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STATEMENT OF
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DIRECTOR OF PERSONAL AND FAMILY READINESS DIVISION
MANPOWER AND RESERVE AFFAIRS DEPARTMENT
HEADQUARTERS, UNITED STATES MARINE CORPS
BEFORE THE
SUBCOMMITTEE ON MILITARY PERSONNEL
OF THE
HOUSE ARMED SERVICES COMMITTEE
ON
MILITARY RESALE AND MORALE, WELFARE AND RECREATION OVERVIEW
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Timothy R. Larsen
Director, Personal and Family Readiness
Division



Timothy R. Larsen is serving as the Director, Personal and Family Readiness Division, Manpower and Reserve Affairs Department, Headquarters, U.S. Marine Corps.

Mr. Larsen is from Denver, Colorado. After graduation from Brigham Young University, he was commissioned a second lieutenant in the United States Marine Corps through Platoon Leaders Course in 1973. Since his commissioning and completion of the The Basic School, Major General Larsen has held a variety of command and staff positions. He has commanded at every level from platoon through regiment.

In the operating forces, his command assignments include; rifle platoon, weapons platoon, Headquarters and Service Company, 3d Battalion, 7th Marines and Rifle Company, 1st Battalion, 7th Marines, 1st Marine Division (1974-1976); Weapons Company, 1st Battalion, 6th Marines, 2d Marine Division (1982-1983); 3d Battalion, 9th Marines, 3d Battalion, 4th Marines, 1st Marine Division (1994-1996); 4th Marine Regiment, 3d Marine Division (1997-1999); Assistant Division Commander, 1st Marine Division (1999-2001); and Commanding General, Coalition Joint Task Force-Kuwait (Forward) (2000-2001).

His other command assignments include the Marine Detachment, USS Saratoga, CV-60 (1976-1978); Marine Corps Recruiting Station, Phoenix, Arizona (1984-1987); Marine Corps Jungle Warfare Training Center (1997-1998); Camp Schwab, MCB Butler, Okinawa, Japan (1997-1999); and Commanding General, Marine Corps Base, Camp Smedley D. Butler, Okinawa, Japan (2001-2003); Deputy Commander, United States Forces, Japan, (2003-2007).

His staff assignments include battalion adjutant, company executive officer (1974-1976); fire support coordinator (1982-1983); battalion operations officer (1983-1984); Strategic Initiatives Officer, Policy and Strategy Division, Plans and Policy Directorate (J5), United States Central Command (USCENTCOM) (1988-1991). Major General Larsen deployed to Saudi Arabia with USCENTCOM during Operations Desert Shield and Desert Storm. Other staff assignments include G3 Plans Officer, 1st Marine Division (1993-1994); and Assistant Chief of Staff for Operations (G3), 3d Marine Division (1996-1997). He has attended several military schools to include; Marine Corps Amphibious Warfare School (1982); College of Naval Command and Staff, Newport, Rhode Island (1988); Japanese Language Course, Defense Language Institute, Monterey, California (1992); and Japanese National Institute for Defense Studies (NIDS), Tokyo, Japan (1993). Additionally, he holds an M.A. in International Relations from Salve Regina University (1988) and a M.A. in National and Strategic Studies from the Naval War College (1988).

His personal awards include: Legion of Merit, Bronze Star Medal, Defense Meritorious Service Medal, Meritorious Service Medal, Navy and Marine Corps Commendation Medal, and Navy and Marine Corps Achievement Medal.

Chairman Wilson, Ranking Member Davis, and distinguished Members of the Subcommittee, it is my privilege to report on the status of Marine Corps Community Services (MCCS), which includes Morale, Welfare, and Recreation (MWR); Marine Corps Exchange (MCX); and Warfighter and Family Services programs. We thank Congress, especially this Subcommittee, for your continued support for these programs. The combined effect of these programs strengthens the unit individual and is critical to the readiness and retention of Marines and their families.

Introduction

"We will keep faith with our Marines, our Sailors and our families."

In his Planning Guidance, our new 35th Commandant of the Marine Corps, General Amos, said,

"We will ensure that Marines, Sailors and their families have availability and access to quality facilities and support programs, as well as resources and benefits that provide a quality standard of living. This same effort will be applied equally to our single Marines, who make up half of our Corps. To ensure effectiveness and efficiency, we will evaluate all Marine Corps Family Team Building Programs to determine where they require expansion to further assist our families and where they can be streamlined to reduce redundancy. We will make concerted efforts at attracting, mentoring and retaining the most talented men and women who bring a diversity of background, culture and skill in service to our Nation. Lastly, we will conduct a thorough "bottom up" assessment of our Transition Assistance Program to ensure it is providing the right educational and occupational assistance to Marines leaving our active duty ranks, thus fulfilling our

commitment to return better citizens back to communities across our Nation."

Specifically, the Commandant directed us to take the following program actions:

- **"Review and improve family readiness** - evaluate all Marine Corps Family Team Building Programs and make recommendations on optimum span of control, where we require further assistance to our families, and where we should streamline to erase redundancy;
- **Review and improve transition assistance** - conduct an assessment of our Transition Assistance Program and recommend a plan to revolutionize our approach to better meet the needs of departing and retiring Marines; and
- **Integrate Behavioral Health efforts** - present recommendations on how best to integrate more fully Behavioral Health programs/issues (Combat and Operational Stress Control (COSC), Suicide Prevention, Family Advocacy, Sexual Assault, and Substance Abuse Prevention) within the Marine Corps."

Although the past several years have been devoted to transitioning programs to a wartime footing, we are now in a period of review to ensure appropriate program balance and effective performance in accordance with the Commandant's Planning Guidance. I am proud to have the opportunity to highlight some of our significant accomplishments and new initiatives.

Marine and Family Program Update

During the past three years, the Marine Corps has made significant investments into programs that serve our Marines and

families. Connecting them to their assigned unit and to larger installation information and referral sources is the primary duty of Family Readiness Officers (FROs). A program assessment conducted by the Inspector General of the Marine Corps in October 2010 revealed that commanders consistently indicated that the enhanced Unit, Personal and Family Readiness Program, with the FRO support, has greatly improved, strengthens units, and is a force multiplier. Marines and families think the program is great and that the Marine Corps puts its money where its mouth is!

The most tender of our families, those enrolled in the Marine Corps Exceptional Family Member Program (EFMP), have also shared a resounding endorsement for improvements made to their level of support and our focus on providing a continuum of care. Year after year since our program expansion, we have gained the trust of our families and this is demonstrated in our increasing enrollments and reduction in assignment gaps or incompatibility problems experienced by families relocating to new duty stations. Our EFMP sponsors will always be the best advocate for their special needs family member, but when they need help obtaining benefits and services under federal and state education and disability laws, our EFMP attorneys are ready to

advise families on unique legal areas, such as special needs trusts and landlord-tenant issues related to accommodations.

To help school-age children of Marines flourish in new school environments, our installation School Liaison Program partners with Local Education Agencies (LEAs) to raise the educational capacity and standard of all - not just military children. Supporting more than 80 school districts surrounding major Marine Corps installations, our School Liaisons provide LEAs with information on the needs of Marine Corps families and access to beneficial training and counseling services to support teachers and students. Marine parents have the comfort of talking with and being supported by "a local education expert" who provides meaningful insights and support tools to new transfers and those with questions on local education policies.

Whether parents are working, experiencing family emergencies, or needing respite from single parent responsibilities connected to deployments, child care services remain a high priority quality of life requirement. In 2010, we provided 13,431 child care spaces and met 73 percent of potential need requirements. Within these totals, we are caring for approximately 2,500 special needs children. The Marine Corps, with your support, is executing an aggressive Military

Construction program and is opening 6 new Child Development Centers in Fiscal Year 2011 and 5 more in Fiscal Year 2012.

We know that an important relationship exists between on-base and qualified off-base availability. To help further define requirements, we have contracted for the development of a Child Development Program and Facility Master Plan. Using market assessments and analysis tools and techniques, the plan will evaluate on- and off-base access, unmet need, and will provide prioritized recommendations for meeting the need across the Marine Corps. We anticipate results this summer.

In 2011, we will also work with Marine Forces Reserve and Marine Corps Recruiting Command to identify opportunities to enhance availability of child care for Marines and families serving on independent duty and locations that are separated from military bases and stations.

The Marine Corps Semper Fit program was reorganized in the late 1990s and is comprised of the basic categories of sports, fitness, and recreation. Although these categories are still sound and some enjoy high utilization, we have learned through program review, listening to Marines and families, and benchmark studies, that some programs require redesign and improved

capabilities. These actions are important if we are going to meet the future needs of generation X, Y and Z Marines and families and contribute to the readiness, resiliency, and retention of Marines and families. Therefore, we are beginning a multi-year program enhancement plan beginning with the restructure of our Headquarters Marine Corps program office. Enhancements include expanding recreation programming, combat conditioning/functional fitness for combat readiness, therapeutic recreation for wounded warriors and exceptional family members, more flexible sports intramural programs, and offering sports programs that contribute to the physical training needs of a unit.

Finally, as discussed previously, the Marine Corps intends to more fully integrate behavioral health services, as well as improve the transition services provided to separating Marines. For Behavioral Health Programs, we are taking action to develop an integration framework that will address risk factors, enhance legacy programs, and support future operations. Leveraging Marine Corps leadership involvement and attention is critical to success. In all behavioral health areas, standards of care and use of evidence-based practices will be paramount. Our youthful demographics share certain risk factors across the behavioral continuum. As we better integrate our programs today, the

training conducted for Marines will become less redundant and time consuming but also more realistic and engaging.

For the Transition Assistance Program, we have conducted multiple program assessments and established planning actions to make our program meet the needs of Marines. With our predominate first term force, we are committed to reaching our Marines at designated touch points and helping them develop roadmaps that support their Marine career, and better equip them to reintegrate into civilian life upon leaving active service. Today, our program is primarily a training event. In the future, our transition assistance will become a personal and professional development process that begins at initial accession and continues post separation. The Commandant wants to revolutionize the transition assistance process and embrace best practices.

Marine Corps Exchange (MCX) and Temporary Lodging

The Marine Corps Exchange (MCX) is inextricably linked to our mission of taking care of Marines and their families and is an important part of the overall non-pay compensation package. For Marines, operational success is measured on the program's value and contributions to critical mission outcomes of readiness and retention, as well as our ability to provide

unparalleled customer service, premier facilities, and valued goods and services at a savings. Like other MCCA facility master planning efforts, the Marine Corps Exchange (MCX) is executing branding strategies, and our aggressive re-investment into main stores is near completion. We are also expanding the branding strategies to focus on our Marine Marts and Temporary Lodging Facilities (TLFs). All Marine Corps design standards are focused on energy efficiency and sustainability.

During 2009, we witnessed one of the toughest retail economic climates in recent history, yet the MCX exceeded all established performance measures. We are finishing strategies we began five years ago including initiating centralized buying, aggressively recapitalizing our Exchange stores, and branding the customers' shopping experience. We continue to pursue program efficiencies through cooperative efforts and partnerships, and we will be focusing on improving our supply chain over the next several years.

Total exchange sales in Fiscal Year 2009 were \$921.5 million. MCX profits were \$63.1 million, and the exchange dividend for MWR was \$42.7 million. Financial projections for Fiscal Year 2010 include sales of \$929.8 million. MCX profits

are projected to improve to \$72.2 million. The Exchange dividend for MWR is projected to be \$49.5 million.

Continuing our discussion of positive indicators, our 2010 Customer Satisfaction survey showed increases for both customer and associate satisfaction (one point for customers (78) and two points for associates (73)). The 2009 results of our market basket survey, which we conduct annually in a cooperative effort with the Navy Exchange and Army and Air Force Exchange Service, showed a savings of 27 percent, all while maintaining a consistent gross margin.

Targeting young Marines and families on a tight budget, we deliver a valued program called "Our Cost is Your Cost" that offers items such as diapers, formula, baby food, bread, and milk for purchase to our patrons at MCX cost. Smoking cessation products are also included in this program. The MCX promotes motorcycle safety by offering a one-time 25 percent discount on motorcycle safety equipment when a Marine completes a base motorcycle safety class. These programs demonstrate our clear commitment to serving and taking care of our Marines and families.

In October 2009, we opened or remodeled 2 main MCX stores bringing the number of "on-brand" facilities to 8 of 17. In 2010, we completed four Marine Mart projects, and we have four MCX projects that are expected to open in late 2011 through early 2012.

The Master Plan process is an organized, deliberate approach to determining enterprise-wide facility requirements. In fact, we are developing Master Plans for many of our programs to ensure we have the best site picture on installation requirements. We developed a Temporary Lodging Facility (TLF) Master Plan that provides, in priority order, the requirements for new properties, additional rooms at existing properties, and renovation requirements to meet the new design standards. The new TLF standard features extended stay rooms, a small fitness center, complimentary breakfast, Wi-Fi, and other amenities popular in the hotel industry's mid-service type properties. Construction is currently underway on a 50 room addition at the Lejeune Inn at Marine Corps Base, Camp Lejeune, North Carolina, and a 102 room replacement at the Miramar Inn at Marine Corps Air Station, Miramar, California. We have also completed the upgrades of the lodging property management system and implemented on-line reservation services for our guests.

Deployed Support Update

Deployed support is one of the most important services we provide. We do it in four areas: Exchange; Recreation; Fitness; and Communication. These services not only boost and maintain morale but also help to reduce mission related stress.

- Exchange. Ongoing missions in Afghanistan include the operation of two Direct Operation Exchanges at Camps Leatherneck and Dwyer, and one Tactical Field Exchange at Camp Delaram II. The 2010 operational sales for these locations will exceed \$40 million.
- Fitness. We assist with the layout and design of fitness facilities and identifying appropriate fitness equipment and maintenance requirements.
- Recreation. We assist in providing recreational and sports equipment to units throughout Helmand Province with the joint support of USFOR-AJI. This transportable equipment includes: sports/recreation cooler kits filled with sports gear and board games, Electronic game kits, and Theater-in-a-Box kits. Reading materials are distributed, such as Playaways (electronic books) and paperback books.
- Communication. Morale Satellite services are available to forward operating bases, combat outposts, and other austere locations. With OSD funding assistance, we have delivered 11 satellite communications systems to units in

Afghanistan. Each system has two phones that each provide 6000 free minutes per month to deployed Marines. They also provide an Internet and web-cam capability to forward operating bases. From 1 Jul 2010 - 31 Dec 2010, there have been over 4415 phone calls using approximately 556 hours of air time; 11,105 Internet sessions using web browsing and voice/video chat. During Thanksgiving Day, the Marines used the MoraleSat system phone service and made a total of 447 telephone calls for 3465 minutes, and on Christmas Day, the Marines made 368 telephone calls for 2921 minutes. Other communications support includes MotoMail that was first offered in 2004. It continues to serve deployed Marines and the delivery of electronic mail and photos are available within approximately 24 hours of being sent. Since December 2004, 3.8 million letters have been created and delivered.

Non-Appropriated (NAF) Facility Construction and Renovation

During Fiscal Year 2009, we completed a total of 22 NAF projects at an approximate cost of \$87.9 million. In Fiscal Year 2010, we completed a total of 13 NAF projects at an approximate cost of \$44.5 million. These 35 facilities were internally funded by NAF generated from NAF business operations. We intend to develop program-specific facility master plans

similar to our accomplishments with our MCX, Marine Marts, and our TLF programs. Although master planning is time intensive and requires upfront investments, we have found the process improves both our organizational facility efficiency and effectiveness.

Appropriated Fund (APF) Financial Results

Our appropriated fund (APF) budget continued to support the DoD MWR 85/65 percent minimum funding standards for Categories A and B programs, respectively. For Fiscal Year 2009, the Marine Corps achieved APF support of 89 percent for Category A programs and 83 percent for Category B programs. For Fiscal Year 2010, the MWR Metric Report format changed to account for the inclusion and separate reporting of Category A Warfighter and Family Services programs, Category B Child Development and Youth programs, and Category B Basic Community Support programs. Under this new Fiscal Year 2010 reporting, the Marine Corps achieved APF support of 92 percent for Non-Warfighter and Family Services Category A programs. The Category A Warfighter and Family Services programs were funded at 100 percent APF. The Category B Child Development and Youth Programs were funded at 81 percent APF, and the remaining Category B programs reported under Basic Community Support were funded at 88 percent APF.

In Fiscal Year 2009, MWR APF direct support increased by \$81 million. Overall, the Marine Corps executed \$181 million more in total MWR APF in Fiscal Year 2009 than originally budgeted. This trend continued in Fiscal Year 2010 where MWR APF direct support increased by \$70.1 million over Fiscal Year 2009. Overall, the Marine Corps executed \$134 million more in total MWR APF in Fiscal Year 2010 than originally budgeted.

MWR Financial Results

In Fiscal Year 2009, our MWR sales were \$164.3 million and profits were \$20.7 million. In Fiscal Year 2010, our MWR sales are projected to be \$167.4 million and \$43.6 million in profits. Final results are due in the May/June timeframe.

We are confident that we will continue to provide a quality, high performing MCCS organization. This will be accomplished through our aggressive pursuits of efficiency measures that ensure we remain responsible stewards of resources to best serve our Marines and their families.

Conclusion

Your Marines continue to serve with distinction around the globe, aboard ships, and in numerous countries around the world, and we are keenly aware that the well-being of our families is

inextricably linked to the readiness of our Corps. The Commandant of the Marine Corps has given us his guidance and expectations for future program performance and with your continued support we are ready to meet those expectations.

We appreciate the support of local, state and federal agencies, as well as partnerships with the Office of the Secretary of Defense and our Sister Services which are an important part of our planning and ability to deliver adequate services, regardless of duty station or assignment.

On behalf of Marines and families, I want to thank you for your oversight and continuous support to help shape and sustain these vital quality of life services, especially during a time of war and the increasingly constrained fiscal environment. Thank you for the opportunity to address these important issues with you in this very important venue.