



**Torchbearer
National Security Report**

***How “Well”
Is Army
Well-Being?***



An AUSA Torchbearer Issue
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Today’s volunteer soldiers—active Army, Army National Guard and Army Reserve—and Department of the Army civilians are expected to perform competently in an era of increased operating tempo involving multiple and simultaneous deployments at home and abroad. They follow in the footsteps of those retirees and veterans who have already performed admirably. These individuals and their families expect and deserve an environment that promotes their well-being.

Recent legislation signed into law by the President has made significant strides in funding such programs as compensation, health care, retirement and survivor benefits, housing, education, family programs, and working environment for these individuals and their families. Much has been done, but more remains, especially the integration of these distinct programs into a comprehensive, holistic approach.

This Torchbearer report provides an in-depth analysis of a holistic approach to Army well-being—what well-being is; the progress that has been made; the remaining challenges; the impact of one program on other functional areas; and well-being’s overall tie to readiness. The report builds upon earlier Torchbearer analyses on health care, housing, infrastructure and education (all available on AUSA’s website at www.ausa.org) and encompasses a wide array of well-being issues. It is a must read for soldiers, civilians, retirees, veterans, employers, policymakers and families.

Just as Army well-being is tied to readiness, AUSA is tied to well-being. We have spoken and will continue to speak out on these and other important issues. We hope you find this comprehensive report as valuable and informative as the earlier ones, and that you continue to look to AUSA for thoughtful, credible analysis of contemporary issues affecting our national security.

GORDON R. SULLIVAN
General, USA Retired
President

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Executive Summary

At the heart of Army Transformation are soldiers (active Army, Army National Guard, Army Reserve, retirees, veterans) and Department of the Army civilians. These high-quality individuals and their families are the bedrock of readiness. Central to soldier, civilian and family readiness is well-being—the human dimension of Army Transformation.

Well-being is the framework under which there is clear linkage between distinct quality-of-life programs (e.g., housing) and Army institutional outcomes such as readiness, retention and recruiting. **Well-being is not a synonym for quality of life but rather an expansion of the concept.** It represents coordinated efforts to integrate policies, programs and issues into a holistic and systematic framework that supports mission preparedness as well as individual aspirations.

Just as Army well-being is inextricably linked to readiness, the Association of the United States Army (AUSA) is fully committed to well-being. AUSA has spoken and will continue to speak out on issues that affect the well-being of the Army team. While AUSA applauds the efforts of the President and Congress on the passage of key legislation supporting well-being, the gains of the past several years will be negated if Congress and the Department of Defense (DoD) do not stay the course and adequately fund and support well-being programs to their conclusion. **They must avoid carrying one population's benefits on the backs of another (e.g., retirees versus active duty, etc.).**

Specifically, Congress and DoD must:

- **for soldiers and DoD civilians**, eliminate the pay gaps for their groups as compared to the private sector by 2006 and maintain comparability for the future; provide officers, warrant officers and noncommissioned officers monetary compensation commensurate with their leadership expertise, experience and responsibility; and continue to advocate for the Employer Support for the Guard and Reserve (ESGR) program.
- **for soldiers and their families**, modernize barracks and family housing, both in the continental United States and abroad, by 2007; review housing standards for all ranks; for those soldiers and families who reside off the installation, eliminate out-of-pocket expenses for housing entirely by 2005; fully fund sustainment, restoration and modernization (SRM) and base operations requirements; and pass legislation to protect families living in privatized military housing on federal property.
- **for retirees**, enact and fund legislation to repeal in its entirety the Department of Veterans Affairs (VA) offset on retired military entitlement (concurrent receipt), and protect the retiree from having to choose between the military and VA health care system.
- **for retirees and veterans**, publicize the 1998 VA health care benefit for U.S. combat veterans (both active and reserve components) since Operation Desert Storm.
- **for the reserve component**, enact legislation to give Guardsmen and Reservists, while on active duty, and their families, compensation and health care equal to that of the active component; to extend the benefits and protections of the Soldiers' and Sailors' Civil Relief Act (SSCRA) to members of the National Guard serving under Title 32; to provide tax relief for reserve component soldiers and tax credits for their employers); and to study how reservists can realize retirement pay benefits immediately upon retirement from the reserve component as opposed



to at age 60. Reserve component medical and dental readiness shortfalls (to include physicals and Internet annual screenings at VA) must be fixed immediately, as well as RC military construction requirements.

- **for family members**, encourage state legislatures to support in-state tuition for military family members at institutions of higher learning and to provide unemployment benefits based on a military relocation for the servicemember's spouse; expand the Memorandum of Agreement (MOA) approach to address school transition issues; retain Domestic Dependent Elementary and Secondary Schools (DDESS) in the Department of Defense Education Activity (DoDEA); fully fund Impact Aid in the Department of Education (DoEd) budget; and fund additional measures to meet child care needs of servicemembers unable to access military Child Development Centers.
- **for all soldiers, retirees and family members**, protect the gains in benefits under the TRICARE and TRICARE for Life systems and study the feasibility of eliminating TRICARE copayments for retirees under the age of 65.

Army well-being is “well,” but it can and must get even better. The Army must institutionalize the concept and processes of Army well-being, both within the Department of the Army and at the community/installation level, to create irreversible momentum and avoid unintended consequences. The inextricable link between well-being and readiness must be made evident to leaders, soldiers and every other member of the Army team.





Introduction

People—soldiers, civilians, retirees, veterans and their families—are “The Army.” People are central to everything that The Army does.

Army Posture Statement, 2002

A wise leader once said, “Soldiers should not be placed in a position of having to choose between the profession they love and the families they cherish.” Soldiers routinely work long hours, are frequently deployed away from family and friends, and perform their missions selflessly and efficiently. Soldiers and their families expect and deserve an environment that promotes their well-being. In return, soldiers fulfill a duty to train, deploy, fight and win. It is faith in the reciprocity of commitment that forms the basis for soldiers and their families to endure the unique hardships of military life, and for soldiers to accept the unlimited liability associated with the profession of arms.

Well-being means that the soldier does not have to choose. Well-being represents the Army’s coordinated efforts to integrate policies, programs and issues into a holistic and systematic framework that supports mission preparedness as well as individual aspirations. **The term “Army well-being” is not a synonym for quality of life but rather an expansion of the concept.** Army well-being integrates and incorporates existing quality-of-life initiatives and programs into the well-being framework, linking programs and initiatives to the institutional outcomes of readiness, retention and recruiting. It supports all members of the Army team: soldiers, civilians, retirees, veterans and their families.

The senior leadership of the U.S. Army has long recognized the criticality of taking care of its people while simultaneously accomplishing the mission. In fact, the two functions are inseparable. On 22 June 1999, General Eric K. Shinseki, in one of his first messages to the Army after being sworn in as Chief of Staff, made it clear:

Army readiness is inextricably linked to the well-being of our people. Our success depends on the whole team—soldiers, civilians, families—all of whom serve the nation. Strategic responsiveness requires that our support structures provide soldiers and families the resources to be self-reliant both when the force is deployed and when it is at home. When we deploy, soldiers will know that their families are safe, housed, and have access to medical care, community services, and educational opportunities. *We have a covenant with our soldiers and families, and we will keep faith with them.* [Emphasis added.]

Key officials in the Office of the Secretary of Defense (OSD) have also realized the importance of well-being to the readiness of the force:

High-tech weapons are great, but they’re not worth anything if the military cannot attract and retain the people needed to run these systems. . . . The demographic changes in today’s military—60 percent of troops have family responsibilities—foster the need for such a *new social compact* that promotes a strong military community and culture. The Department has undertaken a comprehensive and systematic review of quality of life programs and charted a course for the future. The partnership between the American people and our warfighters is built on the tacit agreement that families, as well as the member, contribute to the readiness and strength of the American military.

Honorable David S. C. Chu, Under Secretary of Defense (Personnel and Readiness), in testimony before the House Armed Services Military Personnel Subcommittee, 13 March 2002



The Case for Change

Goals of Department of Defense New Social Compact A 20-Year Strategy

<p>World-class Health Care</p> <ul style="list-style-type: none"> • Promote personal responsibility for health through preventive care • Meet beneficiaries' expectations for access and quality • Strengthen TRICARE management system 	<p>Quality Housing</p> <ul style="list-style-type: none"> • Provide housing that meets servicemembers' and families' needs • Leverage partnerships with civilian communities • Improve access for 2/3 living off base • Ensure allowances do not require out-of-pocket costs 	<p>Underwrite Family Support</p> <ul style="list-style-type: none"> • Advocate for policies and laws that underwrite support to families
<p>Education</p> <ul style="list-style-type: none"> • Actively support servicemembers' and families' desire for education • Tuition assistance • Dependent schools • Barriers to dependent education 	<p>Work/Life Stress</p> <ul style="list-style-type: none"> • Respond to servicemembers' and families' rising work/life stress: • Grow child care • Increase spouse employment • Campaign for financial literacy • Construct and replace sub-standard fitness facilities 	<p>Communication with Families</p> <ul style="list-style-type: none"> • Improve access to Internet and connectivity for quality-of-life services
<p>Employer Support to Reserve Forces</p> <ul style="list-style-type: none"> • Strengthen employer support 		

Source: Department of Defense

Both the 106th and the 107th Congress have strongly supported the subject of well-being in authorizing and appropriating legislation. Pay, health care, housing, infrastructure, education and retirement compensation are but a few of the critical areas that Congress has significantly funded. On 10 May 2002, the House endorsed the National Defense Authorization Act for Fiscal Year 2003, and issued the following statement:

H.R. 4546 also supports our nation's servicemembers and their families. By increasing military pay and bonuses, enhancing benefits, and improving military living and working facilities, this bill recognizes the importance of America's soldiers, sailors, airmen, and marines to the strength of the United States military.

The House statement also contained a warning:

Although H.R. 4546 makes significant progress in repairing the extraordinary damage done to our nation's defense by 13 consecutive years of defense budget cuts, it will take several more years of real increases to defense spending to complete the job.

***If people are the centerpiece of Army formations, how "well" is Army well-being?
How is our nation supporting the well-being of the Army?***

What Is Well-Being?

During the last quarter of the 20th century, the composition of the Army changed from a male conscript force to a volunteer force consisting of soldiers of both genders. This volunteer force is older and better educated, and has more servicemembers with immediate family obligations. These changes, combined with the longest era of economic prosperity in American history, have increased the material and educational aspirations and expectations of soldiers, civilians, and their families. Many “quality-of-life” initiatives sprang forth, with funding and manpower resources dedicated to them. There has been, unfortunately, neither an overarching strategy nor any clear linkage between quality of life and Army institutional outcomes such as readiness, retention and recruiting. Given this fragmented approach, it became apparent that a framework was needed to integrate individual aspirations with Army programs. That framework is well-being. More specifically, well-being is **the personal—physical, material, mental and spiritual—state of soldiers, civilians, veterans, retirees and their families that contributes to their preparedness to perform the Army’s mission.**

Soldiers’ expectations today are, in many cases, quite different from those of previous generations. These expectations include fair pay and compensation; good health care; reasonable opportunities for continuing education; quality schools for their children; time for and access to recreation; reasonable time to spend with family; knowing the family will be cared for if the soldier is called away for duty; access to communications with family when away; knowing the soldier’s own needs will be taken care of when away; a maintained workplace; workload predictability; and civilian employers who understand and accept the sacrifices made by reserve component (RC) servicemembers at home station and when activated.



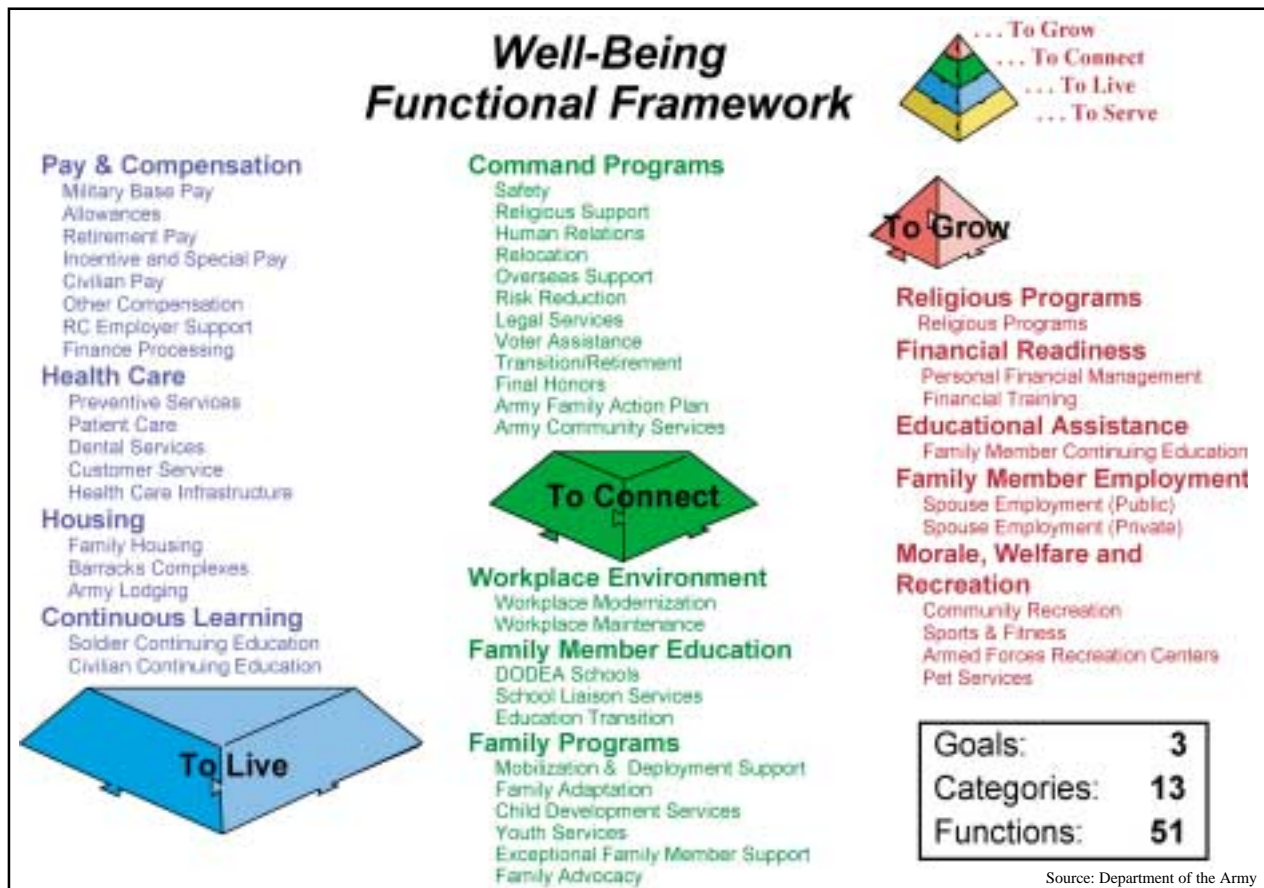
The fragmented approach of previous quality-of-life programs has caused commanders to have an incomplete picture of the overall state of the “well-being” in their command and its corresponding effect on readiness. According to Lieutenant Colonel John Wood, former chief of the Well-being Initiatives Division in G-1, HQDA,

In the past, commanders had to gather information from stovepipe systems. [The commander] would have to ask the housing chief for a snapshot of his area, the hospital commander for the medical posture, his finance officer for pay issues, and so on. Ideally, well-being will integrate those systems by having someone responsible for looking across those systems and evaluating them in a holistic manner with the results tied to readiness.



Knowing this, the Army adopted the following well-being categories:

- **To live**—pay and compensation (including civilian job security and employer support for the Guard and Reserve), health care, housing and continuous learning;
- **To connect**—command programs, workplace environment, family member education, and family programs;
- **To grow**—religious programs, financial readiness, educational assistance, family member employment, and morale, welfare and recreation.



In sum, Army well-being:

- incorporates a holistic view of well-being programs across the Army community;
- establishes strategic oversight of the diverse programs, policies and issues that contribute to well-being;
- establishes the means to measure the performance of these diverse programs based on defined standards; ss
- establishes “intangibles” that affect well-being, to include such issues as leader development, command climate, turbulence, predictability, job satisfaction and training; and
- develops partnerships to support military families and provides a smooth transition from post to post.

Well-being—the business of commanders—is actually a “condition” resulting from a system of individual programs. What is the outcome thus far?

Status of Army Well-Being in 2002

The Association of the United States Army (AUSA), along with fellow members of The Military Coalition and others, has worked tirelessly over the past several years fighting for increased benefits tied to well-being. Well-being encompasses the entire Army team—soldiers (active, Army National Guard, Army Reserve, retired, veterans), civilians and their family members. Each part of the team is vital and unique in its relationship to the Army. The Army team is the focus for well-being.



During the 106th and 107th sessions of Congress, both the defense authorization and appropriations legislation have included many initiatives which have directly enhanced well-being. For example, in Fiscal Year (FY) 2002, together the President and Congress provided:

- the largest pay raise for soldiers in a generation;
- a civilian pay raise averaging 4.6 percent;
- an 18 percent increase in military construction for new barracks, family housing and medical facilities;
- full funding for TRICARE military health care—a \$6 billion increase over the past year, to include TRICARE for Life for Medicare-eligible uniformed services retirees, family members and survivors;
- improved pay, benefits and quality-of-life initiatives for reserve component soldiers and their families;
- the Thrift Savings Plan, a government-sponsored retirement and investment plan already in place for Army civilians, as a benefit for military servicemembers.



The President's DoD budget submission for FY 2003 continues the emphasis on well-being. About one-quarter of the budget is going into programs related to well-being—cutting the gap between military and civilian pay, recognizing the special responsibilities of the noncommissioned officer corps, improving the military health care system, and beginning to tackle the serious problems regarding on-post housing and facilities. For example, this submission calls for:

- a military pay raise of 4.1 percent (with targeted pay raises up to 6.5 percent for mid-grade officers and noncommissioned officers);
- a civilian pay raise of 2.6 percent (the House and Senate have since passed a 4.1 percent pay raise for civilians);
- fully-funded health care (\$22.4 billion), with TRICARE for Life entitlement (\$8.1 billion);
- \$4.2 billion to improve/privatize, operate and maintain family housing for all services and eliminate out-of-pocket expenses for off-base housing by FY 2005;
- privatization of 17,000 family housing units in five projects, revitalization or replacement of 913 family housing units, and leasing of 15,000 off-post housing units for the Army;
- implementation of an “Efficient Basing Initiative” at Grafenwoehr, Germany; and
- application of \$749.8 million to the Whole Barracks Renewal program.



The Army, on its own, has implemented several initiatives to enable well-being:

- high school senior stabilization: a program that allows soldiers to remain in their current duty location for one year if they have a child who will graduate from high school during that year;
- Spouse Orientation and Leader Development: an initiative that integrates existing spouse education and training opportunities into a functional leader development system;
- school liaison officers (S-L-O): individuals who provide the garrison/base commander the support and assistance necessary to coordinate and advise Army parents of school-age children on educational issues and needs, and to facilitate resolution of these issues and needs, as well as developing and coordinating partnerships with schools;
- the Secondary Education Transition Study (SETS): a study that identified high school transition issues;
- Youth Education Action (YEA): a partnership with organizations that advocate for the Army’s children.

To institutionalize well-being, the Army is embedding it into the policy and program processes. The Army divides well-being into a functional framework (Lines of Operation, or LOs) of command programs, pay and compensation, health care, housing and workplace environment, education, family programs, and morale, welfare and recreation.

Categories		
LO #	LO Title	LO End State
1	Command Programs	An operating environment that is characterized by safety, security, positive command climate, optimum personal readiness, and effective command programs (defining/enhancing).
2	Pay and Allowances	Comparable compensation (essential), complemented by training and programs to assist individuals in achieving their personal financial aspirations (enhancing).
3	Health Care	Quality, accessible, cost-effective health care services that meet national civilian benchmark standards (essential) and that promote healthy Army lifestyles and disease and injury prevention (defining).
4	Housing and Workplace Environment	An environment characterized by quality, affordable housing for single soldiers and Army families (essential) and a quality workplace environment for soldiers and civilians (defining).
5	Education	A system that promotes continuous personal and professional learning, provides ample educational opportunities for soldiers and civilians (essential), and addresses the unique individual needs of military family member students (defining/enhancing).
6	Family Programs	An environment that develops self-reliant and resilient Army families, connects families to the Army (defining), and creates opportunities for family members to pursue employment and career opportunities (enhancing).
7	Morale, Welfare, and Recreation	MWR services and programs that help connect soldiers, civilians, and their families to the Army (defining) and provide access to a wide spectrum of individually fulfilling MWR activities (enhancing).

LO = Line of Operation

Source: Department of the Army

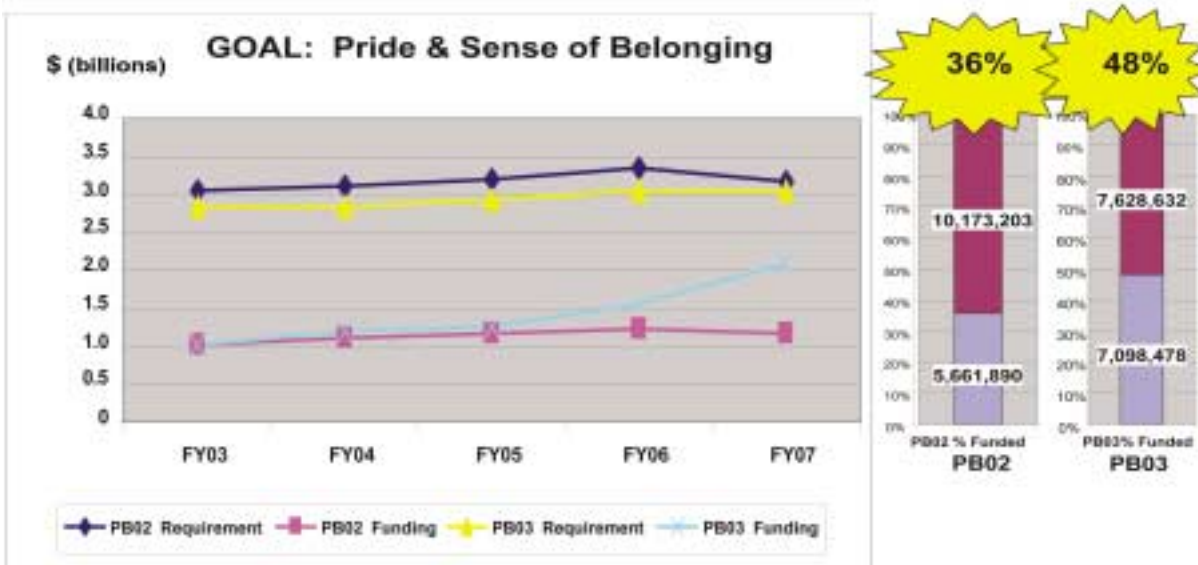
For example, an analysis of human goals—such as standard of living (to live), pride and sense of belonging (to connect), and personal enrichment (to grow)—from a functional perspective reveals that goals of standard of living and personal enrichment are funded at 72 percent and 86 percent, respectively, of requirements in the President’s 2003 budget submission. Unfortunately, the goal of “pride and sense of belonging” lags behind at 48 percent of requirements.

To Live President's Budget '02 Compared to President's Budget '03



Source: Department of the Army

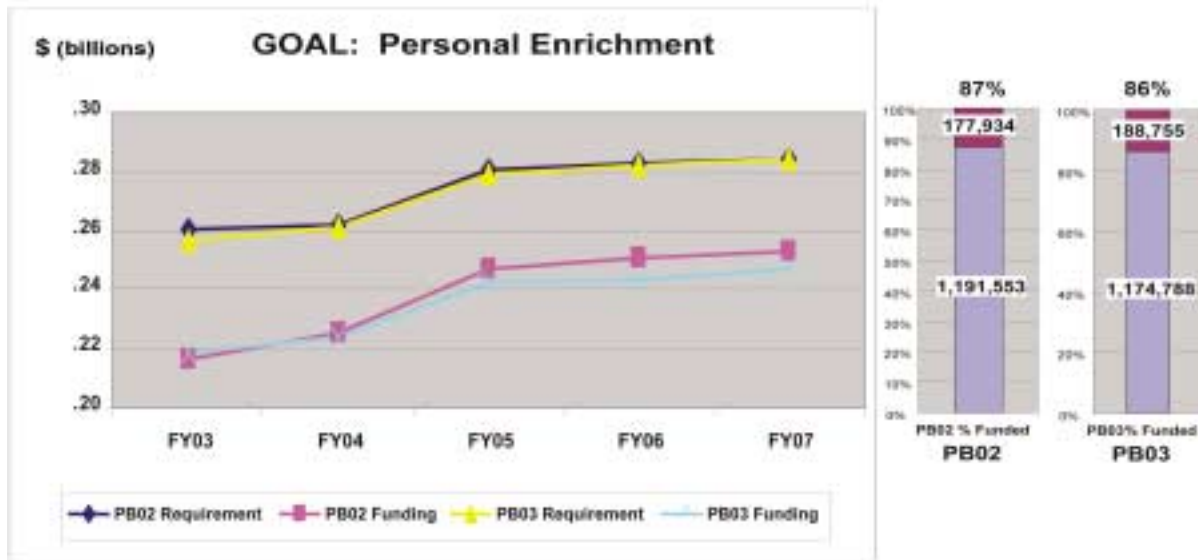
To Connect President's Budget '02 Compared to President's Budget '03



Source: Department of the Army



To Grow **President's Budget '02 Compared to President's Budget '03**



Source: Department of the Army

To assist commanders and staffs with a comprehensive view of well-being and its associated quality-of-life programs, the Army is in the process of implementing a Well-Being Status Report (WBSR) to continually assess the state of well-being and its effect on readiness across all components of the Army. This status report is the vehicle for “irreversible momentum” and will integrate the installation and well-being perspectives.

Well-Being Status Report (WBSR) Concept

<p style="text-align: center;">Status</p> <p style="text-align: center;">Derived primarily from existing reports (ISR, etc.) or modifications thereto</p>	<p style="text-align: center;">Progress</p> <p style="text-align: center;">Analysis of data from Resource Crosswalk (POM, DHP, NAF), ULB, and other critical indicators</p>
<p style="text-align: center;">Perspective</p> <p style="text-align: center;">Analysis of information gathered from instruments such as attitudinal surveys (SSMP, LNS, etc.) as compared to the previously determined “status”</p>	<p style="text-align: center;">Impact</p> <p style="text-align: center;">Analysis of the impact that Well-Being functions have on a set of factors describing the human dimension of readiness (motivation, cohesion, commitment, etc.)</p>

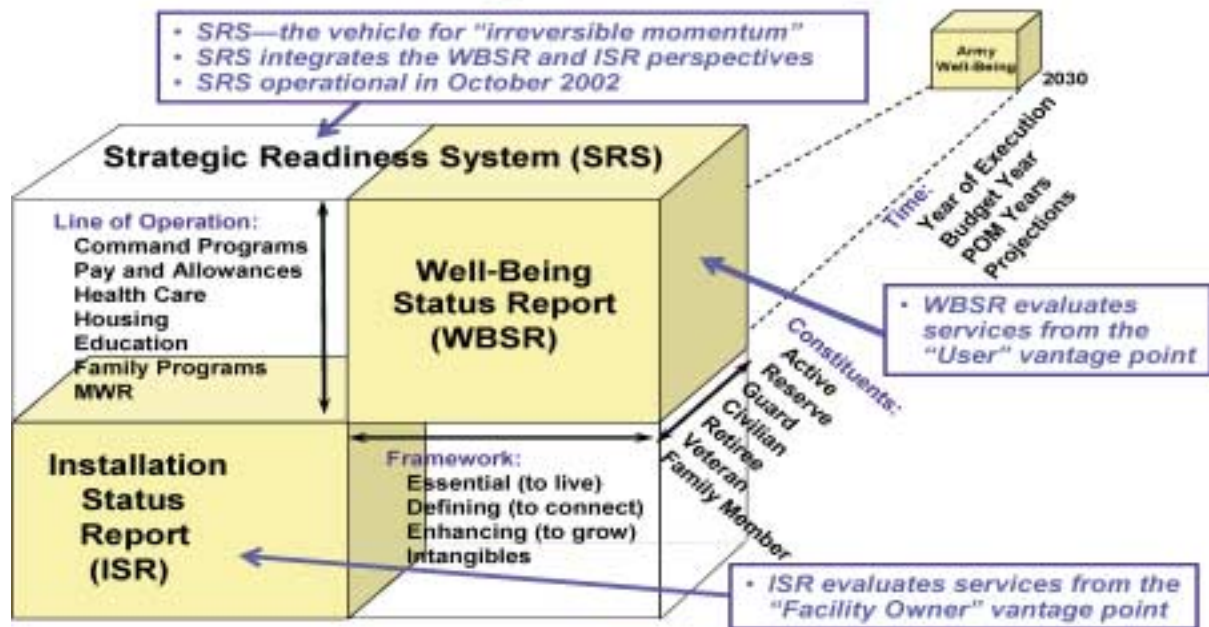
**Developed Concurrently with Strategic Readiness System
Baseline Operational in October 2002**

ISR = Installation Status Report	POM = Program Objective Memorandum
ULB = Unified Legislative Budget	DHP = Defense Health Program
SSMP = Survey Sample of Military Personnel	NAF = Nonappropriated Funds
LNS = Leisure Needs Survey	

Source: Department of the Army



WBSR and ISR Linkages to the Strategic Readiness System



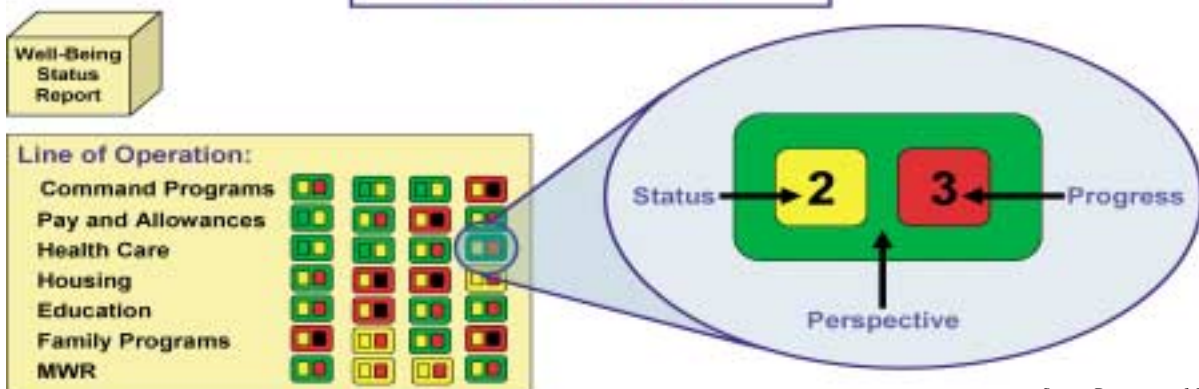
Source: Department of the Army

Well-Being Status Report Outputs

Report Well-Being Across Four Outputs:

- Status** – The current status of a function compared to established standards.
- Progress** – The degree to which the function remains on schedule to achieve its objectives.
- Perspective** – The degree to which the institution and its people agree on the current status of a function.
- Impact** – The impact of the function on current or projected **READINESS**.

Please note that this is a sample report and is not intended to reflect actual well-being status.



Source: Department of the Army



The Challenge

A review of individual quality-of-life programs (e.g., health care, housing, education, etc.) shows improvements as discussed earlier. The military departments have aggressively and wisely applied the resources to individual quality-of-life programs in accordance with current law. However, much remains to be done. In testimony before the House Armed Services Committee’s Subcommittee on Personnel on 13 March 2002, Joyce Raezer, Director, Government Relations, National Military Family Association (NMFA), stated,

The critical issues facing military personnel and families prior to September 11 [2001]—pay, housing, health care, family support and education for their children—have not gone away. The families we represent, including our 120 installation NMFA Representatives who report to us on a regular basis, say they recognize the support the Congress has given them over the past few years and see the very real benefits of your action. They also tell us, however, that we are not out of the woods yet, especially since military families face greater challenges because of the ongoing war on terrorism and the new mission of homeland defense.

Two aspects need further consideration. First, individual quality-of-life programs require adequate funding for possibly as long as a decade or more to overcome years of neglect, and to satisfy requirements. Since the framework for individual programs is set, this aspect is easier to track, monitor and ultimately appropriate. The harder aspect to understand and implement is the “horizontal integration” across the many individual programs (or “stovepipes”) to ensure proper alignment and synchronized effort. A success in one individual program may positively or negatively impact another individual program. Adverse “unintended consequences” are difficult to identify without a comprehensive analysis at the “front end.” Before an individual program is approved or modified, its impact on other programs must be assessed. Well-being does that from a holistic perspective. The “to live, to connect, to grow” model is the mechanism.

What Is Needed


What follows is **a review of each well-being category and its specific programs**. The review entails three aspects by category:

- progress to date;
- remaining challenges; and
- impact of the category/program across other functional areas.

“To Live”: Health Care

Progress to date. At the heart of the Department of Defense (DoD) social contract is the issue of health care—simply because it affects each segment of the population. In March 2002, Chairman John McHugh (R-NY) of the House Subcommittee on Military Personnel, underscored the importance of the Defense Health Program:

It is incumbent upon this subcommittee and the entire Congress to ensure our active and reserve military forces, their [family members], and the retirees who have contributed to the great military history of this country, are properly supported at home and abroad. No single aspect of this support is more important, valued or indicative of the nation’s commitment than health care.



Over the past several years, progress has been made—for example, full funding for the TRICARE health system; elimination of copayments for active duty family members (ADFM) using civilian network providers; implementation of TRICARE for Life (TFL) for Medicare-eligible retirees; establishment of a pharmacy benefit for retirees who are Medicare-eligible; and efficiencies in claims processing. (See AUSA Torchbearer *The Promise* . . . *The Reality: Military Health Care Management Revisited*, March 2000.)

Additionally, Section 102 of Public Law 105-368, effective 11 November 1998, gave the Department of Veterans Affairs (VA) authority to provide health services for up to two years after discharge to U.S. combat veterans who served on active duty in a theater of combat operations during a period of war after the Persian Gulf War, or in combat against a hostile force during a period of hostilities following enactment of the legislation.

Editor's note: National Guard and Reserve personnel may not be aware that they are eligible for VA health care if they were ordered to active duty by a federal declaration, served the full period for which they were called or ordered to active duty, and were released or discharged from active duty under other than dishonorable circumstances.

Remaining challenges. Two areas require immediate attention: reserve component health care (readiness and benefits), and continued improvements to TRICARE. These are especially critical in light of the events of 11 September 2001 and the new mission of Homeland Security.

Reserve component deployment health and readiness issues are significant. The very short notice of current call-ups (in some cases within 48 hours) together with indefinite time frames (12 months or longer) do not give RC personnel the ability to update their medical readiness at the mobilization site as in the past. The Adjutants General (TAGs) report that this overstresses limited home-station medical assets to meet all the medical readiness requirements, class 2 dental and health promotion activities as well as the ability to continue to do physical exams on weekend drill. State medical assets may also be pressed into action for Homeland Security duties, further stretching those resources. Recently the VA and DoD designed postdeployment primary care clinical practice guidelines for all returning soldiers. Unfortunately, **RC soldiers do not receive primary care at an active component facility and miss out on a health care assessment and follow-up for medical conditions resulting from deployments.** What is needed is funding for a program such as the Federal Strategic Health Alliance (FEDS_HEAL) which provides for RC physicals at VA and an Internet-based annual medical screening to identify medical conditions in a preventive way. (Editor's note: A pilot program will have the Soldier Readiness Processing [SRP] function at Fort Dix, New Jersey, staffed by VA physicians and staff. This creates a permanent medical presence and opens the door to postdeployment screening and the attendant earlier enrollment in VA programs.) Dental readiness was such a key issue that the Commanding General, Forces Command stated this was the number one challenge with no short-term fix available, even though there is low-cost dental insurance for RC personnel. (Dental treatment services have been added to FEDS_HEAL in response to this need. An extensive network that can support the total force is in place—what remains lacking is adequate funding.)





The current Army Reserve medical and dental readiness shortfall is \$23 million. The Army National Guard’s deficit is similar. This funding insufficiency severely limits the Army’s ability to ensure that RC soldiers meet medical and dental readiness requirements. Mobilized RC personnel will either be delayed in processing or designated nondeployable at the mobilization sites, resulting in manning shortfalls for some early-deploying units. **The funding gap must be eliminated.**

The current policies that are used to determine TRICARE eligibility for reservists on active duty orders for 30+ days do not provide adequate medical coverage for family members of those reservists who have been called to duty



in support of homeland security or prosecuting the war on terrorism overseas. This deficiency in medical coverage requires members to pay for medical expenses out-of-pocket, placing an undue burden on reservists and their family members. Moreover, eligibility for benefits for reserve component family members varies depending on a host of factors, including method of deployment—Theater Support Command (TSC), temporary duty travel (TDY) or home station—and physical location of dependents.

What is needed is the extension of standardized TRICARE coverage eligibility to all members of the National Guard and Reserve as an option for health care at a cost equal to (or less than) the military retiree cost. This consistent health care option covers the RC member and family whether or not the servicemember deploys. TRICARE regulations must be amended to provide TRICARE Prime eligibility for

all reserve component family members upon the effective date of 30+ day orders.

Beyond reserve component implications for TRICARE, there is also growing discontent among Medicare providers over the declining amounts the government pays them for treating Medicare patients. Doctors are upset and angry that Medicare reimbursement rates often are not sufficient to meet their office operating expenses. In recent years, increasing numbers of physicians are declining to accept *new* Medicare patients.

This has serious implications for all TRICARE beneficiaries as well, since TRICARE reimbursements are tied by law to what Medicare pays. While DoD figures show record numbers of doctors participating in TRICARE, those figures hide the reality that many of those doctors no longer accept *new* TRICARE patients. This poses an obvious problem for relocating or retiring military families. (Editor’s note: This could be especially severe for retirees under age 65 whose only option may be TRICARE Standard if they live in areas where TRICARE Prime is not available.) What is needed is:

- legislation that would set a more realistic fee schedule for Medicare to allow for cost increases but not at the expense of cutting payments to other provider groups;
- a raise in TRICARE reimbursement levels, where necessary, to attract a network of physicians;
- enhanced cooperation between the DoD and VA health care systems to improve benefits without forcing military retirees to choose one of the systems;



- elimination of TRICARE Prime copayments for retirees under age 65 and their families—a benefit already extended to active-duty members, Medicare-eligible retirees and their families.

Impact across other functional areas.

The most prevalent impact of health care on other individual programs is the aspect of health care as an entitlement. This precedent has other programs seeking similar legislation. Since full funding of health care is now a requirement, funding for other programs may suffer.

Editor's note: Many, including senior leadership in the executive branch, may come to see full funding of health care as too generous and call for cutting it back. It may be tempting to budget-crunchers to nibble at the edges of the TRICARE benefit over time, especially if its costs are greater than expected. This might be seen, for example, in changes to covered procedures, less freedom of choice, and more costly out-of-pocket expenses. It has already started. Under Secretary of Defense (Comptroller) Dov Zakheim stated in an interview with *European Stars and Stripes* on 18 July 2002,

Maybe we can get some relief on health care entirely—maybe we don't have to bear all that in our [DoD] budgets, and maybe we can put a lid on costs that could double every five or six years, that means it's going to take that much larger chunk of the budget than it does today.

“To Live”: Housing

Progress to date. When Representative Ike Skelton (D-MO), in a July 2002 interview with *Armed Forces Journal International*, was asked which quality-of-life program he considered most important to fund in the FY 2003 defense budget, he replied,

They are all important. When families feel unappreciated or neglected, servicemembers will get discouraged and leave to seek employment elsewhere. That's the challenge.

Housing and out-of-pocket expenses for housing are a particular area of continued interest for soldiers and their families. The Army continues to make barracks improvements as described in the AUSA Torchbearer *Crisis in Military Housing . . . If Only the Walls Could Talk* (September 2000). Funding is locked in for barracks renovation and new construction for 138,200 soldiers in the United States, Europe and Korea by 2008. The Army is dedicating a significant share of its annual military construction money to improving enlisted living quarters.

The Residential Communities Initiative (RCI), the Army's housing privatization program, is a key part of a strategy to eliminate inadequate family housing by 2007. (See AUSA Torchbearer *Crisis in Military Housing* for details). Initial programs at Forts Carson (Colorado), Hood (Texas), and Lewis (Washington) are successful, and the program at Fort Meade (Maryland) is well underway; the total for those four sites will be 13,064 units. Contracts for the remaining 24 projects could be awarded by 2005, for a grand total of nearly 70,000 new or renovated homes on Army installations. Fort Bragg, North Carolina is the next installation to be awarded a contract, for 5,578 new homes. Most of the initial renovation and new construction on the remaining installations would be complete within five to ten years after a contract is awarded. Family members are moving into new quarters on the installation that are of a similar quality to civilian homes, with most of the same amenities. At Fort Carson, for example, soldiers have been extremely satisfied with the quality and the promptness in handling maintenance requests.

For the remaining family housing requirements that privatization cannot accommodate, the basic allowance for housing (BAH) pay is, in theory, supposed to offset the median out-of-pocket expenses the servicemember incurs by living off the



installation. AUSA and others over the past several years have spearheaded efforts to have Congress reduce these out-of-pocket expenses from their average in the late 1990s of 18.8–30.0 percent to zero percent by 2005. The 2003 Defense Authorization bill calls for an increase in BAH that will reduce average out-of-pocket expenses from the 2002 level of 11.3 percent to 7.5 percent. The trend is positive. At installations where privatization is not planned, predominantly overseas, the Army is investing its own capital to upgrade family quarters.

Remaining challenges. The greatest challenge for housing of soldiers and their family members is continued commitment from the government. **The President and Congress must continue to fund the military construction and privatization projects throughout the program years.** Failure to do so in even one year cripples the program for the future and undermines the tremendous successes of the past. Moreover, the most difficult challenge for housing is in the overseas theaters. U.S. military housing in Korea, Germany, Italy and Puerto Rico has suffered years of neglect and underfunding. As recently as March 2002, the combatant commanders in both Europe and the Pacific have stated that housing conditions for servicemembers and any accompanying family members are deplorable. The combatant commanders in Europe and the Pacific have taken measures within their authority and jurisdiction to attack the problem.

U.S. Forces Korea (USFK) reported that only 10 percent of the married servicemembers assigned to Korea are provided on-post housing, and 15 percent of that housing is more than 40 years old. In many instances soldiers who could have taken their families to Korea are opting to leave them back in the United States rather than seek off-post housing. The resulting family separation is the number one reason servicemembers view Korea as the worst Permanent Change of Station (PCS) assignment in DoD according to a recent DoD survey. Additionally, as part of efforts to renovate decrepit officers' quarters and improve living conditions, USFK is building 20 eight-story buildings housing a total of 1,066 apartments in the Yongsan South Post area. Seoul is not the only location for new housing. In addition to new housing units in Yongsan, USFK plans to build 800 at Taegu and 340 at Osan Air Base by 2010. The first effort is about 1,500 family houses at Camp Humphreys, Pyongtak.

In Europe, U.S. forces face many of the same challenges. General Joseph W. Ralston, commander of U.S. European Command, stated that as of the end of FY 2001, 73 percent of U.S. Army family housing in Europe did not meet current standards, such as a second bathroom in units with three or more bedrooms, laundry facilities in each dwelling unit, new appliances, and infrastructure upgrades. By the end of FY 2002, that number will have declined to 65 percent. To overcome these conditions, "Build to Lease" housing is an option which provides quality accommodation with no capital investment and no acquisition of land from the host nation. The concept is for the area to be owned and maintained by the contractor under a ten-year lease with extension options. If at some time in the distant future this housing is no longer needed, the contract ends and the command neither owns nor owes anything. This concept will be applied to Grafenwoehr, Germany, as part of the Efficient Basing East (EBE). EBE is an initiative to enhance readiness, gain efficiencies, and improve the well-being of 3,500 soldiers and 5,000 family members by restationing a brigade combat team (BCT) from 13 widely dispersed installations to a single location in Germany. A similar concept, Efficient Basing South (EBS), will add a second airborne battalion in the FY 2002–2004 time frame at the existing facility near Vicenza, Italy. **The President and Congress must continue to fund these critical overseas housing programs and support services.**





The last challenge involves out-of-pocket expenses for housing off the installation. The DoD housing standards used to set off-base allowances shortchange the needs of families, **particularly senior enlisted members**. If standards aren't raised, the elimination of out-of-pocket expenses will not occur by 1 January 2005, as required by law. As studied and testified to by the National Military Family Association, many servicemembers with families are living in off-base housing that exceeds the standard used to determine BAH for their rank. For example, an E-5 with a spouse and three children would receive a three-bedroom house if they lived on the installation. Under the military's standard, BAH for an E-5

Editor's note: DoD established housing standards allowing servicemembers to receive housing allowances that correlate to what civilians with comparable incomes would pay for rental housing. The income comparison between a servicemember and a civilian is based on the servicemember's Regular Military Compensation, or RMC.

with dependents is based on the average rental cost of a two-bedroom townhouse. In this example (cited in Rick Maze, "Group: BAH initiative could disappoint many," *Army Times*, 8 April 2002, page 28), the family would still be paying about \$122 a month out-of-pocket expenses in 2005 because the size of the housing exceeds the DoD standard. Of particular concern to families is that current housing standards do not set allowances to fully cover the



cost of a detached single-family home for enlisted members until they reach the E-9 pay grade. This is a gross inequity for senior noncommissioned officers of pay grades E-7 and E-8 whose job descriptions call for them to have responsibility for up to 200–300 soldiers who live in similar housing. Therefore, BAH is based not only on the costs of renting and paying utilities on a dwelling but also on a DoD standard set for each rank. Congress must direct DoD to conduct a comprehensive review of the standards, taking into account both the appropriateness across all ranks and the standards used in the construction of on-base housing for each rank, or face a legal challenge to the law they created.

Impact on other functional areas. Privatization of military housing has had an effect on several social aid programs and on local schools that surround military installations. Servicemembers lose eligibility for certain social programs as a result of receiving BAH. This becomes particularly apparent during a housing privatization project when a soldier and family transition from living in government quarters (and forfeiting BAH) to living in privatized housing (and receiving a housing allowance). A change in the law as of 13 May 2002 legislated that BAH paid to military personnel living in privatized housing no longer counts as income for determining eligibility in school nutrition programs. The new law—the Farm Security and Rural Investment Act of 2002—doesn't apply to families living in their own homes or in rental property. Their BAH still counts when calculating eligibility for the school nutrition program. Spearheaded by the Military Impacted Schools Association (MISA), this positive change directly affected approximately 9,000 military children this school year. Unfortunately, this is only a two-year fix. **What is needed is for Congress to include this provision in the reauthorization of the National School Lunch Program to provide a permanent fix for military children.** Moreover, this new law doesn't help those families receiving other federal aid; BAH still appears on the leave and earnings statements of servicemembers living in privatized military housing and still counts in income calculations for other federal aid, such as Supplemental Security Income program for disabled family members. What is needed is for DoD to annotate BAH for privatization for what it is—housing in kind and not income—and for Congress to pass legislation that protects military families living in privatized housing on federal property so they can continue to be eligible for income-based programs without being penalized.



Last, housing privatization has created an unanticipated demand on local school districts for more schools. At Fort Hood, Texas, the shift to privatized housing off the installation (primarily four-bedroom units) and the corresponding increase in numbers of children have created a need in the local school districts for additional schools. Since local school districts educate most military children, the shifting demographics create unintended consequences, such as shortfalls in Impact Aid and passing bond issues to raise revenue for new schools. This forces local taxpayers to build schools on federal property without assistance from the federal government; there are no real construction funds available from the Department of Education for school districts serving military children. **Congress needs to maintain and fund a school construction program within the Impact Aid program that meets the needs of military school districts.**

In Germany and Italy, the Department of Defense Dependent Schools (DoDDS) requirements for school capacity to support the new EBE and EBS basing initiatives must be fully synchronized and adequately funded. What is needed is a comprehensive “front-end” analysis by local commanders, privatization developers with local school district officials, or Army Staff planners with the Department of Defense Education Activity (DODEA) to study the impact of shifts in demographics on the education of military children and the schools that serve them.

“To Live”: Pay and Compensation

Progress to date. Fair and equitable compensation for soldiers is a primary goal of AUSA. In fact, closing the gap between military pay and that of the private sector was the primary goal of AUSA in 2001. Pay-table reform was at the heart of the AUSA legislative agenda for 2002. A comprehensive, realistic compensation package helps keep national military service one of the professions of choice in American society. The cornerstone of such a package is the salary scale, or “pay table.” Specifically, over the past several years, AUSA and others have spoken out for elimination of the 10+ percent pay gap by 2006 and adjustment of pay categories by rank, especially pay grades E-5 to E-9, warrant officers 1 and 2, and captain. AUSA also called for a pay-table adjustment for the career force as a whole of about 8 percent for each rank. (See AUSA Defense Report 01-2, “Pay-Table Reform: The Next Step,” April 2001.)

In late spring 2002, DoD released its Ninth Quadrennial Review of Military Compensation (QRMC), which affirms the strategy to “target” larger basic pay increases for career servicemembers. The QRMC recommended tying mid-grade enlisted pay to that of private workers with some college education. For senior enlisted, the comparison group would be workers with college degrees. Based on these standards, DoD expects to continue recent trends of targeting larger pay raises for mid-level and senior enlisted grades. A similar strategy is planned for warrant officers and officers. As envisioned in pending congressional legislation (FY 2003 Defense Authorizations and Appropriations bills), no soldier would receive less than a 4.1 percent pay raise in Calendar Year 2003. Some mid-career officers and noncommissioned officers in hard-to-fill positions would receive raises of 5 to 6.5 percent—a giant step forward.

Remaining challenges. Closing the pay gap and instituting pay-table reform are critical to the overall well-being of our soldiers and families. Staying the course until completion is mandatory. Several other challenges are not as simple. For retirees, a most critical issue is the prohibition against the concurrent receipt of retired pay and Department of Veterans Affairs’ disability compensation. This unfairly denies earned retired pay to hundreds of thousands of disabled veterans. The genesis of this prohibition is a 19th century law that reduces military retired pay by any amount of service-connected disability compensation received. Retired pay and veterans’ disability compensation are two entirely different things—retired pay is earned by a career of uniformed service; VA disability compensation

is for pain, suffering and lost future earning power due to service-connected disabilities. The main obstacle to enactment of concurrent-receipt legislation has been cost—estimated at about \$2.9 billion annually. Currently, 90 percent of representatives and 83 percent of senators agree and have included provisions in the FY 2003 defense authorization bills that would address this patently unfair disability offset. The House version would phase out the disability offset to military retired pay over five years for disabled retirees with at least 20 years of service and at least a 60 percent disability rating. The Senate version would authorize full and immediate elimination of the retired pay offset for all disabled retirees with at least 20 years of service, regardless of disability rating. Unfortunately, the Office of Management and Budget (OMB) has written Congress indicating that the President’s advisors would recommend he veto the defense bill if it contains either concurrent-receipt provision. **What is needed is the signing of the Senate version of concurrent-receipt legislation to eliminate the prohibition immediately.**



For reserve component personnel, three issues are critical. One key issue is the lowering of the age when reservists can draw retired pay. The retirement age for reservists was set in 1947 when 60 years of age was the retirement age for federal civilian workers. The retirement age for federal civilian workers later dropped to 55 for early retirement, but the retirement age for reservists was not changed. However, terms of service in the reserve component have changed radically since the end of the Cold War. Reservists now provide nearly 13 million mandays per year in support of active duty contingency missions. That does not include the almost 60,000 reservists currently on duty in support of Operation Enduring Freedom. Current law stipulates that after completing 20 years of honorable service, a soldier must wait until age 60, no matter what his age when he has satisfied requirements. To change this requirement to age 55 would cost DoD \$1.4 billion per year. What is needed is for DoD to complete a detailed analysis of the impact of this and other possible changes to the reserve retirement system and for Congress to include a requirement for this study in the FY 2003 National Defense Authorization Act. (See AUSA Defense Report 02-5, “Reserve Retirement—Illuminating Some Gray Areas,” August 2002.)

The second key issue involves modification of the Soldiers’ and Sailors’ Civil Relief Act (SSCRA) of 1940. This act provides certain rights and privileges for men and women entering or called to active duty in the armed forces of the United States. Its purpose is to postpone or suspend some of the civil obligations of military personnel to allow them to give full attention to their military duties. These important protections cover members of the active duty military and reserve component soldiers serving on active duty under federal authority. Unfortunately, these protections are not extended to members of the National Guard serving under Title 32 authority. Under this type of mobilization, National Guard soldiers’ pay and other expenses are funded by the federal government, but the soldiers remain under the control of state governors. As a result, many of the thousands of National Guard soldiers called to active duty under Title 32 status to guard airports and other critical infrastructure in the wake of the 11 September 2001 terrorist attacks are not protected by the provisions of SSCRA. Many of them are now feeling the negative financial and legal impacts of extended tours of active duty far from home—impacts from which the SSCRA was intended to protect them. What is needed is immediate legislation that extends the benefits and protections of the SSCRA to members of the National Guard serving under Title 32. (See AUSA Defense Report 02-6, “The Soldiers’ and Sailors’ Civil Relief Act of 1940—Easing the Burden of Service,” August 2002.)



In testimony before the House Veterans Affairs Benefits Subcommittee on 25 July 2002, William Loper, AUSA's Director of Government Affairs, expressed AUSA's support for legislation (H.R. 4017) that would extend SSCRA protections to National Guard soldiers called to active duty in a Title 32 status. This legislation is needed immediately.

The third issue highlights the restrictions and oversights in the U.S. tax code which hinder the financial well-being of reservists and their employers:

- The Tax Reform Act of 1986 denied reservists tax deductions on travel, lodging and food expenses incurred while on duty and in transit. Unless the expenses claimed were greater than 2 percent of a soldier's adjusted gross income, federal guidelines prohibited qualifying them as deductions.
- Employers are obliged to accept their reservist employees' regular training leave and surprise deployments. The hardship caused by a sudden and sometimes long-term vacancy can strain a company's workload, proficiency and resources. Costs incurred to alleviate reserve soldiers' absences can be great. Temporary help, overtime, rescheduling and cross-training take time and money. The same is true of self-employed soldiers who leave their businesses when called to service.

What is needed is legislation providing tax relief for reserve component soldiers and tax credits for their employers. This would alleviate much of the load placed on America's citizen-soldiers and their obliging employers when these troops are serving. (See AUSA Defense Report 02-4, "Reserve Component Tax Deductions for Soldiers and Employers," August 2002.)

Impact on other functional areas. The greatest impact created by advances in pay and compensation is the increased tension between the executive and legislative branches, which could potentially endanger every other aspect of well-being. **The issue is cost.** Under Secretary of Defense (Comptroller) Dov Zakheim stated to *European Stars and Stripes* on 18 July 2002,



If concurrent receipt comes through, that one is huge. . . . If you start cutting back on the benefits that people anticipate, not 30 years down the road, but now in the next few years, young families . . . they don't just make a sacrifice on the field of battle, they make a sacrifice every day. So the question becomes, do these kinds of folks want to sacrifice even more benefits now, next year, five years, 10 years down the road for something that may or may not happen to them and something that they'll only receive 25 or 30 years from now—if they stay in the military. I'm not ready to make that leap.

The threat of a presidential veto is very real. This is also disturbing from the inference by OSD of an either/or proposition for benefits—a benefit for retirees at the expense of the active duty force. Fortunately, Congress doesn't see it that way. Regarding the OMB letter stating that presidential advisors would recommend a presidential veto if a concurrent receipt provision of any type appeared in the Defense bill, Senator Harry Reid (D-NV) stated, "This [letter] was written by staff bureaucrats. . . . Here's what I'm doing with this staff letter." He folded it up and put it in a wastebasket. When asked how Congress was expected to pay for the concurrent-receipt initiative, Senators Reid and Carl Levin (D-MI) stated, "We're going to pay for it the same way we pay for everything else Congress approves. . . . Congress always has to make difficult decisions on spending priorities. But one of the priorities we must take care of is treating our disabled military retirees fairly."



Last, as with any change to pay and compensation, it is imperative to be mindful of the complex and interconnected nature of the compensation system as it has evolved. The estimated and actual costs of any proposal must be considered as well as the sources of the funding required to support the legislative provision. In the case of lowering the age of reserve component retirement, if the required funding is to come from existing appropriations as offsets, the net effect of such offsets on other aspects of the reserve mission (e.g., force structure, recruiting, retention, readiness, operational tempo, etc.) must be carefully weighed and specifically addressed before the compensation system is adjusted. Benefit adjustments for one segment of the military population cannot be made at the expense of another segment.

“To Connect”: Family Member Education

Progress to date. General John M. Keane, Vice Chief of Staff, Army, in testimony before the subcommittee on Military Readiness, House Armed Services Committee, on 7 March 2002, stated,

On any given day, the Army has more than 124,000 soldiers and 38,000 civilians forward stationed in over 110 countries. In FY01, [the Army] deployed, on average, an additional 27,000 soldiers for operations and military exercises in 60 countries around the world.

Additionally, the U.S. Army has responsibilities in Bosnia, Kosovo, Korea, Kuwait, Honduras, the Sinai and elsewhere. What about the children and families of those servicemembers? The all-volunteer military today is predominantly a young, married force with children. Currently, 55 percent of the military is married; 56 percent of the married population is between the ages of 22 and 29. Nearly one million children, or 73 percent of all military children, are under the age of 11; 40 percent are five years of age or younger. Approximately 8 percent of Army servicemembers are single parents.

Adequate support for educating our military children is paramount considering just these statistics alone. (See AUSA Torchbearer *Educating Our Military’s Children . . . Are We Closing the Gap?* April 2001.) The majority of soldiers rely on local educational agencies (LEAs) to provide quality education and counseling for their children; approximately 80 percent of military children attend civilian public schools. Impact Aid is a federal program that provides funding for a portion of the educational costs of federally-connected students (e.g., one category is military children). It is an in-lieu-of program—i.e., it is the federal government paying its “tax bill” to local school districts as a result of the presence of a military installation. The funds go directly from the Department of Education (DoEd) into the school district's general fund for purchase of textbooks, computers and utilities, and for payment of staff salaries. Impact Aid for FY 2003 in the President’s budget is about \$1.14 billion for all federally-connected students, or 60 percent of need as defined in law. There is also another funding stream for school districts with a large concentration of military children. This DoD Supplement to Impact Aid funding is designed to provide needed support to those districts that are very heavily impacted with the presence of military dependent children. Recent history indicates that these districts most often use these additional funds to improve facilities and provide increased security measures. MISA and NMFA are seeking a total of \$50 million in FY 2003 funding for the DoD Supplemental to Impact Aid funding. Congress has authorized \$35 million. More work remains.

Editor’s note: The DoD Supplement came about because Congress has not fully funded the Impact Aid program, and specific needs of military children are not being met. When all sections of the Impact Aid program are fully funded, the DoD Supplement should not be necessary. Currently, it is needed.



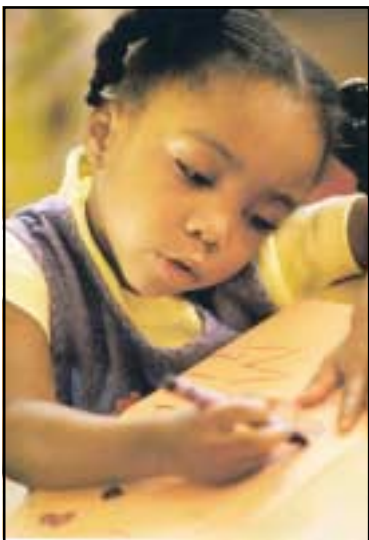
Overseas and in selected states and territories in the United States, 106,000 children of military families attend the DoD Educational Activity (DoDEA) schools (Department of Defense Dependent Schools, or DoDDS, and Domestic Dependent Elementary and Secondary Schools, or DDESS) as opposed to civilian public schools. These DoDDS and DDESS schools receive their funding through DoD, with the President’s budget request for FY 2003 calling for them to receive \$1.5 billion. At this time, DoDEA is resourced for adequate mission accomplishment.

The challenge for mobile populations such as military children is overcoming “unintended consequences.” Frequent moves—causing the child to migrate from a school district in one state to another state or from a civilian school district to a DoDEA school—contribute to hardships in meeting scholastic and extracurricular requirements. The Army has adopted several measures to ease the burden of transition. With assistance from the Military Child Education Coalition (MCEC), the Army conducted a Secondary Education Transition Study (SETS) that resulted in school leaders and military

Editor’s note: Begun in 1998, the Military Child Education Coalition, or MCEC, is a national nonprofit organization that is focused on the K-16 school transition of the military-connected student. MCEC is an active coalition of military installations, school systems, organizations, corporations and individuals who care about children.

installations forming partnerships to assist military families in easing transition difficulties brought on by frequent moves, and to overcome challenges of record transfer, graduation requirements, and the like. The Army has instituted a practice of stabilizing soldiers with high school students who are entering their senior year for at least one year to allow those students to complete their secondary year in that school. **Many military-connected local school districts—102 as of October 2002—have signed a Memorandum of Agreement (MOA) between school superintendents to address school transition issues. This is a sound approach and should be expanded.** (To read the MOA and see who has signed it, go to MCEC’s website at www.MilitaryChild.org.)

Remaining challenges. Impact Aid, passed into law by Congress in 1950, was designed to provide for the education of military children. But as coverage for other groups has been added, funds for military children have eroded. Currently, only 40 cents of every dollar appropriated for Impact Aid goes to funding for military children. Until 1970, the program was fully funded; since then, the program has faced severe cuts and is currently only funded at 60 percent. MISA has been a strong advocate for military children and the schools that serve them. Their first priority is working for full funding of the Impact Aid program. **What is needed is for Congress to fully fund all sections of the Impact Aid program so that school districts will have the resources to adequately meet the needs of the military children they serve.**



Partnerships between school districts and military installations and an overall awareness of challenges facing mobile populations are increasing. The Senate Armed Services Committee cited the Army’s SETS in its report accompanying the 2002 Defense Authorization Bill and commended the Army on this issue. What is needed is a continuing effort, encompassing strong senior leadership involvement and additional emphasis on special education needs. Congress authorized and appropriated \$3.5 million in the FY 2002 defense bill to begin to address the needs of schools serving high concentrations of special education students. **More needs to be done to help support this program in Congress and help those serving these high-need special education children.**

The greatest challenge facing DoDEA schools (specifically DDESS) is a congressionally-mandated DoD study focused on transferring the DDESS students to local civilian schools in the continental United States. (Note: The study is focused on an independent evaluation of domestic school facilities to include the cost to transfer the facilities to local school districts and an analysis of the impact on local communities should DoD end its domestic school operation. Additionally, the study may go beyond these issues if deemed prudent by information gathered. The study will also enable DoD to evaluate the quality of public schools made available to military children.) The 58 schools affected—on installations in New York, Virginia, Alabama, Kentucky, North Carolina, South Carolina and Georgia—would transfer 24,000 students to public schools. Until the Impact Aid program is fully funded by Congress and there is a construction program for schools serving military children, the proposal to transfer responsibility should not be made. Rather, Congress and DoD need to fund and build additional DDESS schools at Fort Bragg, North Carolina, Fort Campbell, Kentucky, and Fort Stewart, Georgia to support the RCI privatized housing projects and also to ensure that all children living on the installation have equal access to quality school experiences.



“To Connect”: Workplace Environment

Progress to date. With the average age of Army facilities going on 41 years and with 75 percent of soldier family living quarters categorized as inadequate, the U.S. Army is a C-1 (mission capable) Army on C-3 or C-4 (inadequate) facilities. (See AUSA Torchbearer *Decaying Military Infrastructure: Putting U.S. Army Readiness at Risk*, September 2001.) Part of the problem is the Army’s “fix what’s broken” priority on maintenance. With the Department of the Army not being able to fully fund base operation and sustainment costs—and with major commands reaching into these same accounts to carry out mission requirements—garrison commanders have been left with small budgets to care for their facilities. This “death spiral” only became worse after the tragic events of 11 September 2001.

An example of this “death spiral” can be seen at Fort Bragg, North Carolina. Forces Command took 20 percent of the sustainment, restoration and modernization (SRM) budget. Increased force protection as a result of 11 September 2001 caused additional funds to come out of accounts that were to be used for installation maintenance. Fort Bragg alone spent \$14 million to house force protection personnel. By the time the garrison commander received the SRM funds, they had been reduced to 38.5 percent of the original amount. While the picture is better for 2002, facilities will continue to deteriorate at a faster rate than they can be repaired unless 100 percent (for installation sustainment) is achieved over an extended period of time (e.g., a decade).

Remaining challenges. The U.S. Army has a challenge in building facilities for platforms such as the tank or Future Combat Systems (FCS). Facilities built to store and perform maintenance on these platforms have to play “catch up.” Today it can take up to five years to build facilities. **What is needed is the development of facilities that are generic and nonmission-specific, to accommodate a wider range of platforms. Also needed is a privatization program to upgrade and repair the Army’s dilapidated utilities.** This crisis must be resolved immediately—but no later than 30 September 2003—or the readiness of Army installations will remain inadequate. Private-sector ownership and management of base utilities would provide efficient, effective and reliable utility systems, while assisting in achieving energy savings and avoiding cost related to waste. The most critical challenge is for the Army to adopt and execute a corporate strategy that adequately addresses installation management. A new base operations



funding process is needed that funnels SRM monies straight to the garrison-level command without major commands skimming funds away to complement programmed and unforeseen mission budgets. The Army's new regional facilities management plan (Transformation of Installation Management, or TIM) will do just that by sending all installation funds from a head installation management agency to seven regional installation management offices overseeing 10 to 30 separate installations each. Implementation of this "firewall" between mission and installation funds began in October 2002.



As part of Army Transformation, together with new missions and requirements subsequent to 11 September 2001, the reserve component is facing similar challenges in providing facilities for new kinds of units and new demands on reserve facilities. As a brigade of the Pennsylvania National Guard converts to the new Stryker Brigade Combat Team (SBCT), the Army National Guard needs assistance in the planning and design of facilities to support the SBCT. There is approximately \$6.1 million in requirements of this type in the Army National Guard. In the wake of the terrorist attacks, there are new demands on reserve facilities to train mobilized Guardsmen and Reservists


for deployment. The current pace of mobilization is expected to continue. Force protection remains a continuing concern, with better communication capabilities, emergency operations centers, and hardening of facilities at the heart of these additional requirements.

Impact on other functional areas. As the Army implements the new corporate strategy for installation management, looming on the horizon is how major Army commands will handle unanticipated mission requests now that they have lost flexibility in resource management. This may force major Army commands to dip into other programs to make up for unfunded mission requirements. What is needed is for the Department of the Army to adequately fund additional mission requirements to preclude major commands from "robbing Peter to pay Paul."

"To Connect": Family Programs

Progress to date. As the military juggles existing deployments and missions with the war on terrorism and homeland security mission, the military family's lifeline—its community—feels the strain. Family services are important even to an installation not pressured by high personnel tempo or war-related deployments. Family centers, military chaplains and installation mental health professionals help ease the transition to the military environment for newly-arrived families as well as providing support for families whose military sponsor is deployed. They provide financial counseling, information on accessing local social services, parenting classes, opportunities to learn about the community, and opportunities to volunteer to help others. Military youth programs offered by both installation youth services and the chaplains provide meaningful activities for many military youth, particularly in the vulnerable preadolescent years. Additional services set up to support families when units deploy include counseling services, e-mail and video teleconferencing centers, and special family activities. These services ease the strain of deployment for families left behind and reassure servicemembers that their families are being supported.

In the FY 2000 National Defense Authorization Act, Congress provided DoD the flexibility to increase the availability of child care and youth programs through partnerships with civilian agencies and other organizations. The services set up several pilot programs to take advantage of this flexibility and obtain more care for children off the installation. Under the provisions of the law, DoD is to submit a report this year to Congress outlining what has been done.



The Army continues to implement new well-being programs designed to enhance the readiness of military families. One such initiative is the Strong and Ready Families Program. Seventeen brigades from across the Army were part of the pilot program that began in fall 2001.

The program consists of three phases of instruction intended to strengthen the relationship and communication skills of first-term soldiers and their spouses and newly-married couples. The last phase also incorporates material from Part I of the Army Family Team Building Program. The course concludes with a ceremony to recognize the families' efforts. As a further incentive, the soldier earns promotion points for completing the course.

Providing families with the tools to prevent and resolve marital issues before a deployment can have a positive impact on a soldier's performance. One further advantage of this program is that it occurs in a unit setting among several couples and thereby negates the stigma that can occur when a couple seeks counseling separately.

Remaining challenges. There is a challenge for servicemembers, including Guard and Reserve members called to active duty, who cannot access installation child development centers. In 2000, only 2.8 percent of DoD child care was provided by Family Child Care homes located off the installation; 5.3 percent was provided through resource and referral services. Guard and Reserve families, as well as active duty families living and/or working longer distances from an installation, need assistance not just with finding quality child care near their homes, but also with paying for that care. When a military family enrolls a child in a military Child Development Center or Family Child Care home, the cost of that child's care is shared between the government (through appropriated funds) and the servicemember. When a military family who cannot access child care through the military places a child in a civilian child care facility, that family bears the entire cost.

What is needed is funding for: programs such as Strong and Ready Families and additional measures to meet the child care needs of servicemembers unable to access military Child Development Centers (e.g., recruiters and activated reserve component personnel).

Impact on other functional areas. There has been an increased demand for child care and youth services from families, both active and reserve component, affected by the increased operational demands connected with the war on terrorism and with increased homeland security activities. Some installations have responded with extended-duty child care, both at Child Development Centers and in Family Child Care homes. Some installations are even waiving families' copayments for these extended hours. Child Development Centers and Family Child Care homes, however, cannot meet all of the need, particularly for the newest active duty families—the families of the National Guard and Reserve called to active duty. Most Guard and Reserve families do not live near a military installation where they could access a military Child Development Center, even if it had space for their child. Approximately 53 percent of Selected Reserve members are married with children; 5.4 percent of reserve component personnel are single parents, compared with 6.2 percent of the active force. When the servicemember is not home to help care for children, the family will need more child care. **In some cases, military spouses are quitting their jobs or dropping out of school because they cannot find the child care they need at an affordable rate.**





“To Grow”: Family Member Employment and Educational Assistance; Morale, Welfare and Recreation (MWR)

Progress to date. Both Congress and DoD have recognized that a military spouse’s ability to gain job skills and maintain a career despite multiple moves contributes to the financial well-being of the military family and its satisfaction with military life. A spouse who is provided with opportunities for employment and career advancement will be more likely to encourage the soldier to remain in the Army. Of particular note is congressional direction to DoD to seek out partnerships with other federal, state and local agencies and the private sector, making maximum use of already available resources. DoD has emphasized that it is imperative to go beyond readying military spouses for the job market. Every military spouse must have the opportunity to pursue a satisfying career with pay and benefits comparable to counterparts in a civilian labor market.

Remaining challenges. Some 63 percent of military spouses are in the labor force, including 87 percent of junior enlisted spouses (E-1 to E-5). The loss of the spouse’s income—just as the family is facing the costs of a PCS move—is further exacerbated when a spouse is unable to collect unemployment compensation due to provisions of state law. In many states, the military spouse is not eligible to collect unemployment compensation when that unemployment is due to the servicemember’s change of duty location. States frequently determine that the decision of a military spouse to move with the servicemember is a “voluntary quit,” and the benefit is denied. **What is needed is for Congress**



and DoD to help raise the level of awareness with the state governors and legislatures about the inequities of these determinations so that more states will legislate compensation for military spouses.

In-state tuition for Army spouses and college-age family members poses unique challenges. The mobility of the military community, coupled with state-specific criteria for determining eligibility for in-state tuition, presents the military spouse/family member with a variety of rules and procedures that may or may not result in designation as state residents for tuition. As the Army moves soldiers, most often the state of current assignment is not the soldier's state of legal residence. Legal residence is usually the state from which the soldier entered active duty. Ordinarily, state legislatures or individual institutions within the state control policy on resident tuition rates. The federal government cannot require states to provide in-state college tuition rates to military spouses and college-age family members. Military personnel and their families, while assigned within a state, should be afforded a state waiver to obtain in-state tuition rates. This waiver should apply as long as the student maintains continuous enrollment. The Army has taken the initiative in establishing a dialogue with the states to communicate the impact in-state policies can have on military families. While a few states appear to have favorable policies for soldiers and their families, there is a wide variance in access, information, implementation and procedures. The Army's goal is for all states to have favorable policies, and for reassignment of the soldier to have no impact on residency status for family members continuing their education in the state. **What is needed is for DoD to present to state governors a proposed policy for tuition for military personnel and their family members living in that state as a result of military orders.**

Another challenge involves the Army’s Morale, Welfare and Recreation (MWR) and Family programs. Compared to FY 2001, revenue through July 2002 has declined by \$24 million, or 4 percent, as a result of heightened security and increased operating tempos following the 11 September terrorist attacks—and the effects of this loss are being felt in different ways at installations around the Army. Army-wide revenue-generating programs such as large bowling

centers, golf courses, clubs, etc., suffered the most from the heightened security because access to installations was severely restricted. Brigadier General Antonio Taguba, then commander of the Army Community and Family Support Center, stated in written testimony to Congress in March 2002 that business and labor hours are being cut back to help trim costs. In addition to the Army's "belt-tightening" actions already in effect, **what is needed is for Congress to fully fund the Army's FY 2003 base operations budget.**

Impact on other functional areas. Some may perceive that funding for this category could be better used by other more "critical" categories, or that these types of issues are not under the purview of the federal government. Nothing could be further from the truth. Warfare in the 21st century will place servicemembers in harm's way often and over extended periods of time, with increased reserve component activations of indefinite lengths. It is imperative that this category of well-being receive adequate funding and careful attention to preclude extreme hardships and distractions that could jeopardize the readiness and mission capability of the armed forces.

What Must Be Done

The Association of the United States Army (AUSA) has spoken and will continue to speak out on issues that affect the well-being of the Army team—soldiers (active Army, Army National Guard, Army Reserve, retired, veterans), Department of the Army civilians and their family members. While AUSA applauds the efforts of the President and Congress on the passage of recent legislation supporting well-being, the gains of the last several years will be negated if Congress and DoD do not stay the course and adequately fund and support well-being programs to their conclusion.





Torchbearer Message



At the heart of Army Transformation are soldiers (active Army, Army National Guard, Army Reserve, retirees, veterans) and Department of the Army civilians. These high-quality individuals and their families are the bedrock of readiness. Central to soldier, civilian and family readiness is well-being—the human dimension of Army Transformation.

Well-being is not a “bumper sticker.” Well-being is the framework under which there is clear linkage between distinct quality-of-life programs and Army institutional outcomes such as readiness, retention and recruiting. **Well-being is not a synonym for quality of life but rather an expansion of the concept.** It represents coordinated efforts to integrate policies, programs and issues into a holistic and systematic framework that supports mission preparedness as well as individual aspirations.

Recent legislation signed into law by the President has made significant strides in funding such programs as compensation, health care, retirement and survivor benefits, housing, education, family programs and the working environment. Much has been done, but more remains, especially the integration of the individual programs into a comprehensive, holistic approach.

Army well-being is “well,” but it can and must get even better. **The Army must institutionalize the concept and processes of Army well-being, both within the Department of the Army and at the community/installation level, to create irreversible momentum and avoid unintended consequences. The inextricable link between well-being and readiness must be made evident to leaders, soldiers and every other member of the Army team.**

Congress and the Department of Defense must stay the course. The tremendous gains over the past several years in the various individual programs will be for naught if any remaining year or years of a program go unfunded. **Congress and DoD must avoid carrying one population’s benefits on the backs of another—retirees versus active duty, active component versus reserve component or DoD versus DoEd—or competing one individual program against another.** This is counterproductive; it impacts other mission areas and disadvantages all groups, especially soldiers who have to go in harm’s way without the necessary equipment, or a family whom the soldier feels is not adequately supported. Congress and DoD must determine the validity of each requirement and resource it accordingly.

Specifically, Congress and DoD must:

- **for soldiers and DoD civilians**, eliminate the pay gaps for their groups as compared to the private sector by 2006 and maintain comparability for the future; provide officers, warrant officers and noncommissioned officers monetary compensation commensurate with their leadership expertise, experience and responsibility; and continue to advocate for the Employer Support for the Guard and Reserve (ESGR) program. (For details, see pages 7, 8, 20–23.)
- **for soldiers and their families**, modernize barracks and family housing, both in the continental United States and abroad, by 2007; review housing standards for all ranks; for those soldiers and families who reside off the installation, eliminate out-of-pocket expenses for housing entirely by 2005; fully fund sustainment, restoration and modernization (SRM) and base operations requirements;



and pass legislation to protect families living in privatized military housing on federal property. (For details, see pages 17–20, 25–26, 28–29.)

- **for retirees**, enact and fund legislation to repeal in its entirety the Department of Veterans Affairs (VA) offset on retired military entitlement (concurrent receipt), and protect the retiree from having to choose between the military and VA health care system. (For details, see pages 14–17, 20–23.)
- **for retirees and veterans**, publicize the 1998 VA health care benefit for U.S. combat veterans (both active and reserve components) since Operation Desert Storm. (For details, see page 15.)
- **for the reserve component**, enact legislation to give Guardsmen and Reservists, while on active duty, and their families, compensation and health care equal to that of the active component; to extend the benefits and protections of the Soldiers’ and Sailors’ Civil Relief Act (SSCRA) to members of the National Guard serving under Title 32; to provide tax relief for reserve component soldiers and tax credits for their employers); and to study how reservists can realize retirement pay benefits immediately upon retirement from the reserve component as opposed to at age 60. Reserve component medical and dental readiness shortfalls (to include physicals and Internet annual screenings at VA) must be fixed immediately, as well as RC military construction requirements. (For details, see pages 14–17, 20–23, 25–26.)
- **for family members**, encourage state legislatures to support in-state tuition for military family members at institutions of higher learning and to provide unemployment benefits based on a military relocation for the servicemember’s spouse; expand the Memorandum of Agreement (MOA) approach to address school transition issues; retain Domestic Dependent Elementary and Secondary Schools (DDESS) in the Department of Defense Education Activity (DoDEA); fully fund Impact Aid in the Department of Education (DoEd) budget; and fund additional measures to meet child care needs of servicemembers unable to access military Child Development Centers. (For details, see pages 23–25, 26–27, 28–29.)
- **for all soldiers, retirees and family members**, protect the gains in benefits under the TRICARE and TRICARE for Life systems and study the feasibility of eliminating TRICARE copayments for retirees under the age of 65. (For details, see pages 14–17.)

AUSA is fully committed to each member of the Army Team—soldiers (active Army, Army National Guard, Army Reserve, retirees, veterans), Department of the Army civilians and their families. You can be proud of the fact that, as a member of AUSA, you carried the torch and contributed to the effort that has yielded so many positive results. Join us as we continue our effort to ensure the well-being of the Army and each member of the Army Team.

The critical issues facing the military community prior to 11 September 2001—pay, housing, health care, family support and education—have not gone away.



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