); the VA Under Secretary for Health; and the HHS Administrator for Substance Abuse and Mental Health Services Administration. The Task Force will submit its next annual report to the President in May 2014.
- The ITF is currently overseeing a substantial amount of work in the mental health space, including much work that ties directly to the CAP Goal mandate. Based on feedback from the VA, DOD, and HHS, including senior representatives of the ITF, the CAP Goal shall be executed within the existing ITF structure to ensure that we build on the good work that is ongoing under the current ITF structure, and to avoid duplication of efforts.
- The ITF will continue to operate, focusing on the requirements of the Executive order, but beginning in April 2014, the ITF will take on the added responsibility of implementing the CAP Goal lines of effort. All together, the combined goals and initiatives of the pre-existing IMHS, the ITF and CAP Goal will ensure that high-quality care is better coordinated and delivered in an efficient and effective manner.

117. Senator AYOTTE. Secretary Woodson, regarding treatment for servicemembers with psychological health problems, the IOM found that challenges still exist at both DOD and VA. Among the areas of concern noted by IOM are inconsistencies in the availability of care, as well as a lack of systematic evaluation for treatment programs. How can DOD work more efficiently with the VA, as well as within your own Department, to ensure that high-quality care is better coordinated and delivered in an efficient and effective manner?

Dr. WOODSON. Significant DOD and VA resources and attention have been, and continue to be, actively deployed to address issues of integration, coordination and quality of care within and across both agencies. This focus began most intensely in

2010 with the initiation of the Integrated Mental Health Strategy (IMHS) chartered by the DOD and VA Health Executive Committee, followed by the development of the ITF on Military and Veteran Mental Health established by Executive order in August 2012, and has continued with new allocation of efforts. Built upon public health principles, the IMHS between DOD and VA is comprised of 28 Strategic Actions designed to strengthen access to clinical services, improve continuity of care across the Departments, streamline the adoption and implementation of evidence-based practices, and ensure our mental health providers are delivering state-of-the-art care.

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UNIFIED MEDICAL PROGRAM—FISCAL YEAR 2015 BUDGET REQUEST

118. Senator AYOTTE. Secretary Hale, in DOD's medical budget request, there is $122 million added for expected TRS participation in part due to certain ACA mandates. Can you give me more detail about these expected additional costs to DOD?

Mr. HALE. DOD routinely tracks TRS users and costs, so we are able to identify changes in this program on a monthly and yearly basis. We speculated that the ACA, and specifically the individual mandate provision, as well as the DOMA could drive an increase in users and costs. We did experience a modest increase in TRS participation in fiscal years 2012 and 2013, although we cannot specifically attribute that to ACA or DOMA. However, based upon this increasing participation, we felt it prudent to request reasonable additional funding for the program beginning in fiscal year 2015. We will track participation and costs and make appropriate adjustments based upon actual experience. Following are high-level explanations of the calculations performed.

Affordable Care Act (ACA)

The DOD fiscal year 2015 President's budget request assumes the TRS program will be the primary point of entry into the MHS for those eligible individuals, based on their own healthcare consumer decision criteria, who wish to comply with the ACA established requirements via a DOD sponsored program. Based on an analysis of both population and price, the fiscal year 2015 estimate cost is approximately $71 million. This analysis projects an increase in enrollment of approximately 27,000

single plans and approximately 14,000 family plans. Projected cost to DOD is $906 for a single plan and $3,382 for a family plan. These calculations yield a potential additional cost to DOD of $24 million for single plans and $47 million for family plans.

Repeal Defense of Marriage Act

Similarly, DOD fiscal year 2015 President's budget request assumes the repeal of DOMA will result in an increase in health care and dental costs of approximately $50 million. This estimate is the product of two factors: anticipated eligible beneficiary population growth and projected average cost per beneficiary. The estimate assumes an eligible beneficiary population growth of approximately 17,000 and an average cost per beneficiary $2,941.

119. Senator AYOTTE. Secretary Hale, how do they break out?

Mr. HALE. Following are high-level breakout explanations of the calculations performed.

Affordable Care Act (ACA)

DOD fiscal year 2015 President's budget request assumes the TRS program will be the primary point of entry into the MHS for those eligible individuals, based on their own healthcare consumer decision criteria, who wish to comply with the ACA established requirements via a DOD sponsored program. Based on an analysis of both population and price, the fiscal year 2015 estimate cost is approximately $71 million. This analysis projects an increase in enrollment of approximately 27,000 single plans and approximately 14,000 family plans. Projected cost to DOD is $906 for a single plan and $3,382 for a family plan. These calculations yield a potential additional cost to DOD of $24 million for single plans and $47 million for family plans.

Repeal Defense of Marriage Act

Similarly, the DOD fiscal year 2015 President's budget request assumes the repeal of DOMA will result in an increase in health care and dental costs of approximately $50 million. This estimate is the product of two factors: anticipated eligible beneficiary population growth and projected average cost per beneficiary. The estimate assumes an eligible beneficiary population growth of approximately 17,000 and an average cost per beneficiary $2,941.

120. Senator AYOTTE. Secretary Hale, when did DOD realize that ACA mandates would increase DOD healthcare costs?

Mr. HALE. DOD routinely tracks TRS users and costs, so we are able to identify changes in this program on a monthly and yearly basis. We speculated that the ACA, and specifically the individual mandate provision, as well as the DOMA could drive an increase in users and costs. We did experience a modest increase in TRS participation in fiscal years 2012 and 2013, although we cannot specifically attribute that to ACA or DOMA. However, based upon this increasing participation, we felt it prudent to request reasonable additional funding for the program beginning in fiscal year 2015. We will track participation and costs and make appropriate adjustments based upon actual experience.

QUESTIONS SUBMITTED BY SENATOR ROY BLUNT

RELIGIOUS FREEDOM IN THE MILITARY

121. Senator BLUNT. Secretary Wright, many members of our military are people who profess a particular religious faith. Their ability to practice and freely express their faith is vital for their well-being and morale and essential as a matter of the First Amendment. Do you agree that a climate of uncertainty regarding a servicemember's ability to practice or express their faith is harmful for servicemembers?

Ms. WRIGHT. Yes, that is why DOD is preparing additional training materials to clarify issues regarding the First Amendment right to the free exercise of religion of all military personnel. We place a high value of the rights of personnel and their families to observe the tenets of their religious beliefs and recognize that the free exercise of religion is an important element of the operational readiness and well-being of our force.

122. Senator BLUNT. Secretary Wright, for the second year in a row, Congress passed provisions in the NDAA requiring DOD to respect the conscience rights and religious expression of servicemembers. The NDAA for Fiscal Year 2014 required

implementing of regulations by 90 days after enactment. That deadline was this week and we still do not have complete implementing regulations from DOD outlining how DOD will comply with the provisions outlined in the law. Please provide a status update.

Ms. WRIGHT. DODI 1300.17, "Accommodation of Religious Practices Within the Services," was updated January 22, 2014, and DODI 1304.28, "Guidance for the Appointment of Chaplains for the Military Departments," was updated March 20, 2014. These two Instructions incorporated applicable portions of the explicit language in the NDAA for Fiscal Year 2014 protecting the conscience rights and religious expressions of servicemembers and specifically chaplains.

RECENT INCIDENT AT THE AIR FORCE ACADEMY REGARDING RELIGIOUS EXPRESSION

123. Senator BLUNT. Secretary Wright, the Air Force Academy said in a March 14 press release that their emphasis is on core values and following DOD policy. Please explain the Air Force's understanding of DODI 1300.17, which references the NDAA for Fiscal Year 2014 requirement for the DOD to respect a servicemember's expression of religious beliefs.

Ms. WRIGHT. Consistent with Department of Defense Instruction (DODI) 1300.17, "Accommodation of Religious Practices in the DOD (section 4.a)," the Air Force protects the rights of its airmen to observe religious practices in accordance with the tenets of their respective religions or to observe no religion at all. In accordance with NDAA 2014, section 533(a), Air Force policy directs commanders to approve requests for religious accommodation unless they could have an adverse impact on mission accomplishment, military readiness, unit cohesion, standards, and discipline (cf. AFI 52–101, 4.1).

In order to incorporate the expanded language of NDAA 2014, as articulated in the January 22, 2014, update to DODI 1300.17, the Air Force is reviewing AFI 52–101 and other relevant policies. With regard to the implementation of NDAA 2014, section 533(b), the protection of chaplain decisions relating to conscience, moral principles, or religious beliefs, DODI 1304.28, "Guidance for the Appointment of Chaplains," was updated on March 20, 2014.

The Air Force is also revising its religious accommodation policies to reflect the public law and the DODI 1304.28. The revision of AFI 52–101 will state that no servicemember may require a chaplain to perform any rite, ritual, or ceremony that is contrary to the conscience, moral principles, or religious beliefs of the chaplain. Further, the policy will state that no servicemember may discriminate or take any adverse personnel action on the basis of the refusal by the chaplain to comply with a requirement prohibited by public law and the DODI.

Finally, the Air Force Chief of Staff hosted a Religious Freedom Focus Day on April 28, 2014, in Pentagon City, VA, for Air Force senior leaders. The event focused on discussion and thorough review of law, policy, practice, standards, complaints, and education concerning religious freedoms in the Air Force.

DEPARTMENT OF DEFENSE AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 2015 AND THE FUTURE YEARS DEFENSE PROGRAM

WEDNESDAY, APRIL 9, 2014

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

TO CONTINUE TO RECEIVE TESTIMONY ON THE ACTIVE, GUARD, RESERVE, AND CIVILIAN PERSONNEL PROGRAMS

The subcommittee met, pursuant to notice, at 9:56 a.m. in room SR–222, Russell Senate Office Building, Senator Kirsten E. Gillibrand (chairwoman of the subcommittee) presiding.

Committee members present: Senators Gillibrand, Hirono, Kaine, King, Ayotte, and Graham.

OPENING STATEMENT OF SENATOR KIRSTEN E. GILLIBRAND, CHAIRWOMAN

Senator GILLIBRAND. The subcommittee meets today to receive testimony from the military Services on military and civilian personnel programs contained in the administration's Defense Authorization Request for Fiscal Year 2015 and the Future Years Defense Program (FYDP).

Before we begin, I want to acknowledge the services being held today at Fort Hood, TX. Our thoughts and prayers are with the victims of the tragedy that occurred there last week and their families. We send our soldiers, airmen, sailors, and marines into harm's way, but we do not expect the harm to come from their brothers and sisters in arms here in America. It is always shocking and saddening when a tragedy like this happens at home.

I thank all the witnesses for being here today.

Today we have two panels. The first panel consists of the uniformed personnel chiefs responsible for military and civilian personnel matters within the Services. We will discuss not only their plans and programs for fiscal year 2015, but specific budget items in furtherance of the subcommittee's oversight. The markup of the 2015 defense bill is not far away, and your statements and testimony today are extremely important as we prepare for the legislative year ahead.

Our witnesses are Lieutenant General Howard B. Bromberg, U.S. Army, Deputy Chief of Staff, G–1; Vice Admiral William F. Moran, U.S. Navy, Chief of Naval Personnel, N–1; Lieutenant General Samuel D. Cox, U.S. Air Force, Deputy Chief of Staff for Manpower, Personnel and Services, A–1; and Lieutenant General Robert E. Milstead, Jr., U.S. Marine Corps, Deputy Commandant, Manpower and Reserve Affairs.

The second panel consists of senior enlisted members of the Services. I will introduce them after the first panel concludes.

As I stated 2 weeks ago at our hearing with senior Department of Defense (DOD) leaders, I have grave concerns about this budget, which DOD submitted at a time of tremendous challenge and uncertainty for the Nation and the military. Military personnel funding, including funding for health care for servicemembers, their families, and retirees, school and commissary benefits, totals $176.6 billion in the fiscal year 2015 request. While this represents a slight decline over last year's total, the portion of the total budget devoted to personnel has risen. In fact, this year's budget supports 36,000 fewer Active Duty servicemembers than last year's.

DOD's budget request contains numerous proposals intended to slow the growth of personnel costs, which would yield over $2 billion in savings in fiscal year 2015. These savings have been reallocated to the operating and modernization accounts. I hope that today we will learn more about the details of these proposals. Although we have yet to see all the details, we know that each proposal will have significant impact in and of itself. Yet, I am especially concerned about their cumulative effect on servicemembers, especially on junior members of the force and their families. As our hearing with DOD revealed, it will be difficult for many of us to support these proposals.

I hope our witnesses today will tell us why these compensation proposals are needed, what will have to be cut if Congress does not support them, and why they cannot wait for the Military Compensation and Retirement Modernization Commission (MCRMC) to report next February, which is tasked with looking at these very issues in a comprehensive way. I am particularly interested in hearing from the senior enlisted members on the second panel about how these proposals will impact the enlisted force and what implications they foresee if we do not make all of these changes.

DOD and the Services continue the process of removing barriers to service by women, an effort I strongly endorse. While the Army and Marine Corps are opening positions in occupations already open to women, the real challenge moving forward will be opening occupations such as infantry, that are currently closed. A little more than a year ago, Secretary Panetta and General Dempsey rescinded the ground combat exclusion policy and gave the Services and the Special Operations Command until January 2016 to open all positions to service by women or to request an exception to keep certain positions closed. At the time, Secretary Panetta said: "Our purpose is to ensure that the mission is carried out by the best qualified and the most capable servicemembers, regardless of gender and regardless of creed and beliefs. If members of our military can meet the qualifications for a job—and let me be clear, I am not talking about reducing the qualifications for the job—then they

should have the right to serve." I strongly endorse this principle that the best qualified servicemember, regardless of gender, should be able to compete for even the most difficult jobs.

I hope that the Services, particularly the Army and Marine Corps, are taking a deliberate and measured approach to validating occupational standards. I believe that a scientifically rigorous process that creates gender-neutral standards will best serve our military and our servicemembers, both men and women. I hope our witnesses today can tell us where they are in implementing the Secretary's directive to open all military occupations to women, how they are validating occupational requirements, and whether they believe this will be done on time.

I remain concerned about sexual assaults in the military. I was disappointed that despite the support of the majority of my colleagues, we were not given the opportunity to vote on passage of my proposal to make sure that decisions to prosecute serious offenses are made by trained, professional, and independent lawyers rather than commanders who do not have the training or perspective to make these decisions. But I have not given up on making this change that our survivors have told us will make a difference when it comes to reporting the crime.

I will also continue my efforts to make sure that the changes that have been legislated are implemented in an effective manner and will continue to work toward initiatives to better address this scourge in our military.

Senator Graham?

STATEMENT OF SENATOR LINDSEY GRAHAM

Senator GRAHAM. Thank you.

I will join with the chairwoman of the subcommittee to report to the full committee a Personnel Subcommittee markup that defers to the MCRMC. I think it is very important that we allow this commission to work and that we not make any structural changes to personnel until the commission report is back.

Having said that, personnel costs are about half the budget of DOD, and there will have to be reforms in retirement. They just need to be prospective.

We will have to look at the sustainability of TRICARE. On the Reserve side, I am very much interested in what we can do to not only manage personnel costs but make sure that our Guard and Reserve members are benefiting from programs that already exist like TRICARE. One of the more significant accomplishments I have been involved in is making TRICARE available to guardsmen and reservists for a fee and their families. I hope that is helping with recruiting and retention and readiness.

Before Senator Clinton and I were able to come together on legislation, guardsmen and reservists were not eligible for TRICARE. If you were called to Active Duty, you would have to get out of your network if you had one, and your family would have to change doctors. When you were demobilized, you would have to switch back if you had a health care provider. That created a lot of disconcerting events for families. Now TRICARE is available to all guardsmen and reservists, and I think that has been a good step toward readiness.

I am very proud of the reforms that Senator Ayotte and others have made to the way we report sexual assaults in the military. We are trying to have the most victim-friendly reporting system of any jurisdiction in the country. A judge advocate general (JAG) in the future will be assigned to every victim. When a commander makes a decision regarding the four major sexual assault crimes in the military, if the JAG recommends prosecution and the commander says no, that is automatically taken up with the Service Chief to review the case, which I think is a good way to let the commanders know how seriously we take these allegations. Also, if the commander and the JAG recommend not to prosecute where there is unanimity between the lawyer and the commander, that has to be reviewed by the commander's next chain of command, which I think is appropriate.

I could not disagree with Senator Gillibrand's solution to this problem more. She is going to continue. I am certainly going to continue to stop what I think would be an incredibly bad thing for the military, to remove commanders from having responsibility, not just over sexual assaults but about 40 percent of the Uniform Code of Military Justice (UCMJ).

I believe we have the finest military in the world and it is for a reason, because our commanders are responsible for delivering well-trained, ready troops, and they have to make incredible decisions of life and death. At the end of the day, they have the ability. They need the ability to discipline the force. I never want a situation to occur in the military where there was a sexual assault or an alleged sexual assault in the barracks and the commander says that is no longer my problem. That would be devastating for any unit in the Marine Corps, Army, Navy, and Air Force. I think those who are in the military understand exactly what I am saying. I will never give into that because I think it will destroy that continuity of command.

Finally, about military justice. No matter who recommends the case to go forward, I do hope that Members of the Senate and the House will understand that we have an independent judicial system, and verdicts are not designed to please me or anyone else. They are designed to render justice, and I hope we will respect the integrity of the court-martial system, which is patterned after the Federal Rules of Evidence, and that when somebody is tried in the military, that the presumption of innocence will continue, that the victim will have their say, that they will have legal advice that will be consistent with allowing them to come forward, that we are changing the Article 32 process so the victim does not have to be called in the Article 32 hearing, which I think, working with Senator Boxer, is a good change. But at the end of the day, everybody accused of a crime anywhere needs to make sure they have a fair trial.

Thank you very much. I look forward to the hearing.

Senator GILLIBRAND. Thank you, Senator Graham.

I now invite your opening statements.

Lieutenant General Bromberg.

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

Lieutenant General BROMBERG. Good morning, Chairwoman Gillibrand, Senator Graham, distinguished members of this subcommittee. Thank you for the opportunity to appear before you on behalf of America's Army.

As we begin our 13th straight year of war with over 151,000 deployed or forward stationed today, we stand at a pivotal moment in our history. Due to budgetary reductions, we are executing an historic drawdown of both our military and civilian personnel while in an unpredictable global security environment. It is imperative our drawdown efforts be conducted in a careful and responsible manner that maintains the highest quality All-Volunteer Force while ensuring the readiness of our Army for today and for the future.

Our abilities to meet the challenges of the current and future operational environment depends upon our efforts to recruit and retain the All-Volunteer Force. As we draw down the Army, we continue to bring in high quality men and women into the force to grow our future leaders or retain the most talented soldiers with the experience and skills necessary to meet our future needs. Our recruiting operations will face greater challenges as a greater percentage of America's youth become ineligible for military service.

As the Army looks to the future, we must take advantage of all of America's diverse talents. We are expanding opportunities for women by opening up previously closed positions and career paths, while ensuring all soldiers can meet the required physical and professional standards.

The Army is committed to helping soldiers, veterans, and families transition to a civilian life, career ready, with established networks of enablers connecting them with employment, education, and health care. We recognize these soldiers as soldiers for life and in many cases want to encourage their continued service in the Reserve component.

We have made significant strides in this past year eliminating backlogs in the Integrated Disability Evaluation System (IDES) and ensuring that soldiers receive the benefits they deserve. We successfully partnered with the Department of Veterans Affairs to streamline the disability system and improve coordination for health care, compensation, and benefits for our medically separated or retired soldiers.

Response to and prevention of sexual assault and harassment continue to be the Army's top priority with a goal to change our culture and reduce and ultimately eliminate this crime from our ranks. We have implemented an unprecedented number of programs and policy initiatives designed to improve our sexual harassment and assault response program, and I am confident that our efforts are putting the right processes and procedures in place to ensure a climate of safety, trust, and respect for every member of the Army family, while enhancing accountability of every member of the Army team.

Our efforts to increase individual and collective resilience and improve readiness have made significant strides in the fight against substance abuse, suicide, and stigma reduction.

As the Army becomes stronger, your support is essential to our efforts as we draw down thoughtfully, accurately, and efficiently while maintaining readiness and caring for all of the members of the Army team.

Chairwoman Gillibrand, Senator Graham, members of the subcommittee, thank you for your continued support.

I look forward to your questions.

[The prepared statement of General Bromberg follows:]

PREPARED STATEMENT BY LTG HOWARD B. BROMBERG, USA

INTRODUCTION

Chairwoman Gillibrand, Senator Graham, distinguished members of this subcommittee, I thank you for the opportunity to appear before you on behalf of America's Army. As the U.S. Army begins its 13th straight year of war, it also stands at a pivotal moment in history. Throughout our Nation's history, the United States has drawn down military forces at the close of every war. Today, however, we are in the process of rapidly drawing down Army forces before the war is over, while remaining in an unpredictable global security environment. It is imperative our drawdown efforts be conducted in a careful and responsible manner that maintains the highest quality All-Volunteer Force while ensuring the readiness of our Army for today and the future.

Our soldiers have performed superbly during more than a decade of war, displaying the values, character and competence that make our Army second to none. We must not waver on our commitment to support all those who have selflessly served with courage, and honor. While the future Army will be smaller, the Army is implementing a number of changes in force structure and other capabilities to ensure it remains the best-led, best-trained, and best-equipped land force in the world today.

Thank you for your steadfast commitment to support our personnel initiatives to ensure the sustainment and well being of our All-Volunteer Force.

STRATEGIC OVERVIEW

The Army remains engaged in our Nation's longest conflict of more than 13 years with nearly 1.5 million soldiers having deployed once and more than half a million having deployed multiple times. Today more than 66,000 U.S. Army soldiers are deployed to contingency operations, with nearly 32,000 soldiers supporting operations in Afghanistan. In addition, there are approximately 85,000 soldiers forward stationed across the globe in nearly 150 countries worldwide. Our soldiers, civilian employees, and family members remain the strength of our Nation.

During this time of uncertain budget and security environments, the Army must responsibly reduce endstrength while reorganizing into a force that continues to remain prepared to respond to new threats. To maintain an All-Volunteer Force of the highest quality soldiers and achieve our end-strength goal, the Army must balance force shaping across accessions, retention, promotions, voluntary and involuntary separations, and natural losses. Consistent with the 2012 Defense Strategic Guidance, we are in the process of drawing down Active Army end strength from a wartime high of 570,000 to 490,000—a 14 percent cut—by the end of fiscal year 2015. Simultaneously, we are expanding opportunities for women in the Army by opening up previously closed positions and career paths, while ensuring all soldiers can meet the required physical and professional standards. We continue to prioritize the response to and elimination of sexual assault and harassment in the Army, and through the combined efforts of our military and civilian leaders at all levels, we're implemented an unprecedented number of program and policy initiatives to eradicate this crime from our ranks. Our efforts to enhance individual and collective resilience and improve readiness also made strides in the fight against substance abuse, suicide and stigma reduction encouraging all to seek help. Additionally, we have made significant progress this past year in eliminating backlogs in the Integrated Disability Evaluation System and ensuring that soldiers receive the benefits they deserve.

Over the last year, we have increased assistance to our soldiers who transition from their military careers. This past year, we successfully partnered with the Department of Veterans Affairs to streamline the disability system and improve coordination for health care, compensation, and benefits for our medically separated and retired soldiers. Our All-Volunteer Force deserves a quality transition, and this year

approximately 87,000 soldiers will leave the Active Army and approximately 57,000 will leave the Reserve component in pursuit of other endeavors. As they reintegrate into their communities, we will ensure they are career-ready, with opportunities to use their skills and experience. As we move forward, our efforts must remain focused on our most precious resource, our soldiers, families, civilian employees, and veterans.

DRAWDOWN/END STRENGTH

Under the provisions of the fiscal year 2015 budget request, the Total Army will reduce to 980,000 soldiers—450,000 in the Active component, 335,000 in the Army National Guard (ARNG), and 195,000 in the U.S. Army Reserve (USAR) by fiscal year 2017. At this size and component mix, the Army will be able to execute the 2012 Defense Strategic Guidance, but it will be at significant risk. However, under full sequestration funding levels in fiscal year 2016, the Army will be required to further reduce endstrength to 420,000 in the Active component, 315,000 in the ARNG, and 185,000 in the USAR by fiscal year 2019. These projected end strength levels would not enable the Army to execute the 2012 Defense Strategic Guidance.

There is no single force shaping method among the choice of accessions, retention and separations that will achieve the Army's end strength goals, and we will be required to use involuntary separation measures. Reduction programs will focus both quantitatively on soldier populations where projected inventories, by grade and skill, exceed future requirements, and qualitatively by assessing soldiers' potential for future service. The National Defense Authorization Acts for Fiscal Year 2012 and Fiscal Year 2013 provided several authorities to help the Army shape the force over the drawdown period, along with the flexibility for application against specific grade and skill requirements. To date, we've separated 239 retirement eligible lieutenant colonels and colonels using a Selective Early Retirement Board, and approximately 1,100 noncommissioned officers using the Qualitative Separation Program. An Officer Separation Board and Enhanced Selective Early Retirement Board are currently in session and will select up to 2,000 captains and majors for separation. While we will lose some combat-seasoned soldiers through involuntary separation boards they are required along with reduced accession levels, competitive selection boards, and precision retention to ensure the Army will balance the force, achieve end strength goals, and retain our most talented soldiers for the future.

As the Army implements its drawdown strategy to balance the force and sustain capability and readiness, we are extremely sensitive to ensuring that we treat our All-Volunteer Force with dignity and respect recognizing the service and sacrifices of our soldiers and their families. While the Army will not be able to achieve sufficient reductions in end strength through natural losses and normal attrition alone, the Army's priority remains retaining soldiers with the greatest potential for continued service while encouraging quality soldiers transitioning from the Active component to continue to serve in the Reserve components.

RECRUITING AND RETENTION (OFFICER AND ENLISTED)

Our ability to meet the challenges of the current and future operational environment depends on our ability to recruit and retain the All-Volunteer Army. Our recruiting mission is currently at 57,000—the lowest level possible to maintain readiness. As we drawdown the Army, we continue to bring high quality men and women into the force to grow our future leaders while retaining the most talented soldiers with the experience and skills necessary to meet our future needs. Our recruiting operations, however, will face greater challenges as the percentage of America's youth ineligible for military service continues to grow. In today's environment, fewer than one in four 17- to 24-year-olds are eligible to serve in the Army.

Despite the current challenges of ongoing conflict, future drawdown plans, and budgetary constraints, the Active Army and the USAR once again exceeded their enlisted retention missions in fiscal year 2013. The ARNG achieved 86 percent of their fiscal year 2013 retention mission. The Guard is on track to achieve the fiscal year 2014 reenlistment mission due to rejuvenated emphasis on retention by senior leadership, streamlined retention counseling and other business processes.

The Active component achieved its fiscal year 2013 recruiting mission and accessed more than 98 percent high school diploma graduates, with the lowest number of Armed Forces Qualification Test Category IV enlistments ever, at just .17 percent. The Army also achieved over 99 percent of requirements for each Military Occupational Specialty. In addition, 62.4 percent of recruits scored between 50–99 percent on the Armed Forces Qualification Test, exceeding the DOD standard of 60 percent, while recruits who scored in the lower range (30 percent and below) were at a record low in fiscal year 2013 of 1.2 percent.

Although we are currently on track to achieve the fiscal year 2014 recruiting mission, with the exception of the USAR mission, recruiting is expected to become increasingly difficult. The primary concern in recruiting for the USAR is the difficulty in finding prior service soldiers willing to serve in units that are in remote geographic areas where vacancies exist. Our strategy to attract prior service soldiers is to engage those Active component soldiers earlier in the transitioning process by appealing to their sense of service and valued contribution through continued service and remaining a "Soldier for Life." We are changing the paradigm in how we share opportunities available for Active component soldiers who want to transition to the Reserve component by allowing recruiters to speak with soldiers 365 days prior to their planned transition date.

The USAR is also placing renewed emphasis on their Employer Partnership Program to attract soldiers. Employers in the program (including Fortune 500 companies) offer soldiers interviewing and hiring preference. The USAR is focusing an advertising campaign (pilot) on the program in Elwood, IL, the city with the most USAR vacancies, in an effort to evaluate the program's effectiveness as a recruiting tool.

Employing skilled and experienced soldiers in the USAR and ARNG is beneficial to the Army as well as soldiers and their families. Our focus is stressing opportunities for continued benefits, and ensuring that the soldier remains a valued member of the Army team.

Entering fiscal year 2014, the combined Active and Reserve components will spend slightly over $528 million in enlistment and retention incentives (bonuses, loan repayment, and college kickers). This is a sharp reduction over the last 3 years. In 2012, the Army paid $1.08 billion in incentives, and in 2013 we paid $838 million. Further, as a result of prior year success, the percentage of Active Army recruits receiving a bonus dropped from over 62 percent of all recruits in fiscal year 2009 to 3 percent in fiscal year 2013.

Enlistment and reenlistment bonuses are only used to incentivize longer term enlistments in a small percentage of critical skills. These incentives ensure the success of the total Army recruiting and retention missions and shape the force to meet specific grade and skill requirements. At the start of fiscal year 2014, only Military Occupational Specialties 35P (Signal Intelligence Linguist) and 25S (Satellite Communications) and selected Ranger and Airborne skills receive an enlistment bonus for the Active Army. For retention, Special Operations, Rangers, and Linguists were the primary Military Occupational Skills that were targeted to receive selective retention bonuses. A tougher future recruiting environment may require additional resources for incentives.

Compensation is a critical element in the Army's ability to recruit and retain a quality All-Volunteer Force. We are extremely grateful for the high quality care and compensation our Nation has provided to our soldiers over the last decade. As we continue to examine compensation reform, it is essential to review and consider the impact of all proposals on the future of the All-Volunteer Force. The Army supports a holistic and comprehensive approach that reforms military compensation in a fair, responsible, and sustainable way. The manner in which we treat our soldiers and families as we draw down the Army will set the conditions for our ability to recruit in the future.

ARMY CIVILIAN PERSONNEL

As the Army evolves, we are undertaking significant changes in the way we manage and develop our civilian workforce. We must focus on preserving the most important capabilities of this critical element of our Total Force. The Army will continue to make investments in talent management and leadership development of our Civilian Corps as we resize and reshape to meet future Army requirements.

Similar to their uniformed counterparts, Army civilian employees are required to demonstrate competence, technical proficiency and professional values to achieve mission and individual success. Over the past 3 years, the Army has implemented a number of changes to improve training, educational and experiential opportunities for the civilian workforce. Functional training is critical to ensure that Army civilian employees can successfully perform their assigned duties. Focused leader development, improvements to the Civilian Education System and continued maturity of the Senior Enterprise Talent Management Program are all designed to build a more professional and competency-based civilian workforce. We have aligned our entire civilian workforce into 31 career programs, which allows all of our civilian employees to see a clear path and understand the competencies required for career progression. We are implementing an Army Acculturation Program for civilian employees new to the Army, which we anticipate will increase the retention rate of these tal-

ented individuals, and we are providing opportunities for the Army's civilian workforce to benefit the Army's resiliency building programs.

As the military force is reduced and the Army navigates an era of funding constraints, we will reduce the Civilian workforce. We are in the process of drawing down our Civilian workforce from a wartime high of 285,000 in fiscal year 2010, down to an estimated 263,000 by the end of fiscal year 2015, with additional reductions projected through fiscal year 2019. We will use all available workforce shaping tools such as Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) to reduce turbulence in our Civilian workforce, while retaining the skills we need to meet mission objectives. The goal is to use Reduction in Force (RIF) as a last resort. Reductions are linked to changing Army workload priorities, military missions and available funding. For example, unit inactivations will drive changes to training, training support and installation support requirements supported by our civilian personnel. We will have to adjust in order to continue to invest resources into higher priority missions. Additionally, to achieve the goal established by Secretary of Defense to decrease the overhead and administrative staff in Management Headquarters Activities, the Army will continue to reduce these staffs. This work began in earnest in 2012 and will continue over the next 5 years. We must be certain our civilian workforce drawdown is done responsibly, with deliberate planning, to ensure we have the best talent possible to meet future challenges.

TRANSITION ASSISTANCE PROGRAM

Our Nation entrusts its best and brightest to the Army to support the All-Volunteer Force. Therefore, the Army has a responsibility to help our transitioning personnel prepare for post-active duty life by providing the training and tools to enable their success. With thousands of soldiers possessing diverse skills, and scheduled to depart over the next few years, the Nation has a motivated, disciplined, and work-ready force to employ.

The Army's Transition Assistance Program, known as the Army Career and Alumni Program (ACAP) made tremendous strides this past year to improve the assistance services provided to transitioning soldiers. The Army developed a Transition Campaign Plan that provides the blueprint for Army Transition over fiscal year 2014–2015 and incorporates "preparation" for Transition, "connection" to meaningful employment and education opportunities during transition.

To support this expansion of transition services, we hired 65 education advisors, bringing the total number of Army wide transition-related service providers to nearly 700. We established a new ACAP center in Kuwait and created 21 regionally-located transition support teams to assist the USAR and ARNG.

In fiscal year 2013, the Army transitioned 144,000 soldiers under the new, re-engineered ACAP. This marks the first year the program was able to record an entire year's worth of data in order to analyze trends and allocate resources accordingly. Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 requirements for all transitioning soldiers include: receiving preseparation counseling, including attending two Department of Veterans Affairs (VA) Benefits Briefings, and participating in the Department of Labor Employment Workshop, unless exempt. Our VOW compliance is rapidly increasing each month as the program reaches across the Total Force and our additional resources are fully emplaced.

SOLDIER 2020

As the Army looks to the future and recruiting challenges increase, we must take advantage of the best talent, without regard to gender. To ensure the success of our soldiers of 2020 as we expand opportunities for women, the Army is proceeding with an integrated, incremental, and scientific approach that preserves unit readiness, cohesion, and morale. The Army is committed to ensuring all soldiers are provided full career opportunities to reach their highest potential and enhance overall Army readiness. This initiative will positively impact readiness tremendously by allowing men and women to have the same career opportunities across a broad spectrum of units, positions and occupations.

Over the last year, the Army opened to women approximately 4,500 positions within 17 Active component Brigade Combat Teams (BCTs) and 9 Army Guard BCTs. In November 2013, the Army opened approximately 3,600 13A (Field Artillery Officer) positions in the Active Army and Reserve component. As of March 10, 2014, women have been assigned to 169 officer and 477 enlisted positions that opened within 26 BCTs. The U.S. Special Operations Command opened approximately 1,500 positions to women within select aviation specialties in Special Operations Aviation Regiment. On January 17, 2014, the Secretary of Defense notified

Congress of the Army's intent to open approximately 33,000 positions in 132 already open occupations to women.

In April 2013, the first female soldiers completed training as Multiple Launch Rocket System (MLRS) Crewmembers, with the best female graduate scoring 100 percent on all examinations—the highest score to date for any soldier. Female Field Artillery Officers have been assigned to MLRS and High Mobility Artillery Rocket System units since 2012, and recently 10 women have been assigned to cannon battalions in Brigade Combat Teams (BCTs). Women are proving themselves in positions that have been opened to them.

SEXUAL HARASSMENT/ASSAULT RESPONSE AND PREVENTION (SHARP) PROGRAM

The response to and prevention of sexual assault and harassment are top Army priorities with a goal to reduce and ultimately eliminate this crime from our ranks. Through the combined efforts of our military and civilian leaders at all levels, we've implemented an unprecedented number of program and policy initiatives designed to improve our Sexual Harassment/Assault Response and Prevention Program. These initiatives are aligned with the Army's five imperatives to: (1) prevent offenders from committing crimes, provide compassionate care for victims and protect the rights and privacy of survivors; (2) ensure every allegation is reported, thoroughly and professionally investigated and appropriately acted upon; (3) create a positive climate and environment of trust and respect in which every person can thrive and achieve their full potential, and continually assess the command climate; (4) hold every individual unit and organization and every commander appropriately accountable for their behavior, actions and inactions; (5) ensure the chain of command is fully engaged and centrally responsible and accountable for solving the problems of sexual assault and sexual harassment within our ranks and for restoring trust of our soldiers, civilians, and families. Some of the key initiatives include the following:

- Changing culture is essential to our success. To change culture at the lowest level, the Army now requires SHARP goals and objectives in all officer and noncommissioned officer (NCO) evaluations; requires Army leaders to assess Command Climate and requires 360 degree assessments as an additional tool for raters to conduct developmental dialogue with O–5 and O–6 level commanders. These three significant changes will enable leadership at various levels to remain engaged in the conduct of their subordinates and will improve accountability throughout the chain of command.
- The Army established more stringent screening criteria and background checks for those serving in positions of significant trust, including Sexual Assault Response Coordinators (SARCs), Victim Advocates (VAs), drill sergeants, Advanced Individual Training platoon sergeants and recruiters. The new processes and procedures are designed to enhance the soldiers' professionalism and ensure commanders are actively selecting those who are best suited for their roles and responsibilities. To date, we have reassigned or removed 588 soldiers who were not best-suited to serve in these positions of trust.
- The Army enhanced its capability to investigate and prosecute sexual offenses by establishing a Special Victim Capability Program which is comprised of 23 special victim prosecutors, 22 sexual assault investigators and 28 special victim paralegals at 19 installations worldwide. We've also trained 105 active duty and more than 120 Reserve judge advocates through our Special Victim Counsel Program, which was established in October 2013. We've conducted three live courses and one distance learning course, each involving about 22 hours of training, and we have begun to receive extremely positive feedback from victims.
- The Army implemented new policy to ensure that any final decision to retain a member convicted of a sex offense is fully informed and determined at the secretariat level. This same policy also prohibits the overseas assignment or deployment of any soldier convicted of a sex offense.

In addition to ensuring compliance with the 2013 and 2014 National Defense Authorization Acts and Secretary of Defense directives, these initiatives are reinforced at every Professional Military Education (PME) school that a soldier attends throughout his or her career.

We are seeing the results of our efforts to achieve a cultural change in the Army. Based on preliminary data, in fiscal year 2013, there were 2,149 reports of sexual assault, representing an increase of 51 percent over fiscal year 2012 numbers (85 percent were restricted; 15 percent were unrestricted). We believe this unprecedented increase in reports is due to a growing level of confidence in our response

system and a sign that victims have increased confidence in their chain of command and in the Army's commitment to treat and care for them.

Our assessment of increased confidence is supported by the fact that there are a growing number of reports made by victims about incidents that took place prior to joining the military. For example, in fiscal year 2013, approximately 5.3 percent of sexual assault reports from soldiers were for incidents that occurred prior to their military service. In fiscal year 2012, the reporting of sexual assaults prior to military service was 2 percent. Additionally, in fiscal year 2013 more than 15 percent of reports were made more than a year after the assault occurred.

The Army continued its efforts to place full-time military and civilian SHARP professionals at brigade and equivalent-level units. During the past year, we hired 174 new Civilian SHARP personnel to augment military personnel serving in brigade-level SARC/VA positions. To date, more than 12,800 individuals have been credentialed to serve as a SHARP professional in accordance with the 2012 National Defense Authorization Act. Additionally, the Army SHARP Program is in the process of transitioning from contract-led mobile training teams to Department of Army Civilian-led mobile training teams. We now have 12 Department of Army civilian trainers assigned and anticipate hiring 34 more this year.

We have realized the need to professionalize our personnel serving in SHARP positions. To ensure we do so, the Army has piloted a centralized SHARP Schoolhouse in fiscal year 2014, with the intent of standing up a permanent schoolhouse at the end of fiscal year 2014 or beginning of fiscal year 2015. The SHARP Schoolhouse incorporates instruction from the Army's Criminal Investigation Division, Office of The Judge Advocate General, Office of The Surgeon General and others, to better prepare full-time SARCs and VAs for the situations they typically encounter. The comprehensive 8-week training at the SHARP schoolhouse develops high quality personnel who can establish and maintain the confidence and trust of the soldiers they support. The SHARP Schoolhouse graduated its first class of 32 individuals this month.

Additionally, we are assessing the efficacy of this year's new initiatives as well as ones that were previously implemented. Through a combination of data collection, metrics, and field interactions to include troop visits, focus groups, inspections, panel discussions and surveys, we're putting into place the right tools required to effectively evaluate our efforts.

The Chief of Staff of the Army has led SHARP Senior Leader Summits with the Army's top officers and noncommissioned officers. In June 2013, the Summit focused on achieving cultural change by reducing, with a goal toward eliminating, sexual assault from our ranks. The January 2014 Summit served as a follow-up progress report on Commands' efforts, with a focus on victim advocacy.

I am confident that our efforts are putting the right processes and procedures in place to ensure a climate of safety, trust, and respect for every member of the Army family.

THE INTEGRATED DISABILITY EVALUATION SYSTEM

In fiscal year 2013, the Army made significant progress across the IDES by eliminating backlogs at the Medical Evaluation Boards (MEBs) and the Physical Evaluation Boards (PEBs). To address the backlog, the Army surged manpower, increased the availability of resources, improved processes, and clarified policy. We are now meeting timeliness goals for all stages under Army control while processing approximately 80 percent more cases per year than we did in any year before the inception of IDES.

We continue to partner with the Department of Veterans Affairs (VA) to further improve IDES. As expected, as we reduced the backlogged cases under Army control, the backlog moved to the VA-controlled stages. We continue to support the VA as they strive to eliminate their backlog and meet joint timeliness standards by October 2014. VA is a great partner, as we work together to improve this system. Moving forward, it is of key importance that we retain and improve the quality medical and administrative care afforded our soldiers and veterans as we improved the timeliness of the IDES process.

One of our significant improvements is the fielding of the IDES Soldiers' and Commanders' Dashboard in August 2013. The dashboard compares soldiers' progress through the IDES process against both joint DOD/VA goals, and the average of others who have moved through the system over the most current 90-day period. This provides soldiers with an estimate of when they will transition from the Army allowing them to better plan for their future.

Since the beginning of fiscal year 2013, the Army has processed more than 40,500 cases through the Disability Evaluation System. Of the completed cases, 3 percent

returned to duty; 67 percent were separated; and 30 percent were placed on the Temporary Disability Retired List. As of January 2014, there were 23,586 soldiers in the IDES process.

In January 2014, 82 percent of all MEB cases were completed within joint DOD/VA IDES standards, compared to 35 percent in October 2012. We've had similar success with PEBs, averaging 71 days against a goal of 90 days.

The surge of cases completed since the beginning of fiscal year 2013 increased the number of Veterans on the Army's Temporary Disability Retired List (TDRL) from 12,079 at the close of fiscal year 2012 to 17,177 at the close of January 2014. Historically greater than 98 percent of those placed on TDRL do not return to active status. The Army is working with DOD to see if the current use and structure of the TDRL best suits the Services requirements. As VA continues to reduce its backlog we expect we will meet the DOD/VA goal of completing the IDES process in 295 days.

READY AND RESILIENT CAMPAIGN

The Army implemented the Ready and Resilient (R2) Campaign in March 2013 to build upon the demonstrated inherent strength of our soldiers, family members, and civilian employees. This effort provides members of the Army Profession the encouragement, programs, resources, tools and training to further develop the skills, behaviors and attributes which help build resiliency and strengthen them personally and professionally. We have implemented numerous institutional changes that will yield enduring cultural transformation and create an Army environment that supports and develops our members to perform at their optimum level on a daily basis, and enables them to recover and grow from adversities. By building the resiliency of our people, and emphasizing the performance triad of sleep, activity and nutrition, we increase the readiness of our Total Force.

Focus areas in the campaign include: (1) comprehensive resilience training that develops coping skills and behaviors and increases capability; (2) education about and the promotion of preventive measures that encourage self-awareness, deter high-risk behaviors, and support healthy alternatives that produce positive outcomes; (3) increased emphasis on leadership involvement, empowerment and accountability; (4) program capability assessment to appropriately align support programs and resources; and (5) a scientific process for measuring success.

During fiscal year 2013, we integrated resilience training into existing training and deployment requirements. Through our approach to Comprehensive Soldier and Family Fitness (CSF2), the Army makes available hands-on training and online self-assessment and self-development tools to the members of the Army Team. Soldiers, family members, and Army civilian employees have access to scientifically-validated tools to help them build their overall resilience. The CSF2 program has, to-date, trained more than 20,000 Master Resilience Trainers, to include volunteer Spouse Master Resiliency Trainers. The Army established 16 Training Centers at installations across the country to provide resilience expertise tailored to the needs of the local Army community.

Also in fiscal year 2013, we launched the Commander's Risk Reduction Dashboard (CRRD) to provide commanders a greater understanding of high risk behaviors and to aid them in better identifying "at-risk" and "high-risk" soldiers. This dashboard aggregates data from multiple Army databases to enable early, proactive intervention and assistance. This effort is designed to protect soldiers before more problems arise and curtail risky behavior.

In fiscal year 2014, we will continue to analyze and assess existing programs, tools, and training. Based on these results, we will identify opportunities to restructure Army systems and processes to better prioritize resources while promoting resilience throughout the Army.

ARMY SUICIDE REDUCTION

As of March 14, in calendar year 2013, the Army reported 302 potential suicides (245 confirmed and 57 suspected)—an aggregate drop of 23 in the overall number of suicides as compared to calendar year 2012. Although this shows improvement, we recognize that the suicide rate in the Army, like the rest of the country, continues to pose a significant challenge for which there is no easy solution. We believe this decrease in suicides is an indicator that our resiliency efforts and increased access to Behavioral Health Services are beginning to have a positive impact on the force.

The Army continues to employ a comprehensive and multi-faceted approach to reduce suicides among soldiers, family members, and civilian employees. We are focusing on overall health and wellness, increased individual resilience, risk reduction

and enhanced individual and unit readiness. Key components to our approach are: improved leader awareness of high-risk behavior; increased resilience training; prompt access for soldiers to quality behavioral health care; and multi-point screening and documentation of mild Traumatic Brain Injuries and Post-Traumatic Stress.

Ongoing efforts to strengthen the resilience of our soldiers and consequently reduce the incidence of suicide include:

- Partnering with the National Institute of Mental Health for the largest behavioral health study ever undertaken of risk and resilience factors among servicemembers (Army Study to Assess Risk and Resilience in Servicemembers (STARRS)).
- Embedded behavioral health clinics help soldiers improve their ability to cope with and mitigate stress related to relationships, separation, deployments, financial pressures, work-related issues, etc. This approach is in contrast to a traditional system of behavioral healthcare in which soldiers must seek out care from hospital-based providers, embedded providers work in clinics located where combat soldiers live and work. Embedded behavioral health services have been associated with fewer suicide attempts and hospitalizations for psychiatric conditions.
- Continuing the use of "myPRIME," a confidential online alcohol and substance abuse risk, self-assessment tool that provides risk assessment and targeted education for remotely located (Reserve component and deployed) soldiers.
- Expanding the random panel for military drug testing to include commonly abused prescription drugs such as hydrocodone, hydromorphone, benzodiazepines as well as synthetic cannabinoids.
- Implementing the Community Health Promotion Council as is an integral part of the commander's resources for identifying and mitigating root causes that affect soldier, family member, and civilian employee well-being while developing the right services and programs available to increase readiness and resiliency.

We continue to exercise an aggressive training initiative to increase awareness and understanding of prevention and intervention skills. To help enable leaders' roles in reducing the incidence of suicide, we have incorporated suicide prevention and intervention awareness training into our commander and first sergeant courses. We developed specialized on-line training for our Suicide Prevention Program Managers to enhance awareness of programs and available resources to support suicide prevention activities.

Additional initiatives to combat suicide across the Force include the ARNG's and USAR's funding of full-time Suicide Prevention Program Manager positions in each of its 54 States and territories, and across major commands to advise commanders and facilitate efforts to reduce risk and prevent suicides. Our Suicide Reduction Working Group provides a forum for stakeholders, Army-wide, to collaborate on policies, education and training, services and resources, and ongoing initiatives that mitigate high risk behaviors and incidents of suicide.

The Army's efforts to reduce the incidence of suicide are embedded within the comprehensive approach of the Ready and Resilient Campaign. This approach is designed to strengthen our Army professionals by enhancing their resiliency and sustaining a supportive environment that emphasizes early intervention and prevention of suicidal behaviors. We continue to revise policy as required to promote and increase awareness of prevention and intervention skills, services, and resources.

ARMY SUBSTANCE ABUSE PROGRAM

The Army Substance Abuse Program (ASAP) is a Commander's program that emphasizes readiness and personal responsibility. ASAP provides services to the Active component, USAR, ARNG, veterans, family members, and Department of Army (DA) civilian personnel and is an integral part of the Army's Ready and Resilient Campaign. The focus of the ASAP is prevention, drug testing, early identification of problems, rehabilitation, and the retention of quality personnel. The Army recognizes the role substance abuse plays in many high-risk behaviors, including suicide and sexual assault, and that a healthy, drug-free force is critical to maintaining a Ready and Resilient Total Army. Consequently, the Army is responding with comprehensive prevention initiatives, increased counselor hiring, confidential substance abuse treatment options, and stigma reduction campaign efforts.

The number of soldiers enrolled for alcohol abuse and dependence decreased from 10,580 in fiscal year 2012 to 9,625 in fiscal year 2013. Positive screens for illicit drug use have increased very slightly (1.16 percent in fiscal year 2012 vs. 1.21 per-

cent in fiscal year 2013). There remains a concern that soldiers are abusing more prescription medications and using synthetic illicit drugs.

To assist leaders in building and maintaining resilience within their soldiers, the Army developed "Strong Choices," a standardized 4-hour substance abuse prevention-training package. A primary focus of the new standardized curricula is to educate leaders in emerging substance abuse issues and to assist leaders in taking a positive, proactive approach with their soldiers.

ASAP counselors are vital in counseling and caring for soldiers who are battling substance abuse. Working closely with soldiers and commanders, ASAP counselors help to maintain the health and readiness of our force. As of February 2014, the Army has 398 ASAP counselors worldwide and is continuing to working to recruit and retain the very best professionals for this critical mission.

The Confidential Alcohol Treatment and Education Pilot (CATEP) allows soldiers to confidentially refer themselves for treatment without command notification if they meet eligibility requirements. In early 2009, the Army Deputy Chief of Staff, G–1 initiated the pilot of the program. In May 2013, the Secretary of the Army and Chief of Staff of the Army approved the CATEP for Army-wide expansion. We are beginning to see positive results with the number of soldiers enrolled who most likely would not have sought help without this program.

CONGRESSIONAL ASSISTANCE

As the Army becomes smaller, we will need to work with Congress in our efforts to draw down and reform military compensation thoughtfully, accurately and efficiently while maintaining readiness. The continued support of Congress for competitive civilian and military benefits and compensation, along with incentives and bonuses for soldiers will remain critical to the All-Volunteer Army's efforts to recruit, retain, and support the highest caliber of individuals. The Army must retain the flexibility to offer incentives to attract and retain talent. The continued funding of these programs by Congress is absolutely critical. Support for legislative proposals that will allow the Army greater flexibility as we drawdown the force is also vital. Finally, predictability in the authorization and appropriation bills that are aligned with the President's budget request would help the Army tremendously in preparations for the smaller, balanced force of the future. The well-being of our force, regardless of its size, is 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.

CONCLUSION

People are the Army, and our enduring priority is to preserve the high quality, All-Volunteer Force—the essential element of our strength. The nation faces uncertainty and, in the face of such uncertainty, needs a strong Army that is trained, equipped, and ready. We must be prepared for the next contingency that calls for the use of Army forces.

While we transform to a smaller Army, we remain dedicated to improving readiness, and building resilience in our soldiers, family members, and civilian employees. The Army cannot sacrifice readiness as it draws down. We must preserve the health of the force and prevent breaking faith with the brave men and women who serve our Nation.

Chairwoman Gillibrand, Senator Graham, and members of the subcommittee, we wish to thank all of you for your continued support, which has been vital in sustaining our All-Volunteer Army through an unprecedented period of continuous combat operations and which will continue to be vital to ensure the future of our Army.

Senator GILLIBRAND. Thank you, Lieutenant General.

Next is Vice Admiral Moran.

STATEMENT OF VADM WILLIAM F. MORAN, USN, CHIEF OF NAVAL PERSONNEL/DEPUTY CHIEF OF NAVAL OPERATIONS FOR MANPOWER, PERSONNEL, TRAINING AND EDUCATION, N–1, U.S. NAVY

Vice Admiral MORAN. Good morning, Chairwoman Gillibrand and Ranking Member Graham and distinguished members of the subcommittee.

Allow me to add my thanks for what you have done and continue to do for the welfare of our sailors, Navy civilians, families, and retirees.

Today, more than one-third of our Navy is underway, a significant accomplishment given the fiscal challenges we faced in 2013. As we took on this budget, certainly we understood the imperative of reducing national debt in order to sustain our national security. But many of the financial levers we pulled last year to mitigate operational impacts were simply no longer available this year. If sequestration were to continue, we would experience irreversible consequences to our long-term combat readiness and jeopardize our ability to retain high quality sailors. As our Chief of Naval Operations (CNO) recently stated, it would be much tougher to maintain a Navy where it matters and when it matters.

Right now, sailors from the *Bush* Strike Group are in the Arabian Sea. The USS *Harry S. Truman* is returning after a 9-month deployment. USS *Donald Cook* is headed into the Black Sea to reassure allies and to build partner capacity. As we have all seen, our men and women forward in the Pacific are contributing to search efforts along with 26 other nations for Malaysian Airline flight 370.

All of what American sea power means today and might become is due to the selfless service of the men and women who make it so. They stand directly at the center of the budget now before you.

Every tough choice we made in this budget was in favor of maintaining quality of service for our sailors. Our objectives were to maintain and improve manning at sea, retain our best and brightest sailors, increase the readiness of our sailors and their families. We owe them the tools, the parts, the training, and the professional work environment they need to succeed in their mission. That is what they tell us they need and that is what this budget delivers. Fortunately, as this committee has agreed to time and time again, that is what our people deserve and nothing less. On behalf of them, thank you for what you have done and continue to do for our Navy and the security of our Nation.

With that, I look forward to your questions.

[The prepared statement of Admiral Moran follows:]

PREPARED STATEMENT BY VADM WILLIAM F. MORAN, USN

I. INTRODUCTION

Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of the subcommittee, I am honored to appear before you to review Navy manpower, personnel, training, education and family support programs and priorities for fiscal year 2015.

II. A READY AND CAPABLE GLOBAL NAVY

Since assuming duties as Chief of Naval Personnel and Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) this past summer, I have had the opportunity to listen to, and learn from, sailors across the fleet. It is clear that Navy remains an integral part of our National Military Strategy, especially at maritime crossroads. Every day our sailors are involved in essential missions around the globe involving power projection, deterrence, warfighting, antipiracy, humanitarian aid and disaster relief and peacekeeping. As our presence in the Asia-Pacific Theater expands, we will fill an increasingly vital role in this important region of the world.

Maintaining trust with sailors, Navy civilian employees, and their families, is among my bedrock principles. It is essential that we keep faith through trans-

parency; and clear, consistent, and well-communicated policies. As stewards of the greatest naval force in history, we must balance our force to meet future challenges amid ever-tightening fiscal constraints; not only in force size and structure, but in ship-to-shore timing and resource allocation. We must also provide stability in the lives of sailors, Navy civilians, and families. By communicating and achieving clear expectations, and maintaining faith with our people, we expect to retain the force in whom we have significantly invested.

In support of the Chief of Naval Operations' tenets—Warfighting First, Operate Forward and Be Ready—I have established three complementary lines-of-effort—Force Readiness and Manning, Force Management, and Force Resiliency—aimed at building stability in policies that reassure our sailors and their families, while continuing to maintain fleet readiness.

Force Readiness and Manning

We are continuing our efforts to achieve and maintain required manning and readiness levels by attracting highly qualified men and women to serve in the most effective and technologically advanced naval force in history and developing them to provide the tools they need to succeed. Our success in retaining this high quality work force depends on our ability to provide world-class quality of service for our sailors, civilian employees, and their families.

Force Management

We must continue to develop and implement flexible policies that facilitate delivery of highly-trained and fully-qualified personnel to fill billets at sea. We are maximizing the potential of Navy's All-Volunteer Force by continuing to develop a diverse and qualified fleet. We are also taking deliberate steps to forecast future operating environments and ensure we are prepared to meet emerging challenges with the proper force structure. As we assess the size of our future force structure, we must be prepared to make the necessary adjustments to properly man the force, balancing the recruitment and retention of high-quality people to acquire and maintain the skills necessary to achieve mission success.

Force Resiliency

We continue to focus efforts on improving sailor wholeness and promoting a culture of respect and total fitness to prevent destructive behaviors. The 21st century sailor initiative protects Navy families by promoting healthy, efficient, and professional work environments, providing world-class support to families, and fulfilling our promise to prepare sailors transitioning to civilian life. It sustains and uplifts sailors confronting the stresses of war, prolonged deployments and an uncertain future. Through effective drug and alcohol abuse prevention and suicide prevention, Navy has seen a positive inflection point for nearly every trend tracked in our portfolio over the past year.

III. FORCE READINESS AND MANNING

We will deliver the right person, with the right skills, to the right job, at the right time—a metric we call "Fit." We will also anticipate combatant commander priorities to ensure that we meet the warfighting needs of our joint and coalition partners.

Recruiting (Enlisted)

Over the past 6 years, we have consistently succeeded in attracting the Nation's best and brightest to serve in our enlisted ranks. fiscal year 2013 was a solid recruiting year in which all enlisted programs exceeded both Department of Defense and Department of the Navy quality standards. We attribute this success, in large part, to the outstanding work of our recruiting force applying inclusive diversity recruiting practices; and Science, Technology, Engineering, and Mathematics (STEM) outreach. Strategic partnerships with STEM-related affinity groups, and engagements with high school and college students, have increased awareness of Navy service as a highly desirable career option, inspired the next generation of technically-capable sailors, and developed centers of influence that contribute to recruiting efforts. While enlisted accession quality declined in fiscal year 2013, with 84.6 percent of accessions scoring in the upper 50th percentile on the Armed Services Vocational Aptitude Battery, compared with 90.2 percent in fiscal year 2012, we continue to exceed the Department of Defense (DOD) and Navy minimum quality standards. However, this decline will effectively reduce the size of the pool of high-quality applicants increasing the challenge in meeting accession demands. This situation is exacerbated by the fact that the Reserve component's ability to access and

retain high-quality prior-service sailors is limited by reductions in Reserve Force structure and end strength.

Navy Enlisted Supply Chain

The Navy Enlisted Accession Supply Chain (NEASC), one of our highest priority MPT&E investments, will fundamentally change the way we plan, train and fill sea and shore billets, and will systematically correct recurring gaps. Street-to-Fleet, as implementation of NEASC is known, optimizes the processing of sailors from enrollment in the Delayed Entry Program through Recruit Training Command, and follow-on basic (A-school) and advanced (C-school) skills training, until they arrive for duty in the fleet, trained and ready for sea. This initiative has identified semi-automated methods to positively plan and track sailor accessions through 921 unique training paths. Initial results allowed the realignment of 23.3 man-years of training capacity to address emergent fleet training requirements; and, continued improvement is expected as this capability matures.

Recruiting (Officer)

We achieved aggregate Active component general officer and medical officer goals; however, we continue to face challenges in achieving Reserve component general and medical officer recruiting goals. This challenge is in part due to the strong active duty retention we continue to enjoy; but which significantly reduced the prior service pool from which the Reserve component acquires most of its accessions. Reserve component officer manning across all health professions is at 92 percent, although we are experiencing significant shortages within the Medical Corps which is manned at just 75 percent. Reserve component general officer manning is 101 percent, while shortfalls exist among the Naval Special Warfare, Aviation Warfare (Pilots and Naval Flight Officers) and Engineering Duty Officer communities.

The U.S. Naval Academy (USNA) seeks applicants with the greatest potential to become future leaders in the Navy and Marine Corps. Academic ability and proficiency demonstrated in STEM courses continue to be key in identifying and selecting the most highly-qualified candidates who demonstrate strong leadership qualities and moral character. Since 2009, USNA has promoted outreach through a variety of public venues including, summer STEM camps and seminars designed to encourage middle and high school students to value STEM and potential career opportunities in the naval service. Nearly 69 percent of midshipmen commissioning as ensigns in the class of 2014 are majoring in STEM disciplines. Over the past decade, women and minority representation in the Brigade has steadily increased—presently 22 and 34 percent, respectively. Through national outreach and promoting the value of a STEM curriculum, USNA will continue to attract the finest applicants our Nation has to offer to graduate technically competent leaders for commissioned naval service.

The Navy Reserve Officer Training Corps (NROTC) program also attracts brilliant men and women to serve through undergraduate education opportunities; which offer scholarships consisting of tuition, fees, book stipend, uniforms and a monthly subsistence allowance; along with military training opportunities leading to a commission as a Navy or Marine Corps officer. Starting with the NROTC commissioning class of 2013, 65 percent of Navy-option midshipmen are required to graduate with a technical degree. We exceeded this mandate by commissioning 71 percent of Navy-option midshipmen with technical degrees this past year.

Training

Our continuum of training provides sailors with the most relevant knowledge, skills, and abilities, as quickly as possible, to achieve optimal knowledge transfer and minimize skill-decay prior to assignment to the Fleet. Through end-to-end curriculum content-development and revision, we identify and deliver cost-effective solutions without sacrificing quality. We also reinforce the knowledge gained throughout training to maintain quality during and after the training event. With the introduction of new weapons systems and platforms, we must apply innovative techniques; such as interactive multimedia, simulators, and Electronic Performance Support Systems to deliver training without sacrificing quality.

We have developed a plan to improve timeliness, relevance, and breadth of technical training. Modularized training optimizes the initial pipeline and enables continuous training throughout a sailor's first tour. This approach creates flexibility and allows sailors to report sooner to their first duty station, armed with the necessary skills to make an immediate contribution. Strategically distributing training delivery, so that sailors receive only the instruction necessary to perform their immediate duties, minimizes time between instruction and utilization, thereby, reducing knowledge-and-skill-decay associated with delays. Pilot programs evaluate the

modularized training concept to ensure training quality remains high along the continuum.

Traditional Navy warfighting communities increasingly rely on simulation to conduct training. As fidelity and access increases, prevalence of this technology is building at Navy schoolhouses, training commands and in the fleet. Investment in simulation and simulator training increase training capacity, effectiveness, and efficiency and reduce wear on platforms and operational equipment; thereby, minimizing operation maintenance and replacement costs.

Education

Education and training remain a strategic investment in support of maintaining our fleet's global operational excellence and dominance. We remain committed to ensuring that Navy education and training provides sailors with the most relevant knowledge, skills, and abilities; ties education opportunities to leader development; and supports a career continuum framework of technical experts, joint warfighters and strategic leaders, while ensuring that education and training explicitly links resource allocation for education and training opportunities to the highest priorities.

Joint Professional Military Education

U.S. Naval Postgraduate School (NPS) and U.S. Naval War College (NWC) are essential to our strategic investment in military education designed to develop a resilient, knowledgeable and adaptable force. Both institutions develop members of the force for the intellectual demands they will encounter, but assist in building key relationships through a diverse mix of students. However, recent fiscal reductions have severely constrained the ability for NPS and NWC to adequately fund its educational infrastructure, which could affect JPME accreditation.

Voluntary Education/Tuition Assistance

Tuition Assistance (TA) is an in-service education support program that encourages sailors to pursue education as a means of achieving professional and personal goals. In 2012, Navy re-opened TA to vocational/technical programs in support of broader initiatives to expand sailor access to the job market as they transition from Active service. In 2013, Navy sustained the TA program despite sequestration, when all other services experienced a period of cessation. Ongoing fiscal pressure has necessitated additional scrutiny of the TA investment, resulting in a 25 percent reduction in the level of TA support sailors receive.

Credentialing and Licensure

Navy Credentialing Opportunities On-Line offers sailors the opportunity to earn civilian certifications and licenses corresponding to their Navy ratings, designators, collateral duties, and out-of-rating assignments. Earning credentials assists sailors in successfully transitioning into the civilian workforce. Every Navy occupation has at least one professional credential available and we currently pay for over 15,000 credentials per year awarded to about 7,500 sailors.

Fleet Manning

We decreased gaps at sea from over 14,000 to just over 9,000 by the end of fiscal year 2013, and since that time, we have further reduced it to about 7,000. We expect to narrow the gap to about 5,000 by June and to fill nearly 95 percent of all enlisted billets at sea by the end of fiscal year 2014, with close to 90 percent filled by the right sailor in the proper seniority and possessing the appropriate skill level and training. Fleet manning improved through increased accessions in fiscal year 2013 and application of various force management tools including; voluntary/involuntary distribution, Chief Petty Officer Early Return to Sea, special and incentive pays applied to critical skills, and transitioning billets from shore to sea. Improving Continuum of Service, we recently automated advertisement of opportunities, qualification verification, and application submission processes, for experienced Reserve component sailors to transition to the Active component to fill billets in critically undermanned communities. The number of individual augmentees (IA) required to support Global Force Management Allocation Plan requirements is declining and the Reserve component has assumed most IA requirements, allowing Active component sailors to fill critical fleet billets. I anticipate mobilizing 2,650 Reserve sailors by the end of fiscal year 2014.

Retention

We continue to monitor retention behavior closely and expect to meet aggregate enlisted retention goals in fiscal year 2014. We expect to begin experiencing retention challenges within some ratings in specific communities such as; Information Dominance, Special Warfare, Nuclear Field, Advanced Electronics, and Medical.

Targeting junior enlisted personnel with increased incentives may prove critical for achieving required retention in fiscal year 2015, and beyond. We must focus on retaining sailors in the right mix of ratings and pay grades to position Navy to meet future mission requirements.

Officer continuation remains at historically high levels due to current economic conditions, coupled with targeted incentive pays and bonuses, improved mentoring, flexible career options, and increased emphasis on life-work integration initiatives. Certain officer inventory shortfalls remain, however, in select Unrestricted Line, Restricted Line and Staff Corps communities that we will mitigate through specialized incentives.

IV. FORCE MANAGEMENT

We are managing personnel strength to deliver an affordable, sustainable force that will continue to meet mission needs. By delivering technical training and advanced education throughout a career, we will retain high-quality sailors in whom we have invested to remain operationally effective.

End Strength

The President's fiscal year 2015 budget request supports active end strength of 323,600, and selected Reserve end strength of 57,300. It appropriately balances risk, preserves capabilities to meet fleet and joint requirements, fosters growth in emerging mission areas, and provides vital support to sailors and Navy families, as we carefully monitor personnel and fleet readiness. The budget aligns the Reserve component with the new Defense Strategy, while retaining capabilities vital to fulfilling the Reserve component's role in Navy's Total Force mission. End strength remains relatively stable across the Future Years Defense Program, reaching approximately 323,200 Active and 58,800 Selected Reserve in fiscal year 2019.

We are continuing efforts to stabilize, balance, and distribute the force to ensure that sailors are assignable, deployable, and distributable. Accordingly, manpower programs are focused on maintaining the right number of sailors to adequately man the fleet and to ensure that we have the sailors available in the right positions to accomplish our mission. The programs work to provide the Fleets with the right Fit and Fill—sailors with the right skills and experience level to do the most critical sea duty jobs.

Meeting operational and strategic requirements demands that we properly balance missions and capacities between Active and Reserve components, and that we have the necessary numbers of officer and enlisted sailors to man the fleet. Robust Continuum of Service tools, which enable transitions between components throughout a Navy career, help us meet dynamic and emerging mission requirements and cultivate an agile military workforce able to adapt and retrain as necessary. Sailors now have the tools to understand their options for rating conversions and transitioning between components, which ultimately allows us to retain our most experienced sailors.

Effective Force Management: Navy's effective use of force management tools aligns personnel levels and force structure while maintaining a mission-ready fleet. At the close of fiscal year 2013, Active component end strength was 323,951 (1,251 above authorized end strength). We took significant strides to improve manning, and many new sailors will complete initial training and join operational commands through fiscal year 2015, improving fleet manning and reducing gaps at sea. We remain committed to maintaining balance across enlisted ratings and will continue to deliver a mission-ready fleet.

Compensation

We demand much of our sailors and they deserve to be commensurately compensated. Over the past 12 years, pay raises, elimination of out-of-pocket housing expenses, TRICARE for Life and enactment of the post-9/11 GI Bill, have resulted in the most generous total military compensation package in history. In the current constrained budget environment, however, reducing personnel costs is essential to achieving a proper balance with costs for training and equipping the force. We expect to meet recruiting and retention requirements, despite slowed growth in regular military compensation, as we continue to judiciously apply targeted special and incentive pays, including increased Career Sea Pay to improve manning at sea.

Women in Service

Navy is committed to removing barriers that prevent sailors from rising to their highest potential by focusing on each person's ability unconstrained by gender-restrictive policies. Implementing the Secretary of Defense's rescission of the 1994 Direct Ground Combat Definition and Assignment Rule, Navy will have no closed oc-

cupations, very few closed positions, and equal professional opportunity in every officer designator and enlisted rating by January 2016.

Leveraging Diversity

Diversity is a readiness imperative. We value the variety of characteristics and attributes in our workforce, which serves to enhance mission readiness. We strive to attract, develop, and retain a technically proficient workforce; diverse in experience, background, and ideas; and to promote a culture that harnesses their talents, imagination, and teamwork. The 2010 U.S. Census projects that, by 2020, racial/ethnic groups, other than white non-Hispanics, will comprise over 40 percent of the recruiting market, with increasing minority representation over time. We will continue to leverage a broad range of STEM education and outreach programs by which to stimulate interest in, and attract high-potential eligible candidates from, all constituent youth markets to operate technologically advanced systems.

V. FORCE RESILIENCY

Established just 8 months ago, Navy's 21st Century Sailor Office integrates, under one umbrella, the programs that sustain and instill resilience and fitness in sailors. This includes: equal opportunity, personal and family readiness, physical readiness, alcohol and substance abuse prevention, suicide prevention, sexual harassment prevention, sexual assault prevention and response (SAPR), hazing prevention, and transition assistance. The 21st Century Sailor Office provides a focusing lens and overarching policy support to these critical programs.

Health of the Force

The overall health of the force is good. We remain committed—through smart, adaptive policies, vibrant programs, and pinpoint funding streams—to support fit, whole, and resilient sailors and families, fully empowered to pursue their dreams through service to our Nation.

We have made important strides in our strategic fleet-manning posture, resulting in an overall increase of quality of work for our sailors. Navy's recruit quality remains high and our aggregate retention is strong, although economic forces create challenges to retain certain critical skills sets with an appropriate return on investment. Candid fleet feedback indicates that deployment lengths and budget uncertainty lead sailors' list of concerns.

Further, Navy remains dedicated to the prevention of suicides and sexual assault. Concomitant with maintaining world-class warfighting prowess, there is no higher calling than defending freedom within our ranks—just as we do throughout the world. While reports of sexual assault have increased, we believe this is the result of sexual assault education and awareness initiatives, better understanding of avenues to report incidents, and earned trust and confidence in a proven support and response system. Our goal is to prevent any sexual assault, harassment, and destructive behavior that lead to such crimes in a continuum of harm. Our comprehensive prevention strategy of enabling proactive command environments, institutional deterrence, and appropriate offender accountability, is evidenced by increased reporting in the past year.

Suicide Prevention and Operational Stress Control

Suicide prevention is an all hands evolution, all the time. With a motto of "Every Sailor Every Day," Navy's Suicide Prevention Program promotes psychological, emotional and spiritual wellness, while reducing barriers that discourage seeking help. A comprehensive four-prong approach envelopes training, intervention, response, and reporting, to ensure a support network and skills needed to thrive, not just survive. Navy Operational Stress Control is the foundation of our suicide prevention initiatives, supporting the fleet with resources to navigate the stressors and challenges commonly associated with Navy life, to help sailors build resilience and maintain personal readiness. We also funded Operational Stress Control mobile training teams, which deliver resiliency lessons to ships, squadrons, and submarines before overseas deployment. We are hiring resiliency counselors to go to sea alongside extant teams of chaplains, behavioral psychologists and other medical professionals who proactively assist sailors each day.

In fiscal year 2013, we launched the NavyTHRIVE communications campaign, focusing on providing sailors, leaders and families with the tools and knowledge to thrive; the next step in the resilience ladder. Thrive in your Community, the 2013 Suicide Prevention Month theme, added a new dimension to NavyTHRIVE by emphasizing the importance of cohesion and togetherness when dealing with adversity, and served as a launch pad for year-long engagement at the local command level. The Thrive During the Holidays campaign continued our NavyTHRIVE effort, ad-

dressing the various components of a physically and psychological healthy lifestyle to reduce holiday stress.

Yellow Ribbon and Psychological Health Outreach

Since 2008, the Navy Reserve has used two programs to support Reserve sailors and families, with exceptional success. The Yellow Ribbon Reintegration Program (YRRP) has provided deployment and reintegration information and support for Reserve sailors. The YRRP provides information, referrals and outreach to military members, their families, employers and immediate support network. The Returning Warrior Workshop (RWW) is a post-deployment event that facilitates the reintegration of Reserve sailors with their spouses or designated individual of their choice. The RWW primarily honors members and families for their sacrifices and support, and identifies psychological health issues, providing the opportunity for follow-on services. This program has been described as a "best practice" within the DOD Yellow Ribbon Reintegration Program and during 115 RWWs conducted which served 14,000 attendees since its inception in 2008.

The Psychological Health Outreach Program (PHOP), also established in 2008, ensures that Reserve sailors and their families have full access to psychological health care services including psycho-educational briefings, Behavioral Health Screenings (BHS), and phone or email follow-up. In fiscal year 2013, PHOP Outreach Teams conducted 459 Site visits, briefing 36,413 Reserve sailors and family members. They also served in support of 15 Returning Warrior Workshops and conducted 1,153 BHSs. PHOP Teams contacted 4,760 recently demobilized Reserve sailors 18,063 times while concurrently following-up with current clients and commands. As the Reserve component assumes an increased share of Individual Augmentations, we appreciate Congress' continued support of these two programs that have become so important to our Reserve sailors and their families.

Sexual Assault Prevention and Response

Sexual assault continues to challenge our Navy and our Nation. We have made significant strides in elevating sailor trust and confidence in command leadership and understanding of the SAPR process, evidenced by an unprecedented increase in sexual assault reporting. Increased reporting supports our ability to understand circumstances of sexual assault, enables continuous improvement in our response, drives our ability to hold perpetrators appropriately accountable, and allows implementation of pertinent prevention methodologies. Our continued world-class, empathetic response to every incident will drive additional reporting.

Our goal is a culturally aware and educated Total Force, which does not tolerate, condone, or ignore sexual assault, sexual harassment, or sexist behaviors. We are utilizing numerous approaches to drive our ability to prevent and respond to sexual assaults.

To ensure appropriate command climates are being fostered Fleet-wide, we directed the review of command climate surveys by a commander's superior, implemented roving barracks patrols to detect and diffuse potential adverse situations, and augmented our alcohol de-glamorization campaign by restricting on-base alcohol sales. In fiscal year 2015, Commander, Naval Installations Command will assign nine new military SAPR officers to Navy regions for training, education, and victim support. The Naval Criminal Investigative Service has implemented the Special Victim Capability program to dedicate better-trained agents to manage sexual assault cases and plans to hire 54 additional agents. We have enhanced pre-trial investigations by mandating that only judge advocates serve as Article 32 Investigating Officers for sexual assault cases, and moved Initial Disposition Authority to officers in the grade of O–6 and above. We have installed full-time SAPR officers at each four-star fleet commands, all critical three-star staffs, and our main regional commands to help drive the necessary cultural change to eliminate sexual assaults. The Deployed Resiliency Counselor program will field certified clinical counselors on board deployed aircraft carriers and amphibious assault ships to train SAPR Victim Advocates and counsel sailors on issues that do not rise to the level of medical diagnoses. The newly-implemented Victims Legal Counsel program provides an experienced Navy attorney to represent sailors who report being victims of sexual assault. We anticipate this initiative will lead to increased reporting, and will result in victims remaining in the legal process through final adjudication. We are continuing efforts to establish a metrics-based evaluation of our progress, and to improve sexual assault prevention efforts, to include identifying leading indicators that will allow us to predict destructive behavior at all levels of command.

Command Climate

Creating an inclusive climate in which everyone has an equal opportunity to reach their highest potential while being treated with dignity and respect, ultimately

leads to organizational effectiveness. Positive climates; in which to work, live, and train; are directly related to mission success. Yet providing a positive command climate in the Navy is not only the commander's responsibility, but the responsibility of every sailor within that command. Each sailor must promote good order and discipline to keep work environments free from destructive behaviors such as discrimination, sexual harassment, fraternization, and hazing. Every commander is required to conduct a command climate assessment within 90 days of assuming command, and annually thereafter. We also enhanced commander accountability by requiring a face-to-face debrief of the command climate assessment with the immediate superior in command (ISIC), to include an executive summary and a corrective actions plan. This provides the ISIC the opportunity to mentor subordinate commanders, and to take immediate action to ensure fairness and positive uplifting work environments of mutual trust and respect.

Alcohol and Substance Abuse Prevention

Navy Alcohol and Drug Abuse Prevention programs support enhanced Fleet, Family, and Personal Readiness through aggressive alcohol abuse and drug abuse prevention. Between January and April 2013, Alcohol Detection Devices were deployed as a new tool to prevent irresponsible alcohol use in all afloat and shore commands, in support of alcohol abuse prevention program policies.

Navy's policy on drug abuse is "zero tolerance." Substance abuse puts lives and missions at risk, undercuts unit readiness and morale, and is inconsistent with Navy's ethos and core values of Honor, Courage, and Commitment. Detection, deterrence, and prevention are key elements in combating drug abuse. Frequent random urinalysis is the most effective means to detect and deter drug abuse, and we have added synthetic cannabinoids (such as "Spice") to the standard drug-testing panel. Spice detection rates decreased dramatically after this program began, testifying to the enduring value of "zero tolerance" through regular urinalysis testing.

Physical Fitness and Nutrition

Navy is fully committed to developing and sustaining a "Culture of Fitness" for all sailors. Extensive scientific research shows that physical fitness and healthy eating reduces the risk of chronic disease, while increasing physiological and psychological well-being. Regular physical activity coupled with proper nutrition aids in stress relief, improves sleep, and increases self-esteem. The 21st century sailor initiative provides guidance and tools needed to overcome adversity, maintain resiliency, and thrive. Navy's Physical Readiness Program has developed the Navy Food Literacy Program, designed to improve health and wellness of the Navy Community through increasing food literacy, which is defined as the degree to which people understand food and process information about food choices. A pilot study that commenced last month will engage the Navy Nutrition Program, the Centers for Disease Control, and registered dieticians at five military treatment facilities to assist sailors and their families. This pilot is occurring on six naval bases to determine best practices and methods, with the goal of successfully educating sailors and their families on the topics of food, health, and sustainability.

We are also piloting the DOD Healthy Base Initiative (HBI) at Naval Submarine Base New London and Joint Base Pearl Harbor-Hickam. HBI supports President Obama's 2011 National Prevention Strategy and is designed to create an environment which encourages healthy lifestyles through a set of initiatives borrowed from a wide range of best practices both within and outside the Department of Defense.

Family Support

Family Support programs are a critical component in enhancing mission readiness and Navy's 21st century sailor initiative. Family support programs assist commanding officers, sailors, and their families to manage the unique demands of the military lifestyle in concert with a healthy family life. Navy Fleet and Family Support Center ensure military families are informed, healthy, and resilient through robust programs to include relocation assistance, non-medical and family counseling, personal and family life education, personal financial management services, information and referral services, deployment assistance, domestic violence prevention and response services, exceptional family member liaison, emergency family assistance and transition assistance.

Transition Goals, Plans Success (Transition GPS)

Transition GPS replaced the 20-year-old Transition Assistance Program. The development and implementation of this initiative to extend the continuum of care to retirement, and well beyond, was a collective effort involving all military services. Created by the Office of the Secretary of Defense, with full participation by the Department of Veteran's Affairs, Department of Labor, and the Small Business Admin-

istration, Transition GPS increases sailors' abilities to overcome challenges they may face in pursuit of their chosen civilian career path. Transition GPS is a reinvestment in our citizen-sailors, and by providing ready, skilled, and service-oriented workers, we become a stronger nation.

CONCLUSION

The President's fiscal year 2015 budget request resources critical programs that will continue to support Navy manpower, personnel, training, and education. With your continued support and leadership, I remain confident and optimistic as we shape our Navy to meet current and emerging requirements, while confronting challenges that lie ahead. On behalf of the men and women of the U.S. Navy, and their families, thank you for your sustained commitment and unwavering support.

Senator GILLIBRAND. Thank you.

Next is Lieutenant General Cox.

STATEMENT OF LT. GEN. SAMUEL D. COX, USAF, DEPUTY CHIEF OF STAFF FOR MANPOWER, PERSONNEL AND SERVICES, A–1, U.S. AIR FORCE

Lieutenant General COX. Chairwoman Gillibrand, Ranking Member Graham, distinguished members of the subcommittee, it is my honor to appear before you today representing our total force airmen.

As I look back to when I came into the Air Force 3 decades ago, we had nearly 600,000 airmen serving on Active Duty during the height of the Cold War. So much has transpired since that time. We have evolved into an effective and capable active force of just 328,000 airmen today.

As I look down the road at the future state of the Air Force, it will require us to be more efficient and more agile while getting smaller in order to support the demands of the 21st century Air Force.

The Air Force remains committed to providing the highest quality airmen to combatant commanders. We have been actively engaged in combat operations for more than 23 consecutive years, and our airmen remain at the forefront of today's conflicts and other contingency operations around the globe. Serving proudly alongside our sister Services, last year, total force airmen filled over 900,000 deployment requirements to over 600 different locations. We are out there and we are getting the job done. I am extremely proud to be a part of this team.

Moving forward, given the current environment, the Air Force will size and shape our force to meet DOD strategic guidance with a leaner force. To do this, we are using a wide variety of force management tools which will maximize voluntary programs first, offer incentives where needed, and employ involuntary programs when required. As we get smaller, we will continue to integrate our total force by leveraging the flexibility of our regular Air Force with our Guard and Reserve partners, balancing full-time and part-time airmen where and when it makes sense. Our airmen, a combined team of total force officers, enlisted and civilians, have and will be the foundation of the success of our Air Force. As we continue to meet the budget challenges, it is their commitment, ingenuity, and hard work that will help us navigate our future. We are committed to train and equip the highest quality airmen to ensure our Air Force remains capable of supporting any contingency around the world and overcoming any future adversary.

I appreciate your support and concern for our Nation's great and professional airmen.

I look forward to your questions.

[The prepared statement of Lieutenant General Cox follows:]

PREPARED STATEMENT BY LT. GEN. SAMUEL D. COX, USAF

INTRODUCTION

Today, the Total Force airmen of your Air Force are a highly trained, experienced, and battle-tested force, standing as vanguards of freedom around the world. Despite the last two decades of sustained conflict, the men and women of your Air Force are as dedicated, innovative and hard working as ever before. Airmen are the backbone of our Air Force. Throughout our Service history and ingrained in our culture, is a spirit of innovation where airmen are enabled and expected to find novel solutions to ensure our ability to operate in air, space and cyber space. In order for airmen to continue to fulfill their expected roles as innovative leaders and warriors, the Air Force must remain focused on recruiting, training, developing, supporting and retaining a world-class, All-Volunteer Force. Maintaining an All-Volunteer Air Force is a significant undertaking and requires a continuous and deliberate investment of time and resources.

The Air Force continues to balance today's missions with tomorrow's requirements in a constrained budget environment. We are modernizing how we manage the force and our focus is on deliberately shaping and sizing the force to meet future mission needs, while also balancing the likelihood of decreased budgets for the foreseeable future. Our entire workforce (military, civilian and contractor) must be appropriately sized to support and execute our piece of the National Defense Strategy while concurrently considering fiscal realities.

The Department of Defense (DOD) guidance for a leaner force and anticipated future needs will result in a smaller force, and based on the Department's guidance, the Air Force, like our sister services, must become smaller to live within our fiscal constraints. We must balance our force structure and end strength to preserve readiness and modernization requirements to meet the Air Force's contribution to defense strategy given a realistic spending forecast. Therefore, the Air Force's Total Force will be reduced by as much as 25,000 military personnel over the next 5 years to meet budget requirements, along with corresponding aircraft inventory reductions.

CONTINGENCY OPERATIONS

Our airmen remain at the forefront of today's conflicts and other contingency operations around the globe, serving proudly alongside our joint partners. During calendar year 2013, Total Force airmen filled over 90,000 deployment requirements to over 600 different locations supporting a host of named operations including such notable operations as Operation Enduring Freedom (OEF), OEF–HOA (Horn of Africa), and Operation Noble Eagle (ONE). As a testament to our commitment to utilizing the Total Force, of the 90,000+ deployments, the Active component, Reserve component, and Guard component filled approximately 66,000, 7,500, and 16,500 of the requirements, respectively, with Air Force civilians filling over 700 deployment requirements. In addition, over 135,000 airmen provided daily support to Combatant Commanders in their in-garrison missions such as nuclear deterrence, cyber defense, global mobility, and homeland defense.

Reductions in operations in Afghanistan will influence the Air Force's overall deployment requirements. However, we anticipate combatant commander requirements for manned and unmanned Intelligence Surveillance and Reconnaissance, Personnel Rescue and Recovery, Fighter/Attack, and Airlift assets will remain high while demand for the land component force requirements continues to fall specifically in the U.S. Central Command (CENTCOM) area of responsibility. Additionally, CENTCOM and other combatant commanders have capability requirements each fiscal year that go unfilled due to lack of capacity in the joint force. The joint force will have to address and prioritize those requirements against the Service's requirement to provide a ready force as the drawdown continues.

MILITARY AND CIVILIAN PERSONNEL END STRENGTH

Budgetary constraints and changes in force structure will lead the Air Force into reducing Total Force end strength and implementing increased military Force Management programs and civilian workforce shaping programs in fiscal year 2015. The Air Force's total military strength forecast for fiscal year 2015 will be reduced from

503,400 to 483,000. Our Active Duty military end strength will be reduced 16,700, from 327,600 to 310,900. Our Air Force Reserve (AFR) military end strength will decrease by 3,300 to 67,100, and Air National Guard (ANG) military end strength will decrease by 400 to 105,000. Due to funding and force structure impacts, the Air Force's civilian strength forecast for fiscal year 2015 will be reduced from 186,026 to 183,328.

MILITARY FORCE MANAGEMENT

The Air Force's Force Management (FM) program is a tailored multi-year effort comprised of many programs aimed at managing the long-term health of the force. Given the current environment, the Air Force must reduce the size and reshape the force to meet DOD strategic guidance for a leaner force. To do this, we plan to use a wide variety of FM tools which Congress has authorized with a focus on maximizing voluntary programs first, offering incentives where needed, and involuntary programs only when required. We also realize that as the Air Force becomes smaller, it is ever more important to retain our highest performing airmen. Therefore, as we execute our FM programs and reduce overages, we will focus our programs to support retaining our best airmen who possess the right balance of skills we need to meet the Air Force's current and future mission requirements.

In fiscal year 2013, our FM program strategy focused on offering traditional voluntary FM programs such as Active Duty Service Commitment (ADSC) and Time in Grade (TIG) waivers, and offering transfers to the Air Reserve Component (ARC) via Palace Chase. Based on continued strong retention rates among officer and enlisted populations, we planned to offer a limited and targeted Temporary Early Retirement Authority (TERA) in fiscal year 2013, but were unable to secure funding to execute the program due to sequestration impacts which took effect during the middle of the fiscal year. There were several limited involuntary FM programs used in fiscal year 2013, which included enlisted dates of separation rollbacks and constraints on the number of first-term airmen eligible for reenlistment; however, we did not convene any involuntary officer or enlisted FM boards in fiscal year 2013. As a result, the Air Force began fiscal year 2014 approximately 1,200 airmen over budgeted end strength.

The Air Force would prefer to reduce the force over the Future Years Defense Program (FYDP) through voluntary measures alone; however, based on continued high retention rates, anticipated force structure levels, and end strength reductions beginning in fiscal year 2015, we will accelerate our FM programs starting in fiscal year 2014. Doing so will enable us to fund the additional voluntary incentive programs (Voluntary Separation Pay (VSP) and TERA) needed to meet end strength.

Planned fiscal year 2014 Military FM programs will include the use of ADSC waivers (officer and enlisted); TIG waivers (officer and enlisted); PALACE CHASE (officer and enlisted); TERA (officer and enlisted); Date of Separation Rollback (enlisted only); 8- vs 10-yr commissioned service for retirement (officer only); Voluntary Separation Pay VSP (officer and enlisted); and Enhanced Selective Early Retirement Board (ESERB) (officer only—Colonels and Lieutenant Colonels in select AFSCs) to support meeting fiscal year 2014 end strength mandates by the end of the fiscal year.

Projected fiscal year 2015 Military end strength reductions will require a more aggressive approach in our FM programs, which will lead the Air Force to continue the use of fiscal year 2014 FM programs in fiscal year 2015, along with the addition of Quality Force Review Boards (enlisted); E–4 through E9 Retention Boards (enlisted); Force Shaping Boards (officer); Reduction in Force Boards (RIF) (officer), and Enhanced Selective Early Retirement Boards (ESERB) (officer).

CIVILIAN FORCE MANAGEMENT

The Air Force implemented civilian FM programs following a concentrated effort in 2010 from the DOD to trim the civilian workforce by focusing on increasing efficiencies, reducing overhead costs and eliminating redundant functions, which led to the elimination of 16,500 Department of the Air Force civilian positions in fiscal year 2012. Starting in fiscal year 2012 the Air Force utilized a multitude of civilian force management programs which included a temporary hiring freeze, multiple rounds of Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP), as well as aggressive voluntary reassignments in an effort to decrease the number of surplus employees created by this reduction. At the start of fiscal year 2013 ~1,000 surplus employees remained; however, by continuing the use of voluntary separation programs such as VERA and VSIP, management reassignment, attrition, and the flexibilities under RIF authorities in fiscal year 2013,

the Air Force voluntarily separated 603 employees, reassigned 324 employees to other positions and ultimately only separated 86 employees involuntarily.

The Budget Control Act (BCA) of 2011 (Pub L. 112–25) directed across the board cuts in defense spending. with the threat of long-term budget impacts from BCA through the FYDP, multiplied by the National Defense Authorization Act (NDAA) for Fiscal Year 2013 mandated "Savings to be Achieved in Civilian Personnel Workforce and Service Contractor Workforce of the Department of Defense" and the NDAA for Fiscal Year 2014 mandate to streamline the DOD management headquarters staffs beginning in fiscal year 2015 through fiscal year 2019, we have no choice other than to continue to shrink the size of our civilian workforce, forcing us to continue civilian FM programs in fiscal year 2014 and beyond. The purpose of the civilian FM programs are to comply with mandatory funding targets directed by DOD and rebalance the civilian workforce to ensure mission critical competencies and skills are in place to meet current and future mission requirements.

In fiscal year 2014, as in past years, we will continue to offer VERA and VSIP to the maximum extent possible before we implement a RIF. The first round of VERA/VSIP in fiscal year 2014 targeted residual fiscal year 2013 surplus employees and employees impacted by the fiscal year 2014 Civilian Workforce Review. In this round, the Civilian Personnel Sections (CPSs) conducted 9,330 VERA/VSIP surveys, of which 160 positions were approved with an effective separation date of February 28, 2014. Further rounds of VERA/VSIP are pending approval by Air Force leadership. A RIF will only be considered if necessary and as a last resort. At this time, the Air Force does not plan to furlough civilians.

TRANSITION ASSISTANCE

Over the last couple of years, the Airman and Family Care Division has been largely focused on the redesigned Transition Assistance Program (TAP) to support airmen as they transition to civilian life. In light of pending end strength reductions and increased FM programs, continued focused effort is necessary. The Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011, and Veterans Employment Initiative (VEI) drove a host of new TAP requirements to expand training and employment services for Active Duty, Reserve, and Guard members who will transition from the military to the private sector. VOW/VEI mandated all airmen separating or retiring from the Air Force must complete TAP, which includes pre-separation counseling, attendance at a Department of Labor Employment Workshop (DoLEW), Veterans Affairs (VA) benefits briefings, and Capstone. Capstone is the documentation that validates career readiness standards have been met and that the servicemember is ready to transition to the private sector.

The fiscal year 2014 and 2015 FM programs call for a significant reduction in Total Force airmen. Those transitioning airmen will be over and above the 32,000 to 35,000 airmen our Airmen and Family Readiness Centers (A&FRCs) process through TAP each year (fiscal year 2013 throughput was 33,422). Our A&FRC team is taking additional steps to help leadership at all levels of the Air Force to ensure all airmen separating or retiring attend TAP as required. Some initiatives include increasing the frequency of courses at each installation, increasing the class size, coordinating with partnering agencies such as the VA and DoL to brief additional TAP courses as needed, providing the Air Force community (to include family members) with information about TAP (includes websites, commander messages, senior leader engagements, etc) and ensuring A&FRCs contact airmen about signing up for TAP.

RECRUITING

Accessions are the lifeblood for our force, which compels us to maintain a strong and experienced recruiter force capable of understanding and responding to the evolving recruiting environment we operate within. A successful recruiting program requires us to leverage a wide variety of recruiting tools in support of our recruiting force, such as the Initial Enlistment Bonus (IEB) program, a fully resourced advertising and marketing fund, and an improved information systems infrastructure to successfully inspire, engage, and recruit the brightest, most competitive and diverse men and women for service in America's Air Force. Air Force Recruiting Service (AFRS) has successfully met the All-Volunteer Force requirements for the past 14 years and is currently positioned to meet both fiscal years 2014 and 2015 recruiting requirements. However, under the current environment with the strong possibility of long-term, constrained budgets, we fear it may be impossible to properly resource recruiting efforts in the future which would strain our ability to meet future accession requirements as the economy improves.

The Air Force budget for recruiting includes funding for day-to-day operations, personnel costs, and advertising activities necessary to the successful accomplishment of the recruiting mission. Due to an increasingly limited resource environment, budgets for recruiting in recent years have experienced a steady decline in available funding. Advertising dollars in particular have been impacted, which has created inefficiencies and a constrained television advertising campaign. Specifically, budget actions, such as sequestration in fiscal year 2013, slowed or completely shut down key advertising and marketing events, to include the Air Force Thunderbird Aerial Demonstration Team, and delayed our national television campaign for fiscal year 2014, leading to missed "key spots" and diminished purchasing power. This not only resulted in the absence of Air Force awareness activities in entire markets, but it also strained relationships within key communities that recruiters have worked years to foster.

The AFRS depends on the IEB program to produce a sufficient recruit pool to access requirements for high-demand, low-density career fields such as battlefield airmen and linguists, and we have successfully utilized the program to recruit youth into career fields that have been historically hard to recruit and/or qualify for by awarding a monetary bonus as an incentive. The Air Force budget for its IEB program in fiscal year 2015 is $14.2 million. Funding for IEB must continue, as without the IEB program, the ability to recruit the right requirements at the right time for these unique demands would be seriously jeopardized.

AFRS works closely with stakeholders to ensure recruiting funds are best utilized to carry out a recruiting campaign that meets accession requirements, but also support priorities and goals set forth in the Air Force Diversity Strategic Roadmap. These efforts are aimed at sustaining a robust strategic outreach program that creates opportunities for recruiting a high quality, diverse talent pool, reflective of the best of the Nation we serve. The Air Force will accomplish this by leveraging relationships with DOD and non-DOD entities to ensure recruitment practices are effectively reaching all segments of society, and assessing the effectiveness of current branding and recruitment practices for all demographics/markets to ascertain actionable steps to increase access and positioning.

RETENTION

The Air Force has continued to experience high retention trends over the past 10 years, with the officer and enlisted retention trend remaining very strong in fiscal year 2013. Even with the upcoming reductions in end strength, there are still critical and emerging career fields that are experiencing poor retention, low manning and/or high operational demands (such as battlefield airmen and cyberspace specialties). Airmen associated with these skills are not targeted in the fiscal year 2014 FM programs, and there are numerous efforts to increase career field health. These include, but are not limited to, Special and Incentive (S&I) and Bonus pays, protections from FM programs, and increases to accessions, retraining and promotions.

The fiscal year 2014 budget for all S&I Pay is $894.2 million, with recruiting and retention pays accounting for $412.5 million. The remaining $481.7 million of the total budget pays for health profession incentive pay, flying duty pay, hazardous duty pay and other special pays, such as Special Duty Assignment Pay (SDAP), Hostile Fire Pay, and Foreign Language Proficiency Bonus/Pay. The Air Force allocated $232 million of the S&I Pay budget in fiscal year 2014 for Selective Reenlistment Bonuses (SRBs); however, given a smaller future force, the Air Force chose to tailor the SRB program to better align with our fiscal year 2014/2015 FM Programs. In fiscal year 2013, 55 career fields participated in the SRB program; however, in fiscal year 2014, only 10 remain eligible, and those remaining are not eligible for voluntary or involuntary FM programs in fiscal year 2014. These specialties include our Battlefield Airmen, Intelligence, Surveillance and Reconnaissance, and Career Enlisted Aviator career fields. Our fiscal year 2014 Officer and Enlisted Critical Skills Retention Budget was $11.8 million, focusing on retention of senior noncommissioned officers and mid-career officers in Special Operations; Battlefield Airmen, Intelligence, and Contracting specialties.

We expect the fiscal year 2015 budget for all S&I Pay to remain consistent with fiscal year 2014 budget levels and, although we have reduced the number of career fields participating in the SRB program, we intend to only slightly reduce our budget from $232 million to $179 million. This allows us to target our critical needs and transition to lump sum payments instead of multiple initial and anniversary payments, which will provide much greater fiscal oversight and efficiency as well as greater flexibility to target critical retention needs. This is essential to maintaining high quality airmen in critical career fields as we come through extremely turbulent times due to end-strength reductions and an improving economy. SRB investments

have shown to improve retention from 1 to 8 percent per SRB increment, depending on the reenlistment zone. We continually review and monitor our S&I Pay programs for impact on recruiting and retention as well as linkage to FM programs and a constrained budget.

COMPENSATION REFORM

With full Budgetary Control Act Sequestration-level cuts in effect in fiscal year 2016 and beyond, the Air Force agrees we cannot afford to sustain the rate of growth in military compensation that we have experienced over the last decade and continue to maintain readiness and provide our airmen with the finest training and equipment possible. However, as we balance quality personnel with readiness requirements, we must ensure a competitive compensation package to recruit and retain quality personnel for our future force. Thus, the Air Force, in conjunction with the Department, is working with the Military Compensation and Retirement Modernization Commission to review potential compensation system reforms and study the impact on the All-Volunteer Force.

Department-wide compensation reform is a very difficult task as the Department is very complex with differing force profiles and different recruiting and retention needs. The Air Force is a retention-based force requiring highly qualified, educated and technically experienced personnel, thus a more senior and experienced force is required to fulfill our mission. Therefore, we must assess the combined and compounding impact on recruiting and retention for the All-Volunteer Force, as well as impact on the retiree population before making significant changes. The Air Force concurs with the Department that there is sufficient information available to make recommendations on key areas of current compensation (other than retirement) to slow the growth of military pay and benefit costs, starting with the fiscal year 2015 budget, in order to permit a balanced drawdown in defense spending. For major modifications to the compensation system, we recommend reviewing the Commission report first to ensure it supports the sustainment of a highly skilled and capable All-Volunteer force.

QUALITY TRAINED AND DEVELOPED FORCE

A properly trained and developed force is critical to the success of our Air Force; therefore, we took several measures to mitigate the challenge of resourcing Professional Military Education (PME) and functional developmental education requirements. Reductions to officer PME resulted in prioritizing and selecting joint, sister service, cyber, nuclear, and lab opportunities over some fellowships and international programs of study. Despite these reductions, the Air Force's top performing field grade officers will be provided in-residence education that ensures they possess the right knowledge to succeed at the operational and strategic levels and develop into our leaders of the future.

The Air Force has always valued the Military Tuition Assistance (MilTA) program as a force enabler affecting recruitment, retention, and readiness. Higher education is an important component in airman development since it directly enhances critical thinking skills. Reduced budgets brought on by sequestration required the Air Force to conduct a top-to-bottom review of the MilTA program. In order to sustain this valuable program and ensure airmen are receiving the right education at the right time, the Air Force instituted management controls for the use of MilTA. The first was to re-insert the supervisor into the approval process. This allowed supervisors the opportunity to get to know their airmen's educational goals and provide mentoring. Additionally, airmen who have not passed or are overdue for their Physical Fitness Test, have an Unfavorable Information File, or have a referral annual performance report are ineligible for MilTA until these issues are resolved. We believe these controls ensure airmen are prepared to succeed in their degree program as well as continue their critical work in the defense of our great nation.

SUPPORT TO AIRMEN AND THEIR FAMILIES

The Air Force remains committed to providing the best support possible to help build and maintain ready, resilient airmen and families. Prolonged constrained budgets are becoming a challenge and our ability to maintain programs at levels funded at higher levels in previous years will not be possible. Unfortunately, fiscal realities are forcing us to make difficult decisions where some programs will be reduced or possibly cut. We fear the inability to sustain some programs may negatively affect future readiness and unit cohesion. However, despite these challenges, we continue to prioritize quality airmen and family support programs directly tied to mission accomplishment. Our strategy will be to tailor programs and services to

meet evolving demographics and demands where appropriate and capitalize on community partnerships to advance efficiencies where feasible.

To help mitigate constrained budgets and impact of reduced funding, the Air Force prioritized its Services programs to place the focus on resourcing the most valued programs from an enterprise-wide, mission accomplishment perspective. Capturing our programs in a prioritized listing resulted in identifying our "core", and "core of core" programs, to focus our limited resources where they are most needed. This priority listing receives top leadership attention and consideration as we navigate fiscal challenges.

Air Force Services continues to advocate funding all "core" programs that include: Child and Youth Care, Military Dining Facilities, Fitness Centers, A&FRC, Youth Programs, Libraries and Outdoor Recreation. When funding became even tighter, Air Force narrowed the "core" programs down to "core of core" programs (Fitness Centers, Military Dining Facilities, and Child and Youth Care). Programs such as community activity centers, skill centers, bowling, and clubs are ranked below the core activities and are the last to receive appropriated funding consideration.

Regardless of a program's ranking, sequestration had a significant impact on MWR programs in fiscal year 2013, and we experienced installation-level program closures and adjusted budgets based on available funding in an effort to focus our resources where they were needed most. As we look forward with a sharper focus on declining budgets and concern about our ability to maintain needed programs, we will continue to explore innovative means of providing timely and relevant support to our airmen and families. We expect similar funding challenges in fiscal years 2014 and 2015, with possibly a continued impact on airmen and family programs.

Air Force Child and Youth Programs are a critical workforce issue for our airmen. To support the mission, a collaborative effort between our child development centers (CDCs), family childcare homes, and school age programs met the full time childcare needs for over 57,000 children in 2013. Supporting the Total Force is a priority as our community-based programs served nearly 2,500 children whose families are not located near an active duty installation. In addition, we provided over 126,000 hours of weekend childcare for Air Force reservists and Air National guardsmen to attend their unit drills. Further, we provided over 37,000 hours of skilled care to our exceptional family members allowing parents a needed break from the stressors of caring for a child with special needs. In 2013, we also expanded our capability by implementing new childcare programs to assist wounded warriors, families of the fallen, and those with unique needs due to medical circumstances. These programs provide hourly care for parents in one of those situations. Care is typically provided in a family child care home but can be offered in a CDC depending on availability.

Our Youth Programs continue to provide critical resiliency building opportunities for older youth across the Total Force. Resiliency building provides our youth the skills to cope with life challenges and to help recover following setbacks. The 2013 Air Force Teen Movement led by the Air Force Youth Programs Teen Council, offered installation-based programs targeted toward building community connections, increasing teen participation, providing support during PCS moves, and offering Science, Technology, Engineering, and Math (STEM) experiences. While the final Teen Movement action reports are still being received, we are on track to exceed our goal of reaching over 3,500 teens with these targeted programs. Likewise, our Air Force youth camping program focused on building resilience, fostering leadership skills, and promoting healthy living behaviors benefitting over 35,000 youth of Active, Guard, and Reserve members. New for 2013, our Youth Program members participated in the first ever Military Youth of the Year competition, an initiative in partnership with the Boys and Girls Clubs of America. Showcasing the stellar achievements of military teens around the world, Air Force teens were awarded an astonishing five out of six regional winner awards garnering a combined total of more than $70,000 in Military Youth of the Year scholarships. In addition, through another key partnership with the U.S. Department of Agriculture's 4–H Youth Development Program, over 1,000 Air Force youth participated in the 2013 National Youth Science Day event, and we were able to reach 20,000 additional youth through partnership with 4–H county extension agents.

Looking at 2014, our goal is to ensure Air Force Child and Youth Programs are able to operate in a constrained fiscal environment without reducing the quality of services provided to our military families. Some of our installation childcare programs still experience waiting lists particularly in the younger age groups where community-based care is very expensive and in many cases not available outside the gate. Timely availability of childcare spaces remains key to allowing our programs to operate at their maximum capacity. To achieve this, we have identified these as "core" programs to be appropriately resourced so our airmen can focus on the mis-

sion while knowing their youngest family members are being cared for in a safe environment.

The Air Force has also spent several years revamping the Exceptional Family Member Program (EFMP) to support families with special needs. These improvements resulted in a 23 percent EFMP enrollment increase since 2010. Our work will continue to focus on EFMP to better support accommodations of children with special needs in our Child and Youth Programs. A further expansion to our EFMP respite childcare program will be afforded to airmen at approximately 15 additional locations.

INTEGRATED DISABILITY EVALUATION SYSTEM

The purpose of the Integrated Disability Evaluation System (IDES) is to maintain a fit and vital force. The Air Force utilizes the IDES to determine if airmen who are ill, injured, or wounded are still fit for continued military service and quickly returns those who are. If a member is deemed unfit for continued service, the IDES process ensures servicemembers receive a VA disability rating and are aware of their compensation benefits before they transition from military service. The Air Force continues to work on meeting the Office of the Secretary of Defense's (OSD) goal of processing airmen through IDES in 295 days. Currently, the Air Force active component is averaging 321 days processing time from referral for disability evaluation to the date of VA benefits decision or return to duty, and current milestone goal is for 90 percent of cases to meet DOD stage processing goals by June 2014.

In concert with DOD and VA, the Air Force has fielded and tested electronic, paperless case management solutions, working toward the eventuality of an enterprise-wide system with full interface capability with existing personnel data systems. Interim systems in use include Right Now Technology and Case File Transfer. These systems will allow the DOD Services and VA to significantly reduce case processing times. Through the October 2012 reorganization of Physical Evaluation Board (PEB) under the Air Force Personnel Center (AFPC) Directorate of Airman and Family Care, and the September 2013 consolidation of the PEB activity at JBSA-Randolph, the Air Force plans to continue to seek efficiencies in manpower allocation, standardization of training, and enhancement of PEB administration and adjudication by increasing not only Active Duty support, but full-time Reserve and Guard support as well. Additionally, we hired a quality assurance specialist in 2013 to manage and report statistical findings to senior leadership and work internal and DOD technology solutions designed to further shrink IDES phase processing averages. Through regular forums with Air Force leadership, other DOD Services and the VA, we plan to share resources and feedback to achieve our mutual goals.

In September 2013, the Air Force collocated the Informal PEB and Formal PEB (FPEB), allowing greater flexibility to respond to the changing mission needs between the two boards, enhancing consistency of training and optimizing FPEB Case Manager duties with their integration into a combined PEB Case Manager Staff. We instituted pre-PEB and post-PEB quality review measures including pre-screening to shorten timelines. Additionally, the Office of Airmen's Counsel representing all airmen in the IDES appeal process relocated to join the FPEB creating a "one-stop-shop" of services for the servicemember and reducing TDY expenses from 5 days down to 3 days per hearing. Most recently, we activated a second FPEB and have been able to run up to eight hearings per day to expedite moving FPEB cases that are over their IDES phase goal. Concerning manpower, the Air Force has reallocated eight full-time civilian positions within AFPC and garnered AFR support to meet PEB mission requirements. Moreover, we continue to leverage and test a robust suite of information technology to achieve seamless and paperless DOD–VA case file transfer and conduct formal hearing through VTC, saving both time and money.

The Air Force is also planning to reduce IDES Transition Phase processing time through data sharing applications, such as Electronic Case File Transfer, between Medical Treatment Facilities, the VA, and Air Force personnel offices. Additionally, PEB Liaison Officers update servicemember projected departure dates which are sent to Providence VA Medical Center to assist in timely individual case projections and closure. Further, the Air Force uses IDES servicemember survey reports to identify any shortfalls in processing and customer service. Consolidated feedback undergoes quality assurance review and analysis during Air Force IDES conferences to identify and address any IDES process problems or issues.

Collectively, we expect these major improvement strategies and initiatives to continue the Air Force's improved IDES timeliness.

SUPPORTING TOTAL FORCE INTEGRATION

In an era of tighter budgets and unpredictability in national security platforms and mission sets, it makes imminent sense to get the most we possibly can out of the resources afforded to us. The past 13 years are a testament to the inherent flexibility of a three-component force in meeting the demands on our Air Force. We must continue to leverage the flexibility of our Regular Air Force (RegAF), ANG, and AFR forces, utilizing full-time and part-time airmen where and when it makes sense, and providing opportunities to allow our airmen to serve in a way that works for them. That means identifying and eliminating barriers to a more efficient use of our people—and we are doing just that. We are integrating personnel management across the Total Force, eliminating unnecessary differences in rules and regulations, integrating management structures to a greater degree, and developing common platforms for pay and personnel services. The following initiatives are laying the foundation for greater integration of the total force, which will help the Air Force meet its requirements more efficiently going forward:

- Air Force Recruiting Information Support System—Total Force, which will be the primary tool for all RegAF, ANG, and AFR recruiters worldwide to collect, process, manage, and analyze all potential enlisted and officer accession data (projected operability is in fiscal year 2014);
- ARC2Mission efforts which will streamline and integrate all products required for the activation and deactivation of ARC members to speed orders generation and access to medical benefits and entitlements pre- and post-activation periods; and
- Career Intermission Pilot Program, which is a one-time, temporary transition from active duty to the Individual Ready Reserve for officer and enlisted airmen to meet personal or professional needs outside the service, providing a mechanism for return to active duty. The long-term intent of this program is to retain the valuable experience and training of top performing airmen that might otherwise be lost by permanent separation. It provides an avenue to meet the changing needs of today's servicemembers. This work-life flexibility initiative will enable the USAF to retain talent, which reduces cost and adverse impacts on the mission.

Other major programs and efforts include the: Integration of Air Force Multi-Component Force Support Squadrons (FSS); development and procurement of an Air Force Integrated Personnel and Pay System (AF–IPPS); and creation of an Enterprise-wide Total Force Service Center (TFSC).

INTEGRATION OF MULTI–COMPONENT FORCE SUPPORT SQUADRONS (FSS)

To better support our Total Force airmen and commanders, we continue to move forward with our "Multi-Component Force Support Squadron (FSS) Integration" initiative. The intent is to leverage the skills of highly experienced RegAF, ANG and AFR members, to achieve a more capable and efficient organization by maximizing the capabilities resident in each FSS, while still allowing for component uniqueness where warranted. This initiative has its roots in a 2010 Secretary of the Air Force memo ("Integration of Air Force Component Personnel Management Systems", 15 Oct 10), directing Total Force personnel management integration.

Currently, on installations that have more than one component (Active, Guard, or Reserve), each component is serviced by its own FSS. For those installations, the intent is to establish a single customer-focused FSS supporting all airmen and commanders on that installation, while respecting the specific personnel management needs of all components. This is truly an integration effort to establish a single customer-focused FSS.

Because FSS Integration is a substantial initiative, we established prototypes at three installations (Peterson AFB, March ARB, and Pease ANGB) as a proof of concept before implementing across the Total Force. Two prototypes recently achieved Initial Operational Capability and all three will reach Full Operational Capability by Nov 2014. These actions are consistent with the National Commission on the Structure of the Air Force's recommendation to integrate the three components' personnel management processes. Upon successful proof of concept, we will look to expand this initiative.

AIR FORCE INTEGRATED PERSONNEL AND PAY SYSTEM

The Air Force continues to move forward with the AF–IPPS initiative, which is foundational to institutionalizing our 3-to-1 efforts by providing a common platform for Active Duty, Guard, and Reserve. This effort integrates personnel and pay systems across the Total Force to create a more efficient and effective Air Force. AF–

IPPS is a web-based system that will allow our airmen to have 24-hour access to their personnel and pay record from anywhere in the world.

The Air Force needs modernized Information Technology (IT) systems to support Total Force processes; our ability to manage military payroll becomes even more challenging every year. Existing business processes are inefficient, error prone and costly to operate. Our payroll systems are decades old and built on obsolete technology. While our primary Military Personnel Data System is a Total Force system, we still rely on several other systems for managing ARC personnel. These component-unique systems reinforce differences in how the Air Force manages personnel, and causes delays in activating ARC members to active status and establishing their pay, benefits and entitlements. AF–IPPS will correct these problems, provide financial auditability, enable integration at base-level, across the personnel centers and eliminate the "split" between personnel and pay processes

CREATING AN ENTERPRISE-WIDE TOTAL FORCE SERVICE CENTER

The integration of the Total Force Service Center (TFSC) provides immediate efficiency to customer service operations. Two important processes have already been integrated, including duty history and former spouse determination and others should be integrated by September 1, 2014. Utilizing existing technology, Air Reserve Personnel Center (ARPC) and AFPC are able to leverage the legacy Remedy platform to build Total Force self-service applications including evaluations, award, decorations, reenlistments, and extensions.

TFSC also provides airmen access to personnel information, services, and tools via the Internet, e-mail, or telephone. Common software platforms are enabling greater integration between the two existing personnel centers and improve continuity of operations in case of a contingency. All should be available later in fiscal year 2014.

CENTRALIZATION AND ELIMINATION OF DUPLICATE INFORMATION TECHNOLOGY SYSTEMS

To better support our Total Force airmen and commanders, we continue to move forward with efforts to improve the value of our Information Technology (IT) Portfolio. We are driving down costs by managing our IT systems through a shared services model, and transitioning our systems to DOD enterprise data centers. In addition, we are also studying various capability areas of our Business Enterprise Architecture to determine where we have IT systems performing similar business processes. Once identified, we will work with business owners to reengineer processes and define IT requirements for Total Force solutions. The Air Force Recruiting Information Support System referenced previously is a good example of where we have had success with this strategy.

WOMEN IN SERVICE REVIEW

The Air Force is on track to execute the Women in Service Review high-level implementation plan by the 1 Jan 2016, and we do not anticipate any obstacles. Air Education and Training Command (AETC), in coordination with Air Force Special Operations Command (AFSOC), is currently reviewing a small number of closed Air Force career fields, including SOF-specific AFSCs, to validate occupationally specific, operationally relevant, gender-neutral physical performance tests and standards. The study was funded for $1.2 million in May 2013, with an estimated completion date of July 2015. Currently there are 7 occupations that remain closed to women (a total of 4,402 positions). The Air Force has not opened any closed AFSCs to women. The seven occupations remaining closed to women are: Special Tactics Officer, Special Operations Weather (officer), Special Operations Weather (enlisted), Combat Control, Combat Rescue Officer, Pararescue, and Tactical Air Control Party. The Air Force will open these AFSCs to women when mandates in the SecDef/CJCS guidance have been met, and occupational standards have been developed and validated.

DIVERSITY

Diversity and inclusion remain a top priority of Air Force senior leadership. The Air Force recognizes that a diverse force is a military necessity, and we continue on a strategic path to attract, recruit, develop and retain a diverse and inclusive workforce of highly qualified individuals who reflect the rich tapestry of the Nation we serve. To further these efforts, in March 2013, the Air Force published their Diversity Strategic Roadmap, which provides guidance to enhance the diversity and inclusion of the Total Force, as well as track progress and success toward reaching diversity goals. Additionally, the Secretary of the Air Force and Chief of Staff of the

Air Force co-hosted the first-ever Diversity Focus Day to inform senior leaders on diversity efforts to provide senior leaders a snapshot of total force demographics and capture senior leader guidance on diversity and inclusion initiatives. These efforts made great strides in institutionalizing diversity and inclusion across the Air Force.

Results from the 2013 Internal Communication Assessment Group Diversity survey indicated 75 percent of airmen agreed it is important for the Air Force to attract, recruit, develop and retain a qualified, diverse workforce as a way to maintain our edge as a superior military organization. Furthermore, 86 percent of airmen surveyed believe the Air Force is doing a good or excellent job creating diversity within the Total Force.

Focus on Air Force outreach programs remains central to attracting and recruiting diverse talent. To that end, in partnership with OSD's Office of Diversity Management and Equal Opportunity (ODMEO), the Air Force plans, coordinates and oversees national-level diversity outreach programs supporting our diversity goals and objectives. In 2013, the Air Force supported a number of national events including the Black Engineer of the Year Awards, Joint Women's Leadership Symposium and the Hispanic Engineer National Achievements Award Corporation Conference. In addition to national-level diversity outreach events, the Air Force developed a program to encourage base-level sirmen, in partnership with local recruiters, to develop diversity outreach efforts in their local communities. In all these engagements, we continue to place emphasis on education, health, and mentoring in the STEM disciplines.

Finally, the Air Force continues to support the Military Leadership Diversity Commission (MLDC) report and provided Air Force input to OSD ODMEO's report to Congress on the status of MLDC recommendations. Of the 14 service-specific recommendations, the Air Force reported full implementation on 11 items, including adopting diversity as a core competency; tracking regional and cultural expertise in order to better manage personnel and mission-critical skill-sets; and implementing diversity strategic plans that address all stages of servicemember's life cycle.

WOUNDED WARRIORS

The Air Force Warrior and Survivor Care office, located at the Air Staff, is the Air Force Lead in orchestrating a comprehensive effort that synergizes DOD and Veterans Affairs programs focused on medical and non-medical care of wounded, ill, and injured servicemembers. This effort consists of three major working groups: Policy and Oversight, Comprehensive Plan, and Community of Practice. The innovative results of these groups include the development of a Lead Coordinator to facilitate care across the spectrum of care agencies involved, a single IT system to share data between Services and to the Veterans Administration without repetition or replication of data, and overarching policy guidance to synchronize the wounded warrior programs while allowing flexibility for each Service to work within their current construct, thus saving resources and eliminating the confusion inherent in changing programs. Members of the Air Staff, the Office of the Secretary of the Air Force, Manpower and Reserve Affairs, and AFPC have provided Air Force standards of practice as benchmarks for the overall program and were lauded for being visionary in our approach to wounded warrior care.

The Air Force focuses on offering adaptive sports opportunities early in an airman's recovery and/or rehabilitation, and they have proven to facilitate restoration of wellness and enhance members' ability to function in their personal and family lives. Our actions include regional sports camps to introduce our recovering airmen and veterans to a variety of activities that help them recognize their own abilities despite their illness or injury. These camps are also, in some instances, the beginning of returning to a social setting and learning to accept and/or cope with their disability by interacting with others that have similar challenges. Recovering airmen and veterans also compete for a place on our Warrior Games team and compete in Paralympics style competition against other Services and International wounded warrior teams. Our adaptive sports program is one of the most successful rehabilitation activities available to our recovering airmen outside of physical and occupational therapy offered by the medical community.

In 2013, we doubled our Special Compensation with Assistance for Activities of Daily Living program recipients. This program provides additional financial support to caregivers, lessening the impact of lost wages and other expenses inherent in caring for a seriously injured or ill airman. Throughout 2013, and continuing into the future, we will work with DOD and VA through the Interagency Care Coordination Committee to establish a fluid care plan that will take our airmen from the point of injury or illness, through their medical and non-medical care while in the Air Force, and seamlessly into the VA system, using a single-care plan and eventually

an integrated care-management system. We have equipped our Recovery Care Coordinators with communications equipment, including cell phones and tablets, that allow them to get out of their office and engage face-to-face with our airmen and their families. The needs of our seriously ill or injured are similar to our combat wounded, therefore our programs are designed to support all in an equitable manner.

EVALUATIONS

All airmen have a responsibility to contribute to a healthy unit or organizational climate. In order to maintain this environment, all feedback and evaluation forms have been modified to include "Organizational Climate," when evaluating airmen, and this must be discussed in all feedback sessions. Given their position and influence, commanders have an even greater responsibility to not only contribute, but to create and ensure a healthy organizational climate. The more it is incorporated into daily activities, the more it becomes a part of Air Force culture. Ultimately, a healthy unit or organizational climate is critical to the effectiveness of our Air Force at all levels.

COMPREHENSIVE AIRMAN FITNESS

Our Air Force continues to make progress in teaching resilience skills to our Total Force and their families. Continued high operations tempo at home and abroad, coupled with downsizing the force and budget cuts, reinforce our need to increase the focus on building strong, resilient airmen. The Air Force has successfully graduated 641 Master Resilience Trainers (MRTs). Each trainer learned to facilitate and train new members on core competency skills using the four domains of Comprehensive Airman Fitness (CAF); mental, physical, social and spiritual fitness. MRTs are teaching resilience skills at First-Term Airmen Centers, Airmen Leadership Schools, and they are training Resilience Trainer assistants (RTAs) to aid and assist units/squadrons with building resilience skills. A tailored CAF course has been created for Air Force Key Spouses, and once trained, Key Spouses may serve as RTAs to assist commanders with their units, and further assist spouses with building CAF skills.

CAF is governed by the Air Force Community Action Information Board (CAIB), chaired by our Air Force assistant Vice Chief of Staff. In December 2013, the CAIB directed an assessment of increasing the MRT ratios. As a result of the overwhelming positive feedback received from members who have received CAF training, we are targeting to train one MRT per squadron and exploring options to increase the amount of MRTs from the current ratio of 1 MRT per 1,000 airmen to 1 per 200 airmen. We believe as we build resilience skills, all airmen will be better equipped to withstand, recover, and grow in the face of stressors and changing demands, and ultimately help sustain continuous mission success.

CONCLUSION

Our airmen and their families continue to be the foundation of the success of our Air Force. The enduring contributions provided by the Air Force in joint operations are a direct result of the innovative spirit that reside in all our airmen. Investments in our Air Force capabilities are inextricably linked to our Service's ability to recruit, train, develop, support and retain a world-class, All-Volunteer Force. As we continue to meet budget challenges, it will be more important than ever to continue to size and shape the force within the fiscal constraints to ensure we meet operational demands, while analyzing inventories against current and future demands. We are confident, keeping faith with our commitment to train and equip the highest quality airmen, that our Air Force will remain capable of overcoming any challenge or adversary.

Senator GILLIBRAND. Thank you, Lieutenant General.

Last, Lieutenant General Milstead.

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

Lieutenant General MILSTEAD. Good morning. Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of the subcommittee, it is my privilege to appear before you today.

Before I proceed, though, I would like to briefly address the shooting last night at Camp Lejeune. What we know so far is that while on duty at the guard shack, two lance corporals—one shot the other one in the chest with his M–4. The wounded was transported to the base hospital and was subsequently pronounced deceased. The incident is believed to be a negligent discharge, but it is under investigation by the Naval Criminal Investigative Service to determine if there is evidence to the contrary. Once we have further facts, we will provide those to you and this subcommittee.

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

[The prepared statement of Lieutenant General Milstead follows:]

PREPARED STATEMENT BY LT.GEN. ROBERT E. MILSTEAD, JR., USMC

I. INTRODUCTION

Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of the subcommittee, it is my privilege to appear before you today to provide an overview on Marine Corps personnel.

Since our founding in 1775, marines have answered our Nation's call, faithfully serving the American people and maintaining a world class standard of military excellence. Your Marine Corps is, and will continue to be, our Nation's expeditionary force in readiness. We will be ready to rapidly respond to crises around the Globe to ensure the continued security of the American people and to protect the interests that underpin our prosperity. Marines will be always faithful to the trust which the American people have vested in them. Already a lean organization, your marines will continue to give you the best capability that can be squeezed from the resources you allocate for our Nation's defense. Budget austerity presents significant challenges, but our individual marines are the Corps' most sacred resource, and always will be.

II. END STRENGTH

As we drawdown the Marine Corps' Active component end strength from war time levels of 202,000 marines, we have taken deliberate steps to construct a force that we can afford to operate and sustain in the emerging fiscal environment. Over the past 3 years, we have undertaken a series of steps to build our current force plan. In 2010, our Force Structure Review Group utilized the then Defense Strategic Guidance and operational plans to determine that the optimum size of the Active component Marine Corps should be a force of 186,800. The 2012 Defense Strategic Guidance, which could be supported by the original constraints of the 2011 Budget Control Act, estimated a force of 182,100 Active component marines. More recently, as we entered into the Quadrennial Defense Review, we came to the difficult understanding that, under the threat of continued sequestration or some variant, an Active-Duty Force of 175,000 marines is what our Nation can afford. This end strength is purely budget-driven and accepts risk in our ability to carry out major combat operations.

Our current plan is to achieve a 175,000 end strength by the end of fiscal year 2017. We are conducting a measured drawdown with a goal to reduce end strength by no more than 7,500 marines per year. This is to be accomplished primarily through natural attrition, voluntary separation, and early retirement authorities. Involuntary separations will be minimized as much as possible, and we have no plans to conduct a reduction-in-force. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force. Our overarching goal is to keep faith with our marines and their families.

We ended fiscal year 2013 with an end strength of 195,657, achieved primarily through increased voluntary attrition of junior enlisted marines as well as through the use of programs such as Voluntary Separation Pay and Temporary Early Retirement, both of which induced additional voluntary attrition from the mid-level enlisted and officer ranks. Our end strength goal for fiscal year 2014 is 188,800 marines, and will be achieved primarily through reduced accessions combined with continued emphasis on voluntary attrition.

III. MARINE CORPS RESERVE

Your Marine Corps Reserve is also undergoing a reduction in Selected Reserve end strength in order to better align structure with budget levels. Our plan is to reduce our Selected Reserve end strength from 39,600 to 38,500 marines by fiscal year 2017. The reductions will come primarily from the junior enlisted ranks and individual mobilization augmentees (IMAs). The Reserve component is currently over manned in its junior enlisted ranks and critically undermanned in its senior enlisted ranks. Decreasing new accessions will yield a more balanced Marine Corps Reserve. Given our reduced Active Component manpower needs over the coming years, the requirement for Reserve IMAs to mobilize with Active component units is likely to decrease. Overall, our force shaping measures will leave the Marine Corps with a more balanced Reserve component able to reinforce the Active component and serve as an integral part of the Marine Corps Total Force in accomplishing its assigned mission as an expeditionary force in readiness.

For fiscal year 2014 and beyond, we continue to refine the use of incentives and MOS retraining to strengthen unit staffing in specialties and grades where we remain critically short. In particular, we have targeted our incentives toward recruiting and retention of company grade officers, noncommissioned officers (NCO) and staff noncommissioned officers (SNCO) in our Selected Reserve units. Both officers transitioning from the Active component and recruiting officers directly into the Reserve component have been the keys to our success. The Reserve Officer Commissioning Program has produced a total of 710 lieutenants for the Marine Corps since its creation in 2006. As a result, our SMCR ground company grade officer strength has increased from 21 to 74 percent.

We continue to face challenges in manning our SNCO billets in the SMCR. As the Active component grew its end strength to 202,000, many of our junior marines and NCOs left the Reserves for the Active component. Had they remained in the Reserves, many of those same marines would have been promoted and filled our SNCOs requirements today. While we have directed incentives toward retaining our best marines, the SMCR is still critically short SNCOs. This SNCO shortage will take approximately 6 years to fix as our post-202,000 accessions reach the necessary time to be considered for promotion.

IV. RECRUITING

All recruiting efforts for the Marine Corps (officer, enlisted, regular, Reserve, and prior-service) fall under the purview of the Marine Corps Recruiting Command. Operationally, this provides us with tremendous flexibility and unity of command, allowing us to meet accession requirements.

Last fiscal year, we successfully achieved all enlisted and officer recruiting goals for both the Active and Reserve components. Our current mission for enlisted marines is 25,000 regulars (Active component) and 5,523 reservists. We expect to achieve our annual recruiting 'shipping' mission (i.e. new accessions sent to recruit training) and quality goals, but budget reductions may impact our contracting efforts and capacity to achieve success in fiscal year 2015. The fiscal year 2015 mission forecast is 28,370 regulars and 5,280 reservists.

Our officer accessions mission for fiscal year 2014 is 1,360 Active Duty and 150 Reserve officers. Historically, the active Component has been the exclusive source of lieutenants and captains for the Reserves. As previously noted, filling company grade officer billets for our Selected Marine Corps Reserve units is traditionally our greatest challenge, but the success from the OCC–R program is helping to remedy this shortfall.

To meet future challenges in the current recruiting environment, it is imperative that we maintain our high standards both for our recruiters and those who volunteer to serve in our Corps. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. Our actions, commitment, and investments today in recruiting ensure a high state of readiness in our Corps tomorrow.

V. RETENTION

For fiscal year 2014, the Marine Corps is on track to achieve its end strength target of 188,800 Active component marines (and approximately 150 reservists who have served on active duty at least 3 of the previous 4 years). It is vital during our drawdown that the Marine Corps continues to shape our force to meet continuing mission requirements and fill critical military occupational specialties (MOSs) with the most qualified marines. Incentive pays remain critical to this effort, allowing the Marine Corps to fill hard to recruit positions, such as cyber security technician and

counter intelligence specialist. Enlistment bonuses also allow us to ship new recruits at critical times to balance recruit loads at the depots and meet school seat requirements. It is important to note that only 8 percent of new Marine Corps recruits receive an enlistment bonus. Similarly, Selective Reenlistment Bonuses allow us to shape our career force by targeting critical MOSs and supporting lateral movement of marines to these MOSs.

VI. CIVILIAN MARINES

Our civilian marines support the mission and daily functions of the Marine Corps and are an integral part of our Total Force. They exemplify our core values; they embrace esprit de corps, teamwork, and pride in belonging to our Nation's Corps of Marines. Our civilian appropriated funded workforce remains the leanest of all services, with a ratio of 1 civilian to every 10 active duty marines. Our civilian labor represents less than 5 percent of the Marine Corps' total O&M budget, demonstrating that our "best value" for the defense dollar applies to our civilians as well as our marines.

Over 95 percent of our civilians work at bases, stations, depots, and installations across our Nation. Sixty-eight percent are veterans who have chosen to continue to serve our Nation; of those, 13 percent are disabled veterans. Our civilian workforce steadfastly continues to provide vital support to our marines, Reserve marines, their families, and our wounded, ill, and injured.

This environment of prolonged budgetary uncertainty is increasing employee stress, morale is declining and, at some point, productivity will begin to suffer. Although we began right sizing our workforce in 2011, in preparation for these current events, we are still facing additional civilian reductions of 10 percent or more, which includes the 20 percent reduction to our Management Headquarters Activities. We are actively seeking ways to achieve these goals through attrition and various voluntary workforce-shaping flexibilities; our intent is not to conduct a reduction in force (RIF). Additional budget reductions will hit in fiscal year 2015 creating further stress to our workforce, both in size and in the support our civilians depend on to conduct their work and improve their skills.

During these challenging times, it is imperative that we continue to keep faith with our civilian workforce. With additional furloughs and overall pay insecurity, we risk losing enormously talented and dedicated professionals. As commitment to Federal service wanes, military missions will suffer.

VII. DIVERSITY

The Marine Corps is committed to attracting, mentoring and retaining the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. In both representation and assignment of marines, diversity remains a strategic issue. Our diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of the American people, but to raise total capability through leveraging the strengths and talents of all marines.

The Marine Corps is working toward completion of a landmark diversity initiative which centered around four diversity task forces: Leadership, Mentoring and Accountability; Culture and Leading Change; Race and Ethnicity; and Women in the Marine Corps. Three-star general officer executive sponsors provided guidance and oversight of each 12–15 member task force. The Task Force initiative focused on identifying vital recommendations in the areas of culture and leadership and to improving the attraction, development and retention of both women and minority officers. The task force concept represents a significant philosophical shift—from ignoring human variations to a quest to understand them in order to drive actions.

The Marine Corps has established minority officer recruiting and mentoring as a priority in our recruiting efforts. We acknowledge the accession and retention of minority officers has been a challenge for our Corps and are committed to further facilitating the mentoring and career development of all our officers with emphasis on our minority officers in order to encourage the retention of our most talented people.

The Marine Corps aims to emphasize the operational necessity of diversity by educating marines on how diversity can be a force multiplier. We also seek diversity through strategic community outreach and recruit marketing. To ensure continued connectedness with the Nation, we continue to conduct strategic community outreach and recruit marketing and ensure quality opportunities for merit-based development and advancement for all marines.

VIII. MARINE AND FAMILY PROGRAMS

To optimize and influence the health and wellness of the 21st century marine, Marine Total Fitness (MTF) establishes a framework and methodology for understanding, assessing, and maintaining individual marine fitness in support of unit combat effectiveness. This holistic focus includes four cords of fitness: body, mind, spirit, and social. The goal of MTF is to proactively address the complex issues facing our marines and their families after more than a decade of persistent conflict.

Caring for our Families

During Operation Iraqi Freedom (OIF) and Operation Enduring Freedom (OEF), a surge occurred in the areas of family programs to mitigate the impact of stressors due to deployments, enable quick acclimation to the Corps, build deployment knowledge and skills, and improve access to care and official information for marines and families to ensure operational readiness. This action resulted in having a positive impact on the quality of life of our marines and their families. The 2012 Quality of Life Study indicated a majority of marines received the training necessary to deal with the stress of deployment and/or combat, and were satisfied with military support services overall.

Post OIF/OEF, we must ensure our programs and services remain relevant to the requirements of the Corps. We must be flexible enough to surge and retract to support future missions and training requirements. With 47 percent of marines being married and 32 percent having children, our Family Care and Family Readiness Preparedness directly supports operational readiness of the Marine Corps.

The Marine Corps ensures the long-term stability of Marine and Family Programs meets all credentialing and accreditation quality assurance objectives. We ensure consistency of care across the Marine Corps, by implementing and training staff to evidence based practices. Programs will be assessed for ways to more effectively and efficiently improve delivery of care and services, while strategically communicating to our marines and families to increase awareness of all the available resources, support, and services.

Behavioral Health Support

The Behavioral Health Program acts as an integrated service delivery model that facilitates focus of effort for prevention and intervention on suicide, substance abuse, combat operational stress, and family advocacy. When addressing behavioral health care requirements, we typically see clients with multiple stressors or conditions.

Even as the Marine Corps moves into a post OIF/OEF environment, we expect a surge of support needs from marines and families facing a potential delayed onset of symptoms. To address care requirements, we have established a memorandum of understanding with Navy Medicine to enable comprehensive care and have taken action to increase our community counseling capacity. Over 250 Military Family Life Consultants have been deployed to provide confidential care in unit or installations settings and augments existing installation based behavioral health and resource services. Additionally, through our Community Counseling Program, we are enhancing our screening and prevention capabilities, and also increasing access to non-medical counseling services. Finally, Behavioral Health is implementing the Marine Expeditionary Force (MEF) level prevention capabilities to provide resources and training for operational commands along with providing technical assistance across behavioral health initiatives.

Our efforts will continue to ensure that marines seek and are provided effective care when needed. All marines have a responsibility to look out for one another and to assist anyone who may need care. Through programs like Marine Awareness and Prevention Integrated Training and Operation Stress Control and Readiness, marines receive the right prevention tools at the right time to provide them with skills to prevent and mitigate stress injuries in themselves, and their fellow marines. Additionally, these programs provide commanders support in building unit strength, resilience, and readiness. Finally, the Marine Corps is increasing our capabilities to follow-up and monitor marines identified with suicidal ideation or suicide attempts. Sustaining the wellness and readiness of marines and their families remains the top priority of the Marine Corps.

Transition Assistance

As the Marine Corps looks at lowered end strength in the upcoming years, more of our marines and their families will be making the transition to civilian life. It is imperative that we ensure that that they have the right preparation to reach personal goals and effectively translate their military experiences to a successful civilian life. Transition is a process, not an event. Beginning at the point of recruiting,

the Marine Corps strives to provide a continuum of tangible learning or experienced based opportunities to ensure that every marine is transition ready throughout their career so they can accomplish their personal or career goals.

The Marine Corps Transition Readiness Seminar is a week-long program that includes mandatory standardized core curriculum followed by the choice of one of three additional 2-day tracks that is in line with their individual future goals and objectives. The Marine Corps has also put into place pre-separation counseling to help marines translate their military skills for the civilian workforce.

Our next phase will enhance outreach to those who require localized support through our Marine for Life Program and its representatives. Additionally, our Personal and Professional Development Program will continue to focus on spouse employment, access to education and professional development courses, and effective management strategies. The Marine Corps is committed to not only making the best marines, but that the marine and their families have the tools and resources to successfully transition and reintegrate back into civilian life.

IX. SEXUAL ASSAULT PREVENTION & RESPONSE

Sexual assault damages lives, corrodes the trust between marines, degrades unit readiness and morale, and undermines our warfighting mission. The Sexual Assault Prevention and Response (SAPR) Program has been enhanced to reinforce our training and advocacy efforts, while holding fast to the fact that one incident of sexual assault is too many. Our three-phase SAPR Campaign Plan was launched in June 2012 and continues to guide the phased implementation of large-scale institutional reform, emphasizes prevention through training, and directs senior leadership involvement. Potentially a promising result of the effort, thus far, has been the continued rise in reporting. With sexual assault being a highly under-reported crime, this increase appears to reflect an increased level of trust and confidence that marines have in their immediate commander and overall Marine Corps SAPR Program.

Commander involvement and constructive dialogue among marines, to include bystander intervention, will continue to be one of our greatest weapons against sexual assault. Engaged leadership remains the key to establishing a culture that is non-permissive to any misconduct or crime, especially sexual assault. As the Marine Corps continues to reawaken its sense of tradition and ethics, and reinforce the values that have made it the finest expeditionary force in history, we will also continue to strengthen our prevention and victim care efforts and to ensure that the highest standards of discipline are maintained. Collectively and persistently, we will ensure that every marine knows it is his and her inherent duty to step up and step in to stop this crime.

X. WOUNDED WARRIOR REGIMENT

The Marine Corps' Wounded Warrior Regiment (WWR) continues to function as a central pillar of our pledge to "keep faith" with those who have served. Whether a marine is wounded in combat, suffering from a chronic unresolved illness, or injured in a training accident, the WWR remains committed to providing comprehensive recovery care. For the Marine Corps, recovery care is not a process. Care coordinated through the WWR is soundly based upon an authentic relationship between care providers and the marine and his or her family members. This bond allows all parties to be vested in a common purpose: to ensure our Nation's wounded, ill, and injured (WII) marines and their families are well positioned for their future endeavors.

Since our WWR was established in 2007, thousands of WII marines and family members have benefitted from this command's care coordination capabilities. These capabilities include recovery care coordinators to help WII marines develop and execute Comprehensive Recovery Plans; a medical section to provide medical subject matter expertise, advocacy, and liaison to the medical community;; District Injured Support Coordinators, the Marine Corps' representatives for WII marines in their civilian communities; the Sergeant Merlin German Wounded Warrior Call Center and Wounded Warrior Battalion Contact Centers to conduct outreach to WII marines and receive calls for assistance; and a liaison to the Department of Veterans Affairs (VA) to enhance coordination between the organizations.

In sum, WII marines and their family members receive customized support, based upon their assessed needs, from the point of injury or illness, through rehabilitation, and finally as they return to duty or reintegrate to their hometowns. Also, the Marine Corps does not utilize a "fire and forget" mentality. Recognizing that most WII marines will require some level of assistance after they leave the Corps, the WWR provides a minimum of 90 days post-service support to those previously supported

by a Recovery Care Coordinator. This is accomplished through our DISCs or case managers at our call center.

Marines and their families, Congress, and the public at large can be reassured that the Marine Corps, through the WWR, will continue recovery care in times of war and in peacetime. Irrespective of the global security environment, recovery care support must be enduring in view of issues resulting from the current decade of war: catastrophic injuries requiring massive amounts of acute care, traumatic brain injury, and psychological health problems. These conditions are not solved by short-term care and will require continuing services, an enduring commitment. Just as the Marine Corps is strategically agile, the WWR will endeavor to expand and contract depending upon future requirements.

XI. SEMPER FIT & EXCHANGE SERVICES

Semper Fit and Recreation programs align to support the social and physical well-being of marines and their families, encourage healthy lifestyles, enhance quality of life, and to amplify the Marine Corps' focus on mission and readiness. For example, comprehensive strength and conditioning programs, High Intensity Tactical Training and Aquatic Maximum Power—Intense Training, serve to optimize physical performance and combat readiness for all Active Duty and Reserve marines. Another program, located at eight installations, Operation Adrenaline Rush (OAR), combines Combat and Operational Stress Control principles with an outdoor recreation adventure activity to aid in mitigating high risk behavior for marines who have recently returned from deployment. OAR assists marines with reintegration by empowering small unit leaders, maintaining combat readiness, and reinforcing unit cohesion.

The Marine Corps Exchange (MCX) is an important part of the overall non-monetary benefits package and the Marine Corps mission. Consistently ranked by marines and families as one of their most valued benefits, MCX provides not only a value for marines and families when they shop, but also returns dollars to the Marine Corps community. MCX success is measured on the program's value and contributions to the readiness of marines, as well as our ability to provide unparalleled customer service, premier facilities, and valued goods and services at a significant savings.

Semper Fit and Recreation and our Exchange system continue to provide direct support to forward deployed marines through recreation/fitness/sports equipment and MCX services. Deployed support is one of the most important services we provide; our robust Exchange, Recreation and Fitness, Communication, and MCCS Wi-Fi services programs not only boost and maintain morale, but also help to reduce mission-related stress. Moving forward we are committed to increasing efficiencies within our business and support models as part of our culture of transformation and maintaining relevance to the Marine Corps Mission.

XII. CONCLUSION

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.

Senator GILLIBRAND. Thank you, gentlemen.

Lieutenant General Milstead, I know the Marine Corps is taking a different approach than the other Services, and that part of your process includes forming what the marines call the Ground Combat Element Experimental Task Force. This experimental task force consists of a battalion-sized ground combat unit and will include a control group of an all-male squad, with another squad integrated, one-third women, two-thirds men, and a third squad, two-thirds women, one-third men. These units will be put through a training and evaluation cycle that mirrors an infantry's unit predeployment training cycle.

What is the ultimate purpose behind this experimental task force?

Lieutenant General MILSTEAD. The primary purpose of the experimental task force is to look at collective standards. We are going after this in basically four lines of effort, if you will. The first one is to extend our exception to policy where we put officers and staff noncommissioned officers in open Military Occupational Specialties (MOS) down to closed units.

The second one is where we expanded our entry level training. You are aware that we have had 45 women successfully complete the infantry training in Infantry Training Battalion and some more will continue. That has been so successful that we are expanding that to the other infantry MOSs like machine guns, mortars. We are going to send them to artillery school. We are going to put them into armor. Those are individual standards. Those are individual tasks.

This experimental task force is to get at the collective tasks, how everybody works together because we do not know what we do not know. It will be conducted at Camp Lejeune, at Twentynine Palms, and again up at Bridgeport, and it will mirror training that we do prior to deployment. The primary focus is on collective standards vice individual standards.

Senator GILLIBRAND. The only concern that I had is that your term, "control group," is being used for the all-male squad. I wanted to know what you mean by that because the other two squads with women are being measured against the control group. Would it not be preferable to have them just actually be measured against some performance standard, what your goal of the group to accomplish is?

Lieutenant General MILSTEAD. I believe as they are evaluated, they will be evaluated by this control group, if you will. It happens to be all male, as you say, because it comes from MOSs that we do not have any women in. We have no choice.

Senator GILLIBRAND. It is a subtle difference. For example, if you have a control group that the mission is to perform A, B, and C, the control group should not be judged on do you perform A, B, and C as if an all-male unit would perform A, B, and C because if you are creating a standard that is what is perfectly accomplished, it may well be perfectly accomplished in a different way or measured against a very different set of standards, as opposed to just measuring how would an all-male group accomplish A, B, and C. I guess my point is if your control group is how an all-male force performs it as opposed to the actual mission of things you want accomplished, it may align differently is what I am telling you.

Lieutenant General MILSTEAD. I understand that, and I will tell you that we are looking to include the women, not preclude them. They will not be evaluated whether they can do the job like men do it. They will be evaluated as to whether they can do the job.

Senator GILLIBRAND. The job. Correct. That is all I wanted to ensure.

Lieutenant General MILSTEAD. It will not only be uniform. I think it is important to emphasize that we have the University of Pittsburgh. We have the Center for Naval Analyses. We have the RAND Corporation. We have a number of non-uniform external agencies that will be involved in the evaluation.

Senator GILLIBRAND. Thank you.

Lieutenant General Bromberg and Vice Admiral Moran, I understand that the Army and the Navy just recently relieved soldiers and sailors of positions of trust after various checks to their records showed they had a disqualifying offense. I am very grateful that you took the time to do that review and removed these individuals to improve trust within the system.

Can you tell me if these individuals retired from the military or whether they were allowed to remain in the Services? If the latter, what types of positions do they currently hold?

Lieutenant General BROMBERG. Yes, ma'am. Thank you for the question.

Of the individuals removed from those positions, we removed them for a wide variety of reasons. We went back and looked at everything for about 10 categories, everything from a previous domestic violence or sexual assault to maybe a previous driving while intoxicated from 15 years ago, even down to maybe where somebody was not suitable for appearance. There is a wide variety within that number.

Now, the actual numbers will be coming back over because we have a formal request from Congress to answer those questions. We will answer those back formally.

I can tell you some of those folks—they are no longer in that position of trust, and they are back in their primary MOS if they were maybe detailed in that job. For example, maybe a recruiter who might have been an artilleryman or an infantryman before that and maybe they had a DUI 15 to 20 years ago. We took them out of recruiting, put them back in their primary MOS. That is an example for you.

Senator GILLIBRAND. But you will send the full report to our office once you——

Lieutenant General BROMBERG. Oh, yes. We are consolidating all of that together.

Senator GILLIBRAND. Exactly what they were removed for.

Lieutenant General BROMBERG. There were 10 categories we looked at, a very detailed scrub of several thousand across the force. We feel pretty comfortable that that was the right thing to do, obviously.

Senator GILLIBRAND. Also, in your prepared statement, you informed us that the Army implemented a new policy to ensure that any final decision to retain a member convicted of sexual offense is fully informed and determined at the Secretary level. This same policy also prohibits the overseas assignment or deployment of any soldier convicted of a sexual offense.

Under what circumstances would the Army retain a soldier convicted of a sexual offense?

Lieutenant General BROMBERG. I think that is a case-by-case answer. But the intent there again is to make sure that we are fully informed, so if a lower level organization decides to retain that servicemember, they have to forward that up to the Secretary's level so we can then review that case and then make a final decision. In many cases that I have looked at already, some of these people are already in the process. We are tracking them very closely. But this gives us full information to include preventing someone

from being assigned overseas. We will pull them back where we have a larger support network to do that.

Senator GILLIBRAND. We do have convicted sexual offenders retained within the force?

Lieutenant General BROMBERG. Well, for example, somebody who is in jail, is incarcerated who may not be full due processed yet—they are still on our rolls. That counts as somebody who is convicted. They could be sitting at Fort Leavenworth.

Senator GILLIBRAND. They are not just taking a different job?

Lieutenant General BROMBERG. No. These are people that they have been convicted but because the due process is not finished yet, they could still be on our rolls. I can guarantee you we look at every one of those. We track those. We know where they are at.

Senator GILLIBRAND. Thank you so much.

Senator Graham.

Senator GRAHAM. Thank you, Madam Chairwoman.

One thing I want to restate is I support the chairwoman's decision to let the MCRMC in February provide their recommendations.

On that, the benefit package. About 50 percent of the military budget is personnel costs. Is that accurate?

Lieutenant General BROMBERG. Very close, sir.

Lieutenant General MILSTEAD. 64 percent of the Marine Corps budget.

Senator GRAHAM. Air Force?

Lieutenant General COX. I am sure that is close.

Vice Admiral MORAN. It is very close. Yes, sir.

Lieutenant General BROMBERG. Sir, 48 percent plus or minus.

Senator GRAHAM. Benefits include pay. Right? Retirement, medical and dental, commissary, exchange. Any other benefits that we can think of?

Lieutenant General BROMBERG. There are probably several that are indirect benefits.

Senator GRAHAM. That makes the core group I think of what we are going to have to be looking at.

Does everybody on the panel agree that any retirement changes need to be prospective and that we grandfather the current system enrollees?

Lieutenant General BROMBERG. Yes, sir. The Army's position is everybody should be grandfathered.

Vice Admiral MORAN. The Navy, same.

Lieutenant General COX. Same for the Air Force.

Senator GRAHAM. Do any of you envision reducing pay as a reform?

Lieutenant General BROMBERG. No, sir. The Army does not.

Vice Admiral MORAN. Not at all.

Lieutenant General COX. No, sir.

Lieutenant General MILSTEAD. Our Commandant has testified that he does support the 1 percent vice the 1.8 percent, as well as—

Senator GRAHAM. That is a pay raise versus a pay cut.

Lieutenant General MILSTEAD. Exactly, and that is my point, Senator. Nobody is for reducing pay. We are slowing the growth.

Senator GRAHAM. What does an E7 gunnery sergeant in the Marine Corps make?

Lieutenant General MILSTEAD. I could not answer.

Senator GRAHAM. Well, we have the pay scales. Will somebody find that? I do not want the public to believe that we are paying people elaborate salaries because we are not. We are paying them, I think, a decent salary maybe at best given what we ask of them.

Housing is another area. Right? If you are assigned to Washington, DC, and on-base housing is not available, what does the Army do for that soldier?

Lieutenant General BROMBERG. They get a housing allowance.

Senator GRAHAM. Is it 100 percent of the cost?

Lieutenant General BROMBERG. Pretty close in most areas.

Senator GRAHAM. One of the proposed reforms is to have some cost sharing there.

Lieutenant General BROMBERG. Yes, sir.

Senator GRAHAM. Why would you not be allowed housing? Why would somebody have to go off base? Just not availability?

Lieutenant General BROMBERG. Just not available. We do not build enough quarters.

Senator GRAHAM. Is that true in the Marine Corps?

Lieutenant General MILSTEAD. Or by choice. We do not have sufficient housing for everybody, but a lot of people do live in town. That 100 percent is based on the average cost, and it is done by area, as the Senator is well aware. It is your choice. If you live in the Taj Mahal, your 100 percent of the average will not cover it as opposed to where you do live.

Senator GRAHAM. Right. We are not going to subsidize a $2 million home, but we are going to pay you the average.

I think one of the proposals is to have some cost sharing. Is that correct?

Lieutenant General MILSTEAD. It is. It is to take it from 100 percent of the average down to 95 percent of the average.

Senator GRAHAM. What will that mean to the average soldier here in the DC area? Does anybody know?

Lieutenant General MILSTEAD. I would offer it would depend on where they live. Again, if they are living within the means of the 95 percent, some people actually have sufficient delta between their basic allowance for housing and the rent they are paying, whereas other people choose to maybe have a larger home or a more elaborate home. Then they will pay some more.

Senator GRAHAM. From your point of view—each of you very quickly if you could—if you implemented that change of a 5 percent cost share, reducing it to 95 percent of the average, is that something the Services could absorb, and is that fair given our budget problems?

Lieutenant General BROMBERG. Sir, I think when you look at it as a hard choice against readiness, I think it is something that we have to do as we go forward, and I think you have to do it over time.

Vice Admiral MORAN. I would agree with that statement.

Lieutenant General COX. I would agree with the statement as well. It is a phased-in approach, not taking effect until 2017.

Lieutenant General MILSTEAD. Again, the Commandant has said that if we do not arrest the growth of this, that it will eventually eat into our readiness.

Senator GRAHAM. That is something I am very open-minded to because you are going to have to affect personnel somehow.

An E7 makes $33,000 to $50,000, depending on how long you have been in. If you have been in 18 years, it is about $50,000. That is probably base pay without benefits. It would be more than that, I am sure.

Regarding TRICARE. Do you all support some type of premium adjustment over time for TRICARE?

Lieutenant General BROMBERG. Yes, sir.

Vice Admiral MORAN. Yes, sir.

Lieutenant General COX. Yes, sir.

Lieutenant General MILSTEAD. Yes, sir.

Senator GRAHAM. We have not had a premium adjustment since 1995. Is that correct? Yes, I think it is.

Now we are talking about retired people, and that comes out of DOD's budget. Right? TRICARE costs for retired personnel comes out of DOD's budget. When you pay that out, you have less for the operational Services. Is that correct?

Lieutenant General BROMBERG. Yes, sir.

Senator GRAHAM. TRICARE is competing against readiness, modernization, everything else. Is that true in all the Services?

Lieutenant General BROMBERG. Yes, sir. All our benefits are competing against readiness.

Senator GRAHAM. When it comes to sexual assault, I think it would probably be good sometime down the road to have a hearing to see if some of these reforms are actually working.

Is the Army going to adopt the Air Force pilot program of providing a JAG to every victim?

Lieutenant General BROMBERG. Sir, we have a special victims capability, which we do have over 105 JAGs trained now to provide special victims counsels, of which we actually have 52 serving today. Additionally——

Senator GRAHAM. My question is, would every——

Lieutenant General BROMBERG. It is available to every victim today. We have enough. Yes, sir.

Vice Admiral MORAN. Yes, sir. We fully implemented that program this year.

Senator GRAHAM. The Marine Corps?

Lieutenant General MILSTEAD. The Marine Corps has the Victims Legal Counsel Organization.

Senator GRAHAM. Let us know if you need more JAGs because I think we are all willing to supply what you need to deal with this problem.

Back to the Marine Corps and the experiment about integrating women into combat units. Do other marines, equivalent to the Marine Corps—the British marines, do they do this? Do other nations' military services do this? Generally speaking, what is your initial impression of women going through the infantry school, the 45 that have come out? Do you think that we are on to something here that this is an untapped resource for the Marine Corps, using women in direct combat? Where do you see this going, General?

Lieutenant General MILSTEAD. To the first part of your question, the other nations, we are meeting with them. We just met with the Danes. The Danes are fully integrated, completely fully integrated and very enthusiastic about it. The British are not. We are talking to the Australians. We are talking to the Canadians. We are talking to the Israelis, the Koreans. We are talking to other nations and seeing what they have done and looking at the path that it has taken them, how long it has taken them, and where they have made the mistakes and where they have not so we can avoid those.

As far as the 45 that have come through, they have been successful. It is what it is. They have done very well. Including the women and expanding the opportunity is that, expanding the opportunity and giving them the opportunity to do more. It has nothing to do with the fact that we do not have enough men to fill the ranks. It is to expand opportunity and allow them to do more. We are very enthusiastic, and we are optimistic about what we have seen so far.

I will end it the way I started. We do not know what we do not know, and that is why we are going at this in a very deliberate, measured, and responsible manner, so that we can determine that and do it reasonably.

Senator GRAHAM. Thank you.

Senator GILLIBRAND. Senator Kaine?

Senator KAINE. Thank you, Madam Chairwoman.

Thank you to the witnesses.

Personnel issues raise a whole series of questions. Thirteen years of war imposes a set of stresses that is really unique in the history of the Nation because of the length of the engagements in Iraq and Afghanistan. We have imposed our own stresses with the budgetary uncertainty that DOD and other Federal agencies have been under. That does not make it any easier on your people. I appreciate your service in these difficult and challenging times.

Since Lieutenant General Milstead has talked a little bit about the Marine Corps effort with respect to opening MOSs up to women on gender-neutral requirements, I would like to ask the other witnesses to talk about it in your own Services. Just 1 year into this new policy, talk about what you are seeing.

Lieutenant General BROMBERG. Yes, sir. We are very excited about our program. We think we have a lot of positive things going on right now. Our program is an incremental, integrated, and scientific approach to look at that with two foundational pieces to it.

One, we have cultural studies ongoing right now to look at how women integrate in organizations where women have not served before. We constantly survey the units where we have opened up positions today so we see how the women are integrating, what is the reaction of the men, what is the reaction of the females. We constantly assess. We have outside groups doing that. We are looking at the cultural piece.

Second, we are looking at the physical demands. In the physical demands piece, we are looking at the 31 most physically demanding tasks and we are doing this with a very scientific approach. In fact, right now we have 500 soldiers involved down at Fort Stewart, GA, and they are looking at those specific tasks and the scientific measurements of how a person has to do a task, oxygen intake, cer-

tain body movements, to establish a very gender-neutral standard. Then it is about that task. How do you accomplish that task?

At the end of the day, we will apply that task in some easier manner, but it will apply against men and women. We expect to eliminate men in the future, just as well as it will bring women in.

We think this is coming together very well. We have opened up more positions this year. We have just opened up over 33,000 more positions to women across the force, and we will continue to do that. Now we are starting to look at how do we build the cadre or the leadership because, like the Marine Corps, we do not have any serving infantry female officers. How do you build that and how do you get those people there so you have the right leadership in place? We are very excited about what we are doing and we think we are on the right path with this integrated and scientific approach.

Senator KAINE. Admiral Moran?

Vice Admiral MORAN. Yes, Senator, the Navy is practically entirely open now with the exception of the special forces SEALs and special boat team crewmembers. That is really up to Admiral McRaven who is doing the study now with U.S. Special Operations Command (SOCOM), and whatever they give us is how we will adopt it.

Our most recent effort here has been women in submarines. It is very successful. The officer is front and first. We started there to make sure we had leadership in place before we would bring in enlisted members of the Service. So over the last couple of years, we have brought female officers into the *Ohio*-class submarine. That has done exceptionally well. Next year, we are going to start with *Virginia*-class, the smaller submarines. We will again bring officers in there. About a year from now, there is a panel and a task force underway led by Admiral Ken Perry who is the submarine group commander today who is bringing recommendations forward to CNO and Secretary of the Navy, on not when or not if, but how to bring enlisted females into the submarine force.

As you might imagine, it takes time to train these in the submarine community. Several of the rates are highly technical. It takes up to 2 years to train them. We have to bring in laterally from other communities female enlisted at the chief petty officer and senior petty officer levels to populate those ships before we bring in junior enlisted.

That is all going to happen over the next couple of years, and so we are very positive on it. I think, across the Navy, the quality of young females in the enlisted force and the officer force is extremely good, and they are having a lot of success in those warfare specialties.

Senator KAINE. That is great. Secretary Mabus has spoken recently about the submarine project and has spoken of it in a very optimistic way, and I am glad to hear you echo that.

General Cox?

Lieutenant General COX. Sir, I had the privilege of being the Commandant of Cadets at the Air Force Academy just a couple of years ago. If you look back when we first brought women into the Air Force Academy, it was single digits. When I was there, a single digit percentage. Now it is over 20 percent. We have demonstrated

that there is absolutely no issue with the integration of women across the board.

As we have moved forward now into what we have across the board for the Air Force, there are less than 4,000 billets between the Active Duty, Guard, and Reserve that are currently restricted to men. That we are working, along with SOCOM and Air Force Special Operations Command, to make sure that we have those gender-neutral standards and we will follow the lead with that as well. We are well on track to make sure all this is squared away.

Senator KAINE. Great. Thank you. I think many of the members of this subcommittee are very focused on this issue and probably annually we are going to be wanting to get status reports.

Let me just ask a question. I know, General Cox, the Air Force has been conducting force shaping and voluntary separation policies to allow servicemembers to leave before their service commitment as we are looking at reductions in end strength. Can any of you provide any updates about force shaping and voluntary separation policies and how your branches are approaching those questions?

Lieutenant General COX. Sir, what we started with is the commitment from the Chief and the Secretary that we will make sure that all airmen have 6 months' notification prior to any kind of involuntary separation and that we would focus on making sure that it was a voluntary opportunity prior to any involuntary separation. Right now, we have processed and approved almost 5,000 voluntary separations, whether it is temporary early retirement authority, so that 15- to 20-year authorization or voluntary separation. We are well on our way. We have all the appropriate authorities to be able to take advantage of all these programs. I think we are on track to make sure that is done. Then if there is an involuntary separation, we give at least 6 months prior to them separating.

Senator KAINE. Others on this question?

Lieutenant General BROMBERG. Yes, sir. With the magnitude of the cuts in the Army over this time period, we have reduced our recruiting and we have also encouraged natural attrition. But that is not going to be enough. We are going to have to use involuntary measures. This year we have already conducted one early retirement board for lieutenant colonels and colonels and asked 236 of those officers to depart. We are in the process right now of conducting officer separation boards that will affect approximately 1,800 captains and majors that will be asked to leave the Service this year as well. Additionally, we have also done the same with the senior noncommissioned officers, asked them to retire early, and we will also go down all the way to the staff sergeant level. We just cannot get there to balance our readiness with our future needs without doing involuntary separations.

Senator KAINE. Madam Chairwoman, my time is up, but could the other two witnesses answer briefly this question?

Lieutenant General COX. Senator, we are not doing any involuntary right now. Our manpower projections through the FYDP are steady. We do not see the need at this point to do any involuntary. All of it is through natural attrition.

Lieutenant General MILSTEAD. That is the same with us. Our measured and gradual glide slope, if you will, is focused primarily on natural and voluntary measures.

I would like to take this opportunity to thank you for those force shaping authorities that you have given us, measures such as Temporary Early Retirement Authority (TERA), Voluntary Separation Pay (VSP), time-in-grade waivers. We are making use of these, and they are helping us maintain faith as we draw down.

Senator KAINE. Thank you.

Senator GILLIBRAND. Senator Ayotte.

Senator AYOTTE. I want to thank the chairwoman.

I want to thank all of our witnesses who are here for their service and leadership for our country.

I just wanted to follow up on this issue of the proposed benefit changes. Number one, let me add my support for what the chairwoman and ranking member want to do with regard to the MCRMC. As I understand it, just to correct the record, just to make sure it is clear, in fact, in 2012 we did authorize TRICARE premium increases and as well as pharmacy co-pays in 2013 for Active Duty family members and retirees. Am I wrong on that on TRICARE?

Lieutenant General COX. We will have to come back to you, Senator. I do not know exactly what date it was.

[The information referred to follows:]

Congress permitted small increases in the TRICARE Prime enrollment fees for working age retirees and some adjustments to retail and mail order pharmacy co-pays in the fiscal year 2012 and fiscal year 2013 budget and legislative cycles, but these changes are not enough to sustain the benefit in the long-term. For example, when TRICARE was fully implemented in 1996, a working age retiree's family of three who used civilian care contributed on average roughly 27 percent of the total cost of its health care. Today, that percentage has dropped to less than 11 percent. While health care costs have doubled over this timeframe, a family's out-of-pocket expenses, including enrollment fees, deductibles, and cost shares, has grown by only 30 to 40 percent.

Senator AYOTTE. I think I remember this coming up before the Senate Armed Services Committee and I have before me the provisions of the defense authorization. I just want to make sure that that is understood for the record because I believe we have already given authority and it has been implemented with TRICARE premium increases for 2012 for retirees and as well for pharmacy co-pays in 2013.

One thing that I think is just an overall question that all of us need to think about—and I mean us collectively as Congress—is that when we are facing in the overall fiscal picture that two-thirds of our spending is focused on mandatory entitlement programs that need significant reforms—and if we do not address them, ultimately you are going to eat up all discretionary spending, including defense spending. I understand why you are asking for it and I understand the challenges you are facing on a budgetary level with regard to readiness. However, I see us again asking our men and women in uniform, who have sacrificed the most, to take these kinds of cuts first, whether it is to their health care, whether it is to their housing, whether it is to their commissary.

I think a question we should ask ourselves here in Congress, is this the right thing to do when we are not willing to take on some

of the bigger, harder questions? Again, we are putting you in the situation where you have to say to us, our personnel costs have risen. We all know that the greatest asset we have in our military are our people.

I am not asking you to answer that. I am just making that as a statement. I think it is a question for all of us that we should look in the mirror and answer for ourselves before we ask our men and women to make these kinds of sacrifices.

But I do have one question that I am very worried about with regard to these proposals. Regardless, we have the MCRMC. We are waiting for what they are going to say. That is the impact on our junior enlisted because it seems to me that if we are going to increase commissary costs or reduce the percentage of basic allowance for housing, that the group that could get hit the most is the junior enlisted because of the amount that they make. I have asked this in prior panels. But I think it is important for us to understand what does that do to your average junior enlisted. I would like to know what diminishes their pay overall and their package because in terms of what they make because I think we need to understand that from an average perspective of a junior enlisted, not that I want to see any of you more senior members to be put in a position, given the sacrifices you have made. I am thinking about our junior enlisted men and women who really make the least amount. Some of them, unfortunately, have been on food stamps and things like that, which is shameful. I think this is a consideration for us. I would like to hear back on that of what the impact specifically is, how much a junior enlisted on average makes, what does this do in terms of their take-home.

Lieutenant General BROMBERG. Yes, ma'am. We will follow up with specifics on his actual pay.

Senator GILLIBRAND. That would be great because I think it is important for all of us to understand that with that category of individuals in particular.

Lieutenant General BROMBERG. If I could, ma'am. We have to look at it as a holistic package because not all the junior enlisted are married. We have to look at married people. We have to look at single people, who are living in the barracks. We have to put that together so you can understand the whole thing.

Senator AYOTTE. I think that would be great. I just want to know because we ask a lot from them, and I want to make sure because they are the ones that make the least.

The one issue I wanted to follow up with Lieutenant General Milstead. I had the chance to have dinner with the Commandant recently. As I understand, he is reaching out into the civilian sector, including to people like Sheryl Sandberg, to say how do we do a better job of keeping women in the Marine Corps so that they can go on and serve in more senior leadership positions. Can you tell us about that? I was very encouraged when I heard what he is trying to do to keep women in the Marine Corps, not just enlistment but for the long haul to help lead the Marine Corps.

Lieutenant General MILSTEAD. We are about a year into a talent management task force effort that crosses the width and breadth of the Marine Corps, focused on primarily the officer ranks. I hesi-

tate to use the word "diversity," but it is across the entire spectrum.

One of the task forces focuses on women and how do we retain women because, many of them have to make tough decisions? Am I going to stay at this or am I going to do the things that I want to do? I want to be a mother. I want to have a house. I want to do these things. Can they do both or whatever? Just talking earlier today with one of our female colonels, and it came up. Often it is just somebody stopping and saying, what do I have to do to keep you in the Marine Corps? What is it you need? What is it we can do?

We are more attuned to this today. I am in my 40th year of this. It was night and day when I first began. The Commandant has reached out. It is tough because we have to grow. In industry, you can bring somebody in laterally, I can bring a female vice president in. I have to grow a colonel, and that takes 18 to 19 years. We are working very hard at this.

But I will end with that we have been downsizing over the past 3 years, and in those 3 years, we have still managed, be it small, but we have increased our percentage of females within the U.S. Marine Corps.

Senator AYOTTE. I think this is important, and I just want to make sure that people understand that you are reaching into the civilian sector to women leaders in the country with a desire to keep women in leadership in the military. I was very encouraged by what I heard, the affirmative efforts, that the Marine Corps is making. I am sure the other Services are trying to make similar efforts. I thank you for that.

I also very much appreciate what all of you are doing.

I am going to try to submit some questions for the record with regard to how things are going with the special victims counsel on the sexual assault issue, which I think has made a huge step forward in terms of providing support for victims and of seeing increased reporting of sexual assaults.

I thank you all for being here.

Senator GILLIBRAND. Thank you.

When you respond to Senator Ayotte's questions on that specifically, I would be grateful for the response as well because it is an issue we are going to follow together to make sure it works as intended.

Senator King.

Senator KING. Thank you.

Gentlemen, I apologize for being late. I was meeting with a deputy secretary of the United Nations trying to make it so you do not have to do what it is you do any more than necessary. [Laughter.]

Admiral Moran, the CNO was recently talking about longer deployments and additions to ship manning in terms of the budget. We are going to talk about salary and some of the personnel challenges that you face. But what about the nonfinancial factors? Are there morale issues in terms of multiple deployments, longer deployments? Is there a stress factor on your men and women?

Vice Admiral MORAN. Thanks for the question, Senator.

Absolutely. I would say the thing that I hear most back from sailors out in the fleet is this notion of being very unpredictable the

last several years, 13 years of combat, but especially the latter half of those 13 years, for the Navy has been stressful in the sense that we have had back-to-back deployments, long deployments of carrier strike groups around the Fifth Fleet, Arabian Gulf area, out in the Pacific. Those unpredictable moments put a lot of stress on sailors and families, in particular. When a spouse of a sailor kisses her husband or says goodbye to his wife and the comment is I will see you when I see you, it is a pretty good indicator that there is a sense of unpredictability about when they are going to see them again coming off deployment.

We have had a lot of extended deployments to deal with international and national emergencies around the globe. You think Syria. You think Libya. You think all of those places where naval forces were in the area and were asked to extend to participate in providing deterrence or cover for our allies and friends.

That is driving the discussion about how we can make deployments more predictable. One way to do that is to go to a slightly longer deployment schedule but stay committed to that deployment schedule. In other words, if you are going to sign up for 8-month deployments, then you better stick to 8-month deployments. That is what the CNO is referring to in those longer deployment issues.

Senator KING. I will address this question to you, Admiral, but any of you can chime in. Sequestration raises its ugly head again in 2016. What are the impacts that you see there in terms of deployments and other kind of readiness, training, and those kinds of activities? I will start with you, Admiral, but I would like to hear from you all.

Vice Admiral MORAN. Yes, sir. 2013 was a really tough year for all of us. In the Navy, we canceled deployments. We delayed the deployment of the *Truman* Strike Group. We brought air wings back and put them down to the tactical hard deck, which is essentially minimum flying that just keeps them safe as opposed to proficient. Those over time, the longer you stay at that level of training for aviators, in particular, there is a cost on the back end.

Senator KING. You do not have to speculate on 2016 because you experienced it in 2013.

Vice Admiral MORAN. Precisely, yes, sir. I think we are back to something similar to that because the rules under that law do not allow us to move money around in different colors of money and pots of money to make up for operational readiness accounts.

Senator KING. It was designed to be stupid and it succeeded brilliantly.

Vice Admiral MORAN. Yes, sir. We felt that pain.

Senator KING. You may not want to say that, but I can say that.

Vice Admiral MORAN. I think if we do not see some relief on sequestration, it is possible that 2016 and beyond could look a lot like what 2013 did.

Senator KING. As a matter of fact, my impression is it may be worse because in 2013 there were some unused monies, there were funds that carried over that are not going to be there.

Vice Admiral MORAN. In the Navy, that is true, yes, sir. We have used up the money that we were able to cobble together from accounts from different years and different colors of money in 2013 just to make up for some of the operational impacts.

Senator KING. Gentlemen, your view.

Lieutenant General BROMBERG. Sequestration drives the Army down to a far lower level than 450,000 that is being discussed today. That will prevent us from being able to execute——

Senator KING. Full sequestration would take you to 420,000.

Lieutenant General BROMBERG. Yes, sir. It will drive us to a level that we cannot support the national strategy as written today. That is our big concern.

To bring it back to your earlier question, sir, if you talk about longer deployments or more deployments today, we do not see the demand changing. If the demand for forces stays as high as it is with a smaller force, our ability to cycle those forces, give that break time in between, this cumulative effect is only going to get more challenging. Lump that with decreased ability to pay for readiness at the same time. It is going to put us in a really tight situation. It is very untenable for us.

Senator KING. We talk a lot about readiness. Readiness really involves risk.

Lieutenant General BROMBERG. Yes, sir, and that is where we are going to start taking unacceptable risk.

Senator KING. Risk equals young men and women's lives.

Lieutenant General BROMBERG. Yes, sir.

Senator KING. General, your thoughts.

Lieutenant General MILSTEAD. Most marines join the Marine Corps to deploy. That is why they join the U.S. Marine Corps. They want to deploy. If you take us to sequestration, we have already said that is going to be 175,000. That is not a strategy-based number. That is a fiscally-based number. That will be about a 1:2 dwell. There will be risk, and I will codify risk in that if we have a major contingency operation (MCO)—the Marine Corps is going to war—there will be no dwell. We are all going. We will leave some folks in the back to——

Senator KING. You are all going for the duration.

Lieutenant General MILSTEAD. We are going to war and we will come home when it is done. That is your 175,000 force in the Marine Corps under full sequestration under a MCO.

Senator KING. General, what is happening in the Air Force?

Lieutenant General COX. Sir, we lived through this, obviously. In 2013, 31 fighter squadrons were grounded. We need to have our entire combat air forces, 80 percent of that has to be ready in 30 days. We do not have tiered readiness. When you ground squadrons like that, you cannot meet the MCO that the general is talking about.

Senator KING. Is there not a lag time? If you ground the squadron and you do not have the training, it is not like you can just turn it back on in a day. Is that not correct?

Lieutenant General COX. That is correct.

Senator KING. Let me ask a different kind of question because this is personnel and we are talking about compensation and those kinds of things. How are you doing on recruiting? Are you getting the people you need? That is the ultimate test of whether compensation is adequate. Just very quickly. I am out of time.

Lieutenant General BROMBERG. Sir, for this year, we have met our recruiting goals. We see our challenge in the future with more

people having challenges with meeting our standards, and then we have to look at the compensation as you go forward and see how that plays to get this All-Volunteer Force. Today we are okay. The future is our concern.

Vice Admiral MORAN. Recruiting. We just hit our 81st consecutive month of meeting our goal. But we are seeing our attainment of that goal later in the month, which means it is getting harder to meet our goal. That is something we are tracking very closely.

Senator KING. Does your recruiting relate to the economy? If the economy were stronger, would it be harder?

Vice Admiral MORAN. Yes, sir.

Senator KING. As the economy hopefully strengthens, that is going to create issues.

Vice Admiral MORAN. Sir, we have to watch both recruiting and retention. Those two together will give us indicators in the health of the force going forward.

Senator KING. General?

Lieutenant General COX. Sir, right now we are meeting our recruiting goals. The same thing with the economy. We will see in the future. But we just need to make sure we have the right compensation package for an All-Volunteer Force.

Senator KING. Marines?

Lieutenant General MILSTEAD. We have been at war for 13 years, and if a young man walks into a recruiting office today and signs up, he is going to have to wait 6 to 8 months before he ships. They still want to join the Marine Corps. We are doing well.

Senator KING. So you, in effect, have a waiting list.

Lieutenant General MILSTEAD. We do. A female will ship a little sooner, but the young men and women—and it is 99.7 percent tier one, which means high school graduates. The mental category 3 alphas are around 75 percent. They join the Marine Corps because they want to join the Marine Corps.

Senator KING. It speaks well of your organization, I believe.

Madam Chairwoman, thank you.

Senator GILLIBRAND. Thank you, Senator King.

Thank you all for your testimony. This is extremely vital and important to the deliberations we will pursue in writing the next National Defense Authorization Act. Thank you so much.

Senator KING. Madam Chairwoman, can I ask one other question?

Senator GILLIBRAND. Go ahead.

Senator KING. I apologize.

We were talking about lowering the size of the Services. We hope the Army does not go to 420,000, but it is probably going to somewhere in the neighborhood of 450,000. I am interested in what you are doing for people who are leaving. The extent to which there is out-placement counseling, I want to know if you have people to help these young people going out into the job force. I think that is very important because, as the Services do shrink somewhat, we want to be sure that these young people have the best opportunity.

Lieutenant General BROMBERG. Yes, sir. We have a very robust program, over 700 counselors worldwide to help people become career-ready. We are meeting the career-ready standards by the Veterans Opportunity to Work Act. We have great partnerships across

the Nation and globally with large companies, small companies, to help soldiers transition. We are in our first full year of all these. We are getting better and better with compliance. We start 12 months out before a soldier leaves the Service so they have a full year to start getting ready. We have great examples of programs that are credentialing programs. We have over 12,000 people that are signed up, enrolled in credentialing programs today that give them a civilian credential for their military occupation. We have a whole wealth of programs that we think we are supporting the soldiers with.

Senator KING. I presume you all are doing similar kinds of programs. I just think it is very important, and the credentialing thing, I would love to work with you on that because the idea that you have an electrician in the military and they need an electrician's license in one of the other States. That ought to be automatic. To the extent we can do that, that to me would be a very high priority. Thank you. Thank you very much, gentlemen.

Thank you, Madam Chairwoman.

Senator GILLIBRAND. We are expecting a vote around 11 a.m. but I am going to start the next panel, and we will take a break when the vote starts. The first panel is excused. The second panel is welcome to come up. Please join us. Please be seated.

On the second panel, we have the senior enlisted advisors of the Services: Sergeant Major of the Army Raymond F. Chandler III, Master Chief Petty Officer of the Navy Michael D. Stevens, Chief Master Sergeant of the Air Force James A. Cody, and Sergeant Major of the Marine Corps Micheal P. Barrett. I now invite you to present your opening statements. Sergeant Major Chandler?

STATEMENT OF SMA RAYMOND F. CHANDLER III, U.S. ARMY

Sergeant Major CHANDLER. Thank you, Madam Chairwoman.

Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of this subcommittee, thanks for the invitation to speak today. Representing the Army that I love is a very humbling experience. I appreciate the support this committee has given over the past several years.

This past year has brought some significant changes to the Army, including sequestration, a government shutdown, furloughs, and an accelerated drawdown. As always, the Army team has risen to the challenge.

In this 13th year of our longest war, more than 35,000 soldiers, as you well know, are still in Afghanistan, and right now it is about 7 p.m. there and there are several young Army noncommissioned officers and soldiers who are working with our Afghan partners to conduct combat operations. Their focus, and rightly so, is helping the Afghans to get better so they can defend themselves into the future.

An additional 120,000 soldiers are forward stationed or deployed in nearly 150 countries.

Finally, lest we forget, more than 5,000 men and women from the Army have given their lives on behalf of the Nation since September 11. Their service and sacrifice cannot be forgotten.

But even in the midst of these challenges, our mission has not changed, which is to prevent conflict, shape the environment, and when necessary, fight and win our Nation's wars.

As General Odierno has recently stated, it is essential that our total Army, Active Duty, Guard, and Reserve, be ready to accomplish the range of military operations we are directed to perform. We must also have a range of capabilities postured in the proper components in order to have a sustainable force mix both now and into the future.

This year, I have traveled tens of thousands of miles to visit our soldiers serving in harm's way and dozens of other locations across this Nation and around the world where soldiers, families, and our Department of the Army civilians are assigned. My wife is here with me today who is a travel partner with me and speaks with their family members and has a great perspective which she informs me of everywhere we go.

While there, I break bread with our soldiers, engage in conversations, and answer their questions. I would like to take this opportunity to share our soldiers' top five concerns over this past year, but before I begin, you should know that I have never received a question or comment from anyone on our Army team about being unwilling or unable to follow through on their oath of service. They remain committed to do what the Nation asked of them. They recognize there are many threats on the horizon, and they want to be ready.

The fifth most common concern is about the state of readiness of our Army. Our soldiers are concerned about the availability of the training and equipment that has allowed them to be successful and victorious over these past 13 years. They are concerned about the decreasing end strength which may embolden our potential enemies. I tell them that the current drawdown is our only course of action to follow through on our commitment to them, the Army, and the American people, to be ready when the Nation calls.

The fourth top concern is uncertainty. During the furloughs of the last summer and the government shutdown in the fall, our civilians shared their fears about continued employment, and soldiers and families told me about the ripple effects it has had on them. That uncertainty and unpredictability has become a major distraction for our Army. I would like to tell you thanks for passing the Bipartisan Budget Act which gives us some measure of predictability and the ability to rebuild readiness over the next 2 years. However, this is a short-term fix and sequestration, as you well know, looms in 2016 and beyond.

The third top concern is about indiscipline in our ranks, including sexual harassment and assault. During every town hall over the past 2 years, I have told soldiers about the cost of this threat to our Army, its victims, and ultimately the American people whom we serve. Over the past 8 months, however, the soldiers in the audience have been responding more positively with questions about their responsibility, suggestions on how the Army can do better, and several instances of soldiers sharing their experience as a survivor to educate others. I finish by telling them that there can be no bystanders in these issues and that as Army professionals, we

have a duty to police our force and ensure every soldier, no matter what rank or position, is a person of character and commitment.

Their second top concern includes regulatory changes that have been ongoing within our Army for the past several years. These primarily focus around the Army uniform and personal appearance. Soldiers know the Army is based on discipline and standards. They ask me how to continue to look and act like an Army professional. Related to this, I have received questions about new policies on tattoos, the uniform as they wear it, and how the Army will evaluate who can serve in a particular military career field.

Finally, the number one concern of our soldiers relates to the work of DOD and Congress on the MCRMC. Some of their concerns seem to come and go. For instance, commissaries has only recently become a focus of concern. Tuition assistance last year and TRICARE health coverage for family members. But the one issue that has never wavered is retirement reform. I tell soldiers that no one, including our military leaders, our Senators and Representatives, and the President, has stated that our current retirement pay will change for those who currently serve, but that it may, as a part of this commission, change in the future. I tell them that you and your colleagues have told us of your decisions and will honor their service and sacrifice.

As we work collectively on this issue, we must remain aware that proposed changes not only affect our ability to recruit future soldiers and their families but also retain our highly competent and battle-tested soldiers who are integral to our continued defense superiority. Today, we have the best Army in the world. We are the best equipped, trained, and led. Although we may get leaner, we will still be the best Army in the world in 5 years, in 10 years, and as long as this Nation needs an Army.

Let me close by saying that as the Sergeant Major of the Army, the best part of my job is visiting our soldiers, families, and civilians around the world. Their professionalism, dedication, and sacrifice they display every day is the reason our Army is the envy of every other in the world. I leave our Army knowing that it is in great hands. Our future is assured because of the brave young men and women who still come forward today and will into the future saying, send me, I will defend the American people and our way of life.

Thank you for what you do. I appreciate this opportunity, and I look forward to your questions.

[The prepared statement of Sergeant Chandler follows:]

PREPARED STATEMENT BY SMA RAYMOND F. CHANDLER III, USA

INTRODUCTION

Chairwoman Gillibrand, Ranking Member Graham, distinguished members of this subcommittee, thank you for the invitation to speak to you on behalf of the more than 2 million members of our Army team: soldiers, their family members, and our civilian employees. Representing the soldiers in the Army that I love has been a humbling experience and I appreciate the support this committee has given our Army team over the past 12-plus years and for recognizing and valuing the sacrifice and service of our remarkable soldiers. As I near my retirement, this will likely be my last opportunity to appear before you.

I would also like to welcome the new committee members. I appreciate you taking on the tremendous responsibility and I look forward to working with you to support

our soldiers. Your continuing support will enable us to improve the quality of life of soldiers across the force.

BACKGROUND

This past year has brought some significant changes to the Army, including the impacts of sequestration, the government shutdown, and the first and second order effects of a drawdown and budget reductions.

After 12-plus years of persistent conflict, Secretary McHugh, General Odierno, and I are proud of all that our soldiers, family members, and civilians have accomplished. But our Army is not focused on our past success, but rather our future.

The Army stands at a pivotal moment due to daunting fiscal challenges and strategic uncertainty. But even in the midst of these challenges our mission has not changed—to prevent conflict, shape the environment and, when necessary, fight and win our Nation's wars. As General Odierno recently stated, it is essential that our Total Army—the Active Army, Army National Guard, and U.S. Army Reserve—be ready to accomplish the range of military operations we are directed to perform. Our leaders and the American people rightly place their confidence in our professional competence and character, and they expect us to succeed. And, we will.

As we transition, we are making changes to our institutions and processes to ensure that we are maximizing the resources available to the Army. So we will focus on these five strategic priorities:

1. Adaptive Army Leaders for a complex world;
2. A globally responsive and regionally engaged Army;
3. A ready and modern Army;
4. Soldiers committed to our Army profession; and
5. Maintain the premier All-Volunteer Army.

These also form the basis for the objectives outlined in our 2014 Army Strategic Planning Guidance.

Through these efforts, our All-Volunteer Army will remain the most highly trained and professional land force in the world. It will have the capability and capacity to provide expeditionary, decisive land power to the Joint Force and ready to perform across the range of military operations in support of Combatant Commanders to defend the Nation and its interests at home and abroad, both today and against emerging threats.

Although our Army is looking forward to new challenges, it is important to remember what we have done and continue to do. We are entering the 13th years of the longest war in our Nation's history. Nearly 40,000 soldiers are serving in Afghanistan and an additional 120,000 are either forward stationed or deployed in nearly 150 countries. More than 1.6 million soldiers have deployed during the past 12 years and many have deployed multiple times, some as many as six or even ten times. More than 5,000 soldiers have given their lives on behalf of this Nation. This service and sacrifice cannot be forgotten as we move forward and focus on the challenges on our horizon.

DRAWDOWN

All of us in the Army are grateful for the work Congress did on the fiscal year 2014 authorization and appropriation bills, which give us the ability to build readiness over time. Our Army had been reduced to only two brigades rated at T–1 level for deployment. Sequestration limited funding to train, equip and, in some cases, care for our soldiers. During that period, our Army leaders at all levels knew we were accepting some level of risk, so they focused on squad and platoon level training to maintain some level of readiness. This year's budget allows us to increase the number of ready brigades.

However, this fix is only short-term. Next fiscal year we again face sequestration-level funding. Just as last year, that will mean that our Army will lack flexibility and predictability, and our soldiers, their families, and our civilians will once again face the anxiety that comes with uncertainty. We will again face serious readiness challenges.

To address readiness issues, our Army has accelerated the timeline to reduce our Active Force from 580,000 to 490,000 soldiers while reducing our budget—even while still engaged in war, unprecedented in our history. This reduction is being done in a controlled and responsible manner over a compressed timeframe to allow the Army to reduce personnel costs. Those savings can then be used to ensure the force is both ready and equipped to the highest levels possible. Achieving the proper balance between readiness, modernization, and end strength is critical to ensuring the Army is ready for any contingency.

As we continue implementing this drawdown, we will make sure to continue providing programs that value the service and sacrifices soldiers and their families have made to the military. Unfortunately, natural attrition alone will not achieve the Army's reduced end strength requirements. However, we are committed to assisting soldiers and their families as they transition to civilian life, and we encourage continued service in the Army National Guard or Army Reserve.

As our force reduces in size, our organizations will change. Some of our training posts will see changes in throughput or focus in some of their courses. We will continue to recruit America's best men and women, but those numbers will likely be smaller, and as we focus on new training goals and objectives, some training will expand.

Similarly, we are meeting a directive to reduce the size of our headquarters staffs across our Army commands, including both civilian and military members of those teams. We will likely find that many contracts that have supported our Army over the past 12 years can be reduced or ended. Soldiers who have been engaged in actively defending our Nation during that time will return to a garrison environment and traditional support roles. Things like KP, police calls, post security and other duties have been part of my Army for as long as I have served and I firmly believe they help to develop leadership skills, a sense of good order and discipline, responsibility, safety, and pride in taking care of living and working environments.

QUALITY OF LIFE

The quality of life of our soldiers and their families is critically important as the Army goes through this period of transition. Most importantly, the Army must focus on ensuring that we recruit and retain the smartest, most fit, and most resilient of America's youth. It is essential to leverage those actions and incentives that sustain the highest quality All-Volunteer Force in the face of continuing fiscal pressures and ongoing assessments of benefits and entitlements.

For example, the Army's Tuition Assistance (TA) program provides financial assistance for voluntary off-duty education programs in support of soldiers' professional and personal self-development goals. This program helps us to achieve the Army's goal of retaining quality soldiers, enhancing their career professional progression, increasing the combat readiness of the Army, and eventually assisting soldiers in their transition from the Army into successful civilian careers. The TA program supports the leader development imperatives of the Army Leader Development Strategy and supports Army Strategic Priorities.

During our comprehensive assessment of TA, we evaluated a number of changes based on their ability to support the intent of the TA program and compared them to other available programs providing education benefits. The changes we ultimately implemented not only are consistent with the purpose of TA but also enhance sustained readiness of the Army and optimize scarce resources.

As the Army draws down, another important quality of life issue is successfully reintegrating those soldiers and families separated after 12 years of war. It is important that whatever support we provide has the greatest impact on sustaining readiness and resilience, so the timing of resource reductions should take into account this goal.

TRANSITION

As we continue to draw down the Army, we understand our duty to treat soldiers and families not retained with dignity and respect. Through our Army Career and Alumni Program (ACAP), we are fully committed to the VOW to Hire Heroes Act. In coordination with the Departments of Labor and Veterans Affairs, we are conducting assistance training and transition counseling for soldiers beginning no later than 12 months from their transition date to enable soldiers to successfully transition into civilian society.

ACAP provides transitioning soldiers with the tools and resources to help make informed career decisions, be competitive in the workforce, and continue to provide positive contributions to their community after completing their active duty service. The transition process is focused on the soldier and managed by commanders through performance metrics recorded in the automated tracking system of record, ACAP XXI.

To assist soldiers in making the most of opportunities as they appear during that period of transition, the Army is exploring policy changes that provide opportunities for Active component soldiers to separate if they have secured employment, have been accepted into higher education, or want to transition to a position in the Army National Guard or Army Reserve.

Collectively, these programs and other recent changes have helped the Army reduce the percentage of unemployed soldiers who are veterans of Operation Iraqi Freedom or Operation Enduring Freedom. This lower rate also reduces the Army's cost for annual Unemployment Compensation for Ex-servicemembers (UCX), making those monies available to support personnel, readiness, and modernization needs. Last year, the Army spent more than $430 million on UCX, and we want to see that amount substantially decreased.

Another recent Army initiative to support veterans is Soldier For Life. It is designed to enable soldiers, veterans, and families to leave military service "career ready" and connect to an established network to find employment, education, and health resources. We know the value and outstanding capabilities these soldiers can bring to any organization, and we encourage them to continue to serve our Nation by instilling Army values, the Warrior ethos, and leadership in businesses and communities across the Nation.

The Soldier For Life program is a holistic approach to the military life cycle career of a soldier. The U.S. Army takes care of teammates by ensuring soldiers start strong, serve strong, and reintegrate strong so they remain Army Strong even after leaving the Army. The U.S. Army's strategic imperative of sustaining the Premier All-Volunteer Army is directly affected by how well our veterans reintegrate back into their communities.

Soldier for Life works to connect employers to transitioning soldiers from all Army components: Active Duty, National Guard, and Reserve. We help employers navigate the Army's reintegration network by developing lasting relationships and connecting them to transitioning Army talent.

I've been personally involved with this program over the past year and know its value. In March, I spoke to an audience of national healthcare providers at the University of Michigan at Ann Arbor to discuss best practices and gaps in providing behavioral healthcare for Guard and Reserve soldiers and their families. The following month, I attended the National Beer Wholesalers Association's legislative conference in Washington, DC. During my visit, they pledged as an organization to hire transitioning soldiers and their spouses in their businesses across the country. Last week, our Soldier for Life office in Los Angeles laid the groundwork for me to meet with dedicated individuals from the University of Southern California and the Office of the Mayor of Los Angeles who are working two separate but collaborative efforts to help serve the largest population of veterans in the Nation find employment, homes, and healthcare. This kind of support occurs across the country—and I want to thank everyone for reaching out to our Army team.

READY AND RESILIENT

As I stated last year, it is critically important for an Army with less manpower and a smaller budget to maintain peak readiness. The last 12-plus years have challenged our Army. The stress and strain of multiple deployments can manifest in high risk behavior as soldiers try to cope with issues and problems without the proper help.

Our efforts this past year to address challenges such as post traumatic stress, suicide, sexual assault and harassment, hazing, and reckless behavior are making positive changes in organizational climate and leadership abilities, while at the same time, maintaining good order and discipline.

Even after an extraordinary commitment by the Army of time and money to address suicides, it has been a particularly difficult problem. However, we may be starting to see some signs that our investments are beginning to pay off. Our overall number of suicides across the force has decreased as we continue to work in concert with Departments of Defense and Veterans Affairs and cultivate a climate that supports those who responsibly seek help and those who act, intervene and are motivated to stand against behaviors that are contrary to our Army Values. Although we do not have data yet to fully explain this improvement, we are analyzing our efforts to discover and reinforce future efforts.

Let me now turn to sexual assault, an issue I known that is very important to all of you here. Above all else, the Army is an organization built on and bound by values. Sexual harassment and assault in all its forms goes against every one of those values. Simply put, sexual assault is a crime that will not be tolerated. The overwhelming majority of soldiers and civilians serve honorably and capably, but we must recognize that the ill-disciplined few jeopardize the safety of all our people as well as the trust and confidence the American people have in their Army. For that reason, we have made the prevention of sexual offenses a top priority.

The Army's SHARP Program seeks to reduce and ultimately eliminate this crime from our ranks, and to compassionately and rapidly care for the victims, and we

have made excellent progress in implementing it throughout the Army over the past year. Through the combined efforts of our military and civilian leaders at all levels, we've implemented numerous program and policy changes to address this insider threat. I believe the initiatives are leading to enhanced reporting, investigating, and prosecution of sexual assault offenses, and increasing the accountability of leaders. The changes includes revised policies that focus on constant assessments of command climates, changes to leader evaluations to ensure their commitment to SHARP goals, the addition of special legal counsel to support victims, and the establishment of more stringent screening criteria and background checks for those serving in positions of trust, including Sexual Assault Response Counselors and Victim Advocates.

Let me add one final, but important, note. Sexual assault is antithetical to competent command, and it is important that Army commanders retain their authority over the disposition of sexual assault cases. Removal of that authority would make it harder to respond to the needs of soldiers within the command, especially the victims. Many of the Army's most difficult problems were solved by making commanders more accountable, not less. Therefore the Army opposes efforts to remove commanders from the disposition process.

The Army's goal in all of these efforts is to facilitate a culture change that will result in a positive command climate where the behaviors and attitudes that lead to sexual offenses are rare and victims feel free to report without fear of reprisal. Most important in development of trust is our commitment to soldiers and the accountability of leaders at all levels.

WOUNDED, INJURED, AND ILL

This past year also saw significant progress in our care for wounded, ill, or injured soldiers, and organizational changes that underscore that positive trend. Overall, the Warrior Transition Units (WTU)/Community Based Warrior Transition Units (CBWTU) population continues to decline as there are fewer soldiers entering these units and more soldiers departing, fewer deployments, fewer MEDEVACs, and fewer Reserve Component mobilizations. As of February 3, 2014, the population of wounded, ill, or injured soldiers assigned or attached to WTUs and CBWTUs was 6,988, the lowest level since the fall of 2007.

Force structure changes within the Warrior Care and Transition Program (WCTP) reflect a decreasing WTU population while retaining scalability in order to meet the Army's future needs. To be sure, WTU force structure changes are not related to budget cuts, sequestration, or furlough. These changes will improve the care and transition of soldiers through standardization, increased span of control, better access to resources on installations, and reduction of unnecessary delays in care.

We also continue to improve the process with the Integrated Disability Evaluation System (IDES). In fiscal year 2013 the Army made tremendous progress across the IDES by significantly reducing backlogs at the Medical Evaluation Boards (MEBs).

Last year the Army made a concerted effort to eliminate the backlog of IDES cases at every stage under its control, thereby processing approximately 80 percent more cases than we had done in any previous year. Since the beginning of fiscal year 2013, the Army processed over 34,000 cases. During the same period, more than 29,000 soldiers either separated from the military or were found fit and returned to duty.

We are now meeting timeliness goals for all stages we control. The Army is continuing to collaborate with our VA partners to speed up IDES processing while ensuring soldiers receive the benefits they have earned and deserve.

CLOSING

Throughout this past year, while continuing the fight, drawing down our force, and working within fiscal constraints, our soldiers have continued to demonstrate their professionalism in several key ways. The expansion of entitlements and benefits to same-sex spouses has gone almost unnoticed by most soldiers. This professionalism is also highlighted in our ongoing campaign to ensure every soldier understands how their competence, character and commitment underpin the American public's trust and respect for the Army.

In closing, I want to recognize the amazing work being done every day by our Army Team. As the Sergeant Major of the Army, one of the best parts 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. Today, our soldiers are the best-trained, best-manned, best-equipped, and best-led force in our history.

Tomorrow we will be smaller and we may be leaner, but we will continue to be the best-trained, best-manned, best-equipped, and best-led force in our history.

Ten years from now, we will continue to be best, and I feel confident in making that statement because I know we will continue to have your support. Thank you for what you do.

I appreciate this opportunity to speak before you and tell our story. I welcome your questions at this time. Thank you and Army Strong.

Senator GILLIBRAND. Thank you, Sergeant Major.

Before we hear from Master Chief Petty Officer of the Navy Michael Stevens, we are going to go vote. It should probably take me no more than 10 minutes to go there and come back. We will resume in 10 minutes. Thank you. [Recess.]

Thank you, gentlemen.

Our next speaker, I am pleased to present Master Chief Petty Officer of the Navy Michael Stevens.

STATEMENT OF MCPON MICHAEL D. STEVENS, U.S. NAVY

Chief Petty Officer STEVENS. Good morning, Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of this subcommittee. Thank you for the opportunity to share with you my thoughts on the tone of our Navy's enlisted force. The support that each of you have provided to our men and women in uniform has had an incredible impact on their quality of life and quality of work which, in turn, produces a healthy quality of service. Each of these elements are vital to our Navy's force and set the tone for effective warfighting and sustained operational readiness.

Today as we sit here, 108 of our 288 deployable ships are underway. More than 323,000 Active Duty sailors and 61,000 Reserves are projecting U.S. naval sea power and forward presence worldwide. Over the past 18 months, I visited with thousands of these sailors who continue to stand the watch for the United States of America every day. I have also observed firsthand the quality of life our sailors and their families enjoy. I have also witnessed the many challenges they face.

Areas that concern me with respect to the tone of the force include, but are not limited to, alcohol abuse, sexual assault, suicide, domestic violence, and potential impacts with regard to pay and benefits.

I understand the reasoning and the necessity in balancing our authorized military spending, and I agree it is vitally important that we balance quality of work with quality of life so that we can provide our sailors and families with the best quality of service. After all, our slice of the pie is only so big.

The Navy has been asked to slow growth, to look at those things which could be scaled back with regard to pay and benefits, and this we have done. In testimony earlier this year before the House Appropriations Subcommittee, I mentioned one of the greatest weapons systems we can provide the U.S. Navy is unit morale. I made that comment with emphasis because I am concerned with the potential intensity in which slowing of growth may occur. Although I understand there may always be a little fat to trim, as I look into the future, I believe we are dangerously close to cutting into muscle, and we simply cannot afford to cut into bone. We cannot afford to cut into the weapon system I just mentioned.

I am also concerned that this year's budget may become the new standard. My sailors ask me "will this become the new norm?" We must provide the same level of care and commitment that we expect our sailors to offer their country. Our military family and support programs should not—I repeat should not—become a casualty of budgetary uncertainty. The CNO and I understand nothing comes second to combat readiness, and we are committed to preserving our people and our free programs to the fullest extent possible. Under the current fiscal constraints, budget uncertainty will likely continue to place emotional and economic strain on our sailors and their families.

As we navigate through these challenges, I have no doubt that you will do your very best to ensure our sailors and their families have what is necessary to carry out our Navy's mission. The current fiscal situation, I will be perfectly clear with you, is not a topic I intend to sell our sailors. I will, however, find a way to explain this to them because I am committed to giving them nothing less than the truth. Together, we will manage, work through, and solve these difficult challenges.

On behalf of our sailors and their families serving around the world, I sincerely thank you for your continued support, and I look forward to taking your questions.

[The prepared statement of Chief Petty Officer Stevens follows:]

PREPARED STATEMENT BY MCPON MICHAEL D. STEVENS, USN

Chairwoman Gillibrand, Ranking Member Graham, and distinguished members of this subcommittee, thank you for the opportunity to address you today. As the Master Chief Petty Officer of the Navy, I am honored to represent more than 380,000 Active and Reserve sailors in the U.S. Navy. During the past 18 months, I have visited tens of thousands of sailors and their families in the United States and overseas. Today, I am prepared to deliver you a summary of the quality of life that sustains our sailors and their families.

OVERALL QUALITY OF LIFE

In today's Navy, quality of life is high overall; however, today's sailor is concerned about the many quality of life issues that carry a burden of uncertainty, especially in the current fiscal environment. Chief among these concerns are:

- Potential Pay and Benefit changes;
- Family Programs and Support Services; and
- Predictability with Respect to Deployments.

As I navigate through the various commands and units of our Force, I am always inspired by their work ethic and dedication, and I am honored to serve with and represent these amazing men and women—your sailors. I have no doubt that these issues of concern will be addressed with the utmost regard for their well-being.

YOUR NAVY

The Navy understands that a budgetary reformation is fast-approaching, and we are working hard to implement policies that will meet end strength controls and planned budget execution. Such budgetary decisions will continue to be carefully monitored for impacts to fit, fill, and tone, the health of the Force. Navy Active and Reserve components continue efforts to stabilize, balance, and distribute the Force to ensure that sailors are assignable, deployable, and distributable in support of the Chief of Naval Operations' (CNO) tenets: Warfighting First, Operate Forward, and Be Ready.

The overall health of the Force is "good," and morale is reasonably high; however, we continue to closely monitor the tone of the Force and personnel readiness. Areas by which we measure these controls include:

- Physical, mental, family and financial stress;
- Morale, alcohol and substance abuse;
- Misconduct; and

- Recruiting, Retention, Operations Tempo, Personnel Tempo, safety, training, and manning (Personnel Readiness).

Additionally, and in order to secure a healthy balance in quality of life and work, the Navy is committed to a two part obligation that we call "quality of service":

1. To ensure sailors receive the finest training and equipment possible so they can deploy ready to accomplish their mission and return home safely, and
2. To ensure they and their families are properly compensated and cared for.

RECRUITING

To ensure the Navy is prepared to meet future operational requirements, the Force must recruit sailors in the right combination of ratings (jobs). For fiscal year 2014, through January 2014, the Navy met numerical goals with a total of 10,443 accessions. Because quality of life and service are fundamental features to recruiting new sailors, we hold an obligation to provide sailors with the best equipment and training possible. From the time a sailor steps into basic training, we begin to develop and mold them into a leader who is prepared to serve and sustain the Force. Recruiting efforts are supplemented by an element of job security that extends into a career-long training continuum that will enhance a sailor's personal and professional development. As we work with Congress, we hope to continue to provide the necessary tools to recruit the right sailors, with the right skills, in order to meet current and future mission requirements.

RETENTION

Officer and enlisted inventory gaps remain in several critical specialties where operational tempo is high or pay disparities exist between the military and the private sector. Targeted special pays have a strong impact on reenlistments. Selective Reenlistment Bonuses (SRBs), in particular, are essential to retaining personnel in critical skills, such as the Nuclear Field, Information Dominance, and Special Warfare ratings. We continue to use SRBs as a quality of life initiative to address these shortages, and we appreciate your continuing support for these important incentives.

END STRENGTH

As of January 2014, our total Force is 323,561 Active Duty and 61,499 Reserve. This is on track with Navy's fiscal year 2015 budget submission of 323,600 Active and 57,300 Reserve. We are focused on maintaining the right number of sailors to adequately man the fleet and to ensure sailors are in the right positions to accomplish our operational commitments. We strive to provide the fleet with the right fit and fill—assigning sailors with the right skills and experience level to perform and fill the most critical sea duty jobs.

As the Navy has had to adapt to an ever-changing fiscal environment, I have watched our sailors continue to complete their missions with a dedicated, goal-oriented approach. I have seen the evidence of their hard work and been a witness to their determination. They are indeed, the driving Force of our Navy.

WOMEN IN SUBMARINES

Retention of women in the Navy has been historically challenging. Averages for female submarine officer retention will not be well known until fiscal year 2019 when the first several year groups of female submarine officers are making decisions on whether to serve as a Department Head.

Naval Sea Systems Command recently conducted a habitability study that examined design modifications for: (1) enlisted female sailors/officer integration on all submarine platforms; and (2) officer female integration on *Virginia*-; and *Los Angeles*-class SSNs. The study revealed that ship design modifications will be required for enlisted female sailors' integration on all classes of submarines. Study assessments also indicate that there are no obstacles for female officer integration on *Virginia*-class SSNs supporting Navy's goal to provide equal career opportunities for women to the greatest extent possible.

The Navy intends to integrate female officers aboard two *Virginia*-class submarines starting in fiscal year 2015; and, as publically announced in January 2013, the Navy intends to assign enlisted women to *Virginia*-class submarines. Although enlisted women have not yet been assigned in submarines, a task force was established last year to coordinate and synchronize these efforts.

HOUSING

Family housing and single sailor housing is a crucial element in supporting Navy readiness and quality of life. By providing sailors and their families the opportunity for suitable, affordable, and safe environments in the community, whether privatized or Navy-owned, we are ensuring a critical component to the overall well-being of sailors and their families. Thanks to the support of this committee and Members of Congress, we have improved, and continue to improve the housing available to our sailors and their families.

In fiscal year 2013, the Navy renovated a total of 28 barracks at 11 bases, and in fiscal year 2014 we will prioritize renovations to ensure units meet health and safety standards. However, to resource critical warfighting requirements, Navy has taken risk in our shore infrastructure and we have found ourselves with a significant number of unaccompanied housing buildings in "inadequate condition." It is critically important that we fully fund efforts in this area.

FAMILY SUPPORT PROGRAMS

The Navy has extended strong resources to our Navy families, providing our sailors with the reassurance that their families are being supported. This allows our sailors to effectively focus on the mission at hand with peace of mind. Fleet and Family Support Centers offer a number of personnel and family support programs to reduce life stressors throughout the training and deployment cycles. Family Support Programs provide support to military members and their families whether the member deploys as part of a unit or individually. In addition, military members and their families may contact the Department of Defense sponsored Military OneSource program for confidential assistance and comprehensive information or materials on a variety of military life topics. Military OneSource, available worldwide 24/7/365 by telephone or online for both Active Duty and Reserve members, provided more than 885,000 services to military and family members in fiscal year 2013.

Navy Ombudsmen and Family Readiness Groups (FRG) are other essential components in our efforts to foster effective relationships between family members and commands. Ombudsmen function as an intermediary between commands and families to better prepare both sailors and their families for the challenges associated with training and deployment. Ombudsmen also serve as liaisons between commands and families on a wide range of issues including pay and compensation, deployment schedules, child care, housing, et cetera. They keep the command informed regarding the overall health, morale, and welfare of command families.

For our Reserve sailors, the Yellow Ribbon Reintegration Program (YRRP) and the Psychological Health Outreach Program (PHOP) have been tremendously successful in caring for servicemembers and their families before, during, and following deployment. The YRRP provides Reserve sailors and their families with information, services, referral, and proactive outreach opportunities via informational events and activities. PHOP services include psycho-educational briefings, behavioral health screenings, and phone/email follow-up to ensure sailors have received the information, resources, and services they need to enhance their state of wellness and readiness.

It is imperative that in today's fiscal environment, we protect these programs and services that promote a thriving and healthy family unit, and, in essence, the viability of our Force.

NAVY CHILD AND YOUTH PROGRAMS

Navy Child and Youth Programs (CYP) deliver services that help meet mission requirements and reinforce strong military families through activities that promote cognitive, social, emotional, and physical development of children from ages infant through twelfth grade. Navy CYP also provides School Liaison Officers to support the transition needs of school-aged children and families by facilitating communication with local school authorities on the impacts of a military lifestyle on children. The Navy remains dedicated to ensuring our sailors and their families are provided with adequate choices based on their respective needs and/or requests.

SAILOR AND FAMILY READINESS

Deployments are a necessary part of Navy life, and as we have deployed our Forces throughout times of peace and conflict, it is imperative that we never underestimate the incredible strain that deployments impose on our sailors and their families. The stresses associated with being a part of a Navy family have significant impact on the overall readiness of the unit, the readiness of the individual sailor, and the readiness of their families.

One stressor that I briefly addressed above is the unpredictability of deployments. It is understood that real world events coupled with the strain of maintaining material readiness are factors that contribute to uncertain deployment schedules.

Once a deployment assignment is delivered to the command, along with a predicted timeline, personnel are made responsible for properly preparing themselves and their families. They immediately begin to make important life decisions via their family care plans, automobile arrangements, household goods placement, financial accounts, and many other facets of their personal lives. When a change in length of a deployment or a delay in deployment is announced, it results in a significant strain on the morale of the Force which, in turn, negatively impacts quality of work. I believe it is paramount that the Navy is provided with adequate capacity, or the proper manning, to support mission demands and ensure deployment predictability to the largest extent possible.

Sailors choose military service for many different reasons: loyalty to country, family and service tradition, and dedication are all undoubtedly significant factors. Sailors also recognize that with this commitment, comes great opportunity. I appreciate Congress' historical support of pay and benefit increases and quality of life initiatives that have sustained our Navy.

In past years, Congress has provided the Navy with competitive pay, allowances, housing, support programs, and educational opportunities that support sailor and family readiness; this support helps to explain why many sailors and their families decide to "Stay Navy." It is my hope that we can continue to work together to ensure that investments in quality of life and in quality of work combine to produce a quality of service that helps the Navy continue to attract and retain high quality sailors.

CONTINUUM OF CARE

Health care is extremely important to mission readiness and is incredibly appealing for the recruiting and retention of our sailors and families. I am often made aware of our sailors' families' future concerns in regards to health care. As we improve the process by which we provide for the health needs of our sailors and families, I believe we should also direct attention toward severely injured sailors. We must apply the same level of attention to those who return from deployments whose medical needs may not be immediately apparent.

We have continued to encourage leaders to be vigilant for servicemembers who may be suffering from Post-Traumatic Stress Disorder or Traumatic Brain Injury, and to encourage those afflicted with these conditions to seek help. We must also be able to provide care and support to address the physical and psychological toll that multiple deployments have on our sailors and their families. The Navy continues to work hard to dispel the stigma often associated with mental healthcare.

Recently, Navy has embedded mental health providers in primary care settings and operational units in order to identify and manage issues before they manifest as psychological problems. Navy Medicine continues to provide timely and comprehensive physical and mental health care for sailors, marines, and their families throughout the training and deployment cycle.

21ST CENTURY SAILOR AND MARINE

Navy's 21st Century Sailor Office was established in June 2013 and is responsible for integrating Navy's efforts in equal opportunity, sailor personal and family readiness, physical readiness, alcohol and substance abuse prevention, suicide prevention, sexual harassment prevention, sexual assault prevention and response (SAPR), hazing prevention, and transition assistance. The 21st Century Sailor Office captures all these programs under one umbrella and provides top level attention and support to ensure critical resilience programs continue to grow and thrive. We provide resources to our sailors and families to ensure they can take the challenges of a military lifestyle in stride.

SEXUAL ASSAULT PREVENTION AND RESPONSE

Sexual assault is a crime and is counter to our core values. It directly impacts operational readiness and unit cohesion and I have aggressively challenged enlisted leadership to impose a daily influence on their sailors that is consistent with ensuring every sailor is treated with dignity and respect. By identifying the disrupting factors that contribute to sexual assault, such as alcohol abuse and poor command climate, we may better focus on ways in which the Navy should implement improvements to our leadership training. Leadership development programs will better prepare leaders for efforts to keep their sailors safe and further shape a proper command climate.

Because many victims and offenders are junior sailors, our training is targeted to those Sailors, and we actively support peer groups such as Coalition of Sailors Against Destructive Decisions (CSADD) who train, mentor and sponsor awareness-raising events for fellow junior Sailors. We are also working to create a culturally-aware, educated, Total Force environment intolerant of sexual assault, supported by a well-defined prevention, reporting, investigation, military justice, and victim advocacy program. The Navy is committed to reducing sexual assault with the goal of eliminating it from within our ranks.

In compliance with Department of Defense (DOD)initiatives and the guidance from the DOD and Department of the Navy Sexual Assault Prevention Response Offices (SAPRO), the Navy follows and supports the five lines of effort for eliminating sexual assault:

1. Prevention;
2. Investigation;
3. Accountability;
4. Advocacy and Victim Assistance; and
5. Program Assessment.

Tailored SAPR training has been given to all Officers and Chief Petty Officers focusing on leadership's role in setting the correct tone and climate to prevent and eliminate sexual assaults. All E–6 and below sailors receive training that focuses on sailor responsibility for positive changes in their command and in their Navy, with emphasis on bystander intervention and responsible decisionmaking.

We will continue to use a metrics-based approach to evaluate our progress, and improve our prevention efforts.

SAFE HARBOR & WOUNDED WARRIORS

We provide a lifetime of individually tailored assistance designed to optimize recovery, rehabilitation, and reintegration of sailors and coastguardsmen. Navy Safe Harbor is the Navy's sole organization for coordinating the non-medical care of all seriously wounded, ill, or injured sailors, coastguardsmen, and their families.

Non-medical care management support includes, but is not limited to, support services for TBI/PTSD, pay/personnel issues, invitational travel orders, lodging/housing adaptation, child/youth programs, transportation needs, legal/guardianship issues, education/training benefits, commissary/exchange access, respite care and transition assistance. Safe Harbor enrollment includes sailors with combat-related wounds or injuries, those from shipboard accidents, and off duty accidents, and serious medical and psychological conditions, such as cancer and severe PTSD.

100 percent of Wounded Warrior enrollees are briefed by the Safe Harbor program on child care as part of their portfolio of support services available to them. If a Wounded Warrior requires child care, installation child care programs adapt to accommodate the individual family's needs. All Wounded Warriors have priority access into all Navy Child and Youth Programs. We continue to strive to improve the continuum of care and explore all avenues that may more effectively meet the needs of our severely injured sailors and their families.

SUICIDE PREVENTION

Suicide prevention in the Navy is an all hands evolution, all of the time. The Navy Suicide Prevention Program manages policy and programs to help sailors live life fully, promote psychological and emotional wellness, and reduce barriers that discourage seeking help. A comprehensive four-prong approach includes training, intervention, response, and reporting to ensure we're providing all Navy personnel the support network and skills needed to thrive, not just survive.

The Operational Stress Control (OSC) program is the foundation of the training effort, supporting the fleet with resources to navigate the stressors and challenges commonly associated with Navy life to help sailors build resilience and maintain readiness—a major tenet of the Chief of Naval Operations' Sailing Directions.

We encourage proactive measures that sailors, leaders, commands and families can take to mitigate stressors before they become crises, while identifying those who may be reacting to stress and need assistance. While our efforts focus on actions "left of the event," post-vention is a critical component of our program, providing psychological first-aid support to commands that have experienced a suicide tragedy.

The NavyTHRIVE communications campaign was launched last year, focusing on providing sailors, leaders, and families with the tools and knowledge to thrive; the next step in the resilience ladder. "Thrive in your Community", the 2013 Suicide Prevention Month theme, added a new dimension to NavyTHRIVE by emphasizing the importance of cohesion and togetherness when dealing with adversity. The

Thrive During the Holidays campaign addressed the various components of a physically and psychologically healthy lifestyle to reduce holiday stress.

Beginning January 1, 2014, Navy commands are now required to complete Operational Stress Control skills training within 6 months of deployment. This provides units tools to build sailor resilience and command readiness.

TRANSITION ASSISTANCE PROGRAM/TRANSITION GOALS, PLANS, AND SUCCESS

Transition Goals, Plans, and Success (GPS) replaced the 20-year-old Transition Assistance Program (TAP). The development and implementation of this initiative to extend the continuum of care to retirement, and well beyond, was a collective effort involving all Military Services. Created by the Office of the Secretary of Defense, with full participation by the Department of Veteran's Affairs, Department of Labor, and the Small Business Administration, Transition GPS increases sailors' abilities to overcome challenges they may face in pursuit of their chosen civilian career path. Transition GPS is a reinvestment in our citizen-sailors, and by providing ready, skilled, and service-oriented workers, we become a stronger Nation.

The Navy Transition Assistance Program is currently executing a strategic shift that vastly increases the resources, training, and professional assistance to those personnel who are transitioning out of the service. This program is focused on a common set of life skills and then tailored to an individual's plan for a civilian job, higher education, or entrepreneurship. It is important, as we assist our personnel in a life transition, that we ensure they are receiving the information and opportunities that better assist them as they shift into civilian life.

CONCLUSION

Today's sailor is perceptive, intelligent, and devoted to our country. I am confident that these outstanding men and women will continue to ensure the strength, power and worldwide presence of our Force. As a result, your Navy will continue to play a pivotal role in worldwide security. Sailors and their families endure the challenges of multiple deployments and household moves all over the world. They miss anniversaries, births of children, funerals, and countless holidays, all while balancing the struggles of operational demands and putting life and limb at risk in service to the Nation.

It is my hope that the decisions of Congress will continue to ensure that our sailors' pay and benefits remain competitive to sustain the All-Volunteer Force, today and into the future. Such efforts, once executed, will enable us to continue to provide a quality of service commensurate to the sacrifices our sailors and families make daily.

On behalf of the men and women of the U.S. Navy and the families who so faithfully support them, I sincerely thank you.

Senator GILLIBRAND. Thank you.

Chief Master Sergeant of the Air Force James A. Cody.

STATEMENT OF CMSAF JAMES A. CODY, U.S. AIR FORCE

Sergeant Major CODY. Chairwoman Gillibrand, Ranking Member Graham, although I know he had to step out, and certainly distinguished members of the subcommittee, I thank you for this opportunity to speak with you today. It is my absolute honor to be here with my fellow Service senior enlisted advisors as we represent the fine men and women who serve our great Nation. I sincerely appreciate the opportunity to share with you the concerns of not just the enlisted force but the 690,000 total force airmen and their families serving in the Active Duty, the Air National Guard, the Air Force Reserve, and our civilian workforce.

America's airmen continue to generate the greatest Air Force the world has ever known. They are innovative, dedicated, and passionate men and women who understand freedom does not come without a cost. It must be fought for and won.

Throughout the last 20-plus years of sustained operations, they have continued to dominate in the multidimensional battlefield of air, space, and cyber space. They have never wavered from their

commitment to serve our Nation, and they have continuously demonstrated our core values of integrity first, service before self, and excellence in all we do.

Even as they confront one challenge after another, this past year our Air Force has faced challenges on multiple fronts. We pushed through a period of sequestration, which forced us to stand down flying squadrons, furlough civilians, limit morale, welfare, and recreation services, and reduce and in some cases eliminate important education and training opportunities. We have endured a government shutdown and significant uncertainty in turn with respect to mission capability, compensation, and the meaning of service in the world's greatest Air Force. There is no question the past year has been extremely stressful on all members of our Air Force.

This year brings continued stress and continued uncertainty as we move toward a new normal operational tempo and fiscal reality. We are currently taking action to significantly reduce the size of the Air Force by more than 16,000 airmen who have proudly dedicated their lives in service of our great Nation. Our airmen continue to move forward without answers to many questions on future compensation and benefits. While these actions and compensation reforms are absolutely necessary to ensure critical modernization and to restore force readiness, the combined impact brings continued uncertainty and stress on our airmen.

Transparency and communication amongst our airmen and families will be critical as we move forward. We cannot forget that our Air Force is powered by people, airmen who clearly give us the advantage.

Throughout the past year, I have traveled to multiple bases to visit tens of thousands of airmen and their families, and I can tell you candidly the challenges and continued uncertainty are not lost on the force. However, regardless of the uncertainty, you will be proud to know the first concern of our airmen is mission accomplishment. They are truly doing amazing work around the world every day.

In 2013 alone, U.S. airmen flew over 27,000 intelligence, surveillance, and reconnaissance missions, removing 1,500 enemy combatants from the fight. They flew more than 27,000 air support air sorties, launched 8 national security space missions, dropped 11 million pounds of combat-enabling sustainment to coalition forces on the ground in Afghanistan, and airlifted 5,133 wounded soldiers, sailors, airmen, marines, and injured civilians around the globe. Additionally, they maintained a continued presence of nearly 23,000 airmen in the U.S. Central Command region and supported combatant commanders in all corners of the globe with more than 217,000 airmen.

Tragically, the commitment to preserve freedom comes at a cost. In 2013, we lost 176 young men and women who proudly answered the call to serve. Today, we have more than 3,000 wounded warrior airmen enrolled in our recovery care program, 240 of those airmen still serving on Active Duty. Our airmen have faced and overcome challenges at every turn and continue to serve honorably and proudly in defense of our Nation. They count on your leadership to ensure they can continue to win the fight for America.

Our Air Force families are also a critical component of our success. My wife, Athena, who joins me today has visited with thousands of these families over the last year, and I would tell you she has witnessed firsthand their passion and commitment to support their member who serves. The commitment to our Nation is not lost on any of them, but we cannot forget who generates us every day. They serve alongside each and every one of us. They see loved ones deployed to war zones and foreign countries. Their faith and support is critical to our airmen and enable the force to focus and maintain a dedicated mission accomplishment. Our airmen and families are our most important resource.

We must remain committed to fostering a culture of dignity and respect and to ensuring an environment where all airmen have the opportunity to excel. In order for airmen to continue to serve as leaders and warriors for America, we must also remain focused on recruiting, retaining, training, developing, and supporting a world-class All-Volunteer Force.

I thank you for your continued support, and I look forward to your questions.

[The prepared statement of Sergeant Cody follows:]

PREPARED STATEMENT BY CMSAF JAMES A. CODY, USAF

INTRODUCTION

Chairwoman Gillibrand, Ranking Member Graham, members of the subcommittee, thank you for your continued support and commitment to the men and women who serve in our military. It is my absolute honor to join my fellow service senior enlisted advisors as we represent those men and women who have raised their right hand in dedication to their nation.

America's airmen continue to generate the greatest Air Force the world has ever known. They are innovative, dedicated, and passionate men and women who understand freedom does not come without a cost; it must be fought for, and won. Throughout the last 20 plus years of sustained operations, they have continued to dominate in a multi-dimensional battlefield of air, space and cyberspace. They have never wavered from their commitment to serve our Nation, and they have continuously demonstrated our core values of Integrity First, Service Before Self and Excellence in All We Do. In order for airmen to continue to serve as leaders and warriors for America, the Air Force must remain focused on recruiting, retaining, training, developing, and supporting a world-class, All-Volunteer Force.

FORCE MANAGEMENT

The Air Force faces a significant challenge over the next several years as we move toward a new normal of operational tempo and fiscal constraints. We must significantly reduce the Total Force end strength from 503,400 to 483,000 proud airmen to meet DOD strategic guidance for a leaner force. Our Active Duty military end strength will drop 16,700, from 327,600 to 308,800. Our Air Force Reserve military end strength will decrease by 3,300 to 66,500, and Air National Guard military end strength will decrease by 400 to 103,600. To reach these numbers, we are instituting multiple voluntary and involuntary programs that have been structured in a logical, deliberate and responsible manner, with voluntary programs available first. These programs are not quick fixes, but rather a tailored effort comprised of many initiatives aimed at managing the long-term health of the force along a continuum of service. They are necessary to facilitate critical modernization and restore force readiness. The capabilities and credibility of our Air Force to meet our core missions are essential to national defense, and these efforts support that end.

We recognize how difficult these actions are on our airmen and the importance of transparency during this process. Air Force senior leaders announced the programs as early as possible to ensure airmen and their families had time to plan for their future. All airmen have been individually notified of their vulnerability for voluntary and involuntary force management programs. We also understand the importance of communication and support for our airmen and their families. Through a deliberate communication effort, supervisors down to the unit level understand

they must stay well versed on the different force management initiatives and how they affect their team. We are committed to sitting down with each individual airman to talk through options and refer them to support agencies as appropriate. As we push forward through the turbulent road ahead, our commitment to our fellow airmen and their families will assuredly serve as the fabric that holds us together.

TRANSITION ASSISTANCE

As we manage the reductions to end strength, we must continue to focus on support for our airmen transitioning to the civilian sector. The Airman and Family Care Division has been largely focused on the re-designed Transition Assistance Program (TAP), which includes pre-separation counseling, attendance at a Department of Labor Employment Workshop, Veterans Affairs benefits briefings, and a Capstone that validates career readiness standards have been met and that the servicemember is ready to transition to the private sector.

The number of airmen transitioning as a result of the force management programs will be over and above the 32,000 to 35,000 airmen our Airmen and Family Readiness Centers (A&FRCs) process each year (fiscal year 2013 throughput was 33,422). Our A&FRC team is taking additional steps to ensure all airmen separating or retiring attend TAP. Some initiatives include increasing the frequency of courses at each installation, increasing the class size, coordinating with partnering agencies to brief additional TAP courses as needed, providing the Air Force community (to include family members) information about TAP and contacting airmen to sign them up for TAP.

RECRUITING AND RETENTION

The Air Force Recruiting Service (AFRS) has successfully met All-Volunteer Force requirements for the past 14 years and is currently positioned to meet both fiscal year 2014 and fiscal year 2015 requirements. This fiscal year, over 11,000 of America's young men and women have completed or are currently attending Air Force Basic Military Training (BMT). Additionally, there are approximately 9,000 recruits already contracted to attend BMT. AFRS has placed the right airmen into the right jobs and at the right time to fill the Initial Skills Training pipeline with the number of airmen necessary to meet career field requirements across the Air Force. Despite a shrinking pool of age-qualified youth, a decreased propensity to serve in the military and reduced budgets, we continue to recruit the best and brightest our Nation has to offer. Currently, 99 percent of our recruits are high school diploma graduates and 18 percent have at least 15 semester hours of college. This punctuates the Air Force commitment to produce a high-quality enlisted corps capable of meeting the challenges of today and tomorrow.

During these unprecedented budgetary times, it is imperative we continue to invest in programs that attract the high-quality applicants the Air Force requires to meet evolving career field needs. The Air Force budget for recruiting includes funding for day-to-day operations, personnel costs, and advertising activities necessary to accomplish the recruiting mission. In recent years, recruiting budgets have seen a steady decline in available funding. Fewer advertising dollars have created inefficiencies that have evaporated Air Force awareness activities in entire markets. A critical component of our recruiting success is .built on a foundation of strong community relationships that take years to cultivate.

The Air Force has continued to experience high retention trends over the past 10 years, with the enlisted retention trend remaining very strong in fiscal year 2013. Even with the upcoming reductions in end strength, there are still critical and emerging career fields, including battlefield and cyberspace airmen, that are experiencing poor retention, low manning and/or high operational demands. To offset this challenge, airmen associated with these skills are not targeted in the fiscal year 2014 force management programs, and there are numerous efforts to increase career field health. These include Special and Incentive (S&I) and Bonus pays, protections from force management programs, and increases to accessions, retraining and promotions. Enlistment and re-enlistment bonuses continue to be effective means to maintain positive recruitment and retention levels for critical skill career fields. The Initial Enlistment Bonus (IEB), Selective Reenlistment Bonus (SRB), Critical Skill Retention Bonus (CSRB), and the Air National Guard Incentive Program are all effective and measurable retention tools that have successfully encouraged airmen to stay and/or retrain into career fields with high demand requirements.

COMPENSATION REFORM

The compensation of our servicemembers has risen significantly over the last decade. As a result, we've recruited and retained quality airmen who continue to power

the world's greatest Air Force. These airmen are not overcompensated; they have earned every dollar. However, in light of projected constraints on future defense spending, including sequestration-level cuts fiscal year 2016 and beyond, we must slow the growth of military compensation in order to avoid deeper reductions to force structure, readiness, and modernization efforts critical to support the warfighter and national defense.

The Air Force, in conjunction with the Department of Defense, is supportive of the Military Compensation and Retirement Modernization Commission in its review of potential compensation system reforms and study the impact on the All-Volunteer Force. The Air Force concurs that there is sufficient information available to make recommendations on key areas of current compensation (other than retirement) to slow the growth of military pay and benefit costs, starting with the fiscal year 2015 budget, in order to permit a balanced drawdown in defense spending. For major modifications to the compensation system, we recommend reviewing the Commission report first to ensure it supports the sustainment of a highly skilled and capable All-Volunteer Force.

DELIBERATE DEVELOPMENT OF AIRMEN

The deliberate development of our airmen remains a top priority. It is absolutely critical if we are to ensure the force remains prepared to meet current requirements and the challenges we will undoubtedly face in the future. Investment in education, training, and experience are essential to meeting the demands of the combatant commanders our airmen serve around the world; the success of yoAir Force is clearly attributed to how well these airmen are prepared to handle the tasks those commanders need them to execute. We will continue to assess what commanders require of Joint Force warrior airmen and ensure we have the plans and policies in place to meet current and future expectations.

ENLISTED PROFESSIONAL MILITARY EDUCATION

In fiscal year 2013, we took several steps to ensure we deliver enlisted airmen the highest quality professional military education, while simultaneously mitigating the challenges of the current fiscal environment. We began the first online facilitated distance learning Chiefs Leadership Course, a 1-year intensive education initiative for all new Chief Master Sergeants to strengthen their leadership and management skills as they take on critical roles in our Air Force. Additionally, we entered the first stages of a blended learning approach to SNCO and NCO Professional Military Education. The blended approach delivers the most current and relevant education in an online, learner-centric format followed by a shorter in-residence learning experience, which expands on current knowledge through group dynamics and problem solving. In December 2013, 36 senior noncommissioned officers graduated from the first blended learning SNCO Academy course. The overwhelming sentiment from the experience proved the course was challenging and rewarding with extended opportunities for dialogue and leadership reflection.

AIRMEN EDUCATION OPPORTUNITIES

The Air Force has the most educated enlisted force in the world. Every airman entering service is automatically enrolled in an associate of applied science degree program through the Community College of the Air Force (CCAF). Since April 25, 1977, CCAF has awarded more than 427,000 degrees that correspond to each member's career field. Many view the CCAF degree as the start of their path toward higher education. Currently, more than 22,000 enlisted airmen have bachelor's degrees or higher and 26 have earned a doctorate degree.

Air University's Associate-to-Baccalaureate Cooperative is helping airmen who have completed CCAF degrees apply those credits toward a bachelor's degree. This program has grown to encompass 55 civilian university partners offering 200 bachelor's degree programs. Over 23,000 airmen have participated and 1,735 bachelor's degrees have been awarded through this program alone. Additionally, 46 of these graduates have become commissioned officers.

We are also focused on professional credentialing to broaden the development of our airmen. The Airframe and Power-Plant licensing program is one of several credentialing and licensing initiatives that codify the training and experience for over 75,000 aircraft maintainers, enabling them to earn the Federal Aviation Administration's mechanic license. CCAF is currently engaged in developing credentialing and licensing pilot programs and policies that support the White House Veterans Employment Initiative, the DOD Credentialing and Licensing Task Force, and the National Defense Authorization Act for Fiscal Year 2012, section 558 mandate. We are convinced that opportunities like these directly increase Air Force

recruitment and retention as well as enhance our airmen's professional capabilities. Our focused efforts result in highly capable airmen ready to contribute to our Nation's defense and equipped for professional life outside of the Air Force. We continue to explore new programs that enhance our ability to educate the force, being keenly aware of the associated costs and need to seek efficiencies.

The Military Tuition Assistance (MilTA) program is a force multiplier that not only affects recruitment, retention, and readiness, but leads to greater critical thinking skills across the enlisted force. In order to sustain this valuable program within the fiscal environment and ensure airmen are receiving the right education at the right time, the Air Force instituted management controls for the use of MilTA. The first was to re-insert the supervisor into the approval process. This allowed supervisors the opportunity to get to know their airmen's educational goals and provide mentoring. Additionally, airmen who have not passed or are overdue for their Physical Fitness Test, have an Unfavorable Information File, or have a referral annual performance report are ineligible for MilTA until these issues are resolved. We believe these controls ensure airmen are prepared to succeed in their degree program as well as continue their critical work in the defense of our great nation. Our focused efforts result in highly capable airmen ready to contribute to our Nation's defense and equipped for professional life outside of the Air Force.

DEVELOPMENTAL SPECIAL DUTIES

We continue to make deliberate development decisions throughout an airman's career with regards to promotions and assignments, and are actively identifying ways to ensure we have the right airman, at the right place in his or her career, at the right time for our Air Force. In calendar year 2013 we formalized 10 Developmental Special Duties that directly impact the growth of our enlisted force and provide the broader experience airmen need to succeed in different roles throughout their careers. Airmen throughout the force are nominated for these positions based on their previous experience and future potential. In November 2013, we selected approximately 1,100 staff sergeants, technical sergeants, and master sergeants to serve as Military Training Instructors, Recruiters, USAF Honor Guardsmen, First Sergeants, Professional Military Education Instructors, Career Assistance Advisors, Technical Training Instructors, USAFA Military Trainers, Military Training Leaders, and Airman and Family Readiness Center NCOs. These airmen were nominated by their MAJCOM leadership and selected from a pool of approximately 7,500 nominees. They are some of our best airmen—the first to be hand-picked for these roles under the new process and will now be in a position to leverage their proven performance across the force.

AIRMAN COMPREHENSIVE ASSESSMENT

A critical aspect of deliberate development is quality, comprehensive feedback that guides airmen toward established goals. In the coming months we will introduce the Airman Comprehensive Assessment (ACA) that facilitates a deep, meaningful conversation between supervisors and the airmen they lead. It includes a self-assessment, a detailed evaluation of current performance, and specific questions geared toward airmen-centered feedback. The form will ensure airmen understand their critical role in organizational climate, as well as Air Force culture, support of the mission, and individual readiness and resiliency.

CARING FOR AIRMEN AND FAMILIES

Caring for airmen and their families is about maintaining the source of airpower. Our airmen are the engine that keeps the force moving, and we rely on them to meet any challenge and overcome any obstacle. The hallmark of our success has always been, and will remain, our people. Unfortunately, in the current fiscal environment, we must make tough decisions to include reducing or cutting some programs. To help mitigate the impact of reduced funding, the Air Force prioritized its programs to resource those most valued from an enterprise-wide, mission accomplishment perspective. As we move forward and our force changes, we must adapt our programs and services to ensure we meet the needs of today's airmen and their families.

SEXUAL ASSUALT PREVENTION AND RESPONSE

Last summer, the Air Force established a multi-functional Air Force Sexual Assault Prevention and Response Office—a directorate-level organization, led by a general officer whom reports directly to the Air Force Vice Chief of Staff. This office leads a robust focus on sexual assault prevention, advocacy, investigation, account-

ability and assessment and enables the Air Force to better synchronize with the Department of Defense lines of effort. As a result, the Air Force has been able to provide broader, more comprehensive victim support. The Air Force has also benchmarked a Special Victim's Counsel Program. It is through this program that victims of sexual assault have personal, direct access to an attorney representing only their interests in the judicial process as well as advocating for them in any collateral discipline issues and assisting them in any case issues whenever necessary. Additionally, "Every Airman Counts" is an initiative that our Air Force Vice Chief of Staff, General Larry O. Spencer launched as a forum to promote airman-to-airman dialogue related to Sexual Assault and provide the opportunity for airmen to provide suggestions to senior leaders. Furthermore, the Air Force hired d trained Air Force Office of Special Investigations agents for the exclusive purpose of investigating sexual assaults. The Air Force team has already conducted focus groups with 1,400 airmen, including 30 sexual assault survivors, male and female, at 14 installations worldwide and obtained valuable insight from the junior airmen, all levels of leadership, and survivors of sexual assault. Lastly, the Air Force Sexual Assault Prevention and Response Office works jointly with its Department of Defense counterparts to streamline future survey efforts, to include a 100 percent transition to the Defense Equal Opportunity Climate Survey. We are committed to taking every step possible to eliminate sexual assault within our ranks and instill confidence and care in the process.

CARE FOR WOUNDED WARRIORS

Our combat wounded and our seriously injured and ill airmen and their families are a top priority. They continue to willingly sacrifice day-in and day-out to serve our Nation; their resilience and perseverance when the effects of war forever alter their lives is simply astounding. We match their commitment through a lifelong promise to provide them the care and support they need, and so rightfully deserve. The Air Force has built a Recovery Care program for these airmen that focuses on the full continuum of care—recovery, rehabilitation, and transition.

By strategically placing Recovery Care Coordinators in 43 locations around the world, the airmen and their families receive face-to-face, individualized service and support when and where they need it. Our commitment is unwavering whether our wounded, ill, or injured airmen are returning to active service or transitioning to civilian life. The Recovery Care Coordinators also support the families and caregivers of our airmen by identifying needs, connecting with support groups, and working to ease the burden brought on by their current circumstance.

Along with our Recovery Care Coordinators, the Air Force provides non-medical care managers who act as fiduciary agents on behalf of the recovering airman and as advocates for the recovering airman and his or her family with other government and non-governmental agencies. They work with recovery care coordinators, medical care providers, chaplains, commanders and other providers as a single Recovery Team that meet the needs of our wounded, ill, and injured and their families.

POST-TRAUMATIC STRESS DISORDER

As might be expected with fewer deployments, the Air Force has seen a slight drop in newly diagnosed Post-Traumatic Stress Disorder (PTSD) cases between 2011 and 2012. Our data is not yet complete from 2013, but we expect the slight reductions to continue. Our overall rate has remained relatively low, and our current rate for newly diagnosed PTSD is under 0.4 percent. Historically we have retained approximately 75 percent of our airmen diagnosed with PTSD.

The Air Force remains committed to helping our airmen through improving early symptom recognition and offering evidence-based treatments. We continue to screen our airmen for PTSD symptoms at set points in the deployment cycle, to include screening through Pre- and Post-Deployment Health Assessment and Reassessment, and provide training to help counter the stresses on our airmen with each deployment. Our airmen in the Explosive Ordnance Disposal, Security Forces, Medical, and Transportation career fields are at higher risk of developing PTSD and receive additional education and training on how to recognize symptoms of PTSD along with available treatment and supportive resources. The Deployment Transition Center (DTC), Ramstein, Germany, continues to support airmen in our high-risk careers with 2 days of training and reconstitution time before returning home. A 2010 study showed airmen who participated in the DTC reported at least a 6 percent lower rate of post-traumatic symptoms, problematic alcohol use and interpersonal conflict after having attended the program as compared to a control-group of deployed airmen who did not participate. Two follow oil studies. are being conducted to measure the continued effectiveness of the DTC. We continue to collaborate with the Department

of Defense and Veterans Affairs to advance research on prevention and treatment of combat related injuries, including PTSD.

TRAUMATIC BRAIN INJURY

Traumatic Brain Injury (TBI) rates in the Air Force remain very low. However, we are expanding our efforts to ensure our airmen seek medical care for mild traumatic brain injury, or concussion, in any setting. The vast majority ofTBI cases in the Air Force are from nondeployment related injuries. We identify deployed individuals with continued TBI symptoms upon return home through the Post Deployment Health Assessment, with referral as appropriate. The Defense Centers of Excellence for Psychological Health and Traumatic Brain Injury and Defense and Veterans Brain Injury Center continue to serve as valuable partners in facilitating a combined effort between all Services, the Department of Veterans Affairs and civilian subject matter experts to develop clinical practice guidelines for our primary care providers. Our efforts are closely coordinated with the other Services through our TBI Quad Service Working Group to make sure we incorporate the latest in TBI research into clinical practice. The National Intrepid Center of Excellence for Psychological Health and Traumatic Brain Injury serves as a premier referral center for those deployment-related cases with more significant symptoms.

SUICIDE PREVENTION

Suicide prevention remains a high priority for Air Force leadership at every level. Our prevention program is an integrated network of measures focused on reducing suicide through community support, education, early identification and treatment of those at risk. The program was designed with 11 overlapping elements to enhance the capacity of the Air Force to recognize and respond to airmen in distress. We are encouraged that the number of suicides among Active Duty airmen declined between 2012 and 2013. However, we know one loss is too many, which drives us to place significant focus and resources toward eliminating suicides in our force.

We are committed to strengthening and improving our program. Some recent suicide prevention initiatives include live training for all installation suicide prevention program managers and Department of Defense Suicide Event Report Point of Contacts, release of the revised Air Force Guide to Suicide Risk Assessment, Management, and Treatment for mental health providers and staff, and efforts to expand the Air Force's strategic communication plan for suicide prevention and promoting the Wingman Culture.

HEALTH PROMOTION

The Air Force is committed to promoting a healthy, fit, resilient, and productive force. Our Health Promotion target areas include Tobacco Free Living, Nutritional Fitness, Physical Activity, and Healthy Weight. Consistent with our warfighting mission, our airmen have rates of obesity and physical activity that compare quite favorably with the civilian population. Smoking has seen a steady decline; our current smoking prevalence of 14 percent is lower than the national average of 18 percent. In the current fiscal climate, we are committed to implementing low-cost, high-reach policy and environmental interventions that promote healthy living as the default choice and social norm.

CHILD AND YOUTH DEVELOPMENT PROGRAMS

The Air Force has continued our commitment to deliver readily available, affordable, and quality childcare programs for our airmen and their families. These programs ensure our airmen are able to focus on the mission while knowing their youngest family members are cared for through quality Child & Youth programs. In fiscal year 2013 we delivered high quality child care programs to 58,000 children.

In addition to brick and mortar facilities, our Air Force Expanded Child Care program provides assistance in a home-based setting for airmen who need care during unusual shifts, extended duty hours, and drill weekends. This type of care is mission-critical particularly in those locations where community-based care options are both few and costly. Through programs like Extended Duty Care, Missile Care, Supplemental Care, and Returning Home Care, the Air Force is able to provide a wide range of support to our Active and Reserve component families. We expanded this capability in fiscal year 2013 by implementing new childcare programs to assist wounded warriors, families of the fallen and those with unique needs due to medical circumstances.

Additionally, our Air Force Youth Programs have taken a comprehensive approach to resiliency by integrating elements of resilience concepts throughout the

experiences we provide to youth. We recognize the importance of providing meaningful opportunities during the out-of-school hours which can be peak times for "at risk" behavior, particularly in light of reduced school district and community service budgets. Our Youth Programs had 642,000 enrollments in a variety of fitness and health, deployment support, resiliency building, academic enrichment and community service activities offered to Total Force youth around the world. The Air Force Teen Council continues to offer advocacy opportunities and leadership skills while helping our teens strengthen their personal resiliency and contribute to the larger Air Force community. The newly implemented quarterly Teen Movement Projects have created a network of involved teens at each installation. New for 2013, our Youth Program members participated in the first ever Military Youth of the Year competition, an initiative in partnership with the Boys and Girls Clubs of America. Showcasing the stellar achievements of military teens around the world, Air Force teens were awarded an astonishing five out of six regional awards garnering a combined total of more than $70,000 in Military Youth of the Year scholarships.In addition, through another key partnership with the U.S. Department of Agriculture's 4–H Youth Development Program, over 1,000 Air Force youth participated in the 2013 National Youth Science Day event and we were able to reach 14,000 additional youth through partnership with 4–H county extension agents.

FAMILY SUPPORT

The Air Force continues to bolster its communication to family members through the Key Spouse Program. The program designates one volunteer family member in each unit to disseminate information from installation leaders to other unit family members. This builds a greater sense of community, especially when families are separated by deployments.

Additionally, the Air Force is making steady progress in support of Air Force dependents attending public, private, DOD Dependent Schools, home, and virtual schools. Civilian (or Military designee) school liaisons and staff at our Airman & Family Readiness Centers provide support to base leaders and families through advocacy with local and state school administration and school boards. Forty-six States and the District of Columbia have passed legislation to establish an Interstate Compact on educational opportunity for military children in State and local school districts. The Interstate Compact ensures military children are not negatively impacted in school by their families' service to the Nation. It provides educational solutions on class placement, records transfer, graduation requirements, immunizations, and exit testing, as well as allows late entry to extra-curricular activities and sports teams. The work done to ensure our families are not penalized as they move around the world is an important factor for our airmen and their families.

About 50 percent of Air Force spouses seek employment with each military move, making spouse employment a consistent challenge. In many cases spouse employment constitutes almost half of an Air Force family's income. As I travel and meet with airmen and their families, the struggle to find spouse employment is often a topic of conversation; it is very much on our airmen's minds. They have benefited from your support and White House efforts to help military spouses enjoy consistent and productive careers despite relatively frequent relocation.

Unemployment compensation for spouses of servicemembers continues to be critical to Air Force families. Support for unemployment compensation acknowledges military spouses need reasonable time and resources necessary to find suitable employment or meet licensing or credentialing requirements each time they move. We look forward to all States properly compensating spouses that move because of their military obligation.

Our Exceptional Family Member Program (EFMP) provides targeted assistance to airmen who have family members with special needs. In fiscal year 2013, we continued strengthening this program to provide our families with access to greater resources that will assist them in effectively balancing mission requirements with family care responsibilities. We have 35 full-time family support coordinators at Air Force installations with 175 EFMP enrollees or higher. In fiscal year 2011, Respite Child Care was launched at seven locations to provide support to parents of exceptional family members. The program is now in 64 locations and has provided over 37,000 hours of skilled respite care allowing parents a needed break from the stressors of caring for a child with special needs. Through the generous support of the Office of the Secretary of Defense, 100 accessible childcare playgrounds and community nature parks are in various stages of design and construction and will support family members with special needs.

CONCLUSION

Chairwoman Gillibrand, Ranking Member Graham, members of the subcommittee, thank you again for this opportunity to represent the incredible airmen and their families through this testimony. This past year has been extremely turbulent and stressful on those serving in our Air Force. All members—Active Duty, Air National Guard, Air Force Reserve, and civilian airmen—have endured significant uncertainty and churn with respect to mission capability, compensation, and in some cases the very meaning of service in our Air Force. The budget challenges we face have not been lost on our force. We've stood down flying squadrons, furloughed civilians, and seen our readiness levels significantly decline; yet you would be proud to know the first concern of our airmen is mission accomplishment. Our airmen are truly doing amazing work around the world every day, from delivering relief to typhoon stricken regions in the Philippines to supporting combatant commanders from all comers of the globe. They continue to serve honorably and proudly in defense of our Nation.

Our Air Force families are also a critical component to our success. These men and women serve alongside the servicemember by taking care of the home front while we employ and enable airpower around the world. They stand strong while loved ones deploy to war zones in foreign countries. Their faith and support is critical to our airmen and enable the focus and dedication our complex missions require. Thank you again for your continued support for our brave airmen and their supportive families.

Senator GILLIBRAND. Sergeant Major of the Marine Corps Micheal P. Barrett.

STATEMENT OF SGTMAJMC MICHEAL P. BARRETT, U.S. MARINE CORPS

Sergeant Major BARRETT. Chairwoman Gillibrand, Senator Kaine, good afternoon. This is my fourth opportunity to address Congress and discuss important quality of life issues, personnel issues, and our commitment to our marines and their families. It is my privilege to appear before you today.

The last 12 years have been most challenging. We are profoundly grateful for your fidelity and support.

As you are well aware, the global environment is not getting any nicer. Clever enemies are searching for windows of vulnerability and to exploit our liberties and our security. With the fiscal constraints we are enduring, we must, more than ever, stay committed to our recruiting and our retention, and making marines. Our warfighter readiness, being most ready when our Nation is least ready. Care for our wounded, ill, and injured, and our family care programs, preserving strong families. Transition readiness, returning quality citizens after their selfless service. Combating social ills, prevention, accountability, treatment, and resiliency. Maintaining our facilities, sustainment, restoration, and modernization for our billions of dollars worth of infrastructure.

Today, I report more than 37,000 marines are forward deployed, forward engaged, shaping, training, and deterring aggression around the globe, supporting all 6 geographic combatant commanders. We are providing our Nation the capability to contain crisis, fill the gap, or hold the line. We may be done with Afghanistan this year, but those that we have been fighting are not done with us.

At our core, the Marine Corps is the Nation's crisis response force, and fulfilling this role is our top priority. We have met and continue to meet our obligations in current conflicts, emerging crises, and steady state operations. To that point and most recently, your marines' efforts have saved lives, provided much needed relief,

and evacuated over 19,000 victims ravaged by Typhoon Haiyan. Our special purpose marine air ground task force crisis response successfully executed a non-combat evacuation operation in South Sudan and provided reinforcements to other U.S. embassies. We have participated in hundreds of theater security cooperation activities with the armed forces of more than 50 partner nations. The 13th, 22nd, and 31st Marine Expeditionary Units are afloat, and they stand ready as a rapid response force capability providing stability in their area of responsibility. We continue to stand alongside the Afghan National Security Forces engaged in combat, conducting counter-insurgency and security force assistance advisory missions.

Marines can face America's adversaries on the front line or respond to any emerging crisis because of the care and support we provide our families on the homefront. With the progress that we have made in our warfighting capabilities and marine family readiness programs over this past decade-plus and as we draw to move to a post-Operation Enduring Freedom environment, the Corps remains committed to building the most ready force our Nation can afford, balanced across our pillars of readiness: high quality people, unit readiness, the capability and capacity to meet the combatant command requirements, the infrastructure sustainment, and equipment modernization.

We are proud of our reputation for frugality and remain a best value for our country's defense. In these times of budget austerity, you can hold high expectations for your Marine Corps to be good stewards of taxpayer dollars.

The Marine Corps will continue to meet the needs of the combatant commanders as a strategically mobile force optimized for forward presence and be the crisis response force of choice for our leadership. We may have less, but it does not mean we will be doing less nor will we do it any less than best.

Thank you for the opportunity to testify today.

[The prepared statement of Sergeant Barrett follows:]

PREPARED STATEMENT BY SGTMAJMC MICHEAL P. BARRETT, USMC

Chairwoman Gillibrand, Ranking Member Graham and distinguished members of this subcommittee, I appreciate the opportunity to provide you an update on the Marine Corps' commitment to our marines and their families.

The Marine Corps has and will continue to stand ready to face any challenges that need to be conquered to complete our Nation's missions. We remain a forward-deployed, forward-engaged force. The Marine Corps is continuing to shape, train, and deter aggression. We are responding to every crisis, conflict, and contingency around the globe. The Marine Corps does this by being prepared—ready and standing at the door of chaos with the tools, the people, and the training necessary to do the Nation's bidding and providing our Nation's leaders with the time and decision space that they require.

UPDATE ON MARINE CORPS AROUND THE WORLD

The Marine Corps is involved across the world—Afghanistan, the Pacific, and U.S. Embassies. I would like to take a moment and highlight just a few of the great things our men and women in the Marine Corps have been doing to accomplish this Nation's missions around the world.

- The Marine Corps was part of the U.S. Government humanitarian assistance and disaster relief operations in the Philippines in the wake of Typhoon Haiyan that impacted more than 4.2 million people across 36 provinces. The Marine Corps and Navy were able to be in the Philippines within hours of the Philippine Government asking for international aid. During

"Operation Damayan", the Marine Corps was able to provide search-and-rescue sorties; transport aid workers; clear roads; evacuate 540 American citizens, 18,767 Philippine citizens, and 301 nationals from other countries; and deliver 2,005 tons of relief supplies.

• Over the last year, the Special-Purpose Marine Air-Ground Task Force Crisis Response has been busy in non-combatant evacuation operations (NEOs) such as in South Sudan and providing reinforcement to U.S. Embassies when needed as in the case of Libya.

• In Afghanistan, the Marine Corps Security Force Assistance Advisory Teams (SFAATs) (first deployed in 2012) have continually advised and assisted operations alongside Afghan National Security Forces. Additionally, the Marine Corps continues to conduct counterinsurgency (COIN) operations throughout the country.

• The 31st and 13th Marine Expeditionary Units (MEUs) have been afloat as a forward-deployed, rapid-response force capability providing stability in their area of operational responsibility.

• Throughout the year, the Marine Corps participated in hundreds of Theater Security Cooperation activities with the Armed Forces of more than 50 partner nations supporting all six combatant commands .

• The U.S. Marine Corps spearheaded a maritime domain awareness demonstration at the Philippine Coast Guard Headquarters as part of the first Philippine-U.S. initiative to enhance Philippine security and defense capabilities in January 2014.

Whether it is deploying to Afghanistan, assisting in humanitarian relief efforts in the Philippines, or working with less due to sequestration and government shutdown; the Marine Corps has not faltered in its operational readiness or commitment to the task at hand. The Marine Corps remains committed to being the most ready force our Nation can afford.

Recently, the Commandant of the Marine Corps and I have led an effort to "reawaken the soul of the Corps" in order to remind and reconfirm who we are, what we do and what America expects from her marines. This reawakening will impact our programs to ensure that quality of life is at the levels our marines and their families deserve. As we draw down in Afghanistan and move toward our role as crisis-response, force-in-readiness, we are laser focused in areas of discipline, faithfulness, self-excellence, and developing committed engaged leaders. The challenge in our efforts is the fiscal burden and the uncertainty over the next few years.

Sequestration and fiscal constraints, global engagements, force shaping, and many other environmental conditions impose challenges and opportunities. In fiscal year 2015 and beyond, we are beginning to realize the effects of budget cuts. As our landscape changes, regardless of the funds available every dollar must yield positive return and contribute to the readiness of the Marine Corps. We will continue to monitor readiness across our Five Pillars of Readiness: High Quality People, Unit Readiness, Capability and capacity to Meet the Combatant Command Requirements, Infrastructure Sustainment, and Equipment Modernization. To protect our readiness under current funding levels, we can only do this at the cost of infrastructure sustainment and equipment modernization, as well as, assessing the various programs and resources we provide to marines and their families and where savings can be realized. The decisions were carefully made for the current fiscal climate to still meet the needs of the Marine Corps, but over time degradation to facility sustainment, restoration and modernization and unnecessary negative impacts to the force and our families will ultimately suffer.

End Strength

As we drawdown the Marine Corps' Active component end strength from war time levels of 202,000 marines, we have taken deliberate steps to construct a force that we can afford to operate and sustain in the emerging fiscal environment. Over the past 3 years, we have undertaken a series of steps to build our current force plan. In 2010, our Force Structure Review Group utilized the Defense Strategic Guidance and operational plans to determine that the optimum size of the Active component Marine Corps should be a force of 186,800. Under the constraints of the 2011 Budget Control Act, we estimated that a force of 182,100 Active component marines was realistic. More recently, as we entered into the Quadrennial Defense Review, we came to the difficult understanding that, under the threat of continued sequestration or some variant, an Active-Duty Force of 175,000 marines is what our Nation can afford. This end strength is purely budget-driven and accepts risk in our ability to carry out major combat operations.

Our current plan is to achieve a 175,000 end strength by the end of fiscal year 2017. We are conducting a measured drawdown with a goal to reduce end strength

by no more than 7,500 marines per year. This is to be accomplished primarily through natural attrition, voluntary separation, early retirement authorities, and limited use of involuntary separations. We have no plans to conduct a reduction-in-force. Such an approach would no doubt do significant long-term damage to our ability to recruit and maintain a quality force. Our overarching goal must be to keep faith with our marines and their families.

We ended fiscal year 2013 with an end strength of 195,657, achieved primarily through increased voluntary attrition of junior enlisted marines as well as through the use of programs such as Voluntary Separation Pay and Temporary Early Retirement, both of which induced additional voluntary attrition from the mid-level enlisted ranks. Our end strength goal for fiscal year 2014 is 188,800 marines, 167,823 of whom are enlisted, and will be achieved primarily through reduced accessions, selective reenlistment, and a continued emphasis on voluntary attrition.

Marine Corps Reserve

Your Marine Corps Reserve is also undergoing a reduction in Selected Reserve end strength in order to better align structure with budget levels. Our plan is to reduce our Selected Reserve end strength from 39,600 to 38,500 marines by fiscal year 2017. The reductions will come primarily from the junior enlisted ranks and individual mobilization augmentees (IMAs). The Reserve component is currently over manned in its junior enlisted ranks and critically undermanned in its senior enlisted ranks. Decreasing new accessions will yield a more balanced Marine Corps Reserve. Given our reduced Active Component manpower needs over the coming years, the requirement for Reserve IMAs to mobilize with Active component units is likely to decrease. Overall, our force shaping measures will leave the Marine Corps with a more balanced Reserve component able to reinforce the Active component and serve as an integral part of the Marine Corps Total Force in accomplishing its assigned mission as an expeditionary force in readiness.

For fiscal year 2014 and beyond, we continue to refine the use of incentives and MOS retraining to strengthen unit staffing in specialties and grades where we remain critically short. In particular, we have targeted our incentives toward recruiting and retention of noncommissioned officers (NCO) and staff noncommissioned officers (SNCO) in our Selected Reserve units.

We continue to face challenges in manning our SNCO billets in the SMCR. As the Active component grew its end strength to 202,000, many of our junior marines and NCOs left the Reserves for the Active component. Had they remained in the Reserves, many of those same marines would have been promoted and filled our SNCOs requirements today. While we have directed incentives toward retaining our best marines, the SMCR is still critically short SNCOs. This SNCO shortage will take approximately 6 years to fix as our post-202,000 accessions reach the necessary time to be considered for promotion.

Recruiting

All recruiting efforts for the Marine Corps (officer, enlisted, regular, Reserve, and prior-service) fall under the purview of the Marine Corps Recruiting Command. Operationally, this provides us with tremendous flexibility and unity of command, allowing us to meet accession requirements.

Last fiscal year, we successfully achieved all enlisted recruiting goals for both the Active and Reserve components. Our current mission for enlisted marines is 25,000 regulars (Active component) and 5,523 reservists. We expect to achieve our annual recruiting 'shipping' mission (i.e. new accessions sent to recruit training) and quality goals, but budget reductions may impact our contracting efforts and capacity to achieve success in fiscal year 2015. The fiscal year 2015 mission forecast is 28,370 regulars and 5,280 reservists.

To meet future challenges in the current recruiting environment, it is imperative that we maintain our high standards both for our recruiters and those who volunteer to serve in our Corps. Recruiting quality youth ultimately translates into higher performance, reduced attrition, increased retention, and improved readiness for the operating forces. Our actions, commitment, and investments today in recruiting ensure a high state of readiness in our Corps tomorrow.

Retention

For fiscal year 2014, the Marine Corps is on track to achieve its end strength target of 188,800 Active component marines (and approximately 150 reservists who have served on active duty at least 3 of the previous 4 years). It is vital during our drawdown that the Marine Corps continues to shape our force to meet continuing mission requirements and fill critical military occupational specialties (MOSs) with the most qualified marines. Incentive pays remain critical to this effort, allowing the Marine Corps to fill hard to recruit positions, such as cyber security technician and

counter intelligence specialist. Enlistment bonuses also allow us to ship new recruits at critical times to balance recruit loads at the depots and meet school seat requirements. It is important to note that only 8 percent of new Marine Corps recruits receive an enlistment bonus. Similarly, Selective Reenlistment Bonuses (SRBs) allow us to shape our career force. SRBs target critical MOSs and supports lateral movement of marines to these MOSs.

Diversity

The Marine Corps is committed to attracting, mentoring, and retaining the most talented men and women who bring a diversity of background, culture, and skill in service to our Nation. In both representation and assignment of marines, diversity remains a strategic issue. Our diversity effort is structured with the understanding that the objective of diversity is not merely to strive for a force that reflects a representational connectedness with the rich fabric of the American people, but to raise total capability through leveraging the strengths and talents of all marines.

While the Marine Corps' enlisted ranks are quite diverse from the standpoint of race and ethnicity, we understand there is a need to broaden opportunities for women. Efforts are underway to further integrate both female enlisted marines and officers into the Air Ground Task Force. Regardless of race, ethnicity and gender, when our enlisted marines look at their officers and see themselves reflected among them, their level of commitment, their aspirations and their performance can be impacted in a positive manner. Thus, the Marine Corps has established increased diversity in officer recruiting as a priority in our recruiting efforts.

MARINE CORPS MAINTAINING QUALITY OF LIFE IN CURRENT FISCAL ENVIRONMENT

Regardless of the decisions that are made regarding the budget, the Marine Corps remains acutely aware of the critical relationship between quality of life and Marine Corps readiness. Marines can face the enemy on the frontline, because of the care and support we provide on the home front. Our commitment to the Marine is during their entire lifecycle, from boot camp through separation or retirement, and beyond. The Marine Corps will continually ensure the long-term stability of Marine and Family Programs by using evidence-based practices; ensuring our programs meet all credentialing and accreditation to ensure consistency of care across the Marine Corps; continually assessing our programs; and ensuring that we are strategically communicating to our marines and families so they are aware of all resources available to them.

As we continue to draw-down our efforts in Afghanistan and reduce our end strength to 175,000, we remain committed to a continuum of care by ensuring family readiness and care; supporting families of the fallen; caring for our wounded, ill, and injured; providing behavioral health services; assisting our marines transition to being successful civilians; and continuing to make improvements to infrastructure and facilities. In the current and upcoming fiscal years, we remain committed to our mission.

The future of Marine and Family and Quality of Life in the Marine Corps will not be served by "the way it's always been" mentality or returning to pre-combat environments. With changing demographics, mission, and environment at hand, the Marine Corps will continue to be good stewards of our resources, always be taking and making assessments, and improve our efforts where we can for those we serve.

REAWAKENING THE SOUL OF THE CORPS THROUGH PREVENTING SEXUAL ASSAULT

The Marine Corps continues to take steps to eradicate sexual assault among our ranks. Sexual assault is a shameful and disgusting crime that has no place in the Marine Corps. The Marine Corps three-phase Sexual Assault Prevention and Response (SAPR) Campaign Plan (Strike, Implement and Sustain) outlines our efforts to reduce, with a goal to eliminate, sexual assaults. Since its inception in June 2012, the Marine Corps has addressed sexual assault in multiple areas by driving a tremendous infusion of training, restructuring our oversight organizations, and assisting senior leadership efforts. Our SAPR efforts thus far have seen a continued rise in reporting. In fiscal year 2013, reports of sexual assault in the Marine Corps increased by 86 percent, continuing a trend started in fiscal year 2012, which saw a 31 percent reporting increase. In addition, 20 percent of all fiscal year 2013 reports were made for incidents that occurred prior to the victim joining the Corps; 17 percent were made for incidents that took place over 1 year ago. With sexual assault being an under-reported crime, we believe that these trends speak directly to the trust and confidence that marines have in their immediate commanders and the overall Marine Corps program. These encouraging developments suggest that our efforts are working to increase awareness of SAPR resources and to establish a

healthy environment of respect and dignity where victims feel confident in coming forward. As we speak to our marines about their commitment to being guardians of our Core Values, part of that is to continue strengthening our victim care programs and offender accountability. Now that Phase I is completed, Phase II is designed to continue our positive trends ensuring the sustainment of the energy and momentum of the Campaign Plan, while further implementing large-scale institutional reform, emphasizing prevention through training, and having more deliberate involvement by our senior leaders.

To date, we have put in place initiatives including a General Officers SAPR Symposium, SAPR training at Sergeants Major Symposium, Command Team Training, "Take a Stand" for noncommissioned officers, and "All-Hands" training. We have also customized Corps-wide SAPR training programs according to the rank and level of responsibility of marines. Additional SAPR initiatives include the development of Sexual Assault Response Teams (SARTs), new Command Climate Surveys, and mandated credentialing requirements and continuing education in advocacy for all SAPR personnel.

Between fiscal year 2012 and fiscal year 2013, the Marine Corps has seen an increase in reporting with a corresponding increase in prosecutions for sexual assault. In anticipation of this increased caseload of more complex prosecutions, the Campaign Plan also restructured our entire legal community to ensure we have the right assets to prosecute these complex cases. New Regional Trial Counsel (RTC) offices provide consolidated resources, including experienced field-grade complex trial counsel (CTC), a civilian highly qualified expert (HQE) in sexual assault prosecution, embedded investigators, a legal administrator, and support staff. The RTC can pull from these resources to assign the right counsel, on the right case, in the right location.

In addition to the restructuring of the legal community, on January 1, 2014, the Marine Corps' Victims' Legal Counsel Organization (VLCO) became fully operational. The VLCO provides legal representation to all victims of sexual assault, and also to victims of other crimes. The new VLCO, along with our continued SAPR efforts, show that engaged, committed leadership remains the key as we reawaken the Corps sense of tradition and ethics, and reinforce the values that make us America's expeditious force in readiness.

REAWAKENING THE SOUL OF THE CORPS THROUGH PREVENTION, TREATMENT, AND RESILIENCY

The Marine Corps firmly believes that readiness of the Corps is a direct result of maintaining individual marine fitness. The Marine Total Fitness (MTF) concept is a holistic model focused on fitness of body, mind, spirit, and social relationships. This framework for holistic development is supported by a unified approach to improve resiliency and through engagements across the force. This approach will improve performance of marines, their leaders, and their families. .

An important component of MTF is to proactively address the complex issues facing our marines and their families after over a decade of persistent conflict. Even as the Marine Corps moves into a post Operation Enduring Freedom/Operation Iraqi Freedom environment, there will be a significant need of services to support marines and families facing a potential delayed onset of symptoms, which requires diligence in prevention and early intervention. To address these needs, the Behavioral Health Program acts as an integrated service delivery model that facilitates the collaborative efforts and resources of all behavioral health elements including Family Advocacy, Substance Abuse, and Community Counseling, which includes Combat Operational Stress Control and Suicide Prevention. Our mental health surge capacity is based on implementing strong strategies for commanders and installation staff, and investing in evidence-based practices and delivery methodology. The purpose of the surge is to enhance mission readiness and welfare of marines and their families, by providing capacity for rapid identification of behavioral health issues and for expediting referrals to resources and assistance, which also promotes the resilience of our marines and their families

Part of reawakening the Corps is to continue to stress that all marines have a responsibility to look out for one another and to assist anyone who might be struggling. Our Marine Awareness and Prevention Integrated Training (MAPIT), that is beginning to be implemented in fiscal year 2014, will train the entire force on behavioral health issues. The MAPIT initiative will provide education and skill-based peer-to-peer training consistently across a Marine's career. MAPIT, in conjunction with our more selective training program, Operation Stress Control and Readiness (OSCAR), use other evidence-informed prevention tools to deliver the right prevention tools to the right marines at the right time. These include giving marines the

skills to prevent and mitigate stress injuries in themselves and their fellow marines, as well as, giving commanders support in building unit strength, resilience, and readiness. Additionally, the DSTRESS line continues to provide anonymous, 24/7 counseling services to any marine, attached sailor, or family member. Enhanced resilience, achieved through training and improved physical, spiritual, social, and psychological fitness, can mitigate post-traumatic stress, affect incidents of undesirable and destructive social behaviors, and lead to greater likelihood for future good health.

Behavioral Health Programs are now focused on prioritizing services to target marines and improve our program capacity at the installation and unit level through enhanced professionalization of our workforce, accreditation oversight of the programs, and surge capacity to address access to care issues. One component of this approach has been to substantially increase the number of trained behavioral health personnel available to provide non-medical counseling services and treatment. The result has been to develop community counseling capabilities to improve screening, prevention, and counseling services through our Community Counseling Program at installations. Additionally, we have expanded Military and Family Life Consultant Program (MFLC) to provide confidential care in a unit or installation setting. In fiscal year 2014, Behavioral Health will be implementing the Marine Expeditionary Force (MEF) Prevention Program, which aims to improve the implementation, fidelity, and evaluation of behavioral health prevention initiatives across the operating forces.

REAWAKENING THE SOUL OF THE CORPS THROUGH TRANSITIONING MARINES INTO QUALITY CITIZENS

As our priorities shift from wartime requirements to post OEF, a key focus is on marines transitioning out of the Marine Corps. Transitioning Marines need the right preparation to reach personal goals and effectively translate their military experience to a successful civilian life. Transition is a process, not an event. Beginning at recruitment, the Marine Corps strives to ensure that we are providing a continuum of tangible learning, training, or experiences that makes every Marine transition ready throughout their career.

The Marine Corps Transition Readiness Seminar (TRS) must be completed by marines within 12 months of separation or within 24 months of retirement, but no later than 180 days prior to separation or retirement. TRS is a week-long program that includes a mandatory standardized core curriculum including briefings from Veteran Affairs and Department of Labor and an introduction to their choice of entrepreneurship, career and technical training, or higher education. After TRS, interested marines attend one of three additional 2-day tracks that are in line with their future goals and objectives subject to their ability to meet Career Readiness Standards: (1) College/Education/University delivered by Marine Corps staff; (2) Career/Technical Training delivered by U.S. Department of Veterans Affairs staff; or (3) Entrepreneurship delivered by the Small Business Administration. Additionally, the Marine Corps involves leadership in the transition process through Capstone, where the separating Marine sits with the Commander or the commander's representatives no less than 90 days before separation to verify the Marine has met career readiness standards. In calendar year 2014, the Marine Corps will incorporate a life cycle approach to transition preparation that will allow marines to meet Career Readiness Standards well in advance of the Transition Readiness Seminar.

With the significant reduction in end strength of the Marine Corps over the next few years, it is vital that our commitment to our marines includes adequate preparation to leave the Marine Corps with all the resources and advantages to be able to translate being a marine to civilian life.

REAWAKENING THE SOUL OF THE CORPS THROUGH PRESERVING STRONG FAMILIES

During Operation Iraqi Freedom and Operation Enduring Freedom, Marine and family programs increased support to family programs to reduce the impact of stressors; enable quick acclimation to the Corps; build deployment knowledge and skills; and improve access to care and official information for marines and families to ensure operational readiness. We have seen that increasing support to these programs has had a positive impact on quality of life. In support of strong families, the 2012 Quality of Life Study found significant increase in satisfaction in three life domains: Residence, Income, and Standard of Living, and in marines relationships with their children. Findings from the 2012 Quality of Life Study specific to Marine and family programs indicated a majority having the training necessary to deal with the stress of deployment and/or combat, and being satisfied with military support services overall.

The Unit, Personal and Family Readiness Program and Marine Corps Family Team Building Program are both designed to strengthen and fortify marines and their families. Our civilian family readiness officers are an asset in ensuring marines and their families receive official communications, readiness and deployment support, information and referral services for support services and volunteer management. With our shift in wartime requirements and volume of previous years' investments into various family readiness requirements, we are postured to continue priority support to operating forces units and universal access to all for information and referral services. Specifically, the Marine Corps is continuing to leverage technology, such as eMarine for communication with over 285,000 subscribers, as well as other training and support webinars. Since implemented in April 2013, over 14,000 registered users have participated in Marine Corps Family Team Building online courses, which include courses on stress management, anger management, and emergency preparedness. The Marine Corps will continue to tap into this technology and others to provide resources for our deployed and returning marines and families.

Our Family Care programs provide programs that support the care and development of Marine Corps children from birth to their teens. Through our Children, Youth and Teen Programs (CYTP), the Marine Corps has served 33,621 children, youth, and teens in fiscal year 2013.

We have more than 11,000 family members with special needs. In fiscal year 2013, 405,000 hours of respite care was reimbursed under the Exceptional Family Member Respite Care Reimbursement Program. This program provides respite care benefit for those marines whose family members have moderate to severe special needs. Our Exceptional Family Member Program coordinators will continue to work to partner with local, State, and private organizations to help marines and their families access the care and support they require.

REAWAKENING THE SOUL OF THE CORPS THROUGH CARING FOR OUR FAMILIES OF OUR FALLEN

The Marine Corps Casualty Assistance Program remains committed to ensuring the families of our fallen marines are treated with the utmost compassion, dignity, and honor. The loss of a Marine is always difficult, especially for the family and we are always seeking to improve survivor assistance. Caring for the families of our fallen is not just an immediate challenge, but one that is long term. The Marine Corps Long-Term Assistance Program is a permanent resource for the next of kin, ensuring they receive sustained quality assistance from the Marine Corps.

The Marine Corps Casualty Assistance Program is a 24 hour-per-day operation manned by marines and civilian marines trained in casualty reporting, notification, and assistance procedures. Our Casualty Assistance Calls Officers (CACOs) are responsible for notifying next-of-kin, assisting them with burial arrangements; applying for benefits and entitlements, obtaining reports of investigations, as well as assisting Survivors in contacting benevolent and philanthropic organizations. Our CACOs go through an initial training program followed up with continual training and assistance when needed. Shortly after the funeral, families are connected to representatives from the Tragedy Assistance Program for Survivors (TAPS). This nationally recognized provider, at no cost and available 24/7, provides our families a full range of support, crisis intervention, casework as well as, grief and trauma support.

REAWAKENING THE SOUL OF THE CORPS THROUGH CARE FOR OUR WOUNDED, ILL AND INJURED

The Wounded Warrior Regiment (WWR) continues to function as a central pillar of the Marine Corps' pledge to "keep faith" with those who have served. Whether a marine is wounded in combat, suffering from a chronic unresolved illness, or injured in a training accident, the WWR stands ready to provide recovery care. For the Marine Corps, recovery care is not a process. Care coordinated through the WWR is soundly based upon an authentic relationship between staff and the marine and his or her family members. This bond allows all parties to be vested in a common purpose: ensuring the WII marine and their family members smoothly and successfully meet their identified goals.

Ensuring Wounded, Ill and Injured (WII) Marines' Future Success

History confirms that the majority of WII marines who receive care from the WWR will not return to duty. Knowing this, it is a paramount goal of the WWR to help WII marines reintegrate to their communities with the confidence to focus on their abilities and fully recognize that their best days are still to come.

Following injury and case review, a WII marine's path to success typically begins with a Comprehensive Needs Assessment (CNA). The Marine Corps' Recovery Care Coordinators (RCCs) are assigned to WII marines (based upon case acuity) and are responsible for conducting initial and ongoing CNAs which are used to develop the Marine's Comprehensive Recovery Plan (CRP). Once the Marine's CRP is established with identified actions, the RCC begins coordination with all internal and external stakeholders to help the marine and family realize their goals. At any given time, there are approximately 1,000 marines (along with their family members) receiving the support of an RCC.

A significant part of the CRP is employment and education support. To address this need, the WWR has a Transition Cell. Transition Cell Specialists, located at WWR Headquarters and Wounded Warrior Battalions at Camp Pendleton, CA and Camp Lejeune, NC, work with WII marines and families to assist them with the development of their career and education plans. Utilizing career assessment tools and leveraging the resources of Vocational Rehabilitation and Employment (VR&E) counselors, marines along with their WWR Transition Specialists, develop a plan to reach their career goals. Types of WWR transition assistance include: career exploration (employment, education, training, and entrepreneurship), resume development, education applications, interview skills, and coordinating Federal internships.

The WWR does not utilize a "fire and forget" mentality. We recognize that most recently-transitioned WII marines will require some degree of continuing assistance. To address this requirement, the WWR continues to employ District Injured Support Coordinators at various sites (aligned with Department of Veterans Affairs Veterans Integrated Services Networks) around the country to provide face-to-face assistance when required. DISCs provide a multitude of services to include ensuring marines are registered with the VA, providing information on various community resources, and linking WII marines in need back to the WWR for assistance.

Additionally, a key component of the WWR's transition assistance includes the provision of 90 days of post-service support to bridge the gap in services between DOD and VA during a WII Marine's transition. Focused areas of support include: Combat Related Special Compensation, Concurrent Receipt Disability Pay, housing, VA benefits, employment and education referrals, family support, and follow-on medical care (TRICARE, VA Healthcare). More than 1,800 marines have received or are currently receiving post-service support.

Outreach and Staying Connected

The Sergeant Merlin German Wounded Warrior Call Center is not a typical call center in purpose or function. It is an outreach and contact center that actively maintains contact with and tracks an assigned population of WII Active, Reserve, Retired and Veteran Marines throughout their life. It includes two Contact Centers at the Wounded Warrior Battalions (Camp Pendleton and Camp Lejeune), which track active duty WII marines who are recovering with their parent commands. While the Call Center averages 9,500 outreach calls per month to Purple Heart recipients, marines on the Temporary Disability Retirement List and marine veterans, it also allows the Marine Corps great flexibility to focus on specific emergent at-risk populations. For example, during natural disasters, such as last year's floods in Colorado or the tornados in Oklahoma, the Call Center conducted outreach to WII marines and families in those surrounding areas to provide information on relief efforts, emergency shelters, and food bank locations.

The Call Center also serves as the WWR's center of activity for social media and rapid action polls. The social media capability (Facebook, Twitter, and mobile app) enables the continual flow of relevant care information to WII marines and families and the polls allow the Regiment to gain important feedback for program improvement.

Future of the WWR: Care Continues

Marines and their family members, Congress, and the public at large can be reassured that the Marine Corps, through the WWR, will continue recovery care in times of war and in peacetime. Irrespective of the global security environment, recovery care support must be enduring in view of issues resulting from the current decade of war: catastrophic injuries requiring massive amounts of acute care, traumatic brain injury, and psychological health problems. These conditions are not solved by short-term care and will require continuing services, an enduring commitment. Just as the Marine Corps is strategically agile and flexible, the WWR will endeavor to expand and contract depending upon requirements. The WWR will always stand ready to support marines who sacrifice for our Nation.

REAWAKENING THE SOUL OF THE CORPS THROUGH CARING FOR OUR MARINES IN THE FIGHT

Deployed support is one of the most important services we provide. Our Exchange, Recreation, Fitness, and Communication services boost morale and reduce mission-related stress.

- Exchange. Ongoing missions in Afghanistan include the operation of a Direct Operation Exchanges Tactical (DOX–T) at Camp Leatherneck, one Tactical Field Exchange at Living Support Area 13, and numerous Warfighter Express Services Teams (WEST) operating out of Camp Leatherneck. We also have two Marine Corps Exchange (MCX) Mobile Tactical Field Exchange (MTFE) Trailers, which can serve as fully functional retail stores. Equipped with a diesel generator, the MTFE can operate on site for up to 72 hours and can provide indefinite operations when accompanied with a resupply container and connected to municipal power. The trailer can be used to support tactical field exercises, disaster relief, and special events requiring retail support. The MTFEs are road-ready and are based at Camp Pendleton and Camp Lejeune.
- Recreation and Fitness. We provide sports, recreational, and fitness equipment to units throughout Helmand Province. 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. Our award-winning libraries provide online tools for research, recreation, and professional development. Several libraries offer private webcam meetings so families can stay connected with their deployed marines.
- Communication. Morale satellite services are available to deployed marines. We have delivered 13 small 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.
- MCCS Amenity Wi-Fi Solution. The Marine Corps Community Services Amenity Wireless Fidelity (Wi-Fi) Solution program acquires, deploys, administers, and supports Wi-Fi capability at no-cost to marines and families. This morale and welfare initiative helps families stay in contact while separated from their marines. Wi-Fi is conveniently located on 19 installations and 250 facilities such as, temporary lodging facilities, exchange food courts, libraries, education centers, child and youth centers, clubs, and wounded warrior program facilities.

Marine Corps Morale, Welfare, and Recreation (MWR) activities support the readiness, resiliency and retention goals of marines. Semper Fit and Recreation programs align to support the social and physical well-being of marines and sailors, to encourage healthy lifestyles and enhance quality of life and to amplify the Marine Corps' focus on mission and readiness. The comprehensive strength and conditioning programs, High Intensity Tactical Training (HITT) and Aquatic Maximum Power—Intense Training (AMP–IT), serve to optimize physical performance and combat readiness for all Active Duty and Reserve marines. In 2013, "For the Leathernecks", a social recreation event, reached over 20,000 single marines, many of which recently returned from a deployment or training exercise. These shows enrich esprit de corps and unit cohesion to support the 21st century sailor and marine, and Marine Corps Total Fitness strategies. Semper Fit and Recreation expanded Operation Adrenaline Rush (OAR), which has reached over 8,000 marines since the pilot program began in fiscal year 2012, to 8 installations last year. OAR assists marines in reintegration after deployment by maintaining combat readiness, and reinforcing unit cohesion through high adventure outdoor activities like white water rafting, paintball, or rock climbing.

The Marine Corps resale system is also pleased to support the physical and financial health of marines, sailors, and their families. Through a variety of programs related to the Secretary of the Navy's 21st Century Sailor and Marine initiative, our resale system supports physical health. The Commandant recently issued a memorandum regarding alcohol sales. It instructs all Marine Marts adjacent to barracks to remove distilled spirits. Additionally, the memo limits alcohol sales times to 8:00 AM thru 10:00 PM, and dedicated floor space to no more than 10 percent of the total retail space. Another significant step to support 21st Century Sailor and Marine came in 2012 when MCX instituted tobacco price parity. This effort complements the initiatives that Semper Fit has taken in training and education of tobacco cessation. Further, MCX offers tobacco cessation items at cost for patrons as part of

our value program, "Xtreme Value." This program supports the financial readiness of marines and their families and offers items such as diapers, formula, baby food, bread, and milk at cost. Additionally, MCX offers a variety of both branded and private label products from clothing to cosmetics to electronics to toys to home furnishings to serve as a "one stop shop" for marines and families. Our Xtreme Value program offers the brands and products important to our customers at the best price possible. MCX is committed to supporting initiatives like the White House's Joining Forces Initiative to employ veterans and family members. As a member of the Military Spouse Employment Partnership Program, MCX helps to provide jobs to military family members who may be worried about finding a job at their next duty station. Currently, nearly 30 percent of MCX employees are military family members.

REAWAKENING THE SOUL OF THE CORPS

During a time in which we, as a nation, have been continuously engaged in 12 years of fighting, we are doing so with a voluntary force. No other time in our country's young history have we fought this long. Less than half a percent of Americans voluntarily wear the uniform of one of our Military Services. These men and women have chosen to put on the cloth intuitively knowing the joy and sense of purpose that only comes through great challenges and subordination at a cause greater than themselves. These men and women—our neighbors, brothers and sisters, sons and daughters, and loved ones—know what it means to keep company with the finest men and women in a world under the toughest conditions. Living their lives right and to the fullest, while providing a vital function to society. Their sacrifices ensure the safety of not just communities, but the Nation, our lifestyle, and our liberties.

A statement often attributed to our first Commander in Chief, perfectly sums up what this Nation is facing when it comes to their military, which I would like to leave with you today. "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive veterans of early wars were treated and appreciated by our Nation." I say this to you today to reiterate that your decisions now will have an impact that will go well beyond these conflicts and the current men and women voluntarily serving. Uncertainty in whether they will be able to continue a career in the military due to drawdown; what services and resources will be available to them and their families when serving; and what will happen to any retirement when they get out——all are having an impact on our current force and the young men and women that will be considering serving in the future. We cannot jeopardize our liberty.

Senator GILLIBRAND. Thanks to each of you.

DOD has proposed a number of compensation and benefit-related proposals, although we have not seen the full details. They are basically a 1 percent pay raise for most military personnel rather than the 1.8 percent that would take effect under current law, 1-year pay freeze for general and flag officers, and a slight reduction in the growth of housing allowances over time. Essentially, servicemembers would pay 5 percent of their housing costs out of pocket. A phased reduction by $1 billion of the annual direct subsidy provided by military commissaries, down from the current subsidy of $1.4 billion. An increase in TRICARE enrollment fees and pharmacy co-pays and consolidation of the TRICARE health programs.

Secretary Hagel testified a few weeks ago that the savings from these proposals would be reallocated to address readiness and modernization shortfalls. As I said in my opening statement, these proposals will be difficult for many of us on this subcommittee to support. I am particularly concerned that we are not waiting for the MCRMC, which is tasked with taking a comprehensive look at these benefits.

This is for each of you to answer as you see fit. What will the impact of the changes be on our servicemembers, especially our lower enlisted troops and families? What are you currently hearing from the enlisted ranks? What are the biggest concerns about these cuts? How important is the commissary benefit, in particular, to our most junior servicemembers? Is there another way to deal with

the commissaries? Will the enactment of these proposals harm recruiting and retention?

Sergeant Major CHANDLER. Yes, ma'am. You wanted to spend some time with commissaries. To be quite honest, the commissaries have not been in the narrative until just recently, comparatively speaking to, for instance, retirement reform. There is a bit of conversation. I will tell you, like I said in my oral statement, it is not the most important issue from soldiers. We do hear more from family members. A lot of it was, in our case anyway, the publication called the "Army Times" which ran an article that said that there would be the closing of commissaries. That has never been the intention. I am sure that the Chief of Staff of the Army has already spoken to that fact for the Army.

Obviously, there is going to be an impact for everyone, including our junior servicemembers, if we do roll back the cost savings from on average 30 percent to, say, 20 percent. It is going to have an impact, and cumulatively each one of these things will have an impact on our soldiers and families. I think that is fairly obvious.

Our concern is there are things within the Defense Exchange Commissionary Agency (DECA), legislative issues and also policy issues, that I believe we can find some efficiencies which may offset some of the reduction in cost savings. For instance, the ability to use or sell generic items are a challenge. We cannot do that in the commissary. If I am a young soldier and I choose to go the commissary and the only thing I can buy is Green Giant or Hunt's brands, but I can go to Walmart and get Great Value and that is 30 cents less for a can of corn than it is in the commissary, there is a perception in some places where the value is not as high as we say in the commissary.

Each of us sits on the DECA board of directors. There is a strategy in place to do a holistic review and to make some legislative proposals which will free up their ability to actually create a business model. I think many of us may not understand that the commissary is not in competition with anyone. You have to recognize how do you draw the folks that you serve into the commissary. I think one of those is to offer items which may be generics which generate the similar cost savings.

I think we have some work to do, both legislatively and policywise. I understand because for the Army, this is truly about readiness. We pay about $400 million into the commissary to sustain the benefit, and that is $400 million we can apply to some other readiness need because frankly, for the Army, the most important thing is to have ready soldiers to do what we need to do and not send someone in harm's way untrained. You have to find that balance. We are in that position where we have to look at everything to find the savings we need.

Chief Petty Officer STEVENS. Senator, I think it is important that we first understand that the decisions to slow growth is not something, if we were given a choice, that we want to do. Given the fact that the slice of the pie is only so big, this is what we must do in order to maintain readiness. We are making some tough decisions and tough recommendations with regard to slowing of growth.

How will that impact our people? I think it is fair to say that if, or when, it is all said and done, that their buying power will not

be as good tomorrow as it is today. It will have some impact on their quality of life.

We also recognize that there will have to be some slowing of growth in quality of life so we can hopefully recapitalize those monies into what we call quality of work areas because our sailors want to have a good quality of work. They want the people, the parts, the training, the things that they need day-to-day to do their job. In order for the Navy to be able to provide that to them, there is going to have to be some offset somewhere. We recognize that that is difficult, but we owe it to them to make sure that they have a good quality of life, a good quality of work, and in turn, they and their families will have, we hope, a positive and good quality of service.

I have been asked many times, how do you think it will affect retention and enlistment? What I say is I do not know because every generation of sailor has their own reason for serving. Much of it is the same, but generation-to-generation there are some differences. Will it have a negative impact on recruiting and retention? It might, but I could not say that because I do not know. Will it have a positive impact? Probably not. It may stay the same. It may get a little bit worse, but it certainly is not going to increase retention or increase enlistment. We are going to have to shoulder that with our recruiting commands and with command leadership to encourage our people to come in and to stay.

I agree with what Sergeant Major Chandler said with the commissaries. His comments are something that we have all talked about, and I can speak for myself when I say that I agree exactly with what he said on commissaries.

Sergeant Major BARRETT. I will not belabor exactly both remarks that the Sergeant Major of the Army and the Master Chief Petty Officer of the Navy (MCPON) have said.

Ma'am, to go right to the very heart of your question, first of all, marines do not run around talking about what is on their mind in compensation, benefits, or retirement modernization. That is not on their minds. As I walk around and talk to the thousands of audiences, they want to know into whose neck do we put a boot to next. They want to know about what new equipment are we getting. Are we continuing to modernize? Just because the budget sucks, does that mean we are not going to get any more gear? Are we going to stay ahead of our competitors?

The other thing they always ask about is they want to know about training. We are a force that has a bias for action, and we are a happy lot when we are deployed. Idle hands are not good in the Marine Corps. Keep us out there forward deployed just like our moniker tells us that is where we need to be. That is what is on their mind actually.

I will tell you promotion and retention and money does eventually come up, but it is not in the top three. It is normally four, five, six, or seven.

To get to the point about what the Sergeant Major and the MCPON already said, if we do not get a hold of slowing the growth, if we do not pay a little bit more attention to the health care that we so generously have received, wonderful packages—in my 33 years, I have never seen this level of quality of life ever. We have

never had it so good. I say that point because if we do not get a hold of slowing the growth, we will become an entitlements-based, a health care provider-based Marine Corps and not a warfighting organization. If we do not step back and take a look at a 1 percent pay, that makes sense because our quality of life is good. Hey, you know what? Out-of-pocket? You know what? I truly believe it will raise discipline and it will raise it because you will have better spending habits. You will not be so wasteful.

I do believe in the one TRICARE model because there will be savings, and there will be less administrative burden on those who have to perform all those things.

Should there be some type of subsidy reduction to the commissary? Well, you already heard the Sergeant Major of the Army talk about it. I am sure there is a better model out there, but in the grand scheme of things, if we do not get a hold of this, it is going to impact our warfighting capability. It is going to impact our investment for the next challenge.

Like I said, we might be done in Afghanistan, the people we are fighting, but they are not done with us, and we need to be more prepared for what is around the corner.

Sergeant Major CODY. Ma'am, I think first I would set the stage for my comments because I certainly agree with all my fellow Service senior enlisted advisors, and believe me, we all do talk about this collectively as we think about the impacts.

I want to be real clear that our airmen are not overpaid. This discussion we are having about compensation in the military is not because we feel they are overpaid. They have earned everything that they receive today, all service men and women and their families have. They have sacrificed for what they served for.

I fully support our budget because at the end of the day, I would tell you if you want the real feedback from our airmen and their families of what they want, they do not want to have a conversation about compensation. They just want you to give us more money so we do not have to. That is the clear text if you want to hear what they would say.

When Athena meets with their families, they are a little bit more vocal about this than the great men and women that actually put the uniform on only because they understand the commitment to serve and everything that you had articulated. They are going to fight in their Nation's war. They will go regardless. That is what makes them so special.

Make no mistake about it. This has impact. But we have to do it. We have to slow the growth. It has to be constrained somehow.

I will throw some demographics so you can put it in perspective. For our Air Force, about 70 percent of them have served 13 or less years. That is important to note because this is their whole life. 70 percent of our force. When you think about it, about 50 percent of our entire force is married with children or is single with a child. That is important too when you talk about compensation and how you think about these things.

Just to throw a demographic at you so you will know, an average E–6 makes about $54,000 a year. That includes their basic allowance for substance, their housing, and their basic pay. Then you

can take that all the way down to an E–1, which is about $23,000 a year. That is important to put in the spectrum of their lifestyle.

Senator GILLIBRAND. Thank you.

Senator Kaine.

Senator KAINE. Thank you, Madam Chairwoman.

Thank you for your testimony. Thank God for our enlisted. It is what we have asked you to do for the last 13 years. You have done it with a great spirit. But it is unlike anything, really, that we have had a precedent for in the country, and that means there are consequences to it, some of which we know, some of which we do not. But we have to be good stewards in meeting the consequences.

I wanted to ask you a question. I think Senator King asked a question of the first panel when I was gone about credentialing of folks in service for their skills as they obtain them. This is something I am really interested in. I worry about the unemployment rate of the Iraq and Afghanistan era veteran, particularly the enlisted. Officers with college degrees have a little bit easier time. Some enlisteds have degrees, but generally the enlisted unemployment rate is the one that is a little bit higher.

I continue to believe that part of the way we get at the unemployment rate is to get people credentialed for the skills they attain when they attain them with a credential that a civilian hiring officer understands. Recognizing that that civilian hiring officer—there is only a 1 percent chance that individual would have been in the military. I think we appreciate military service but often may not understand what it is that somebody brings to the table in terms of technical skill or leadership skill.

Programs like the Soldier for Life program in the Army and others—and I know different branches are tackling it in different ways—that are trying to make sure that people get these civilian credentials are important.

I would like to hear you talk about efforts within your branches on this or more broadly, the unemployment issues that are faced by enlisted servicemembers departing into a tough job market. Especially as we are drawing down in force, more will be departing, and we want to make sure that they get traction right away in a civilian workforce. Offer thoughts on that challenge, please.

Chief Petty Officer STEVENS. Senator, for the Navy, we have what is called Credentialing Opportunities Online (COOL) program. It is where you can go and sign up and begin to take advantage of these credentials that the civilian world offers and provides the Navy. You would take your skill set that you have. My example would be as an aviation structural mechanic. There are certain certifications that you need to do work on aircraft in the civilian world. You could go to this COOL program and you could begin the sign-up process and start to get your hours that you need and the signatures that you need and eventually get this credential. It transfers over into the civilian world, and we have had that in place for a while.

We also recently implemented a process where a sailor, with the permission of their commanding officer prior to separation, if they know they are going to get out, can go to a vocational or trade school and start working on the certificates that they may need to

work in that civilian sector job that would be equivalent to what they are doing in the Navy.

So that, in conjunction with our Transition Assistance Program, as well as the CNO and I have talked about with our tuition assistance, when we look at how we can best use that, we want to encourage our sailors to take college classes that equate to what their job is in the Navy so that it not only makes them better at their job in the Navy but also makes them more competitive, should they decide to get out of the Navy at some point.

We have some good programs in place, and I am happy with them. I believe we will continue to work on them.

Sergeant Major BARRETT. In addition, we have a transition readiness seminar, and we have touch points along the way. As a matter of fact, every young marine—the rank of lance corporal—is required to do this Marine Corps Institute course. It is an online course, and it is called Leading Marines. Attached to that course is a course called Your Readiness, and it was developed by our personal and professional development personnel that work at our Marine Corps University. That course teaches you how to start preparing yourself to leave the Service if that is what it is you decide to do.

Then we have touch points along the way in the lifecycle of a marine, and as we get closer towards whether or not we are going to decide to stay in the uniform or get out of the uniform, within a 12-month period, you will go to a transition readiness seminar where you will have core training. The core training is conducted by those from the Department of Labor, from the Small Business Administration, and from the VA. As a matter of fact, the Troop Talent Act made credentialing a part of the core training that is given to every single marine before they leave. That way they can present and address what credentials they have that are equivalent to what is going on in the outside world.

Also, part of that course is they have the career technical training track which assists marines with the certifications. Along with that, you have pathway training. You are going to decide whether you are going to go get a job when you get out of the Service, or if you want to go to college, or you want to get vocational tech or entrepreneurialship. Well, you got an opportunity now to go down that particular path you want to go down, and they will prepare you. You have personal and professional developing counselors that you can meet with before, during, or after all this training to ensure that you are completely set up for being prepared for when you decide to take off the uniform.

Sergeant Major CHANDLER. Senator, I think all of our approaches are very similar. We have different programs within the Army and the Navy and the Marine Corps. Speaking for the Army, we put a lot of focus on the same program, COOL program.

A success story for us is what we have going on at Joint Base Lewis-McChord in the State of Washington where we have partnered with trade unions. With the commitment of the soldier actually before they leave the Service, the union will have a job for them when they leave the Service. We have done a lot of work in pipefitting, in plumbing, in HVAC. We are expanding that at other installations, really trying to leverage both the community college

and vocational and technical schools, along with the unions, to try and help young men and women who may not have made the decision to go back to college, that they can find a skill with the guarantee of employment upon graduation. In the Army's case, I think that is a part of the credentialing.

Senator KAINE. Thank you very much.

Sergeant Major CODY. I would only add we also do the credentialing online, but what we do a little unique in the Air Force too is we have what is called the Community College of the Air Force, and every career field is lined up to be able to earn a 2-year degree, technical degree associated with that career field. They can do that within their first enlistment. That means they do walk out with a tangible that we have already done the work to show that. We also have a partner program where they can take that with just over 50 universities. It is an associate to bachelor program where they give them full credit and they walk as a junior into that college, and they can continue to pursue their under graduate degree. So, again, it helps. We have the credentialing programs. We are also working to make sure they have that ability to walk out with at least a 2-year degree and then potentially a 4-year degree.

Senator KAINE. Thank you.

Thank you, Madam Chairwoman.

Senator GILLIBRAND. Senator King?

Senator KING. Thank you.

Each of you heard the chair list the personnel changes. As you well know what they are, the 1 percent, commissaries. Do each of you support that proposal?

Sergeant Major BARRETT. The Marine Corps does, sir.

Chief Petty Officer STEVENS. Yes, sir, the Navy does.

Sergeant Major CHANDLER. The Army does, sir.

Sergeant Major CODY. The Air Force does, sir.

Senator KING. Thank you. I think it is important.

Sergeant Major, your answer to Senator Kaine's question is one of the best answers I have ever heard to any question since I have been here. You were crisp and really, I thought, captured the essence of the dilemma.

Nobody here wants to vote to cut pay or do anything else. The problem is we are in a zero sum world. The testimony we had from DOD 2 weeks ago was that this is a $2.1 billion a year proposition, $30 billion over 5 years, and that money will come right out of readiness if we do not make these changes. Is that your understanding?

Sergeant Major BARRETT. It absolutely will. Not only that, we are going to also have to start taking risk in infrastructure sustainment, facilities sustainment, restoration, and modernization, furniture, fixture, equipment, personnel support equipment. We do not want to go back to where we were in the 1990s and 2000s when we had to find $2.8 billion because we were living in poor facilities. We do not want to go back to those days.

Senator KING. Sergeant Major?

Sergeant Major CHANDLER. Yes, sir. At the end of the day, I do not like this and it is a challenge. But it is what is necessary. We have to make sure as an Army that at the end of the day, the one

thing we have to make sure, that our soldiers are trained and ready to answer what the Nation is going to ask us to do is going to trump the rest of the things we are going to do.

We have the same challenges as the Marine Corps. We have these beautiful facilities that Base Realignment and Closure 2005 round gave us. They are now going to be transitioning into the sustainment phase of their lifecycle. We made tremendous investments in modernization. We have to cut a lot of those programs or push them to the right so that we can build sustained readiness in the Army.

A day lost of readiness of training is usually going to take you 2 days to gain it back. We have had a readiness deficit in the Army. Obviously, the Bipartisan Budget Agreement has given us some very limited—2 years is not a lot of time to rebuild some level of readiness, but in 2016, again with sequestration, we go right back in the tank. The only way to provide a ready force is to find those and make those difficult decisions that have to be made in order to get our soldiers, sailors, airmen, and marines trained.

Senator KING. I hope if we have to make those decisions, you will stand behind us.

Sergeant Major CHANDLER. Yes, sir.

Senator KING. As far as 2016, I think it is really important to realize that what we have is a breathing space, not a solution, and that it is incumbent upon us to be thinking about 2016 and how we mitigate the impacts of the sequester now rather than waiting until it hits us about a year and a half from now. I look forward to working with you.

Let me change the subject for a minute. We hear the term "keeping faith" with our troops and "keeping faith" with the people that are joining up. What does a young recruit understand about what they are signing up for? Do they think about retirement? Do they understand? Are they told? Is there anything in writing about what the benefits are?

Myself, I feel that once somebody is in the Service, they have earned what they are entitled to and that any changes we should make should be prospective for people that have not yet signed up. If we had made some of those changes in the early 1990s, we would be bearing the benefits of them now instead of trying to make them midstream. Talk to me about what a recruit thinks about when they are signing that paper.

Sergeant Major CHANDLER. I can only speak for my own experience when I was 19 years old and joined the Army, and I was not thinking about compensation. I was actually thinking about going to Germany and being a tanker for a couple years and then leaving the Army and coming back to Massachusetts where I grew up.

Senator KING. My condolences on that. [Laughter.]

Sergeant Major CHANDLER. Well, sir, you know. [Laughter.]

We provide information to soldiers. They get a lot of information. They will get pamphlets. They will get brochures. Their recruiter will talk to them about the benefits of service.

Now, if you take into fact that an average 19-year-old male—they are really not thinking, I think, in a long-term beyond "what do I need to do in order to be able to get out of here and go do something else?" We have some limited education on finances while they

are in basic training, and we have opportunities for soldiers to learn about investments and so on while they are at their first duty location. There is a level of education about what you have earned. That is the best I have for you right now.

Senator KING. I want to get other thoughts. Is there a problem of recruiters making representations that are not in the documents? Is that an issue, Sergeant Major?

Sergeant Major BARRETT. Sir, we tell our recruiters, whatever you do when you go out there on the street with all those wonderful skills you have just been taught, do not think like a recruiter because the second you start thinking like a recruiter, you are going to try to qualify them. That is the wrong way to go about it. What you want to do is you just want to go out there and talk about it.

I made some notes while the Sergeant Major of the Army was talking. You know, 0.4 percent of the Nation wears the cloth of one of these Services right here. This has been told to me time and time again when I have met with young marines. They do not want an easy life. They want to be tougher people. It is about pride of belonging and being part of something bigger than self. I hear that more than I hear anything else when I talk to a young person who, for the first time, was handed the eagle globe and anchor in their dirty little hands, and they grab that thing and they hold it tight. You see the tears just running down their face. They have just transformed. They just became part of that 0.4 percent of the Nation that is willing to put it on the line. That is what they talk about, the young people.

Chief Petty Officer STEVENS. I would say that there are many different reasons why young men and women enlist, but primarily that reason is a call to service. They think about, to some degree, the benefits, the pay, those sorts of things, but it is really about service more than anything else.

I was in San Antonio, TX, at the hospital corps school not too long ago, and I thought I would ask a group of young men and women that were sitting in the room that question, and I was really surprised by the response. I said to them, how many of you, when you enlisted, thought that maybe you would make the Navy your career? Two-thirds of their hands went up.

I look back to the time I came in—I will say it, 1983. If I had been asked that same question and you would have raised your hand, you would have probably been laughed at because most of us that came in then were just thinking 4 years and we are out.

There is a little bit of a different thought process. I can just speak for this generation because I never asked that question to the two generations before me. It really is about a call to service more than anything else. But we should not misunderstand the fact that they do appreciate the benefits that they earn.

Senator KING. Thank you very much, gentlemen. You honor us by your presence here today. I appreciate it.

Senator GILLIBRAND. Senator Hirono.

Senator HIRONO. Thank you, Madam Chairwoman.

I add my thanks to all of you for testifying and for your service.

It is good to know that the men and women who enlist and who want to serve our country do so out of patriotism and a deep sense

of wanting to make a difference in what they do. We all realize it is just a small percentage of our population who answers that call. I like to think that we all do our part to make a difference, but the men and women who do serve need to be treated fairly. I know that that is what you are all about.

I have a question for Master Chief Stevens. I understand that the Navy already evaluates its servicemembers on whether they foster an environment or atmosphere of acceptance and inclusion per your Equal Employment Opportunity policy. I would like your opinion on adding the criteria to evaluate an individual's ability and efforts at maintaining a command climate which will not tolerate or condone hazing, sexual harassment, sexual assault, and ensures all members of the unit are treated with dignity and respect.

Chief Petty Officer STEVENS. Senator, thank you for the question.

The section of our evaluation performance that you mentioned where talk about command climate and command culture really does fold in what you just mentioned. We expect our leaders at every level to foster the very environment that you talk about, and they are graded on that. The expectations are that they do create that culture within the organization. We believe that everybody deserves an opportunity or actually that we should set the conditions where everybody has the opportunity to be successful and that everybody is treated with dignity and respect.

We also recognize that we have work to do, and we are and have been and will continue to work on this very hard. But it is a part of our performance evaluation. You cannot be a commander out there and not foster a climate where people are treated with dignity and respect and expect that command to be successful. The success of that command is a large part of what they are evaluated on.

Senator HIRONO. The Navy already does that in its evaluations and for promotions and other decisions with respect to the individual. Do the other Services also use the command climate surveys or questionnaires for those purposes? Would anyone else like to respond?

Sergeant Major CHANDLER. Yes, ma'am. We have a similar approach to the Navy, whether it is at the individual level through an evaluation report or through a unit level activity called a command climate survey that not only does the commander get those results, but now, as an Army, we have made that a requirement for the senior commander above the unit that has gotten the command climate survey to, in fact, be out-briefed on those results also. They set up an action plan from there.

Senator HIRONO. Do these surveys or these evaluations, are they made part of the commander's files, personnel files?

Sergeant Major CHANDLER. From an Army perspective, the individual evaluation, whether that is an E5 sergeant all the way up to the Sergeant Major of the Army like myself—those evaluations are a part of their official record. That applies to our officer population through their officer evaluation report.

The command climate survey has to be maintained on file for a certain specific period of time. It is really, from my perspective, the relationship between the senior commander and that commander

who had gone through the survey to determine what is the plan of action to either improve or strengthen where the unit has reported there may have been some weaknesses or limitations within the chain of command.

Sergeant Major BARRETT. In the Marine Corps, ma'am, yes. First of all, the commanding officer is singularly responsible for everything that happens and fails to happen inside that unit. His or her sergeant major is responsible for the command climate. In the Marine Corps, you have the Defense Equal Opportunity Management Institute (DEOMI), and every single one of the DEOMI command climates will be seen by the next level chain above that commanding officer. The Commandant of the Marine Corps also has a command climate survey that is also done that the next commander will see exactly how well or how poorly that you are doing inside the command.

Sergeant Major CODY. The Air Force, ma'am, is a part. The actual evaluation part is part of the initial feedback and follow-on feedback and in the report. They are monitored, and the survey itself is used up and down. Everybody has visibility to that. Anybody that reports goes back to that report, and if you fell into that report, meaning your activities influenced it, it will then be documented in your official record.

Senator HIRONO. Your surveys do cover the command climate with regard to areas such as sexual harassment, hazing. The factors or the areas that I mentioned.

Sergeant Major CODY. Yes, ma'am.

Sergeant Major BARRETT. Yes, ma'am.

Sergeant Major CHANDLER. There is a series of standard questions that all of the Services have to have in every survey, and then the commander has a choice of other questions that they can insert for their specific need. We all have a group of questions that are standardized that must be answered across the force, and they look at equal opportunity, sexual assault, command climate, those types of issues.

Senator HIRONO. Do those surveys undergo changes over time?

Sergeant Major CODY. Yes, ma'am, they do.

Senator HIRONO. Are they updated?

Sergeant Major CODY. They are. They are updated based on, in some cases, changes in the law of things that we need to consider. They are also updated based on the needs of the Services of things that we are seeing that we need to continue.

Senator HIRONO. Madam Chairwoman, I would like to request that all of our Services send to our subcommittee the latest of standard surveys and any modifications that are made to the surveys.

Senator GILLIBRAND. If you could distribute that to each of the offices, that would be wonderful. Thank you.

[The information referred to follows:]

Sergeant Major CHANDLER. The Army uses a survey produced by the Defense Equal Opportunity Management Institute (DEOMI) to assess command climate. The survey is entitled DEOMI Organizational Climate Survey (DEOCS). The Army is currently working with DEOMI to append an Army specific module which will include 25 additional questions in four broad areas (work environment stress, unit resilience, quality of leadership, and well-being.)

The DEOCS as used by the Army and the Army specific module will be provided, as requested.

[Deleted.]

Additional Army Items for Command Climate Survey

	Not Applicable / No Basis to Judge	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
Working Environment Stress						
1. I consistently have too much work to do my job properly.	O	O	O	O	O	O
2. Members of this unit maintain high standards of performance.	O	O	O	O	O	O
3. Leaders in my unit consider sleep/rest as a planning factor for important activities, training events, and missions.	O	O	O	O	O	O
4. Mistakes are not tolerated in my unit.	O	O	O	O	O	O
5. My unit has an effective open door policy that lets unit members see the unit leaders about a problem.	O	O	O	O	O	O
Unit Resilience						
MY PLATOON/WORK GROUP...						
6. works to find better ways to handle difficult personal situations.	O	O	O	O	O	O
7. has the ability to identify and handle personal stressors encountered by unit members.	O	O	O	O	O	O
8. can effectively overcome tough work-related challenges.	O	O	O	O	O	O
9. uses work-related challenges or mistakes as opportunities to learn.	O	O	O	O	O	O
Quality of Leadership						
THE LEADERS IN MY UNIT...						
10. care about unit members' personal lives and families.	O	O	O	O	O	O
11. are good role models for members of my unit.	O	O	O	O	O	O
12. promote good order and discipline.	O	O	O	O	O	O
13. foster a climate of treating others with dignity and respect.	O	O	O	O	O	O
14. foster a climate that encourages open and honest communication.	O	O	O	O	O	O
15. deal effectively with adversity or conflict when it occurs.	O	O	O	O	O	O
Well Being						
16. I can balance my Army job with my personal/Family life.	O	O	O	O	O	O
17. Leaders in my unit help unit members handle stress.	O	O	O	O	O	O
18. I am interested in getting information on how to get help for a stress, emotional, alcohol, or family problem.	O	O	O	O	O	O
19. Leaders in my unit encourage unit members to use the resources available to help them with personal issues (e.g., behavioral health, SARC, Chaplain).	O	O	O	O	O	O
20. I know where to go to get help if I am having a personal crisis.	O	O	O	O	O	O
21. Stress and emotional/personal issues have made it difficult to do my work.	O	O	O	O	O	O
22. Stress and emotional/personal issues have made it difficult to get along with other people.	O	O	O	O	O	O
IF A MEMBER OF YOUR UNIT SOUGHT COUNSELING/CARE FOR AN EMOTIONAL OR PERSONAL PROBLEM...						
23. others in my unit would avoid, criticize, or make fun of them.	O	O	O	O	O	O
24. leaders would have less confidence in them.	O	O	O	O	O	O
25. I would be less willing to rely on them.	O	O	O	O	O	O

Chief Petty Officer STEVENS. Enclosed is a sample Defense Equal Opportunity Management Institute (DEOMI) Organizational Climate Survey, which is provided to each of the Armed Forces by the Office of the Under Secretary of Defense for Personnel and Readiness. The survey measures climate factors associated with equal opportunity and equal employment opportunity programs, organizational effectiveness, discrimination/sexual harassment, and sexual assault prevention and response.

Commanders may add up to 10 locally-developed questions and 5 short-answer questions to their survey, to assist in targeting specific areas of interest within the command. Since locally developed questions vary throughout the Navy, it would not be feasible to provide copies of every survey modified at the local command. As an alternative, I have also enclosed a copy of the Sample of Locally Developed Questions List.

Sample of Locally Developed Questions List

Questions selected or self-created will be added to the survey during the request process. Requesting organizations can select up to ten locally developed questions.

All questions will be answered using the following four-point scale.

Strongly Disagree
Disagree
Agree
Strongly Agree

Available Resources and Support

- Commander's Support Staff efficiently meet my needs.
- I am provided with the resources I need to do my job effectively.
- I have sufficient time in my duty day to conduct my core duties.
- Administrative Support Staff meets my needs.
- I am provided with the tools, equipment, or supplies necessary to perform my job.
- The functional experts I work with assist me in my success.

Communication/Flow of Information

- Commander's Calls/All hands effectively pass on information I need to know.
- Communication between platoons is good.
- Communication flow from the chain of command is good.
- Communication flows freely from senior leadership to all levels of the organization.
- Communication from my direct leadership is clear.
- Communication within my section is effective.
- Communication from the chain of command is timely.
- I am satisfied with the communication flow in my unit.
- Important information moves freely up and down the chain.
- My supervisor shares information that has been presented during staff meetings.
- The unit orientation program is adequate for new personnel/employees.
- My immediate supervisor explains things clearly to me.
- My immediate supervisor is willing to discuss my ideas and suggestions with regards to my job.
- My command keeps an updated EO/EEO bulletin board with upcoming cultural events, policy letters, complaint procedures and general EO/EEO information.
- I am familiar with the extremist organization and activities policy letter.
- I know what is expected of me at work.

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Enforcement/Obedience of Rules

- Rules, regulations and policies are enforced in this command.
- Rules, regulations and policies are obeyed in this command.
- My command displays high standards of discipline.

Fairness

- Additional duties are assigned fairly.
- Deployments are distributed fairly throughout the organization.
- The leave policy is administered fairly.
- I am afforded opportunities to take leave.
- The promotion policy is fair to everyone, regardless of ethnic or racial background.
- When making an honest mistake on the job, members of this command are corrected fairly.
- Correctional training for poor performance is enforced fairly in this command.

Family Support

- If I were to deploy, my family members would have adequate resources on base to be taken care of.
- This unit takes an active role in caring for the needs of family members of deployed unit personnel.
- The leaders in my command show a real interest in the welfare of families.

Feedback and Recognition

- I am rewarded for my duty performance.
- I am satisfied with my latest one-on-one rater feedback session with my rater.
- I receive periodic formal feedback from my rater.
- Participation for community service is recognized.
- The unit recognition program enhances our ability to perform our mission.
- I am recognized for contributing to a positive atmosphere in my workplace.
- I am rewarded for contributing to a positive atmosphere in my workplace.

Hazing

- While at this unit, I have never witnessed hazing activity.
- While at this unit, I have never been hazed.
- I have not experienced or witnessed hazing while assigned to this command.
- Hazing activities do not occur at this unit.
- Unit leadership discourages hazing.
- Unit leadership does not tolerate hazing.
- Unit leadership has published a policy that prohibits hazing.
- Unit leadership would punish anyone who hazes others.
- Newcomers are subjected to initiation rituals prior to being accepted into the group.
- Newcomers in this unit are dared to engage in potentially harmful activities.

Interpersonal Relations/Social Interactions

- My work environment is free from unprofessional behavior.
- Relationships at work are professional in nature.
- Participation in community service is encouraged.
- Human relations problems are handled correctly in this command.
- My command devotes a reasonable amount of time for social activities.
- I have seen extremist group behavior or propaganda in my work place.

Leadership Effectiveness

- My Commander is a competent leader.
- The Commander understands what my job entails.
- My immediate supervisor sets the right example with his/her actions.
- The leaders in my command deal effectively with adversity or conflict within the command.
- I feel that the Commander/Director will use the information from this survey to improve the command.
- I trust management/leadership to handle complaints, problems, or issues seriously.

Leadership Accessibility/Openness

- I am comfortable approaching the Commander/Director with any issue.
- I am comfortable discussing issues with my Commander/Director.
- I am comfortable going to my direct supervisor with work-related topics.
- I would seek the assistance of my Commander/Director.
- I would seek the assistance of my First Sergeant.
- I would seek the assistance of my flight chief.
- I would seek the assistance of my supervisor.
- I would seek the assistance of the superintendent.
- The Commander frequently visits my duty section.
- The Commander is accessible.
- The Commander shows an interest in my welfare.
- Officers in this command care about what happens to their service members.
- NCOs in this command care about what happens to their service members.
- It is easy for service members in this command to meet with the Commander about problems.
- It is easy for service members in this command to see the senior enlisted NCO.
- The leaders in my command show a real interest in the welfare of single service members.

- The Commander is very accessible to his/her members.
- I can express my opinion within this organization without fear of reprisal.
- I can raise concerns about issues that affect my job without fear of reprisal.

Military-Civilian Relations
- Civilian managers supervise military personnel as effectively as they supervise civilian personnel.
- Civilians are treated as valued members of the unit by leadership.
- Contract employees are viewed as part of the team.
- Military managers supervise civilian personnel as effectively as they supervise military personnel.

Operational Stress Control
- In the past 30 days, I have been able to control important things in my life.
- In the past 30 days, I have not felt that difficulties were piling up so high that I could not overcome them.
- In the past 30 days, I have felt confident about my ability to handle my personal problems.
- In the past 30 days, I have felt things were going my way.
- I experience a high level of stress in this command.

Physical Environment
- Parking is available at work.
- I am satisfied with the physical surroundings of my work area.
- Work areas are accessible to persons with disabilities.

Physical Health/Well-being
- A mandatory structured physical training program should be implemented in my unit.
- I am given adequate time to maintain my physical conditioning.
- I am given the time I need in my duty day to comply with the mandatory fitness program.
- I receive the required time to participate in personal fitness.
- Alcohol consumption is not a problem in this command.
- Illegal drug use is not a problem in this command.
- Alcohol abuse by the members of this command is not a problem.

Respect for Individuals
- All unit personnel receive the same level of respect from leadership.
- An atmosphere of respect exists in my work area.
- Contributions of all career fields are respected in my squadron.
- My Commander takes steps to ensure I am treated with respect.
- I am treated with dignity and respect in this command.
- I am not harassed by higher ranking personnel while on duty.
- I am not harassed by higher ranking personnel while off duty.
- My command enforces the standards of military courtesy.
- My supervisor encourages respect in the workplace. Discrimination with regard to race, color, gender, age, physical or mental disability, or national origin is not tolerated in the workplace.

- Sexual, racial or other offensive comments or material are not tolerated in my work area.
- Differences among individuals (e.g., gender, race, religion, age, disability) are respected and valued in this organization.
- My commander takes appropriate action to prevent harassment of any member of this command.
- My command values the rights of its members to practice their religion.
- This command is committed to creating an environment of human respect and dignity.

Sexual Harassment/Discrimination
- Unit leadership addresses allegations of sexual harassment and/or unlawful discrimination in a prompt manner.
- Leadership takes allegations of sexual harassment seriously.
- Coworkers challenge discriminatory and sexual harassing behaviors.
- Your chain of command provides equal opportunity regardless of one's sex

Skill Utilization/Appropriate Level of Assigned Duties
- Additional duties are not interfering with my ability to perform my primary mission.
- I am assigned duties that are commensurate with my grade.
- I am being fully utilized in my work center.
- I am challenged by my job.
- I am challenged in my duties.
- I am given responsibility commensurate with my rank.
- I do not feel overburdened with additional duties.

Special Observances/Cultural Celebrations
- Cultural heritage celebrations such as Black History Month and Hispanic Heritage Month help bring unit members closer together as a team.
- My command allows me to participate in or attend special observance programs.
- My command supports special observance programs.
- In my command, special observances are conducted to enhance cross cultural awareness among all service members, civilians employees, and families.

Teamwork/Team Cohesion/Morale
- I believe this unit works as a team.
- I am encouraged to participate in unit functions.
- Junior enlisted service members care about what happens to each other.
- Members of this command work together as a team.
- The current level of morale in my command is high.
- The current level of morale is high.
- The overall health of this unit is better now than one year ago.

Training, Knowledge, and Professional Development
- I have adequate opportunity to pursue off-duty education.
- I have received the necessary training to accomplish my job.
- I have the resources necessary to accomplish my job.
- I know what actions to take if someone expresses a desire to do harm to themselves or others.
- I receive adequate support from my immediate supervisor to pursue off-duty education.

- I understand how my platoon supports the mission of the overall unit.
- My present assignment motivates me to continue a career in the military.
- I receive the counseling and coaching needed to advance in my career.
- I receive the training needed to perform my job well.
- My command is well prepared to perform its wartime duties.
- My command provides diversity training to its members.
- I know the complaint procedure process.
- I know how to contact an EO/EEO counselor.
- I am aware of my EO/EEO rights as a Federal employee.
- Correctional training given to members of my command directly corresponds to the deficiency.

Sergeant Major CODY. The attached Defense Equal Opportunity Climate Survey (DEOCS) version 4.0 is the latest standard command climate survey used in the U.S. Air Force. It is my understanding that all Services are using the same survey. Commanders can add up to 10 locally-developed questions and 5-short answer questions to the survey, helping them target specific areas of concern (see placeholder for questions 96 to 110 on attached survey). Headquarters Air Force also has the capability of adding up to 10 locally developed questions to the survey to address seasonal Air Force-wide concerns. Any additional survey modifications must be requested and approved by the DEOMI (i.e., Defense Equal Opportunity Management Institute) Equal Opportunity Management Institute.

Attachment:

1. DEOCS Survey 4.0 [Deleted.]

Sergeant Major BARRETT.

CMC Climate Survey Questions

1. My unit is characterized by a high degree of trust and internal cohesion.

2. Marines and Sailors, both officer and enlisted, are held accountable for poor performance or misconduct.

3. Money, supplies and equipment in my unit are well-managed and there is a high degree of accountability.

4. Individuals in my unit are comfortable approaching their Leaders/Supervisors with issues.

5. The environment in my unit is characterized by good order and discipline.

6. Leaders/Supervisors in my unit have a 24/7 mindset and are engaged on-duty and off-duty.

7. My unit provides a safe environment against sexual assault.

8. My unit would take appropriate action in the case of a hazing allegation.

9. Leaders/Supervisors in my unit set a good example.

10. Illegal drug use, to include Spice, is occurring in my unit.

11. My unit is free of any type of discrimination.

12. Leaders/Supervisors in my unit clearly communicate expectations for performance.

13. My unit is aware of and provides assistance to anyone experiencing stress, depression or suicidal thoughts.

14. Leaders/Supervisors in my unit conduct counseling and provide feedback on how to improve performance.

15. My unit provides a retaliation-free environment for those who report misconduct (e.g. sexual assault, sexual harassment, hazing or fraud/waste/abuse).

16. Leaders/Supervisors in my unit encourage my growth both personally and professionally.

17. Leaders/Supervisors know who the high-risk members are in my unit and are taking appropriate measures to assist them.

18. Leaders/Supervisors in my unit care about my quality of life.

19. Leaders/Supervisors in my unit provide opportunities for junior Marines to assume greater responsibility.

20. Alcohol abuse is a problem in my unit.

21. Leaders/Supervisors in my unit care about families and keep them well informed.

22. My unit is well-trained and prepared to accomplish its primary mission.

23. Leaders/Supervisors in my unit routinely visit the barracks and work spaces.

24. Offensive materials/comments are not tolerated in my unit.

25. Members of my unit can count on each other during a personal crisis.

26. My unit values safety and quality of work at least as much as timeliness.

27. Leaders/Supervisors in my unit have made it clear that sexual assault is criminally unacceptable behavior.

28. Leaders/Supervisors in my unit have set a command climate wherein sexual harassment is not tolerated.

29. Leaders/Supervisors in my unit conduct coaching focused on long-term personal and professional development.

30. Leaders/Supervisors in my unit set aside regular time for coaching and counseling.

31. Leaders/Supervisors in my unit know the personal and professional goals of their Marines and Sailors.

32. What do you know about your unit that leadership does not know, but should?

33. What are three things that your unit does well?

34. What are three things that your unit could improve on?

Senator HIRONO. I only have a little bit of time left, but I want to focus on the educational opportunities for our soldiers. The post-9/11 GI Bill has been an outstanding program. Many have taken advantage of this program. My question is do any of you provide an assessment of how the program is performing? Do you track student success, school performance, where the 9/11 GI benefits are used?

Chief Petty Officer STEVENS. Senator, if I could answer that question because I would like to use a personal example. My son, Shane Stevens, enlisted in the Navy and he did 4 years as a cryptological technician. During that 4 years, he used the Tuition Assistance (TA) program, and he received his bachelor's degree. Then he decided to separate from the Navy, and he went to the University of Florida or actually Florida State. He would probably

kill me if I said University of Florida, but Florida State University where he used the post-9/11 GI Bill and received his master's degree while he was there and then subsequently went on to get hired by a very good company doing the same work that he did in the Navy. When I watched him go through that entire process with the education benefits that not just the Navy but that the military provides our young men and women, I saw it work firsthand and it worked very well for him.

Senator HIRONO. There have been some concerns particularly about for-profit colleges and universities that target veterans for high loan amounts and all that. I hope that there is a way that we can better track the experiences of our veterans.

Is my time up? I am not sure.

Senator GILLIBRAND. Your time has expired.

Senator HIRONO. Thank you. I could keep going.

Senator GILLIBRAND. We all could.

Senator HIRONO. Thank you, Madam Chairwoman.

Senator GILLIBRAND. Thank you all for your testimony. This has been invaluable in the deliberations we have to undergo in order to write the next national defense authorization bill. I am very grateful for your service and for your leadership and being a voice for the men and women who serve under each of you. Thank you very much. We are now adjourned.

[Whereupon, at 12:15 p.m., the subcommittee adjourned.]

[Questions for the record with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR RICHARD BLUMENTHAL

WORKFORCE REQUIREMENTS AND SHORTFALLS

1. Senator BLUMENTHAL. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, a recurring theme I have heard from industrial leaders in Connecticut is that they are having trouble finding and recruiting a capable workforce. Our aerospace industry is a critical one—one that must be retained as a national security asset. I am also concerned with recent increases in the unemployment rate for veterans. According to the fiscal year 2015 budget proposal, there will be cuts in the size of our military. The Department of Defense (DOD) will return thousands of capable veterans to the civilian workforce. While each Service maintains its own transition-assistance programs to be made available to military personnel awaiting discharge, I understand that these programs focus on general workforce skills such as resume writing, professional dress, and interview processes. Please provide a summary of what is covered within each Services' transition assistance program.

Lieutenant General BROMBERG. The Army is committed to supporting our soldiers at all phases of the Soldier Life Cycle—initial entry, career service, transition, and retirement. The department's Soldier for Life program aids Army senior leaders fulfill this commitment by connecting soldiers to employment, education, health care, and retiree information and resources.

All soldiers who serve 180 days or more on Active Duty in the Army are required by law and policy to complete training consisting of pre-separation counseling, the Department of Veterans Affairs (VA) Benefit Briefings, the Department of Labor (DOL) Employment Workshop, Individual Transition Plan (ITP), Military Occupational Specialty (MOS) Crosswalk-Gap Analysis, VA eBenefits registration, DOL Gold Card, 12-month post-service budget, continuum of military service opportunity counseling (Active component), Individual Assessment Tool, and job application package or job offer letter. If supported by their ITP, eligible soldiers can also complete a Career Track (education, technical, vocational, or entrepreneurial) and, if needed, complete the capstone event with a warm-handover to VA or DOL. Together, the Veterans Opportunity to Work (VOW) and Career Readiness Standards (CRS) prepare a soldier to transition from Active Duty.

Beyond the training required by law and policy, soldiers may participate in career skills programs such as apprenticeship, credentialing, on-the-job training, job shad-

owing, and internship programs with national and international corporations and trade unions. With respect to assessing higher education opportunities, more than 500 master level counselors and a 24/7 Virtual Counseling Center are available to support transitioning soldiers in this endeavor.

Vice Admiral MORAN. The Navy Transition Assistance Program (TAP) offers:

- a DOL Employment Workshop that provides information on resume building, job search techniques, and interview skills;
- a VA briefing on veterans' benefits;
- Navy briefings on post-military budgeting; and translation of military skills, training, and experience toward a civilian occupation;
- Individual training-tracks in assessing higher education and obtaining technical training to help meet future career goals and facilitate access to individual counseling services; and
- a Small Business Administration course that provides individual training in developing entrepreneurial skills.

CRS, used to measure and assess each sailor's preparedness for transition, are reviewed at a Capstone Event approximately 90 days before separation, and may lead to referral for additional or remedial training, and a warm handover to partner agencies (e.g., VA, DOL), for sailors in need of additional assistance.

Approximately 90 percent of sailors who have attended TAP agreed, or strongly agreed, that the program was beneficial in helping them gain information and skills needed to better plan for transition.

In addition to delivery of TAP, the Navy refers sailors looking for employment and prospective employers to the Veterans Employment Center (VEC). The VEC is the Federal Government's single authoritative internet source for connecting transitioning servicemembers, veterans, and their families to career opportunities. The VEC allows employers to post job opportunities that will be visible to, and searchable by, job seekers, and to search servicemember profiles by keyword and/or geographic location.

Lieutenant General COX. TAP is a partnership between DOD, DOL, and VA.

The overall goal is to provide separating/retiring servicemembers/families the information, skills, and resources needed for a successful transition to the civilian sector. TAP provides civilian career development, personal and financial wellness, and life skills to all separating/retiring airmen. Air Force is delivering transition services as a comprehensive, mandatory program that includes pre-separation counseling, a military-to-civilian skills review, VA benefits briefings, financial planning support, job search skills building, and an individual transition plan preparation which will aide in a successful transition into a career ready civilian. Air Force TAP features a 5-day workshop with further optional training tracks (Higher Education, Technical Training, and Entrepreneurship taught by the Small Business Administration) in addition to extensive one-on-one counseling. Air Force promotes preparation for separation or retirement to be inclusive of the family. Spouses are encouraged to participate with the airman in all facets of the TAP. In summary, TAP provides civilian career development, personal and financial wellness, and life skills to all separating/retiring airmen.

Lieutenant General MILSTEAD. Our Marine Corps Transition Readiness Seminar (TRS) is a week-long program that includes a mandatory standardized core curriculum (taught primarily by VA and DoL trainers) and introduction to four well-defined military-to-civilian pathways to be selected by the marine. Our marines also have the option to attend one of three additional 2-day tracks outside of TRS for more a detailed hands-on/in-depth application to assist with their individual elective pathway choices: (1) College/Education/University facilitated by Marine Corps personnel; (2) Career/Technical Training facilitated by Veterans Affairs staff; or (3) Entrepreneurship facilitated by the Small Business Administration.

2. Senator BLUMENTHAL. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, upon discharge, I understand that most military servicemen and women tend to either stay in place or return to their original home of record. However, in today's more mobile economy, it may make better sense for the veteran to consider a different location—an industrial cluster more accommodating to the years of experience they have gained from their years in service. For instance, a helicopter mechanic with 8 years of experience working aboard an Army base who is seeking to leave Active Duty might be especially suited for work at Sikorsky. What mechanisms are in place to direct or target military personnel possessing specific occupational specialties, such as avionics or intelligence, to seek higher-level education or employment at existing industrial clusters better pertaining to their respective specialty?

Lieutenant General BROMBERG. Through the Army TAP, soldiers conduct a MOS Crosswalk which translates military skills, training, and experience to those skills recognized in the civilian sector and identifies gaps in their training or experience. Soldiers then may participate in career skills programs such as apprenticeship, credentialing, on-the-job training, job shadowing, and internship programs with national and international corporations, and trade unions to mitigate identified gaps. These programs afford soldiers the flexibility to transfer to other locations for a variety of reasons.

Vice Admiral MORAN. As a member begins the transition process, they are introduced to a wealth of information through a DOL Occupational Information Network (O*NET) website. Servicemembers can enter their military occupation, credentials, and experience into O*NET, which:

- directs them to States/municipalities with available employment opportunities aligned with their specific skills and chosen career path;
- identifies required or recommended qualifications; and
- provides the typical/average salary, based on the particular position.

Lieutenant General COX. The Air Force Credentialing On-Line (COOL) program, which will come online on 1 Oct 14, has an interface with the DOL O*Net to identify not only credentials tied to the airmen's Air Force jobs but to provide information on hot careers/employment trends at both the national and State levels. This includes a focus on areas of the United States that are expected to see an increase or decrease in job opportunities for various careers. It also provides information on required education for specific careers, median national and State salaries, and a job bank and list of job openings for each career. Base education counselors then advise airmen on educational programs that meet the airmen's career goals and help them determine the best program to meet their needs. This information, along with what is provided on COOL, helps airmen make informed decisions on what career to pursue and where they should relocate post-service.

Lieutenant General MILSTEAD. Our marines experience multi-layered exposure and informational support that complements their elective pursuit of higher education or employment in various occupational domains. They are introduced to apprenticeship and credentialing programs in initial training and throughout their occupational specialty career. These build on the marketability of their specific skills in the geographic areas that offer the greatest opportunities for those skills. Through our TRS, marines are introduced to advisors, guidance, and resources that can identify geographic locales and industry centers; DOL Employment Workshops; and utility of resource tools such as O*NET that offer employment opportunities and directions in various fields. Finally, each and every marine meets with his or her commanding officer, culminating their transition readiness preparation and counseling relative to their unique skills and choices of future pursuits. Because each marine is "Once a Marine, Always a Marine," our Marine Corps offers connectivity to opportunities across their Marine For Life cycle, beyond their service, as veteran marines.

3. Senator BLUMENTHAL. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, how do the individual Services ensure that every servicemember receives training, education, and credentials needed to successfully transition to the civilian workforce?

Lieutenant General BROMBERG. The Army requires all transitioning soldiers who have a minimum of 180 days of continuous Active Duty at the time of their transition to enroll in the Army Career and Alumni Program (ACAP). 12 months prior to transition, each servicemember is counseled by his or her chain of command on the mandatory transition requirements and the options available for a successful post-service transition. Commanders track transitioning soldiers as they progress through various programs, ensuring they have sufficient time to take full advantage of these services. By starting well before transition, soldiers can take full advantage of all ACAP services without interfering with duty requirements.

Army transition efforts encompass multiple programs focusing on training, education, and credentials needed to successfully transition to the civilian workforce: VOW; CRS; Career Skills Program (CSP); and DOD Transition Goals, Plans, and Success (GPS) for the Total Force (Active and Reserve components); and COOL.

Under the CSP, soldiers have the opportunity to enroll in apprenticeship, credentialing, on-the-job training, job shadowing, and/or internship programs with national and international corporations and trade unions.

Also, there are two career tracks incorporated into a soldier's individual transition plan if training and education are one of their post service goals. With respect to training, the vocational/technical career track as part of the TAP offers soldiers the

opportunity to develop or enhance their skills in a chosen field. Similar to the vocational/technical track, the accessing higher education career track pairs transitioning soldiers with certified education counselors so soldiers can make informed decisions about selecting the right academic institution and degree program of study to meet their needs.

Additionally, the Soldier for Life program aids Army senior leaders to support transitioning soldiers by connecting them to employment, education, health care, and retiree information and resources.

Vice Admiral MORAN. Navy promotes education and credentialing opportunities at all stages of a sailor's service. Through education opportunities, including TAP, the Navy College Program for Afloat College Education and education voucher programs, sailors are encouraged to earn Navy-relevant degrees to enrich their career, and position them for successful transition to post-service employment. Sailors are also encouraged to obtain civilian licenses and credentials by leveraging TAP, COOL, and the United Services Military Apprentice Program (USMAP). Through these programs, Navy funds over 15,000 civilian licenses and credentials awarded to over 7,000 sailors per year.

TAP enables sailors to acquire additional knowledge and skills training for civilian credentials. The program funds Active Duty tuition costs of courses taken in an off-duty status at a college, university, or vocational/technical institution. TAP funds clock hour programs, which provide vocational education opportunities that enhance skills in technical career fields, and benefit sailors upon their eventual return to the private sector.

COOL aids the transition from military service, enhancing the ability of veterans to translate their military training and experience to civilian jobs. The program informs sailors on what civilian credentials relate to their ratings, designators, and collateral duties/out of rate assignments, and how to obtain the credentials. It also lets sailors know how to fill gaps between Navy training and experience, and civilian credentialing requirements. These credentials may be required by law, or by prospective employers for entry into employment, and can lead to higher pay or improved prospects for promotion.

USMAP provides sailors a vehicle to have their supervised practice observed and documented, via the DOL, allowing them the opportunity to achieve civilian apprenticeship requirements while on Active Duty. Many State licenses or industry credentials require this documentation as an apprentice, and USMAP affords them the opportunity.

Through these combined efforts, Navy has led the way in helping sailors attain occupational certifications and degrees that benefit both the servicemember and the Navy.

Lieutenant General COX. Many of our initial training/technical schools provide civilian credentials upon graduation, such as several jobs in the IT career field. Thus, many airmen start their Air Force careers with a credential in hand. The Community College of the Air Force integrates civilian credentials into programs and awards semester hour credit toward degree completion. In addition, the Air Force will be launching its COOL program on 1 Oct 14. COOL provides detailed analysis of Air Force jobs and the various credentials that relate to them. The training for each enlisted career field is analyzed and matched with the most appropriate civilian credentials, for which COOL provides information on training, requirements, and related information. In addition, COOL and other voluntary education programs/counseling are being integrated into the Air Force Military Life Cycle through which airmen will be advised, at key touch points in their Air Force careers, on education, training, and credentialing programs available to them.

Lieutenant General MILSTEAD. As directed by our 35th Commandant's Planning Guidance and in alignment with the VOW to Hire Veterans Act, our Marine Corps transition assistance has been significantly revised and improved. The Marine Corps ensures that transitioning marines receive all mandatory VOW Act services, including pre-separation counseling, DOL employment workshop, and the VA benefits briefs I and II during our TRS. We concurrently guide marines in their accomplishment of corresponding CRSs. Marines must complete the TRS within 12 months of separation or within 24 months of retirement, but no later than 180 days prior to their separation or retirement.

The Marine Corps has recently joined the Navy COOL program that helps marines find information on certifications and licenses related to their MOSs. COOL explains how marines can meet civilian certification and license requirements and provides links to numerous resources to help get them started. The COOL site is both a search tool and information source. Marines can find information on a specific credential by searching by MOS or by name of a specific credential or agency. Marines can also find general information on credentials and licenses, and on re-

sources to help cover credentialing costs or work on an education plan. Currently, this program is in a soft rollout mode, with 10 MOSs available. Each month, 10 or more MOSs will be added to the site.

RESERVE COMPONENT

4. Senator BLUMENTHAL. Lieutenant General Bromberg, Lieutenant General Cox, and Lieutenant General Milstead, the Services have an obligation to ensure that Reserve and National Guard components are able to maintain both their commitments to their national security missions as well as to their local communities, jobs, and families. I am increasingly aware of the problems plaguing our Reserve component due to homelessness and joblessness. As we continue to withdraw and demobilize the Reserve Forces, what is the plan for the overall stewardship of our military Reserve component to prevent these problems?

Lieutenant General BROMBERG. Transition from deployed service for Reserve component soldiers requires planning throughout a soldier's career. To this end, the Army provides soldiers assistance in creating an individual transition plan. These plans are executed in conjunction with unit training, supported through Army Force Generation and the Army Career and Alumni Program (ACAP).

Six months prior to Reserve component soldiers' transitions, the Army conducts workshops, briefings, and required counseling. Available individual training courses for transitioning soldiers are: financial preparedness; new career preparation; knowledge, skills, and abilities assessment; translating military to civilian skills; interview techniques; dress for success; evaluate and negotiate job offers; and continuing education. The Army also offers training, certification, credentialing, and licensing programs in partnership with industry and trade organizations. Soldiers with pending disability determinations complete the disabled transition assistance, as necessary. The Army also offers various services for 6 months following transition, including support with employment searches, job fairs, and seminars on starting a new business.

To ensure success for transitioning soldiers, commanders are responsible for ensuring soldiers begin transition education and assistance no later than 12 months prior to separation. If a soldier's leadership does not provide the time to begin the transition process, soldiers should exercise their chain of command's open door policy, in order to address their issue.

Ultimately, Army leaders are charged with the responsibility of setting a command climate where soldiers know they are valued and are career and/or education ready as they transition to civilian life.

Lieutenant General COX. The Air Force takes the health and well-being of all our members very seriously. There are many resources available to assist our members with personal and family preparedness such as Airman and Family Readiness (A&FR), Military OneSource, and the Air Force Reserve Wingman Toolkit, as well as the Air National Guard Ready54. These programs are there to assist members and families with identifying and clarifying needs, to determine appropriate forms of assistance, and to provide linkage to appropriate national, State, and local resources.

With regard to homelessness, that is a greater issue with those who are no longer in the Service and would be better answered by the VA. As far as joblessness, the Office of the Secretary of Defense has put into place programs such as the Transition GPS, Yellow Ribbon and Reintegration Program, Employer Support Guard Reserve, and Hero2Hired to assist Reserve component members with transitions and civilian employment. In efforts to ensure the health of the Force before, during, and after deployment, the Air National Guard is focusing on resilience training and messaging under the construct of the Air Force Comprehensive Airmen Fitness and the Total Force Fitness Framework. The Air Force goal is to raise awareness as well as an understanding of community resources and how to access them, making it easier for members to seek help early for employment, finances, and/or homeless concerns.

Additionally, A&FR provides support to members and families in achieving short- and long-term employment, education/training, and career goals. Employment skills counseling (including resume writing, interviewing, and negotiation) is provided to members to help prepare for local and long-distance job searches and resources for self-employment, small business, and entrepreneurial efforts. The Reserve component ensures services are available to all personnel in accordance with host/tenant agreements and to those geographically separated. A&FR personnel are also trained to provide basic financial management and as part of the Joining Community Forces

efforts. A&FR personnel are working to build community capacity leveraging all available resources within a State to support military members and their families.

Lieutenant General MILSTEAD. Our marines train and prepare for their transition readiness across the continuum of their service. They learn to translate their warfighting skills into marketable civilian skills and employment opportunities through academic pursuits and the use of apprenticeships and credentialing. All of our marines, Active and Reserve, receive all mandatory VOW to Hire Veterans Act transition requirements. They also receive support in achieving their individual CRSs through our TRS. Meeting with their commanding officers before their transition, each marine verifies their training and preparedness for a successful return to our communities. Our daily stewardship of our fellow marines, as a Total Force, is that which defines us as marines—the exercise of the tenets of our ethos of Keeping Faith and Once a Marine, Always a Marine. We return quality citizens to our Nation as Marines For Life, and our Corps welcomes and offers continued connectivity to education and employment services and opportunities to our fellow marine veterans.

Recognizing that Reserve marines face reintegration concerns in addition to those of transition, the Marine Corps uses the Yellow Ribbon Reintegration Program (YRRP) and its suite of resources and information to address the challenges of returning to families, friends, communities, and employers. Marines and their families participate in YRRP events before, during, and after deployments to learn about benefits, entitlements, community resources, and support networks to their local area.

QUESTIONS SUBMITTED BY SENATOR MAZIE K. HIRONO

INCORPORATING COMMAND CLIMATE SURVEYS

5. Senator HIRONO. Lieutenant General Bromberg, General Moran, Lieutenant General Cox, and Lieutenant General Milstead, how could command climate surveys be best used for command selection boards and promotion boards to make sure that we are promoting and placing the right people in command?

Lieutenant General BROMBERG. Currently, the command climate survey is used as a leadership development tool. Commanders must be afforded the opportunity to learn and further develop their leadership skills based on the results of command climate surveys. This tool offers commanders at lieutenant colonel and colonel-levels and their raters a perspective of their own leadership styles and effectiveness from the points of view of subordinates, peers, and superiors. The results of these assessments are used to identify leadership characteristics and to facilitate counseling, correction, and improvement of weaknesses, as well as reinforcement of leadership strengths. The results of such assessments must be treated with confidentiality to ensure honest and accurate input. A promotion or command selection board may have a difficult time putting the results of a command climate survey (a non-attribution opinion poll in essence) into a fair context.

Any single climate survey won't identify trends and, when taken in the first 30 to 60 days of command, may be more influenced by the previous commander. The commander's initial command climate survey (DEOCS) is just one part of the climate assessment and should be used as the basis to identify improvement or decline within subsequent assessments. This history of survey results, along with other climate assessment tools, can be used by raters and senior raters on evaluation reports which require rating officials to assess how the rated soldier meets the commitments of fostering climates of dignity and on adhering to the principles of the Sexual Harassment/Assault Response and Prevention (SHARP) program in their daily activities. This assessment on the soldier's evaluations report communicates to promotion and selection boards the result of climate surveys in context with other assessment tools over a period of time.

Vice Admiral MORAN. In August 2013, I directed, via change to my instruction on the Navy Performance Evaluation System, that reporting seniors use command climate surveys to rate/comment on efforts by individual members on the quality of results in fostering a command and workplace environment conducive to the growth and development of personnel. Rating officials are required to include this rating/comment in fitness reports and evaluations on commanding officers, executive officers, command master chiefs, department heads, division officers, chief petty officers, and leading petty officers who are responsible for assigned personnel. Since these fitness reports and evaluations are part of a member's Official Military Personnel File, the results of command climate surveys are now an element in command and promotion/advancement selection board deliberations.

Lieutenant General COX. Command selection and promotion boards determine the most qualified persons to command and serve in the next higher grade. The boards review each officer's evaluations, decorations, and training reports, scoring each record on its own merit. Organizational climate surveys, and more importantly, the officer's actions to cultivate a climate of dignity and respect are performance factors discussed and documented during mandatory feedback sessions. At the end of the evaluation period, the officer's performance is described on the performance report and incorporated into the officer's permanent record. Though neither the climate surveys nor the feedback forms become part of the permanent record, the officer's performance with respect to the unit climate and feedback sessions is reflected in the evaluations for command selection and promotion boards to consider. This is the most appropriate use of climate surveys and feedbacks, as it permits the officer to take assertive action to enhance their unit's climate and job performance.

Lieutenant General MILSTEAD. Command climate survey data can best be used in command screening boards (non-statutory) to enhance situational awareness of Corps-wide issues in an effort to appropriately assign commanders that will be effective in setting the appropriate environment. Due to the statutory and regulatory constraints on officer promotion boards, 10 U.S.C. 615 and DODI 1320.14 respectively, the results of command climate surveys are not permitted into officer promotion boards for consideration as they do not constitute part of the official record. Further, any such material, if deemed to have merit for submission into the boardroom, requires Service Secretary approval.

6. Senator HIRONO. Lieutenant General Bromberg, General Moran, Lieutenant General Cox, and Lieutenant General Milstead, what is your opinion on how command climate surveys can be better used to improve the environment of a unit, as well as debriefing the crew and the commander about the results, to foster a culture of dignity and respect?

Lieutenant General BROMBERG. Command climate surveys are one important component of a command climate assessment. The surveys help commanders establish and maintain a positive command climate which in turn fosters a culture of dignity and respect. The surveys cover a range of topics including discrimination, sexual harassment, hazing, and quality of leadership. The results of the surveys highlight areas of concern that commanders can act upon. After receiving survey results, commanders can use other tools to provide depth and clarity, such as interviews, focus groups, and staff assistance visits. Debriefing the soldiers under their command allows the soldiers to better understand any issues confronting their unit and to give a voice for potential solutions.

Vice Admiral MORAN. The Defense Equal Opportunity Management Institute (DEOMI) Organizational Climate Survey (DEOCS) is a commander's management tool that allows them to proactively assess critical organizational climate dimensions. Each commander is able to tailor a total of 15 questions, 10 locally developed and 5 short answer questions unique to their own command to assess their individual command climates.

Navy uses the DEOCS, along with focus groups/interviews, observations, and review of records/reports as part of the command climate assessment process. Upon completion of an assessment, results improve the overall unit when commanders share these findings with their personnel, with a great deal of transparency. By doing so, the commander is creating an environment where his or her personnel realizes that command leadership have heard their concerns and takes this feedback seriously; creating unity and fostering respect and dignity within the command.

Additionally, Navy policy directs commanders to conduct a face-to-face debrief with their Immediate Superior in Command on the results of command climate assessment. This process provides the Immediate Superior in Command an opportunity to mentor the commander. Effective July 31, 2013, the Immediate Superior in Command now automatically receives a copy of the subordinate's command climate survey results.

Lieutenant General COX. The results from a command climate survey can be used to improve the environment of the unit by making the process as transparent as possible for unit members, ensuring a public commitment from the commander to make needed improvements. Comparing initial assessment results with what is obtained 1 year later would show the commander and the organization any progress that was made, motivating individuals towards continued efforts in optimizing their climate. Recognizing that command climate is impacted by a span of human relations factors and ensuring those who advise commanders on their climate are adequately trained and equipped to respond to issues identified through the survey, would enhance the survey process significantly.

Lieutenant General MILSTEAD. Command climate surveys are management tools for commanders to proactively assess critical organizational climate dimensions that can impact the organization's mission. They set requirements and oversight measures to ensure appropriate actions address the concerns of unit members is appropriate. In September 2013, enhanced oversight measures were implemented for all command climate surveys. Today, all Marine Corps command climate surveys require commanders to develop action plans to address deficiencies identified in the report. All action plans must be approved by the commander's next higher level leadership. This process ensures responsibility and accountability for all levels of leadership. With regards to debriefing members of the command, the Marine Corps will require commanders to brief their unit members on the results of their assessments along with the plan of action once it has been approved by the next higher level leadership. This policy change will help to ensure members of the command receive necessary feedback enhancing a greater sense of trust in leadership and commitment to the organization.

OFFICER PERFORMANCE REPORTS AND OFFICER FITNESS REPORTS

7. Senator HIRONO. Lieutenant General Bromberg, General Moran, Lieutenant General Cox, and Lieutenant General Milstead, does your respective Service have the ability to ascertain and record whether or not a servicemember promotes an atmosphere free of sexual harassment, sexual assault, and hazing?

Lieutenant General BROMBERG. Yes, Army senior leaders are confident that good leadership is critical to any solution and is paramount in creating a climate free from sexual assault, sexual harassment, and hazing. To assess our leaders, the Army utilizes the DEOCS. This survey helps to provide a complete perspective of the organizational effectiveness and readiness of units. Company commanders conduct organizational climate assessments 30 days and 6 months after taking command, then annually thereafter. All other command levels must conduct assessments within 60 days of assuming command and annually thereafter. After the commanders receive the results of their command climate assessments, they are required to complete a debrief with the next higher level commander and develop command action plans to address the areas of concern noted by the assessments.

Additionally, the Army now requires new elements in the Officer Evaluation Reports (OER) and Noncommissioned Officer (NCO) Evaluation Reports (NCOER). As of September 2013, rating officials must assess officers and NCOs on how the rated soldier meets the commitments of fostering climates of dignity and respect and on adhering to the principles of the SHARP program in their daily activities.

Vice Admiral MORAN. Yes, the Navy has measures in place that provide the ability to ascertain and record whether or not a servicemember promotes an atmosphere free of sexual harassment, sexual assault, and hazing. As of August 2013, sailors are accountable on every evaluation or fitness report for contributions to Command or Organizational Climate/Equal Opportunity and Military Bearing/Character. To achieve high marks in these areas, sailors must demonstrate how they have cultivated or maintained command climates where discrimination, sexual harassment, sexual assault, hazing, and other inappropriate conduct is not tolerated; where all personnel are treated with dignity and respect; and where professionalism is the norm.

Lieutenant General COX. On January 1, 2014, our Air Force implemented policy charging all airmen with the responsibility to cultivate a positive climate of dignity and respect, free of sexual harassment, sexual assault, hazing, and other acts and conditions detrimental to good order and discipline. Additionally, our Air Force utilizes tools like the climate survey and numerous internal agencies, including the Sexual Assault and Response Coordinator, the Inspector General, the Equal Opportunity Office, Security Forces, and the chain of command, for airmen to report incidents of adverse behavior or toxic environments. Once reported to an agency or identified in the survey, commanders are required to assess the information and take appropriate action, including investigating, prosecuting, and annotation in the offender's permanent record.

Further, our policy requires discussion and documentation of organizational climate during every airman's mandatory feedback session. Also, supervisors at every level are to consider subordinate's actions to promote a climate of dignity and respect when completing the airman's performance evaluation which will become part of the airman's permanent record.

Lieutenant General MILSTEAD. Yes. Each marine's reporting senior officer completes a fitness report at least annually that evaluates the marine's ability to carry out his or her mission, which, for officers, includes establishing and maintaining a

command climate that is intolerant of misconduct (such as sexual harassment and hazing) and criminal behavior (such as sexual assault). The fitness report considers an officer's performance across a variety of parameters that contribute to command climate: mission accomplishment, individual character, leadership, and intellect. The leadership section (Section F) in particular evaluates an officer's ability to set an example; communicate effectively; provide direction; and develop, lead, and ensure the well-being of subordinates. It also allows reporting seniors and reviewing officers to comment on each of the SAPR Lines of Effort.

In addition, the Commandant of the Marine Corps approved in April 2014 an addendum to the SAPR Campaign Plan that directs an update to the Performance Evaluation System Manual to reflect an evaluation of the commander's ability to set a command climate that is non-permissive of misconduct, especially sexual assault. We are currently in the planning stages of this initiative.

The Marine Corps is committed to holding officers accountable for command climate, and we have provided our senior officers with the tools to continually (not just once a year) ascertain that their subordinate officers are performing as expected in terms of sexual assault prevention and response. For example, results of the DEOMI and the internal Commandant of the Marine Corps command climate surveys—which are conducted when a new commanding officer assumes command and at least annually thereafter—are reported up the chain of command. The chain of command also is notified of each report of a sexual assault within subordinate units. Senior officers are continually and proactively ensuring that all servicemembers are doing all they can, as best they can to create a respectful, safe Corps for each and every marine.

8. Senator HIRONO. Lieutenant General Bromberg, General Moran, Lieutenant General Cox, and Lieutenant General Milstead, what is your opinion on adding criteria to evaluate an individual's ability and efforts in maintaining a command climate which will not tolerate or condone hazing, sexual harassment, sexual assault, and ensures all members of the unit are treated with dignity and respect?

Lieutenant General BROMBERG. Army senior leaders are confident that good leadership is critical to any solution and is paramount in creating a climate free from sexual assault, sexual harassment, and hazing. To this end, we have implemented changes to the evaluation process to ensure leader accountability for creating positive command climates, which ensures leaders take action to eliminate behaviors and attitudes that may lead to sexual harassment and sexual assault.

The Army now requires new elements in the OERs and NCOERs. As of September 2013, rating officials must assess officers and NCOs on how the rated soldier meets the commitments of fostering climates of dignity and respect and on adhering to the principles of the SHARP program in their daily activities.

Vice Admiral MORAN. The Navy fully supports adding criteria to evaluate an individual's ability and efforts in maintaining a command climate which will not tolerate or condone hazing, sexual harassment, sexual assault, and ensures all members of the unit are treated with dignity and respect. A change was announced to the Navy performance evaluation system on August 28, 2013. Every sailor is accountable on every evaluation or fitness report for contributions to Command or Organizational Climate/Equal Opportunity and Military Bearing/Character. These changes are viewed as complementary and synchronized with the command climate survey outcomes provided to commanding officers and immediate superiors in command. To achieve high marks in these areas, sailors must demonstrate how they have cultivated or maintained command climates where improper discrimination of any kind, sexual harassment, sexual assault, hazing, and other inappropriate conduct is not tolerated; where all hands are treated with dignity and respect; and where professionalism is the norm.

Lieutenant General COX. It has always been the duty of every airman to positively contribute to a healthy organizational climate by being a good wingman, adhering to, and enforcing standards, not allowing any action that is harmful to the good order and discipline of the unit, not tolerating sexual assault and harassment or any type of discrimination, and of course, building an environment based on a foundation of dignity and respect. In January of this year, we implemented policy to hold all airmen responsible to maintain a climate of dignity and respect. During mandatory feedback sessions, supervisors at every level are to discuss and document subordinates' actions to promote and maintain a positive organizational climate and to consider those actions when preparing evaluations. Additionally, we enacted policy to specifically hold commanders accountable for cultivating an environment of dignity and respect within their units. These policy modifications reinforce our responsibility for organizational climate and ensures it is discussed during feedback and considered on every airman's evaluation.

Lieutenant General MILSTEAD. In April 2014, the Commandant of the Marine Corps approved an addendum to the Marine Corps SAPR Campaign Plan that directs our Performance Evaluation System Order be updated to reflect an evaluation of a commander's ability to set a command climate that is non-permissive of misconduct and especially the crime of sexual assault. The Commandant of the Marine Corps has directed, in this rewrite in particular, a specific directed comment within the commander's fitness report that can be discussed in detail within multiple subsections of the fitness report ranking system. Because this information is briefed to a board (promotion, selection, et cetera), it is incumbent upon members of the board to address future command potential and implications for continued future service. We expect this task to be completed this year.

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

FREEZING GENERAL AND FLAG OFFICER PAY

9. Senator GRAHAM. Sergeant Major Chandler, Master Chief Petty Officer Stevens, Chief Master Sergeant Cody, and Sergeant Major Barrett, what effect do you think freezing general and flag officer pay will have on morale?

Sergeant Major CHANDLER. The 1-year pay freeze for general and flag officers will have negligible effect on the morale of the force. Aside from this affected population, overall, the majority of the force will be receiving the 1 percent pay increase as part of the attempt to slow the growth of military compensation costs and return critical funds needed for sustaining training, readiness, and modernization.

Chief Petty Officer STEVENS. It is my perception that freezing general and flag officer pay could have a negative impact on the morale of the force. More specifically, it could foster uncertainty and create a precedent for future pay freezes affecting the rest of the force. This in turn could have a negative effect on morale, recruiting, and retention. It is also possible that much of the force will recognize such a freeze as a symbol that our most senior leaders are sharing some of the pain felt by the troops, on whom any other reductions or cuts tend to have a more significant effect.

Sergeant Major CODY. I feel airmen will see this as their senior leaders leading from the front. If airmen are going to receive smaller pay raises in fiscal year 2015, then it is good to see our general officers ensuring they are not exempt and in fact not even receiving a pay raise in fiscal year 2015.

Sergeant Major BARRETT. I believe that a pay freeze for general and flag officers in 2015 will send a positive message to all servicemembers that the general and flag officer community is doing its part in this austere budget environment.

However, I do have concerns as to how long this freeze may continue. Our general and flag officers carry a tremendous work load and shoulder immense responsibility. In order to maintain the high quality of general and flag officers that currently fill our ranks, measures must be implemented now to ensure this freeze is temporary. Not doing so could de-incentivize future leaders from inspiring to take on such responsibilities.

PAY AND BENEFIT BUDGET PROPOSALS

10. Senator GRAHAM. Sergeant Major Chandler, Master Chief Petty Officer Stevens, Chief Master Sergeant Cody, and Sergeant Major Barrett, the President's budget includes proposals to slow the growth of base pay; to reduce basic housing allowances by 5 percent; to reduce average commissary savings from 30 percent to 10 to 15 percent; and to implement new and higher TRICARE fees and co-pays. If adopted, what would be the impact of the President's proposals on compensation and benefit changes to the long-term sustainability of the All-Volunteer Enlisted Force?

Sergeant Major CHANDLER. The Army supports a holistic and comprehensive approach that reforms military compensation in a fair, responsible, and sustainable way. Changes to military compensation included in the fiscal year 2015 budget request—which include slowing the growth of housing allowances, reducing the annual direct subsidy provided to military commissaries, and simplifying and modernizing our TRICARE health insurance program—are important first steps that generate savings while retaining competitive benefits. These savings will be invested in readiness and modernization.

Chief Petty Officer STEVENS. In comparing military compensation to the civilian work force, it is likely the Navy will remain a competitive option for those interested in joining the All-Volunteer Enlisted Force.

In 2012, the average E5, with less than 6 years of service, earned $52,000 annually—including basic pay, basic allowance for housing, and basic allowance for subsistence but not including special and incentive pays or savings from commissary and TRICARE—which equaled the median U.S. household income.

Under the President's budget, sailors will continue to receive a discount when using the commissary, and medical care will remain free for Active Duty members. Even by slowing the growth of basic pay, reducing the average commissary savings, and implementing new and higher TRICARE fees, Navy may likely remain an attractive employment option.

There are many factors that effect a sailor's decisions about joining and remaining in the Navy; including service to country, pay and compensation, retirement, education, family obligations, and civilian employment opportunities. History has shown that each generation will ebb and flow with the economy's changes, and while our current sailors are braced for impact, they are not excited about them. Sailors understand these changes are necessary to sustain our Navy, and our Navy's future generations. The reality is it will be very difficult to predict how these pay and compensation changes will affect our sailors; we don't know how these changes will impact the retention and recruitment of our All-Volunteer Enlisted Force.

I am, however, certain of this: changes to pay and compensation will not likely have a positive effect on our current Force. More than likely, these changes will have some degree of a negative impact, but there is always a possibility the changes could have no impact at all, especially for newly enlisted sailors who have not yet had to experience any sort of change.

It is understood that Navy assumes risk with these budgetary changes, and while they are necessary to better-balance sailors' needs, they will also ensure our Navy remains forward and ready—where it matters, when it matters.

Sergeant Major CODY. The Air Force continues to experience strong retention, which demands force management programs to keep the force within the fiscal year 2015 President's budget end strength. However, we continue to also experience manning and retention problems in certain career fields, such as cyber, intelligence, Special Operations Forces, and battlefield airmen, and thus investment in special and incentives pays is essential to retain airmen with the proper skill and experience levels to protect warfighting capability. As we move forward with these necessary compensation reforms, we will continue to monitor recruiting and retention trends and employ special and incentive pays, as needed. Ensuring our airmen have the best training and equipment is critical to our readiness and also impacts retention. As the Chairman of the Joint Chiefs stated on the record, "today's readiness problem will become tomorrow's retention problem."

Sergeant Major BARRETT. The compensation proposals put forward by the President slow the growth in military compensation in order to strike a balance between personnel costs, training, and modernization that protects readiness. This balance will preserve the quality of our All-Volunteer Force while ensuring readiness to execute the President's Defense Strategic Guidance. Our ability to recruit and retain the best of American youth into the military is paramount to sustaining the All-Volunteer Force. We closely monitor our recruiting and retention numbers. If they begin to deteriorate, then these proposals can be reversed. Basic pay raises and housing allowances are foundational elements of pay that are reviewed annually to ensure our military pay is where it needs to be.

11. Senator GRAHAM. Sergeant Major Chandler, Master Chief Petty Officer Stevens, Chief Master Sergeant Cody, and Sergeant Major Barrett, what will be the impact on purchasing power of young enlisted members (E–1 to E–4) and their families if the President's proposals become law?

Sergeant Major CHANDLER. Since 2000, military pay has outpaced inflation by approximate 18 percent and while we cannot accurately predict future inflation, slowing the growth of military pay raises will have an impact on the purchasing power of servicemembers. However, we are confident that if the proposal becomes law, the pay of young enlisted members will still exceed the pay of 90 percent of private sector workers of similar age and education level for many years.

Chief Petty Officer STEVENS. Compensation and impact will vary according to occupation, pace of promotion (i.e., in the early years of military service, servicemembers promote frequently and enjoy pay raises), number of dependents, pay grade, years of service and duty location, as well as commissary and TRICARE utilization rates. Tables below illustrate the estimated future purchasing power for two sailors, a married E–2 with less than 2 years of service, in San Diego; and a married E–4 with one child and 3 to 4 years of service in Norfolk. Both assume 100 percent of grocery shopping is done at a commissary and average TRICARE utilization. While no sailor will experience a decrease in pay and allowances, estimated

purchasing power will decrease to about 95 percent of current values by fiscal year 2019, should all fiscal year 2015 reforms be fully implemented. In fiscal year 2015, over 98 percent of current purchasing power would be retained. It is also important to note individual servicemembers would continue to see increases in purchasing power as they received promotions and increased in years of service, but those purchasing power increases would be slower than they would have been under current policies.

Married E2, less than 2 years of service, in San Diego	FY14 value	FY19 value with PB15 changes
Basic Pay	$ 20,602.80	$ 21,933.31
BAH	$ 23,652.00	$ 27,310.79
BAS	$4,290.60	$5,071.32
Commissary Benefit	$ 2,800.00	$ 1,103.16
TRICARE cost	$ (52.67)	$ (135.41)
Total	$ 51,292.73	$ 55,283.17
Total in constant FY14 dollars (inflation adjusted)	$ 51,292.73	$ 49,418.02
FY19 purchasing power compared to FY14		96%

Married E4 with one child, three to four years of service, in Norfolk	FY14 value	FY19 value with PB15 changes
Basic Pay	$ 26,589.60	$ 28,306.73
BAH	$ 16,560.00	$ 19,121.71
BAS	$4,290.60	$5,071.32
Commissary Benefit	$ 3,500.00	$ 1,378.95
TRICARE cost	$ (105.33)	$ (270.82)
Total	$ 50,834.87	$ 53,607.89
Total in constant FY14 dollars (inflation adjusted)	$ 50,834.87	$ 47,920.48
FY19 purchasing power compared to FY14		94%

Sergeant Major CODY. All of our airmen's purchasing power could be impacted with these reforms as we are slowing the growth of increases to basic pay and basic allowance for housing, thus it is important for our airmen to make informed and prudent financial decisions. An E–3 with dependents made ~$43,000 in direct pay (basic pay, basic allowance for housing, and basic allowance for subsistence) in 2013. In 10 years, the same E–3's salary is projected to grow to ~$58,000. Under the new proposals, it will still grow to ~$56,000. Additionally, in 2001 the U.S. median annual household income was $42,000. This equated to the direct pay of an average E7. Today, the median annual household income is $52,000, roughly what an average E–5 makes in a year. I would also note that all airmen still have rate protection with regard to the basic allowance for housing. Concerning reductions in commissary savings, Defense Commissary Agency should strive for efficiencies to lower costs and perhaps changes in law could allow commissaries to function more like exchanges.

Below is an estimate on the impact of the President's budget for fiscal year 2015 reforms on an E–3/E–4 with and without dependents. Without the President's budget for fiscal year 2015 proposals, we expect the basic pay, basic allowance for housing, and basic allowance for subsistence of an E–3 without dependents to grow from $3,265/month today to $3,502/month in 2017, an increase of $237/month. By including the President's budget for fiscal year 2015 proposals for basic allowance for housing and TRICARE, the actual pay of an E–3 without dependents would only grow to $3,429/month in 2017, still an increase of $164/month. Furthermore, assum-

ing the E–3 shops in the commissary 80 percent of the time, the member would realize $67/month less in commissary savings by 2017. Thus, even with the ~$140/month reductions from the President's budget for fiscal year 2015 reforms, the E–3 without dependents would still see an effective pay increase of ~$97/month by 2017.

Similarly for an E–3 with dependents, we expect the basic pay, basic allowance for housing, and basic allowance for subsistence of an E–3 without dependents to grow from $3,563/month today to $3,839/month in 2017, an increase of $276/month. By including the President's budget for fiscal year 2015 proposals for basic allowance for housing and TRICARE, the actual pay of an E–3 with dependents would only grow to $3,739/month in 2017, still an increase of $176/month. Furthermore, assuming the E–3 shops in the commissary 80 percent of the time, the member would realize $124/month less in commissary savings by 2017. Thus, even with the $224/month reductions from the President's budget for fiscal year 2015 reforms, the E–3 with dependents would still see an effective pay increase of ~$52/month by 2017.

E3 & E4 Without Dependents			E3 & E4 With Dependents		
	E3 Under 2 YOS	E4 with 3 YOS		E3 Under 2 YOS	E4 with 3 YOS
	Single	Single		Family Size 2	Family Size 2
Monthly Pay in 2014	**$3.264.95**	**$3,651.35**	**Monthly Pay in 2014**	**$3,562.95**	**$3,955.35**
Basic Pay	$1,805.40	$2,215.80	Basic Pay	$1,805.40	$2,215.80
BAH	$1,102.00	$1,078.00	BAH	$1,400.00	$1,382.00
BAS	$357.55	$357.55	BAS	$357.55	$357.55
Monthly Pay in 2017 Before BAH Out-of-Pocket Expense	**$3,502.14**	**$3.897.83**	**Monthly Pay in 2017 Before BAH Out-of-Pocket Expense**	**$3,839.29**	**$4,241.76**
Basic Pay	$1,860.11	$2,282.94	Basic Pay	$1,860.11	$2,282.94
BAH	$1,246.77	$1,219.61	BAH	$1,583.91	$1,563.55
BAS	$395.27	$395.27	BAS	$395.27	$395.27
Total Increase in Pay	**$237.19**	**$246.48**	**Total Increase in Pay**	**$276.34**	**$286.41**
BAH Out-of-Pocket Expense	($73.00)	($73.00)	BAH Out-of-Pocket Expense	($94.00)	($94.00)
Tricare Out-of-Pocket Expense	$0.00	$0.00	Tricare Out-of-Pocket Expense	($5.67)	($5.67)
Subtotal of Impact Before Commissary Savings	**$164.19**	**$173.48**	Subtotal of Impact Before Commissary Savings	**$176.68**	**$186.75**
Reduction in Commissary Savings (Commissary usage at ~80%)	($66.67)	($66.67)	Reduction in Commissary Savings (Commissary usage at ~80%)	($124.44)	($124.44)
Net Impact on Member after Commissary Savings	**$97.53**	**$106.81**	**Net Impact on Member after Commissary Savings**	**$52.23**	**$62.30**

Sergeant Major BARRETT. If the President's phased-in compensation proposals become law, marines will still continue to see an increase in their direct pay on their Leave and Earnings Statement every year. Overall, marines will continue to receive a pay and benefits package that compares very favorably to private-sector compensation. For example:

A Marine lance corporal (pay grade E–3) with military dependents made approximately $43,000 in direct pay (basic pay, housing, and food allowances) in 2013. In 10 years, his annual direct pay is projected to grow to approximately $58,000. If President's proposals are adopted, his annual direct pay will grow to approximately $56,000.

It is noteworthy that 75 percent of enlisted marines in the pay grades E–1 through E–4 have no military dependents; of the 25 percent with military dependents, the average number of dependents is 1.4.

INTEGRATED DISABILITY EVALUATION SYSTEM

12. Senator GRAHAM. Lieutenant General Bromberg, data from the end of February 2014 show numerous unresolved Integrated Disability Evaluation System (IDES) cases where servicemembers were on Active Duty in the disability evaluation system anywhere from 488 days to 1,287 days. What is the Army doing to resolve this problem?

Lieutenant General BROMBERG. Of the 15,718 Active component soldiers enrolled in IDES as of 4 May 2014, 542 (3.4 percent) have been enrolled in IDES more than 500 days. Of these cases, only 135 (.08 percent) have not been approved; the remainder involve soldiers transitioning from the Army or waiting for VA benefits.

The significant disparity in the age of some cases is attributed to the unique nature of each case. The Army strives to treat every soldier fairly as they move through the DES process. Some soldiers develop complications after entering the DES process, but rather than administratively restarting their case to make statistics look better, the Army often keeps the soldier enrolled to ensure constant visibility of the case. Soldiers also impact their own timelines based upon the due process rights they exercise. The Army will never interfere with a soldier's right to due process and affords soldiers every regulatory and statutory element of due process required, regardless of the impact on timeliness. The joint DOD/VA metrics properly allow for the special circumstances described above by measuring the percentage of cases meeting established timelines. We believe we will be processing cases on all soldiers within DOD goals by March 2015.

TEMPORARY DISABILITY RETIRED LIST

13. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, the Temporary Disability Retired List (TDRL) is a list of servicemembers found to be unfit for military duty because of a physical disability that may be permanent. Servicemembers can remain on this list for up to 5 years. At any point during that time, they may be retired for permanent disability, separated with severance pay, or returned to Active Duty. What percentage of your servicemembers on the TDRL actually return to Active Duty?

Lieutenant General BROMBERG. Fewer than 1 percent of the soldiers removed from the TDRL in the past 12 months were found fit and were eligible to return to Active Duty. Specifically, 22 of 2968 (0.07 percent) were found fit. Of those 22, only 13 actually returned to the Force, representing .04 percent of those removed from TDRL.

Vice Admiral MORAN. For fiscal years 2012 through 2013, no servicemembers on the TDRL who were subsequently found physically fit returned to Active Duty.

Lieutenant General COX. The IDES disability quarterly and annual reviews present Military Department performance based on data submitted by the Military Departments. These reports show the current rate of airmen on the TDRL who are returned to Active Duty is less than 1 percent.

Lieutenant General MILSTEAD. On average, only two marines return to Active Duty each year from the TDRL, or about .06 percent (.0006) of the total TDRL population. To date in fiscal year 2014, no marines have returned to Active Duty.

14. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, is it time to reevaluate the need for the TDRL?

Lieutenant General BROMBERG. Yes, the Army believes it is time to reevaluate the need for the TDRL with the intent to eliminate the TDRL process, given that only approximately 1 percent of soldiers who are placed on TDRL are later found fit and eligible to return to Active Duty, and many of them opt not to do so.

Vice Admiral MORAN. Yes, it would be appropriate to reevaluate the TDRL program as it currently exists in order to validate the TDRL program supports the fair and timely processing of our wounded, ill, and injured marines and sailors within a modernized Disability Evaluation System. Historically, being on the TDRL also arguably limits members' ability to move forward with their lives, often leading to a greater sense of confusion and uncertainty and contributing to overall dissatisfaction. Each Service has the mechanisms within their accession programs to consider previously unfitting conditions and, if appropriate, return the veteran to Active Duty. This means the original intent of the TDRL program can be fulfilled via other existing programs and policies for those few who seek return to Active Duty from a separated or retired status. At a minimum, we concur with recommendation from the DOD Recovering Warrior Task Force in their 2012–2013 Annual Report to eliminate the TDRL. Experience across all Services over many decades shows the TDRL program does not achieve its intended purposes, is expensive, and is difficult to operate. Given the low number of temporary retirees who return to the military, and the high proportion who eventually become eligible to receive permanent military disability retirement benefits, Congress may wish to consider cessation of this program.

Lieutenant General COX. Yes, reevaluation of the TDRL is needed and, in January 2014, we began doing so. Following recommendations from the Government Accountability Office (GAO) report,* our Air Force Warrior Care Policy team is championing a deep dive analysis of TDRL legislations, policies, and procedures. Their analysis is on track to conclude by the end of this year. Under the guidance of the Under Secretary of Defense for Personnel and Readiness, the Deputy Assistant Secretary of Defense for Warrior Care Policy led a task force of senior leaders from the VA, Military Departments, Joint Staff, and the Office of the Secretary of Defense to consider specific ways to improve the DOD disability process.

Lieutenant General MILSTEAD. Yes, it is a good time to reevaluate the need for the TDRL, as the return to Active Duty rates are extremely small. The TDRL program is very resource-intensive to manage and very inconvenient for the marine veteran in regard to travel and reexamination requirements. We need to better leverage more local and convenient VA facilities and/or contractors vice making these veterans travel hundreds and sometimes thousands of miles to military medical facilities for their reexaminations. Ceasing TDRL altogether may result in some veterans receiving permanent disability retirement and they and their family members receiving lifetime medical benefits who would not be eligible under current constructs, so a thorough cost-benefit analysis should be part of this evaluation.

MENTAL HEALTH CARE

15. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, what efforts are you making to destigmatize mental health care in your Service?

Lieutenant General BROMBERG. The Army is decreasing the stigma associated with seeking behavioral health care through the continued establishment of its Behavioral Health Service Line. This effort has standardized our behavioral health system of care to identify, prevent, treat, and track behavioral health issues affecting soldiers and beneficiaries.

Soldiers and family members are accessing behavioral health care much more frequently than at any time in the past, and far more are accessing outpatient behavioral health services to receive care earlier and more frequently. The number of behavioral health encounters across the Army increased from 991,655 in fiscal year 2007 to 1,899,660 in fiscal year 2013, a 91.5 percent increase. In addition, soldiers required approximately 25,000 fewer inpatient psychiatric bed-days over the same time period. These improved outcomes drive increased acceptability of the value of behavioral health care, driving down stigma, resulting in more soldiers willing to engage in an episode of care.

Through efforts such as the establishment of Embedded Behavioral Health clinics in brigade footprints or by placing behavioral health providers in schools on Army installations, the Army continues to take steps to make care more accessible to its beneficiaries. Army Medicine believes that it is more successfully linking those who need behavioral health care with those who can provide it, and the increased utilization is a reflection of this.

Vice Admiral MORAN. Mental health providers are now integrated into a variety of operational units. These embedded assets work to maintain the psychological health of their units from within, and by virtue of their close working relationship with the operational forces, they are able to normalize the provision of care and create a culture that encourages seeking help in order to foster resilience and recovery. Similarly, the Behavioral Health Integration Program (BHIP) integrates behavioral health providers into the primary care setting. By addressing mental health concerns in this environment, the stigma associated with seeking mental health care can be decreased and the benefits of care can be enhanced.

One new initiative we are launching is the Deployed Resiliency Counselors (DRC). These Fleet and Family Support Center counselors will be initially assigned aboard our aircraft carriers and large deck amphibious assault ships. These civilian licensed counselors will be deployed to support our sailors and improve resilience. Much like the BHIP, expanding availability of counseling services to settings other than traditional mental health should continue to reduce negative perceptions and related barriers to care.

When Active Duty servicemembers receive mental health care, providers follow the presumption that they are not to notify a servicemember's commander unless

*GA0–09–189, Military Disability Retirement, Closer Monitoring Would Improve the Temporary Retirement Process, April 2009 and the April 2013 TDRL Air Force Audit Report (F2013–0007–040000)

this presumption is overcome by specific circumstances. These exceptions to confidentiality relate specifically to risk of harm to self or others, or to the servicemember's performance of duty. Even when information must be disclosed to a commander, providers are required to disclose the minimum amount of information necessary to satisfy the purpose of the disclosure (DOD Instruction 6490.08).

Strategic health communications are a vital part of Navy's Suicide Prevention Program to encourage help-seeking behavior as a sign of strength and to counter prevailing negative perceptions regarding mental health and stress-related issues. Messaging campaigns are used to promote comprehensive wellness, empower self-efficacy, build community support, and champion bystander intervention; thereby, addressing the entire stress continuum. Ongoing messaging, such as ACT (Ask-Care-Treat), has proven effective in helping bystanders identify and intervene when sailors experience crises. Other recent messaging campaigns, such as NavyTHRIVE, promote comprehensive wellness and a sense-of-community to encourage healthy stress navigation before crises occur. Our branded communications portfolio includes products suicide prevention coordinators employ at the deck plate, e.g., LifeLink Newsletter, as well as a robust social media and online presence that help drive daily conversation among commands and families about stress navigation and prevention. Additionally, the program leads Navy's annual Suicide Prevention Month, using the month of September, each year, as an opportunity to launch the following year's ongoing communications themes to promote engagement at the deck plate.

The Operational Stress Control program is the foundation of Navy efforts to build and maintain resilience in sailors and commands. We encourage proactive measures that sailors, leaders, and families can take to mitigate stressors before they become crises, while identifying those who may be reacting to stress and who need assistance. Beginning this year, Navy has required commands to complete Operational Stress Control skills-training within 6 months of deployment. Navy Mobile Training Teams travel to commands around the world facilitating unit training in small groups, providing venues for extensive dialogue with command leadership to build sailor resilience and unit readiness.

Lieutenant General COX. The Air Force works diligently to reduce barriers to mental health care wherever it can, to include reducing the perception of stigma. Many of our programs and training include anti-stigma messages. Examples include initial and annual suicide prevention training, Frontline Supervisor Training, and semiannual Wingman Day materials. The published Air Force Strategic Communication Plan includes Public Service Announcements, media reporting guidelines, leadership talking points, and post-suicide guidance for commanders, all of which emphasize the importance of early help-seeking. In addition, the Air Force's Limited Privilege Suicide Prevention Program affords increased confidentiality for airmen under investigation while they are seeking mental health care. Stigma is difficult to measure, but we have a number of indications that it is reducing. For example, the biennial Community Assessment Survey shows positive trends on responses to questions about mental health stigma. The number of mental health visits to Air Force clinics is gradually increasing, indicating the majority of airmen are not being hindered by potential concerns with stigma. We know from studies of Air Force mental health patients voluntarily seeking care, that only a small minority had negative career impact and airmen seeking care and staying in the Service serves as a positive example reinforcing that behavior for other airmen. As a concrete example, we know that approximately 75 percent of airmen diagnosed with post-traumatic stress disorder are retained in the Service. Many airmen and family members make the decision to seek care in dedicated mental health clinics, but lower stigma options are available such as the Behavioral Health Optimization Program, where mental health providers are integrated into primary care clinics.

Lieutenant General MILSTEAD. Outreach is our main effort to destigmatize mental/behavioral health care. Our strategic communication efforts include messaging that asking for help is a sign of strength, not weakness. The Marine Corps has bolstered these efforts through the implementation of BH360, a bi-monthly newsletter, and Marine Awareness and Prevention Integrated Training (MAPIT). BH360 provides actionable behavioral health information to general officers, Senior Executive Service leaders, commanders, and senior enlisted. This publication assists in setting a positive command climate by informing leaders of the programs available and reinforcing our message, that encourages those in need to seek help and for our leaders to support/promote this help-seeking behavior. Our destigmatizing message is interwoven throughout the MAPIT curriculum and increases personnel and unit readiness through dissemination of standardized behavioral health information and training related to common risk and protective factors across the behavioral health continuum.

In addition, both Never Leave a Marine Behind (NLMB) suicide prevention training and Operational Stress Control and Readiness (OSCAR) training combat stigmas by leveraging peer support to normalize help-seeking behavior. NLMB and is mandatory training for all of our marines and attached sailors and seeks to dispel misperceptions that seeking behavioral health care will jeopardize a military career. OSCAR training provides skills and tools to identify and mitigate negative stress reactions. OSCAR Teams act as sensors for the commander by noticing small changes in behavior and taking action early before stress becomes a medical issue. By changing social norms and common beliefs, OSCAR Team Members help reduce stigma associated with behavioral health treatment, which improves referral, rapid case identification, and treatment.

The Marine Corps also supports multiple stigma reduction DOD working groups. The charter of these groups is to develop and improve policies that impact barriers to seeking help for behavior health issues.

16. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, how is your Service making servicemembers and their families more resilient to the unique stressors they face every day?

Lieutenant General BROMBERG. In March 2013, the Army implemented the Ready and Resilient Campaign as a platform to address the resiliency needs of the Force. This initiative connects resilience to readiness, as the individual and collective resilience of team members and the team can either favorably or adversely impact mission readiness. The Army's approach focuses on building the personal resilience of its members as an enabler to achieving enhanced performance; resulting in increased readiness of the member, their unit, and the Total Army. This outcome will be achieved through deliberate processes that will produce an enduring cultural change and yield an Army environment that supports and develops its members to perform at their optimum level on a daily basis, and enables them to recover and grow from adversities.

Vice Admiral MORAN. Navy has a full spectrum of programs to prepare sailors and families to face the unique challenges of a military lifestyle, maintain force resiliency, and reinforce unit readiness. They are critical to mission readiness and the Navy's 21st century sailor initiative by assisting commanding officers, sailors, and their families manage the demands of military life. Whether it is programs that assist with relocation of duty stations, stress management, prevention of sexual assault and domestic violence, developing personal skills, emergency preparedness, how to get a job in the civilian community, enjoy surroundings, or enhance physical condition, the Navy provides access to tools ashore and when deployed to build and sustain resiliency throughout and after Active Duty. Some specific examples include:

- The Operational Stress Control Program is the foundation of Navy efforts to build and maintain resilience in our sailors and commands. It facilitates understanding of operational and personal stress, promotes awareness of available resources, and provides practical mitigation tools. The program encourages proactive measures designed to mitigate stressors before they become crises, facilitate the early recognition of potential problems, reduce stigma associated with seeking psychological care, encourage prompt treatment, and enhance the professional empathy of leaders. This year, Navy has begun requiring commands to complete Operational Stress Control skills training within 6 months of deployment. Navy Mobile Training Teams travel to commands around the world facilitating unit training in small groups providing venues for extensive dialogue with command leadership to build sailor resilience and unit readiness.
- Our Suicide Prevention Program promotes bystander intervention as a critical element of sailors taking care of sailors while our consistent messaging of ACT (Ask-Care-Treat) has proven to be effective in identifying sailors that need assistance before minor stressors become major crises.

While our efforts focus on actions left of the event, post-vention is a critical component of providing psychological first-aid support to commands that have experienced stressful operations or events, such as:

- In fiscal year 2013, the NavyTHRIVE communications campaign was launched, focusing on providing sailors, leaders, and families with the tools to empower individuals to not only take advantage of support networks, but promote personal growth through self-sustainment and community. The 2013 Suicide Prevention Month theme, Thrive In Your Community, focused on emphasizing the importance of cohesion and togetherness when dealing

with adversity. NavyTHRIVE will continue through this fiscal year, focusing on supporting sailors through transition periods.

- We are assigning DRCs aboard our aircraft carriers and large deck amphibious assault ships. The civilian licensed clinicians will work with ships' medical officers, chaplains, and leadership in support of our sailors. Of the initial 21 planned, 10 have been selected to serve on U.S. and overseas-based ships. DRCs can provide early intervention and counseling to minimize the need for more intensive behavioral health treatment. Counseling and support services provided by the DRCs are preventive in nature, aimed at addressing life challenges, such as adjustment to deployments, separation from friends and family, relationship and family issues, and other challenges to military life. The DRCs are also fully trained to provide an extra layer of support to any victims of sexual assault and domestic violence, ensuring that there are no gaps in support services. DRCs will also provide psycho-educational training on topics like suicide prevention, stress reduction, and substance abuse prevention.
- To support our wounded warriors and their families, our Navy Wounded Warrior-Safe Harbor (NWW) program coordinates the non-medical care of seriously wounded, ill, and injured sailors, coastguardsman, and their families. NWW's goal is to return sailors to Active Duty and, when not possible, work collaboratively with Federal and nongovernmental agencies, including the VA, and State and local organizations, to ensure successful reintegration of sailors back into their communities. NWW extends support beyond separation or retirement from the Navy through the Anchor Program, a partnership with the Navy Reserve and Navy retiree volunteers who provide mentorship support during reintegration to the community.
- The Navy offers a wide array of fitness and recreational activities to sailors and family members that assist with their physical and mental well-being. Even during deployments, ship-board personnel have access to fitness equipment and recreational gear to assist with confronting the rigors of deployment.

Lieutenant General COX. The Air Force has adopted and is promoting a holistic approach to teach and educate Air Force personnel and their family members Comprehensive Airman Fitness (CAF). CAF's mission is to build, promote, and sustain a thriving and resilient community living healthy lifestyles by practicing positive mental, physical, social, and spiritual fitness. The Air Force is teaching Master Resilience Trainers (MRT) skills and tools that can help individuals cope and potentially thrive through life stressors. In turn, MRTs are teaching and facilitating resilient skill events to Air Force personnel and family members, thus creating a resilient culture of airmen taking care of airmen.

Lieutenant General MILSTEAD. The Marine Corps has implemented numerous programs to address resiliency. In particular, our Community Counseling and Prevention (CCP) program specifically addresses behavioral health risk factors impacting our marines and their families. The program leverages the subject matter expertise of Community Counseling, Suicide Prevention and Response, and Combat and Operational Stress Control (COSC). Primary efforts are focused on enhancing protective factors of individual marines and their families with short-term, solution-focused care and case management. In addition, we instituted a Marine Expeditionary Forces (MEF) prevention capability that provides prevention capabilities to the MEFs and Major Subordinate Commands to oversee execution of all behavioral health prevention education initiatives. Complementing this effort, our Military Family Life Consultant Program, comprised of 262 licensed counselors embedded in 120 units, provides dedicated personnel to identify need; increase awareness, outreach, and referral; and also provide limited counseling. Training programs, such as OSCAR and NLMB, offer skills to prevent/mitigate stress injuries, additionally the DSTRESS Line provides a direct 24-hours-a-day link for marines to speak to 'one of their own' about everyday stress or heavier life burdens.

Due to the overwhelming positive response received from marines regarding OSCAR training, there was a high demand from family members for the Marine Corps to provide similar trainings specific to their needs and stress. Conquering Stress with Strength (a.k.a. COSC for Families) is a workshop that helps apply practical techniques to manage personal stress responses and to apply problem-solving methods to action in situations involving high-risk behaviors. This workshop is a family-focused workshop that addresses managing reactions to high stress situations. It is scheduled for release summer 2014.

The Marine Corps also provides family readiness officers to the battalions and squadrons that provide an information and referral source for unit members.

17. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, does your Service have enough behavioral health providers (psychiatrists, psychologists, social workers, mental health nurses, mental health nurse practitioners, and other licensed mental health providers) to ensure that servicemembers and their families can get timely mental health care when they need it? Please provide a table that shows your total requirements, authorizations, and current end strengths.

Lieutenant General BROMBERG. As of 31 March 2014, the Army had 5,275 behavioral health providers. The Army's current requirement is 5,665 personnel, including professional providers and behavioral health technicians. This number represents all missions that behavioral health providers support, to include research, education, and prevention, as well as clinical service delivery. We expect that the requirements for providers will evolve as the needs of Army beneficiaries change.

Specific to clinical service delivery, the Behavioral Health Service Line Matrix resourcing tool reflects a provider requirement (psychiatrist, psychologist, and social worker only) of 1,793, and an on-hand number of approximately 1,902 providers documenting clinical care. The most recent analysis of workload data indicates a requirement for 2,029 providers, resulting in a current shortfall of 127 providers.

U.S. Army Medical Command currently has 352 open hiring actions covering vacant positions for psychiatrists, psychologists, social workers, behavioral health nurses, behavioral health nurse practitioners, and behavioral health technicians/counselors.

See tables below.

REQUIREMENTS (As of 2Q14):

SPECIALTY	MIL	CIV	CONTR	TOTAL
Psychologist	247	780	74.9	1101.9
Psychiatrist	277	125	89.7	491.7
Social Worker	256	1325	99.6	1680.6
Mental Health Nurse (RN)	69	103	14	186
Mental Health Nurse (Nurse Practitioner)	46	28	18	92
Other Licensed MH Provider			1	1
Tech/Counselor	1002	1080	30	2112
TOTAL	**1897**	**3441**	**327.2**	**5665.2**

AUTHORIZED (As of 2Q14):

SPECIALTY	MIL	CIV	CONTR	TOTAL
Psychologist	226	597	74.9	897.9
Psychiatrist	258	125	89.7	472.7
Social Worker	219	1099	99.6	1417.6
Mental Health Nurse (RN)	61	103	14	178
Mental Health Nurse (Nurse Practitioner)	36	28	18	82
Other Licensed MH Provider			1	1
Tech/Counselor	969	1032	30	2031
TOTAL	**1769**	**2984**	**327.2**	**5080.2**

ASSIGNED/ON-BOARD (As of 2Q14):

SPECIALTY	MIL	CIV	CONTR	TOTAL
Psychologist	235	939	65.2	1239.2
Psychiatrist	193	130	68	391
Social Worker	274	1231	87.6	1592.6
Mental Health Nurse (RN)	101	112	13	226
Mental Health Nurse (Nurse Practtioner)	42	41	10	93
Other Licensed MH Provider	0		1	1
Tech/Counselor	1125	592	15	1732
TOTAL	**1970**	**3045**	**259.8**	**5274.8**

Vice Admiral MORAN. No, we are currently experiencing shortages among psychologists, psychiatrists, and social workers. Section 714(a) of the National Defense Authorization Act for Fiscal Year 2010 required the Military Departments to increase the number of authorizations for mental health professionals by 25 percent. Accordingly, Navy has increased authorizations over the past 4 years in several mental health specialties, such as social workers and clinical psychologists, but all of these positions are not yet encumbered.

The following tables provide authorizations and current end strengths as of March 31, 2014.

AUTHORIZED (As of 2Q14):

SPECIALTY	MIL	CIV	CONTR	TOTAL
Psychologist	166	116	103	385
Psychiatrist	120	36	33	189
Social Worker	76	90	75	241
Mental Health Nurse (RN)	44	35	82	161
Mental Health Nurse (Nurse Practitioner)	24	1	10	35
Other Licensed MH Provider		18	32	50
Tech/Counselor	387	24	193	604
TOTAL	817	320	528	1,665

ASSIGNED/ON-BOARD (As of 2Q14):

SPECIALTY	MIL	CIV	CONTR	TOTAL
Psychologist	145	97	89	331
Psychiatrist	106	37	23	166
Social Worker	63	86	65	214
Mental Health Nurse (RN)	72	14	77	163
Mental Health Nurse (Nurse Practitioner)	30	1	7	38
Other Licensed MH Provider		22	26	48
Tech/Counselor	426	41	181	648
TOTAL	842	298	468	1,608

Mental health requirements are currently under a review and revalidation process through the Tri-service Mental Health DOD/VA committee utilizing the Psychological Health Risk-Adjusted Model for Staffing model. The validation of mental health requirements is a tri-service initiative that is ongoing.

Lieutenant General COX. Current manning strength is adequate to meet the general mental health needs of airmen. We have filled approximately 97 percent of our authorized positions in mental health. Access to care data indicates the majority of patients receive care within access to care standards. Our recruiting and retention incentives helped psychologists reach a 94 percent manning level. Currently, a gap exists for generic mental health nurses; we are actively recruiting and training both generic and advanced practice psychiatric and mental health nurse practitioners. Finally, in spite of a nationwide shortage, 92 percent of our psychiatrist authorizations are filled. However, due to a national shortage of mental health providers, especially child psychologists and psychiatrists, access to certain services varies by location. For this reason, the Air Force's Exceptional Family Member Program seeks to assure assignment of airmen with special needs family members only to locations where necessary services are readily available. The table showing requirements, authorizations, and current end strength is shown below.

MENTAL HEALTH STAFFING DATA

REQUIREMENTS (As of FQ 2Q14):

SPECIALTY	MIL	CIV	CONTR*	TOTAL
Psychologist	258	16	124	398
Psychiatrist	142	4	15.5	161.5
Social Worker	233	149	133	515
Mental Health Nurse (RN)	40	52	35	127
Mental Health Nurse (Nurse Practitioner)	18	2	0	20
Other Licensed MH Provider	0	0	0	0
Tech/Counselor	852	64	29	945
TOTAL	1543	287	336.5	2166.5

AUTHORIZED (As of FQ 2Q14):

SPECIALTY	MIL	CIV	CONTR*	TOTAL
Psychologist	258	16	123	397
Psychiatrist	142	4	13.5	159.5
Social Worker	233	149	131	513
Mental Health Nurse (RN)	40	52	34	126
Mental Health Nurse (Nurse Practitioner)	18	2	0	20
Other Licensed MH Provider	0	0	0	0
Tech/Counselor	852	64	29	945
TOTAL	1543	287	330.5	2160.5

ASSIGNED/ON-BOARD (As of FQ 2Q14):

SPECIALTY	MIL	CIV	CONTR*	TOTAL
Psychologist	244	17	111.5	372.5
Psychiatrist	130	4	12.5	146.5
Social Worker	237	149	114	500
Mental Health Nurse (RN)	38	53	32	123
Mental Health Nurse (Nurse Practitioner)	29	1	0	30
Other Licensed MH Provider	0	0	0	0
Tech/Counselor	841	63	25	929
TOTAL	1519	287	295	2101

*Estimated Contractor Workyear Equivalents (CWE); Requirements shows the number of contract FTEs which are funded for the 2nd Qtr FY14 with FY13 or FY14 funds. Authorized shows the number of contract FTEs which are funded with FY14 funds only. On Board shows the number of "filled" positions for 2nd Qtr FY14.

Lieutenant General MILSTEAD. The Marine Corps depends on the Navy for our health care providers. However, the Marine Corps has recently established community counseling services on installations worldwide to increase access to care and assist marines and their families in navigating the many support resources available. We also have 113 community counselors who are licensed clinical providers, credentialed by the Marine Corps Credentialing Review Board, and provide evidence-based client screening tools, assessments, and short-term, non-medical counseling; clinical case management to improve coordination of referrals to medical treatment facilities and specialty care appointments; and short-term, non-medical, counseling interventions for marines who have experienced military sexual trauma. See table below.

Program Type	Current Staffing 2014	Manpower / FTE 2015	Projected Staffing 2015	Manpower / FTE 2016	Projected Staffing 2016	Manpowe r/ FTE 2017	Projected Staffing 2017
Clinical Pastoral Counseling (Chaplaincy)*	19	19	19	19	19	19	19
Military & Family Life Counseling Program	0	0	0	0	0	0	0
Family Advocacy Programs	64	64	64	64	64	64	64
Substance Abuse Programs	149	149	149	149	149	149	149
Resilience, Education, & Prevention Programs	189	189	189	189	189	189	189
Other, Non-Medical Counseling	106	106	106	106	106	106	106

* Approximation of chaplains serving USMC personnel

18. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, do the Services need additional legislative authority to improve incentives for recruitment and retention of mental health professionals?

Lieutenant General BROMBERG. In reference to the recruitment and retention of military mental health professionals, section 335 of title 37 (Pay and Allowances of the Uniformed Services-Special bonus and incentive pay authorities for officers in health professions) provides sufficient authorities for both accession and retention bonuses of mental health providers, assuming adequate funding. Additionally, the Army has developed training pipelines for all of our officer skills sets through the use of the Health Professions Scholarship Program and the Fayetteville State Cooperative Program.

To assist the Army's efforts to recruit and retain critical civilian mental health professions, including psychologists and social worker, an extension of the direct hire appointment authority under title 5, subpart, section 337.202, for a 1-year period would allow the Army to immediately fill 164 critical positions. Additionally, direct hire appointment authority for a 3-year fiscal period beginning October 1, 2014, would allow the Army to hire 265 behavioral health positions per year to replace anticipated losses based on our voluntary loss rate to the U.S. Army Medical Command.

Vice Admiral MORAN. We do not need additional authorities at this time, although extension of current health professions special and incentive pays, included in the administration's official legislative package, is imperative. We continue to evaluate the effectiveness of these authorities as we transition to the consolidated special and incentive pays enacted in the National Defense Authorization Act for Fiscal Year 2008. If additional or enhanced authorities are deemed necessary, we will include them in a future Defense Authorization Request.

Lieutenant General COX. Additional legislative authority is not required by the Air Force at this time. The Assistant Secretary of Defense for Health Affairs sets pay rates for Active Duty health professionals on an annual basis. Current incentives authorized under 37 U.S.C. Chapter 5 are sufficient to recruit and retain the qualified mental health professionals needed at this time.

Lieutenant General MILSTEAD. The Marine Corps relies on the Navy for its mental health providers. We know that recruitment and retention of qualified mental health personnel pose a challenge. There are some regions where maintaining an adequate pool of one or another mental health skill set is problematic. Improving

incentives would certainly help to improve manning goals, however, monetary compensation is not the only issue facing their recruitment and retention.

OPENING POSITIONS TO WOMEN IN SERVICES

19. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, who is the approval authority for opening positions to women in your Service to Special Operations Forces? Is it the Service or U.S. Special Operations Command (SOCOM)?

Lieutenant General BROMBERG. The Secretary of Defense is the approval authority for opening positions to women in Special Operation Forces. The Army and SOCOM are working together in a collaborative, coordinated manner regarding closed positions, units, and occupations within Special Operations. The Commander, SOCOM, submits all recommendations through the Army Chief of Staff and Secretary of the Army for concurrence of all requests to open U.S. Army SOCOM positions, units, and occupations prior to forwarding the request to the Secretary of Defense as the approval authority.

Vice Admiral MORAN. In reaching the decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule, the Secretary of Defense endorsed the unanimous advice of the Joint Chiefs of Staff, which set forth the guiding principles, goals, and milestones to the successful integration of women in the remaining restricted occupational fields. That guidance recognized the unique relationship SOCOM maintains with the Services in understanding the operational environment and operational requirements needed to execute SOCOM missions. Specifically, the Chairman required "the Services and SOCOM to proceed in a deliberate, measured, and responsible way to assign women to currently closed MOSs as the physical and operational assessments are completed."

To ensure the efficient integration of women in closed MOSs and units, the Services and SOCOM work collaboratively to proceed in a deliberate, measured, and responsible way to assign women. When a decision is made to notify Congress regarding DOD's intent to open a position, it is a Department-level decision informed by input from the Joint Chiefs of Staff, the Services, the Military Department Secretaries, SOCOM, and the Under Secretary of Defense for Personnel and Readiness.

Lieutenant General COX. The Secretary of Defense is the approval authority for the Services to open direct ground combat positions to women.

Lieutenant General MILSTEAD. To ensure the efficient integration of women in closed MOSs and units, the Services and SOCOM work collaboratively to proceed in a deliberate, measured, and responsible way to assign women. When a decision is made to notify Congress regarding DOD's intent to open a position, it is a Department-level decision informed by input from the Joint Chiefs of Staff, the Services, the Military Department Secretaries, SOCOM, and the Under Secretary of Defense for Personnel and Readiness.

20. Senator GRAHAM. Lieutenant General Bromberg, Vice Admiral Moran, Lieutenant General Cox, and Lieutenant General Milstead, what is your understanding of your Service and SOCOM's respective roles in the decision?

Lieutenant General BROMBERG. The Army and SOCOM are working together in a collaborative, coordinated manner regarding closed positions, units, and occupations within Special Operations. The Commander, SOCOM submits all recommendations through the Army Chief of Staff and Secretary of the Army for concurrence of all requests to open U.S. Army Special Operations Command positions, units, and occupations prior to forwarding the request to the Secretary of Defense as the approval authority.

Vice Admiral MORAN. Before recommending opening positions, Navy will work in parallel to submit a coordinated Service and SOCOM recommendation through the Assistant Secretary of Defense (Special Operations/Low-Intensity Conflict) for notification on Special Warfare/Special Operations specialties. It will require synchronization by both parties as recommendations are inter-dependent and aimed at ensuring that the opening of occupations aligns with Chairman of the Joint Chiefs of Staff guiding principles.

Lieutenant General COX. Our Service and SOCOM are working together to ensure SOCOM's operational requirements and Air Force equities are fully captured in our recommendations to the Secretary of Defense to open our remaining male-only ground combat positions to women. Completing the standards validation studies and determining the timing to open the positions requires close coordination between the Air Force and SOCOM.

Lieutenant General MILSTEAD. In reaching the decision to rescind the 1994 Direct Ground Combat Definition and Assignment Rule, the Secretary of Defense endorsed the unanimous advice of the Joint Chiefs of Staff, which set forth the guiding principles, goals, and milestones to the successful integration of women in remaining restricted occupational fields. That guidance recognized the unique relationship SOCOM maintains with the Services in understanding the operational environment and operational requirements needed to execute SOCOM missions. Specifically, the Chairman required "the Services and SOCOM to proceed in a deliberate, measured, and responsible way to assign women to currently closed MOSs as the physical and operational assessments are completed."

To ensure the efficient integration and assignment of women in previously closed MOSs and units, the Services and SOCOM will work collaboratively and proceed in a deliberate, measured, and responsible way to assign women.

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