



WASHINGTON UPDATE



A MONTHLY NEWSLETTER

Vol. 11 No. 6

Published by the AUSA Institute of Land Warfare

June 1999

Hill takes first step on fixing pay gap

Both the House and Senate Armed Services Committees approved their versions of the Defense Authorization Bill, calling for a 4.8 percent across-the-board military and civilian pay raises and pay table reform for mid-career noncommissioned officers, warrant officers and commissioned officers.

There are some differences in the repeal of the 40 percent formula for retirement that must be worked out in conference later this spring and into early summer.

In addition the House bill calls for a repeal of a law setting military pay raises at one-half of a percent below the rate of inflation.

The full House recessed May 27 when it split over supporting continuing operations in Kosovo. The authorization requests \$288.8 billion for Fiscal Year 2000 defense spending. The Senate passed its version of the bill May 27.

Gen. Gordon R. Sullivan, USA, Ret., president of the Association of the United States Army (AUSA), said, "I am proud of the role that this Association played in educating the Congress and the administration in providing for today's servicemen and servicewomen. But this is only the first step in cutting the 14 percent gap between military and civilian pay. The gap is real, and it remains."

Adding, "We now have to make sure that the appropriations process provides the money for these three critically important compensation issues — raising basic military pay, overhauling the pay tables and restoring the retirement formula to 50 percent — that have a direct bearing on recruiting and retention. That is the next step.

"We have testified repeatedly in the 105th and now the 106th Congress that the armed forces are under paid, under resourced and over committed. Both armed services committees clearly have recognized that this is not a one-year, one-time fix." Sen. John Warner, R-Va., committee chairman, said, "This bill is a vital first step in enhancing military readiness, modernizing our forces and improving the quality of life for our servicemen and women, and their families."

Sen. Carl Levin, D-Mich., ranking member, said, "This bill meets the requirements identified by our senior civilian and military leadership necessary to ensure our military services remain the best-equipped and most capable fighting force in the world."

Rep. Floyd Spence, R-S.C., House committee chairman, said, "The additional funds provided in this bill, when combined with the additional funds in the Kosovo supplemental, will cover a large percentage of the critical unfunded priorities that the Joint Chiefs identified in the administration's defense budget for the next fiscal year. However, revitalizing our military forces will take even more aggressive and sustained efforts in the years ahead — years during which we will be left to manage the growing risks associated with the U.S. armed forces' ability to protect and promote our interests around the world."

Included in the House bill is a provision "to establish a comprehensive exit survey of all military personnel who have made the decision to leave the service between Jan. 1 and June 30, 2000." This reflects continuing congressional concern over both recruiting and retention shortfalls. The active Army is projecting it will miss its recruiting goals by about 6,000 in the active force and 9,000 in the Army Reserve.

Other major personnel issues in defense bills.

- Both authorized the establishment of a Thrift Savings Plan and a \$30,000 one-time bonus for those who choose not to take the revised retirement pay.
- Both authorized a package of about \$400 million in special pay and bonuses.
- House authorized an improvement in the housing allowance that would cut most out-of-pocket expenses by 3.5 percent. The average out-of-pocket expense would then be 16 percent. The goal is to have 15 percent of housing costs come out of a servicemember's pocket.
- Both authorized a \$110 daily reimbursement for those making a permanent change-of-station move. For the first time, this would be available for service members going to their first duty station.
- House authorized payment of Women, Infants and Children benefits overseas.
- House authorized reserve forces special pay and bonuses. These include special pay for health care professionals, selected reserve reenlistment bonuses, special pay for selected reserve enlisted assigned to some high priority units, ready reserve reenlistment bonus and authority to repay educational loans for some health care professionals.
- Senate authorizes \$180 per month special subsistence allowance for E-5s and below who are eligible for food stamps.
- Senate authorized several initiatives to make TRICARE "substantially similar to the coverage under similar health plans offered under the Federal Employees Health Benefit Plan." This included portability from region to region, increased reimbursement rates for providers and allowing military facilities to collect reasonable charges from third-party insurers that are incurred on behalf of a covered beneficiary.
- Senate authorized total active end strength of 1.38 million, about 10,000 below FY 1999 levels; 874,043 reserve end strength, about 11,000 below FY 1999.
- Senate and House committees recommend funding of \$288.8 billion. This is \$8.3 billion above the administration's request for Fiscal Year 2000. In its release describing the action, the Senate committee said this increase was "consistent with this year's Concurrent Budget Resolution" and represented a 2.2 percent increase in real terms for defense.

Looking at readiness, unfunded requirements.

- Senate bill added more than \$1.2 billion to primary readiness accounts including ammunition, training and real property maintenance. The House bill provides a \$2 billion

increase in these accounts. The difference between the two occurs because the House provided \$700 million to fund other readiness requirements included on the service chief's unfunded priority list. Included in these unfunded requirements were funds for the Army Reserve to cover operating tempo expenses. The Senate bill provides an additional \$60 million to the request.

- Both committees took sharp exception with the administration's proposal on family housing. The House committee restored \$3.1 billion for military construction. Spence, in hearings earlier this year, called the proposal of putting all the money for construction in one year's budget and not in the next, "a gimmick."

The Senate committee noted in its release, "The committee included \$200 million in unfunded requirements identified by the military services and more than \$140 million in quality-of-life projects, such as barracks, family housing and child development centers." The House committee said, "Military facilities are not luxuries and they are not overhead."

AUSA testifies in behalf of improved Montgomery G.I. Bill to help recruiting and transition. The direct connection between improving the Montgomery G.I. Bill educational benefits and keeping the Army College Fund attractive to meet recruiting goals were the key points a senior AUSA official stressed at a mid-May congressional hearing on how Congress can help the services attract qualified young men and women.

Lt. Gen. Theodore Stroup, USA, Ret., the Association of the U.S. Army's vice president for education, said in his written remarks to the House Veterans' Affairs Committee that the active Army will "probably miss its target by 5,500 soldiers and the Army Reserve by 9,000 soldiers."

WASHINGTON UPDATE is published monthly by the AUSA Institute of Land Warfare to highlight current events of significance to the Army and defense from the Washington perspective. Further reproduction and distribution of this newsletter is encouraged.

John Grady - Editor
2425 Wilson Blvd., Arlington, VA 22201
Phone: 703-841-4300, Ext. 213
FAX: 703-841-3505

Educational benefits are still the number one reason soldiers give for joining the Army.” He said it was critically important to couple these changes while maintaining the Army College Fund. That fund offers up to \$50,000 to recruits who enlist in the Army.

He said that improving the Montgomery G.I. Bill would particularly help the Army Reserve in its recruiting efforts and H.R. 1071 “corrects the inequity caused by the changeover from VEAP to the Montgomery G.I. Bill.” Adding, these improvements were called for in the Association’s resolutions adopted during its October Annual Meeting. Stroup said that since the recession of the early 1990s, college tuition fees have risen not only faster than inflation, but faster than health care costs.

The committee is considering two bills — H.R. 1071 and H.R. 1082. The Veterans’ Affairs Administration estimated the cost of the two bills at between \$1.2 billion and \$1.4 billion in the next five years. The department, however, has not made a recommendation on either.

The recent report of a special congressionally-created commission on veterans’ benefits and transition services recommended sweeping changes in the education benefits to cover full tuition costs, eliminate the \$1,200 pay in, provide a monthly stipend and, under some circumstances, allow the benefit to be transferred to a relative.

Army to Hill: Make educational benefits as attractive as those offered by industry. Army and other service recruiting officials testified earlier this year before both the House and Senate Veterans’ Affairs Committees and the House and Senate Armed Services Committees that a key to resolving today’s recruiting problems was to make the educational benefits offered by the armed forces as least as attractive as those offered by other governmental agencies and industry.

Maj. Gen. Evan Gaddis, the Army’s top recruiter, told both the House and Senate Armed Services personnel subcommittees that the Army needs to recruit 184,000 young people for the active Army, Army National Guard and Army Reserve to meet its end-strength requirements. “This is more than all of the other services’ recruiting requirements combined,” he told the House Armed Services personnel subcommittee in late March.

Matthew L. Puglisi, assistant director of national veterans’ affairs at the American Legion, said, H.R. 1071 “would appear to be a great marketing tool for recruiters if they could just simply and honestly state to potential recruits that ‘college is on Uncle Sam’ after they complete their enlistment.”

Opening the school door for recruiters. The president of the American School Counselor’s Association said Congress should examine its intent to provide access to high schools for military recruiters against an existing loosely-written law that provides for confidentiality of student information.

Judith Lee Ladd told the House Veterans’ Affairs Committee that the vagueness of the federal law covering privacy allows for differing interpretations of “what confidentiality and what access means. . . . Some say we don’t give the list (of students) to the college or the recruiter.”

A clarification in the law would be helpful. She did not think Congress should pass a law requiring high schools to provide access to students.

Speaking from her own experience, she said, “What if I give the parent the option of providing directory information and unless we hear from them by a certain date then military recruiters and the colleges could have that information. . . . That’s probably the easiest to address” and allowed under existing federal law.

Ladd said this was the approach her association used, and that this summer it will vote to strengthen the language covering access of military recruiters to schools in its bylaws and resolutions.

But that does not cover all states and localities. State law and school board administrative action could bar the release of even directory information to recruiters, Ladd said in her May 20 testimony.

Spending caps, recruiting problems, slow VA and divided Congress. The House Veterans’ Affairs Committee remains deeply divided over spending caps called for in the Balanced Budget Agreement and the need to find more money to overhaul the Montgomery G.I. Bill to help military recruiting.

Speaking about two bills that would make the Montgomery G.I. Bill more attractive to potential recruits, Matthew L. Puglisi, assistant director national veterans' affairs with the American Legion, said, "The two proposals before the committee, although so similar, are offered in an atmosphere that one cannot describe as altogether collegial. We therefore request that the members reach an appropriate compromise for the sake of our young men and women in uniform."

Earlier in the May 20 hearing of the benefits subcommittee, Rep. Bob Filner, D-Calif., said angrily, "If the caps stay, we can't provide for this. ... No matter how much we say we are wonderful here." The Department of Veterans' Affairs estimated the two bills would cost between \$1.2 billion and \$1.4 billion over the next five years, and that figure would rise after that.

Rep. J.D. Hayworth, R-Ariz., said, "We must properly order our priorities."

The president has threatened to veto legislation with those kinds of domestic cuts.

Panel spells out spying charges against China.

A select congressional panel reported May 25 that "The People's Republic of China has stolen design information on the United States' most advanced thermonuclear weapons.

The Select Committee on U.S. National Security and Military/Commercial Concerns with the People's Republic of China unanimously adopted 38 recommendations that call for stronger intelligence, security and export-import controls.

In its report, "The Select Committee judges the P.R.C.'s next generation of thermonuclear weapons, currently under development, will exploit elements of stolen U.S. design information."

Caldera: 'We don't have a single person to waste ... whatever their background.' Army Secretary Louis Caldera said it was in the Army and the nation's "pure self-interest... to get support from all communities" in its recruiting efforts.

"We don't have a single person to waste ... whatever their background," he said at a press conference May 18 announcing the recommendations of a new report on the underrepresentation of Hispanics in the Army's officer corps.

Milosevic indicted for war crimes. A U.N. war crimes tribunal indicted Yugoslav President Slobodan Milosevic and four other officials, including the Serbian official who negotiated the Rambouillet agreement, on charges of crimes against humanity stemming from the conflict in Kosovo.

Included are charges of forced deportation of 700,000 ethnic Albanians from the Serbian-controlled province and the murders of 340 Kosovars.

Chief prosecutor Louise Arbour, a Canadian, said in the Hague where the court sits, "Now the world is a much smaller place for them."

House panel calls cemetery neglect 'national disgrace.'

The House Veterans Affairs Committee sharply questioned VA officials on its lack of a long-range plan to meet the burial needs of a veterans population that is dying at a rate of 1,000 per day.

Veterans organization told the oversight and investigations subcommittee May 20 that coupled with the lack of planning for additional cemeteries were a lack of funds to properly maintain the cemeteries, including Arlington. There the damage included a deteriorating ceiling of the reception building chapel at the Tomb of the Unknowns.

Rep. Terry Everett, R-Ala., said after the hearing. "If the VA and the administration are not going to act, then we in Congress will have to consider what we should do."

(Editor's note: For the latest developments on Capitol Hill, check out the What's Hot and News Desk sections of the AUSA Web Site. Bookmark, www.ausea.org. For AUSA's electronic legislative newsletter, E-mail John Molino at jmolino@ausea.org.)