

**NOT FOR PUBLICATION UNTIL  
RELEASED BY THE SENATE  
ARMED SERVICES COMMITTEE**

**STATEMENT OF**

**THE HONORABLE JUAN M. GARCIA**

**ASSISTANT SECRETARY OF THE NAVY**

**(MANPOWER AND RESERVE AFFAIRS)**

**AND**

**VICE ADMIRAL SCOTT R. VAN BUSKIRK, U.S. NAVY**

**CHIEF OF NAVAL PERSONNEL**

**AND**

**LIEUTENANT GENERAL ROBERT E. MILSTEAD, JR., USMC**

**BEFORE THE**

**SUBCOMMITTEE ON PERSONNEL**

**OF THE**

**SENATE ARMED SERVICES COMMITTEE**

**25 APRIL 2012**

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## **Executive Summary**

The Department of the Navy's Fiscal Year (FY) 2013 manpower and personnel budget request appropriately balances risk in supporting the readiness requirements of the fleet and providing for the care and compensation of our Sailors and Marines. Our active budget request will support active end strength of 322,700 within the Navy and 182,100 within the Marine Corps (197,300 with Overseas Contingency Operations support). On the Reserve side, budgeted end strength is 62,500 for the Navy and 39,600 for the Marine Corps.

**Personnel Efficiencies.** Developing this year's budget request involved extensive, and often difficult, deliberations among the military departments and the Office of the Secretary of Defense. The pay raises and changes in TRICARE fees for FY13 and across the Future Years Defense Program (FYDP) represent the Department's best effort to balance personnel requirements, budget realities, and the welfare of our service members and retirees. Because the outyear increases in base pay are more modest than those of recent years, funding of special pays and bonuses will be particularly important. Even though recruiting and retention are strong overall, certain critical skills and positions remain difficult to fill. The proposed TRICARE fees reflect appropriate adjustments and the TRICARE benefit will remain one of the finest and most generous health benefits available in the country.

**Sailor, Marine and Family Care.** Our FY13 budget request reflects the priority we place on the medical, physical, psychological, and family readiness needs of Sailors and Marines and their families, and our continued emphasis on suicide and sexual assault prevention programs. Of special note, Secretary Mabus recently announced the "21<sup>st</sup> Century Sailor and Marine Initiative". "21<sup>st</sup> Century" consolidates and emphasizes a number of initiatives (some new, some enduring) to ensure we have the fittest, most resilient, most ready force in the department's history. A key aspect of the program is to make sure our Sailors, Marines, and their families have the tools they need to stay ready for the demands and challenges of military service.

**Recruiting.** Both the Navy and Marine Corps continue to experience strong performance in our recruiting programs across both the officer and enlisted force. Our FY13 budget request for recruiting represents a reduction from FY12. These programs include accession incentives, advertising, and recruiter support. Accession bonuses remain critical to achieving our goals for health professionals, nuclear operators, and special warfare/special operations within the Navy.

**Retention.** The overall economic conditions, particularly the still weak civilian job market, contribute to the Navy and Marine Corps having had considerable success with retention across the force. As a result, bonuses and special pays have been reduced significantly in recent years. And while we continue to make selected reductions, these highly targeted forms of compensation remain crucial to filling critical skill areas that, in many cases, require significant investments in training and education and remain relatively insulated from changes in the overall economic environment.

While higher than normal unemployment in the civilian sector makes it easier to meet our retention goals, it also makes it more difficult for those who leave the military to find a job. In FY13 the Department of the Navy expects to spend approximately \$208 million on unemployment benefits for those who have left active service. And while the vast majority of our veterans find civilian employment, it is taking too many of them too long to do so. In addition to implementing the provisions of the recently enacted Veterans Opportunity to Work (VOW) Act, the Department of the Navy is actively participating in a multi-agency initiative, led by OSD and VA, to help improve employment prospects of veterans.

Chairman Webb, Senator Graham and distinguished members of the Committee, thank you for the opportunity to speak about the Department of the Navy's personnel programs and about the Sailors, Marines, and civilians who comprise the Department of the Navy.

There have been many successful changes in the Department of the Navy since I testified before you last spring. By the end of March we will have twenty-three to twenty-five female officers assigned to submarines, with more being assigned in the very near future. The repeal of "Don't Ask, Don't Tell" is fully implemented across the force with no significant problems or incidents. National Naval Medical Center, Bethesda, has transformed into the new joint Walter Reed National Military Medical Center. Navy personnel comprise 27 percent of the hospital's staff.

In addition to ensuring our manpower and personnel policies meet our country's security requirements, it is my honor and privilege to represent and advocate for the more than 800,000 Sailors, Marines and civilian employees who are always prepared to respond to whatever our nation demands.

Vice Admiral Van Buskirk and Lieutenant General Milstead will address their respective Service's personnel plans in detail, but I would like to touch on some common challenges the Department of the Navy faces as a whole.

Recently, the Secretary of the Navy unveiled the 21<sup>st</sup> Century Sailor and Marine Initiative, which is designed to place an increased focus on the resiliency and fitness of our service members. With so much of our defense strategy dependent upon our Navy and Marine Corps, we must ensure that our resources support the most combat effective and the most resilient force in our history. We must set high standards, but at the same time provide individuals with the services and training needed to meet those standards. The 21st Century Sailor and Marine Initiative consists of five "pillars", readiness, safety, physical fitness, inclusion and continuum of service.

Readiness will ensure Sailors, Marines, and their families are prepared to handle the mental and emotional rigors of military service. Both services are introducing campaigns this year to deglamorize

use, and treat and track alcohol abuse. We will also develop new means to deter Spice use, reduce suicides and increase our family and personal preparedness programs. This includes zero tolerance for sexual assault. We are continually working to improve the reporting, investigation and disposition of sexual assault cases, ensuring that commanders, investigators and prosecutors receive sufficient training and appropriate resources.

We will also increase our efforts to ensure the safest and most secure force in the Department's history, including a reinvigoration of our efforts to encourage the safe use of motor vehicles and motorcycles.

Physical fitness is an important central pillar that resonates throughout the 21st Century Sailor and Marine Initiative. Personal fitness standards throughout the force will be emphasized. We will also improve nutrition standards at our dining facilities with the introduction of "Fueled to Fight", which ensures that healthy food items will be available at every meal.

The Department of the Navy will be inclusive and consist of a force that reflects the nation it defends in a manner consistent with military efficiency and effectiveness as it serves its primary function of defending the nation. The Department will also reduce restrictions to military assignments for personnel to the greatest extent possible consistent with our mission and military requirements.

The final pillar, continuum of service, will provide the most robust transition support in the Department's history. Individuals selected for either separation or retirement will be afforded myriad of assistance programs and benefits that are available to them as they transition to civilian life. These programs, which include education benefits, transition assistance, career management training, counseling, life-work balance programs, and morale, welfare and recreation programs have been recognized by human resource experts as some of the best corporate level personnel support mechanisms in the nation.

The budget process requires a careful balancing of resources and assessment of risk. Within the President's Fiscal Year 2013 (FY13) budget and the Future Years Defense Plan (FYDP) are the results of several other difficult decisions and tradeoffs. The final product meets mission requirements while providing appropriate compensation and benefits for our active duty, reserves, civilian employees, and military retirees.

Both sea services will strive to meet their operational requirements with as efficient a force as possible. For the Navy this means continuing to move sailors from shore support functions to sea duty to enhance operational readiness. Such a shift not only means fewer sailors will be available for important work ashore, but also that Sailors will, on average, spend more time at sea away from their families. For the Marines, the reduction of nearly 20,000 end-strength coincides with the planned withdrawal from Afghanistan.

Our highest priority remains the care and the recovery of our wounded, ill and injured service members. The Department of the Navy is leading the way in innovative therapeutic treatments of our Wounded Warriors. At the National Intrepid Center of Excellence (NICoE) the Department of the Navy is pioneering research into diagnosis and treatment of Traumatic Brain Injury (TBI) and Post Traumatic Stress Disorder (PTSD), but more work remains in this area.

There are other initiatives that deserve mention. We continue to emphasize civilian hiring of veterans and of wounded warriors in particular, through both competitive and non-competitive hiring authorities. Similarly, the Department is continuing our participation in the Military Spouse Employment Partnership both as a resource for our members' spouses and as an employer.

Last year I spoke of new Navy ROTC units at Arizona State University and Rutgers. This year I am pleased to report that we are expanding our ROTC presence to Harvard, Yale and Columbia as part of our goal to make naval service a viable option for young men and women from all regions and all segments of society.

As many of you are aware, the Navy has recently closed a number of Junior ROTC programs at units that failed to meet the statutorily required participation numbers. To minimize the effects of these closings, I authorized the creation of National Navy Defense Cadet Corps (NNDCC) units at a number of these schools. The NNDCC program is virtually identical to Navy Junior ROTC, except there is only a 50 student minimum enrollment requirement and the schools must provide the majority of the funding.

We continue to search for innovative ways to improve the efficiency and capability of our forces as well as the quality of life of our members and their families. Modernization of the military retirement system could provide greater fairness and equity to service members with, perhaps, some savings to the defense budget.

We wish to thank the Committee members for your continuous and unwavering commitment to support the Navy and Marine Corps and the brave men and women who, as Sailors and Marines, serve bravely in Afghanistan, spend months at sea apart from their families, combat pirates in the Indian Ocean, thwart drug runners in the Caribbean, guard embassies throughout the world, conduct humanitarian missions whenever and wherever needed, and perform countless other missions, often under unimaginably demanding conditions and circumstances.

The following service specific information is provided for the Committee. We look forward to your questions.

## APPENDIX A

<b>Military Personnel</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>Delta</b>
<b>Total DoN</b>	<b>\$41,477M</b>	<b>\$42,345M</b>	<b>\$42,068M</b>	<b>(\$277M)</b>
Military Personnel, Navy	\$27,425M	\$28,051M	\$27,966M	(\$85M)
Military Personnel, Marine Corps	\$14,052M	\$14,294M	\$14,102M	(\$192M)

<b>Service Member and Family Support</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>Delta</b>
<b>Total DoN</b>	<b>\$913.8M</b>	<b>\$875.0M</b>	<b>\$935.2M</b>	<b>\$60.2M</b>
Navy Sailor and Family Programs*	\$510.9M	\$507.2M	\$589.1M	\$81.9M
Marine Corps Family Community Support Programs	\$402.9M	\$367.8M	\$346.1M	(\$21.7M)

\* Includes Warfighter and Family Services, Child and Youth, and Morale, Welfare and Recreation

<b>Training</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>Delta</b>
<b>DoN Total</b>	<b>\$2,828.9M</b>	<b>\$2,723.9M</b>	<b>\$2,662.8M</b>	<b>(\$61.1M)</b>
Navy Accession Training	\$288.1M	\$306.5M	\$297.5M	
Navy Basic Skills Training	\$976.1M	\$951.7M	\$962.7M	
Navy Recruiting and Other Training/Education	\$537.2M	\$556.1M	\$507.1M	
<b>Navy Total</b>	<b>\$1801.4M</b>	<b>\$1814.3M</b>	<b>\$1767.3M</b>	<b>(\$47.0M)</b>
Marine Corps Accession Training	\$16.6M	\$19.1M	\$19.1M	
Marine Corps Basic Skills Training	\$696.0M	\$642.8M	\$631.0M	
Marine Corps Recruiting and Other Training/Education	\$314.9M	\$247.7M	\$245.4M	
<b>Marine Corps Total</b>	<b>\$1027.5M</b>	<b>\$909.6M</b>	<b>\$895.5M</b>	<b>(\$14.1M)</b>

\*\*Funding includes OCO.