

**STATEMENT BY  
LTG HOWARD B. BROMBERG  
DEPUTY CHIEF OF STAFF, G1  
UNITED STATES ARMY**

**BEFORE THE**

**MILITARY PERSONNEL SUBCOMMITTEE  
HOUSE ARMED SERVICES COMMITTEE**

**FIRST SESSION, 113<sup>TH</sup> CONGRESS**

**ON IMPACTS OF THE FY13 CONTINUING RESOLUTION, SEQUESTRATION, AND  
DECLINING OPERATIONS AND MAINTENANCE BUDGETS ON MILITARY  
PERSONNEL AND FAMILY-RELATED PROGRAMS.**

**MARCH 13, 2013**

**NOT FOR PUBLICATION UNTIL RELEASED BY THE  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

## Introduction

Chairman Wilson, Ranking Member Davis, Distinguished Members of this Committee -- Thank you for the opportunity to appear before you on behalf of America's Army.

Throughout our history, the United States Army has never failed to respond to a threat to our nation. Today that greatest threat to our military readiness is the dire fiscal uncertainty we are presently faced with. The uncertain Fiscal Year 2013 funding caused by the combined effects of a possible yearlong continuing resolution and sequestration, along with the need to protect wartime operations, may result in further reductions in funding to programs directly linked to the readiness of our force and the well-being of our Soldiers and Families.

## Strategic Overview

The Army has been in a state of continuous war for nearly twelve years – the longest in our Nation's history. More than 4,800 Soldiers have given their lives on behalf of this Nation. Today we have more than 81,000 Soldiers committed to operations around the world with approximately 58,000 in Afghanistan. Nearly 1.5 million Soldiers have deployed and more than half a million have deployed multiple times -- some as many as four, five, and six times. Our Soldiers, Civilians and Families remain the strength of our Nation.

The magnitude of today's fiscal uncertainty will have grave consequences for our Soldiers, our Civilians, and our Families. While we will make every effort to protect family programs to the greatest extent feasible, if nothing is done to mitigate the effects of operations under a continuing resolution, shortfalls in our funding of overseas contingency operations, and the enactment of sequestration, the Army will be forced to make significant cuts to military personnel and family programs funded by the Operations and Maintenance Account. Sequestration will affect the overall delivery of programs on our installations world-wide. Under sequestration, we must take care of must-pay civilian pay, utilities, and key life health and safety services. This strains our ability to protect Army Family Programs.

The fiscal crisis we now face is due in part to the fundamental lack of predictability in the budget cycle. The Department of Defense has operated under a continuing resolution for 14 of the last 28 months. Each continuing resolution prevents new starts for needed programs, limits reprogramming actions, creates inefficiency, and often results in wasteful funding for activities that we no longer want or need. The compounding effects of this budget scenario create a long-term problem of building a plan for a ready force. It will take more time to “buy back” readiness. In FY13, we now find ourselves in the midst of a perfect storm created by a continuing resolution that puts funding in the wrong places, a shortfall in funds for overseas contingency operations due to higher than anticipated costs in theater, and sequestration. If not addressed, the current fiscal uncertainty will significantly and rapidly degrade Army readiness for the next five to ten years.

The FY13 continuing resolution has funded the Army’s base budget at fiscal year 2012 levels, resulting in a shortfall of approximately \$6 billion in the Operation and Maintenance, Army (OMA) accounts relative to the President’s Budget. In the absence of a full-year appropriation that reallocates funds where they are needed, the Army will need to reprogram the necessary funds across appropriations to address this shortfall. Under the continuing resolution, we also face an approximate \$5-6 billion shortfall in OMA Overseas Contingency Operations (OCO) funding for FY13 because of increased costs related to the war in Afghanistan. This impacts the preparation of units about to deploy, current operations in support of Operation Enduring Freedom (OEF), and our ability to reset equipment and personnel. In order to ensure our Soldiers are prepared, we have committed and will continue to commit 100% of our operation and maintenance requirements for OEF. However, this exacerbates the funding shortfalls for the rest of the Army that is not deploying to Afghanistan, creating unacceptable readiness levels for the future.

In addition to the impacts that the continuing resolution and OCO shortfalls are having on the force, the President issued a sequestration order on March 1, as required by law.

The order reduced Army budgets by approximately \$9 billion, and if the current CR is extended for the rest of the fiscal year, we will face an additional sequestration due to a breach in the FY 2013 discretionary cap.

While budgetary uncertainty negatively affects each of the Army's operating and investment accounts, our OMA account is the most heavily burdened. Together, the continuing resolution, increased cost of OCO, and sequestration will equate to an \$18 billion shortfall in the OMA account for the final seven months of FY13.

### Recruiting

The ability to recruit high-quality Soldiers is vital to the All-Volunteer Army. A continuing resolution through the end of FY13 combined with sequestration will cause high risk to the FY14 Future Soldier entry pool, and may result in mission failure.

The U. S. Army Recruiting Command will implement measures to reserve funds for non-discretionary payroll costs and recruiting operations. Budget reductions to units that support recruiting impact the support services they can provide to the recruiting force. For example, United States Military Entrance Processing Command (USMEPCOM), projects reducing Military Entrance Processing Stations (MEPS) services by one day per week. Reductions to USMEPCOM testing and processing procedures will significantly increase applicant travel costs and adversely affect the processing of new recruits. Additionally, reductions to recruiter training will cause a shortfall of 900 trained recruiters nationwide thus increasing the risk of mission failure for the Army Accession mission.

Maintaining our connection with the American people, increasing their positive impressions of the Army and Army service, and making the U.S. Army the service of first choice amongst the eligible population is critical to Army readiness and the quality of our future force. As sequestration continues, we will miss key windows of opportunities to connect with qualified prospects and their influencers.

### Officer Accession Programs

Much of the Army's officer corps is commissioned through and initially trained at the United States Military Academy (USMA) and through ROTC programs at colleges and universities across the country. Sequestration will adversely impact training and commissioning of trained Second Lieutenants.

The USMA commissions approximately 1,000 trained 2<sup>nd</sup> Lieutenants annually. Sequestration may influence a Secretary of the Army decision to reduce the overall size of the Corps of Cadets. In addition, programs such as basic training, field training, leader development, may be suspended for current and incoming cadets.

Senior Reserve Officers Training Corps (SROTC) provides the Army with approximately 5,350 trained 2<sup>nd</sup> Lieutenants each year. The Army funds approximately 12,000 scholarships and summer training (Leader Development & Assessment Course and Leaders Training Course). Sequestration may result in the elimination of new scholarship offers and a reduction of existing scholarships. Risk to FY13 missions is minimal; however, similar cuts in FY14 would result in significant mission risk to officer commissioning for School Year 2015 and beyond.

Junior Reserve Officers Training Corps (JROTC) is citizenship and leadership training for high school students. The Army currently operates 1,731 JROTC programs with more than 314,000 students participating and over 4000 retired Army Instructors. Sequestration may influence the Army's decision whether to maintain or reduce these JROTC programs, which would significantly impact thousands of youth. Cuts to Army funding will also have a significant impact on the required instructor certification training, hands-on summer Cadet training and curriculum development and enhancement.

The US Army Cadet Command will lose valuable oversight to the majority of programs; especially those operating in small school districts. This puts Cadet Command at high risk with reduced inspection opportunities and the inability to maintain and enforce standards on instructors and units.

### Individual Training

The Army has prioritized Initial Military Training under sequestration, there will be a significant impact to the Professional Military Education Officers and Non-Commissioned Officers need to advance their careers. We will cancel 15 Field Artillery Advanced Individual Training (AIT) classes and train approximately 4,000 less Soldiers in critical Intelligence Military Occupation Specialties.

Curtailment/reduction of classes for Drill Sergeant School and AIT Platoon Sergeant courses will significantly impact manning in the Basic Combat Training, AIT and One Station Unit Training units.

Loss of training is not recoverable and leads to untrained Soldiers assigned to units - a negative impact to near term readiness. Loss of confidence in the stability the Army provides would damage recruiting and retention for many years, requiring a return to lower standards and an increase in recruiters and bonuses to maintain minimum end-strength.

### Tuition Assistance

The Army Tuition Assistance program provides tuition assistance for vocational/technical and postsecondary programs, in accordance with OSD policy.

The potential year-long continuing resolution and the uncertainty of sequestration are causing the Army to suspend all FY13 Army Tuition Assistance support effective March 11, 2013, for the remainder of the fiscal year. The Service will continue to closely monitor the budgetary situation and may reinstate Tuition Assistance if conditions improve. Applications being processed now and current enrollments will be honored. Elimination of tuition assistance may cause many Service members who committed to educational programs with the expectation that the tuition assistance offered to them would cover or supplement their education expense to decide to postpone completion of their programs. Most active duty Service members have GI Bill benefits which they can

use while on active duty, to fund continued pursuit of their educational programs, should tuition assistance not be available to them for the remainder of fiscal year 2013.

### Transition Assistance

The Army is reducing the active duty end strength from a wartime high of about 570,000 to 490,000; the Army National Guard from 358,200 to 350,000; and the civilian workforce from 272,000 to 255,000 by the end of fiscal year 2017 (FY17). This is a net loss of 105,000 Soldier and Civilian positions.

In addition to these programmed reductions, if sequestration continues through FY 2013 and the discretionary caps are reduced from FY 2014 to 2021, the Army may be forced to reduce an additional 100,000 personnel across the Active Army, Army National Guard and, U.S. Army Reserve in order to maintain a balance between end strength, readiness and modernization. These combined reductions will generate a total reduction of approximately 189,000 Soldiers across all components in the coming years.

As an Army and a Nation, we have a responsibility to ensure that Soldiers transitioning out of the Army have the support they need and deserve prior to separating, and are prepared to transition into civilian life.

Sequestration will not prevent the Army from maintaining service-specific transition assistance requirements to the more than 130,000 Soldiers who transition each year, as mandated by the Veterans Opportunity to Work (VOW) to Hire Heroes Act of 2011 and the Presidential Veterans Employment Initiative. These requirements are delivered primarily by contract personnel. The current contract is fully funded through FY13. The impact of sequestration to the Department of Labor, which assists the Department of Veterans Affairs and DOD with providing mandated transition assistance services, could impact compliance with VOW.

The Army will continue to deliver mandated training/assistance for pre-separation and transition counseling, assist with the development of individual transition plans, conduct

Military Occupational Code to civilian skills crosswalk, conduct budget/resume development, and assist with job or college applications.

### Military Personnel Services

Continuation of Military Personnel Services at current levels under a continuing resolution will not be possible and services will suffer. Under-resourced missions (ID cards, personnel records, casualty, Soldier Readiness Processing, reassignment processing, sponsorship, voting assistance), as well as increased work due to the Army drawdown (Soldier separations and retirements) has overwhelmed some garrisons.

Any significant reduction in funding of contract services or reduction of Department of the Army Civilian staff due to furlough or reduction-in-force will result in an unavoidable decline or non-delivery of services. Garrisons cannot compensate for the furlough of skilled technical workers by reallocating untrained employees who are also subject to furlough. These service providers were already decremented 20% during FY12 due to Headquarters, Department of the Army mandated civilian reductions.

### Service Casualty Offices

The budget uncertainty places casualty and mortuary missions at unacceptable risk. Military funeral honors may be delayed for Soldiers and Veterans. Additionally, survivors may not receive casualty assistance, benefits or financial counseling on certain days due to “one deep” positions that are vacant that day.

The Military Burial Honors funds are required to execute military funeral honors for active duty Soldiers and veterans. Soldiers participating in military funeral honors ceremonies are entitled to per diem and transportation expenses. Without these funds, Soldiers from the Active Army, Reserves, and Guard components will not be able to receive reimbursement for expenses incurred. Additionally, current contracts for lodging, mortuary services, casualty case management, and training support are due to expire in the next month, and are not authorized to be renewed under the current CR.



### Army Lodging/Public Works

Army Lodging receives municipal support from the Garrison Public Works Directorate. These services include preventive maintenance, scheduled routine repairs, and emergency repairs on building systems such as heating, ventilation and air conditioning equipment; fire alarm systems; major water leaks or sewer stoppages. Public Works also provides municipal type services such as snow and ice removal; trash removal and utilities.

Due to budget cuts, Public Works may not be able to provide the same level of support. Loss of this support would result in higher room rates to offset the cost of performing functions in-house; reduction in inventories; or reduction in services to allow reprogramming of available funds to replace Public Works services.

### Family Programs

Family programs provide a comprehensive network of resources that allow Soldiers, Civilians, Family Members and Retirees to successfully navigate life in the Army.

Although family programs will be protected to the extent feasible, the new fiscal reality means potentially fewer resources are available in the coming years to sustain all programs and services. Potential impacted Army Community Services (ACS) programs include:

- Spouse employment and employment readiness support for the Veterans Opportunity to Work (VOW) Act initiatives.
- Support to new spouses such as Army Family Team Building.
- Master Resiliency Training that assists Soldiers and Families in communicating and building stronger relationships at a time when they are focused on reintegration.
- Family intervention programs such as New Parent Support Home Visitation and other Family Advocacy programs that prevent domestic violence.

- Financial Readiness programs that assist Soldiers and Families and are more important than ever in an environment where Soldiers returning home have reductions in deployment special pay and allowances.
- Support to Families (or Family members) with special needs; and support to Surviving Family members.

The long term impact of war on our Soldiers and Families is not completely known. ACS programs provide a comprehensive network of support to prevent and intervene. Behavioral trends including increases in suicides, alcohol and substance abuse, domestic violence, sexual assault, etc., are all areas that the Army Senior Leadership is concerned with; lack of funds for these support programs risks exacerbation of these issues. Soldiers are utilizing these programs at historically high levels and a funding reduction at this time would be detrimental to our Army. Unfortunately, for an institution that prides itself on its care for its people, the fiscal constraints are jeopardizing these efforts.

#### Child, Youth & School Services

Child, Youth & School (CYS) Services support the readiness and well-being of Families by reducing the conflict between unit mission requirements and parental responsibilities.

If a furlough of government service employees is implemented, the Army intends to request an exception for full-time Child Development Center (CDC) and School Age Center (SAC) employees in order to maintain 5-day coverage of centers to accommodate the needs of Soldiers and Families. Delivery of child care services and programs will be monitored continually and protected to the greatest extent feasible. Garrisons must assess local demand for programs, ensuring efficient delivery, while integrating smart business practices and entrepreneurial thinking.

Using non-appropriated funds to offset the reduction of appropriated funds, (as afforded in accordance with Federal Law and Army/DOD policy) to support CYS, all Family and

MWR programs will limit their capital reinvestment program to life, health, and safety and projects/equipment required to keep programs operational.

#### Morale, Welfare, and Recreation (MWR) Programs

Family and Morale, Welfare and Recreation (FMWR) programs provide a comprehensive network of quality support and leisure services that enhance the readiness and resilience of Soldiers, Civilians, Family Members and Retirees. For example, MWR funds are used to operate Army community libraries and recreation centers, and to sustain support and recreation programs for Soldiers and Family Members. Commanders will need to prioritize services based on resources available in the surrounding communities.

#### Post Exchange (PX)

Initially, the direct impact of sequestration will be minimal since Exchanges are primarily operated with non-appropriated funds. However, the Exchanges do receive limited appropriated funding for common base support services, transportation of goods from the U.S. to overseas locations, and similar expenses. As base operating support budgets are reduced, the inability to fund those authorized support costs with appropriated funds may result in the Exchanges having to pay more expenses from their revenue. In effect, this shifts the funding burden to the Soldiers and their Families in the form of cutbacks to exchange hours or services, higher prices for some products, deferred improvements to the stores, and reduced funds provided to MWR programs.

#### Chaplains

Unit Ministry Teams of Chaplains and Chaplain Assistants will remain capable of providing programs that support Soldiers and Families; however, Chaplains may need to prioritize elements of their current programs and cut programs and services based on available resources.

### Congressional Assistance

Sequestration is not in the best interest of our country, our Soldiers, or our national security. Our current fiscal uncertainty has already resulted in the cancellation of training, the reduction of services to Army Families, and reductions to the civilian workforce. The cumulative effect of the Army's budget shortfalls and the enactment of sequestration puts the Army's ability to execute DoD strategic guidance at risk. It is our shared responsibility – the responsibility of our nation's military leaders and Congressional leaders – to ensure the readiness of our military and the well being of our Soldiers. [We ask Congress to act quickly to enact a balanced deficit reduction package, turn off sequestration, and pass a full-year appropriations bill.](#)

No amount of flexibility could substantially mitigate the effects of sequestration. But, at a minimum, we would ask Congress to provide full-year funding that is aligned to the correct accounts to meet this year's requirements. We would also need Congress to support the Department's efforts to reprogram funds to meet our highest priorities. When we are not allowed by legislation to touch individual pieces of the budget, readiness accounts inevitably pay the price. I ask for your support to find a viable solution to the economic hurdles that face our Army and preserve what we have built over the past 12 years of war.

### Conclusion

We have invested a tremendous amount of resources and deliberate planning to preserve the All-Volunteer force. Our dedicated and talented force of Soldiers and Civilians is the reason the United States Army is second to none. We have a responsibility to the courageous men and women who defend our country to take care of them and their Families. While we must transform to a smaller Army, it is imperative that we do so in a planned, strategic manner without sacrificing the programs that impact readiness and support our people.

Chairman Wilson, Ranking Member Davis, and members of the subcommittee, I wish to thank all of you for your continued support, which has been vital in sustaining our All-

Volunteer Army through an unprecedented period of continuous combat operations and will continue to be vital to ensure the future of our Army.