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ARMED SERVICES COMMITTEE**

**STATEMENT OF**

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**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**

**DEPUTY COMMANDANT, MANPOWER AND RESERVE AFFAIRS**

**BEFORE THE**

**SUBCOMMITTEE ON PERSONNEL**

**OF THE**

**SENATE ARMED SERVICES COMMITTEE**

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## **Executive Summary**

The Department of the Navy's Fiscal Year (FY) 2014 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 323,600 within the Navy and 182,100 within the Marine Corps (190,200 with Overseas Contingency Operations support) and a reserve end-strength of 59,100 within the Navy and 39,600 within the Marine Corps.

**Personnel Efficiencies.** The overall pressure on the budget and the need for efficiency made achieving an appropriate balance between resources and requirements particularly difficult this year. The pay raises and changes in TRICARE fees for FY14 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 increases in base pay are more modest than those of recent years, funding of special pays and bonuses will be particularly important. In addition, the budget includes increases for Basic Allowance for Housing (4.2%) and Basic Allowance for Subsistence (3.4%). As indicators of an improving economy emerge, we are closely monitoring for any downward trend in recruiting and retention. Meanwhile certain critical skills and positions remain difficult to fill.

**Sailor, Marine and Family Care.** In FY14 our team of dedicated family readiness professionals will continue to respond with agility to the needs of Sailors, Marines, and their families. Our goal is to address the needs of individual service and family members while also providing for the family unit as a whole. Technology, such as handheld applications and more sophisticated tools like eMarine, provides a wide range of communication capabilities. By providing information for self-help and education electronically, these tools enable our staff to

focus their efforts on providing face-to-face interaction when and where it is needed the most. In addition, the Department continues to support vital programs such as the Military Spouse Employment Partnership, both as a resource for our members' spouses and as an employer, and the Yellow Ribbon Reintegration Program, a popular and proven reintegration tool.

**Recruiting.** Both the Navy and Marine Corps continue to experience strong performance in our recruiting programs across both the officer and enlisted force. Accordingly, both Services' FY14 budget requests for accession bonuses represent reductions from FY13. However, accession bonuses remain critical to achieving our goals for certain hard to fill positions such as health professionals, nuclear operators, and special warfare/special operations in both the active and reserve components and Unrestricted Line officers in the Navy Reserve component.

**Retention.** The overall economic conditions, particularly with the improving but 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 in bonuses and special pays paid to Sailors and Marines, these highly targeted forms of compensation remain crucial to filling critical skill areas. In many cases these skill areas require significant investments in training and education and civilian demand for people with these skills remains strong despite the overall economic environment.

**Transition Support.** 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 FY12, the Department of Navy spent nearly \$344M on unemployment benefits

for those who left active service. While the unemployment rate for veterans is lower than the national average, and the vast majority of our veterans do find civilian employment, it is taking many of them too long to do so. The newly redesigned Transition Assistance Program (TAP) - entitled “Transition GPS” (Goals, Plans, Succeed)- is intended to prepare Sailors and Marines to make a successful transition from military to civilian life and help shorten their time to post-service employment. Transition GPS includes the following elements:

- **Pre-Separation Assessment and Individual Counseling:** Through the new transition program, separating service members will have a one-on-one counseling session to discuss their transition needs and goals. Each service member will develop an Individual Transition Plan that documents their personal transition, as well as the deliverables they must attain to meet the new transition program’s Career Readiness Standards.
- **5-Day Core Curriculum:** The five day Transition GPS Core Curriculum will include a financial planning seminar, a workshop offered by the Department of Veterans Affairs on the available veterans’ benefits, and a re-designed employment workshop offered by the Department of Labor. Transitioning service members will also undertake a Military Occupational Code Crosswalk to translate their military skills, training, and experience into civilian occupations and credentials.
- **Career-Specific Additional Curriculum:** In addition to completing the Transition GPS Core Curriculum, transitioning service members will also have the option of participating in a series of two day tailored tracks within the Transition GPS curriculum: (1) an Education track, for those pursuing college education; (2) a Technical Training track, for those seeking to attend technical school or earn a credential; and (3) an Entrepreneurship track, for those wanting to start a business.
- **CAPSTONE Event:** At least 90 days before their separation from military service, service members will participate in a CAPSTONE event, which will verify that transitioning service members completed the Transition GPS curriculum and achieved

Career Readiness Standards. Service members who require additional assistance will be referred to additional or remedial training opportunities. In addition, through the CAPSTONE event, all service members will be offered a “warm handover” to government agencies and organizations that will be able to provide them continued benefits, services, and support as veterans.

- **Military Life Cycle Transition Model:** The new transition program will incorporate career readiness and transition preparation into the entire span of a service member’s career. In the past, transition and preparation for the civilian workforce occurred late in a service member’s lifecycle – near the point of separation. Under this new program, these concepts will be incorporated earlier as a way to ensure that the counseling, assessments, and access to resources to build skills or credentials occur at earlier stages.

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Chairwoman Gillibrand, 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 significant and successful changes in the Department of the Navy personnel policies and programs since I testified before you last spring.

In accordance with the January 24, 2013 Secretary of Defense Memorandum, "Elimination of the 1994 Direct Ground Combat Definition and Assignment Rule," we will submit the Navy and Marine Corps implementation plans in May to the Secretary of Defense. These plans will provide details on how we intend to move forward with our expansion of opportunities for females to serve in previously closed Military Occupation Specialties (MOS), ground combat units, and those positions closed due to privacy and berthing restrictions. We have made great strides by opening positions on submarines and assigning women to previously closed ground combat units at the battalion level. We continue to offer the opportunity for female lieutenants to volunteer for training at the Marine Corps Infantry Officer Course immediately following graduation from The Basic School. We are committed to providing women with the same opportunities as their male counterparts while maintaining the highest levels of combat readiness and capitalizing upon every opportunity to enhance our warfighting capabilities.

The Department of the Navy is supporting ongoing efforts by the Department of Defense to review and extend benefits, including compensation benefits, to same-sex domestic partners of Service members. Many benefits are currently available to same sex domestic partners by designation of Service members. At the direction of the President, the Department of Defense established a Joint Benefits Review (JBR) working group. Comprised of representatives from all

the Services, the JBR's mission is to conduct a careful and deliberative review of the benefits currently provided to the families of Service members. The working group has identified 22 additional family well-being, child and youth program, family support, travel and transportation, and survivor and death benefits that can be lawfully provided to the same-sex domestic partners of Service members and their families through changes to Department of Defense policies and regulations. On February 11, 2013, then-Secretary of Defense Panetta directed the extension of these benefits to same-sex domestic partners and their children once the Service members and their same-sex domestic partners sign declarations attesting to the existence of their committed relationship.

Implementation of these benefit changes requires substantial policy revision, training, and technical upgrades. The Department of the Navy will extend the 22 additional family member and dependent benefits to eligible same-sex domestic partners of Service members no later than October 1, 2013, subject to approval by the Secretary of Defense. Meanwhile, the Department of the Navy will continue to comply with existing law and will review the extension of military benefits in conjunction with OSD and the other services should a change in law occur.

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.

Last March, 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 new defense strategy dependent upon the Navy and Marine Corps, we must ensure that our resources support the most combat effective and the most resilient force in our history. We set high standards and provide individuals with the services and training needed to meet those standards.

Aligned with the Defense Strategic Guidance's direction to maintain a ready and capable force, the 21st Century Sailor and Marine Initiative is designed to maximize Sailor and Marine personal readiness, to maintain the resiliency of the force, and to hone the most combat effective force in the history of the Department of the Navy. The 21st Century Sailor and Marine Initiative consists of five basic "pillars": Readiness, Safety, Physical Fitness, Inclusion, and Continuum of Service. Our intention is to maximize Sailor and Marine personal readiness and resilience by concentrating on all five pillars.

The DON will continue to provide a well-trained, healthy force in order to maximize our greatest military advantage and the bedrock of our Navy and Marine Corps – our Sailors and Marines. To accomplish this, our leadership team will do all we can to provide each member with the resources needed to maintain resiliency. The DON will continue efforts to reduce suicides, curb alcohol abuse, deter the illegal use and misuse of drugs-including emerging synthetic drugs and prescription drugs, prevent sexual assaults, improve motorcycle safety, move to a culture of physical readiness, offer healthful and nutritious dining options, expand diversity (ideas, expertise and backgrounds) and provide tools for life after military service.



After more than a decade of war, and given the challenges in the broader economy, we must honor our commitment to veterans and Wounded Warriors by taking concrete steps to facilitate their transition to civilian life. A key achievement over the last year is the progress made with regard to transition support and reintegration. In FY12, The Department of the Navy hired 10,867 veterans into civilian positions (59 percent of new hires). Of these, nearly one-quarter (2,540) were disabled veterans and one-in-ten was a Wounded Warrior.

The Department of the Navy has just over 200,000 U.S. direct hire civilians as of December 2012. Veterans, including Wounded Warriors and disabled veterans, comprise a majority of our civilian workforce. DON civilians operate across a broad spectrum of 558 occupations, to include world-class scientists and researchers who develop and procure cutting-edge weapons and equipment. More than half of the civilian workforce is made up of technical professionals such as engineers, logisticians, mathematicians, scientists, acquisition specialists, and members of the medical community.

Because of the combination of sequestration and the FY13 continuing resolution, Navy Commands have been operating under an across-the-board civilian hiring freeze to reduce spending, primarily in the Operations and Maintenance (O&M) accounts, since January. Fortunately, the Marine Corps has been able to avoid so drastic a measure. Sustained execution of a hiring freeze severely hampers the Navy's ability to recruit a skilled and talented workforce capable of executing its mission. Critical gaps created by ongoing vacancies affect the Navy's readiness and could negatively impact execution for many months to come.

One consequence of the hiring freeze is a significant reduction in our hiring of veterans and Wounded Warriors. The number of veterans hired in February 2013 totaled only 355,

compared to 925 in December 2012. Similarly, the numbers of Wounded Warriors and disabled veterans brought onboard in February dropped to 97, a sharp decrease from the 306 in December.

Additionally, the sequestration required DoD to consider furloughing civilian personnel. The reduction in pay associated with furloughs, in conjunction with the hiring freeze, could severely impact our ability to attract and/or retain employees in our mission critical occupations.

The DON views civilian furloughs as an option of last resort. Our civilian employees are absolutely critical to the Navy and Marine Corps team that is more than 10 years into the longest sustained period of combat operations in American history. Our civilians have responded to the increased operational tempo of the last decade, but the impact of a furlough, combined with continued pay freezes, may severely damage morale and retention. This proposed civilian furlough affects all levels of the department, from blue collar workers to members of the Senior Executive Service. Exceptions are extremely rare, largely limited to those deployed in a combat zone; those responsible for safety of life and property (mostly police, fire fighters and nuclear accident responders); those who provide 24-hour inpatient and emergency care; those funded by the Foreign Military Sales trust fund; and civilian mariners at sea. DoD has also exempted foreign nationals, select child care employees and non-appropriated-fund employees. As it currently stands, mid-June is the earliest possible date for a civilian furlough. We continue to prepare our employees and our Commands for the impact this would have on our operations.

Another topic of special concern is sexual assault and prevention. Both the CNO and the CMC have clearly made these issues a high priority for senior leaders. The USMC instituted the Sexual Assault Prevention and Response Campaign Plan 2012, and the DON focused on

improving the victim support process. We hold ourselves to a high standard of conduct and we will not tolerate sexual assaults within our ranks.

The Department of the Navy is committed to a Department-wide culture of gender respect where sexual assault is completely eliminated and never tolerated, and where sexual assault victims receive compassionate and coordinated support. This ongoing effort is a top priority of the Department and its two Services - the Navy and the Marine Corps. There are challenges yet to overcome, but we have accomplished much.

Our Department-level sexual assault prevention strategy since 2009 has had three main components, each of which has shown progress during FY12 and FY13. The first involves the progressive dissemination of a clear, consistent, top-down leadership message that sexual assault is never acceptable anywhere in the Department of the Navy, and that all Sailors and Marines have shared responsibilities for their own behavior and for protecting each other from sexual assault. The second component involves the broad application of updated Service-wide training tools across the Navy and Marine Corps. Influencing the attitudes and behaviors of young Sailors and Marines requires their repeated exposure to training that is informative, relevant, and pertinent to them. Our third strategy component involves testing new initiatives to determine their efficacy in actually preventing sexual assaults. Experience at the Navy's Training Support Command Great Lakes has been very encouraging, and we are working to distill the key insights from numerous simultaneous initiatives there, and to apply the more effective ones elsewhere. Underlying all of these concepts is our commitment to candid self-assessment using insights from anonymous surveys, sexual assault case reviews, and site visits to Navy and Marine Corps locations world-wide. Our tactical objective is to reduce the number of sexual assaults involving Sailors or Marines with a special focus on preventing the most egregious forms of sexual assault.

During FY12, both Services deployed innovative new sexual assault prevention training tools. At the Department level, we distributed over 15,000 copies of a newly-published Commander's Guide containing information on Departmental priorities, background data, and specific suggestions on the management of sexual assault cases. We also fielded half-day leadership programs at eight concentration sites of Navy and Marine Corps operational forces in the United States and abroad. Each session combined summaries of Departmental insights and priorities, along with presentations by an outside civilian expert with unique experience in sexual assault criminal investigations and offender profiling. A separate, live-acted, vignette-based educational program, which emphasized the importance of bystander intervention in preventing sexual assault, was presented simultaneously to packed theaters of Sailors and Marines. In addition, work is nearing completion on a professionally produced Department-level sexual assault prevention and response (SAPR) training video suitable for Department-wide use and focused on educating and orienting DON civilians.

DON leadership has worked with both Services to improve sexual assault victim support services. In addition to coordinating Service-level strategies for implementing new requirements established in NDAA 2012 for full-time victim advocates and sexual assault response coordinators, the Under Secretary of the Navy worked directly with the Naval Audit Service and DON-SAPRO to assess the responsiveness of 24/7 telephone access to SAPR services for sexual assault victims. The result has been a dramatic improvement in performance and the establishment of formal DON standards. In another area, the Department partnered during FY12 with the Department of Justice (DOJ) to develop a DOJ grant project to explore the efficacy of tele-medicine support for Sexual Assault Forensic Exams at remote sites. The Department of the

Navy is the only Military Department engaged with DOJ in this effort, and our insights have helped shape the focus of ongoing project development.

From suicide reduction to sexual assault prevention and response, the Department of the Navy's 21<sup>st</sup> Century Sailor and Marine Initiative is addressing, head on, the critical and urgent issues facing our Sailors, Marines and their families. As part of our aggressive drug demand reduction efforts, we have expanded our drug-testing panel to include synthetics like "Spice". We have also ended discount "subsidies" on the sale of tobacco products in our Navy and Marine Corps Exchanges while providing no-cost tobacco cessation products for those trying to quit and improving education and training programs to steer potential new consumers away from ever starting. In short, the 21<sup>st</sup> Century Initiative is providing the tools needed to face challenges through a variety of programs aimed at fostering a healthy lifestyle, both on and off duty. We commit to continue these efforts to ensure a safe, healthy, resilient and ready force.

The budget process requires a careful balancing of resources and assessment of risk. The President's Fiscal Year 2014 (FY14) Budget and the Future Years Defense Program (FYDP) are the results of 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.

In response to the newly enacted requirement to "establish policies and procedures for determining the most appropriate and cost efficient mix of military, civilian, and contractor personnel to perform the mission of the Department of Defense" contained in Section 931 of the National Defense Authorization Act of 2012, the Department of the Navy (DON) has established the Total Force Integration Board (TFIB), which I chair. The TFIB serves as the principal forum

for Total Force Planning and Management efforts, including determination of optimal workforce mix across the DON enterprise. Additionally, as of September 2012, the Department of the Navy has implemented the Contractor Manpower Reporting Application (CMRA) which provides for the identification of Service contracts and labor hours expended within the DON as reported by the contractors. These data will be aggregated and reported to Congress beginning in FY14. The application is modeled after the Army's version of CMRA and may eventually transition to an enterprise-wide version of CMRA at the OSD level.

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 means not only fewer Sailors available for mission critical 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, but will require careful balancing to maintain the right mix of seniority and specialties.

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 and these efforts include our continued focus and research in the areas of traumatic brain injury (TBI) and post-traumatic stress disorder (PTSD). DON is collaborating with the other Services, our Centers of Excellence, the Veterans Administration, and leading research and academic centers. We continue to make progress but recognize there is more work ahead in this area.

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. The DON is actively preparing for the Congressionally created commission on military compensation and hopes for increased flexibility to meet our requirements with both efficiency and fairness to our members and retirees.

We wish to thank the Committee members for your continuous and unwavering commitment to support the Navy and Marine Corps and the men and women who, as Sailors and Marines, serve bravely in Afghanistan, spend months at sea apart from their families, 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.