



THE ENLISTED ASSOCIATION OF THE NATIONAL GUARD OF THE UNITED STATES

STATEMENT FOR THE RECORD

**SENATE ARMED SERVICES COMMITTEE
PERSONNEL SUBCOMMITTEE**

on

Fiscal Year 2017 Department of Defense Personnel Programs

March 8, 2016

***Enlisted Association of the National Guard of the United States
3133 Mount Vernon Avenue
Alexandria, Virginia 22305
www.eangus.org***

The Enlisted Association of the National Guard of the United States (EANGUS) was created in 1970 by a group of senior Non-Commissioned Officers. It was formally organized / incorporated in 1972 in Jackson, Mississippi, with the goal of increasing the voice of enlisted persons in the National Guard on Capitol Hill for enlisted National Guard issues. Beginning with twenty-three states, EANGUS now represents all 54 states and territories, with a constituency base of over 414,000, hundreds of thousands of family members, as well as thousands of retired members.

Headquartered and with offices in Alexandria, Virginia, EANGUS is a long-time member of The Military Coalition (TMC) and is actively engaged with the Guard/Reserve Committee and the Health Care Committee. EANGUS often partners with other National Guard related associations such as the National Guard Association of the United States (NGAUS), the Adjutants General Association of the United States (AGAUS) and the Reserve Officers Association (ROA) to pursue common legislation goals and outcomes.

EANGUS is a non-profit organization that is dedicated to promoting the status, welfare and professionalism of enlisted members of the National Guard by supporting legislation that provides adequate staffing, pay, benefits, entitlements, equipment and installations for the National Guard.

The legislative goals of EANGUS are published annually. The goals and objectives are established through the resolution process, with resolutions passed by association delegates at the annual conference. From these resolutions come the issues that EANGUS will pursue in Congress and in the Department of Defense.

President – Chief Master Sergeant John Harris, US Air Force Retired

Executive Director – Sergeant Major Frank Yoakum, US Army Retired

Legislative Director – Scott Bousum

MR. SCOTT BOUSUM, LEGISLATIVE DIRECTOR

Scott Bousum is the Legislative Director at the Enlisted Association of the National Guard of the United States (EANGUS). As the Legislative Director, Scott works with the enlisted state associations to advocate on behalf of Guardsmen on Capitol Hill, specifically on issues related to compensation, healthcare, retirement, and National Guard weapons and equipment programs. Before joining EANGUS, Scott was the Director of National Security Policy and Procurement Policy at TechAmerica, a technology industry association. While at TechAmerica, he focused on supply chain security, regulatory affairs, and the federal acquisition process. Prior to joining TechAmerica, Scott worked on the House Armed Services Committee from 2009 to 2013, supporting the Tactical Air and Land Forces Subcommittee. Scott is from Oklahoma and worked for former U.S. Senator Tom Coburn of Oklahoma. He is a graduate of the University of Tulsa and received his Masters' degree in National Security Strategic Studies from the United States Naval War College.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Enlisted Association of the National Guard of the United States (EANGUS) does not currently receive, nor has the association ever received, any federal money for grants or contracts. All of the association's activities and services are accomplished completely free of any federal funding.

OPENING STATEMENT

Chairman Graham, Ranking Member Gillibrand, and esteemed members of the Personnel subcommittee, thank for allowing me to testify before you on behalf of the Enlisted Association of the National Guard of the United States (EANGUS). Our membership represents over 414,000 enlisted men and women of the Army and Air National Guard, their families and survivors, and tens of thousands of National Guard retirees. Their lives are touched in some way by the decisions that are made by you and your colleagues on the Armed Services Committee.

I worked closely with you and your staff, and your House counterparts, as you developed and considered the blended retirement proposals in the Fiscal Year 2016 National Defense Authorization Act. We understand that much of the conversation this year will be about changes to the military healthcare system. Reforms to the personnel system, and defense acquisition system, are driven by the budget. It is clear, the Department of Defense needs additional funds to research new technologies, procure new weapons platforms, maintain equipment, start new construction projects, and train and pay servicemembers and civilian staff.

This year, the Personnel Subcommittee is looking to reform military healthcare without sacrificing quality, cost, and access. During last month's budget rollout, the Department of Defense distributed healthcare proposals pertaining to the Active Component. While the Department is still considering improvements for members of the Reserve Component, I am prepared to discuss some of the ideas that are starting to be socialized on Capitol Hill, such as transferring the management of Reserve Component health care to the Office of Personnel Management.

In conjunction with the Reserve Officers Association (ROA) and the National Guard Association of the United States (NGAUS), we circulated a healthcare satisfaction survey to our members. Together, our memberships reflect the entirety of the Reserve Component – officers and enlisted. The results of our survey are enclosed with my written testimony. Our survey shows that our membership likes TRICARE when it works as designed. Continuity of care is our greatest challenge. I understand that the Reserve Officers Association submitted a written statement, with excerpts from the survey, and I am prepared to address those comments as well.

Thank you again for hosting this hearing and for inviting me to discuss Department of Defense Personnel Programs. I look forward to answering your questions.

Legislative priorities for the upcoming year to maintain quality-of-life and quality-of-service for servicemembers and families

Introduced by Representative Sam Johnson (TX-03) on January 13, 2016, H.R. 4381, the Servicemember Retirement Improvement Act, would amend the Internal Revenue Code allowing servicemembers in the Ready Reserve to maximize contributions to their Thrift Savings Plan (TSP). Section 632 of S. 1356, the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92) created a government matched retirement plan for servicemembers to contribute to a TSP account. Current tax code limits all individuals under the age of 55 to contributing \$18,000 toward their retirement each year. Future members of the National Guard, who max out their employer-contributed retirement account, could lose out on their government-matched TSP accounts. H.R. 4381 would allow members of the National Guard to make maximum contributions toward their employer-contributed retirement account and their government-matched TSP account.

Introduced by Representative Poliquin (ME-02) on March 1, 2016, H.R. 4658 would amend Section 62(a)(2)(E) of the Internal Revenue Code of 1986 by striking “100 miles” and inserting “50 miles”. In turn, the proposed legislation would decrease the distance away from home required for a member of a Reserve Component (RC) to be eligible for the above-the-line deduction for travel expenses. This change would align treatment of RC servicemembers with what is allowed for Federal workers, which is 50 mile minimum for travel compensation. The Tax Reform Act of 1986 (Public Law 99-514) eliminated reservists’ tax deductions on travel expenses incurred while on duty and in transit. The National Defense Authorization Act for Fiscal Year 2004 (Public Law 108-136) restored the tax deduction for Guard and Reserve members performing duty at locations at least 100 miles from their residence.

Introduced by Senator Moran of Kansas on February 22, 2016, S. 2563, the Protecting Our Security Through Utilizing Right-Sized End-Strengths Act of 2016 (POSTURE Act of 2016) would establish a Sense of Congress that given the unpredictable risks we face and the need for well-trained and ready land forces, the planned drawdown of these forces should cease. S. 2563 would authorize Army end strength at 480,000, the Army National Guard at 350,000 and the Army Reserve at 205,000. It would also make permanent active duty end strength minimum levels of 480,000 for the Army, 329,200 for the Navy, 184,000 for the Marine Corps, and 317,000 for the Air Force.

Force of the Future proposals and impacts on readiness and the budget

There is a concern among members of the National Guard about what exactly the Force of the Future is aiming to accomplish. The purpose of Force of the Future is to position the Services to be able to attract and retain the best and brightest well into the Twenty First Century. The concept is well intended. However, the EANGUS National Office is not aware of any surveys or working groups to obtain data from servicemembers about what is desired to keep them. Furthermore, EANGUS is concerned about comments from the Armed Services Committees that

Congress has been left in the dark as the Department of Defense (DOD) developed the proposals.

On January 28, 2016, Secretary Carter announced that DOD would implement twelve weeks of paid maternity leave for women across the joint force.¹ The Department's extension of paid maternity leave is commendable, but at what cost? EANGUS understands that there are trade-offs and that extending paid maternity leave to 12 months could cost the Army one Battalion. On February 28, 2016, Mr. Patrick Murphy, Acting Secretary of the Army and General Mark A. Milley, Army Chief of Staff testified before the Senate Appropriations Committee's Defense Subcommittee and stated that the Army's number one priority is readiness.² Since we are downsizing the force, it is hard to justify new proposals to improve quality of life and retention at the expense of readiness.

Military Health Care Reform

According to a 2014 Demographics report, *Profile of the Military Community* provided by militaryoneSource.mil, there are 831,992 Selected Reserve personnel. Forty-two percent are in the Army National Guard and nearly thirteen percent are Air National Guard. Most EANGUS members participate in TRICARE Prime, TRICARE Reserve Select (TRS), TRICARE Retired Reserve (TRR), and TRICARE for Life (TFL).

TRICARE Prime is for Reservists on active duty status: mobilized, Active Guard and Reserve (AGR), Active Duty Operational Support (ADOS), Full Time National Guard Duty (FTNGD), or active duty for training over 30 days, but not annual training. For active duty servicemembers, there are no fees or copays. Overall, there are 4,931,544 people enrolled and of that total, there are 1,562,658 enrolled who are retirees or family members under age 65.³ TRS is provided for Reservists not eligible for the Federal Employee Health Benefit Plan (FEHBP). There are 119,775 TRS plans covering 326,710 people which is 25.6 percent take rate.⁴ TRR is similar to TRS, but is designed for working age retirees who wish to stay on TRICARE and do not mind paying a 100 percent of the costs, determined by the Defense Health Agency. TFL is designed for retired servicemembers who are Medicare eligible; it is a Medicare supplement. Please see the below chart for greater detail, data taken from the Evaluation of the TRICARE Program: Access, Cost, and Quality, Fiscal Year 2015 Report to Congress.

¹ "Carter Announces 12 Weeks Paid Military Maternity Leave, Other Benefits", Lisa Ferdinando, DOD News, Defense Media Activity, <http://goo.gl/o9o0xp>.

² Statement by the Honorable Patrick J Murphy, Acting Secretary of the Army and General Mark A. Milley, Chief of Staff, United States Army, Senate Committee on Appropriations, Subcommittee on Defense, February 24, 2016, page 1.

³ Evaluation of the TRICARE Program: Access, Cost, and Quality, Fiscal Year 2015 Report to Congress, page 15.

⁴ Ibid, page 59.

Plan	Population	Costs	No. Covered
Prime	Active Duty Status	\$0	4,931,544
Prime	Retirees	\$282.60 for individual** \$565.20 for family**	1,562,658
TRS	Reserves (not on FEHBP)	\$50.75 for individual* \$205.62 for family*	326,710
TRR	Working Age Retiree (Age 60-65)	\$390.89 for individual* \$961.35 for family*	5,100
TFL	Retired (Age 65+)	\$0	2,086,353

* monthly cost; ** annual cost

EANGUS supports transferring RC servicemember health care management to the Office of Personnel Management (OPM), a concept recommended by the Military Compensation and Retirement Modernization Commission (MCRMC) in its final report to Congress in January 2015.⁵ Transferring the management to OPM would lower administrative costs, as OPM already manages all federal employee health care; as well as avoiding the challenges and turmoil of DOD setting up an identical system. Furthermore, EANGUS supports the expansion of TRS to dual-status technicians serving in the National Guard, and therefore supports striking 10 USC 1076d, subsection A, Paragraph 2 from public law. Providing RC servicemembers access to FEHBP would expand the options to servicemembers in need of more robust (and more expensive) health care plans offered by FEHBP to fit their individual and family's needs. Making TRS an option on FEHBP would allow greater access to TRS for RC servicemembers not currently eligible and improve continuity of care for the service member and their dependents.

Enclosure 1: EANGUS, NGAUS, and ROA healthcare survey results

Enclosure 2: MCRMC recommendation/ EANGUS chart

Recruitment and Retention

EANGUS members are concerned about the increased use of the 12304b orders to active duty status. In Fiscal Year 2016, DOD requested 10,107 Man-years; \$901 million⁶ and in Fiscal Year 2017, requested 11,124 Man-Years; \$1,060 million.⁷ The Fiscal 2017 request is a 10 percent increase in Man-years from 2016 and a 15 percent increase of funds.

When called to active duty under 12304b orders, members of the National Guard are not afforded pre-mobilization healthcare, transitional healthcare (TAMP), reduced age for retirement, Post 9/11 G.I. Bill benefits, or education assistance protections. These benefits are

⁵ Military Compensation and Retirement Modernization Commission, Final Report to Congress, January 2015,

⁶ Department of Defense, Fiscal Year 2016 Overseas Contingency Operations Request, Military Personnel, Army, Justification Book, February 2015, page 11.

⁷ Department of Defense, Fiscal Year 2017 Overseas Contingency Operations Request, Military Personnel, Army, Justification Book, February 2016, page 11.

covered by almost every other duty status, and are benefits that attract young men and women to join and stay with the National Guard. EANGUS members want to deploy, but they want to be afforded the benefits for their service. EANGUS members are discouraged by the Department's intent to increase 12304b usage this year mainly due to the disconnect in the benefit structure. Continued overuse could negatively impact moral and retention.

EANGUS members understand the complexities of balancing defense funds with the threats facing the United States. Training, equipping, and supporting forward deployed personnel for nearly 15 years is expensive. Due to fiscal constraints, out of the control of Senate Armed Services Committee, Congress has made decisions to sacrifice hardware accounts to fund Readiness (training) and Personnel accounts. Unfortunately, during sequestration, our servicemembers saw lapses in training, as even the Readiness accounts were hit.

EANGUS members are concerned about the decreased funding to the services' Research, Development, Test, and Evaluation (RDT&E) and Procurement accounts. If DOD and industry are not developing new weapons systems for servicemembers to fight future conflicts, readiness will suffer. If sequestration returns resulting in limited training opportunities, readiness will suffer.

There is an Army budget graph enclosed that shows the increased funding to Personnel at the expense of RDT&E and Procurement accounts. From FY01 to FY15, Personnel accounts have increased 7 percent, despite the fact that Army end strength has returned to FY01 levels. During the same period, Army equipment accounts have decreased 6 percent. This is a trend that must be reversed, because in order to attract our best and brightest in the future, the Army must field updated equipment and software to avoid "falling behind near-peers".⁸

Suicide Prevention and Response

Suicide rates are high in the National Guard. The Army National Guard has seen an increase number of suicides in 2016. January and February saw seventeen suicides which is four more people than the average for January and February from 2011 to 2016.⁹ The Air National Guard saw twenty-one suicides, the second most yearly total since 2004.¹⁰ Air National Guard suicide rates over the past two years show that suicides and attempts happen on traditional or technician status. From January 2015 to February 22, 2016, no one on Active Duty Status committed suicide, and there were only four attempted suicides.

EANGUS understands that the rural makeup of the National Guard makes it difficult to care for servicemembers in need. While there are a plethora of programs, many of which can be found on www.jointservicessupport.org, designed to help all servicemembers suffering from Post-

⁸ Statement by Lt. Gen. Michael E. Williamson, Principal Military Deputy to the Assistant Secretary of the Army for Acquisition, Logistics and Technology (ASA(ALT)), Testimony before the House Armed Services Committee, Subcommittee on Tactical Air & Land Forces, March 2, 2016.

⁹ National Guard Bureau, Army National Guard Soldier Family and Support, current data as of February 24, 2016.

¹⁰ National Guard Bureau, Air National Guard, Suicide Data 2016, current data as of February 22, 2016.

Traumatic Stress, Traumatic Brain Injury, and suicidal thoughts, there is no substitution for human contact with other servicemembers and having access to mental health professionals at military installations. The programs, funded in the tens of millions of dollars annually, however well intended, have in effect allowed leaders from the squad to regimental level to abdicate their responsibilities to check on the welfare of their peers and subordinates in deference to these programs. In most cases, the programs are inadequately staffed and centralized at the state joint force headquarters, which may work well in Rhode Island but does not work in California or Texas. The one-on-one contact by caring individuals (i.e. Buddy Check) make the difference in suicide prevention.

The current state of readiness

In Fiscal Year 2017, the Army National Guard (ARNG) will see end strength fall to 335,000. The ARNG end strength was 342,000 in FY16 and 350,032 in FY15.¹¹ In FY17, the Air National Guard end strength will be 14,764. Its end strength was 14,748 in FY16 and 14,784 in FY15.¹² With the assistance of Congress, the National Guard and Reserve Equipment Account (NGREA) has been well funded. Nearly half of the members of the National Guard has combat experience, they train to the standards as their active Army and Air Force counterparts, and after more than a decade of fighting in Iraq and Afghanistan, the Active and Reserve Components are indistinguishable.¹³ While the nation benefits from a strong, ready National Guard, the National Commission on the Future of the Army (NCFA) reported that 335,000 is the bare minimum end strength level, and that even a 335,000 end strength is accepting risk.¹⁴

¹¹ Department of the Army Fiscal Year 2017 Budget Estimates, National Guard Personnel, Army, Justification Book, February 2016, pages 8 and 9.

¹² Air National Guard Fiscal Year 2017 Budget Estimates, Appropriation 3850, National Guard Personnel, Air Force, February 2016, page 15.

¹³ 2016 National Guard Bureau Posture Statement, Fighting America's Wars, page 9.

¹⁴ National Commission on the Future of the Army, Report to the President and the Congress of the United States, January 28, 2016, The Army of the Future Chapter, page 57.

TRICARE Reserve: **Access and Quality of Healthcare Survey**

Military Service Organizations Participating:

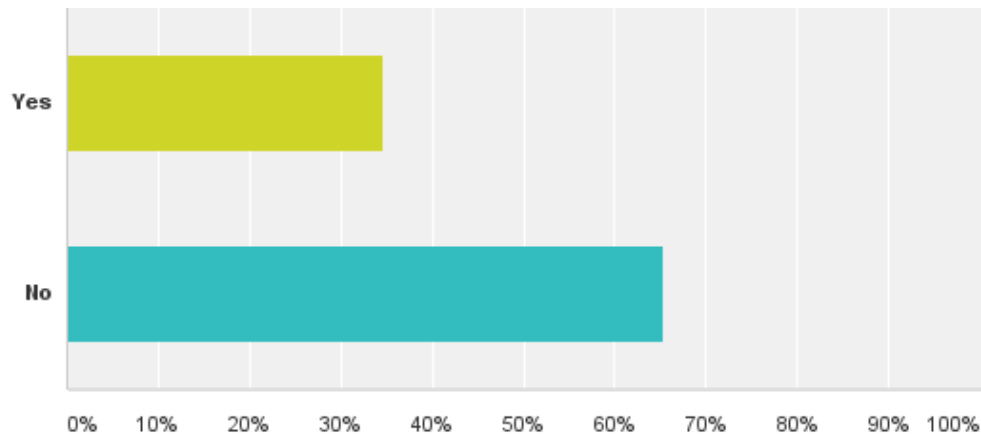
- Reserve Officers Association (ROA)
- National Guard Association of the United States (NGAUS)
- Enlisted Association of the National Guard of the United States (EANGUS)

301 Total Responses from Association Members

Updated: February 22, 2016

Q1: Are military treatment facilities relatively accessible to you?

Answered: 297 Skipped: 4



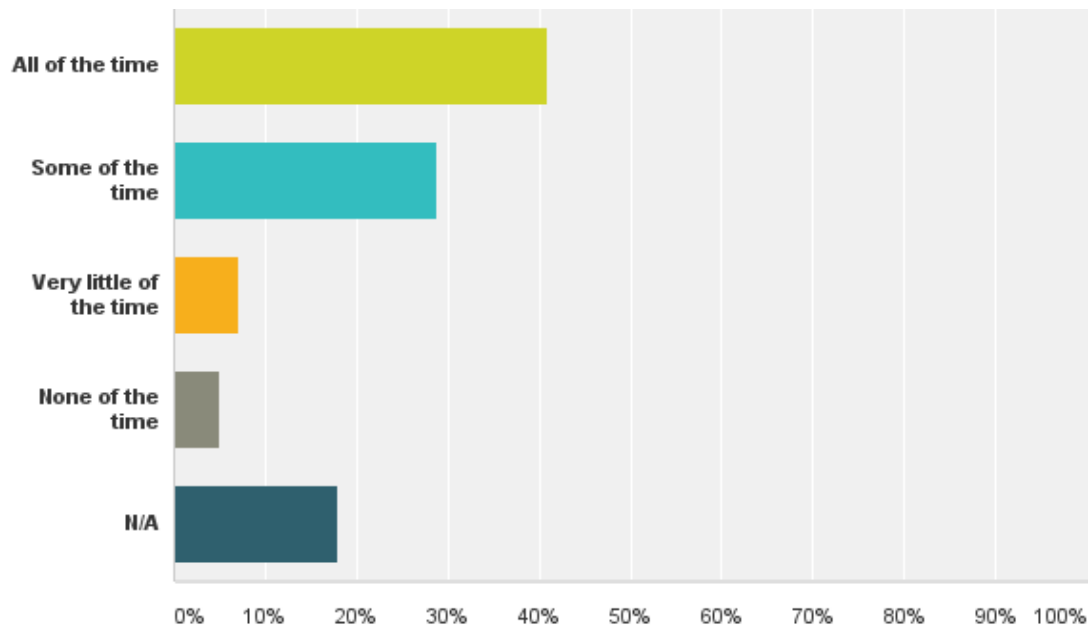
Q1: Are military treatment facilities relatively accessible to you?

Answered: 297 Skipped: 4

Answer Choices	Responses	
Yes	34.68%	103
No	65.32%	194
Total		297

Q2: Do you have access to qualified specialists (pediatrics, oncologists, pulmonary, etc.) through TRICARE Reserve to meet your medical needs?

Answered: 295 Skipped: 6



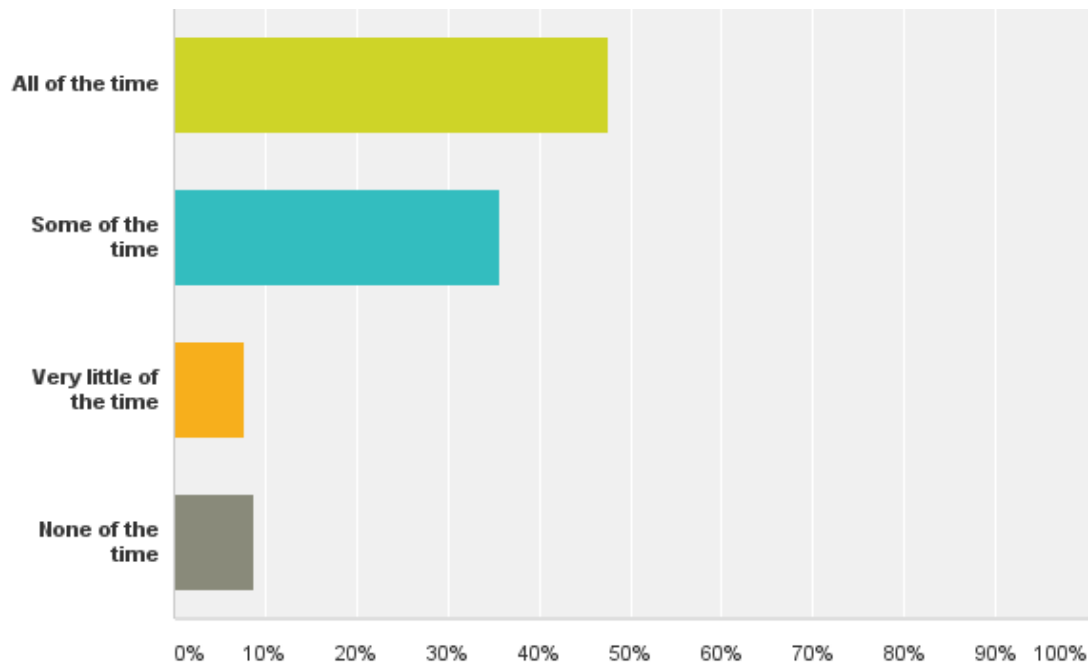
Q2: Do you have access to qualified specialists (pediatrics, oncologists, pulmonary, etc.) through TRICARE Reserve to meet your medical needs?

Answered: 295 Skipped: 6

Answer Choices	Responses	
All of the time	41.02%	121
Some of the time	28.81%	85
Very little of the time	7.12%	21
None of the time	5.08%	15
N/A	17.97%	53
Total		295

Q3: Does TRICARE Reserve provide healthcare in a quick and timely manner?

Answered: 283 Skipped: 18



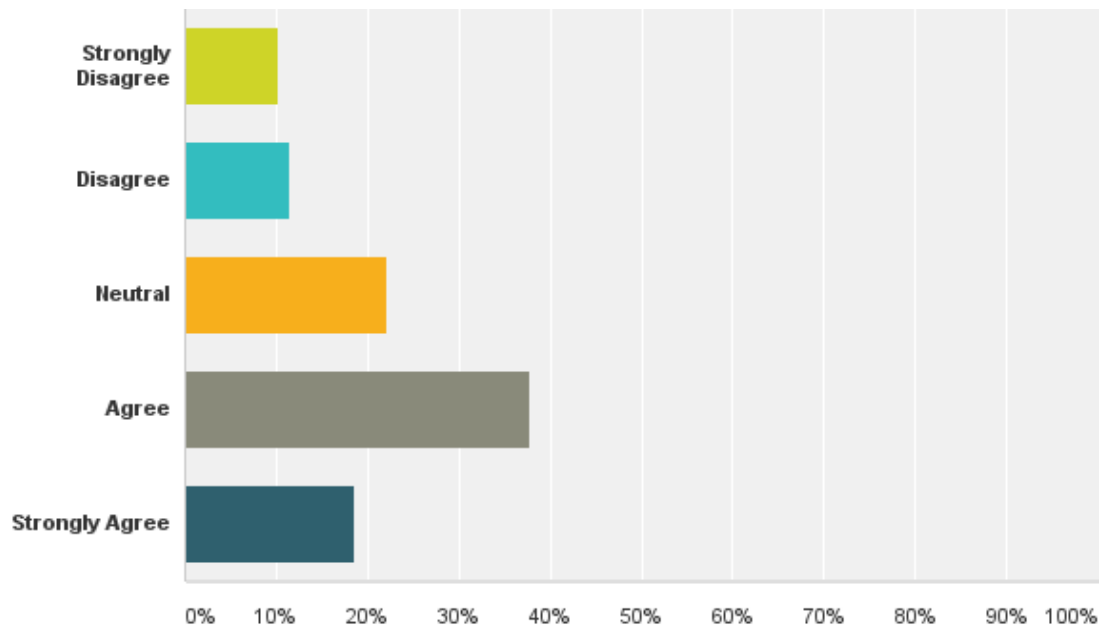
Q3: Does TRICARE Reserve provide healthcare in a quick and timely manner?

Answered: 283 Skipped: 18

Answer Choices	Responses	
All of the time	47.70%	135
Some of the time	35.69%	101
Very little of the time	7.77%	22
None of the time	8.83%	25
Total		283

Q4: When I want to use them, TRICARE Reserve provides a good selection of network providers to meet my medical needs.

Answered: 286 Skipped: 15



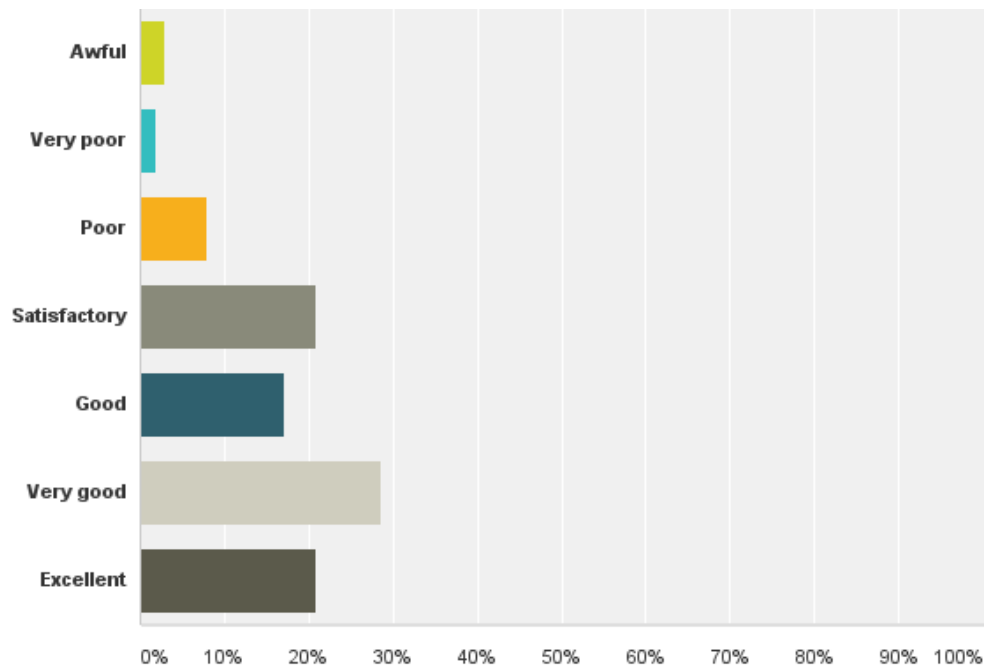
Q4: When I want to use them, TRICARE Reserve provides a good selection of network providers to meet my medical needs.

Answered: 286 Skipped: 15

Answer Choices	Responses	
Strongly Disagree	10.14%	29
Disagree	11.54%	33
Neutral	22.03%	63
Agree	37.76%	108
Strongly Agree	18.53%	53
Total		286

Q5: The quality of my healthcare through TRICARE Reserve is:

Answered: 279 Skipped: 22



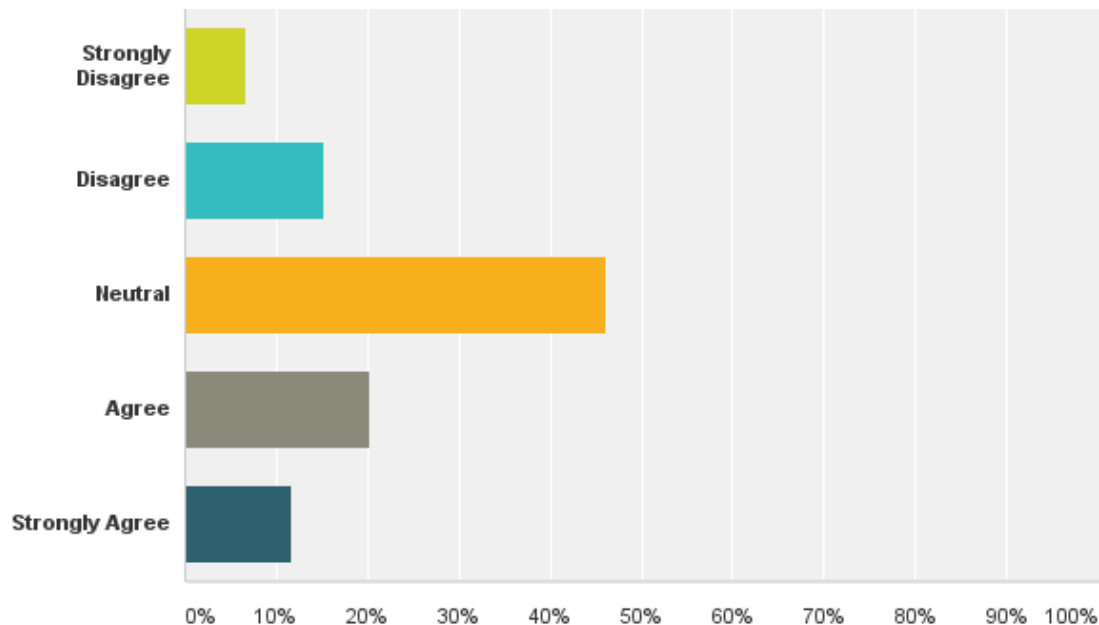
Q5: The quality of my healthcare through TRICARE Reserve is:

Answered: 279 Skipped: 22

Answer Choices	Responses	
Awful	2.87%	8
Very poor	1.79%	5
Poor	7.89%	22
Satisfactory	20.79%	58
Good	17.20%	48
Very good	28.67%	80
Excellent	20.79%	58
Total		279

Q6: Do you agree or disagree with this statement: Military treatment facilities do not provide healthcare as efficiently and effectively when they know I am reservist.

Answered: 282 Skipped: 19



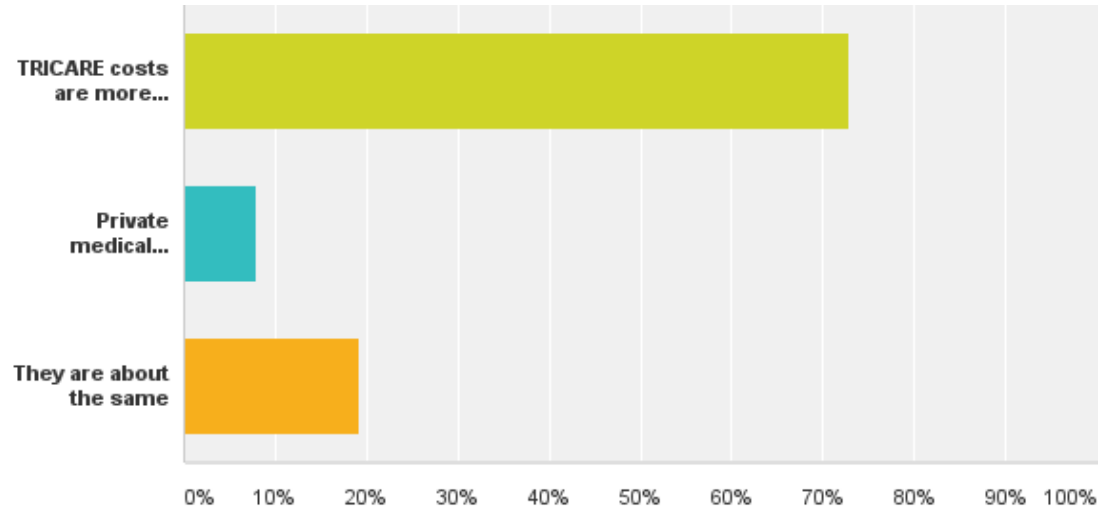
Q6: Do you agree or disagree with this statement: Military treatment facilities do not provide healthcare as efficiently and effectively when they know I am reservist.

Answered: 282 Skipped: 19

Answer Choices	Responses	
Strongly Disagree	6.74%	19
Disagree	15.25%	43
Neutral	46.10%	130
Agree	20.21%	57
Strongly Agree	11.70%	33
Total		282

Q7: Are medical costs more affordable on TRICARE or through a private medical provider?

Answered: 280 Skipped: 21



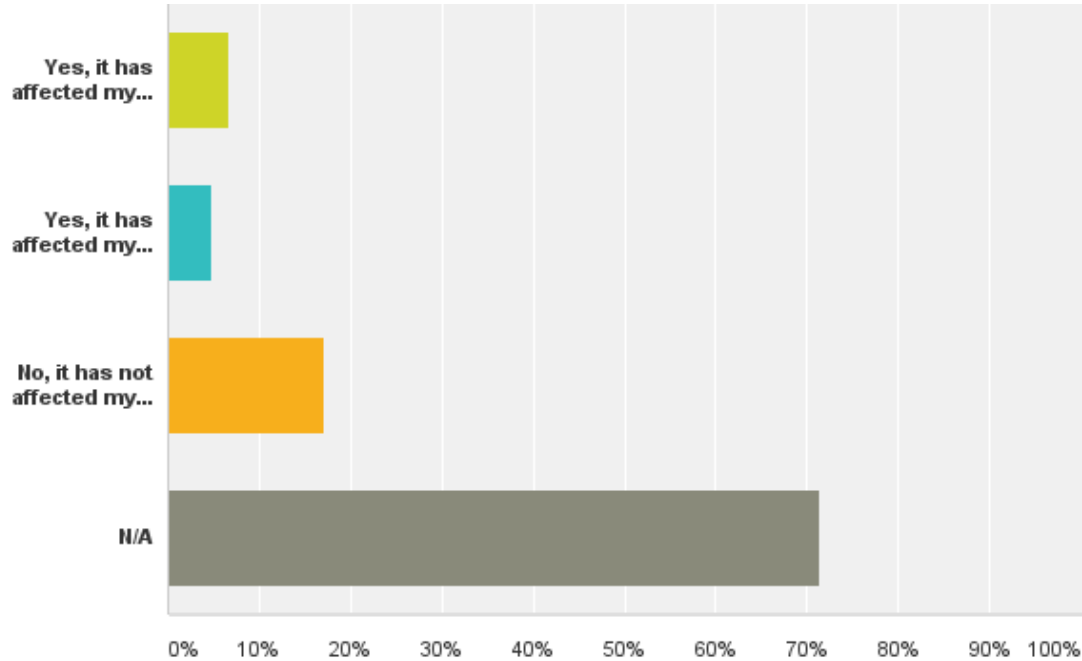
Q7: Are medical costs more affordable on TRICARE or through a private medical provider?

Answered: 280 Skipped: 21

Answer Choices	Responses	
TRICARE costs are more affordable	72.86%	204
Private medical provider costs are more affordable	7.86%	22
They are about the same	19.29%	54
Total		280

Q8: Do you believe seeking and/or receiving treatment for mental health issues has affected your career advancement?

Answered: 287 Skipped: 14



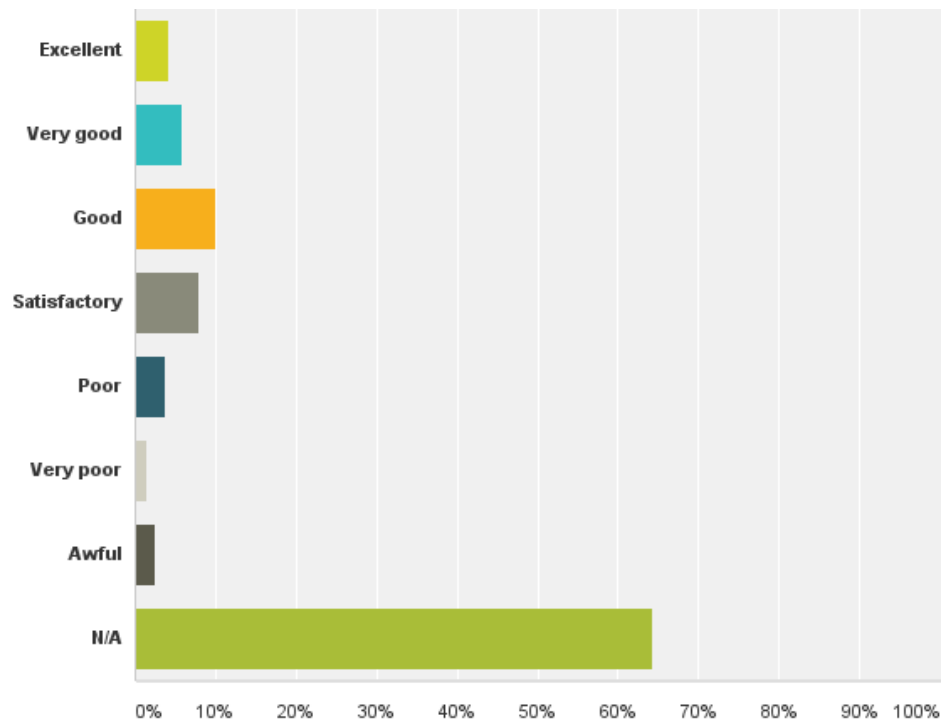
Q8: Do you believe seeking and/or receiving treatment for mental health issues has affected your career advancement?

Answered: 287 Skipped: 14

Answer Choices	Responses	
Yes, it has affected my career advancement a lot.	6.62%	19
Yes, it has affected my career advancement, but only a little bit.	4.88%	14
No, it has not affected my career advancement.	17.07%	49
N/A	71.43%	205
Total		287

Q9: How would you rate access to mental health services through TRICARE Reserve?

Answered: 288 Skipped: 13

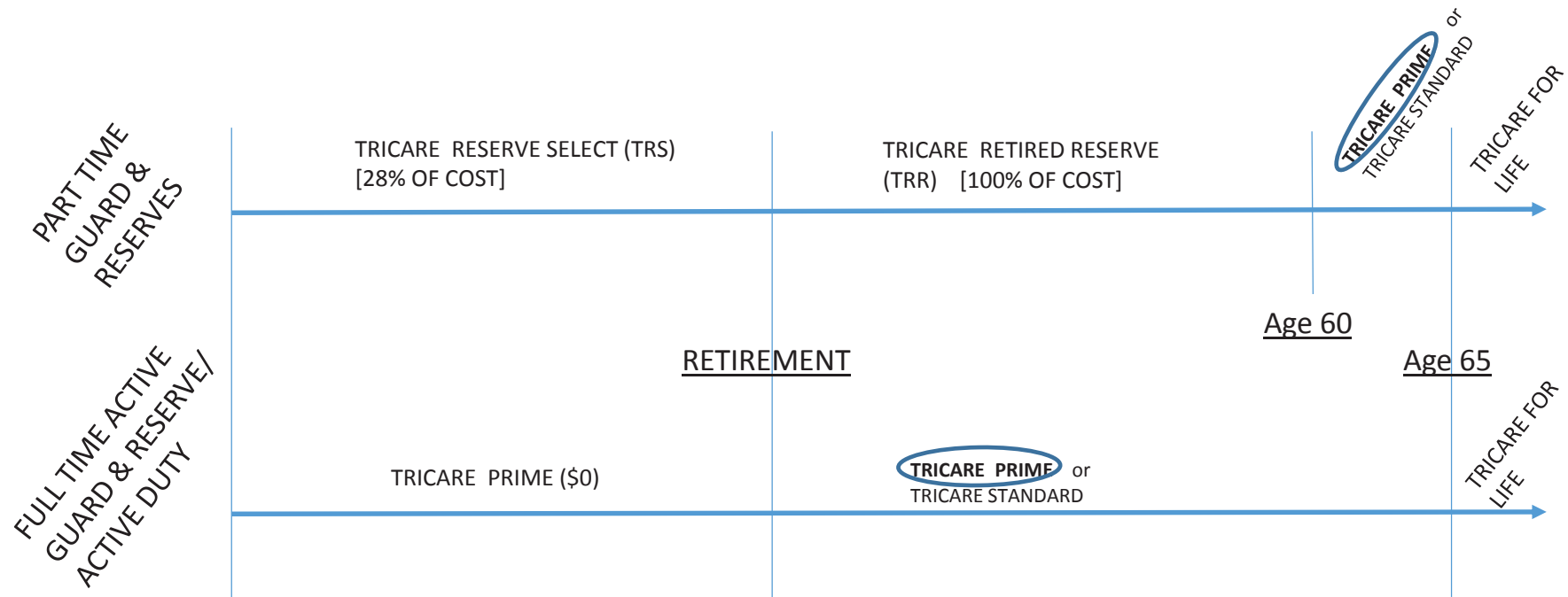


Q9: How would you rate access to mental health services through TRICARE Reserve?

Answered: 288 Skipped: 13

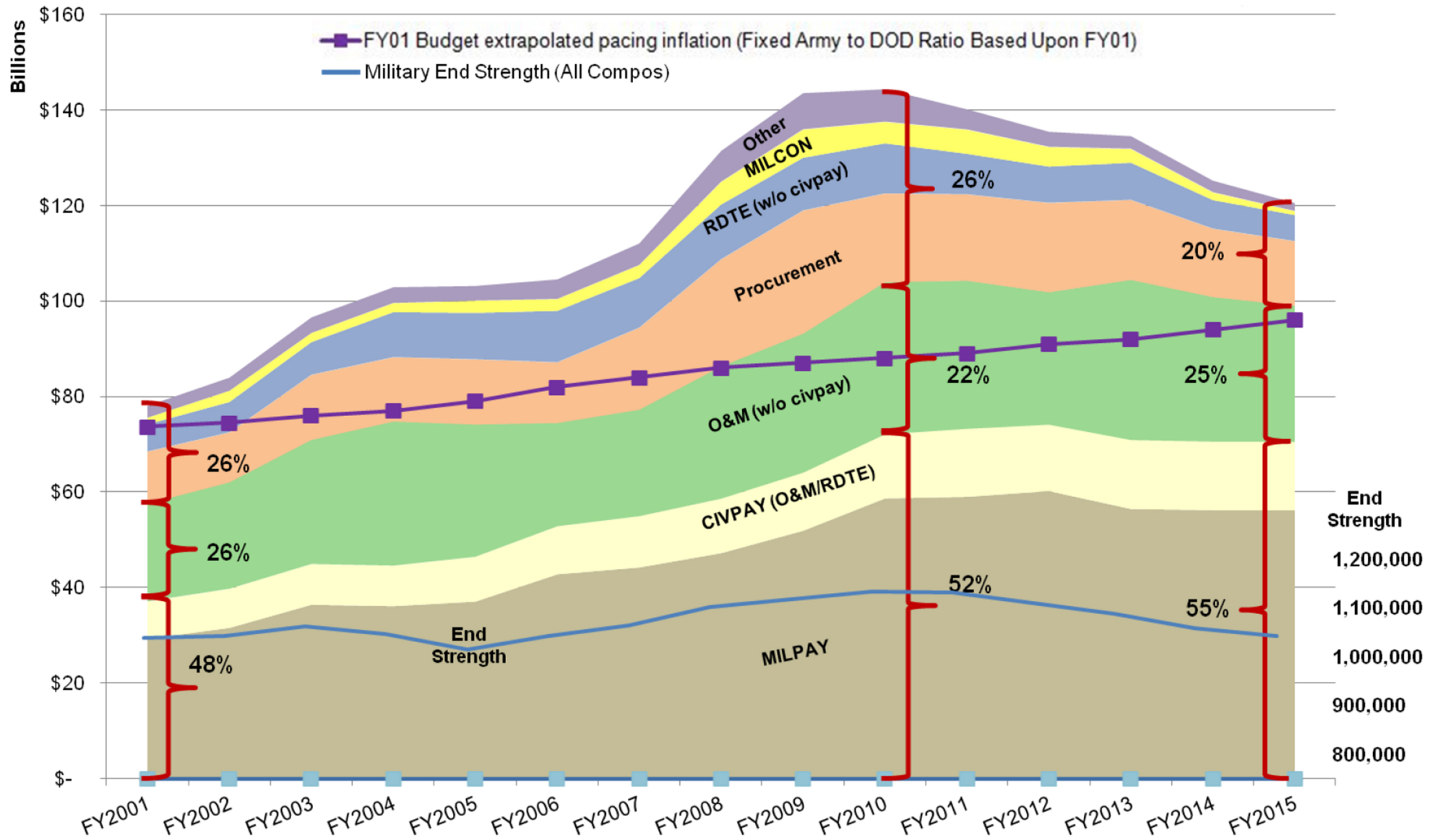
Answer Choices	Responses	
Excellent	4.17%	12
Very good	5.90%	17
Good	10.07%	29
Satisfactory	7.99%	23
Poor	3.82%	11
Very poor	1.39%	4
Awful	2.43%	7
N/A	64.24%	185
Total		288

Created by the Enlisted Association of the National Guard of the United States to reflect recommendations made by the Military Compensation and Retirement Modernization Commission in its Final Report, January 2015. For use during the March 8, 2016 Senate Armed Services Committee, Personnel Subcommittee Hearing, "Fiscal Year 2017 Department of Defense Personnel Programs".



1% per year cost increase per MCRMC recommendation

U.S. Army Budget



-Data reflects Base Execution

-GDP Price Index inflation values derived from OMB Table: History of Economic Assumptions.