Honorable Dennis M. McCarthy

Assistant Secretary of Defense for

Reserve Affairs

Before the

Senate Armed Services Committee

Subcommittee on Personnel

DoD Focus on Active, Guard, Reserve, and Civilian Personnel Programs

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COMMITTEE ON ARMED SERVICES

MILITARY PERSONNEL SUBCOMMITTEE

The Honorable Dennis M. McCarthy
Assistant Secretary of Defense for Reserve Affairs

Secretary Dennis M. McCarthy was confirmed as the Assistant Secretary of Defense for Reserve Affairs on June 25, 2009. A Presidential appointee confirmed by the Senate, he serves as the principal staff assistant to the Secretary of Defense on all matters involving the 1.2 million members of the Reserve Components of the United States Armed Forces. He is responsible for overall supervision of Reserve Component affairs of the Department of Defense.

A graduate of the University of Dayton and the Capital University Law School, Lieutenant General McCarthy began his military service in combat in Vietnam, and remained on active duty until 1978. He served as an infantry officer in the "traditional reserve," and was recalled to active duty for Desert Shield/Desert Storm and on several subsequent occasions. He also served on the Secretary of Defense's Reserve Forces Policy Board. In 1997 he commanded the Third Marine Division and was the only Reserve General Officer to command an active duty Marine Division. From 1984 until his retirement in 2005, he commanded eight different Marine Corps and Joint organizations for a total of 161 months, including overall command of the Marine Corps Reserve as it undertook its largest mobilization in history.

From 1978 to 1999 he engaged in the private practice of law as a civil trial lawyer. He was a member of the Adjunct Faculty of Capital University Law School and a frequent lecturer at continuing educational programs. He is admitted to practice before the Supreme Court of Ohio and the United States Supreme Court.

Secretary McCarthy's military decorations include the Distinguished Service Medal, Defense Superior Service Medal, the Meritorious Service Medal, the Navy Commendation Medal with "V" device and the Combat Action Ribbon.

Prior to returning to government service, Secretary McCarthy served for four years as the Executive Director of the Reserve Officers Association. In this capacity he led key efforts to sustain and reform the active and reserve components. He has written extensively on Reserve and National Guard issues, and worked closely with the Commission on National Guard and Reserves and other groups studying reserve component policy.

Secretary McCarthy and his wife Rosemary have two sons – Sean and Michael - who serve as Citizen Warriors in the Army National Guard and Marine Corps Reserve respectively.

EXSUM

Chairman Webb, Ranking member Graham, and members of the subcommittee; I thank you for your invitation to participate in this hearing. This is my second appearance before this committee in my current role, and I welcome the opportunity to give you my perspective on what I perceive to be a roadmap to the future of your Reserve Components (RC).

After a decade of sustained engagement in combat operations, the Reserve Components of our Armed Forces have transformed, from a strategic force of last resort to a dependable operational force that provides full-spectrum capability to the Nation. Today there are over 100,000 National Guard and Reserve men and women on active duty around the world and at home, serving in missions ranging from combat in Afghanistan to defending the air space here in Washington, to humanitarian relief efforts in Japan.

In order to best utilize the nation's ten year investment in your Guard and Reserve Forces, they must be:

1. Accessible: Expansion of 12304 enables future planning for an era of persistent conflict where augmenting the AC force in specific missions can occur without an authority gap.

2. Used Judiciously: The RC are highly capable and possess many of the same capabilities as the AC, and have volunteered to serve at an incredible rate. Many of these individuals have the time and desire to serve more than the traditional standard for Guard and Reserve personnel; and the Department should find a way to leverage this willingness. In many cases, the Guard and Reserve forces should be the first choice for recurring or predictable missions within their capability, which will contribute to the sustainability of both the Active and Reserve Components. Putting in use rotational availability models allow for continued movement towards the Department objective of 1 year mobilization for 5 years dwell time for the RC.

3. Ready: Our RC forces need to continue to be maintained at the highest level of readiness, to include not only service member training and medical readiness, but also family and employer readiness. Our dedicated Guard and Reserve service members receive support in a holistic manner, and we have worked, through both the Yellow Ribbon Reintegration Program and the Employer Support of Guard & Reserve Programs to give access to community, state, and federal level assistance programs to service members and their support networks before, during and after deployments. This includes resilience training.

   Programs like these that ensure support during a service member's continuum of service assists our Reserve Components in attracting the best and brightest to join. The Services have implemented recruiting, retention, and force shaping policies that you have authorized, and will achieve end strengths for FY11, which provide the RC with forces necessary to meet strategic demands and maintain dwell consistent with policy.

   RC readiness also includes being able to work and train in quality facilities, and maintaining the current level of equipment that is available for training and preparation. Current funding for reset and maintenance of RC equipment comes out of Supplemental appropriations, but as we move away from dependence on these funds, it is important to include funding in base budgets to maintain and repair the equipment that is currently accessible to the RC.

Chairman Webb, Ranking member Graham, and members of the subcommittee; I thank you for your invitation to participate in this hearing. This is my second appearance before this committee in my current role, and I welcome the opportunity to give you my perspective on what I perceive to be a roadmap to the future of your Reserve Components (RC). The Senate Armed Services Committee has always been very supportive of our National Guard and Reserve Forces. On behalf of those men and women, our Citizen Warriors, their families and employers, I want to thank you for all your help in providing for them as they have stepped up to answer the call to duty. We will do everything in our power to merit your continued support.

After a decade of sustained engagement in combat operations, the Reserve Components of our Armed Forces have transformed, from a strategic force of last resort to a dependable operational force that provides full-spectrum capability to the Nation. Repeated combat deployments, as well as peacekeeping and humanitarian relief missions, have produced an operationally resilient force that fully expects to be utilized on a periodic basis. This new force represents a ten-year investment in resourcing the nation's commitments and the personal sacrifice of service members, their families and employers. That investment can reliably provide the Department of Defense (DoD) with essential operational capabilities and strategic agility in a cost-effective manner well into the future. Good stewardship demands that we continue to capitalize on this investment in order to maintain Guard and Reserve readiness, relieve stress on the Active Component, and provide the widest array of force structure options in a resource constrained future.

An Indispensable Force:

Today there are over 100,000 National Guard and Reserve men and women on active duty around the world and at home, serving in missions ranging from combat in Afghanistan to defending the air space here in Washington. They serve alongside Regular component personnel, civilians and

contractors. They are experienced; many having served multiple tours in combat and are now leading people in combat. They are skilled; bringing many needed civilian skills to the military such as cyber, agriculture, law enforcement, and medical. We would not have been able to do what we have done over the past 10 years without them and I don't believe we can do what lies ahead of us without them.

There are three key fundamentals going forward for the RC. They must be accessible, they must be used judiciously to best advantage, and they must be ready.

Accessibility: With experienced, ready units and individuals, and the prospect of persistent conflict access to the RC in the future will be a key successful employment of the RC in the Total Force.

Proposed Change to 12304

Future planning envisions an era of persistent conflict where some type of RC activation authority will be required to augment the Active Component (AC) to maximize effectiveness and efficiency of the Total Force. At present, we have sufficient authority to mobilize RC forces for current operations. However, as directed (by the Senate Armed Services Committee conference report S. Rept. 111-201, page 138), we have analyzed our access authorities to support long term utilization of the RC as part of the operational force. We foresee an authority gap when the nation is faced with persistent demands on the Total Force but does not have specific named operational missions, a national emergency or war situation. This authority gap exists for some, but not all, of the full spectrum of military missions, including training, peacekeeping, and building partnership capacity, that our RC is specifically well suited to perform as a complementing part of the Total Force. Closure of this authority gap will help increase dwell for the Active Component while maintaining RC readiness and could be accomplished by the following:

In response to your request and the request of the Services for "assured access" to the RC, we propose expanding the existing authority in title 10 United States Code section 12304, commonly

referred to as the Presidential Reserve Call-up statute. Our proposal does not change the requirement for Presidential action to invoke the access authority, nor does it change the number of personnel affected or the frequency and duration of active duty. Our modification enables use of the existing statute for the full spectrum of military missions while adhering to the existing policy of no more than one year activated out of every six. The proposal also limits the number of reserve personnel who can be involuntarily activated for purposes other than an operational mission or threat or attack by terrorists or weapons of mass destruction. Our proposal includes a requirement for the Department to identify the manpower and associated costs of known RC utilization in the President's budget justification materials, providing Congress final oversight on any implementation of the expanded authority to access the RC.

Judicious Use: With increased use comes an equal demand to make sure we use the RC judiciously and to best advantage. Every member of the RC has volunteered since 9/11 with the expectation that they will be judiciously used and given meaningful work to do. DoD and the Services should continue to meet this expectation.

The Reserve Components are highly capable and possess many of the same capabilities as the AC, but we have to be conscious of family and employment obligations. We believe that missions that are predictable can be accomplished on a rotational basis, and missions that are more enduring are best suited for the RC. We are encouraged by the inclusion of the RC in these models and believe it will reduce stress on the force overall, AC and RC, preserve readiness gains in the RC, provide a cost effective way to maintain Total Force capability, and preserve the all volunteer force.

Volunteerism: Every day for the past several years over 20,000 Reserve Component service members have served on active duty as volunteers. These individuals have the time and desire to serve more than the one weekend per month and two weeks per year that have long been considered standard for Guard

and Reserve personnel. The Department is investigating methods to leverage this willingness to serve in order to fulfill the part-time and temporary demands of the Combatant Commands, major command headquarters, and the Defense agencies. One consideration is for DoD to create Reserve Component units staffed by personnel willing to volunteer to serve more frequently or for longer periods of time in order to support such tasks as Theater Security Cooperation, Building Partner Capacity, Homeland Defense, Defense Support to Civil Authorities, and the Services' institutional support missions.

This type of differential service commitment has been used successfully in high OPTEMPO units such as aviation for some time, but with the Reserve Component now playing a larger role in many ongoing mission areas, expanded utilization of differential service contracts would be useful. Such differentiation within the Reserve Component would provide an additional sourcing option for units, teams, and personnel for contingency operations or emergencies.

All Volunteer Total Force Policy

Dwell

The RC provides both operational capability and strategic depth in support of the national defense strategy. It is imperative that predictability in the use of RC forces be maximized. On January 17, 2007 the Secretary of Defense established planning objectives for involuntary mobilization of Guard and Reserve units at 1 year mobilized to 5 years dwell time (1:5). Today's global demands require a number of selected Guard/Reserve units to be remobilized sooner than this standard. The intention is that such exceptions will be temporary, and that we move to the broad application of 1:5 as soon as possible.

Reduce Stress

The processes by which roles and missions are assigned to the nation's Guard and Reserve forces should be characterized by a belief that those forces and individuals can, and in many cases should be, the first choice for recurring or predictable missions within their capability. Such strategic planning will provide more efficient and effective utilization of defense assets.

Assessing Departmental requirements in this fashion will also contribute to the sustainability of both the Active and Reserve Components. Utilizing the Guard and Reserve in this manner, to best advantage, increases the capacity of the Total Force and will reduce the burden on all forces by relieving active duty forces that would otherwise execute the mission, by increasing their dwell to deployment ratio and by sustaining that force for future use.

Rotational availability models in use today are essential to ensuring that the Guard and Reserve are trained and ready when needed. Using the Reserve Component on a rotational basis maintains their readiness and expands their availability and capabilities. The Services should continue to refine rotational availability models to achieve improved predictability for the Total Force in accordance with stated Department deployment to dwell objectives.

Realigning and Provisioning the Reserve Component as Part of the Operational Force

Re-aligning capabilities (High Demand/Low Density Missions)

Balancing and aligning capabilities within and between components is an on-going process. In recent years, the Department has realigned over 180,000 positions and has plans to realign roughly another 120,000 over the coming years. The RC has been a full partner in this re-alignment, assuming roles in the missions that are currently in demand across the Department. The RC is well suited for roles and missions that are recurring and predictable, and the typically more permanent assignments of RC members lend themselves to missions that benefit from establishment of habitual relationships, long-

term planning and engagement. This approach also helps reduce stress on the active force while preserving readiness and capability within the Total Force.

The Army, Navy, Marine Corps and Air Force Reserve are currently adding or are planning to add capability to high demand, low density areas such as Civil Affairs, Intelligence, Cyber, Special Forces, and Military Police. These capabilities have been in high demand over the past 10 years, and all indications suggest they will continue to be in high demand in the future with Security Cooperation/Building Partner Capacity potentially moving to the forefront of Department missions. The RC is particularly well suited for these types of missions and capabilities.

Readiness

Readiness Requirements

One of my key priorities is to preserve the readiness gains made in the RC. These gains can be sustained by continued use of the RC as a rotational operational force. Periodic, predictable deployments will further enhance the RC's capabilities, maintain their readiness over time, add value to the Total Force and provide future capability and capacity.

To meet the full spectrum of DoD missions and maintain RC readiness gains, the RC needs to be appropriately resourced as requested in the FY 2012 budget to provide continued access to training equipment, facilities, ranges, and to be recapitalized with the same types of equipment and systems that reside in the AC.

Individual Member Readiness

At the most basic level, readiness starts with the service member. Our personnel receive the same individual and basic training as all military members, so we start out on equal footing. Our members also receive effective and efficient skill training matched to their mission. We are continuously reviewing and adjusting these training requirements in order to make most efficient use of

our traditional member's limited time during monthly unit training assemblies. Pre-mobilization training makes RC individuals and units as ready as any AC unit going into a deployment. However, now that the department depends on RC assets for many missions there is a need to be medically ready to serve in any operational capability; whether in an overseas contingency or locally in the homeland. Medical and dental readiness levels can be maintained with adequate funding, support, facilities, and alternative approaches.

Individual Medical Readiness

We continue to monitor the Individual Medical Readiness of the National Guard and Reserve to ensure availability of ready reserve component members for deployment, as it continues to be a priority for the Department. Additionally, as of the first quarter of FY 2011, the RC has a Fully Medically Ready rate of 63%, which is below the DoD goal of 80%. The lower RC Medically Ready rate is due to a significant number of members who are deemed Not Medically Ready (17%) for numerous reasons of which disqualifying dental condition is a principal factor. However, DoD is diligently working to make medical and dental services more available to RC members. Although we still need to improve, as of Q1FY11, all Components have met or exceeded the Dental Readiness goal of 75%, which will have a positive impact on overall medical readiness.

We support the Integrated Disability Evaluation System (IDES) to assess the fitness and care of wounded RC members ensuring they are appropriately identified and processed in a timely manner. We continue to support our RC wounded warriors enabling a swift return to their civilian lives.

Reserve Component End Strength

Meeting Reserve Component end strength objectives is a priority of the Department. The following table depicts the current prescribed and actual end strengths for the Reserve Components.

The Department's Continuum of Service efforts have contributed to the six DoD Reserve Components remaining within the variance allowed for their Congressionally-mandated end strength objective. The Services have implemented recruiting, retention, and force shaping policies and programs to achieve end strengths for FY 2011. We appreciate the Congressional support of the FY 2011 end strength levels and the legislative initiatives that assist in recruiting and retaining Reserve Component service members. These end strengths will provide the Reserve Components with the forces necessary to meet strategic demands while maintaining a dwell consistent with Departmental policy.

FY 11 Reserve Component End Strength Objectives		
Service	**Objective**	**Actual as of JAN 11**
Army National Guard	**358,200**	**363,995**
Army Reserve	**205,000**	**205,849**
Navy Reserve	**65,500**	**64,677**
Marine Corps Reserve	**39,600**	**39,949**
Air National Guard	**106,700**	**106,643**
Air Force Reserve	**71,200**	**70,359**
Total	**846,200**	**851,472**

Of the end strength figures outlined above, there are service members in the training pipeline for the Reserve Components who are not immediately available for mobilization.

Recruit Operational Ready Reserve Strength

Thus far, for 2011, Reserve recruiting efforts show continued success. Through January, all Reserve Services have met or exceeded both quantity and recruit quality objectives. Notably, for the third year

in a row, the Reserve Components exceeded the DoD Benchmark of 90 percent of new recruits being High School Diploma Graduates, with 93% of Reserve Component recruits holding that credential.

Reserve Component Enlisted YTD Accessions (through JAN 2011)

Quantity					Quality					
Reserve Enlisted Recruiting Through Jan FY 2011	**Goal**	**Accessions**	**Percent of Goal**		**% High School Diploma Graduate (HSDG);** ***DoD Benchmark ≥ 90 percent***		**% Scoring at / above 50th Percentile on Armed Forces Qualification;** ***DoD Benchmark ≥ 60 percent***		% Scoring at / below 30th Percentile on Armed Forces Qualification; *DoD Benchmark ≤ 4 percent*	
ARNG	17,828	18,641	105%	G	90%	G	71%	G	1%	G
USAR	9,225	10,149	110%	G	95%	G	74%	G	2%	G
USNR	2,581	2,581	100%	G	97%	G	79%	G	0%	G
USMCR	3,187	3,672	115%	G	100%	G	76%	G	0%	G
ANG	2,198	2,198	100%	G	90%	G	82%	G	0%	G
USAFR	3,024	3,038	100%	G	100%	G	76%	G	0%	G
DoD Total	38,043	40,279	106%		93%		73%		1%	

It is important that we have a military that reflects the society it defends, both in the enlisted ranks and our commissioned officers. This is particularly important as less than 1 percent of the American public serves in uniform. To that end, we are pleased that some of our most prestigious colleges and universities are now re-thinking their previous positions with regard to ROTC programs. This will provide more opportunities for college students to think about seeking commissions in the U.S. military.

We continually review our recruiting programs to align funding and policies with current realities. Each of the Services has made significant adjustments to recruiting programs in light of our austere fiscal environment, and continues to look for additional cost savings -- but we must be cautious and resist the temptation to cut too deeply and too fast. Stable adequate investments in recruiting resources are necessary to maintain long term success. Although enlistment incentives can be adjusted quickly to meet market fluctuations and force management needs, history has shown that the time required to redeploy advertising/marketing campaigns and/or qualified recruiters is significant. I cannot emphasize this imperative enough.

The Montgomery GI Bill - Selected Reserve (MGIB-SR) has been a cornerstone of our military recruiting efforts since 1985, and a major contributor to the success of the All-Volunteer Force. We are now in the second year of the new Post-9/11 GI Bill, the most extensive restructuring of post-service education benefits since the introduction of the original World War II GI Bill. The Post-9/11 GI Bill appears to enhance our recruiting efforts even more. We hope that the provision in the new program that allows career Service members to transfer their unused GI Bill benefits to immediate family members, long requested by both members and their families, will prove widely beneficial. Although full utilization data is not yet complete, early results look favorable. For example, through FY 2009, the VA has received and processed over 578,000 enrollment certifications and 237,000 changes to enrollments for Veterans attending school under the Post-9/11 GI Bill. In 2010, the VA was able to increase its daily completions of PGIB enrollment certifications from an average of 1,800 per day during October to nearly 7,000 per day.

As indicated earlier, the benefit may be transferred to the member's dependents. As of April 2010, a total of 240,888 dependents have been identified for transfer (based on applications submitted by service members) since the program began accepting applications in June 2009. The potential transfer population includes spouses, children, stepchildren, and pre-adoptive children. As of February

2011, approximately 181,144 Post 9/11 GI Bill transfer applications submitted by Service members have been approved by their respective Service component.

On January 4, 2011, the President signed the Post-9/11 Veterans Educational Assistance Improvements Act of 2010 - providing additional benefit options that include the eligibility of National Guard and Reserve members who were inadvertently omitted from the original Bill, vocational and other non-college degree training, and living stipends for those enrolled in distance learning programs. This makes the Post 9/11 GI bill the most comprehensive educational benefit in our nation's history, making it an appropriate benefit for our service men and women supporting the on-going overseas contingency operations.

Training and Recruiting the Reserve Component as Part of the Operational Force

Initial / Individual Training / Skills Training

The Reserve Components are working with the Services to ensure that training institutions and facilities are resourced to meet the needs of the total force, with resident, nonresident or distance learning, to include RC personnel. Much improvement has occurred in this direction, but we will continue to monitor implementation until institutionalized.

Regional Integrated Training Environment (RITE)

The Regional Integrated Training Environment concept is a joint initiative that identifies and matches Service training requirements to a network of local training facilities and resources. Still in the formative stages, the purpose of the RITE initiative is to help sustain the Total Force readiness posture, and surge capability as determined by Service rotational readiness models while reducing overhead training costs. This is done through innovative management of facilities, existing training assets,

simulators and Joint Live, Virtual, Constructive capability, pools of shared equipment, and coordination through a web-based visibility/scheduling system. As the concept matures, collaboration will expand with key internal and external DoD stakeholders.

Innovative Readiness Training (IRT)

The IRT Program is an outstanding volunteer training opportunity for our National Guard and Reserves. IRT's focus is to provide varied and challenging training opportunities that exercise the Mission Essential Task List (METL) requirements of combat support and combat service support units and individuals. Each year new training opportunities are presented by federal, state or local government agencies or non-profits to the Services. Military units are provided METL training in a realistic, hands-on setting while providing quality services to underserved communities throughout the nation. Examples of IRT activities include infrastructure development, constructing rural roads and runways, small building and warehouse construction; and providing medical and dental care to medically underserved communities. These opportunities result in interoperability and readiness training, ensuring our Nation always has a fully capable National Guard and Reserve.

Training and Intelligence

The Defense Intelligence Agency (DIA) led the Joint Reserve Intelligence Program (JRIP) to restructure 398,000 square feet of classified workspace and 4,035 workstations in 28 sites throughout the United States. These sites enable drilling reservists to provide real world operational support to the COCOMs, Combat Support Agencies and Service Intelligence Centers, concurrently enabling training to be supplanted by real word intelligence support, the highest possible form of training. In FY 2010, the JRIP averaged over 4,500 people per month using just one of the 28 sites. COCOM support was further enhanced by the infusion of $11M of DIA - man-day funding and $16M of COCOM/Service man-day funding for duty at the JRIP sites. These efforts resulted in even greater savings in reduced travel and

per diem costs, coupled with improved quality of life for Reserve Component members by serving in their local region.

Equipment Procurement, Reset

Unlike other areas of the Defense budget, there currently is no Reserve-specific appropriation for equipment that mirrors the Active force. The RC relies on the Active procurement account and Congressional action in the National Guard and Reserve Equipment Appropriation (NGREA). Yet it is usually difficult to determine how much of the Active procurement appropriation is specifically intended for the Reserve components and tracking subsequent execution. We currently use the Equipment Delivery Report to help us follow the money from appropriation to delivery. At that point the DoD Directives should ensure equipment movement between the Reserve and Active are appropriately documented. Full transparency and accountability can only be achieved through a full life cycle, enterprise approach to Reserve equipping. The life cycle includes requirements determination, budget requests, appropriation, purchase, and delivery of hundreds of thousands of pieces of equipment. Plans to return borrowed RC equipment are included as key deliverables in this process. All Services have made tremendous strides in coming together to equip the Total Force.

Line Item P-1R

The P-1R is the Reserve Component allotment of the overall DoD Procurement Program (P-1). Congress requires each P-1 budget submitted by the President to Congress to specify amounts requested for procurement of equipment for the National Guard and Reserve Components. However, the P-1R has historically been treated as a non-binding projected subset of the service Procurement Programs. To achieve Congressional and DoD mandated transparency, the Services should develop comprehensive

and accurate projected funding and equipment quantities in the P-1R and include this as a separate budget line in their request.

Resetting

Currently, funding for reset of equipment returning from theatre for the Guard and Reserve comes from a supplemental appropriation. As we prepare to move away from reliance on these supplemental funds, it is important to have a continued source of funding built into the budget for RC equipment reset. It is critical that the Guard & Reserves are able to continue to train on high quality equipment for which funds have already been allocated.

Military Construction

There is a direct correlation between readiness and facilities, particularly in the Reserve component. The move from a Strategic Reserve to an Operational Reserve doesn't change the fact that we owe our Guard and Reserve members quality facilities in which to work and train. The combined FY 2012 RC Military Construction (MILCON) program request of $1.2B is less than last year's request; however, it will help alleviate some of their most urgent facility deficiencies. Despite Congress' generous RC MILCON appropriations in the past, future fiscal realities suggest that future budgets will decline. Therefore, we must approach future construction with the intent to exploit joint use military construction projects as much as possible. We are currently leading an effort to revise current DoD guidance that will facilitate smarter consolidation and joint use of RC facilities.

Family and Employer Readiness

Family

Prepared and resilient family members are a vital support system for each service member. Our dedicated military men and women require support in a holistic manner. Support for our service members should come from both the Federal and State levels and this support needs to include well-established family support programs. Since 9/11, over 802,000 Guard and Reserve members have

mobilized resulting in America's most experienced, best-trained, best-equipped Reserve component ever. To sustain this force, we need continued support for the families of those in uniform, and their employers. We are working aggressively to sustain continued community support from neighbors, relatives, churches, local businesses and state-based Federal programs--such as those from Department of Labor, Small Business Administration and Veterans Affairs.

Reserve Affairs is also pleased that the *Presidential Report on Strengthening Our Military Families* highlighted a program for implementing a one-stop resource to handle state-wide military family issues using *Inter-Service Family Assistance Committees (ISFACs).* These locally-based committees work to build community capacity and strengthen networks of support. DoD has built on these grassroots efforts to benefit geographically dispersed Active, Guard, or Reserve service members and families utilizing the Yellow Ribbon Reintegration Program (YRRP).

Throughout a service member's continuum of service, YRRP strives to put in place a viable support system. A coordinated network of support with defined processes serves the needs of military families in geographic locations closest to where they reside. The work to strengthen and support military families is never complete and DoD continually strives to identify gaps in our support and to link appropriate resources from all stakeholders. It is important to note that Yellow Ribbon Reintegration Program is not a "war time only" requirement, but must remain an enduring mission to ensure the continued resilience of service members and their families.

Employer

Employer Support of the Guard and Reserve (ESGR) engagement has grown significantly in recent years. The vision is, "to develop and promote a culture in which all American employers support and value the military service of their employees with ESGR as the principal advocate within DoD." ESGR has a footprint in all 50 States, U.S. Territories, and DC with over 4,700 volunteers assisting employers and service members on a daily basis. In striving to enhance employer support, ESGR relies

on recognition programs where employers are recognized for outstanding support of Guard and Reserve service members and their families. One example is the Secretary of Defense Employer Support Freedom Award, where 15 employers are honored for their outstanding support of Guard and Reserve members and their families annually during September at the Reagan Center in Washington, D.C. In this current year 4,049 employers were nominated by service members or their families. This is an increase from the 2,470 that were nominated in FY 10. With current ongoing global operations, combat-related and humanitarian, the support of employers and families has never been more critical to our national defense. The data in the following table shows the improving trend of some of ESGR's programs and activities over the last three fiscal years:

ESGR BY THE NUMBERS			
	Employers Briefed	**Service Members Briefed**	**Volunteer Hours**
FY 08	148,463	341,953	234,081
FY 09	162,489	443,833	232,882
FY 10	164,218	495,774	245,369
	USERRA Cases	**Cases Resolved**	**Average Days to Mediate**
FY 08	2,664	1,899 = 71.3%	14.22
FY 09	2,475	1,980 = 80.1%	9.83
FY 10	3,202	2,703 = 84.4%	10.27

Despite all of the good work already accomplished by ESGR members, I believe more must be done. In 2010, I formed the Family and Employer Programs and Policy (FEPP) office within the Office of the Secretary of Defense for Reserve Affairs to align ESGR, the Yellow Ribbon Reintegration Program and Family Support Office under one directorate to ensure we are working together to create synergy and realize efficiencies for the service members and families served by YRRP, ESGR and

Family Programs' missions. In FY 11, ESGR placed additional emphasis on the employment of service members and now assists them throughout the entire employment cycle.

One of the greatest challenges facing our nation is unemployment and underemployment, and these related problems are severe for those in the Guard and Reserve, or for those leaving active military service. Whether they are Soldiers, Sailors, Airmen, Coast Guardsmen or Marines completing active duty, or members of the Guard and Reserve returning from deployment, many of these great men and women return home to an uncertain future because of the challenging job market.

The promise of a secure job provides service members and their families with stability and peace of mind. The December 2009 Status of Forces Survey of Reserve Component members indicated that service members across six of the seven Reserve Components (Coast Guard Reserve not included) self-reported a 12% unemployment rate. The highest unemployment rate across all components was 22% among junior enlisted troops in the rank of E1 - E4. As this data is self-reported, many of these younger troops are likely to be students. The total number of respondents were 20,238 (from an estimated population of 822K) RC service members.

The current employment challenges led to the implementation of the Employment Initiatives Program (EIP). EIP is now ESGR's highest priority and is an outgrowth of ESGR's existing outreach programs already in place, with a focus on employment. The overall intent of EIP is to take full advantage of all ESGR, Yellow Ribbon, and Family Programs, in partnership with public and private entities, to enhance employment opportunities for service members and their families, especially focusing on those completing active duty tours and our Wounded Warriors. During FY 10, ESGR conducted several Pilot Programs to determine the activities and best practices to support the EIP. Some examples include but are not limited to: Job Fairs, Transition Assistance Programs, Strategic Partnering at the State and Local levels.

The EIP will assist our Citizen Warriors and at the same time it will help those American businesses that are looking for employees possessing skill-sets, integrity and vast experience resident in the U.S. Military.

Resilience Training & Preparation

Yellow Ribbon - Understand Psychology of Military Service Family Programs

The objective of the YRRP is to ensure the readiness and well-being of National Guard and Reserve service members and their families by providing dynamic events, information, services, referrals, and proactive outreach opportunities throughout the entire deployment cycle. Resiliency is a priority of the YRRP mission. Since its inception in 2008, there has been an ever increasing focus on resiliency building and training for the National Guard and Reserve forces. In response to growing awareness regarding the connection between post-traumatic stress (PTS), substance abuse, criminal activity or suicide and "bounce back" ability, Reserve Component members and their families are being offered training to enhance their resiliency skills.

As part of the YRRP, services and information that foster resiliency are provided at the pre-deployment, during deployment, and the 30, 60, 90 day post-deployment events. The Yellow Ribbon Reintegration Program implemented a Cadre of Speakers program, hiring facilitators who specialize in resilience training and who are available to YRRP event planners across the country. These facilitators also work with Military and Family Life Counselors and chaplains to provide critical support around resilience issues at YRRP events, ensuring individual assistance is available for each family or service member as required.

Additionally, other sessions and resources focus on marriage and children, substance abuse awareness, financial counseling, anger management, employment assistance and Department of Veterans Affairs' information regarding benefits and medical care eligibility. To find an event or

additional resources, an RC member, commander, planner, or family member can access information at http://www.yellowribbon.mil/.

Resilience and Suicide Prevention

Suicide prevention is a very important issue for Reserve Affairs. The loss of even one life to suicide is heartbreaking and has a profound impact on both the unit and the family members left behind. As noted by the DoD Task Force on the Prevention of Suicide by Members of the Armed Forces, many factors contribute to the military suicide rate. One factor relates to leadership. Each Service acknowledges the important role those leaders, both Officers and NCOs play in building resiliency among those under their command. In 2010, there were a total of 294 active duty service members (including 26 active Reserve) who committed suicide, which is down from 310 in 2009. However, among our non-active National Guard and Reserve, there were an additional 178 suicides in 2010. For the Army National Guard, this was a doubling of their suicide rate from 2009. The Services, along with Reserve Affairs, have taken these rates very seriously and have committed resources to significantly reduce this trend. The National Guard currently has a Director of Psychological Health in each of our 54 states and territories who acts as the focal point for coordinating the psychological support for Guard members and their families. Additionally, Reserve Affairs has established a Stakeholder Core Group whose mission is to address suicide prevention, intervention, post-vention and surveillance issues across all of the RC. Reserve Affairs has also included training materials on resiliency for Yellow Ribbon Reintegration Program events.

DoD Youth Outreach Programs

STARBASE

I continue to support the President's education agenda through two youth outreach programs in order to achieve our national security objectives; the DoD STARBASE and National Guard Youth Challenge programs.

The President has stated that it has never been more important for young Americans to be proficient in science and mathematics and he made enhancing the learning of science and math a national priority. The DoD STARBASE program provides elementary and secondary school students with real-world applications of science, technology, engineering and math through heuristic learning, simulations and experiments. The strength of the Program lies in the three-way partnership between the military, the local communities and the school districts. Senior military leaders such as Admiral Roughead agree that the DoD STARBASE Program is a productive investment in the future of our youth, building and enlarging the talented recruits we need.

The FY12 budget allows the Program to serve over 65,000 students from approximately 1200 schools and 350 school districts which includes schools from American Indian communities in Mississippi, Oklahoma and South Dakota. Over 605, 000 youths have attended the program and pre and post testing shows a significant improvement in student's understanding and interest in math and science and in pursuing further education. Currently, there are 60 DoD STARBASE Program sites on military facilities in 34 states, the District of Columbia and Puerto Rico.

National Guard Youth Challenge Program

The President has also addressed the high school dropout crisis. My staff and I have been working with the Office of Management and Budget to challenge states, industries and non-profits to invest in intervention programs like the National Guard Youth Challenge Program. I am also working with General McKinley, Chief of the National Guard Bureau, to provide oversight and management of

the Program by collaborating with Governors to eliminate state resident issues; and to ensure every qualified high school dropout has an opportunity to attend the program. The Challenge program is currently operating in 27 states and Puerto Rico. Its goal is to improve the education, life skills and employment potential of America's high school dropouts. We provide quasi-military based training, supervised work experience to advance the program's core components. The core components include obtaining a high school diploma or equivalent, developing leadership, citizenship, life coping and job skills and improving physical fitness, health and hygiene. Since the program's inception over 100,000 students have successfully graduated from the program. The average cost per Challenge student is approximately $16,000. The FY12 budget will support increasing annual enrollment and/or start up new programs in states that have the fiscal resources to match the cost-share funding requirements and to sustain the program's viability in states that have budget limitations.

These two successful DoD youth outreach programs provide the Department a unique connection to the American public and working with our most valued resource – our young people.

Conclusion

The National Guard and Reserve continue to be a mission-ready critical element of our National Security Strategy. The requirement for our Reserve components has not, and should not lessen. Our Reserve components must continue their expanded role as an Operational Reserve in all facets of the Total Force. To lose the training, experience and integration of the Reserve components by relegating them to a strategic reserve would squander a resource we can't afford to waste. The nation continues to call and the Reserve components continue to answer that call. But in answering that call, we shouldn't lose sight of the need to balance their commitment to country with their commitment to family and civilian employers. That is why: relieving stress on the force is absolutely essential; utilizing our Guard and Reserve as a component of the Total Force is so crucial; and continuing to train and equip the RC to maintain our investment and experience is so critical. Predictability will enable our families to build resiliency, as well as foster understanding with our employers. I realize the path forward will not be easy, but together with support of legislative proposals mentioned above we can ensure an operational, trained and fully prepared Reserve component. I have included in the following annexes multi-year (2010-2012) funding levels and justifications for programs within my jurisdiction and oversight that will enable the Reserve Components to achieve these goals. Thank you very much for this opportunity to testify on behalf of our great Guard and Reserve force.

ANNEX A

Employer Support of the Guard and Reserve (ESGR):
The ESGR program develops and promotes a culture in which American employers support and value the military service of their employees with ESGR as the principal advocate within DoD. ESGR does so by developing and promoting employer support of the Guard and Reserve service by advocating relevant initiatives, recognizing outstanding support, increasing awareness of applicable laws, and resolving conflict between employers and service members. ESGR operates in every state and territory through a grass-roots network of over 4,700 volunteers and approximately 200 support staff members.

The ESGR national employer outreach programs increase employer awareness of their rights and responsibilities under the Uniformed Services Employment and Reemployment Rights Act (USERRA) and emphasize employers' important contributions to the defense of the nation through their support of their Guard and Reserve employees. ESGR provides authoritative advice and counsel to the Service staffs, Guard and Reserve Component Chiefs, and DoD civilian leadership in the development of instructions, policies, and legislation concerning employer relations programs.

ESGR Funding levels:

FY 2010	FY 2011	FY 2012
$23.2M	$22.6M	$20.4M

Justification for funding level changes: FY-11 to FY-12 decrease due to efficiencies identified in Zero Base Review.

Yellow Ribbon Reintegration Program (YRRP) Headquarters Office:
The YRRP is a national combat veteran reintegration program that provides support and outreach to National Guard and Reserve members throughout the deployment cycle. The YRRP is an overarching program, encompassing all phases of the deployment cycle. However, each of the Service's Reserve Components, (Army National Guard, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve and Coast Guard), currently implement Service specific programs to meet the intent and requirement of the legislated program held in each state and territory. DoD is working with all Services to create a standardized Yellow Ribbon Program that will combine the best practices of each Service to aid members and their Families to the maximum extent possible. The Yellow Ribbon Program will provide support services to commanders, Service members, and Families as close as possible to the Service member's residence.

The Under Secretary of Defense for Personnel and Readiness, (USD (P&R)), has oversight of the Yellow Ribbon Program. In FY 2011, the Yellow Ribbon Reintegration Program (YRRP) Office has transferred to the DHRA for administrative control.

YRRP Funding levels:

FY 2010	FY 2011	FY 2012
$12.9M	$24.6M	$26.6M

Justification for funding level changes: Increases due to initial program implementation and inflation. Note that YRRP funding decreases to zero in FY 2013; POM reprogramming Issue Paper submitted to maintain YRRP as a fully funded program of record.

ANNEX B

Civil Military Programs
The DoD Civil Military Programs are managed by the Assistant Secretary of Defense for Reserve Affairs and encompass outreach/service programs identified as: 1) the National Guard ChalleNGe Program authorized under 32 U.S.C. 509; 2) the DoD Innovative Readiness Training Program authorized under 10 U.S.C. 2012; and 3) the DoD STARBASE Program currently authorized under 10 U.S.C. 2193.

National Guard Youth ChalleNGe Program:
This program is managed by the Assistant Secretary of Defense, Reserve Affairs, and administered by the National Guard Bureau through cooperative agreements with the states. The National Guard Youth Challenge Program provides OSD an opportunity to work with state and local governments to engage our nation's youth and provide approximately 20 percent of the total annual graduates (2,000 program graduates annually) an opportunity to join the military.

The goal of this program is to improve the life skills and employment potential of participants by providing military-based training and supervised work experience, together with the core program components of assisting participants in attaining a high school diploma or its equivalent, leadership development, promoting fellowship and community service, developing life coping skills as well as job skills, and improving physical fitness, health and hygiene. The amount of DoD funds provided may not exceed 75 percent of the costs of operating a Youth Challenge program. It is currently operating in 27 states and one territory. The eighteen-month program consists of a 22-week residential phase that includes a two-week pre-ChalleNGe phase and a 12-month post-residential phase.

NGYCP Funding Levels

FY 2010	FY 2011	FY 2012
$105.7M	$115.0M	$120.0M

Innovative Readiness Training (IRT) Program:
The IRT is managed by the Assistant Secretary of Defense, Reserve Affairs. IRT contributes directly to military readiness and provides outstanding and realistic combat support and combat service support training in a multi-service environment for National Guard and Reserve members. It also provides a critical link between the military and underserved civilian communities.

This pre and post-deployment readiness training (engineering, health care, diving and transportation) provides hands on mission essential training while simultaneously providing renewal of infrastructure improvements and health care to underserved communities throughout the United States and in US territories. The program provides unique training opportunities that are seldom available under any conditions other than combat. Previous projects have included road construction in rural Alaska, health care to Native Americans in the Southwest, and for the first time since 1938, Navy and Army divers raised a sunken submarine in Providence, Rhode Island.

IRT Funding Levels

FY 2010	FY 2011	FY 2012
$22.5M	$20.0M	$20.0M

DoD STARBASE Program:

This program is managed by the Assistant Secretary of Defense, Reserve Affairs, and operated by the military services. The program is designed to raise the interest and improve knowledge and skills of students in kindergarten through twelfth grade in science, technology, engineering and mathematics (STEM). The program targets "at risk" (minority and low socio-economic) students and utilizes instruction modules specifically designed to meet specific STEM objectives.

The elementary school program is currently designed to reach students at the fifth grade level that are underrepresented in the STEM areas of study and careers. Students are engaged through an inquiry-based curriculum with "hands-on, minds-on" experiential activities. Students apply Newton's laws and Bernoulli's principles as they study the wonders of space and the properties of matter.
Technology and its problem-solving techniques are utilized with computers in experiments, in design of all terrain and space vehicles. Math is embedded throughout the curriculum and teamwork and goal setting are a constant theme as students work together to explore, explain, elaborate and evaluate concepts.

In partnership with local school districts, the middle school and high school program is an afterschool STEM mentoring program that combines STEM activities with a relationship-rich, school-based environment to provide the missing link for at-risk youth making the transition from elementary to middle school, and from middle school to high school. It extends the positive impact of STARBASE through a team mentoring approach, which solidifies students' attachment to, and engagement with, school. Mentoring clubs are expected to meet no less than four hours per month.
The DoD STARBASE Program is a productive investment in the future of our youth and will help build and enlarge the talent pool of potential workers needed to support the DoD workforce consisting of civilian and military personnel. The program currently operates on Air Force, Air National Guard, Air Force Reserve, Navy, Navy Reserve, and Marine Corps military installations and facilities at 60 locations in 34 states, District of Columbia and Puerto Rico.

STARBASE Funding Levels

FY 2010	FY 2011	FY 2012
$20.6M	$20.0M	$19.0M

ANNEX C

Reserve Component Baseline and Overseas Contingency Operations Funding

While I do not have jurisdiction over the Reserve Component budget, I do have oversight. My staff monitors and seeks adjustments during the budget formulation process. These tables represent the RC Baseline and OCO funding profiles for FY 2010-FY2012.

BASELINE Funding Profile ($K)
(as of FY12 PB)

	Appropriation	2010	2011	2012
Army Res	Reserve Pers, Army	$ 4,980,793	$ 5,024,220	$ 5,090,244
	O&M, Army Res	$ 2,617,469	$ 2,614,204	$ 3,109,176
	MilCon, Army Res	$ 431,566	$ 431,566	$ 280,549
	Proc, Army Active	$ 1,495,631	$ 1,105,483	$ 693,047
	Total	**$ 9,525,459**	**$ 9,175,473**	**$ 9,173,016**
Navy Res	Reserve Pers, Navy	$ 2,141,539	$ 2,150,885	$ 2,197,131
	O&M, Navy Res	$ 1,268,181	$ 1,272,099	$ 1,323,134
	MilCon, Navy Res	$ 125,874	$ 125,874	$ 26,299
	Proc, Navy Active	$ 177,489	$ 68,804	$ 163,314
	Total	**$ 3,713,083**	**$ 3,617,662**	**$ 3,709,878**
MC Res	Reserve Pers, MC	$ 740,131	$ 745,615	$ 787,923
	O&M, MC Res	$ 223,053	$ 222,894	$ 271,443
	Total	**$ 963,184**	**$ 968,509**	**$ 1,059,366**
AF Res	Reserve Pers, AF	$ 1,802,893	$ 1,829,456	$ 1,968,553
	O&M, AF Res	$ 3,065,347	$ 3,127,262	$ 3,274,359
	MilCon, AF Res	$ 112,269	$ 112,269	$ 33,620
	Proc, AF Active	$ 170,967	$ 108,157	$ 147,653
	Total	**$ 5,151,476**	**$ 5,177,144**	**$ 5,424,185**
Army NG	NG Pers, Army	$ 8,959,914	$ 8,800,675	$ 8,861,018
	O&M, ARNG	$ 6,256,678	$ 6,184,928	$ 7,041,432
	MilCon, ARNG	$ 582,056	$ 549,056	$ 773,592
	Proc, Army Active	$ 3,264,337	$ 3,557,806	$ 3,424,869
	Total	**$ 19,062,985**	**$ 19,092,465**	**$ 20,100,911**
AF NG	NG Pers, AF	$ 3,410,767	$ 3,325,311	$ 3,495,525
	O&M, ANG	$ 5,846,129	$ 5,874,853	$ 6,136,280
	MilCon, ANG	$ 371,226	$ 364,226	$ 116,246
	Proc, AF Active	$ 591,319	$ 661,750	$ 291,984
	Total	**$ 10,219,441**	**$ 10,226,140**	**$ 10,040,035**

Notes:
1. All data (except FY10 Procurement) reflects BASELINE funding only; FY10 Procurement includes OCO
2. Military Personnel accounts include Medicare Eligible Retiree Health Fund Contribution (MERHFC)
3. Sources of data: Comptroller Information System (CIS) and DoD Resources Data Warehouse

OCO Funding Profile ($K)

(as of FY12 PB)

	Appropriation	2010	2011	2012
Army Res	Reserve Pers, Army	$ 293,137	$ 298,367	$ 207,162
	O&M, Army Res	$ 234,316	$ 241,803	$ 217,500
	Proc, Army Active		$ 580,649	$ 83,685
	Total	**$ 527,453**	**$ 1,120,819**	**$ 508,347**
Navy Res	Reserve Pers, Navy	$ 37,040	$ 39,450	$ 44,530
	O&M, Navy Res	$ 143,927	$ 137,407	$ 74,148
	Proc, Navy Active		$ 29,706	$ 39,609
	Total	**$ 180,967**	**$ 206,563**	**$ 158,287**
MC Res	Reserve Pers, MC	$ 66,095	$ 63,104	$ 25,421
	O&M, MC Res	$ 86,524	$ 87,450	$ 36,084
	Total	**$ 152,619**	**$ 150,554**	**$ 61,505**
AF Res	Reserve Pers, AF	$ 21,114	$ 21,003	$ 26,815
	O&M, AF Res	$ 249,964	$ 239,289	$ 142,050
	Proc, AF Active		$ -	$ -
	Total	**$ 271,078**	**$ 260,292**	**$ 168,865**
Army NG	NG Pers, Army	$ 843,219	$ 855,294	$ 661,879
	O&M, ARNG	$ 462,359	$ 487,033	$ 387,544
	Proc, Army Active		$ 407,121	$ 156,754
	Total	**$ 1,305,578**	**$ 1,749,448**	**$ 1,206,177**
AF NG	NG Pers, AF	$ 9,500	$ 9,500	$ 9,435
	O&M, ANG	$ 218,030	$ 475,655	$ 34,050
	Proc, AF Active		$ -	$ -
	Total	**$ 227,530**	**$ 485,155**	**$ 43,485**

Notes:

1. All data reflects OCO funding only; FY10 Procurement OCO data is included on BASELINE profile
2. Sources of data: Comptroller Information System (CIS) and DoD Resources Data Warehouse