

**Statement for
the Record**

Reserve Officers Association of the United States

For the

**Subcommittee on Personnel
Armed Services Committee
United States Senate**

April 16, 2008



"Serving Citizen Warriors through Advocacy and Education since 1922."TM

**Reserve Officers Association
1 Constitution Avenue, N.E.
Washington, DC 20002-5618
(202) 646-7719**

The Reserve Officers Association of the United States (ROA) is a professional association of commissioned and warrant officers of our nation's seven uniformed services, and their spouses. ROA was founded in 1922 during the drawdown years following the end of World War I. It was formed as a permanent institution dedicated to National Defense, with a goal to teach America about the dangers of unpreparedness. When chartered by Congress in 1950, the act established the objective of ROA to: "...support and promote the development and execution of a military policy for the United States that will provide adequate National Security." The mission of ROA is to advocate strong Reserve Components and national security, and to support Reserve officers in their military and civilian lives.

The Association's 70,000 members include Reserve and Guard Soldiers, Sailors, Marines, Airmen, and Coast Guardsmen who frequently serve on Active Duty to meet critical needs of the uniformed services and their families. ROA's membership also includes officers from the U.S. Public Health Service and the National Oceanic and Atmospheric Administration who often are first responders during national disasters and help prepare for homeland security. ROA is represented in each state with 55 departments plus departments in Latin America, the District of Columbia, Europe, the Far East, and Puerto Rico. Each department has several chapters throughout the state. ROA has more than 450 chapters worldwide.

ROA is a member of The Military Coalition where it co-chairs the Tax and Social Security Committee. ROA is also a member of the National Military/Veterans Alliance. Overall, ROA works with 75 military, veterans and family support organizations.

DISCLOSURE OF FEDERAL GRANTS OR CONTRACTS

The Reserve Officers Association is a private, member-supported, congressionally chartered organization. Neither ROA nor its staff receive, or have received, grants, sub-grants, contracts, or subcontracts from the federal government for the past three fiscal years. All other activities and services of the Association are accomplished free of any direct federal funding.

President:

Col Paul Groskreutz, USAF (Ret.) 770-639-1685 cell

Staff Contacts:

Executive Director:

LtGen. Dennis M. McCarthy, USMC (Ret.) 202-646-7701

Legislative Director, Health Care:

CAPT Marshall Hanson, USNR (Ret.) 202-646-7713

Air Force Affairs, Veterans:

LtCol Jim Starr, USAFR (Ret.) 202-646-7719

Army, QDR/G-R Commission:

LTC Robert "Bob" Feidler (Ret.) 202-646-7717

USNR, USMCR, USCGR, Retirement:

CAPT Marshall Hanson, USNR (Ret.) 202-646-7713

INTRODUCTION

ROA thanks the Chairman and members of the committee for the provisions passed in the Fiscal Year 2008 National Defense Authorization Act. With over 100 provisions that help serving members and their families, at least 24 directly affected ROA members. ROA further applauds the ongoing efforts by this committee to address recruiting and retention as this will be an ongoing challenge as we continue to fight a war.

EXECUTIVE SUMMARY

The Reserve Officers Association tries to look beyond just benefits for our members with a focus on building a Reserve Component (RC) for the 21st Century. In keeping with our Congressional Charter we attempt to “promote the development and execution of a military policy for the United States that will provide adequate National Security.”

The Reserve Officers Association CY-2008 Legislative Priorities are:

- Assure that the Reserve and National Guard continue in a key national defense role, both at home and abroad.
- Reset the whole force to include fully funding equipment and training for the National Guard and Reserves.
- Providing adequate resources and authorities to support the current recruiting and retention requirements of the Reserves and National Guard.
- Support citizen warriors, families and survivors.

Issues supported by the Reserve Officers Association are:

Recommendations on the Commission on the National Guard and Reserves’ Final Report.

- A report by DoD on how to develop a framework for an Integrated Total Force utilizing a continuum of service for both active and reserve components.
- A study by DoD on what statutory and policy changes would be required to create an Operational Reserve that is sustainable.
- Reports from Departments of Defense and Homeland Security further developing the framework of homeland security and defense, clarifying statutory responsibilities, and further defining the roles of the National Guard and Reserve in the homeland.
- A need for hearings about the Reserve Force Policy Board structure and authority.
- Various Other Provisions

Changes to retention policies:

- Continue support incentives for affiliation, reenlistment, retention and continuation in the Reserve Component.
- Permit service beyond the current ROPMA limitations.
- Ensure that new non-prior servicemembers, who are over 40 years of age, are permitted to qualify for non-regular retirement.
- Continue to correct and improve legislation on reducing the RC retirement age.
- Permit mobilized retirees to earn additional retirement points.

Pay and Compensation:

- Ensure Army policy on mobilization and allowances doesn’t destabilize retention.
- Seek differential pay for federal employees.

- Provide professional pay for RC medical professionals.
- Eliminate the 1/30th rule for Aviation Career Incentive Pay, Career Enlisted Flyers Incentive Pay, Diving Special Duty Pay, and Hazardous Duty Incentive Pay.
- Simplify the Reserve duty order system without compromising drill compensation.

Education:

- Place all GI Bill funding and administration belongs under the jurisdiction of the Senate and House committees on Veteran Affairs.
- Include deployed Reservists under MGIB-Active to allow qualification by accumulating active duty time; earning up to 36 months of benefit at 100 percent.
- Extend MGIB-SR, chapter 1606, eligibility for 10 years following separation or transfer from the Selected Reserve in paid drill status.
- Return the MGIB-SR (Chapter 1606) payment rate to 47 percent of MGIB-Active.
- Include 4-year as well as 6- year reenlistment contracts to qualify for a prorated MGIB-SR (Chapter 1606) benefit.
- Stipulate that RC personnel can use their education benefits while mobilized.
- Transfer unused benefits for career service-members to family members.
- Allow use of the MGIB benefit to pay off student loans.

Spouse Support:

- Repeal the SBP-Dependency Indemnity Clause (DIC) offset.

Health Care:

- Medical and Dental Readiness
- Continuity of Health Care
- Parity of Care for Reserve Component Wounded
- TRICARE Fee Recommendations.

Only issues needing additional explanation are included below. Self-explanatory or issues covered by other testimony will not be elaborated upon, but ROA can provide further information if requested.

FINAL REPORT: COMMISSION FOR THE NATIONAL GUARD AND RESERVES

The Reserve Officers Association was extremely pleased with much of what we found in the final report from the Commission on the National Guard and Reserves (CNGR). The Commission got the big issues right.

ROA has participated in this process since its inception over two years ago, and are gratified to see many of our ideas and recommendations reflected in today's report. While there may be some differences in opinion of specifics, ROA certainly concurs with the Commission's main conclusions:

- That a strong RC is essential to sustaining the All-Volunteer Force.
- That since 2001, the availability of the Reserve and National Guard for worldwide missions has saved the country from a draft.
- That the men and women of the Guard and Reserve have performed magnificently.
- That the RC is an extraordinary "bargain" for the taxpayers.

- That the nation needs both an “operational” and a “strategic” reserve, and that an effective “continuum of service” policy is essential to achieving the right balance between these two parts of our reserve.
- That the nation’s employers play a critical role in the success of the Reserve Components and deserve additional support.

ROA is concerned about how some others are reading the report. ROA believe that some may be drawing the wrong conclusions on three very important issues.

1. Should the National Guard should be exclusively a homeland defense force? ROA believes that the National Guard and Reserves should be trained and equipped for service both at home and abroad. This is not a big change from today, except that the Department of Defense has not bought enough equipment or provided enough training. What the CNGR report recommends is that DOD expressly recognizes that both home and overseas missions are important, and that equipment and training decisions must reflect that reality.

2. Does the report propose to cut the pay of Reservists? It says exactly the opposite. What the Commission did say was that the old way of calculating reservists pay was a problem, and should be simplified. Anyone who has served in the reserves knows that to be the case. The Commission expressly says this simplification should be done “... without reducing compensation for current service members.”

3. Is the concept of a sustainable “operational” reserve achievable? ROA believes that it is. ROA likes the Commission’s idea of carefully identifying units and individuals in the operational portion of the National Guard and Reserve, while others are identified as being in the “strategic” reserve. Some units can fill both roles depending on where they are in the readiness cycle. ROA agrees with the idea that these different parts of the reserve could be equipped and funded in accordance with their missions, and that Congress should put controls in place to make sure that is happening.

ROA also supports.

- **The office of the Assistant Secretary of Defense for Reserve Affairs** must be strengthened. We don’t favor eliminating that office. We continue to recommend the appointment of an Undersecretary, perhaps combining the responsibilities of Reserve Affairs and Homeland Defense. (#95)
- **That all Reserve Component Chiefs should be appointed from the Reserve Component of that service.** (#93) USNR and USMCR are current exceptions.
- **The Reserve Force Policy Board needs to be examined.** Section 1823 of the National Defense Authorization Act of 2008 mandated that the Secretary of Defense reports to Congress on the organization, membership, functions, procedures and legislative framework of the Reserve Forces Policy Board (RFPB) no later than July 1, 2008.

To assist in the information gathering process for this report, the ROA recently held a forum on the Reserve Forces Policy Board that reviewed all major aspects of its role, organization, membership, functions, and procedures. The forum participants reached the following conclusions – most of them on a unanimous basis:

- 1) The RFPB must report directly to the Secretary of Defense. The present system of reporting “through” other offices in the Department of Defense has

caused the Board's advice to be less effective than if received by the Secretary of Defense directly.

- 2) The RFPB must function as a truly independent Board, with all members being free to give their unvarnished opinions without regard to those of their superiors.
- 3) The role of the RFPB is primarily to provide Secretary of Defense with policy advice. In accomplishing this purpose it has an information gathering and dissemination role as well as, in a more limited way, an action role, primarily in sharing its findings.
- 4) A majority of the participants thought the current membership on the RFPB should be maintained and augmented. This would include continuing representation from all the Reserve Components, Regular Officers, representation by each services Assistant Secretaries for Manpower and Reserve Affairs, and an appointment of a chairman. There was that Non-Commissioned Officers be added to the Board.
- 5) The Commission on the National Guard and Reserves recommended composing the Board entirely from persons "...from civilian life." Forum participants unanimously disagreed with this view, but a minority did believe that augmenting the Board with some non-DoD civilians was appropriate.
- 6) The participants believed that the RFBP annual report to the Secretary of Defense should continue to be transmitted to the President and the Congress as provided in 10 USC 113(c)(2).

- **As different groups have differing opinions, Congressional hearings on the RFPB should be conducted at the earliest possible time this year. ROA's hope is that early hearings will permit legislative action on this topic this year.**

The CNGR has made a number of additional recommendations which can be included in this year's National Defense Authorization. ROA supports the following.

- Requiring total force equipment requirements to be included in service and joint planning and delivery. CNGR recommendation (#42)
- Requiring the active services should conduct a baseline review of Reserve Component equipment requirements. (#44)
- Amending the mobilization statutes to involuntarily mobilize for 60 days in 4-months, 120 days in two-years for natural or man-made disasters. (#8)
- Directing a report on current Reserve Component systems for developing and maintaining a civilian skills database and recommend methods of standardization between the services. (#19)
- Removing reserve designators from all titles, signature blocks, and unit designators. (#85)
- Eliminating the 30 day minimum on Active Duty for receipt of Basic Allowance for Housing. (#52)

- Reimbursing service members for travel expenses in excess of 50 miles at discretion of Service Secretaries, delegatable to RC Chief (#53).
- Amending law to permit RC members to use MGIB-SR after their discharge, as long as they are subject to recall. (#54).
- Expanding DoD's authority to pay a stipend or tax credit as reimbursement for cost of keeping employer health care. (#63).
- Increasing DoD funding to family support services to include paid staff. (#65)
- Implementing a information campaign to educate RC members and families about Military One Source (#66)
- Expanding efforts to educate families about benefits, health care, family support programs, potential demobilization issues, and other family concerns. (#67)
- Directing all federal agencies to follow guidance on appropriate behavior with regard to employees who are reservists: compliance to USERRA. (#70)
- Revising pre-deployment health assessment to establish baseline health data on psychological as well as physical health. (#74).
- Resuming monthly drills immediately after demobilization. (#75)
- Providing transition assistance information not just at TAMP but at first several post demobilization drills, and include family members. (#79)
- Tracking post-deployment health reassessments to ensure they are completed within 90-180 days. Provide appropriate counseling and healthcare. (#76)
- Developing protocols to ensure needed services to RC members who do not demobilize at their home or who are [Individual Mobilization Augmentees or] Individual Ready Reserve members. (#77)
- Providing demobilized RC members with one year of dental care coverage through military treatment, Veteran Affairs Hospitals, or contracted civilians. (#78)
- Establishing a single reintegration standard of care, regardless of frequency of tours, or service/RC component category. (#80)

The Department of Defense should be directed to study the following on how to:

- Qualitative assess and credit proficiency based on knowledge, skills, and abilities on Active and Reserve joint duty. (#16)
- Implement a combined pay and personnel system. (#21)
- Remove all vestiges of cultural prejudice between RC and AD which remain in law. (#84)
- Resolve problems in providing family health support to families outside of Military Treatment Facility networks. (#61)

- Replacing Social Security Numbers as a DoD unique identifier. (#60)
- Develop an expanded joint family assistance program via Internet and phone. (#64)
- Expand ESGR mission to help employers find information on a wide range of topics including: Department of Labor, Small Business Administration, Department of Veterans Affairs, health issues including TBI and PTSD. Also, to hire more ombudsman, and if any changes to the reporting path to the Secretary of Defense are needed. (#68)
- Have the Reserve Forces Policy Board Employer Advisory council report directly to Secretary of Defense. (#69)
- Have DoD explore creating and implementing a “contracted reserve,” seeking volunteer civilian employers and employees to provide the US Government with specialized skills in the Reserve Force. (#72)

ROA concurs with the Commission that creating a Reserve and National Guard for the 21st Century is essential. The country cannot have an all volunteer force unless it has a strong and capable Reserve component – unless we want to go back to the draft.

PAY AND COMPENSATION DISCUSSION - Proposed Legislation

Retirement: ROA would like to thank the committee for passing the early retirement benefit in the Fiscal Year 2008 National Defense Authorization Act, as a good first step toward changing the retirement compensation for serving Guard and Reserve members.

1. **ROA endorses S.2836**, the National Guard and Reserve Retirement Pay Equity Act, which is a corrective measure to the Fiscal Year 2008 National Defense Authorization Act, including those Guard and Reserve members who have been mobilized since 9/11/2001. Over 600,000 were excluded. ROA recognizes the expense of this corrective measure scored by CBO at \$1.8 billion over ten years, but some times fair trumps fiscal.
2. With changes in the maximum recruitment age, **ROA urges Congress to ensure that new non-prior servicemembers, who are over 40 years old, are permitted to qualify for non-regular retirement.** While Congress took action to extend the military Mandatory Retirement Age to 62 years, services aren’t necessary electing to increase their MRA policies.
3. An additional problem has arisen for O-4 officers who, after a break in service, have returned to the Reserve Component. After being encouraged to return a number of officers find they are not eligible for non-regular retirement. When reaching 20 years of commissioned service they find they may have only 15 good federal years. Current policy allows these individuals to have only 24 years of commissioned time to earn 20 good federal years. **ROA urges Congress to make changes to allow O-4s with 14 to 15 good federal years to remain in the Reserve until they qualify for non-regular retirement.**

Differential Pay for Federal Reservists: The federal government is one of the largest employers of Guard and Reservists. While DoD asks private employers to support deployed employees, and praises employers who pay the differential between civilian and military

salaries, the federal government does not have a similar practice. Federal pay differential should be viewed as a no cost benefit, as this pay has been budgeted to federal agencies before the individual Guard or Reserve member is recalled. As the pay differential will be less than the agency's budgeted pay, there will be a net savings. Because of this, ROA feels that each federal agency, and not the Department of Defense, should pay this differential. **ROA urges Congress to enact legislation that would require a federal agency to pay the difference between the federal government civilian and military pays of its Reservist-employees who are mobilized.**

Education: *Montgomery "GI" Bill-Selected Reserve (MGIB-SR):* To assist in recruiting efforts for the Marine Corps Reserve and the other uniformed services, **ROA urges Congress to reduce the obligation period to qualify for MGIB-SR** (Section 1606) from six years in the Selected Reserve to four years in the Selected Reserve plus four years in the Individual Ready Reserve, thereby remaining a mobilization asset for eight years.

MEDICAL AND DENTAL READINESS

Medical and dental screening and care in advance of mobilization were authorized in Section 701 of the FY-2004 NDAA for 90 days prior to activation. This has not solved the problem as medical and dental readiness is still the number one disqualifier preventing mobilization.

ROA supports legislation introduced this week by Senator Clinton (NY) that was entitled "National Guard and Reserve Medical Readiness Act" which lengthens the eligibility period for medical and dental screening and care.

Because of the changing status of Guard and Reserve members between inactive and active status, health care for Reservists is a complex challenge. Prior to mobilization some members are without coverage, many have opted into the new TRICARE Reserve Select, still others covered by employment health coverage. Once alerted, these individuals are covered by TRICARE.

Currently, the burden to maintain such readiness falls upon the individual Reservist. Even individuals who participate in TRICARE Reserve Select and the TRICARE Dental Plan have to pay premiums for these health plans. Unit commanders are hesitant to direct individuals to maintain certain medical and dental standards because the individual would carry the cost of corrective measures.

The Commission on the National Guard and Reserves recommends that in order to enhance medical readiness, and sustain an Operational Reserve (#34) DOD must:

- Have annual dental and medical screening
- Adopt policies for individuals to be medically ready
- Hold units responsible for medical & dental readiness.

CONTINUITY OF HEALTH CARE

Some RC members who have taken TRICARE Reserve Select Health coverage are nearing retirement, and have recognized that once they leave the Selected Reserve that they will not have TRS coverage.

- **ROA recommends a Gray area retiree buy-in to TRS.** TRS buy-in would be at the full monthly cost, but at least this would provide a continuity of coverage for those waiting for TRICARE retirement.

PARITY MEDICAL CARE FOR WOUNDED RESERVISTS

Suggested Enhancements:

- The Department of Defense needs an electronic medical records system that is compatible with the systems from the Veterans Affairs.
- The inter-agency DoD and DoVA connectivity and cooperation needs to continue to be enhanced to better serve those that have served.
- Reservists need proper education and counseling in benefits, allowances, and assistance that are offered to wounded service personnel. A Reservist returns to a civilian community that may not have a nearby military installation.
- Wounded warriors should be assigned to units local to their homes for the purpose of accountability and tracking their progress through the medical system. The military needs to take responsibility for monitoring and advocating for their people until they are fully integrated into the Veterans Affairs system.
- Reservists should have the option to return home while awaiting surgery, physical therapy or other medical treatment. They should also have the choice to receive these services from local TRICARE medical professionals at DoD expense.
- Line of duty determinations must be made in a timely manner, with the ability to perform home status duty, while waiting the outcome from medical or physical evaluation boards.
- Long waits for medical or physical evaluation boards, in some cases a year or more, without drilling can cause Reservists to lose a satisfactory year. These non-qualifying years can affect promotion opportunities and retirement eligibility.
- Benefits must be equal for all wounded warriors. All disparity in annual disability payments between the Active and Reserve components must be eliminated.
- Extensive mental health assessments should be given immediately upon return to home units with follow-up assessments as prescribed by mental health officials. When Reservists return to their civilian lives they may develop mental complications not previously noticed.
- Traumatic Brain injury is the signature wound from Iraq. Predeployment baseline tests should be taken to measure changes in returning warriors.

TRICARE FEE RECOMMENDATIONS

Encourage hearings on recommendations and fee structures made by the Task Force on the future of Military Health care.

TRICARE Prime:

- Adjustments to the enrollment fee are acceptable if tied to true health care costs.
- It is important to review the independently evaluation of the current total cost of DoD health care benefits. Such an audit will permit Congress to validate proposals made by all parties.
- Cost-sharing adjustments should be spread over at least five years to permit household budgets to adjust.

- Annual increases should **not** be tied to the market-driven Federal Employee Health Benefits Plan (FEHBP).

TRICARE Standard:

- ROA does not endorse an annual enrollment fee for either DoD or VA beneficiaries.
- If TRICARE Standard requires beneficiary enrollment, it should be only a one-time minimal administrative fee.
- Adjustments to TRICARE Standard should be made to the deductibles.
- Because of larger co-payments of 25 percent after the deductible, the costs of TRICARE standard must be analyzed from a total cost rather than initial cost perspective. TRICARE Standards cost deductible automatically adjusts with escalating health care costs.
- TRICARE standard deductible increases should not be rolled over into TRS as Reservists pay more upfront. Family Premiums and deductible for an operational Reservist are \$3,336 per year for CY2007 compared to a proposed combined cost of \$1,120 for TRICARE Standard in FY 2008.

TRICARE Reserve Select (TRS):

- Review and reduce the TRS premium structure found to be excessive by GAO.
- Continue to improve health care continuity to all drilling Reservists and their families by:
 - providing the individual Reservist an option of DoD paying a stipend toward employer's health care.
 - allowing demobilized Reservists, involuntarily returning to IRR, one year of TRS coverage for each three months of service.
 - allowing demobilized Retirees to qualify for coverage provided the IRR.
 - allowing demobilized FEHBP the option of TRS coverage.
 - extending military coverage for restorative dental care following deployment as a means to insure dental readiness for future mobilization.
 - requiring physicians who accept Medicare must accept TRICARE.

Pharmacy Co-payments:

- ROA believes higher retail pharmacy co-payments should not apply on initial prescriptions, but on maintenance refills only.
- ROA supports DoD efforts to enhance the mail-order prescription benefit.

CONCLUSION

ROA reiterates its profound gratitude for the progress in providing parity on pay and compensation between the Active and Reserve Components, yet the sub-committee also understands the difference in service between the two components.

ROA looks forward to working with the personnel sub-committee where we can present solutions to these and other issues, and offers our support in anyway.