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OPENING REMARKS OF CHAIRMAN BUYER

Military Personnel Subcommittee Mark-up
Fiscal Year 2000 National Defense Authorization Act

For a number of years, this subcommittee has led the way to head off what we considered to be urgent problems in manning the force. This sense of urgency to solve recruiting, retention, pay and compensation problems was not completely shared by the Department of Defense. Instead, the department's resourcing priorities were on readiness and modernization, rather than people. The one exception to this priority was that in February 1998, the service chiefs of staff publicly proclaimed the need to reform the military retirement system.

As they had in the past, when the subcommittee met to mark up the fiscal year 1999 Defense Authorization Act in April of last year, the Members sensed again the urgent need to address critical recruiting, retention, pay and compensation issues. They adopted a range of personnel initiatives in excess of those requested in the budget, including a commitment to study and reform military retirement. Predictably, the Department accepted, but did not enthusiastically endorse the committee's initiatives. In a few cases, the Department opposed some initiatives.

It therefore came as a surprise in mid-1998 – less than two months after the subcommittee had marked up – when the Chairman of the Joint Chiefs of Staff and the Joint Chiefs concluded that the Armed Forces were fighting, and losing, a two-front war to recruit and retain sufficient people; and, as a result, they began to seek approval for the additional resources to turn the battle around.

As an indicator of both the severity of need and the success of their efforts, the President's fiscal year 2000 budget contained a range of pay and retirement reforms, as well as new bonus and special pays authority, and increased funding for recruiting.

On behalf of the subcommittee, I commend the Secretary and the Joint Chiefs for their forceful, public resolve to advocate for these reforms and initiatives. I'm convinced that without the unanimous

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support of these initiatives by the Joint Chiefs and the Secretary, they would not have been included in the budget request, nor politically supported by Congress.

Now, as you all know, the Secretary and the Chiefs advocated so well that some felt compelled to enact the department's proposals immediately. I, with the full support of Neal Abercrombie, the subcommittee ranking Democrat, chose not to be overwhelmed by the initial enthusiasm. Instead, using the pay and retirement reforms of the budget request as a starting point, we undertook a deliberate, in-depth assessment of the underlying causes of the services' retention and recruiting problems as a means to assess the adequacy of the Department's budget proposals, and also to develop a comprehensive set of solutions.

We completed that in depth assessment, and as a result, the bulk of the Chairman's Mark before you is directed at reversing losses in the recruiting and retention wars. And, as in past years, we have exercised our judgment to go beyond what has been proposed in the budget request because we concluded that the request does not fully address the full range of problems.

We cannot emphasize how serious are the recruiting and retention problems that face DOD. The committee believes that its recommendations will help to address these challenges. However, the committee also believes that the severe retention and recruiting problems of the military services will not be solved by a one year's effort. Rather, several years of effort, at least, will be needed to restore the manpower readiness of the armed services. Therefore, the committee strongly urges the senior military and civilian leadership of the Department of Defense to continue to advocate for the additional resources to sustain and win the two-front war of retention and recruiting. To that end, the committee pledges its support.

With that commitment in mind, let me summarize for you some of the key initiatives contained in the Chairman's Mark. The recommendations contained in the military personnel titles:

1. Directly and aggressively address many of the causes of recruiting and retention shortfalls, but balance the cost of addressing those problems against the reality that pay and retirement reform are only a part of what is required to improve recruiting and retention. Resources, in a constrained defense budget, must remain available this year and in subsequent years to address readiness and modernization, which also are keys to fixing recruiting and retention.
2. Provide a 4.8 per cent basic military pay raise, compared to the 4.4 per cent raise in the budget request; halt the growing pay gap for all by mandating that future basic pay raises are based on the full employment cost index (ECI), not ECI minus .5 percent; provide targeted pay raises above 4.8 percent for mid-grade officers and non-commissioned officers, as part of a reform of the pay tables to ensure pay increases are tied more to promotion than to years of service.
3. Reform the military retirement system as requested by Secretary Cohen and the Joint Chiefs, and, in addition, provide service members the option of choosing either to enter the pre-1986 retirement system, or to remain in the post-1986 retirement system and receive a \$30,000 payment at 15 years of service.
4. Extend current pay and bonus authorities, create new bonus authorities, and expand recruiting and retention bonus and special pay authorities to address poor retention and shortages in specific skills. These skills include aviators, Navy surface warfare officers, Navy special warfare officers, Navy nuclear trained officers, reserve components critical skills, Air Force air battle managers, career enlisted flyers, linguists, divers, first-term members with families, and judge advocates.

5. Reduce service member out-of-pocket housing costs by 3 per cent, and accelerate by three years the full implementation of new Basic Allowance for Housing rates, by adding \$442.5 million to the services' military personnel accounts.
6. Direct the Secretary of Defense to begin paying the Women, Infants and Children (WIC) program benefits overseas.
7. Maintain active end strength floors; provide \$91.5 million to fully fund the Army National Guard and Army Reserve military technicians requested in the budget; and increase by 800 the full time manning in the Army National Guard.
8. Provide creative new ways to address the services' manning shortfalls by expanding the number of military retirees who can voluntarily return to active duty; authorizing the Air Force to test the use of voluntarily recalled retirees in critical staff positions, thereby returning aviators to flying duties; and delegating to the Secretary of Defense authority to waive, on a case-by-case basis, the requirement that military retirees forfeit a portion of their retired pay when re-employed in the Department of Defense.
9. Eliminate the services' recruiting resource shortfalls by adding nearly \$200 million to the budget request. We also encourage state and local officials to provide military recruiters the same access to high school students that is provided to other prospective employers.
10. Address the officer recruiting shortfall by adding nearly \$24 million to the Army Senior Reserve Officer Training Corps (ROTC) funding, and increasing the monthly subsistence allowance paid to Senior ROTC cadets of all services from \$150 to \$200.
11. Modify the framework for training and integrating reservists into the active force by providing adequate per diem to military technicians supporting contingency operations, authorizing recalled reservists to continue to hold civil offices for a full active duty tour, authorizing unit funding of housing during training tours, adding new options for active duty medical care for reservists, and authorizing reservists priority transportation when transportation options are limited.
12. Attend to key retiree and veterans issues by guaranteeing veterans' burial benefits, providing retirement flags for reservists and all the uniformed services, restoring equity to widows entitlements, and directing that the Secretary of Defense pay severely disabled military retirees a monthly stipend to offset reductions in military retired pay.
13. Continue the reform of Department of Defense pharmacy system, and waive annual medical deductibles for families of mobilized reservists.

One critical item that is not in the Chairman's Mark is an authorization for service members to participate in a thrift savings plan. I assure you that the subcommittee is committed to seeing such a provision enacted. However, because the provision involves direct spending, we will have to incorporate it into the bill on the floor.