

**NOT FOR PUBLICATION UNTIL  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

**STATEMENT OF  
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(MANPOWER, PERSONNEL, TRAINING AND EDUCATION)  
BEFORE THE  
MILITARY PERSONNEL SUBCOMMITTEE  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
IMPACT OF CONTINUING RESOLUTION AND SEQUESTRATION  
ON FAMILY AND PERSONNEL PROGRAMS  
IN OPERATIONS AND MAINTENANCE ACCOUNTS**

**13 MARCH 2013**

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Chairman Wilson, Ranking Member Davis, and distinguished members of the Committee, thank you for holding this hearing and for affording me the opportunity to testify on anticipated impacts to family and personnel programs in the Operations and Maintenance accounts due to sequestration and the Continuing Resolution (CR).

When I testified before this subcommittee two weeks ago, I emphasized our commitment to carrying out the Chief of Naval Operations' guiding tenets of *Warfighting first, Operate forward and Be ready*. We are working to stabilize, balance and distribute the workforce while ensuring that Sailors are assignable, deployable and distributable. Our efforts remain grounded in the principle that our primary mission is to be ready to fight and win today, while building the ability to win tomorrow. Despite the CR and sequestration, we will continue to operate forward, where the Navy is most effective, while recognizing that it will be at significantly lower levels. While we will endeavor to remain ready, providing our fleet and Sailors the best possible training, maintenance, and logistics to assure their confidence and proficiency, sequestration and a prolonged CR are affecting our mission-essential functions by forcing difficult and unpopular choices that adversely affect Sailors and the families who support them.

### **Our situation**

We face three separate, but linked, budget mechanisms that converge and place at risk our ability to carry out the defense strategy. As required by law, the President issued a sequestration order on March 1st, reducing DoD budget authority by roughly \$41 billion. Were the current CR simply extended for the rest of this fiscal year, DoD would face an additional reduction of roughly \$6 billion on March 27th, due to breach of FY 2013 discretionary caps. The combination of

sequestration and the budget shortfall in the operating accounts created by the current CR will render us unable to continue current and anticipated levels of operations, compel us to cancel some maintenance and training, and constrain our ability to invest in future capability and capacity. As a result, Navy will soon furlough as many as 186,000 civilians for up to 22 days, imposing a 20 percent pay reduction on them for the remainder of the fiscal year, and stressing Navy's ability to sustain critical family support programs at the levels our Sailors deserve. We have also frozen the hiring of almost all civilian workers and released 655 temporary workers, reducing support to quality of life and family support programs.

### **Impacts of sequestration**

For most Sailors and their families, the effect of sequestration and the CR is the dramatic adjustment in the deployment schedules of ships and aircraft. Delayed or canceled deployments disrupt the lives of Navy families, particularly in cases in which Sailors have relocated dependents to be near extended family during prolonged absences, or have otherwise based personal and financial decisions on anticipated pay and tax benefits associated with deployment. Increased anxiety, family separation, and impacts to family budgets hurt morale to an extent that is neither quantifiable nor can be taken for granted.

The reduction of ready forces will increase stress on deployed or soon-to-deploy Sailors assigned to ships and squadrons. They will operate at a higher tempo – and we are already at an extraordinarily high operational tempo. While military compensation is exempt from sequestration, there is a cost to the force in Sailors having to do more with less. Facilities sustainment, restoration

and modernization will receive a disproportionate reduction in order to limit impacts on deployed and next-to-deploy forces, base operating support and depot maintenance.

Navy will limit, to the greatest extent possible, the impact on Family and Sailor Readiness programs. Because these programs are largely composed of civilian employees, a furlough will affect the levels of service at bases with smaller staffs. Specific impacts to programs are:

- Sexual Assault Prevention and Response (SAPR) – Ending sexual assaults remains a critical priority for the Navy; therefore, Sexual Assault Response Coordinators (SARC) and Sexual Assault Prevention and Response Victim Advocate (SAPR VA) positions have been exempted from the civilian hiring freeze. As the FY12 National Defense Authorization Act directed, Navy is on track to hire 66 SARCs and 66 SAPR Victim Advocates by the end of this fiscal year.
- Mental Health Care – Working with Defense Health Program and TRICARE, we are committed to ensuring mental health quality care is not adversely affected by sequestration. Over the last few years, Navy has placed significant emphasis and committed resources for Mental Health Care for Sailors and their families. For example, since 2009, we have increased clinical psychologists by 40%; furthermore, the civilian hiring freeze does not apply to additional Mental Health Care providers, if needed.
- Transition Assistance Programs (TAP), Family Assistance Programs (FAP) and Relocation Assistance Programs (RAP) will be affected by furloughs as well, impacting service levels in resource and counseling centers.

- Because 86% of our childcare professionals are non-appropriated-fund employees who will not be subject to furlough, staffing levels will be adjusted to mitigate the absence of appropriated fund employees.
- Morale, Welfare and Recreation (MWR) programs will be limited to reduced operating hours and capacity at fitness centers and other MWR facilities.
- Every effort will be made to preserve Tuition Assistance in FY13 to ensure current educational obligations are met; however, civilian furloughs may result in processing delays.

Specific examples of impacts to accessions programs include:

- Navy Recruiting marketing and advertising, which accounts for many Navy enlistments, will experience a reduced capacity to build awareness and generate leads.
- Reductions in travel funding at U.S. Naval Academy will limit midshipmen summer training, including Fleet experience/underway time on ships/submarines, summer international travel for training in language skills, regional expertise, and cultural awareness (LREC) and exposure to warfare communities (including Surface, Submarine, Aviation, Marine, SEAL, EOD).
- Cancellation of Science, Technology, Engineering & Mathematics (STEM) camps will adversely impact one of Navy's best community outreach programs for attracting top priority recruits.

While we are taking risk in shore operating accounts, we are still committed to protecting family support programs to ensure that we properly address the needs of families of forward-

deployed personnel, and that the resources necessary to sustain them in the absence of their sponsors will not be compromised. Ensuring Sailors and their families are well cared-for remains a top priority. As a result, critical support programs will continue to receive funding at levels that provide the support our sailors and their families deserve. Despite funding level reductions, we anticipate minimal impact to Child Development Centers and Fleet and Family Support Centers.

As Navy leadership considered where to apply required cuts to Operations and Maintenance accounts, we were determined to take no action that would:

- Disrupt voluntary education programs for Sailors enrolled in a course of instruction at a college, university or technical program that increases knowledge, aptitude and skills; thereby, enhancing readiness, improving performance, and increasing propensity for retention in the Navy;
- Limit implementation of programs designed to assist reintegration of Sailors leaving active duty under the Veterans Opportunity to Work Act and the Transition Assistance program.
- Reduce availability of alcohol awareness and deglamorization programs designed to reduce alcohol-related incidents that destroy Navy families, threaten the lives of Sailors and diminish their capacity to perform at their highest levels;
- Inhibit drug detection and abuse prevention through programs that reduce the incidence of drug abuse, particularly amidst the current scourge of spice and other synthetic drugs;
- Impact Navy's Safe Harbor program or preclude funding travel-to-the-bedside of seriously wounded, ill and injured Sailors, which permits family members to visit and provide

comfort and support to loved ones hospitalized in serious or very serious condition when the attending physician deems their presence necessary for the health and welfare of the patient;

- Impair suicide prevention and associated programs that build and foster resiliency, increase awareness of the root causes leading to suicide and reduce the stigma of self- and third-party reporting of at-risk individuals;
- Diminish casualty assistance and funeral support services to next of kin, including travel and per diem for family members to attend funeral or memorial services of those who give their lives in the line of duty, and for funeral honors teams assigned to pay final tribute to our nation's fallen heroes.

A furlough and potential loss of civilian expertise will compound our challenges; it will affect enlisted and officer training pipeline sources, including the U.S. Naval Academy, Naval War College and Naval Postgraduate School, each of which plays a critical role in developing Sailors. The immediate impact will be a decrease in throughput, which will increase the number of Sailors awaiting training, delaying arrival in the fleet, reducing hard-fought improvements in at-sea manning and operational readiness. The intermittent unavailability of 20 percent of furloughed civilians will also inhibit timely planning and promulgation of policy-related guidance. The second- and third-order effects of these reductions will be felt for years, as continued sequestration impacts exacerbate the situation over the next decade.

Currently, veterans comprise more than 57 percent of the Department of the Navy's civilian workforce. In FY 2012, we hired nearly 11,000, including over 2,500 disabled veterans, into the civilian cadre. Given the current Navy-wide hiring freeze, the availability of civilian job

opportunities, including those for veterans, has come to a virtual standstill. This is severely hampering the Department's ability to recruit a quality and skilled workforce capable of executing our mission.

In addition to sequestration for FY 2013, the BCA also required lowering of discretionary caps for FY 2014 through FY 2021, resulting from failure to enact \$1.2 trillion in alternative deficit reduction by January 2012. Beyond FY 2013, if discretionary cap reductions are sustained for the full nine years, we would fundamentally change the Navy as currently organized, trained and equipped. While the Administration has exempted military personnel appropriations from FY 2013 sequestration, we cannot rule-out the possibility of future manpower reductions. The Secretary of Defense and Navy leadership will need to reconsider manpower costs and the balance between civilian and military manning. The size of the Navy may necessarily decrease further, using a combination of retirements and reduced procurement of new ships and aircraft. As the Chief of Naval Operations stated in written testimony before the House Appropriations Committee, given a set of fiscal circumstances under sequestration, and the corresponding reduction in discretionary budget caps from FY 2014-2021, the battle force could be as many as 50 ships fewer than reflected in our most recent shipbuilding plans. This would be 30-40 ships fewer than our current battle force, including at least two carrier strike groups, which could result in the need to reduce end strength with a possible corresponding need for implementation of involuntary force management tools that break faith with our all-volunteer force.



There are expected adverse impacts to Sailor training pipelines, as civilian furloughs and the hiring freeze at training commands result in a backlog, forcing students to wait longer for training. While we may be able to maintain appropriate manning of ships and squadrons, crew training-levels will suffer. Sailors will have a reduced opportunity to achieve personal and professional development; a hallmark of our recruiting efforts is the ability to provide Sailors with all of the skills they need to be successful. As this backlog of students grows, it will affect our ability to distribute highly skilled Sailors to the fleet, thereby, reducing overall readiness. Fleet commander mitigation actions regarding deployments, training and certifications, will have a cascading effect and long-term impact on personnel distribution and professional development. Finally, the overall angst and uncertainty associated with this process will undoubtedly take its toll as Sailors and civilians face decisions on whether to continue their service.

### **Conclusion**

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 in implementation can substantially mitigate the negative effects of sequestration on the Navy, but if we do end up with a yearlong continuing resolution, we will need help from Congress to get the dollars in the correct appropriations. We will also need Congress to support our efforts to use the reprogramming process to ensure that we can use our available funds to meet our highest priorities. Our immediate concern is the inability to allocate reductions in a rational manner that protects Sailors and their families, while sustaining current operations pursuant to the Defense Strategic Guidance and National Defense Strategy.

I remain committed to working with the Congress, particularly the military personnel subcommittees, and continuing to provide information on the effects of operating under a continuing resolution and the effects of sequestration. Thank you, once again, for holding this important hearing.