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[H.A.S.C. No. 113–92]

MILITARY PERSONNEL OVERVIEW

HEARING

BEFORE THE

SUBCOMMITTEE ON MILITARY PERSONNEL

OF THE

COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRTEENTH CONGRESS

SECOND SESSION

HEARING HELD
MARCH 25, 2014

U.S. GOVERNMENT PRINTING OFFICE

87–855 WASHINGTON : 2014

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CONTENTS

CHRONOLOGICAL LIST OF HEARINGS

2014

	Page
HEARING:	
Tuesday, March 25, 2014, Military Personnel Overview	1
APPENDIX:	
Tuesday, March 25, 2014	19

TUESDAY, MARCH 25, 2014

MILITARY PERSONNEL OVERVIEW

STATEMENTS PRESENTED BY MEMBERS OF CONGRESS

Davis, Hon. Susan A., a Representative from California, Ranking Member, Subcommittee on Military Personnel 2
Wilson, Hon. Joe, a Representative from South Carolina, Chairman, Subcommittee on Military Personnel 1

WITNESSES

Bromberg, LTG Howard B., USA, Deputy Chief of Staff, G–1, U.S. Army
Cox, Lt Gen Samuel D., USAF, Deputy Chief of Staff for Manpower, Personnel and Services, U.S. Air Force
Moran, VADM William F., USN, Chief of Naval Personnel and Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education), U.S. Navy
Murray, Sheryl E., Assistant Deputy Commandant for Manpower and Reserve Affairs Headquarters, U.S. Marine Corps
Wright, Jessica L., Acting Under Secretary of Defense for Personnel and Readiness, Department of Defense

APPENDIX

PREPARED STATEMENTS:
- Bromberg, LTG Howard B. 62
- Cox, Lt Gen Samuel D. 107
- Davis, Hon. Susan A. 25
- Moran, VADM William F. 84
- Murray, Sheryl E. 138
- Wilson, Hon. Joe 23
- Wright, Jessica L. 27

DOCUMENTS SUBMITTED FOR THE RECORD:
- Charts: Monthly Impact of PB15 Proposals on Military Members with Specific Family Sizes 171
- Statement of The Fleet Reserve Association on Military Personnel Policy, Benefits, and Compensation 157

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING:
- Ms. Bordallo 183
- Mrs. Davis 181

Page

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING—Continued
Mr. Wilson 181
QUESTIONS SUBMITTED BY MEMBERS POST HEARING:
Ms. Tsongas 187

MILITARY PERSONNEL OVERVIEW

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
SUBCOMMITTEE ON MILITARY PERSONNEL,
Washington, DC, Tuesday, March 25, 2014.

The subcommittee met, pursuant to call, at 3:17 p.m., in room 2212, Rayburn House Office Building, Hon. Joe Wilson (chairman of the subcommittee) presiding.

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

Mr. WILSON. Ladies and gentlemen, the hearing will come to order. Welcome to a meeting of the House Armed Services Subcommittee on Military Personnel.

This subcommittee hearing will examine military personnel issues in the Armed Services Committee, including force drawdown plans, military health programs, military compensation programs, and other personnel policies and programs. Today the subcommittee will turn its attention to the important issue of maintaining an All-Volunteer Force that has experienced almost 13 years of persistent conflict, beginning with the attack on our country on September the 11th, 2001, by jihadists who have declared war on America.

The military is now facing the largest drawdown and most draconian budget reductions since the end of the Cold War. The budgetary requirement for the Department of Defense to significantly reduce spending calls for a leaner and more adaptable force that impacts virtually all defense personnel activities. The President's budget substantially reduces ground and Air Force end strength and slows the growth of compensation and personnel benefit programs for all service members, shifting spending to other programs.

Our focus will include actions the services have taken to create efficiencies in personnel programs to include pay and compensation, along with the policies and programs that still need to be examined to successfully continue down a path of fiscal responsibility without undermining the readiness of the All-Volunteer Force at a time of unprecedented instability and threats to America from across the world. I am also concerned about the manpower reductions that all services will undertake and how they will employ voluntary and involuntary separation measures to achieve those reductions, and how they will reduce the non-deployable populations in their services.

The subcommittee's goal today is to better understand how the Department of Defense will balance the budgetary realities of today and the future with the readiness and morale and continued success of the All-Volunteer Force.

Before I introduce our panel, let me first offer Congresswoman Susan Davis, from California, an opportunity to make her opening remarks.

[The prepared statement of Mr. Wilson can be found in the Appendix on page 23.]

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

Mrs. DAVIS. Thank you, Mr. Chairman.

And I also wanted to welcome our witnesses today, Ms. Wright, General Bromberg, General Cox, Admiral Moran, and Ms. Murray. And thank you all for being here.

We know that you are going to suspend your statements, I understand, but I am certain that we will cover many, many of those issues as we ask questions looking at how the proposed budget changes that are being sought would impact our military personnel and their families. That is of great concern to us.

I remember, Mr. Chairman, a hearing several years ago when we talked, I certainly mentioned the difficulty that we will face as budgets decline and the knowledge that many difficult decisions will have to be made, and here we are. This is really the time that we are beginning to have to face many of those difficult decisions.

I know that the services have made good-faith efforts to fund quality-of-life programs for service members and their families in the base budget as we move forward, but we are also concerned about what impact sequestration also could have on any of these plans in the future.

We are faced with several significant proposed changes, from a limit to the pay increase required by the law, to an increase in out-of-pocket costs for housing allowance, to significantly changing the military health care system, and removing appropriated support for our commissaries. Those are all a very big deal, and so we need to look at those in total.

While the chief had indicated that the services don't want to piecemeal this effort, it would seem to me that as we move forward here we are starting to do some of that as we look at these personnel programs.

I am certainly sympathetic to the challenges that we are facing under sequestration, but we all, I think, want to better understand the reasoning and the business case analysis that went into these proposals and the actual impact that they are going to have on our families. In particular, I am concerned that these decisions did not necessarily take into full account of the views and the desires of our military personnel and their families.

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

[The prepared statement of Mrs. Davis can be found in the Appendix on page 25.]

Mr. WILSON. Thank you, Mrs. Davis.

We are joined today by a dedicated panel consisting of the Under Secretary of Defense for Personnel and Readiness and the personnel chiefs or their deputies of the military services to help us explore these issues. Now I would like to welcome our distinguished witnesses.

Ms. Jessica Wright, Acting Under Secretary of Defense, Personnel and Readiness. Secretary Wright has recently returned from a long convalescence from a hip replacement surgery.

And best wishes. Many of us here will be following your road. We wish you well.

Lieutenant General Howard B. Bromberg, U.S. Army, Deputy Chief of Staff, G–1. And sadly for all of us, this is General Bromberg's last hearing before our committee, but our next two it is their first appearance, and we wish General Bromberg well on his future.

Vice Admiral William F. Moran, U.S. Navy, Chief of Naval Personnel and Deputy Chief of Naval Operations, Manpower, Personnel, Training, and Education. Lieutenant General Samuel Cox, U.S. Air Force, Deputy Chief of Staff, Manpower, Personnel, and Services. Ms. Sheryl E. Murray, Assistant Deputy Commandant for Manpower and Reserve Affairs Headquarters, U.S. Marine Corps.

I now will be asking unanimous consent to enter a statement from the Fleet Reserve Association into the record.

[The information referred to can be found in the Appendix on page 157.]

Mr. WILSON. Without objection, so ordered.

Additionally, I would like to, due to time constraints of earlier voting, I would ask unanimous consent that our witnesses' opening statements be entered into the record, and then we will begin questioning in rounds of 5 minutes each until adjournment.

[The witness prepared statements can be found in the Appendix beginning on page 27.]

Mr. WILSON. Hearing no objection, we will begin with me, and each one of us will be held to 5 minutes, including me. And we have got somebody above reproach—David Giachetti—who is a person known for timekeeping. So this is good.

For each of you a question that I have, and that is that, do you see the additional out-of-pocket housing expense combined with the reduced less than ECI [Employment Cost Index] pay raise and an increase in commissary prices as a cut in the purchasing power of our service members? How do you expect these reductions to affect the day-to-day financial decisions and possibly the decision to even remain in the service that our junior enlisted members and their families will be facing?

And we will begin with Ms. Wright.

Ms. WRIGHT. Thank you, Mr. Chairman.

First I would like to say that we believe that the quality of life of our military personnel is good. We also know that we need to slow the growth in compensation and benefits in order to balance that with our readiness and modernization. And so what this budget reflects is just that: a slowing of the growth—and that is why we are asking for a 1 percent as opposed to a higher percentage, so we can slow that growth of a military member's pay—and then

also be able to bolster their readiness and bolster force—and bolster their modernization.

At this point in time quality of life is good but quality of service, we believe, for our military member is lower. And so we would like to balance that for our service member.

Mr. WILSON. And has it been determined—and I will get to General Bromberg—but has it been determined what the actual cost of each item that I—and you can get back for the record on this please——

Ms. WRIGHT. Yes, sir. I will get back for the record.

[The information referred to can be found in the Appendix on page 181.]

Mr. WILSON [continuing]. But it may appear minimal, but to me it would be monumental if it was me. As I well remember when I was in the military, every expense was something that was a challenge, and so I would love to see an analysis. And you can get back with me on that.

Ms. WRIGHT. Yes, sir. I will provide it. Thank you.

Mr. WILSON. Thank you.

And General Bromberg.

General BROMBERG. Yes, sir. I think, you know, this is a holistic approach we have to take to this because what we can't sacrifice is we can't sacrifice readiness and we can't sacrifice the quality of life. And one of the things we hold very dear—I think everybody would agree that we can't afford to lower the training standard at the expense of something else, because the last thing you want to do is deploy somebody who hasn't been trained to the level they are supposed to. I think that is the ultimate level of soldier care that we are after.

So I think when we put all these different programs together on slowing growth I think we will step back, take a look at it holistically, balance that with readiness, and see if that is the right approach.

Mr. WILSON. Thank you.

Admiral MORAN. Mr. Chairman, I would agree with General Bromberg. In my first 6 months on the job, going out and talking to sailors to get their feel for how things are going from their perspective, I hear more from them about their quality of service, as has been reflected here, in terms of their ability to do their job. So for us it is manning of the fleet, manning at sea; it is about providing them the equipment, the training, and the support so they are ready to do their job when asked.

And of course, as you know, we are out there in a big way right now and so having that—having to trade, if you will, some of the personnel accounts on one side—pay and compensation for—in favor of those things that support training and readiness is part of our budget submission.

Mr. WILSON. Thank you, Admiral.

General.

General COX. From the Air Force perspective, clearly it is agreed completely with the slowing of the growth to make certain we can balance readiness, modernization, and the readiness together to make sure that we have all those pieces tied together. And we need to make sure that we look at it from a holistic—all of the factions—

this issue of pay and benefits—together to make sure that we get the right decision on this.

Mr. WILSON. Ms. Murray.

Mrs. MURRAY. Sir, we have had to make some very difficult decisions, as you know, as we work through this fiscal environment. I echo what my colleagues have said here on the panel.

I would just emphasize, our Marines do enjoy a good quality of life. Our families love being in the Marine Corps family.

Most of all, they want the right equipment to go to war, they want to be trained, and they want to be ready. And we have found that that is the overriding desire of our Marines.

Thank you.

Mr. WILSON. As I conclude, I would like to thank each of you, but I speak for myself, I am concerned about the quality of life for our service members, and particularly on the commissaries. This is a way forward, have a worldwide system where you have dependents and also spouses who can find employment, and I am very, very concerned.

And I don't want to pit anybody against each other. The primary function of our national government should be national defense.

Mrs. Davis.

Mrs. DAVIS. Thank you, Mr. Chairman.

Ms. Wright, I wonder if you could share with us a little bit—and I think the services are obviously here to respond, as well—how much input the services had in this decisionmaking and how. I mean, how was that done?

And I am also interested in knowing whether the personnel surveys that are done—the role that they play. How much input, again, into the Comptroller and others did those services have? Could you share some of that with us?

And I would ask the services, as well, you know, did they feel that sufficient time and effort, or how would you have done it differently?

Ms. WRIGHT. The Comptroller led the charge for the budget with the Deputy Secretary of Defense, but it was negotiated with all of the services; it was negotiated with the Chairman of the Joint Chiefs; it was negotiated with the service secretaries and with the service chiefs in multiple tanks that they have at multiple levels.

So I was in contact all the time with the Joint Staff, and the Joint Staff in my particular realm was in contact with me. And I would say that is how, across the Department, that it worked.

Mrs. DAVIS. Were there some areas that really jumped out—and as you said, it was negotiated—where were some of the key challenges?

Ms. WRIGHT. These, from beginning to end, were very, very hard, laborious choices to make. And we had to make them based upon—based upon the money at hand and based upon what we needed to do to balance the entire Department, not to focus particularly on compensation and leave training and readiness out. But we needed to make a holistic approach so that, one, the family and the service member would not suffer on the side of compensation, but also the service member would be trained and well-equipped to do what we ask them to do and to provide them the ability to do their job. It

is a different environment, as you know, and it was just very, very difficult.

So again, even in my realm, I have a young lieutenant as a son, and so would he like to get paid more? Yes. But also, would he like to be able to do the training that he is trained to do as an infantry officer? Yes. So that balance is hard to achieve.

Mrs. DAVIS. Thank you.

Yes. Please.

General BROMBERG. Yes, ma'am.

Mrs. DAVIS. General Bromberg.

General BROMBERG. We were included in the discussions at several levels, as Ms. Wright indicated. I think these are just extremely hard choices, and particularly for the Army as we are drawing down, potentially, with full sequestration, up to 420,000. That balance between end strength, modernization, and readiness is actually critical.

So we are kind of in this box that we have to go to do something to slow the compensation. We don't want to take money out of people's pockets but we have to do something to maintain that readiness.

As you are very well aware, ma'am, you know, we are still deploying people to Afghanistan as we speak. We just can't continue this without some kind of change. And unfortunately, this is the areas we have to start looking at.

Mrs. DAVIS. Could you speak to this quickly, and we will go to the admiral, in terms of the personnel surveys, what role they played? Are these areas that families have said, "We don't—we are not as concerned about these areas particularly"?

General BROMBERG. We do use the surveys for feedback, and part of that challenges is the timing of those surveys because they just see what is in the paper, they don't see how we are actually trying to restructure services and don't know exactly the full extent yet. I think as we get to the full extent of what those real savings are or what those real expenses are we will have to watch that very carefully.

Mrs. DAVIS. Admiral.

Admiral MORAN. Yes, ma'am. We also were very much involved in the process.

And I think at the beginning when we were showed the long view of the unsustainable rate of growth in some of our pay and compensation packages, we all knew that it was necessary to slow that growth, and I think that has been well articulated here. But we do use survey data to help inform how we approach our arguments in those sessions and we have used that.

But again, principally I think our sailors and their families are pretty satisfied with their quality of life, meaning their pay and compensation, but are concerned about the readiness-degraders that have been evident over the last year, and that has been the primary approach that we took in the budget.

Mrs. DAVIS. General.

General COX. Ma'am, like my colleagues, the Air Force certainly has been included in some of the discussions associated with in extraordinary times with the budget environment that we face, the

fact that, you know, last year we grounded 31 fighter squadrons. It is significant.

We need to make sure that we are focused on readiness today and readiness for the future, as well. So we, like the other services, also use surveys to help us inform us as we are making decisions about what programs to keep or not keep.

Mrs. DAVIS. All right. Thank you.

Thank you, Mr. Chairman.

Mr. WILSON. Thank you, Mrs. Davis.

We now proceed to Congressman Walter Jones, of North Carolina.

Mr. JONES. Mr. Chairman, thank you very much.

And we all know that with this tight budget situation and the downsizing of all of our services to a certain point that this creates a very difficult time for those in uniform who have given so much for our Nation and their families because all of a sudden they are going from a military lifestyle to a civilian lifestyle.

And I am going to start—this is for each one of you, but I am going to start with Ms. Murray because we have had several marines from Camp Lejeune to contact our district office in North Carolina concerned about the amount of time—or I should say the lack of time that they have had between being notified that they are going to be honorably discharged and the period of time that they have to go through the process to retire. And I would like to know, on behalf of the marines down in my district as well as the other services, give us an example of, if you can, of how that process works.

Marine Jones have been notified, "You will no longer be serving in the Marine Corps. We thank you and this is the end of your service." So then I have a process that I have to go through, and it is not an easy process, as any of us would know before the time is that you will be retired from the Marine Corps.

Okay, if they still between—in that period of time, if they still have duties to do then it makes it very difficult for the individual and their families to make—to juggle everything that needs to be done.

So would you tell us how the Marine Corps, and then if we have time, go through each service, as how you are handling this very traumatic time for that individual who has now been told, "we no longer need your service"?

Mrs. MURRAY. Thank you very much for that question. I understand that that is traumatic for any military member who wants to remain and yet finds that they are going to go home.

We have revamped our transition assistance program in the last year. It used to be an event that happened very, very soon before they left Active Duty and now they have up to a year to transition. But we do have—our commanders must ensure that the marines have an opportunity to participate in the transition assistance.

And the program, by the way, we believe, has now—it is not a one-size-fit-all. There are four pathways. So those marines must be allowed to go to training and they have an opportunity to pursue a pathway that will take them to education, being able to use the post-9/11 GI bill. If they want to be an entrepreneur there is a pathway for that. I think you are probably familiar with those.

More specifically though to your question, the commanders are given the responsibility to ensure that marine has that opportunity. And if you have any specific examples that you want to give me I will be happy to look into that because that opportunity is critical for our marines. We value their service. We want to help them move on and be productive citizens in this great Nation.

Mr. JONES. Thank you.

General COX. For the Air Force, one of the things that the secretary and the chief have committed to is before any involuntary separation you will be at least notified with 6 months of planning time, and then beyond that, 4 months from the date of the separation, directed separation, before you are out of the service.

We have voluntary programs that precede all of the involuntary programs to make sure that that is in place. And then on top of that we also have a more robust transition program, just like the Marine Corps in many ways, with multiple pathways to make sure that the training is done.

When it is time for them to do the transition course—when it is time to do the transition course, that is their place of duty. So we make sure that we have that, sir.

Admiral MORAN. Sir, I agree with everything that has been said. The Navy is very much in the same position in terms of how we treat sailors that have been notified they are leaving the service.

I would only add that I think we have all experienced some tremendous partnerships with organizations outside of the military services that are offering their assistance and help to place sailors and veterans who are looking for jobs in—on the outside and matching their skill sets to those jobs. There is a very robust effort across the services, and I think we are finding that to be very helpful for sailors.

Mr. JONES. Thank you.

General BROMBERG. Sir, very much in line with the other services, with our policies the shortest amount of time anybody would have notification would be 6 months, as required by law, for those that are—have selected early retirement. For NCOs [noncommissioned officers] there is—by policy we have up to 12 months to transition. Transitions are in place of duty. Commanders run the program—great partnerships, as well.

Mr. JONES. Thank you very much, Mr. Chairman. I yield back.

Mr. WILSON. Thank you very much.

We now proceed to Congresswoman Madeleine Bordallo, of Guam.

Ms. BORDALLO. Thank you very much, Mr. Chairman.

Secretary Wright, General Bromberg, General Cox, Admiral Moran, and Ms. Murray, thank you for appearing today.

You are all charged with the challenging mission of operating military personnel programs in a difficult time with the current fiscal climate. It was recently brought to my attention in my office that the U.S. Army and the U.S. Navy may be allowing service members to be honorably discharged without fulfilling their Active Duty service commitments [ADSC] in reference to the post-9/11 GI bill.

Now, in the cases I have seen, service members apply to retire or separate and the services allows them to. Then 6 months later,

after these service members have been told, "You have met all your obligations and you are free to leave," they receive a bill for the outstanding amount owed. Now, if they had just served a few weeks or maybe a month more this would not be the case, but they were not told that.

I got some initial information from the Army about this matter. In fact, I have a name of a Guam Army soldier here who went through this and I think he only had a couple more weeks, if he had been told, and he now owes $84,000.

I remain concerned that people are slipping through the cracks somehow. They may be case-by-case issues but I am fearful that there is a bigger problem that we need to address.

So my question for General Bromberg and Admiral Moran is, what steps do you have in place to ensure that service members do not depart without fulfilling their ADSC? Were you aware that this was an issue and what are you going to do about it?

General BROMBERG. Yes, ma'am. Thanks for that question.

We do have a process in place for service remaining obligations upon out-processing that is supposed to be caught, and then we have a process for waivers. With respect to the post-9/11 GI bill, I have not heard of that specific case yet but I will take that for the record and I will get back with you and I will go re-look at our procedures.

[The information referred to can be found in the Appendix on page 183.]

I do know that we have had it for tuition assistance and other types of things that we control that we have granted waivers for, so I see those all the time, but I have not seen one for the GI bill so I will definitely follow up with you on that.

Ms. BORDALLO. General.

Admiral MORAN. Ma'am, I will do the same thing. I have been in the job 6 months, haven't seen one of those come forward. And so I am concerned because you raised the issue and I am happy to get back to you on that.

[The information referred to can be found in the Appendix beginning on page 183.]

Ms. BORDALLO. And I can give you further information on this particular case. The results were another one that owes $104,000. And let's face it: That kind of money a veteran can't come up with.

General Cox, you formerly served at Transportation Command so I trust you are familiar with the Global POV [privately owned vehicle] Contract, and given your current role, that you are familiar with how important the safe, efficient, and effective shipment of POVs is for the morale of airmen, soldiers, sailors, and marines. So after 15 years of excellent service by the incumbent, a new contractor that appears to have little or no prior experience in this area will assume responsibility for the movement of privately owned vehicles for the military as soon as May 1st.

Now, what is being done by the Air Force—and for that matter, all of the services—to ensure that there is no degradation in service or quality of life for our service members?

General COX. Ma'am, I will have to take that one for the record—the specifics of the POV contract.

[The information referred to can be found in the Appendix on page 184.]

Ms. BORDALLO. All right.

Mr. Chairman, I yield back.

Mr. WILSON. Thank you, Ms. Bordallo.

We now proceed to Congressman Dr. Joe Heck, of Nevada.

Dr. HECK. Thanks, Mr. Chairman.

Thanks, all of you, for being here today.

You know, I know you have talked a little bit about trying to balance the pay and compensation versus the readiness and training and equipment, and I think that is something that we are going to hear more of. I mean, we talk about not wanting to break—you know, keep the faith with our soldiers or promises made are promises kept, but keeping faith may take on a new definition as we move forward.

Does it mean the old definition, which was primarily pay and benefits, or is it going to mean making sure that the person we send off to battle is appropriately trained and equipped? Or is it going to be someplace in between?

My concern is that, you know, we have the Military Retirement and Compensation Modernization Commission out there that is supposed to be looking at this very issue. It is due back to Congress February of 2015 with its recommendations.

But DOD [Department of Defense] is moving down a path of making changes prior to the information that is supposed to be collected by this commission. So whether it is changes in BAH [Basic Housing Allowance], the commissary surcharge, health care premiums and copays, or keeping a pay raise at something less than the EIC, it seems like DOD is wanting to make changes prior to getting the information from the commission.

Why aren't we waiting? Why aren't we waiting for this group that is going out and holding stakeholder meetings, that is supposed to come back with an objective view of how we need to modernize compensation and retirement, before we start nickeling and diming all these programs?

Ms. WRIGHT. Sir, thank you. So the decisions that we have made so far, or in DOD, we believe that we have the sufficient analysis and rigor to make the decisions on TRICARE, BAH, commissaries.

We also understand that we don't have the sufficient rigor to make the decision on retirement and we have sent four options to the commission, to Mr. Maldon, excuse me—for the retirement options. And so we haven't submitted anything on a modernization or a change in retirement because we really need him and his commission to analyze what we have sent and/or come up with another option or recommendation that we can take a look at to modernize retirement.

But on those decisions that are in the budget, we believe that we really have analyzed them and that it is appropriate to submit them at this time.

Dr. HECK. So even though it is called the Military Retirement and Compensation Modernization Commission, you believe that you can go ahead with changes—I mean, would you consider health care benefits a form of compensation?

Ms. WRIGHT. Yes, sir. That is——

Dr. HECK. Is the surcharge to a commissary a form of compensation?

Ms. WRIGHT. It is compensation and benefits, yes——

Dr. HECK. Okay. So yet, we, this body empaneled a commission to comprehensively look at these issues, to come back with recommendations, and what happens in 2015 when they come back and they have a whole host of recommendations that might be contrary to what is being put forward now, EIC at less or a pay raise less than EIC for the second year in a row?

Ms. WRIGHT. And sir, if we have to tweak our recommendations or change our recommendations or if we find out what we have done is contrary to what we thought it would produce, we will change. I mean, our going-in proposition is to provide benefits to the service member and the family, but also to keep them trained and well-equipped so they can do their job.

Dr. HECK. And I understand, you know, the position you are in. You are in that position because of what we have done in this body.

Ms. WRIGHT. Yes, sir.

Dr. HECK. In full disclosure, I mean, we are the ones that gave you the parameters in which you have to operate.

But in seeing that, that is why the Armed Services Committee went forward with putting forward this commission to try to come back with what would be a holistic approach from an outside group—I mean, let's—you know, not doubting anybody's rigor in analysis, but having an outside entity review this rather than a set of internal eyes on how changes should be made would probably offer a little bit more comfort to those that ultimately have to make these decisions when we vote here.

And I am just concerned that you are moving down a path, whether it is with TRICARE premiums and copays, or changes to BAH, or other things that are considered compensation, prior to the committee's getting the recommendations from the commission.

So thank you, Mr. Chair. I yield back.

Mr. WILSON. Thank you, Dr. Heck.

And we now proceed to Congresswoman Niki Tsongas, of Massachusetts.

Ms. TSONGAS. Thank you, Mr. Chair.

I would like to follow up a little on what Congressman Heck has commented upon, that sort of some of the piecemeal decisions that you have made for, you know apparently good reasons, you know, you have suggested there was adequate rigor, you are very mindful of how to maintain the readiness of those who continue to serve and need to be prepared. But I think we all know that, given that the commission might come forward with slightly different recommendations, the lack of certainty creates a lot of turmoil in the families of those serving and of our service members.

So it is just a note to you that sometimes a holistic approach works better, in which there is more clarity, more certainty, and everybody understands what the rules of the road are going to be for a discrete and certain period of time.

Can you imagine that next year you might have additional proposals to make as to how to curtail some of the compensation benefits that you have already talked about?

Ms. WRIGHT. Ma'am, to paraphrase what the chairman has said is, instead of doing a Band-Aid approach, where we kind of do compensation around the edges—compensation and benefits—we wanted to go in with a holistic package to then understand that this is what we would like to do for compensation and benefits so we can take that balance and use it for readiness.

And you just heard, excuse me, General Cox say that they grounded so many fighter squadrons in 2013. To bring that training up to a level where their readiness is sufficient takes a very long time. If we don't use the money that we can get from that balanced approach then we will never get those fighter pilots to the proficiency that we need to get them to perform the mission that we are asking them to perform.

So I know I keep saying balance, but unfortunately, there is—I can't find a better word. It is that balance of quality of life and quality of service.

I don't know if anybody would like to add particularly how the readiness in 2013 affects the decisions we are making today.

General BROMBERG. So as we are building readiness, for example, ma'am, we canceled seven combat training, seven rotations this year. It is really degrading the near-term readiness. And we are also inactivating units at the same time.

So that friction that we are creating, it takes us so long to build that back. We have got to make these nearer-term savings in the next couple years, otherwise we are going to dig ourselves into a hole that we are just not going to be able to get out of well past 2020. And then when the full sequestration goes into effect, we are going to dig deeper and deeper.

So we see ourselves eroding current readiness today and mortgaging our future, and we think that is just really very concerning to us as we mortgage the future. We just know that we cannot do that, particularly when we look at the uncertain environment we are in today. If we are asked to do something else next year we cannot afford to send an unready unit.

Admiral MORAN. Ma'am, all I would add to that is that we had several things we had to cancel or delay, like ship deployments and shutting down air wings or bringing them back to tactical hard deck, which is minimal proficiency, just to be safe. Those things have rippling effects in morale; they have rippling effects in readiness.

So I would also add that last year we had authorities left for us to use other money to help offset some of those. We ran out of all that for this year, so that is why this year the choices for this budget were particularly hard.

And so you ask why we go forward with those choices, it is because there is nowhere else to go, in our view. And so the trades had to be made, that balance across readiness and training with pay and compensation.

Ms. TSONGAS. Thank you.

General COX. Yes, ma'am, I have already highlighted the fact of the grounded squadrons from last year. You know, as we look there is—over the course of the last 13 years there is a wide spectrum of things that we have accomplished over in Afghanistan and Iraq and other parts of the world, other conflicts that have taken place.

There is a much bigger spectrum that we are expected to be able to manage, and that includes operating in a non-permissive environment. Those are the kinds of things that we have got to invest in to make sure that we are ready into the future, as well. So that balance, as we have talked about at length here, is really important.

Mrs. MURRAY. Ma'am, thank you for the opportunity to comment on that.

I would echo everything that we have said here. For the Marine Corps I would add reset is significant based on our many years at war. Our equipment reset is critical. Our Commandant recognized we can't wait for a few more years; we must support these initiatives that have gone forward.

And I would also add, recruiting and retention is very high in the Marine Corps. We have today many, many packages, requests from marines who want to reenlist.

They know. They read. They understand what is happening and they are making a decision. It is a tough one for all of us. They want to stay. They want to serve. They want to bear the title "Marine."

And so we are not having any problem today—we watch that carefully, but we are not having any problem today recruiting and retaining the force we need for the future. Thank you.

Ms. TSONGAS. So the gist of it really is that the near-term exigencies of maintaining readiness, the fact that you felt you had sufficient reliable information to make some of these piecemeal changes, forced a decision that you may yet be forced to revisit once the commission comes back.

Thank you.

Mr. WILSON. Thank you, Ms. Tsongas.

We now proceed to Congressman Austin Scott, of Georgia.

Mr. SCOTT. Thank you, Mr. Chairman.

Ladies and gentlemen, thank you for being here. And sit here and I know Americans are scratching their heads that we are trying to balance between promises we made to veterans and equipping and training our men and women in uniform, and yet we can't get the votes to get rid of free cell phones up here, and it is just—that is the perfect example of us having our priorities out of order I think.

But I thank you for your service and I am proud to represent both Robins Air Force Base and Moody Air Force Base in Georgia, and I am concerned about the impact of the cuts not only on our uniformed personnel but on our civilian workforce. Obviously the people that prepare the equipment for the warfighter play a valuable and important role in sustaining the missions.

I believe there has got to balance. I think we need our organic capabilities and I think we need our private contractors to provide weapon systems for us.

But our civilians as a part of the workforce—the depots, the arsenals, and the other roles that they play in management and acquisition—some proposals were put out a couple of weeks ago that said that we would just arbitrarily eliminate 15 percent of the civilian workforce, and I am extremely concerned about these arbitrary

cuts the way we did sequester and the effect that they would have on readiness.

If that arbitrary cut were put in place, do each of you believe that it would jeopardize readiness to just do an across-the-board 15 percent reduction in the civilian workforce in the depots and the arsenals? And what would happen to the acquisition and the procurement process if we just did an arbitrary 15 percent across-the-board cut?

Ms. WRIGHT. Sir, I will tell you as the chief personnelist, I really, truly value our civilian employees, whether they work in the Pentagon or whether they work outside the District of Washington. And we could not do as a military what we do without our civilian employees, and truly, without our contractors. But again, that is the personnel pie that makes our DOD work.

Without a lot of rigor in analysis I couldn't tell you what a 15 percent salami-slice cut would do. I personally don't believe in a salami slice—yes sir, you——

Mr. SCOTT. Ma'am, 15 percent might be closer to a ham than instead of a salami.

Ms. WRIGHT. It may be closer to a ham, yes sir. Fifteen percent is a very large—a large portion.

And some will say that during this period of protracted war we have increased in our civilians, and we have. That is just a math issue. We have.

But we have also increased programs and policies and benefits to our military members that require those very good civilians to do their job, to maintain the ships, to maintain the tanks. So from a personnelist standpoint and a DOD perspective, I think our civilians are truly worth their weight in gold and we need to be very, very circumspect of how we manage them.

I will let the——

Mr. SCOTT. Ma'am, if I may, I am down to just over a minute, I would like to go to General Cox just because of my representation of the Air Force base.

The cuts to the civilian workforce, just 15 percent across the board, what does that do to depots and to the readiness?

General COX. Sir, as you have highlighted, many of the things that you addressed in your statement or comments—you know, that the acquisition process, the contracting, the, you know, fixing airplanes, launching airplanes, our civilian workforce is critical to make all that happen. A 15 percent cut across the board for the United States Air Force would be something like 27,000 civilian personnel let go. It would have a significant impact for United States Air Force.

Mr. SCOTT. Thank you.

And, Mr. Chairman, I yield the remainder of my time.

Mr. WILSON. Thank you, Congressman Scott.

We now proceed to Congressman Dr. Brad Wenstrup, of Ohio.

Dr. WENSTRUP. Thank you, Mr. Chairman.

And thank you all for being here and taking on these difficult tasks.

One of the things that I think that would be extremely difficult in your jobs right now is involuntary separation. As was mentioned, I know marines and soldiers and airmen, seamen, they all

are proud to wear the uniforms that they wear and many of them do not want to separate. So you have the unenviable task of involuntary separation in a lot of cases.

So for example, I am familiar with the qualitative separation program and the Officer Separation Board, but could you take me through that, how you are dealing with these separations that aren't willing, especially?

General BROMBERG. Yes, sir. I think the first thing is that we value all the members' service—officer, NCO, and down to the lowest private. Everybody's service is valued, and we are trying to do this in the most transparent way.

So for example, for the Officer Separation Board, even the SERB—the early retirement board for the colonels and lieutenant colonels—every colonel and lieutenant colonel was counseled by a general officer before that board met and they were given an option to voluntarily retire with additional time that would give them more time if they were selected before they even—that board even met.

The same thing for the noncommissioned officers. They are notified ahead of time well in advance of when that is going into effect. They have a chance to review their files. And then for the NCOs—for the 1,100 NCOs we have selected over the last 3 years, those NCOs will be given 12 months to transition from the time they are notified they have to retire or separate.

And we also offer between those between 15 and 20 years of service, if they are selected for separation, the option to go ahead and ask for early retirement as well, and we have takers of that.

So a transparent program, personal counseling, looking people in the face, and with the feedback we have had to date so far has been that that is what is most important, so somebody sits down and talks to them and it is not just somebody faceless where they get a piece of paper in the mail.

Dr. WENSTRUP. I appreciate that effort.

If the other branches would like to——

Admiral MORAN. Sir, fortunately for me, we are in a position where our end strength matches our force structure through the fiscal year defense plan, so we do not foresee having to use involuntary measures as far out as I can look. So we did a significant downsizing earlier last decade and have leveled off and project that we will remain in that position for the next 5 years at least.

Dr. WENSTRUP. So yours are more through natural retirement——

Admiral MORAN. Natural retirement. I think the biggest challenge for us, much like the Marine Corps, is that we have got a lot of sailors who want to stay, so high retention is our greater challenge. It is a good place to be.

Dr. WENSTRUP. Yes, sir.

General COX. Sir, we certainly have had very high retention rates over the course of the last decade. As we bring the force down—it is approximately 16,000 on the active force—16,700 by the end of fiscal year 2015—we have very much focused on the voluntary programs first prior to any involuntary.

In addition to that, we provide incentives for individuals to take the voluntary programs and so it is an approximately 25 percent

add to whatever the normal separation would be. Commanders are involved throughout the process to make sure that folks are informed about where they sit relative to their peers and then whether they should make that family decision to separate for the voluntary or wait and look at the involuntary separation.

Dr. WENSTRUP. Thank you.

Yes, ma'am.

Mrs. MURRAY. I would just add to what we have already heard here. I think that for the Marine Corps we are really emphasizing voluntary attrition.

I will also say that while we have done 2 years of selected early retirement boards for our lieutenant colonel and our colonel population, we have seen that there is behavior modification with that. So it is—that first group it was a shock, and we did all the sort of things that we have talked about: making sure they knew ahead of time, offering them the opportunity to choose their retirement date, to take the time to do that.

But we found that our lieutenant colonel and our colonel population realize now we are in a new, different world here and they are making the decisions. So this last year's board that we had we selected very few.

We had a requirement to select very few because many of our officers now want to go on their own choice. They have had a wonderful career and they want to leave on their own terms. And that has worked very well for us.

And we are now just this year starting to look at our E–6, our staff sergeant population, and our majors, who prior could have served until 2020. Again, we are making the tough decision. If they are twice passed over for selection we will now consider them as well for continuation board.

But we are only looking at those who would have the opportunity, if selected, to go home to participate in the early retirement program. So in everything that we do our Commandant is emphasizing: keep faith—what that means to us is no rifts, no sending someone home who has been on their A-game without having the opportunity, for instance, as the early retirement program.

Dr. WENSTRUP. Well, I appreciate the thoughtful approach to that situation. Thank you.

I yield back.

Mr. WILSON. Thank you very much, Dr. Wenstrup.

And I have one more question really for the record, and that is for Ms. Wright, and that is, the Department is proposing to reduce the commissary funding by $1 billion over the next 3 years. Approximately 70 percent of the appropriated funding goes to pay the employees, who are significantly military spouses and dependents, but allows the commissaries to provide goods at a cost plus a minimum surcharge, equaling about 30 percent saving for each family during the year.

And my questions, if you could get back with me: How long will the commissaries now operate with the employees' salaries coming out of profits? What do you foresee the 30 percent savings dropping to be? Although you have not directed any commissaries to be closed, depending on the reaction to reduced savings with the respect to volume of patrons in the stores, do you think this will force

stores to close and drive military families and retirees to off-base shopping?

And if you will get back with me it would be fine.

And, Mrs. Davis, did you have——

Ms. WRIGHT. I will, sir. Thanks.

[The information referred to can be found in the Appendix on page 181.]

Mrs. DAVIS. Thank you, Mr. Chairman.

And maybe for the record, as well, just—I think certainly on the TRICARE piece is big shift, big change, and I would like to know what kind of preparation is being done in the services to advise and to work with Active Duty as well as everyone who is affected by that for these changes that are being proposed. And again, these are not decisions that have been made but they are the changes that are being proposed and they have some—quite a bit of significance, particularly because it is a cumulative effect that we are talking about here and I suspect that the health care one is one that is certainly going to be felt.

The chairman mentioned the commissaries, and I think that also is very important. It affects people differently depending upon where they live and how they utilize the commissary, but my suspicion is that this is not something that people identify on questionnaires as something that they would look forward to giving up. I don't think this is—I think people love this benefit and I think that it makes a difference for them, and I suspect if—you know, that is going to be an issue moving forward and so we need to kind of understand that from their responses, as well.

And then finally, I think just looking at the GI bill—the post-9/11 GI bill—and the ramifications, perhaps, of transfer of eligibility rules and how that could impact people going forward and perhaps the fact that they would choose to stay in rather than leave the service even, you know, because of those transfer of eligibility rules—how does that have an impact? Do we need to look at those policies?

Thank you.

Thank you, Mr. Chairman.

[The information referred to can be found in the Appendix beginning on page 181.]

Mr. WILSON. Thank you, Mrs. Davis.

Anyone else?

Hearing no further, the meeting is now adjourned.

[Whereupon, at 4:09 p.m., the subcommittee was adjourned.]

A P P E N D I X

March 25, 2014

PREPARED STATEMENTS SUBMITTED FOR THE RECORD

MARCH 25, 2014

Chairman Wilson Opening Statement
Hearing: Military Personnel Overview
March 25, 2014

Ladies and Gentlemen, the hearing will come to order. Welcome to a meeting of the House Armed Services Subcommittee on Military Personnel. This subcommittee hearing will examine military personnel issues in the Armed Services including force drawdown plans, military health programs, military compensation programs, and other personnel policies and programs.

Today the Subcommittee will turn its attention to the important issue of maintaining an all volunteer force that has experienced almost thirteen years of persistent conflict beginning with the attack on our country on September 11, 2001, by jihadists who have declared war on America. The military is now facing the largest drawdown and most draconian budget reductions since the end of the Cold War. The budgetary requirement for the Department of Defense to significantly reduce spending calls for a leaner and more adaptable force that impacts virtually all defense personnel activities. The President's budget significantly reduces ground and air forces end-strength and slows the growth of compensation and personnel benefits programs for all service members shifting spending to other

programs. Our focus will include actions the services have taken to create efficiencies in personnel programs to include pay and compensation along with the policies and programs that still need to be examined to successfully continue down a path of fiscal responsibility without undermining the readiness of the all volunteer force at a time of unprecedented instability and threats to America from across the world.

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

The subcommittee's goal today is to better understand how the Department of Defense will balance the budgetary realities of today and the future with the readiness and morale and continued success of the all-volunteer force.

Statement of
Representative Susan Davis
Military Personnel Overview
March 25, 2014

Thank you, Mr. Chairman. Let me also welcome our witnesses, Ms. Wright, General Bromberg, General Cox, Admiral Moran and Ms. Murray. We appreciate your statements on the fiscal year 2015 budget request for military personnel, and look forward to discussing your analysis of how the proposed budget changes being sought impacts our military personnel and their families.

Several years ago, when we held a similar hearing, I mentioned the difficulty we will face as budget decline and difficult decisions would have to be made. While many of the Services have made good faith efforts to fund quality of life programs for service members and their families in the base budget, sequestration has put all these plans into turmoil.

So now we are faced with several significant proposed changes, from a limit to the pay increase required by the law, to an increase in out-of-pocket costs for housing allowance, to significantly changing the military health care system and removing appropriated support for commissaries. While the Chief had indicated that the Services did not want to piece meal this

effort, it would seem to me, just the start of major changes to personnel programs. While I am sympathetic to the challenges that the Services are facing under sequestration, I will need to better understand the reasoning and the business case analysis that went into these proposal and the actually impact they will have on families. In particular, I am concerned that these decisions did not take into account the views and desires of our military personnel and their families,

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

PREPARED STATEMENT

OF

THE HONORABLE JESSICA L. WRIGHT

ACTING UNDER SECRETARY OF DEFENSE FOR PERSONNEL AND READINESS

BEFORE THE

HOUSE ARMED SERVICES COMMITTEE

MILITARY PERSONNEL SUBCOMMITTEE

MARCH 25, 2014

Chairman Wilson, Ranking Member Davis, 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 (FY) 2015 budget request. The FY 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 OIF and OEF 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 FY 2014 reflected the Services' plans for recovering these full-spectrum capabilities over the next five years. Sequestration in FY 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 FY 2013.

The Bipartisan Budget Act (BBA) of 2013 unquestionably stemmed this readiness decline. The FY 2014 enacted appropriations targeted the most pronounced shortfalls, especially in the areas of training and maintenance. However, FY 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 FY 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. FY 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 FY2015, 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 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 FY 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 FY 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 FY 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 FY 2015 at 323,600, while the Reserve declines slightly to 57,300.

Pay Increase (except GO/FO for one year)

The FY 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)

The Department 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 Service member'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. Service members 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 three years. Our plan does not direct the closure of any commissary. Under this plan overseas commissaries and those in remote 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 FY 2015 National Defense Authorization Act to implement the adjustments.

The Department 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 Service members, 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.

Service members 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 U.S. 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 Service members 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 Service members 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. The Department 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 FY 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, the Department 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.

FY 2013 was a successful recruiting year. All but two of the components achieved FY 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, the Department recruited 276,210 new enlisted members for the Total Military force in FY 2013. The Department also met or exceeded both of the established benchmarks for new recruits in FY 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 FY 2014, all Services except Army Reserve have met or exceed recruiting quantity and quality objectives year-to-date.

The recruiting market is changing and the Department'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.

FY 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 FY 2012 and 2013. The aggregate fiscal-year-to-date departmental attrition rate was 5.97 percent in FY 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 Service members. 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 special 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 (RC) offers the opportunity to preserve military capability and capacity at reduced cost. Keeping the RC prepared through periodic deployments adds value to the military by maintaining Guard and Reserve readiness, augmenting the Active Component (AC), and providing force structure options in our resource constrained environment.

Recently passed legislation has enabled the Services to program the operational use of the RC 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. RC units and Service members have answered the call globally and in significant domestic crises. The systems for producing ready Active Component (AC) and Reserve Component (RC) 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 RC.

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 RC, specifically, where associate units share equipment and facilities and maintain readiness to identical standards. Across the Services, there are opportunities to further integrate RC into AC 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 RC.

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 – elements that reduce satisfaction, reduce timely access to care and increase costs. Other design

elements provide no financial 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, fourteen 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 four years, the Department 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, the Department 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 FY 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 Service member, 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 one-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

The Department considers the behavioral health of its Service members and their families a top priority. The TRICARE plan provides a generous and comprehensive mental health benefit for Active Duty, Reserve and Guard Service members, 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 Service members 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. The Department 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 Service members 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 three years.

The Department 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-9/11 PTSD cases have provided unprecedented levels of protections for our affected Service members. 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

The Department 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 outreach, 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 (LDTs)

The Department 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 Service Members

We have made great strides towards improving the disability evaluation of our wounded, ill, and injured Service members. In 2007, DoD and VA created the Integrated Disability Evaluation System (IDES) to provide Service members 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% of Service members 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 (EHR)

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 ten 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%), and Reserve Component deaths from suicides showing a slight increase (~5%). 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 Servicemen 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 FY 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 FY 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 FY 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 SECDEF Initiatives

In addition to the work of Congress, the Department 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

As you know, the Department 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. The Department has comparable unwanted sexual contact rates for 2006, 2010, and 2012. In FY 2014, the Department 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 Service members, 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 Service members and their families.

Military Retirement System

While not part of the Department's FY 2015 proposals, the Department completed its two-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 the 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 Service members currently serving and current retirees.

Women in the Services:

The Department is proceeding in a measured, deliberate, and responsible manner to implement changes that will enable Service members 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 (USSOCOM) are conducting thorough doctrine, training, education, facilities, and policy analyses to ensure deliberate and responsible implementation. The Department 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, the Department 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 two years.

Religious Accommodation

The Department has the responsibility to safeguard the First Amendment rights and the free exercise of religion for all military personnel. The Department 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, the Department 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 Service members 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, the Department 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 Service members, their rights are also protected in DoD Instruction 1300.17.

In summary, Department 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 Service members 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 the Department and provide

guidance to the Services to ensure consistency. Each year, a third of our Service members enroll in post-secondary education courses leading to associates, bachelors and advanced degrees. During FY 2013 we saw over 827,000 course enrollments, and more than 55,000 Service members earn degrees and certifications. This statistic has held steady over the previous few years.

Ensuring the quality of education provided our Service members is essential to the Department. 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 (DOE). The implementation of the requirements in Executive Order 13607 makes it easier for Service members 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, DOE 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 Postsecondary Education Complaint System (PECS) 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 Service members 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 Service members and effectively delivering voluntary education programs that meet the changing needs of the military.

Support for Military Families with Special Needs

The Department 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 Service Member and Family Support – Efficiencies and Transformation

The Task Force on Common Services for Service Member and Family Support Programs conducted a joint one-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 Service members transition successfully to civilian careers and veteran status. Transition assistance is a vital to aiding our Service members, 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 Service members 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

The Department, 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 Service members 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 Service member's goals and interests.

Transition GPS is now also accessible virtually to all Service members 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 Service members 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 Service member's final months of Service, this model will provide our Service members 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 (RC) community. Through FY 2013, YRRP has served 1,326,758 Service members and families through 10,382 events hosted by the RCs. 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. And 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. The Department is committed to our Service members' 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.

Jessica L. (Garfola) Wright

Acting Under Secretary of Defense for Personnel and Readiness

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

She is the senior policy advisor to the Secretary of Defense on recruitment, career development, pay and benefits for 1.4 million active duty military personnel, 1.1 million Guard and Reserve personnel, 680,000 DoD civilians, and is responsible for overseeing the overall state of military readiness.

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

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

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

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

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

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

She is married to retired Lieutenant Colonel Charles Wright. They have one son, Mike, who was commissioned as a Second Lieutenant in May 2012.

RECORD VERSION

STATEMENT BY

LTG HOWARD B. BROMBERG

DEPUTY CHIEF OF STAFF, G-1

UNITED STATES ARMY

BEFORE THE

PERSONNEL SUBCOMMITTEE

HOUSE ARMED SERVICES COMMITTEE

SECOND SESSION, 113TH CONGRESS

ON ACTIVE, GUARD, RESERVE AND CIVILIAN PERSONNEL PROGRAMS

MARCH 25, 2014

NOT FOR PUBLICATION UNTIL RELEASED BY THE

HOUSE ARMED SERVICES COMMITTEE

Introduction

Chairman Wilson, Congresswoman Davis, Distinguished Members of this Committee, I thank you for the opportunity to appear before you on behalf of America's Army. As the United States 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 FY15. 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 / Endstrength

Under the provisions of the FY15 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 United States Army Reserve (USAR) by FY17. 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 FY16, 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 FY19. 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 FY12 and FY13 National Defense Authorization Acts 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 1100 non-commissioned 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 draw down 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 17-24 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 FY13. The ARNG achieved 86% of their FY13 retention mission. The Guard is on track to achieve the FY14 reenlistment mission due to rejuvenated emphasis on retention by senior leadership, streamlined retention counseling and other business processes.

The active component (AC) achieved its FY13 recruiting mission and accessed more than 98% high school diploma graduates, with the lowest number of Armed Forces Qualification Test Category IV enlistments ever, at just .17%. The Army also achieved over 99% of requirements for each Military Occupational Specialty. In addition, 62.4% of recruits scored between 50-99% on the Armed Forces Qualification Test, exceeding the DoD standard of 60%, while recruits who scored in the lower range (30% and below) were at a record low in FY13 of 1.2%.

Although we are currently on track to achieve the FY14 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 (RC) 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 FY14, the combined Active and Reserve Components will spend slightly over $528M in enlistment and retention incentives (bonuses, loan repayment and college kickers). This is a sharp reduction over the last three years. In 2012, the Army paid $1.08B in incentives, and in 2013 we paid $838M. Further, as a result of prior year success, the percentage of Active Army recruits receiving a bonus dropped from over 62% of all recruits in FY09 to 3% in FY13.

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 FY14, 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 re-size and re-shape 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 three 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 talented 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 FY10, down to an estimated 263,000 by the end of FY15, with additional reductions projected through FY19. 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 five 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 (TAP), known as the Army Career and Alumni Program, or 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 FY14-15 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 FY13, 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 Pre-separation counseling, including attending two 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 United States 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% 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 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 O5 and O6 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 FY13, there were 2,149 reports of sexual assault, representing an increase of 51% over FY12 numbers (85% were restricted; 15% 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 FY13, approximately 5.3% of sexual assault reports from Soldiers were for incidents that occurred prior to their military service. In FY12, the reporting of sexual assaults prior to military service was 2%. Additionally, in FY13 more than 15% 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 FY14, with the intent of standing up a permanent schoolhouse at the end of FY14 or beginning of FY15. 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 eight-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 Non-Commissioned 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 FY13, 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% 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 FY13, the Army has processed more than 40,500 cases through the Disability Evaluation System. Of the completed cases, 3% returned to duty; 67% were separated; and 30% 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% of all MEB cases were completed within joint DoD/VA IDES standards, compared to 35% 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 FY13 increased the number of Veterans on the Army's Temporary Disability Retired List (TDRL) from 12,079 at the close of FY12 to 17,177 at the close of January 2014. Historically greater than 98% 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 FY13, 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 FY13, 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 FY14, 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 Service members (Army Study to Assess Risk and Resilience in Service members, or 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 (CHPC) 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 FY12 to 9,625 in FY13. Positive screens for illicit drug use have increased very slightly (1.16% in FY12 vs. 1.21% in FY13). 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 four-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.

Chairman Wilson, Congresswoman Davis 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.

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

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

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

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

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

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

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

NOT FOR PUBLICATION
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HOUSE ARMED SERVICES COMMITTEE

STATEMENT OF

VICE ADMIRAL WILLIAM F. MORAN, U.S. NAVY

CHIEF OF NAVAL PERSONNEL

AND

DEPUTY CHIEF OF NAVAL OPERATIONS

(MANPOWER, PERSONNEL, TRAINING & EDUCATION)

BEFORE THE

SUBCOMMITTEE ON MILITARY PERSONNEL

OF THE

HOUSE ARMED SERVICES COMMITTEE

ON

MILITARY PERSONNEL OVERVIEW

MARCH 25, 2014

NOT FOR PUBLICATION
UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

Deputy Chief of Naval Operations
(Manpower, Personnel, Training and Education) (N1)

VICE ADMIRAL
WILLIAM F. "BILL" MORAN

Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (N1) / Chief of Naval Personnel

Vice Adm. Moran, a native of New York, graduated with a Bachelor of Science degree from the United States Naval Academy in 1981 and a master's degree from the National War College in 2006. He assumed duties as the Navy's 57th Chief of Naval Personnel on Aug. 2, 2013. Serving concurrently as the Deputy Chief of Naval Operations (Manpower, Personnel, Training and Education) (N1), he is responsible for the planning and programming of all manpower, personnel, training and education resources for the U.S. Navy. He manages an annual operating budget of $29 billion and leads over 26,000 employees engaged in the recruiting, personnel management, training and development of Navy personnel. His responsibilities include overseeing Navy Recruiting Command, Navy Personnel Command, and Naval Education and Training Command.

A P-3 pilot with operational tours spanning both coasts, he commanded Patrol Squadron 46, Patrol and Reconnaissance Wing 2, and served extensively as an instructor pilot in multiple operational tours and two tours with Patrol Squadron 30. Additional operational tour include staff member for Commander, Carrier Group Six aboard USS *Forrestal* (CVA 59).

Ashore, he served as assistant Washington placement officer and assistant flag officer detailer in the Bureau of Naval Personnel; executive assistant to Commander, U.S. Pacific Command; deputy director, Navy staff; and executive assistant to the Chief of Naval Operations.

As a flag officer, he served as commander, Patrol and Reconnaissance Group and Director, Air Warfare (N98) on the staff of the Chief of Naval Operations.

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

I. INTRODUCTION

Chairman Wilson, Ranking Member Davis, and distinguished members of the Committee, 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 (HADR) 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 transparency; 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 six years, we have consistently succeeded in attracting the Nation's best and brightest to serve in our enlisted ranks. FY2013 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 FY2013, with 84.6 percent of accessions scoring in the upper 50th percentile on the Armed Services Vocational Aptitude Battery (ASVAB), compared with 90.2 percent in FY2012, we continue to exceed 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 (DEP) through Recruit Training Command (RTC), 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 United States 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 war-fighting 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 (NavyCOOL) 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 FY2013, 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 FY2014, 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 FY2013 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 (GFMAP) 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 FY2014.

Retention: We continue to monitor retention behavior closely and expect to meet aggregate enlisted retention goals in FY2014. 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 FY2015, 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 FY2013, 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 FY2015, 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 occupations, 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 Science, Technology, Engineering, and Mathematics (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 eight 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 FY2013, 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, addressing 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 FY2013, 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 (SAPR): 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 Sexual Assault Prevention and Response 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 FY 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 (JAGs) 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 Sexual Assault Prevention and Response 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 (DRC) 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 (VLC) 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 (NADAP) programs support enhanced Fleet, Family, and Personal Readiness through aggressive alcohol abuse and drug abuse prevention. Between January and April 2013, Alcohol Detection Devices (ADDs) 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 (CDC), 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 Department of Defense (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 (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.

CONCLUSION

The President's FY2015 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 United States Navy, and their families, thank you for your sustained commitment and unwavering support.

DEPARTMENT OF THE AIR FORCE

PRESENTATION TO THE SUBCOMMITTEE ON MILITARY PERSONNEL

COMMITTEE ON ARMED SERVICES

UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: HEARINGS TO EXAMINE 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

STATEMENT OF:

LIEUTENANT GENERAL SAMUEL D. COX
DEPUTY CHIEF OF STAFF MANPOWER, PERSONNEL
AND SERVICES UNITED STATES AIR FORCE

MARCH 25, 2014

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

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 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 five 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 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 FY15. The Air Force's total military strength forecast for FY15 will be reduced from 503,400 to 483,000. Our Active Duty (AD) 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 FY15 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 FY13, 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 FY13, 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 FY13. As a result, the Air Force began FY14 approximately 1,200 Airmen over budgeted end strength.

The Air Force would prefer to reduce the force over the FYDP through voluntary measures alone; however, based on continued high retention rates, anticipated force structure levels, and end strength reductions beginning in FY15, we will accelerate our FM programs starting in FY14. Doing so will enable us to fund the additional voluntary incentive programs (Voluntary Separation Pay (VSP) and TERA) needed to meet end strength.

Planned FY14 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 – Cols and Lt Cols in select AFSCs) to support meeting FY14 end strength mandates by the end of the fiscal year.

Projected FY15 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 FY14 FM programs in FY15, along with the addition of Quality Force Review Boards (enlisted); E-4 through E-9

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 FY12. Starting in FY12 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 FY13 ~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 FY13, 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 FY13 NDAA mandated "Savings to be Achieved in Civilian Personnel Workforce and Service Contractor Workforce of the Department of Defense" and the FY14 NDAA mandate to streamline the DoD management headquarters staffs beginning in FY15 through FY19, we have no choice other than to continue to shrink the size of our civilian workforce, forcing us to continue civilian FM programs in FY14 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 FY14, 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 FY14 targeted residual FY13 surplus employees and employees impacted by the FY14 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 re-designed 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 service member is ready to transition to the private sector.

The FY 14 and 15 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 (FY13 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 FYs 14 and 15 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 FY13, 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 FY14, 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 FY15 is $14.2M. 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 FY13. 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 FY14 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 FY14 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 FY14 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 FY14/15 FM Programs. In FY13, 55 career fields participated in the SRB program; however, in FY14, only 10 remain eligible, and those remaining are not eligible for voluntary or involuntary FM programs in FY14. These specialties include our Battlefield Airmen, Intelligence, Surveillance and Reconnaissance, and Career

Enlisted Aviator career fields. Our FY14 Officer and Enlisted Critical Skills Retention Budget was $11.8M, focusing on retention of Senior Non-Commissioned Officers and Mid-Career Officers in Special Operations; Battlefield Airmen, Intelligence, and Contracting specialties.

We expect the FY15 budget for all S&I Pay to remain consistent with FY14 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 $232M to $179M. 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 one to eight 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 FY16 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 FY15 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 FY13, 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 FYs 14 and 15, 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 US 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 mission 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 (IDES)

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 service members 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 OSD's 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 Jun 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 Oct 2012 reorganization of Physical Evaluation Board (PEB) under the AFPC Directorate of Airman and Family Care, and the Sep 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 AD 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 (IPEB) 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 service member and reducing TDY expenses from five days down to three 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 service member 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 service member 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 3-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 (AFRISS-TF), 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 FY14);

- 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 (CIPP), 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 service members. 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 (AF-IPPS)

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 1 Sep 14. Utilizing existing technology, Air Reserve Personnel Center (ARPC) and Air Force Personnel Center (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 FY14.

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 Department of Defense 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 seven 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 Airmen, 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 service member'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 service members. 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 Inter-Agency 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 (CAF)

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 Dec 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.

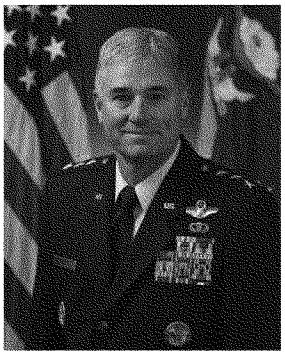
CONCLUSION

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.

BIOGRAPHY

UNITED STATES AIR FORCE

LIEUTENANT GENERAL SAMUEL D. COX



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

General Cox has commanded at the squadron, wing, and operations center levels. During his tenure as the 436th Airlift Wing commander at Dover Air Force Base, Del., the general deployed to Southwest Asia as deputy director of Mobility Forces supporting operations Enduring Freedom and Iraqi Freedom. Shortly after, General Cox was the commandant of cadets, U.S. Air Force Academy, Colorado Springs, Colo., responsible for cadet military training and Airmanship education, supervising cadet life activities, and providing support to facilities and logistics for more than 4,000 cadets and 300 Air Force and civilian personnel. General Cox was the commander, 618th Air and Space Operations Center (Tanker Airlift Control Center), Scott Air Force Base, Ill. He served as the director, Strategy, Policy, Programs, and Logistics (TCJ5/4), USTRANSCOM, Scott AFB, Ill. Prior to his current assignment, he was the director, Operations and Plans (TCJ3), USTRANSCOM, Scott AFB, Ill.

EDUCATION
1984 Bachelor of Science degree, U.S. Air Force Academy, Colorado Springs, Colo.
1990 Squadron Officer School, Maxwell AFB, Ala.
1992 Master of Arts in human resource development, Webster University, St. Louis, Mo.
1996 Air Command and Staff College, Maxwell AFB, Ala.
2001 Air War College, by correspondence
2002 Master of Science degree in national security strategy, National War College, Fort Lesley J. McNair, Washington, D.C.

ASSIGNMENTS
1. June 1984 - May 1985, student, undergraduate pilot training, 14th Flying Training Wing, Columbus AFB, Miss.

2. June 1985 - August 1985, C-141 initial qualification training, 97th Airlift Wing, Altus AFB, Okla.
3. September 1985 - November 1989, pilot scheduler and instructor pilot, 41st Military Airlift Squadron, Charleston AFB, S.C.
4. November 1989 - December 1990, assistant chief of Standardization and Evaluation, 41st Military Airlift Squadron, Charleston AFB, S.C.
5. December 1990 - November 1991, standardization and evaluation pilot, 437th Airlift Wing, Charleston AFB, S.C.
6. November 1991 - May 1993, chief, C-141 Tactics, Directorate of Operations, Headquarters Air Mobility Command, Scott AFB, Ill.
7. May 1993 - July 1994, plans officer, Headquarters Air Mobility Command, Directorate of Plans and Programs, Scott AFB, Ill.
8. July 1994 - August 1996, aide-de-camp for the commander, Air Force Special Operations Command, Hurlburt Field, Fla.
9. August 1996 - June 1997, student, Air Command and Staff College, Maxwell AFB, Ala.
10. June 1997 - November 1998, assistant director of Operations, 17th Airlift Squadron, Charleston AFB, S.C.
11. November 1998 - June 1999, operations officer, 437th Operations Support Squadron, Charleston AFB, S.C.
12. June 1999 - February 2001, commander, 14th Airlift Squadron, Charleston AFB, S.C.
13. February 2001 - August 2001, deputy commander, 437th Operations Group, Charleston AFB, S.C.
14. August 2001 - June 2002, student, National War College, National Defense University, Fort Lesley J. McNair, Washington, D.C.
15. June 2002 - May 2004, deputy executive secretary, Office of the Secretary of Defense, Washington, D.C.
16. May 2004 - May 2005, vice commander, 437th Airlift Wing, Charleston AFB, S.C.
17. May 2005 - May 2007, commander, 436th Airlift Wing, Dover AFB, Del.
18. May 2007 - October 2008, director, Air Force General Officer Management Office, Washington, D.C.
19. October 2008 - July 2010, commandant of cadets, U.S. Air Force Academy, Colorado Springs, Colo.
20. July 2010 - July 2011, commander, 618th Air and Space Operations Center (Tanker Airlift Control Center), Scott Air Force Base, Ill.
21. August 2011 - June 2012, director, Strategy, Policy, Programs, and Logistics (TCJ5/4), USTRANSCOM, Scott Air Force Base, Ill.
22. June 2012 – December 2013, director, Operation and Plans (TCJ3), USTRANSCOM, Scott AFB, Ill.
23. December 2013 – present, Deputy Chief of Staff, Manpower, Personnel and Services, Headquarters U.S. Air Force, Washington D.C.

SUMMARY OF JOINT ASSIGNMENTS
1. June 2002 - May 2004, deputy executive secretary, Office of the Secretary of Defense, Washington, D.C., as a colonel
2. August 2011 - June 2012, director, Strategy, Policy, Programs, and Logistics (TCJ5/4), USTRANSCOM, Scott AFB, Ill., as a brigadier and major general
3. June 2012 - November 2013, director, Operation and Plans (TCJ3), USTRANSCOM, Scott Air Force Base, Ill., as a major general

FLIGHT INFORMATION
Rating: Command pilot
Flight hours: More than 4,600
Aircraft flown: T-37, T-38, C-141, C-17 and C-5

MAJOR AWARDS AND DECORATIONS
Defense Superior Service Medal
Legion of Merit
Meritorious Service Medal with three oak leaf clusters
Air Medal with oak leaf cluster
Aerial Achievement Medal with oak leaf cluster
Air Force Commendation Medal with oak leaf cluster
Joint Service Achievement Medal
Air Force Achievement Medal
Joint Meritorious Unit Award
Air Force Outstanding Unit Award with bronze and two silver oak leaf clusters
Air Force Organizational Excellence Award with two oak leaf clusters
Combat Readiness Medal with two oak leaf clusters
National Defense Service Medal with bronze star
Armed Forces Expeditionary Medal with bronze star
Southwest Asia Service Medal with two bronze stars
Global War on Terrorism Service Medal
Humanitarian Service Medal

EFFECTIVE DATES OF PROMOTION
Second Lieutenant May 30, 1984
First Lieutenant May 30, 1986
Captain May 30, 1988
Major Dec. 1, 1995
Lieutenant Colonel Sept. 1, 1998
Colonel Aug. 1, 2003
Brigadier General Dec. 9, 2008
Major General Jan.13, 2012
Lieutenant General Dec. 3, 2013

(Current as of January 2014)

NOT PUBLIC UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

STATEMENT

OF

MRS. SHERYL E. MURRAY

ASSISTANT DEPUTY COMMANDANT FOR MANPOWER & RESERVE AFFAIRS

UNITED STATES MARINE CORPS

BEFORE THE

SUBCOMMITTEE ON PERSONNEL

OF THE

HOUSE ARMED SERVICES COMMITTEE

CONCERNING

MILITARY PERSONNEL OVERVIEW

ON

MARCH 25, 2014

NOT PUBLIC UNTIL RELEASED BY THE
HOUSE ARMED SERVICES COMMITTEE

I. Introduction

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to appear before you today to 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 three 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 (175K) 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 175K end strength by the end of FY17. 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 FY13 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 FY14 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 FY17. 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 FY14 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, non-commissioned officers (NCO) and staff non-commissioned 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 202K, 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 six years to fix as our post-202K 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 FY15. The FY15 mission forecast is 28,370 regulars and 5,280 reservists.

Our officer accessions mission for FY14 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 FY14, 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 three of the previous four 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 eight 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 one civilian to every ten active duty Marines. Our civilian labor represents less than five 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, thirteen 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% or more, which includes the 20% 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 FY15 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 two-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 war-fighting 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, the 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.

SES Sheryl E. Murray,
Assistant Deputy Commandant, Manpower and Reserve Affairs Department

Mrs. Murray assists the Deputy Commandant for Manpower and Reserve Affairs (DC M&RA) in the operation and management of the M&RA Department, its programs, plans, policies and studies, ensuring integration of all its diverse functions towards accomplishment of the Marine Corps mission. The M&RA Department involves a broad range of functions important to active and reserve component Marines, family members, and Civilian Marines. The M&RA divisions are: Reserve Affairs, Personnel Management, Manpower Plans and Policy, Personal and Family Readiness, Manpower Management Information Systems Support, and the Wounded Warrior Regiment.

Prior to this appointment, she served 34 years as a commissioned officer in the U.S. Marine Corps. Her first assignment was as the Assistant Depot Adjutant and then as a Series Commander, Woman Recruit Training Command, Parris Island, SC. Throughout her military career, she held Manpower and Personnel assignments at myriad Marine Corps commands including: Camp H. M. Smith, Hawaii; Marine Corps Air Station, Okinawa, Japan; Marine Corps Base, Quantico, VA; Marine Corps Base, Camp Lejeune, NC; Second Marine Aircraft Wing, and 3d Force Service Support Group, III Marine Expeditionary Force, Okinawa, Japan.

As a colonel, her assignments included Inspector/Assistant Chief of Staff, G-7, Marine Forces Pacific; Head, Promotion Branch, M&RA; and Deputy Director, Division of Public Affairs. In 2000, she was assigned to the Joint Staff, as the Chief, Personnel Services Division, and then as the Vice Director, J1/ Manpower and Personnel. In 2003, she was assigned as the Deputy Director, Reserve Affairs, M&RA, HQMC. She served as a Military Representative to the Defense Advisory Committee on Women in the Service and from 2001 to 2003 she was the U.S. Delegate to the Women in NATO Committee.

Her command tours include Commanding Officer, Education Center Company, Quantico, VA; Commanding Officer, 4th Recruit Training Battalion, Parris Island, SC; and Commanding Officer, Headquarters and Service Battalion, Marine Forces Pacific. She retired from the Marine Corps in 2006. Mrs. Murray was appointed to her current grade in 2007.

Her civilian education includes a Bachelor of Arts in Political Science, Huron University, and a Masters of Science, Business Administration, Boston University. She graduated from the Marine Corps Amphibious Warfare School, the Marine Corps Command and Staff College, and the Industrial College of the Armed Forces. Her personal awards include the Defense Superior Service Medal, Legion of Merit with two gold stars, Meritorious Service Medal with two gold stars, Navy Marine Corps Commendation Medal, and Navy Marine Corps Achievement Medal.

DOCUMENTS SUBMITTED FOR THE RECORD

MARCH 25, 2014

Statement of
The Fleet Reserve Association
on
Military Personnel Policy, Benefits, and Compensation

Submitted to:
House Armed Services Committee
Military Personnel Subcommittee
March 25, 2014

By

John R. Davis
Director, Legislative Programs
Fleet Reserve Association

The FRA

The Fleet Reserve Association (FRA) will celebrate its 90th anniversary later this year and is the oldest and largest enlisted organization serving active duty, Reserve, retired and veteran members of the Navy, Marine Corps, and Coast Guard. It is congressionally chartered, recognized by the Department of Veterans Affairs (VA) as an accrediting Veteran Service Organization (VSO) for claim representation and entrusted to serve all veterans who seek its help. In 2007, FRA was selected for full membership on the National Veterans' Day Committee.

FRA was established in 1924 and its name is derived from the Navy's program for personnel transferring to the Fleet Reserve or Fleet Marine Corps Reserve after 20 or more years of active duty, but less than 30 years for retirement purposes. During the required period of service in the Fleet Reserve, assigned personnel earn retainer pay and are subject to recall by the Navy.

FRA's mission is to act as the premier "watch dog" organization in maintaining and improving the quality of life for Sea Service personnel and their families. FRA is a leading advocate on Capitol Hill for enlisted active duty, Reserve, retired and veterans of the Sea Services. The Association also sponsors a National Americanism Essay Program and other recognition and relief programs. In addition, the FRA Education Foundation oversees the Association's scholarship program that presents awards totaling nearly $125,000 to deserving students each year.

The Association is also a founding member of The Military Coalition (TMC), a 34-member consortium of military and veteran's organizations. FRA hosts most TMC meetings and members of its staff serve in a number of TMC leadership roles.

For nearly nine decades, dedication to its members has resulted in legislation enhancing quality-of- life programs for Sea Services personnel, other members of the uniformed services plus their families and survivors, while protecting their rights and privileges. CHAMPUS, (now TRICARE Standard) was an initiative of FRA, as was the Uniformed Services Survivor Benefit Plan (SBP). More recently, FRA led the way in reforming the REDUX Retirement Plan, obtaining targeted pay increases for mid-level enlisted personnel, and sea pay for junior enlisted sailors. FRA also played a leading role in advocating recently-enacted predatory lending protections and absentee voting reform for service members and their dependents.

FRA's motto is: "Loyalty, Protection, and Service."

Certification of Non-Receipt
OF FEDERAL FUNDS

Pursuant to the requirements of House Rule XI, the Fleet Reserve Association has not received any federal grant or contract during the current fiscal year or either of the two previous fiscal years.

Introduction

Chairman Wilson and Ranking Member Davis, 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 an adverse impact on recruitment and retention and ultimately threaten the very foundation of the AVF. Military service is unlike any other occupation. Roughly one percent of the population has volunteered to shoulder 100 percent of the responsibility for our national security. The retirement benefits gained by 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 service member and his/her employer.

Synopsis

The Fleet Reserve Association (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 deep concern the decrease in the Defense Department (DoD) personnel programs from $144 billion in the current FY 2014 budget to $135 billion proposed in the Administration's FY 2015 request. Secretary of Defense (SecDef) 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 SecDef's concerns and supports adequate end strengths for our military's operational commitments. The Association believes that Defense should be excluded from future 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 repeatedly 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 Budget Control Act (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, DoD will have to cut an additional $54 billion in FY 2016 and some $269 billion over the following five fiscal years.

The DoD budget was already scheduled to be cut by $487 Billion over a ten 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 FY 2014 and 2015. However, the original sequestration cuts FY 2016 thru 2021 remain in effect continuing to place national security at risk.

Sequestration has already forced the Services to cancel deployment of ships, slash flying hours, renegotiate critical procurement contracts, temporarily furlough civilian employees, and begin the process of drastically reducing force structure. If sequestration relief is not ended, additional force reductions will likely go deeper and training and modernization will be further impacted.

The FY 2015 budget submission proposes several compensation measures to free monies for force structure and modernization by capping the FY 2015 pay raise at one percent, a figure below the mandated ECI, slowing the growth in 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 personnel and their families who already have sacrificed for their country.

COLA Cuts

FRA welcomed the repeal of the one-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. FRA remains concerned, however,

that the one-percent COLA cut provision for those enlisting after January 1, 2014, could have a negative impact on recruitment and long term retention. 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 AVF. Additionally, FRA argues that any changes to retirement benefits and military compensation should be put on hold until the 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

SecDef Hagel clarified at his February press conference that he will await the final report from the Military Compensation and Retirement Modernization Commission (MCRMC) before proposing any changes to military retirement benefits. FRA is thankful for the Secretary's restraint, but is curious why DoD has proposed other changes in TRICARE, and military compensation that are also being reviewed by the Commission. The nine-member MCRMC, created by the FY 2013 NDAA, 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 service members 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 FY 2013 National Defense Authorization Act (NDAA): (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 marginalizing the benefit for beneficiaries.

FRA advocates that the Defense Department (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 FY 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; implementing new fees for active duty family members; dramatically increasing pharmacy co-pays for retirees under age 65; and establishing annual fee for new

TIRICARE-for-Life (TFL) beneficiaries. FRA opposes the new proposed fees and increases included in the FY 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.

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 (Cost-of-Living-Adjustment) starting in 2014 through 2022. A five-year pilot program also requires TRICARE for Life (TFL) beneficiaries to obtain refills of maintenance drugs through the TRICARE home-delivery program for at least one-year.

FRA will vigorously oppose Pentagon efforts to shift the cost of health care to beneficiaries. FRA believes the proposed merge TRICARE Prime, Standard, and Extra into one program will force retirees under age 65 to accept TRICARE Standard benefits while paying TRICARE Prime enrollment fees and additional fees. The Association believes that DoD should fix inefficiencies first before shifting health care costs to retirees. Further FRA is puzzled why DoD would offer a major re-organization before the MCRMC report is released next year.

Active Duty Pay

FRA strongly supports a full Employment Cost Index (ECI) military pay increase for FY 2015. Pay and allowances remain the top retention choice for active duty military personnel since the beginning of the All-Volunteer Force. This is reflected in FRA's recent online survey (February/March 2014) indicating that 93 percent of active duty see base pay as "Very Important"- the highest rating. The active duty community is disappointed that Congress capped the 2014 active duty pay raise at one 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. FRA believes that Congress should hold fast to that commitment. The gap was reduced to 2.4 percent but now is headed in the other direction with the one 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.

BAH Cuts

Basic Allowance for Housing (BAH) is an allowance paid to active duty service members based on pay grade, dependency status, and geographic location within the United States. The FY 2015 budget eliminates compensation for renter's insurance and cuts the average payment by five percent. The FY 2015 budget eliminates compensation for renter's insurance and cuts the average payment by five percent. BAH is the third highest priority for active duty respondents in FRA's online survey, with 83 percent rating BAH as "Very Important." In 2000 BAH payments provided 80 percent of housing cost. Congress at that time made a commitment to increase the benefit to 100 percent as part of an overall effort to enhance pay and other benefits to improve retention and recruitment.

Reserve Component Issues

FRA stands foursquare in support of the Nation's Reservists and an 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 Sen. Jon Tester (Mont.), and its House companion bill (H.R.690), sponsored by Rep. Tom Latham (Iowa). 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 Rep. Joe Wilson (S.C.), 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 FY 2009 NDAA granted qualifying Reservists early retirement, but did not authorize healthcare benefits. In addition Reservists in the Individual Ready Reserve (IRR) have no access to health care.

FRA also supports restoring the Reserve Montgomery GI Bill (MGIB) 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), Rep. Sanford Bishop's "Disabled Veterans Tax Termination Act" (H.R. 333) and Rep. Gus Bilirakis' "Retired Pay Restoration Act" (H.R. 303).

SBP/DIC Offset Repeal

FRA supports the "Military Surviving Equity Act" (H.R. 32), sponsored by Rep. Joe Wilson (S.C.), and its Senate companion bill (S. 734), sponsored by Sen. Bill Nelson (Fla.), to eliminate the Survivor Benefit Plan (SBP)/Dependency and Indemnity Compensation (DIC) offset for widows and widowers of service members. 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 essentially an insurance policy 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 when they begin receiving SBP annuities because of means testing.

Military Predatory Lending Law

The FY 2013 Defense Authorization bill 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 Consumer Financial Protection Bureau (CFPB) in January 2013 took its first enforcement action against a payday lender by ordering Cash America International, Inc. to refund consumers for robo-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 service members 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 Military Lenders Act (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 proposal to reduce 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.

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" (HR 1360), introduced by Rep. Walter Jones (N.C.), 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 service member 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 over payment(s) made for 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, service members endure a number of permanent changes of station (PCS). Often each move requires additional out-of-pocket expense for relocating to a new area far away from the service member's current residence. To help service members defray these additional expenses, Congress in 1955 authorized the payment of a special allowance referred to as "dislocation allowance." Unfortunately service members preparing to retire from the military are not eligible for this allowance, yet are subject to the same additional expenses they experience during 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 service members 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 & Seamless Transition

FRA strongly supports the Administration's efforts to create an integrated Electronic Health Record (iEHR) for every service member. This would be a major step towards the Association's long-standing goal of a truly seamless transition from military to veteran status for all service members and permit DoD, the Department of Veterans Affairs (VA), and private health care providers immediate access to health data.

The importance of fully-implemented interoperability of electronic medical records cannot be overstated. The Association was grateful that the FY 2014 National Defense Authorization Act (NDAA) 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 integrated Electronic Health Record (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 veterans' online access to some medical history, appointments, wellness reminders and military service information, but most is accessible only after in-person authentication. VA is also moving forward on its paperless disability processes that is Health Insurance Portability and Protection Act (HIPPA) 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 illness. There are about 200,000 incarcerated veterans in the U.S., 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 veterans 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 commits 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 three-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 (12Jan2014) 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 the Integrated Disability Evaluation System (IDES), and requiring VA to establish accurate measures for mental health were included in the FY 2013 NDAA 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]

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[1] *Time Magazine*, Feb. 10, 2014, "A Troubled Marine's Final Fight" page38-39, Mark Thompson
[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

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. DoD plans to reduced overall end strength of active duty and Reserve Component by 124,000 over five years and now is proposing another 78,000 active duty and Reserve personnel in the Army, Army Reserves, Army National Guard and the Marines Corps (6,000) will give America the smallest military force since before World War II. 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, service members 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 service members 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 retain combat experience by encouraging departing veterans to join the Guard and Reserve. Cutting Guard/Reserve forces, as well as active forces will make these goals even more difficult to obtain.

Uniformed Services Former Spouses Protection Act (USFSPA)

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 service members 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 service member, and none are enforceable by the Department of Justice (DoJ) or DoD. If a State court violates the right of the service member under the provisions of USFSPA, the Solicitor General will make no move to reverse the error. Why? Because the Act fails to have the enforceable language required for DoJ or DoD to react. The only recourse is for the service member to appeal to the court, which in many cases gives that court jurisdiction over the member. Another infraction is committed by some State courts awarding a percentage of veterans' disability 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 service member'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 service member.

Conclusion

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

John R. Davis
Director of Legislative Programs
Fleet Reserve Association

John Davis joined the FRA team as Director, Legislative Programs in February 2006. In addition to his FRA duties, Davis was elected (November 7, 2013) Co-Chairman of the Military Coalition (TMC) and co-chairs the TMC Retired Affairs Policy Committee.

John worked for almost 13 years with the National Federation of Independent Business (NFIB), including 9 years as Director of the Illinois chapter and 3 ½ years in the federal lobbying office in Washington DC. John has lobbied on a variety of issues including healthcare, tort reform, education, insurance, taxation, and labor law.

In 2005 John received a Masters of Public Policy (MPP) degree from Regent University, Alexandria VA. John has a Bachelor of Science degree from Illinois State University in Political Science and History. John served in the United States Marine Corps Reserve in an artillery unit (155 self-propelled howitzers) and as a Second Lieutenant in the Illinois Army National Guard in the 1980s. He is a proud father of two children: Anne age 32 and Michael age 29 who deployed to Iraq and later Afghanistan with his Marine Corps Reserve unit from Quantico Va. (4th LAR).

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

WITNESS RESPONSES TO QUESTIONS ASKED DURING THE HEARING

MARCH 25, 2014

RESPONSES TO QUESTIONS SUBMITTED BY MR. WILSON

Ms. WRIGHT. Our estimates of the impacts of the proposals on the monthly compensation of members are in the attached charts. [See page 4.]

[The charts referred to can be found in the Appendix beginning on page 171.]

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. Customer savings at the commissary currently average 30% over commercial grocery stores 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.

This is a benefit that we take seriously, and we are trying to mitigate the effects of any changes that can impact our Service members and their families. [See page 17.]

RESPONSES TO QUESTIONS SUBMITTED BY MRS. DAVIS

Ms. WRIGHT. We believe the current Post-9/11 GI Bill transferability policy is having a crucial, positive impact on military recruiting and retention efforts. In the less than five years since the Bill became effective, over 373,369 career Service members have transferred their Post-9/11 GI Bill benefits to over 805,000 family members and research indicates more than half of recruits cite educational benefits as one of their top reasons for entering the Services. The Department is also finding that many career Service members are extending their service commitment so they may share this benefit with family members. We believe these facts demonstrate the policy is successful on all levels—encouraging new Service members to join and retaining our most seasoned service men and women. Based on this assessment, the Department believes the current transferability policies are effective in supporting our recruitment and retention goals and no additional changes in rules or policies are required. We will continue to carefully monitor the usage and take rates on this benefit to ensure we continue on the right course. [See page 17.]

General BROMBERG. Although the proposed TRICARE changes remain predecisional, we have provided implications of the proposed legislation to Congress and will continue to do so. If Congress approves these changes, we in the Army and the other Services will be extensively involved with the DOD in preparing other communications products to inform all beneficiaries of potential TRICARE program changes.

The current proposal does not close down commissaries. The recommendation is to gradually phase out subsidies, but only for domestic commissaries not in remote areas. Commissaries as with other programs will be seriously jeopardized if we don't have operational funds and the resources to be able to implement them.

Section 3020 of title 38, United States Code, authorizes eligible Soldiers to transfer unused educational benefits to family members, pursuant to Secretarial approval and designed to serve as a recruiting and retention incentive. An exception is granted if separation is a result of force shaping or reduction in force initiatives. Soldiers separated under these programs may only retain the transferred benefits if the transfer was requested prior to selection and otherwise eligible to transfer benefits. This exception does not apply to Soldiers who retire or separate in lieu of consideration by a separation board. [See page 17.]

Admiral MORAN. The Navy supports the changes to TRICARE contained in the President's Budget, including initiatives to simplify and modernize the program through the Consolidated Health Plan, and update beneficiary out-of-pocket costs with modest increases. These changes are important to ensuring the delivery of a sustainable and equitable health care benefit. We do, however, recognize that the proposed changes, if authorized by Congress, will impact service members and their families, as well as our retired personnel and their families.

However, I expect the changes to be relatively minor. Active duty service members and their families will have access to the same medical care they have now. Medical

care for active duty members will continue to be provided at no cost to the member, as will care provided at Military Treatment Facilities to family members of active duty personnel. The payment structure will incentivize family members to use health care services that minimize cost to taxpayers. Based on estimates from the Office of the Assistant Secretary of Defense (Health Affairs), co-payments for family members of junior enlisted personnel (E4 and below) will be less than those for senior personnel.

To date, we understand that the Department of Defense has been actively communicating with the Veterans Service Organizations (VSOs) and Military Service Organizations (MSOs) on the importance of the proposed changes and their impact on TRICARE beneficiaries. [See page 17.]

General COX. Though the proposed TRICARE changes are still pre-decisional, the Air Force is prepared to engage with the Defense Health Agency's (DHA) Beneficiary and Education Support Branch to provide Service-level input to the DHA's system-wide TRICARE marketing plan and educational materials. The Air Force Medical Service will provide information to beneficiaries we serve through installation resources, including: Military Treatment Facilities, Family Readiness Centers, Health Care Consumer Advisory Councils, base newspapers, Retiree Affairs, and town hall style meetings led by health benefits advisors.

The commissary is certainly a valued benefit which offers up to 30% savings to our service members who frequently use them. The proposed reduction to commissary funding will lead to a reduction of annual direct commissary subsidy, which will increase expenses for service members who utilize them, but there will still be the ability to provide a good deal for service members and retirees.

Based on information submitted by the Office of Secretary of Defense to Congress in its 2013 report on Post-9/11 GI Bill, I do not believe a policy review for this program is required at this time. The Report states, that although the new program is only 4 years old, there are strong indications the program has already had a profound, positive impact on recruiting and retention.

As of September 25, 2013, over 373,369 career DOD Service members were approved to transfer their Post-9/11 GI Bill benefits to over 805,000 family members. This brought to DOD well over 800,000 additional man years of committed service through transferability of education benefits.

Also, in the 2013 Recruit Survey Report, conducted by the Joint Advertising Market Research and Studies, an overall 53 percent of recruits cited educational benefits, not limited to Post-9/11 GI Bill, as among their top reasons for entering the Services. [See page 17.]

Mrs. MURRAY. Currently, Congress is evaluating whether to enact DOD's compensation reform proposals. If and when that occurs, the Marine Corps will ensure our Marines are educated and advised on what changes will be made, who is affected, when and how the changes will be implemented, and why the changes are necessary.

The Marine Corps surveys Marines on a regular basis for many purposes, to include retention and overall quality of life. In these surveys, information is often gathered to determine which benefits influence Marines' decisions to remain in the Marine Corps or are most important to their quality of life. These surveys show differences amongst Marines on what benefits they value. For example, a 19-year old Lance Corporal may be concerned about getting the best training to succeed in combat, while a Major with 15 years of time in service may be more focused on the health care for his family. Although a specific survey on DOD's proposed compensation reforms has not been conducted, we know that Marines value their commissary benefit. However, the larger point remains: each of DOD's proposed reforms is necessary to slow the growth of compensation in order to preserve readiness. If any should prove overly detrimental to recruiting, retention, or the overall quality of our force, they can be reversed.

Recruiting and retention within the Marine Corps remains high due, in part, to benefits such as the ability to transfer entitlement to educational assistance under the Post-9/11 GI Bill. With this said, we are finding that many otherwise qualified Marines have encountered challenges gaining access to this critical benefit. As a result of a technicality within the transfer law, elections to transfer entitlement to educational assistance must coincide exactly with reenlistments. Those who have completed at least six years of service and reenlisted for four additional years, but did not simultaneously elect to transfer benefits at time of reenlistment, are not eligible to transfer. We believe that this result is not consistent with the spirit or intent of the statute and warrants a technical change to clarify. The clarification of 38 USC 3319(b) would specify that individuals who have completed at least six years of service and enter, or have entered, into an agreement to serve at least four

more years are eligible to transfer entitlement to educational assistance. [See page 17.]

RESPONSES TO QUESTIONS SUBMITTED BY MS. BORDALLO

General BROMBERG. The Army uses both an on-line notification system and a manual record check system when Soldiers depart the service to ensure they are aware of their service obligation remaining for various benefits, including the Post-9/11 GI Bill. When a Soldier elects to transfer Post-9/11 GI Bill benefits, they must use the Transfer of Education Benefits (TEB) webpage in the milconnect portal. Before a Soldier submits his/her TEB request from the webpage, he/she is required to read the TEB acknowledgement statement, which informs Soldiers that, if they elect to transfer benefits, they will incur an additional service obligation. Soldiers are also advised that failure to complete their service obligations may result in recoupment of benefits paid by the Department of Veterans Affairs. The TEB service obligation is listed in milconnect as the "TEB Obligation End Date" (OED) for all components. Once approved, the OED is listed below the Soldier's TEB status, and on the approval form provided for Soldiers to print for their personal records. Each Army component uses a different personnel system to annotate the OED. For the regular Active Army, the OED is recorded in the Total Officer Personnel Management Information System for officers and in the Enlisted Distribution Assignment System for enlisted. For the Army Reserve (USAR), the OED is not included in any USAR database, but Human Resources Command (HRC) is developing a process to load the information into an HRC database, for which the USAR will have access to review, including Army Reserve Regional Support Commands and others, as required. For Soldiers in the Army National Guard (ARNG), the OED is listed in both the Guard Incentive Management System and the Director's Personnel Readiness Overview system.

Regular Army Enlisted Soldiers receive general TEB counseling from Retention NCOs during routine reenlistment counseling. They can obtain additional information regarding the TEB OED through the TEB webpage, and the TEB Approval Form within the milconnect portal. Regular Army Enlisted Soldier (E–1 to E–6) records should be reviewed at the installation-level Military Personnel Division, and the Regular Army Enlisted (E–7 to E–9) and Officer records are reviewed by the HRC Enlisted and Officer Separation Branchs to ensure the TEB service obligation has been fulfilled prior to issuing separation orders. The ARNG allows each of the 54 states and territories to implement their counseling requirements for the TEB service obligation prior to issuing separation orders.

Regarding the ARNG Soldier who retired before fulfilling his obligation, and later received a bill from the VA: The Soldier was counseled in March 2013, prior to his retirement date of June 2013, about the remaining service obligation, and the possibility that VA could create an overpayment action based on the benefit months used by his daughter if he were to leave prior to the completion of the required service obligation. If the Soldier desired to eliminate any possible future debt from the Department of Veterans Affairs, he could have ceased his out-processing from the service and continued to serve until his obligation was satisfied. Once the decision was made to continue out-processing, the Soldier was required to acknowledge online via the TEB webpage that he understood that the future to remain in the Armed Forces for the period required may lead to overpayment by the Department of Veterans Affairs.

On December 1, 2013 HRC's Army Continuing Education Division began automatic e-mail notification to all Regular Army and USAR Soldiers at the time their TEB request is approved; the notification states that the Soldier's TEB request has been approved, and reflects his/her incurred service OED. [See page 9.]

Admiral MORAN. Enlisted personnel serve under contractual obligation for specific periods of time, with an expiration of service date established under the contractual agreement. Officers serve on indefinite commissions at the pleasure of the President. These contractual obligations and commissions are the mechanisms by which Sailors are required to fulfill a legal obligation to complete their service. However, there are a number of circumstances, within law and policy, which provide for members to be released, voluntarily or involuntarily, prior to completion of their obligations.

At the time a member applies for a transfer of education benefits (TEB) distribution under the Post-9/11 GI Bill, members must commit to a period of additional obligated service. Department of Defense Instruction 1341.13, of May 31, 2013, stipulates that if an individual transferring entitlement fails to complete the required period of obligated service, the amount of any transferred entitlement that is used

as of the date of such failure shall be treated as an overpayment of educational assistance and, shall be subject to collection by the Department of Veterans Affairs. When applying for TEB, each member acknowledges, in writing, responsibility for any overpayment due to failure to complete any term of obligated service. That said, overpayment does not apply to Sailors who do not complete the period of obligated service due to death, or discharge or release from active duty or the Selected Reserve for:

- non-service-connected pre-existing medical condition;
- hardship as determined by the Secretary of the Navy; or
- physical or mental condition, not a disability, which did not result from willful misconduct, but interfered with the performance of duty.

Also, a member transferring benefits is considered to have completed his or her service agreement as a result of being discharged for a disability or a reduction in force or force shaping.

A member, who does not complete the required obligated service and, as a result, is subject to overpayment, may apply to the Department of Veterans Affairs Board of Veterans' Appeals, following guidelines in VA Form 4107, entitled, "Your Rights to Appeal Our Decision".

Navy does not currently remind Sailors who separate or retire prior to completing obligated service associated with Transfer of Education Benefits (TEB) under the Post-9/11 GI Bill, that they may be subject to recoupment by the Department of Veterans Affairs (VA), and that they may apply to the VA for waiver of indebtedness, but I have directed my staff to develop and implement such policy and procedures as soon as possible. [See page 9.]

General COX. The Global Privately Owned Vehicles Contract (GPC) III solicitation requires the awardee to provide the same, and in many cases improved, services regarding in-transit visibility, shipment time, on-time arrival rates and terms regarding in-transit damage. Performance is monitored by Contracting Officer Representatives assigned to each Vehicle Processing Center (VPC) worldwide. We do not anticipate any degradation of performance; however, the Government has a variety of remedies available to address the failure of a contractor to perform as contractually required. [See page 10.]

QUESTIONS SUBMITTED BY MEMBERS POST HEARING

MARCH 25, 2014

QUESTIONS SUBMITTED BY MS. TSONGAS

Ms. TSONGAS. The Air Force plans to reduce end strength by nearly 20,000 personnel by the end of FY19, a number which could increase depending on whether full sequestration returns in FY16. What is the expected cut to the Air Force acquisition workforce? How would any potential reduction impact your ability to conduct the procurement of next generation aircraft and IT systems? How are you ensuring that you retain the right mix of high-demand, high-skilled officers and civilians?

General COX. The Air Force is aware that it must maintain the right mix of high-demand and high-skilled military officers and civilians in mission critical occupations. As the Air Force undergoes a reduction in end strength, we are only targeting specific career fields through force management programs for those positions identified for reduction in the FY15 President's Budget.

The STEM personnel we rely on to maintain our technological edge are a prime example of high-demand, highly-skilled professionals. Our decisions regarding the right mix of officer and civilian scientist and engineers are guided by Bright Horizons—the Air Force STEM Workforce Strategy, which is now in its second generation as recently signed by Secretary of the Air Force Deborah James and Chief of Staff General Mark Welsh III. A primary strategic goal of Bright Horizons 2.0 is for the Air Force to appropriately apply force management practices to build and maintain a highly competent, diversified and agile force at the right grade levels, at the right time, and the appropriate locations.

For example, although we've had to take a share of force management cuts in our cadre of acquisition officers, we've been able to reduce the impact to scientists and engineers by appropriately balancing the cuts in non-technical career fields such as acquisition program management.

In addition, when we do identify overages of science and engineering officers in the acquisition workforce and laboratories, we're looking for opportunities to cross-flow and retain these personnel elsewhere in the Air Force in other career fields that will benefit from their STEM degree, such as our growing need for space and cyber professionals.

Finally, as the Air Force reduces the number of military personnel, we're working to use tools the Congress has provided to maintain the quality of our civilian workforce, such as Expedited Hiring Authority and the Defense Acquisition Workforce Development Fund established by the FY08 NDAA Sec 852 to attract separating military personnel to continue service as a civilian Air Force acquisition workforce member.

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