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Submitted Testimony of
The National Military and Veterans Alliance
before the
Subcommittee on Defense Appropriations

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Membership:

American Logistics Association
American Military Retirees Association
American Military Society
American Retirees Association
American WWII Orphans Network
American Veterans (AMVETS)
Armed Forces Marketing Council
Armed Forces Top Enlisted Association
Army Navy Union
Association of the U.S. Navy
Catholic War Veterans
Gold Star Wives of America
Hispanic War Veterans Association
Japanese American Veterans Association
Korean War Veterans Foundation
Legion of Valor
Military Order of the Purple Heart
Military Order of Foreign Wars

Military Order of the World Wars
National Association for Uniformed Services
National Gulf War Resource Center
Naval Enlisted Reserve Association
Paralyzed Veterans of America
Reserve Enlisted Association
Reserve Officers Associations
Society of Military Widows
The Retired Enlisted Association
The Flag and General Officers' Network
TREA Senior Citizen League
Tragedy Assistance Program for Survivors
Uniformed Services Disabled Retirees
Veterans of Foreign Wars of the U.S.
Veterans of Modern Warfare
Vietnam Veterans of America
Women in Search of Equity

INTRODUCTION

Mister Chairman and distinguished members of the Committee, the National Military and Veterans Alliance (NMVA) is very grateful to submit testimony to you about our views and suggestions concerning defense funding issues. The overall goal of the National Military and Veterans Alliance is a strong National Defense. In light of this overall objective, we would request that the committee examine the following proposals.

The "Alliance" is made up of thirty-five organizations, which provide it with a scope of expertise in military, veteran, family, and survivor issues.

While the NMVA highlights the funding of benefits, we do this because it supports National Defense. A often quoted phrase, "The willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional as to how they perceive the Veterans of earlier wars were treated and appreciated by their country," has been frequently attributed to General George Washington. Yet today, many of the programs that have been viewed as being veteran or retiree are viable programs for the young serving members of this war and shouldn't be discounted.

The NMVA is very concerned over comments made by the leadership at the Pentagon that pay and compensation of serving members should be cut. This is very short sighted, based on a false premise that recruiting and retention successes will continue. To make such cuts will just hasten a hollowing of the force.

The young men and women who serve do so under enormous pressures. Telltale signs of this strain include growing post traumatic stress, upsetting suicide rates, and increasing divorce rates. The impact goes beyond just the serving member and affects extended families and communities with further unintended consequences and sometimes tragic results.

The National Military and Veterans Alliance, through this testimony, hopes to address funding issues that apply to the current and future veterans who have defended this country.

FUNDING NATIONAL DEFENSE

NMVA is pleased to observe that the Congress continues to discuss how much should be spent on National Defense, but the baseline defense budget is now 3.5% of America's Gross Domestic Product (GDP). The Alliance urges the President and Congress to maintain defense spending at 5 % of GDP during times of war to cover procurement and prevent unnecessary personnel end strength cuts.

PAY AND COMPENSATION

Our serving members are patriots willing to accept peril and sacrifice to defend the values of this country. All they ask for is fair recompense for their actions. At a time of war, compensation rarely offsets the risks.

The NMVA requests funding so that the annual enlisted military pay raise exceeds the Employment Cost Index (ECI) by at least half of a percent.

If unable to provide a pay raise higher than the President's request, this committee should target pay raises for the mid-grade members, who have increased responsibility in relation to the overall service mission, are also at the highest risk of leaving the service.

NMVA supports applying the same allowance standards to both Active and Reserve when it comes to Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, Hazardous Duty Incentive Pay and other special pays. Guard and Reserve members are performing more specialized hours, but are currently being paid less.

The Service chiefs have admitted one of the biggest retention challenges is to recruit and retain medical professionals. *NMVA urges the inclusion of bonus/cash payments (Incentive Specialty Pay) into the calculations of Retirement Pay for military health care providers.* NMVA has received feedback that this would be incentive to many medical professionals to stay in longer.

G-R BONUSES: Guard and Reserve component members may be eligible for one of three bonuses, Prior Enlistment Bonus, Reenlistment Bonus and Reserve Affiliation Bonuses for Prior Service Personnel. These bonuses are used to keep men and woman in mission critical military occupational specialties (MOS) that are experiencing falling numbers or are difficult to fill. This point cannot be understated. The operation tempo, financial stress and competition with Active Duty recruiting necessitate continuing incentives. *The NMVA supports expanding and funding bonuses to the Reserve Components.*

Reserve/Guard Funding - NMVA is concerned about a possible recommendation from the 11th Quadrennial Review of Military Compensation to end "two days pay for one days work," and replace it with a plan to provide 1/30 of a Month's pay model, which would include both pay and allowances.

Even with allowances, pay would be less than the current system, and the accounting would be far more complex. Allowances differ between individuals and can be affected by commute distances and even zip codes. Certain allowances that are unlikely to be uniformly paid include geographic differences, housing variables, tuition assistance, travel, and adjustments to compensate for missing health care.

Additionally there have been DoD suggestions that pay should differ for those in the Guard and Reserve who are in strategic units and operational units. This concept would undermine the Force Generation Plan, which would have the readiness of a Reserve Component unit increase over a five year cycle, favored by both the Army and the Marine Reserve. In the early years a unit would be in a strategic status, and for the final two years be in an operational mode. Pay should not differ during different stages of FORCGEN.

The NMVA strongly recommends that the reserve pay system continue on a "two days pay for two drills in a day," be funded and be retained, as is.

EDUCATIONAL ISSUES

Practically all active duty and Selected Reserve enlisted accessions have a high school diploma or equivalent. A college degree is the basic prerequisite for service as a commissioned officer, and is now expected of most enlisted as they advance beyond E-6. Officers to promote above O-4 are expected to have a post graduate degree. The ever-growing complexity of weapons systems and support equipment requires a force with far higher education and aptitude than in previous years.

Post 9/11 GI Bill

According to a survey conducted by *military.com*, thirty-six percent of individuals on active duty want to transfer the benefit to their spouse and forty-eight percent would transfer it to their children. The Post 9/11 GI Bill provides the much desired transferability option to spouses and children in exchange for an agreement from the serving member that they will continue to serve another 4 years in military service.

The National Military and Veterans Alliance *supports future funding to continue the transferability of the Post 9/11 GI Bill*, as it is an important retention and recruiting resource.

MGIB-SR ENHANCEMENTS

The Montgomery G.I. Bill for Selective Reserves (MGIB-SR) will continue to be an important recruiting and retention tool for the Reserve Components. With massive troop rotations, the Reserve forces can expect to have retention shortfalls, unless the government provides enhanced education incentives as well.

The problem with the current MGIB-SR is that the Selected Reserve MGIB has failed to maintain a creditable rate of benefits with those authorized in Title 38, Chapter 30. MGIB-SR has not even been increased by cost-of-living increases since 1985. In that year MGIB rates were established at 47% of active duty benefits. The MGIB-SR rate is 28% of the Chapter 30 benefits. Overall the allowance has inched up by only 7% since its inception, as the cost of education has climbed significantly.

The NMVA requests appropriations funding to raise the MGIB-SR and lock the rate at 50% of the active duty benefit. Cost: \$25 m/first year, \$1.4 B over ten.

FORCE POLICY AND STRUCTURE

END STRENGTH.

The NMVA is concerned about cuts in the end strength boosts of the Active Duty Component of the Army and Marine Corps as have been recommended by Defense Authorizers. The goal for active duty dwell time is 1:3. This has yet to be achieved under current operations tempo, and end strength cuts will only further impact dwell time. Trying to pay the defense bills by premature manpower reductions will have consequences.

MANNING CUT MORATORIUM

The NMVA would also like to put a freeze on reductions to the Guard and Reserve manning levels. A moratorium on reductions to End Strength is needed until the impact of rebalancing of the force is understood. The Alliance is pleased to see a recommended increase in the Navy and Air Force Reserves. NMVA urges this subcommittee to at least fund to last year's levels for other Reserve Components.

SURVIVOR BENEFIT PLAN (SBP) AND SURVIVOR IMPROVEMENTS

The Alliance wishes to deeply thank this Subcommittee for your funding of improvements in the myriad of survivor programs, including funding the Special Survivor Indemnity Allowance.

However, there is still an issue remaining to deal with:

- **Providing funds to end the SBP/DIC offset.**

SBP is a purchased annuity, available as an elected earned employee benefit. This program provides a guaranteed income payable to survivors of retired military upon the member's death. Dependency and Indemnity Compensation (DIC) is an indemnity program to compensate a family for the loss of a loved one due to a service connected death. They are different benefits created to fulfill different purposes and needs. At this time the SBP annuity the service member has paid for is offset dollar for dollar for the DIC survivor benefits paid through the Department of Veteran Affairs.

SBP/DIC Offset affects several groups. The first is the family of a medically retired member of the uniformed services. If the service member is leaving the service disabled it is only wise to enroll in the Survivor Benefit Plan (perhaps being uninsurable in the private sector). If a later death is service connected then the survivor loses their SBP annuity to DIC.

A second group affected by this offset is families whose service member died on active duty. Recently Congress created active duty SBP. These service members never had the chance to pay into the SBP program. But clearly Congress intended to give these families a benefit. With the present offset in place, the vast majority of families receive *NO* benefit from this new program, because the vast numbers of our losses are young men or women in the lower paying ranks.

Other affected families are service members who have already served a substantial time in the military. Their surviving spouse is left in a worse financial position than a younger widow. The older widows will normally not be receiving benefits for her children from either Social Security or the VA and will normally have more substantial financial obligations (mortgages etc). This spouse is very dependent on the SBP and DIC payments and should be able to receive both.

The NMVA respectfully requests that this Subcommittee fund the SBP/DIC offset.

CURRENT AND FUTURE ISSUES FACING UNIFORMED SERVICES HEALTH CARE

The National Military and Veterans Alliance once again thanks this Committee for the great strides that have been made over the last few years to improve the health care provided to the active duty members, their families, survivors and Medicare eligible retirees of all the Uniformed Services. The improvements have been historic. TRICARE for Life and the Senior Pharmacy Program have improved the life and health of Medicare Eligible Military Retirees, their families, and survivors. Yet many serious problems need to be addressed:

WOUNDED WARRIOR PROGRAMS

The Alliance supports continued funding for the wounded warriors, including monies for research and treatment on Traumatic Brain Injuries (TBI), Post Traumatic Stress Disorder (PTSD), the blinded, and our amputees. The nation owes these heroes an everlasting gratitude and recompense that extends beyond their time in the military. *These casualties only bring a heightened need for a DoD/VA electronic health record accord to permit a seamless transition from being in the military to being a civilian.*

FULL FUNDING FOR THE MILITARY HEALTH PROGRAM

The Alliance applauds the Subcommittee's role in providing adequate funding for the Defense Health Program (DHP) in the past several budget cycles. As the cost of health care has risen throughout the country, you have provided adequate increases to the DHP to keep pace with these increases.

Full funding for the defense health program is a top priority for the NMVA. With the additional costs that have come with the deployments to Southwest Asia, Afghanistan and Iraq, we must all stay vigilant against future budgetary shortfalls that would damage the quality and availability of military health care. NMVA is confident that this subcommittee will continue to fund the DHP so that there will be no budget shortfalls.

The National Military and Veterans Alliance urges the Subcommittee to continue to ensure full funding for the Defense Health Program including the full costs of all new programs.

TRICARE PHARMACY PROGRAMS

NMVA supports the continued expansion of use of the TRICARE Mail Order pharmacy. To truly motivate beneficiaries to a shift from retail to mail order adjustments need to be made to both generic and brand name drugs co-payments. *NMVA recommends that both generic and brand name mail order prescriptions be reduced to zero \$\$ co-payments to align with military clinics.*

Ideally, the NMVA would like to see the reduction in mail order co-payments without an increase in co-payments for Retail Pharmacy.

The National Military and Veterans Alliance urges the Subcommittee to adequately fund adjustments to co-payments in support of recommendations from Defense Authorizers.

TRICARE STANDARD IMPROVEMENTS

TRICARE Standard grows in importance with every year that the Global War on Terrorism continues. A growing population of mobilized and demobilized Reservists depends upon TRICARE Standard. A growing number of younger retirees are more mobile than those of the past, and likely to live outside the TRICARE Prime network.

An ongoing challenge for TRICARE Standard involves creating initiatives to convince health care providers to accept TRICARE Standard patients. Health care providers are dissatisfied with TRICARE reimbursement rates that are tied to Medicare reimbursement levels. The Alliance is pleased by Congress' plan to prevent near-term reductions in Medicare reimbursement rates, which will help the TRICARE Program.

Yet this is not enough. TRICARE Standard is hobbled with a reputation and history of low and slow payments as well as what still seems like complicated procedures and administrative forms that make it harder and harder for beneficiaries to find health care providers that will accept TRICARE. Any improvements in the rates paid for Medicare/TRICARE should be a great help in this area. Additionally, any further steps to simplify the administrative burdens and complications for health care providers for TRICARE beneficiaries hopefully will increase the number of available providers.

The Alliance asks the Defense Subcommittee to include language encouraging continued increases in TRICARE/Medicare reimbursement rates.

TRICARE RETIREE DENTAL PLAN (TRDP)

The focus of the TRICARE Retiree Dental Plan (TRDP) is to maintain the dental health of Uniformed Services retirees and their family members. With ever increasing premium costs, NMVA feels that the Department should assist retirees in maintaining their dental health by providing a government cost-share for the retiree dental plan. With many retirees and their families on a fixed income, an effort should be made to help ease the financial burden on this population and promote a seamless transition from the active duty dental plan to the retiree dental plan in cost structure. Additionally, we hope the Congress will enlarge the retiree dental plan to include retired beneficiaries who live overseas.

The NMVA would appreciate this Committee's consideration of both proposals.

NATIONAL GUARD AND RESERVE HEALTH CARE

MOBILIZED HEALTH CARE—Dental Readiness of Reservists

The number one problem faced by Reservists being recalled has been dental readiness. A model for healthcare would be the TRICARE Dental Program, which offers subsidized dental coverage for Selected Reservists and self-insurance for SELRES families.

In an ideal world, this would be universal dental coverage. However, reality is that the services are facing challenges. Premium increases to the individual Reservist have caused some junior members to forgo coverage. Dental readiness has dropped. The Military

services are trying to determine how best to motivate their Reserve Component members but feel compromised by mandating a premium program if Reservists must pay a portion of it.

Services have been authorized to provide dental treatment as well as examination, but have no funding to support this service. By the time many Guard and Reserve are mobilized, their schedule is so short fused that the processing dentists don't have time for extensive repair.

The National Military Veterans Alliance supports funding for utilization of Guard and Reserve Dentists to examine and treat Guardsmen and Reservists who have substandard dental hygiene. The TRICARE Dental Program should be continued, because the Alliance believes it has pulled up overall Dental Readiness.

DEMOBILIZED DENTAL CARE

Under the revised transitional healthcare benefit plan, Guard and Reserve, who were ordered to active duty for more than 30 days in support of a contingency, have 180 days of transition health care following their period of active service, but similar coverage is not provided for dental restoration.

Dental hygiene is not a priority on the battlefield, and many Reserve and Guard are being discharged with dental readiness levels much lower than when they were first recalled. At a minimum, DoD must restore the dental state to an acceptable level that would be ready for mobilization, or provide a subsidy for 180 days after demobilization to permit restoration from a civilian source. Current policy is a 30 day window with dental care being space available at a priority less than active duty families.

NMVA asks the committee for funding to support a DoD's demobilization dental care program. Additional funds should be appropriated to cover the cost of TRICARE Dental premiums and co-payments for the six months following demobilization if DoD is unable to do the restoration.

OTHER GUARD AND RESERVE ISSUES

Ensure **adequate funding to equip Guard and Reserve** at a level that allows them to carry out their mission. Do not turn these crucial assets over to the active duty force. In the same vein we ask that the Congress ensure adequate funding that allows a Guardsman/Reservist to complete 48 drills and 15 annual training days per member per year. DoD has been tempted to expend some of these funds on active duty support rather than personnel readiness.

The NMVA strongly recommends that Reserve Program funding remain at sufficient levels to adequately train, equip and support the robust reserve force that has been so critical and successful during our Nation's recent major conflicts

While Defense Authorizers provided an **early retirement benefit** in FY-2008, only those who have served in support of a contingency operation since 28 January 2008 are eligible, which is nearly six years and four months after Guard and Reserve members first were mobilized to support the active duty force in this conflict. Over 725,000 Reservists, who have served during this period, were excluded from eligibility. The explanation given was

lack of mandatory funding offset. To exclude a portion of our warriors is akin to offering the original GI Bill to those who served after 1944.

NMVA hopes that this subcommittee can help identify excess funding that would permit an expanded early retirement benefit for those who have served.

MILITARY VOTING

NMVA also feels that significant progress has been made in military voting rights in the past two years through passage of the MOVE Act of 2009, and the new programs implemented by the Federal Voting Assistance Program. These new programs include such innovations as online tools to assist voters in filling out registration forms and back-up ballots, as well as the online ballot delivery tools developed by 17 States, with FVAP support, and fielded for the 2010 election. Recently, FVAP announced a \$16 million grant program to expand those online voting support tools at the State and local level, all of which will be linked to the voter through the FVAP website portal.

NMVA fully supports additional funding of DOD's Federal Voting Assistance Program for \$35.107 million, and the budget PE Numbers are 0901220SE and 0605803SE, Project 4.

REINTEGRATION PROGRAMS

As overseas contingency operations wind down, a temptation will be to reduce funds to yellow ribbon and other reintegration programs, but young men and women will continue to leave active duty, and members serving in the Guard and Reserve will likely continue to be called up to active duty. **NMVA supports continued funding to Yellow Ribbon and TAP programs.**

These programs must be further examined to enhance the resilience training. Resilience survival training prepares one to better adapt to life's misfortunes and setbacks. While programs are in place to focus on suicide, there are other challenges to be faced such as unemployment and military divorce that need to be addressed, including seminars to better understand the current laws.

ARMED FORCES RETIREMENT HOMES

Dormitories and buildings at the AFRH-Washington D.C. campus continue to need refurbishing. While the AFRJ-Gulfport facility has reopened, the Navy/Marine Corps residents continue to need funding for the finishing touches of the site.

NMVA urges this subcommittee to continue funding upgrades at the Washington D.C. facility and improvements at the Gulfport facility.

CONCLUSION

Mr. Chairman and distinguished members of the Subcommittee, the Alliance again wishes to emphasize that we are grateful for and delighted with the large steps forward that the Congress has affected the last few years. We are aware of the continuing concern all of

the subcommittee's members have shown for the health and welfare of our service personnel and their families. Therefore, we hope that this subcommittee can further advance these suggestions in this committee or in other positions that the members hold. We are very grateful for the opportunity to submit these issues of crucial concern to our collective memberships. Thank you.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The National Military Veteran Alliance is made up of military, veteran and family non-profits which are member-supported organizations. The NMVA maintains no financial assets, and has not received grants, sub-grants, contracts, or subcontracts from the federal government in the past three years. All other activities and services of the Alliance is accomplished free of any direct federal funding.

CAPT Smith's bio follows.

CAPTAIN MICHAEL P. SMITH UNITED STATES NAVY

Captain Michael P. Smith, USN (ret.) is the executive director for the American Retirees Association. He also was elected National President of the Reserve Officers Association of the United States in 2006. He has served as National Naval Services Vice President and President of ROA, Maryland Department.



Captain Smith affiliated with the Naval Reserve as a Special Duty Public Affairs Officer (PAO) in 1976 holding a 1655 Public Affairs Officer designation. As a drilling reservist, he has served as a Public Affairs Officer in many surface and air reserve units, along with Chief of Navy Information (CHINFO) sponsored units predominantly in the greater Washington, DC area. In January 1991, Captain Smith was recalled to active duty for *Desert Storm* as part of the only Naval Reserve Public Affairs unit activated for mobilization...Office of Information Detachment 206, base within CHINFO at the Pentagon. During his tour, he served as Special Media Officer marketing major Navy stories from the Arabian Gulf theatre to the national and international media. His work was in direct support to the Assistant Chief of Navy Information for News (OI-2).

During his 30 year Navy Reserve career, Captain Smith has been selected for four Commanding Officer tours and served as Executive Officer: Office of Information Detachment 206 CHINFO (two tours) and Navy Public Affairs Center Norfolk. In the past, his units have received the Rear Admiral Robert Ravitz Award for Public Affairs Excellence and the Readiness Command MidWest and MidAtlantic awards for outstanding units. Captain Smith was selected as a military PAO Media Announcer/ Narrator for the June 1991 "*Operation Desert Storm Victory Celebration Parade*," Washington, DC.

Recently, On March 7, ROA President Captain Smith offered testimony before the congressionally mandated Task Force on the Future of Military Health Care on the differences in the perceptions and realities between Active and Reserve health care coverage.

Captain Smith's personal decorations include the Meritorious Service Medal (four awards), Navy Commendation Medal, Air Force Commendation Medal, Joint Service Achievement Medal, Navy Achievement Medal (three awards), Joint Meritorious Unit Award, Meritorious Unit Commendation, Battle "E" Ribbon, plus other service awards.

In civilian life, Captain Smith is with General Dynamics Corporation in Washington, DC. Born and raised in Canton, Ohio, he is a graduate of Walsh University where he earned a Bachelor of Arts degree in English and Philosophy. He resides in Dunkirk, Maryland and has been a participating member of the state's American Legion, American Red Cross, Knights of Columbus, Veterans of Foreign War and the Navy Memorial Foundation in Washington, DC.