

**STATEMENT FOR THE RECORD
PETER J. DUFFY
DIRECTOR, LEGISLATION
NATIONAL GUARD ASSOCIATION OF THE UNITED STATES
BEFORE THE UNITED STATES HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON MILITARY PERSONNEL
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Chairman Dr Heck, Ranking Member Mrs Davis and Members of the Subcommittee:

Thank you for the opportunity to present a statement for the record on behalf of the National Guard Association of the United States (NGAUS) to address critical personnel issues facing members of the National Guard and their families. It will provide factual background, analysis and recommendations for the Subcommittee to consider.

The Unique Citizen Service Member

The National Guard is unique among components of the Defense Department (DoD) in that it has dual state and federal missions. While serving in a Title 10 active-duty status such as Operation Iraqi Freedom (OIF) or Operation Enduring Freedom (OEF), National Guard units are under the command and control of the president. Upon release from active duty, members of the National Guard return to their home states under the command and control of their governors. where they train, They not only train for their federal missions, but for their state missions such as fighting fires, responding to floods, and providing assistance to civil authorities in a variety of possible security and disaster scenarios.

While serving in their states, members are scattered geographically with their families as they hold jobs, own businesses, pursue academic programs and participate actively in their civilian communities.

Military service in the National Guard is uniquely “community based.” The culture of the National Guard remains little understood outside of its own circles. When the DoD testifies before Congress to present its programmatic needs, it will likely recognize the indispensable role of the National Guard as a vital “operational force” but it will say little about the benefit disparities, training challenges and unmet medical readiness issues that exist for National Guard members and their families at home.

These conditions exist before, during and after deployment. The National Guard Association of the United States asks this subcommittee to recognize the value of the National Guard in a budget-short environment and understand that the personnel issues of the National Guard are different from those of the active-component forces. In some cases, the differences are dramatic. We ask that they be given a fresh look with the best interests of National Guard members and their families in mind. Below is a list of the association’s priorities in this arena.

List of NGAUS Priorities

- 1. Freeze Army National Guard End Strength and Force Structure until the National Commission on the Future of the Army Reports**
- 2. Support the Compensation and Health Recommendations of the Military Compensation and Retirement Modernization Commission**
- 3. Ensure Robust Future Roles, Missions and Structure of the National Guard**
- 4. Require the DoD to Transfer to the Department of Veterans Affairs the Medical Records of National Guard Members upon Release from an Active-Duty Deployment**
- 5. Fund Embedded Mental Health Professionals for the Reserve Component and Improve Access to Confidential Community Based Mental Health Professionals**
- 6. Require the Defense Secretary to Implement Space-Available Travel Privileges for all Categories of Reserve Component Passengers identified in 10 USC 2641b c Subject to Priorities**

DISCUSSION:

1. Freeze Army National Guard End Strength and Force Structure until the National Commission on the Future of the Army Reports

NGAUS urges Congress to allow the National Commission on the Future of the Army to make its assessments and recommendations before reducing the size and force structure of the Army National Guard. The FY 2016 budget submission proposes cutting the Army National Guard by 8,200 from 350,200 to 342,000. It also includes severe cuts to the men and women who are responsible for the day-to-day operations of the Army National Guard, including a reduction of Active Guard and Reserve positions by 615 and dual-status technicians by 1,111. Additionally, it moves forward with the controversial Aviation Restructure Initiative, a plan the Army has called risky, complex, interdependent and irreversible. These proposals undermine the Guard's role as the nation's combat reserve as well as impact domestic and homeland security response. Before cutting Army National Guard end strength and force structure, we request a freeze at FY2015 levels to allow the commission to provide its recommendations on the appropriate size and force mixture of the active and reserve components.

2. Support the Compensation and Health Recommendations of the Military Compensation and Retirement Modernization Commission

NGAUS is extremely appreciative for the 15 well reasoned and balanced recommendations from the Military Compensation and Retirement Modernization Commission (MCRMC) which would

allow DoD to take a giant leap forward from an archaic compensation system that would advance the well being of the future Total Force, young and old, Active and Reserve.

As set forth below, the pay and retirement recommendations of the MCRMC would bring about long-awaited compensation reform to a deserving majority of the heretofore left out in the cold.

The fully grandfathered compensation recommendations would disadvantage no one currently serving but would improve the lot of an overwhelming 83% of the future force that historically does not serve long enough to retire. The 17% of the force that serves to retirement will see the calculation of their compensation package change but not necessarily its total value which may in fact increase.

The benefit and costs to individual groups must at all times be measured against the overall value to the country of modernizing and equitably adjusting an out-of-date compensation and benefit system. NGAUS applauds the MCRMC recommendation to vest a defined contribution pension benefit in the overwhelming majority of young men and women who will risk their lives in combat but will leave the military far short of retirement. It is they who are receiving too little in recognition of their service. They are most deserving.

MCRMC Retirement Recommendations

NGAUS Appreciates the MCRMC Recommendations to Retain Drill Pay and TRICARE for Life; and Reform the Defined Benefit Pension to Unify Active and Reserve Component Retirement Pay Systems

With the MCRMC's declaration that everything was on the table, NGAUS is grateful that the final recommendations would maintain current drill pay formulas, the hugely beneficial TRICARE for Life for retirees, and a modified but robust and flexible defined benefit pension for retirees that would remain the envy of the civilian world.

These benefits were potentially at risk. NGAUS is thankful that they would survive; however, the retirement pay recommendations go much further.

NGAUS welcomes with enthusiasm the recommendation that would unify the method of calculating retirement pay for the Active and Reserve Components based upon a 2% multiplier of the number of whole years or the whole year equivalent based upon the annual participation points earned by the Guard or Reserve member (180 annual participation points are the equivalent of a half year- 180/360).

Lowering the 60 year age to collect retirement has historically been the highest but heretofore unattainable priority for the Guard and Reserve. The most active push for reform NGAUS receives throughout the National Guard is to equitably lower the eligibility age to collect retirement pay and to bring active duty and Reserve retirement pay rules in equilibrium.

Reserve retirement as codified in 10 USC Chapter 1223 dates back to the Eightieth Congress with the passage of the Army and Air Force Vitalization and Retirement Equalization Act of

1948. Despite the name, the resulting compensation systems have been anything but equal for Active and Reserve retirees.

Since 1948, Active and retirees have been able to receive their retirement pay immediately after 20 years of service as early as age 37 while Reserve Component retirees must wait until age 60 to receive a penny.

The only reform of this unbalanced system was found in the 2008 NDAA provision that can reduce the age 60 eligibility three months for each aggregate of 90 days of service in a fiscal year served after Jan. 28, 2008 in a contingency operation or domestic emergency declared by the President. The 2015 NDAA also extended the single fiscal year to two consecutive fiscal years.

MCRMC's compensation recommendation would allow retired citizen soldiers of the National Guard and Reserve for the first time in nearly 70 years the option to receive a portion of their retirement pay after 20 years of service. Congress must prioritize passage of this historical recommendation.

Thrift Savings Plan for All and a Robust Defined Benefit Pension

The genius of the Commission retirement and pay recommendations lies with its incorporation of elements of both a defined benefit and defined contribution plans. It would allow defined benefit pensions to continue for retirees with a 2% multiplier for years served while automatically enrolling incoming Soldiers, Sailors, Airmen and Marines in a thrift savings plan (TSP), a defined contribution plan. New members would involuntarily contribute 3 percent of base pay augmented by a 1 percent contribution from the Uniform Services. Both would vest after 2 years of service.

The 1 percent contribution from the Uniform Services would continue throughout a member's term of service (the Commission has changed its recommendation to allow the 1 percent contribution to extend beyond 20 years of service). After two years all ranks could continue contributions in amounts of their choosing throughout their service with the Uniform Service matching up to 5 percent of monthly basic pay in addition to its 1 percent automatic contribution.

Providing a TSP for all incoming members of the military would jump start their lifelong retirement planning by assuring that when they separate from the military they have a retirement savings plan in place that could grow over a lifetime.

Thus a member could receive up to a 6 percent contribution from the Uniform Services in a defined contribution plan until separation or retirement, whichever would come first. This would be in addition to whatever defined benefit pension plan a member may earn.

Upon retirement, a member would be eligible to receive a defined benefit pension after 20 years of service calculated at the rate of 2 percent for each year of service (or the equivalent) multiplied by the monthly base pay at retirement. The retirement pay could be significant.

It is helpful to look at the projected numbers for career active-duty retirees. If current monthly compensation rates of \$10,844 were to continue for a future O-6 retiring with 30 years of service, this would yield a pension multiplier at age 67 of 60 percent (2 x 30) of \$10,844 for a monthly benefit of at least \$6,506.40. This would be subject further increases in the monthly pay rate between retirement and age 67.

Moreover, assuming Congress provides the military with a 1 percent pay annual raise over the next 30 years, that would compound to a monthly base pay for the O-6 of \$14,616.07 at 30 years. Applying the 60 % multiplier would yield a monthly pension of at least \$8,769.64 at age 67- subject again to any further increases in the monthly pay rate before age 67.

The same 60 percent multiplier applied to a future O-5 with 30 years would yield a monthly pension amount at age 67 of \$5,205.60 based on current monthly pay of \$8,676 and assuming no future pay increases. The pension would increase to \$7,016.36 (60 percent of \$11,693.94) assuming a compounded 1 percent annual pay increase for 30 years.

A future E-9 with 30 years of service would earn \$4,086.60 at age 67 based upon current monthly pay of \$6,811 continuing. However, the E-9 would earn an increased monthly pension of \$5,508.12 (60 percent of \$9,180.20) assuming a compounded 1 percent annual pay increase for 30 years.

When augmented by the TSP available balance at retirement, the future officer or enlisted retiree with 30 years of service would certainly be financially secure.

Congress must not support arguments to reject the MCRMC reform recommendations that cling to the current inequitable and out-dated pay system that would keep benefits restricted to a few and block the balanced TSP benefit that the MCRMC would provide to all of those serving in the Total Force, old and young, Active, Guard and Reserve.

Surveys done by organizations claiming dissatisfaction with the key compensation recommendations are suspect by asking people grandfathered in their current pay system to judge a new system that may frighten them with the prospect of change but ultimately not affect them in their grandfathered status.

How the compensation recommendations would harm recruiting is pure speculation from those who lack standing in a literal sense to put themselves in the minds of the future military members considering joining.

One thing certain is that future potential recruits would know the terms of what their compensation would be in deciding whether to join or not to join. They would receive the benefit of their bargain whatever that might be which is the basic element of fairness underpinning all contracts. The choice would be theirs.

Lacking clairvoyance on recruitment, we can proceed with confidence that the MCRMC Commissioners and staff acted in best interest of the nation fairly balancing the interests of all.

MCRMC Health Recommendations

NGAUS supports the MCRMC's recommendation to jettison an inefficient and stumbling TRICARE program and replace it with TRICARE Choice that would allow military members and their families access to plans that would expand the network of providers and support a continuum of care. Questions remain relative to the cost of the proposed programs to the individual and family. If enacted, there must be a sufficient implementation period to make any needed adjustments. However, not passing this recommendation must not be an option

Surveys done by other organizations claiming dissatisfaction with the key compensation and health care recommendations are unreliable by asking those who are not enrolled in FEHBP to compare TRICARE with FEHBP. There is a only very small group who could make this comparison which to the best of our knowledge, has not been separately surveyed.

The Commission has already exhaustively and expertly surveyed the global military community in deriving its recommendations. The MCRMC report accurately defines the problems and challenges that the Reserve members have faced with TRICARE. NGAUS strongly support the expanded access to providers that would be available to the National Guard under TRICARE Choice.

With a few strategic tweaks, the package of recommendations is acceptable to NGAUS. Congress must enact the recommendations as soon as may be feasible. If the momentum is lost, it may never be regained.

3. Future Roles, Missions and Structure of the National Guard

It is essential that the Adjutants General, and Council of Governors and National Guard be involved in key processes in any process examining the roles, missions and force structure of the National Guard. Without actively participating as the key stakeholders in the processes that will form recommendations going forward on these issues, the National Guard would bear the consequences of assumptions lacking a factual basis that too often emerge from closed rooms.

In reviewing the ongoing testimony on the future force mix of the military that may follow, please find for your review and future reference a link to an independently written discussion paper titled [“National Defense in a Time of Change”](#) published as part of The Hamilton Project by the Brookings Institution. The paper offers cogent recommendations for potential defense budget savings of \$500 billion over 10 years.

Authors Adm. Gary Roughhead, U.S. Navy (Ret.) and Kori Schake, both of the Hoover Institution, recommend a redesign of the military's force structure (page 13): “We must redesign our forces and budget to our strategy, and not to equal service share between branches.... Putting more of the responsibilities for ground combat into the combat-proven reserve component is both consistent with the new demands of the evolving international order and justified by the superb performance of National Guard and reserve units in our recent wars.”

Although Roughhead and Schake believe that the current structure of the Navy and Air Force would meet their redesign needs, they assert that Congress must reduce the current Army by 200,000 from 490,000 while adding “100,000 reservists and National Guardsmen closely entwined in the regular rotation whose principal mission would be arriving in a mature theater for sustained combat.”

On page 14, Roughhead and Schake cite the drag arising from the 781,960 civilians currently employed by DoD and the resulting inefficiencies arising from an over reliance on private contractors. “If the military cannot deploy or sustain the fight without those contractors market pressures will bid up the cost of civilian contractors until the cost advantage is negligible. In fact, we are probably beyond that cost point. We would reduce civilian personnel by a greater proportion than uniform reductions.” (According to Bloomberg, DoD currently employs 700,000 private contractors with nearly 5,000 working in the office of the Secretary of Defense alone.)

Please also find the [Reserve Forces Policy Board \(RFPB\) report](#) showing the fully burdened life cycle costs of the Reserve components to be less than one-third per capita those of the active forces

Lastly, please find the [National Guard Association's RFPB Fact Sheet](#), which summarizes the RFPB findings.

Thank you for your consideration of these studies.

4. Require DoD to Transfer to the Veterans Administration the Medical Records of National Guard Members upon Release from an Active Duty Deployment

DoD currently transfers to the Veterans Administration (VA) the medical records of active-duty members upon separation from active duty. However, it does not do so for the medical records of the National Guard when they are released from active duty following a deployment.

Disability Benefit Compensation Claims with the VA filed by veterans of the Reserve component are being denied on appeal at four times the rate of those Disability Benefit Compensation Claims filed by active duty.

A complete set of deployment medical records is essential to support a Disability Benefit Compensation Claim filed by a member of the Reserve component for injuries suffered during deployment.

Congress must require DoD to transfer to the VA the medical records of members of the National Guard in its custody upon the members’ release from active-duty deployments.

5. Fund Embedded Mental Health Professionals for the Reserve component and Access to Confidential Community Based Mental Health Professionals

The National Guard continues to have the highest reported rate of suicides in the military.

The DoD Suicide Event Report reported rates of suicides (per 100,000) for the Reserve and National Guard components of the Select Reserve in 2013 at 23.4 and 28.9 with an Active Component suicide rate of 18.7 as of June 30, 2014.

Moreover, due to delays in suicide determination by civilian coroners and medical examiners the subject DoD report does not reflect the actual rate for all National Guard suicides in 2013 which was 33.5 per 100,000 according to the National Guard Bureau - easily the highest in the military.

NGB further reports that 63 percent of the ARNG soldiers and 64 percent of Air National Guard airmen who died by suicide were never deployed.

National Guard and Reserve personnel in states at high risk for suicide and dangerous behavioral health conditions need convenient and confidential access to community based mental health professionals for screening, care and referrals.

There are currently no federally funded programs through DoD or the VA for confidential community based behavioral care for over 450,000 members of the National Guard located in communities across the country especially those residing in isolated rural communities. Those requiring confidential behavioral health care must rely on community resources – often from pro bono good Samaritan providers who may or may not be trained in military behavioral health.

A program providing funded access to confidential community based mental health providers would help prevent suicides in the population of 450,000 National Guard members and their families and also answer the need for non-clinical services to address stressors for service member and families that may lead to more serious complications.

A program that would fund community-based treatment from trained providers would also inure to the benefit of active-duty members, veterans and their families who may seek confidential community-based care outside of federal installation treatment facilities. For reasons not fully understood, many veterans avoid the VA behavioral health care systems while the VA reports that 22 veterans take their lives daily.

There can be no reliable statistic for those needing care who treat confidentially outside of DoD or VA facilities as that would be tantamount to proving a negative. Despite the lack of a hard statistic, the number is likely very large.

Embedded Providers

On-site access to an embedded mental health professional during training assemblies has proven successful in overcoming geographical, stigma and time barriers that might otherwise bar a member from similar services in a rural or underserved community.

Licensed embedded providers also provide an onsite professional to whom victims of sexual assault can confidentially report outside of command channels. An onsite community based civilian provider can initially provide counseling for any attendant behavioral injury as well as guidance on accessing community based support services and utilization of the civilian criminal justice system.

Funding Requests

NGAUS urges the Congress to fence no less than \$30 million for the NGB Director of Psychological Health to establish embedded mental health providers authorized by the 2012 NDAA in states determined to be at mental health risk and to fund access to confidential, community-based behavioral care providers.

NGAUS further urges Congress to fund Mental Health Authorities of the 54 states and territories to establish in coordination with SAMHSA three year pilot programs to train qualified behavioral health care and non clinical service providers in military culture and other evidenced-based practices and to fund access to those providers for members and families of the National Guard and Reserve and for other members of the military and veterans.

6. Require the Secretary of Defense to Implement Space-Available Travel Privileges for all Categories of Reserve Component Passengers identified in 10 USC 2641b c Subject to Priorities

Title 10, section 2641b of the U.S. Code enacted as part of the NDAA for Fiscal Year 2013 codified the authority of the Secretary of Defense to determine whether to establish a program to provide transportation on DoD aircraft on a Space-Available (Space-A) basis to certain categories of eligible individuals. The bill was scored budget neutral by the Government Accountability Office.

The subject categories specifically indentified in 10 USC 2641b(c) included members of the Select Reserve; retired members of a regular or Reserve of the armed forces, Gray Area retirees and certain of their dependents as specified by the Secretary of Defense.

This statutory protection provides authority going forward but it remains to be seen what additional restrictions the Secretary of Defense will place on travel by the Select Reserve given the recently announced refusal to extend the benefit to dependents of the Select Reserve.

The Secretary has the sole discretion under the law to determine the order of priority for travel for the eligible categories based on considerations of military necessity, humanitarian concerns and enhancement of morale and the need to provide respite to active-duty members and their dependents from the demands of active duty. The Secretary can further restrict utilization of the benefit to any of the eligible categories.

In a report to Congress this past October, the Secretary of Defense announced his determination to continue the Space-A program for the eligible categories but with the troubling limitation of denying overseas Space-A travel to Gray Area retirees and denying all Space-A travel to dependents of both the Select Reserve, Reserve retirees and Gray Area retirees, **even when there is Space-Available on aircraft**. This is in clear contravention of the spirit of the joint conference negotiations that established this provision in the FY2013 NDAA.

Unfortunately, forbidding Space-A travel for dependents of the Guard and Reserve will only chill travel for the Guard or Reserve member who will naturally want to travel with family.

The apparent reason for the exclusion of dependents stated in the subject report is that it would jeopardize travel for higher priority passengers.

This is indeed puzzling as the Space-A system self regulates first with the availability of seats and then with prioritized categories that will automatically exclude lower category Guard dependents.

The report cites the example of flights stopping en route to a final destination carrying a passenger with a low priority booked on the originating flight manifest. That lower priority passenger cannot be bumped at the en route stop by a passenger with a higher priority seeking a seat thereby jeopardizing Space-A travel for the latter.

One equitable work around solution for this would be to limit Space-A privileges for Guard dependents to nonstop flights and not simply ban participation of Guard dependents.

There is also no discussion in the report of the utilization of virtually empty Space-A flights originating on Air National Guard bases hundreds of miles from any active installations that have little or no impact on active duty members or their dependents.

The Secretary of Defense has until October 2015 to prescribe regulations to operate the program. DoD 4515.13-R that governs the operation of the program is currently under revision to reflect the codified eligible categories.

Congress needs to monitor the progress of the regulations to make sure the Secretary of Defense does the right thing for the Reserve Components.

Disclosure Statement

Neither NGAUS nor I have received in this current year or within the past two fiscal years any federal grant or contract.

Peter Duffy, Colonel US Army (Retired)
Legislative Director
NGAUS