

Statement of

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of the

SENATE ARMED SERVICES COMMITTEE

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The National Military Family Association (NMFA) is the only national organization whose sole focus is the military family and whose goal is to influence the development and implementation of policies which will improve the lives of those family members. Its mission is to serve the families of the Seven Uniformed Services through education, information and advocacy.

Founded in 1969 as the Military Wives Association, NMFA is a non-profit 501(c)(3) primarily volunteer organization. NMFA today represents the interests of family members and the active duty, reserve components and retired personnel of the seven uniformed services: Army, Navy, Air Force, Marine Corps, Coast Guard, Public Health Service and the National Oceanic and Atmospheric Administration.

NMFA Representatives in military communities worldwide provide a direct link between military families and NMFA staff in the nation's capital. Representatives are the "eyes and ears" of NMFA, bringing shared local concerns to national attention.

NMFA receives no federal grants and has no federal contracts.

NMFA's web site is located at <http://www.nmfa.org>.

Joyce Wessel Raezer, Director, Government Relations

Joyce joined the staff of the Government Relations Department of the National Military Family Association (NMFA) as a volunteer in September 1995. In February 1998, she was selected for the paid position of Senior Issues Specialist and subsequently served as the Department's Deputy Associate Director and Associate Director before being promoted to Director in December 2001. In that position, Joyce monitors issues relevant to the quality of life of the families of the Uniformed Services and represents the Association at briefings, hearings, and meetings of other organizations, Members of Congress and their staffs, and members of the Executive branch.

Joyce has represented military families on several committees and task forces for offices and agencies of the Department of Defense and military Services, including the Department of Defense Education Activity (DoDEA) and the TRICARE Management Activity (TMA). She has been a member of the Defense Commissary Agency (DeCA) Patron Council since February 2001. She is a member of the Army's Youth Education Working Group. Joyce serves on four committees of The Military Coalition and is co-chair of the Personnel, Compensation and Commissaries Committee. She served as a beneficiary representative, from September 1999 to December 2000, on a Congressionally mandated Federal Advisory Panel on DoD Health Care Quality Initiatives.

A Maryland native, Joyce earned a B.A. in History from Gettysburg College, Gettysburg, Pennsylvania and a M.A. in History from the University of Virginia. An Army spouse of 21 years and mother of two children, she has lived in the Washington, D.C. area (4 tours), Virginia, Kentucky, and California. She is a former teacher and was elected to the Fort Knox (KY) Community Schools Board of Education in 1993, serving until August 1995. She is an active volunteer parent in her son's school in Fairfax County, Virginia, and sings in her church choir.

Mr. Chairman and Members of this Distinguished Subcommittee, the National Military Family Association (NMFA) would like to thank you for the opportunity to present testimony on quality of life issues affecting servicemembers and their families. NMFA is also grateful for your leadership in the 1st Session of the 108th Congress in securing the inclusion of several key provisions in the FY 2004 National Defense Authorization Act. These provisions include:

- 3.7 percent across the board pay raise for members of all the uniformed services, plus targeted raises
- Indexing future pay raises to the Employment Cost Index
- Increasing BAH funding to cover all but 3.5% average out-of-pocket costs for rank-based standard of housing
- Maintaining Family Separation Allowance at \$250 per month and Imminent Danger Pay at \$225 per month through December 2004
- Enacting enhancements to TRICARE Standard and National Guard and Reserve health care
- Authorizing unrestricted commissary access for National Guard and Reserve members and their families
- Authorizing full replacement value reimbursement for household goods damaged in military Permanent Change of Station moves
- Clarifying that military chaplains may use appropriated funds to pay family members' expenses for command-sponsored, chaplain-lead marriage and family conferences and training
- Authorizing \$35 million for civilian schools educating large numbers of military children (includes \$5 million for schools educating severely-disabled military children)

As a founding member of The Military Coalition, NMFA subscribes to the recommendations contained in the Coalition's testimony presented for this hearing. In this statement, NMFA will expand on a few of the issues before this Subcommittee today:

- Pay and allowances
- Health care
- Family support, including the unique needs of Guard and Reserve families
- Education for military children
- Commissaries and exchanges
- Base Realignment and Closure (BRAC)

As you consider the quality of life needs of servicemembers and their families this year, NMFA asks that you remember that the events of the past two years have left this family force drained, yet committed to their mission. Servicemembers look to their leaders to provide them with the tools to do the job, to enhance predictability, to ensure that their families are cared for, their spouses' career aspirations can be met, and their children are receiving a quality education. They look for signs from you that help is on the way, that their pay reflects

the tasks they have been asked to do, and that their hard-earned benefits will continue to be available for themselves, their families, and their survivors, both now and into retirement.

Pay and Allowances

Servicemembers and their families appreciate the dramatic improvements in military compensation achieved over the past several years. The combination of across-the board-raises at the level of the Employment Cost Index (ECI) plus .5 percent and targeted raises for certain ranks have improved their financial well-being. The five-year plan, ending in FY 2005, to increase Basic Allowance for Housing has been especially beneficial for military families living in high cost of living areas. Servicemembers also look forward to the implementation of the special deployment payments included in the FY 2004 NDAA that will provide up to \$600 per month, based on both longevity and frequency of deployments. They wonder, however, whether time already spent on deployment prior to the law's enactment will count toward receipt of the payment.

Family Separation Allowance

Military members and their families were most grateful to Congress last year for including increases in Family Separation Allowance and Imminent Danger Pay in the FY 2003 Supplemental Appropriations bill. They were relieved when these increases were authorized to continue through December 2004 in the FY 2004 NDAA, yet alarmed at the debate over the Family Separation Allowance, which occurred last fall. NMFA understands that the Department of Defense is looking at the wide range of pays and allowances in order to determine their proper mix and use. We believe, however, that the amount of Family Separation Allowance must remain the same for all eligible servicemembers, no matter where they are deployed. Family Separation Allowance is not combat pay—it is paid in recognition of the additional costs a family faces when a servicemember is deployed. It helps pay for the additional long distance phone calls the deployed servicemember and family make; it pays for the car or home repairs the servicemember performs when at home; it pays for the tutoring a child needs when the family chemistry or algebra expert is deployed. These costs are not incurred just by the families of servicemembers in a combat zone: whether the servicemember is in Iraq, Afghanistan, on a ship in the Pacific, or on an unaccompanied tour in Korea, to the family, “gone is gone!”

NMFA must also note that, while families of deployed servicemembers face similar costs of separation no matter where the servicemember is deployed, other pay and benefits change drastically. Servicemembers deployed to certain combat zones not only receive Imminent Danger Pay and other combat-related pays, but also are entitled to certain tax advantages. Servicemembers in other locations, such as Korea or on board ships outside combat zones, do not receive the same tax advantage. Thus, their families have similar expenses to meet with less income. To these families, last year's increase in Family Separation Allowance was an especially welcome relief to tight family budgets.

NMFA asks this Subcommittee to ensure that the amount of Family Separation Allowance remains the same for all eligible servicemembers. NMFA also asks the Subcommittee to consider indexing the Family Separation Allowance to inflation so that we do not have to wait for another war for this allowance to be increased again.

Basic Allowance for Housing

As we come to the final year of the funding initiative that has substantially bought-down average out-of-pocket housing costs, NMFA asks this Subcommittee to help address other issues related to the Basic Allowance for Housing (BAH). The issue of the housing standard on which the BAH is calculated is described in The Military Coalition's written statement. NMFA joins the Coalition in recommending that this housing standard be revised.

A second issue involves the rate protection put into effect during the first year of the increased BAH funding. Originally, DoD planned to adjust BAH up or down depending on the housing costs in an area. If housing costs declined in the area according to an annual survey done by a DoD contractor, then BAH would decline for servicemembers new to the installation. Servicemembers already at the location would be grandfathered in at the old, higher rate. If BAH increased, all servicemembers at the location would receive the increase. After the first survey figures proved incomplete or inaccurate for some of the communities designated for reductions in BAH, DoD instituted rate protection, which kept BAH from decreasing at any location. Rate protection both for individuals and locations has been in place since 2001 at installations where housing costs have declined. DoD has stated it will end rate protection after the 2005 BAH increases; BAH rates for the area surrounding the installations will then reflect the increases and decreases of the rental housing markets. Individual rate protection will continue, however. NMFA is concerned that the end of rate protection, while reasonable in ensuring that BAH accurately reflects local housing costs, could potentially disrupt both private housing markets and the military housing privatization projects that depend on BAH as their revenue stream.

If DoD decides to end rate protection, NMFA believes it must have a plan in place to ease the transition to lower rates in the affected communities. This plan must ensure BAH does not drop significantly in any one year for certain ranks, accurate housing costs surveys continue to be made, and BAH disparities between servicemembers new to the installation and those who currently there are not too large.

Military Allowances and Safety Net Programs

In testimony in June 2003 before this Subcommittee and the Children and Families Subcommittee of the Senate Health, Education, Labor and Pensions Committee, NMFA highlighted a long-standing frustration for military families: the confusion involved in how and when military allowances are counted for tax purposes or to determine eligibility for military and civilian programs. We presented the following matrix showing how the treatment of BAH results in confusion for families and disparities as they move from one assignment to another and from on-base to off-base housing.

Basic Allowance for Housing (BAH) and Program Eligibility

Program	Value of Government Quarters	Privatized Military Family Housing (BAH included on Leave and Earnings Statement)	BAH
Earned Income Tax Credit (EITC)	Excluded	Excluded	Excluded
Food Stamps	Excluded	Included	Included
WIC (USDA)	Most states exclude	Most states exclude	Most states exclude
WIC Overseas (DoD)	Excluded	N/A	Excluded
DoD Family Supplemental Subsistence Allowance (FSSA)	Included (adds in amount of BAH servicemember would have received)	Included	Included
National School Lunch Program (USDA)	Excluded	Excluded	Included
DoD Overseas Student Meal Program	Excluded	N/A	Excluded
Head Start Program	Excluded	Included	Included
Supplemental Security Income (SSI)	Excluded	Excluded	Included
DoD Child Care Fees	Includes BAH II (not geographically-based BAH)	Includes BAH II (not geographically-based BAH)	Includes BAH II (not geographically-based BAH)

As can be seen in the matrix, BAH is not even consistently treated under DoD programs. The eligibility puzzle has grown more complicated in recent years as the military Services have begun to privatize military family housing. The promise of privatization is that the Services will be able to upgrade their housing stock at a faster pace using private capital than by relying on the military construction process. By law, when housing is privatized, servicemembers must be paid BAH. The inclusion of the BAH on their Leave and Earnings Statement (LES) makes it appear that a family's income has increased, even though they are living in the same house and the BAH is immediately paid out as an allotment to the developer as rent. Legislative changes have now exempted BAH received by servicemembers in privatized housing from eligibility calculations for free and reduced lunch and regulatory

relief has been provided by the Social Security Administration to protect families' eligibility for Supplemental Security Income (SSI) when their housing is privatized.

While the protection of the status quo in determining eligibility for free and reduced lunches and SSI is a boon to families living in privatized housing, these changes exacerbate disparities experienced by military families based on where they live. Often, whether or not families live on the installation in government quarters or privatized housing is determined by chance, by the availability of housing, or the length of the waiting list, and not by choice. Young families most in need of government housing are often forced to seek housing on the economy because there is not enough junior enlisted housing available on the installation. Their BAH, however, usually does not cover their housing costs because the standard on which BAH is based is not the same as the standard used to determine the size home servicemembers receive when in government quarters. Servicemembers lucky enough to receive either government quarters or privatized housing on an installation obtain the appropriate size housing for their family size and, because the value of their government housing does not count toward eligibility for most safety net programs, they find it easier to qualify. Families in privatized housing by law may be charged no more in rent than their BAH, thus limiting their out-of-pocket costs. Thus, families living on base with fewer expenses qualify for additional support programs while families living off-base with higher housing and transportation expenses do not.

NMFA urges Members of this Subcommittee to assist in bringing a sense of order to how military allowances are counted in federal programs to ensure equitable access to these safety net services. We also ask you to help protect families against disruptions in benefit eligibility caused by the receipt of deployment pays. No family should have to face the prospect of losing valuable benefits for a disabled child because a servicemember has received deployment orders nor because they do not forfeit their military housing allowance to live in government housing. Ideally, NMFA believes tax free allowances such as BAH should not be counted under any safety net programs, which is how they are now treated in determining eligibility for the Earned Income Tax Credit (EITC). NMFA understands this could increase the number of military families eligible for some of these programs, but believes this is justified given the loss of spouse income due to military relocations and high operations tempo and the need for equitable treatment of all servicemembers. NMFA also encourages Members of Congress to raise awareness of this issue with state leaders. Military allowances also make it difficult for military families to qualify for some state safety net programs.

Inconsistent treatment of military allowances for tax purposes and in determining eligibility for safety net programs creates confusion and can exact a financial penalty on military families. A start in correcting this inequity would be to adopt a common standard in how BAH should be counted in eligibility formulas and to ensure that the receipt of deployment-related allowances do not cause military family members to become ineligible for support services for which they would otherwise be eligible.

Health Care

This year, NMFA is focused on health care transition issues: the transition to the new TRICARE contracts, Guard and Reserve family members' transition to the TRICARE benefit when the servicemember is called to active duty, and the transition that occurs during the return and reunion process as servicemembers and their families adjust to the end of a deployment.

Transition to New TRICARE Contracts

NMFA's concerns during the transition to the new TRICARE contracts revolve around the ability of families to access care in a timely manner and to have continuity of care. We are particularly concerned that information regarding any changes in the manner in which they access care will be communicated during the normal summer permanent change of station (PCS) rotation. A family may need information regarding changes that would affect them while in the moving process and at their new duty station, when in fact they are sent information regarding the changes at their current duty station.

NMFA is also concerned about the preservation of patients' continuity of care and the availability of that care in military treatment facilities (MTF) relying on resource sharing contracts with the TRICARE managed care support contractors to supply certain key personnel. These arrangements end on the day health care delivery begins under the new TRICARE contracts, as the responsibility for them shifts from the TRICARE contractor to the MTFs. NMFA is pleased that DoD has offered MTFs the opportunity of a bridge process to work with outgoing and incoming contractors to keep resource sharing providers in place until establishing their own arrangements. This bridge will preserve continuity of care for the patients, as well as access to care. Unfortunately, NMFA has heard that some MTFs are not taking advantage of this bridge option and are looking at other contracting options that will not preserve the continuity of care and access currently enjoyed by patients. The relationships resource sharing personnel have developed with patients in places such as Madigan Army Medical Center, where the pediatric clinic is staffed entirely by resource sharing, should not be severed abruptly at a time when this continuity of care is needed most.

In addition to following issues of timely access and continuity of care as the new TRICARE contracts stand up, NMFA is closely watching the simultaneous implementation of a new program, the Extended Care Health Option (ECHO). The ECHO program, incorporating changes included in the FY 2002 NDAA, replaces the current Program for People with Disabilities (PFPWD) and is coming on-line at the same time as current TRICARE regions transfer into the new three regions. The new program has increased benefits for active duty families, but it also has different requirements. Since ECHO is to be implemented as current regions transition into the new regions, families newly enrolled in ECHO may find themselves transferred to a region that has not yet transitioned. What will be the status of these ECHO families? Will they lose their new ECHO benefits until the Region where they now live is transitioned? Will they need to re-enroll in the PFPWD?

It appears to NMFA that for these concerns to be adequately addressed each Military Treatment Facility (MTF) must have a business plan fully integrated into the regional business plan several months before the transition is to take place. Yet, two of the three

regions do not currently have a Director. NMFA has been informed that the management of care in the ECHO program will be primarily a contractor responsibility. Not only do the new contractors have to transition these often very complicated cases, but must inform the families of the new benefits and new requirements of the program. However, contractors have not yet received the contract modifications necessary to implement the program; the Final Rule implementing ECHO has not yet been published in the Federal Register. The smooth transition of these very vulnerable families from one program to the other as each current region is absorbed into one of the new three regions is vital to the well-being of the family and the ability of servicemembers to perform their missions. NMFA is aware that some contractors are going above and beyond to assist with transitions; however, the level of cooperation is not the same in all areas.

When each of the current twelve regions started delivery of services, significant problems for beneficiaries developed. Over the ensuing years, most of the problems have been identified and corrected. The acceptance of, and satisfaction with, the HMO piece of TRICARE, TRICARE Prime, has steadily increased among beneficiaries. The transition to the new contracts must not put TRICARE once again at the top of concerns at beneficiary forums. Just as servicemembers are stretched thin with repeated deployments and time away from home, families are under increased stress. Problems accessing health care or difficulty in obtaining accurate information on how to do so should not be an additional part of this equation.

Guard and Reserve Health Care

NMFA is grateful to Congress for its initial efforts to enhance the continuity of care for National Guard and Reserve members and their families. Unfortunately, as discussed in The Military Coalition's statement, the temporary health care provisions enacted in the FY 2004 NDAA have not yet been implemented. NMFA is grateful to this Subcommittee for its leadership in directing DoD to establish Beneficiary Counseling and Assistance Coordinator (BCAC) positions specifically charged with supporting National Guard and Reserve members and their families with their transition to TRICARE. We believe that information and support are improving for Guard and Reserve families who must transition into TRICARE; however, we believe that going into TRICARE may not be the best option for all of these families. Guard and Reserve servicemembers who have been mobilized should have the same option as their peers who work for the Department of Defense: for DoD to pay their civilian health care premiums. The ability to stay with their civilian health care plan is especially important when a Guard or Reserve family member has a special need, a chronic condition, or is in the midst of treatment. While continuity of care for some families will be enhanced by the option to allow Guard and Reserve members to buy into TRICARE when not on active duty—if ever implemented—it can be provided for others only if they are allowed to remain with their civilian health insurance. Preserving the continuity of their health care is essential for families dealing with the stress of deployment.

Post Deployment Health for Servicemembers and Families

The Services recognize the importance of educating servicemembers and family members about how to effect a successful homecoming and reunion and have taken steps to improve the return and reunion process. Information gathered in the now-mandatory post-

deployment health assessments may also help identify servicemembers who may need more specialized assistance in making the transition home. Successful return and reunion programs will require attention over the long term. Many mental health experts state that some post-deployment problems may not surface for several months after the servicemembers' return. NMFA is especially concerned about the services that will be available to the families of returning Guard and Reserve members and servicemembers who leave the military following the end of their enlistment. Although they may be eligible for transitional health care benefits and the servicemember may seek care through the Veterans' Administration, what happens when the military health benefits run out and deployment-related stresses still affect the family? As part of its return and reunion plan, the Army's One Source contract will help returning servicemembers and families access local community resources and to receive up to six free face-to-face mental health visits with a professional outside the chain of command.

Post-deployment transitions could be especially problematic for servicemembers who have been injured and their families. These servicemembers have received excellent care through military hospitals. In many cases, their families have also received superior support services through the hospitals' Family Assistance Centers. NMFA has heard nothing but praise for the Family Assistance Center at Walter Reed Army Medical Center, where most of the most severely-injured servicemembers have been sent. Family Assistance Center staff have provided the additional support their families have needed as they begin the adjustments to changes brought by the servicemembers' injury. Wounded servicemembers have wounded families and, just as it will take some time for servicemembers physical wounds to heal, it will take time for the emotional wounds to heal. The medical handoff of the servicemember to the VA is steadily improving and the VA and DoD are working well together to improve the servicemembers' continuity of care. Ensuring the handoff to the VA or community-based support services needed by the wounded families is just as important.

The new round of TRICARE contracts must provide standardized ways to access health care across all regions and emphasize providing continuity of care to beneficiaries during the transition from old to new contracts. Families of Guard and Reserve members should have flexible options for their health care coverage that address both access to care and continuity of care. In addition, accurate and timely information on options for obtaining mental health services and other return and reunion support must be provided to families as well as to servicemembers.

Family Support

Since our testimony before this Subcommittee last year, NMFA is pleased to note the Services continue to refine the programs and initiatives to provide support for military families in the period leading up to deployments, during deployment, and the return and reunion period. NMFA remains concerned that installations must continue to divert resources from the basic level of family programs to address the surges of mobilization and return. Resources must be available for commanders and others charged with ensuring family readiness to help alleviate the strains on families facing more frequent and longer deployments. As the mobilization and de-mobilization of Guard and Reserve members continues, support for their families remains critical.

National Guard and Reserve Families

Projected force numbers for the next rotation of troops for Operation Iraqi Freedom call for 40 percent to be Guard and Reserve members. This number does not include servicemembers called up for duty in Operation Enduring Freedom in Afghanistan and those who continue to serve in Bosnia. The military family is a growing commodity across America, appearing in places where they have not usually been before. These families often find themselves a great distance from traditional military installation-based support facilities. They may also be far from the Guard armory or reserve center where their servicemember trains. How then does the family learn about all their active duty benefits or receive answers about how to follow the rules? NMFA appreciates additional funding provided in the FY 2004 Supplemental appropriations for family support services provided by the National Guard in areas away from military installations. Each state has one or more family assistance centers for these families. In some instances, it may only be a phone manned during working hours; in others, a fully-staffed information and referral office is in operation.

NMFA hears from Guard and Reserve families that community organizations like the Red Cross, the VFW, the American Legion, Employee Support of the Guard and Reserve (ESGR) and Chambers of Commerce have pitched in to help when units have been deployed. These groups provide moral support and assist when financial problems caused by either a decrease in their household income or by paperwork complications as servicemembers transfer from a state system to the defense pay system plague many families. Some states (with Illinois taking the lead) are also instituting a military family relief fund to help those families with grants. We would hope pay and paperwork problems could be eliminated. National Guard and Reserve families are proud of their servicemembers. NMFA appreciates the sacrifices they are called upon to make when their servicemember is deployed. They need equitable access to family support programs to help them through this stressful period.

What's Needed for Family Support?

Family readiness volunteers and installation family support personnel in both active duty and reserve component communities have been stretched thin over the past two years as they have had to juggle pre-deployment, ongoing deployment, and return and reunion support, often simultaneously. Unfortunately, this juggling act will likely continue for some time. Volunteers, whose fatigue is evident, are frustrated with being called on too often during longer than anticipated and repeated deployments. We now hear from volunteers and family members whose servicemember is serving in their second long deployment to a combat zone since the war on terrorism began. Family member volunteers support the servicemembers' choice to serve; however, they are worn out and concerned they do not have the training or the backup from the family support professionals to handle the problems facing some families in their units. Military community volunteers are the front line troops in the mission to ensure family readiness. They deserve training, information, and assistance from their commands, supportive unit rear detachment personnel, professional backup to deal with family issues beyond their expertise and comfort level, and opportunities for respite before becoming overwhelmed. NMFA is pleased that the Army is establishing paid Family Readiness Group positions at many installations dealing with deployments to provide additional support to families and volunteers.

NMFA knows that the length of a deployment in times of war is subject to change, but also understands the frustrations of family members who eagerly anticipated the return of their servicemembers on a certain date only to be informed at the last minute that the deployment will be extended. The unpredictability of the length and frequency of deployments is perhaps the single most important factor, other than the danger inherent in combat situations, frustrating families today. Families who can count on a set return date cope better than those dealing with an unknown return. Families and servicemembers who can count on a period at home between deployments will be more likely to choose to stay with the military. Because of the unpredictable nature of the military mission today, family members need more help in acquiring the tools to cope with the unpredictability.

NMFA applauds the increase in joint coordination to improve family readiness. As the military becomes more “joint,” it makes sense to use a joint approach to family support, providing consistent information and using scarce personnel and other resources to the best advantage. A start in improved joint family readiness support has been DoD’s establishment of a common web portal with links to military Service, private organization, and other useful government sites (www.deploymentconnections.org).

With the January implementation of Navy One Source and February roll-out of its Air Force counterpart, all active and reserve component personnel and their families can now access the “One Source” 24-hour information and referral service previously available only for Marine Corps and Army personnel. One Source provides information and assistance, not just for post-deployment concerns, but also in such areas as parenting and child care, educational services, financial information and counseling, civilian legal advice, elder care, crisis support, and relocation information. The service is available via telephone, e-mail, or the web and is designed to augment existing Service support activities and to link customers to key resources, web pages and call centers. It is also available to family center staff, many of whom tell NMFA that they regard it as a useful tool to expand the assistance they can provide families. One Source is operated for the military Services by a civilian company that provides similar Employee Assistance Programs for private industry. Early statistics on use indicate that servicemembers and families are accessing One Source primarily for everyday issues and basic information about military life. Military families who use One Source are pleased with the support and information provided. One Source also received high marks from a panel of military spouses at a Quality of Life hearing before the Military Construction Subcommittee of the House Appropriations Committee on February 25.

While NMFA believes One Source is an important tool for family support, it is not a substitute for the installation-based family support professionals or the Family Assistance Centers serving Guard and Reserve families. NMFA is concerned that in a tight budget situation, family support staffing might be cut under the assumption that the support could be provided remotely through One Source. The One Source information and referral service must be properly coordinated with other support services, to enable family support professionals to manage the many tasks that come from high optempo. The responsibility for training rear detachment personnel and volunteers and in providing the backup for complicated cases beyond the knowledge or comfort level of the volunteers should flow to the installation family center or Guard and Reserve family readiness staff. Family program staff must also facilitate

communication and collaboration between the rear detachment, volunteers, and agencies such as chaplains, schools, and medical personnel.

NMFA applauds the various initiatives designed to meet the needs of servicemembers and families wherever they live and whenever they need them and requests adequate funding to ensure continuation both of the “bedrock” support programs and implementation of new initiatives. Higher stress levels caused by open-ended deployments require a higher level of community support. Family readiness responsibilities must be clearly delineated so that the burden does not fall disproportionately on volunteers.

Education for Military Children

A significant element of family readiness is an educational system that provides a quality education to military children, recognizing the needs of these ever-moving students and responding to situations where the military parent is deployed and/or in an armed conflict. Children are affected by the absence of a parent and experience even higher levels of stress when their military parent is in a war zone shown constantly on television. The military member deployed to that dangerous place cannot afford to be distracted by the worry that his or her child is not receiving a quality education. Addressing the needs of these children, their classmates, and their parents is imperative to lowering the overall family stress level, and to achieving an appropriate level of family readiness. But it does not come without cost to the local school system.

NMFA is pleased to report that most schools charged with educating military children have stepped up to the challenge. They have become the constant in a changing world and the place of security for military children and their families. The goal, according to one school official, “is to keep things normal for the kids.” The schools’ role is to “train teachers in what to look for and deal with what they find.” NMFA received many positive stories from parents and schools about how the schools have helped children deal with their fears, keep in touch with deployed parents, and keep focused on learning. We have also heard stories of schools helping each other, of schools experienced in educating military children and dealing with deployment-related issues providing support for school systems with the children of activated Guard and Reserve members. In the process, many schools have increased the understanding of their teachers and other staff, as well as their entire communities, about issues facing military families. The Department of Defense is supporting this effort in several significant ways. Late last year, DoD launched a new education website (www.militarystudent.org) to provide information on a variety of education topics to parents, students, educational personnel, and military commanders. Its information is especially valuable for schools and families dealing with the issues of deployment for the first time. NMFA is also pleased to report that other Services are following the Army’s lead and hiring fulltime School Liaison Officers at certain installations. The Army not only has School Liaison Officers at all locations, but has also expanded to provide these information services to the reserve components, recruiters and other remotely-assigned personnel and their families.

NMFA is appreciative of the support shown by Congress for the schools educating military children. It has consistently supported the needs of the schools operated by the DoD Education Activity (DoDEA), both in terms of basic funding and military construction.

Congress has also resisted efforts by a series of administrations to cut the Impact Aid funding so vital to the civilian school districts that educate the majority of military children. NMFA is also appreciative of the approximately \$30 million Congress adds in most years to the Defense budget to supplement Impact Aid for school districts whose enrollments are more than 20 percent military children and for the additional funding to support civilian school districts who are charged with educating severely disabled military children. NMFA hopes, however, that DoD would request the supplement to Impact Aid, rather than wait for Congress to add it. Building this funding into its budget request would signal to school districts and military families that the Department wants to ensure better quality in all schools educating large numbers of military children, not just those in DoD schools. Requesting this funding will also signal that DoD recognizes that it may need to assist schools with security, school construction, or special learning programs if the presence of military children or DoD programs and policies cause a loss of school funding or increased expenditures that cannot be met through Impact Aid or other Federal, state, or local programs.

DoDEA

Department of Defense schools are located in overseas locations (DoDDS) and on a small number of military installations in the United States (DDESS). The commitment to the education of military children in DoD schools between Congress, DoD, military commanders, DoDEA leadership and staff, and especially military parents has resulted in high test scores, nationally-recognized minority student achievement, parent involvement programs and partnership activities with the military community. This partnership has been especially important as the overseas communities supported by DoDDS and many of the installations with DDESS schools have experienced high deployment rates. DoD schools have responded to the increased operations tempo with increased support for families and children in their communities.

While DoD schools have been immune from some of the constraints besetting civilian schools affected by state and local budget pressures, military families served by DoD schools have expressed concerns in recent years about DoD rescissions that cause cuts in maintenance, staff development, technology purchases and personnel support and also forced the elimination of some instructional days in some districts. Because the timing of the federal fiscal year is out of sync with the school year, NMFA believes this calendar mismatch may tend to worsen the impact of mid-year Department-wide budget re-allocations on the school system and the children it serves. We urge Congress to ensure that DoD schools have the tools they need to plan and execute school budgets that support the increased mission these schools and their communities face.

NMFA also asks this Subcommittee to understand the importance military parents attach to schools that educate their children well. DoD is currently preparing a Congressionally-requested report to determine whether it could turn some DDESS districts over to neighboring civilian education agencies. While NMFA does not object to the concept of a report to determine whether school systems are providing a quality education, using tax dollars well, or are in need of additional maintenance or other support funding, we are concerned about the timing of the study and the reaction it has caused in communities already dealing with the stress of the war and deployments. Families in these communities wonder

why something that works so well now seems to be threatened. NMFA attended an October 2003 community-input forum sponsored by the Director of DoDEA. We were impressed not just with the strong support commanders and other community leaders gave to these schools, but also with the efforts they had made to reach out to local civilian schools to improve education for all military children.

NMFA applauds the DoD vision that the Department focus on quality education for all military children. We have stated for years that DoD needs to do more to support civilian school districts educating most of the 85 percent of military children who do not attend DoD schools. We believe, however, that shifting children from highly successful, highly-resourced DoD schools to neighboring districts may cause more harm than good to both military children and their civilian peers. Adding to the stress in military communities also harms the education of military children. NMFA does not know what DoD's final recommendations will be. We encourage Members of Congress to study those recommendations closely before making any decision that could damage the educational success the DDESS schools have achieved.

Improving Education Quality for all Military Children

Despite the success of the DoD schools in raising achievement levels, it is important to remember most military children are dependent on civilian school districts, often varying in quality and responsiveness to their families' concerns and the demands of the military lifestyle. Because military families move on average every 2.9 years, their children are often placed at an educational disadvantage, even by many well-intentioned programs and rules designed to improve school quality. Military parents applaud higher accountability standards—they want the best possible instruction for their children as well as the most rigorous course offerings possible. They do not want their children punished, however, when the various Federal and state initiatives clash, causing difficulties for mobile children. Because of varying course standards, school schedules, and state graduation requirements, military children sometimes lose credits needed for graduation. Currently, at least 18 states have graduation requirements linked to performance on state exit exams and several others are developing exit exams. With the rise of exit exams and increased graduation requirements, transfers are becoming more problematic, especially in the high school years.

NMFA applauds DoD initiatives to work with states to ease these transition issues for military children. We commend states that are also working to become more military-family-friendly, especially in the areas of education and spouse employment. We believe this coordination between DoD and the state and local entities charged with educating military children will bring an increased awareness to civilian neighborhoods about the value the military brings to their communities. To the military Services, this collaboration will bring a better awareness of the burden being shouldered by local taxpayers to educate military children. To military children and their parents, this collaboration shows that quality education is a shared priority between the Department of Defense and their local schools.

Schools serving military children, whether DoD or civilian schools, need the resources available to meet military parents' expectation that their children receive the highest quality education possible. Impact Aid funding for both on and off-base children

and the DoD supplement to Impact Aid provide needed funds in lieu of lost tax revenue and help districts meet the additional demands caused by large numbers of military children. Initiatives to assist parents and to promote better communication between installations and schools should be expanded across all Services. Military children must not be placed at a disadvantage as State and Federal governments devise accountability measures.

Commissaries and Exchanges

Commissaries are consistently valued by all members of the military community as a top benefit. In the most recent Status of Forces Survey of Active Duty Members, done in July 2002, 67 percent of servicemembers surveyed reported they were either satisfied or very satisfied with commissaries and exchanges, the highest satisfaction rate for any quality of life program. Delegates to the 2003 Army Family Action Plan Conference rated the commissary as their fourth most-valuable service, following health care, the Army Family Action Plan, and Army Community Services. Every time they go to the commissary, families note the savings. According to the most recent figures NMFA has obtained from the Defense Commissary Agency (DeCA), these savings are 32.1% compared to commercial super centers and grocery stores—that translates to an annual savings of almost \$2,700 for a family of four. These savings are especially important to young families and to families overseas or in remote or high cost areas in the United States. An Air Force family member stationed in Hawaii told NMFA what the commissary benefit means to her family: “After a couple of walks through the local grocery store here, the commissary benefit is obvious--\$2.65/gallon instead of \$6.85 for milk, 12 cents instead of 30 cents a package for ramen, 50 cents instead of a dollar/pound for bananas, and the list goes on.”

Commissaries

The past year has been a challenging one for many of the beneficiaries served by DeCA and, we believe for the Commissary Agency itself. A war with large-scale deployments and redeployments, a major hurricane in the East, a multi-state blackout, wild-fires in the West, and a major distributor bankruptcy, plus news coming from inside the Beltway on possible changes to the commissary system, combined to add to the stress experienced by military families and the people charged with supporting them. NMFA believes these events—and the reactions to them—served to highlight the value of the commissary benefit to the military community and the high return on investment the government receives from its \$1.1 billion commissary appropriation.

NMFA believes DeCA’s successes in improving customer service, the cleanliness and functionality of its stores, outreach to beneficiaries, and the quality of produce and meat, in addition to increasing customer savings, have been made possible through its ability to remain focused on gaining efficiencies and creating initiatives to enhance its service to beneficiaries. We also believe that these initiatives bring value to the government and to the American taxpayer by leveraging the appropriated funds DeCA receives into a military benefit valued at a much higher level by beneficiaries and by the actual savings delivered. Because of the value commissaries add to the quality of life of individual servicemembers, retirees, families, survivors, and the military community, NMFA is very concerned that this benefit be preserved as part of the military compensation package.

During the past year, DoD announced plans to close a number of commissaries, replace the traditional three-star officer serving as chairman of the Commissary Operating Board (COB) with a political appointee, and require a study on instituting variable pricing for commissary products. These proposals are apparently intended to save money by reducing DeCA's annual appropriation. NMFA is concerned the recommendation to "civilianize" the chairmanship of the COB is another indicator of DoD's ongoing interest in eventually privatizing the benefit, which NMFA opposes. NMFA believes uniformed military leaders, who are responsible for the well-being of their Soldiers, Sailors, Airmen, and Marines, must continue to maintain their leadership function on the COB to provide oversight of this important benefit.

NMFA is also opposed to the concept of variable pricing. We believe it is being proposed solely as a strategy to reduce appropriated funding for the commissary benefit. With average savings currently at approximately 32 percent, we cannot understand why the administration's proposal for variable pricing sets a benchmark of 30 percent. While we agree more needs to be done to increase savings in some locations, we do not believe a procedure that disrupts the well understood pricing formula of cost plus 5 percent provides a better benefit. Encouraging DeCA to continue implementing efficiencies and to work with its vendors to secure the lowest prices possible will provide the best benefit over the long term and increase average savings for the customer. If vendors are already selling goods to the commissaries at their best possible price, how long will they continue to do so if local commissaries can raise those prices simply to compensate for cutting prices on other products? It seems to us that implementing variable pricing on a worldwide scale would also require increased staffing to manage the process. These new positions would either have to come from existing staffing levels—which NMFA believes are already dangerously close to the minimum needed at the store level to maintain quality customer service—or would require more, not less, operating funds. NMFA fails to see the benefit to either the customer or the taxpayer in this proposal.

NMFA appreciates the strong stand taken by Members of Congress and senior military leaders, including the COB and U.S. Army Europe (USAREUR) Commander General B.B. Bell, in support of retaining the commissaries recommended for closure. Senior DoD officials have in the past cited the special importance of commissaries to servicemembers and families stationed overseas and in isolated communities in the United States. NMFA, therefore, was dismayed that the list of closures released in August 2003 contained so many stores in remote locations. Families also were dismayed. NMFA heard from many families who shared driving times and distances not just to the nearest commissary, but to the nearest civilian grocery store. Quality of life issues, such as high cost of living in the surrounding civilian community, remote locations, and the need to provide an American-like grocery benefit and "touch of home" in overseas communities must always take precedence over cutting an appropriation that consistently provides the Department with a high return on its investment. NMFA also heard from Guard and Reserve servicemembers and families who noted the irony of their receipt of full commissary access just at the time when the benefit they had just won seemed to be under fire. NMFA would also hope that the impact on all categories of beneficiaries—

active duty, retiree, National Guard, and Reserve—be considered in any decision to close individual commissaries.

NMFA thanks Members of this Subcommittee for its understanding of the commissary's importance to the military community and of the impact proposals to change the benefit have on a community under stress. We urge you to continue your efforts to keep this benefit strong.

Quality of life considerations must be given high priority in any decision to close individual commissaries. NMFA opposes all privatization and variable-pricing initiatives and strongly supports full or even enhanced funding of the commissary benefit to sustain the current level of service for all patrons: active duty and Guard and Reserve servicemembers, retirees, their families, and survivors.

Exchanges

Active duty and reserve component servicemembers, retirees, their families, and survivors consistently rate the military exchanges as important quality of life components. Beneficiaries value the exchanges—to include the vendors in exchange malls and the ancillary services such as service stations, barber shops, and shoppettes—because they provide a great service to the local community where they serve and live. Beneficiaries value low everyday prices on consumer goods and the convenience of catalog and Internet mail order services. The exchanges' online store, operated by the Army and Air Force Exchange Service (AAFES) continues to increase in popularity, especially among Guard and Reserve members and retirees who do not live near an installation, deployed servicemembers, and families stationed overseas.

The exchange services also bring a touch of home to deployed servicemembers, through ship stores in the Navy and through AAFES activities in deployed areas. Exchange employees provide retail operations, name brand fast food outlets, Internet cafes, and phone services in many remote areas. NMFA applauds the exchange employees who have deployed with the troops and who serve them in often dangerous and remote locations. AAFES "Gifts from the Homefront" program allows people to purchase AAFES gift certificates that can be sent to individual authorized patrons or donated to deployed servicemembers through the Red Cross, Air Force Aid Society, or the Fisher House. This program operates in a similar fashion to DeCA's "Gift of Groceries" program.

The exchanges not only provide essential goods and services, but also generate vital funding for a variety of important Morale, Welfare and Recreation (MWR) programs that are essential to maintaining a high quality of life for members of the military community. Funds generated for MWR by the exchanges are funds that do not have to be provided by the servicemembers and their families to support these programs.

NMFA applauds outreach efforts by the military exchanges to support military families and to recognize the contributions of retirees to the military community. We do note that, while improving, exchanges in many locations still need to work on their product lines to ensure that brand name goods in a variety of price points are available to meet the needs of

the very diverse beneficiary population. Exchanges must also strengthen their promise to the community and ensure that exchange prices in the products they carry are comparable, not just to identical brands, but to other brands of similar quality in civilian stores. Military beneficiaries want to make their exchange their store of choice. An exchange that does not carry the goods they need, in the price range they can afford, or with the quality they expect will not be their first choice.

Tighter security requirements, reduced ease of access in some cases, increased deployments, changing buying habits of beneficiaries, and the upcoming round of Base Realignment and Closure (BRAC) pose challenges for the military exchange systems. NMFA sees even greater challenges ahead in preserving adequate funding levels for MWR programs. NMFA has in the past supported the decision to keep the exchange systems separate while encouraging the adoption of common behind-the-store systems where efficiencies are viable. These areas include purchasing, distribution and logistics, finance, information systems, and other administrative functions. The exchanges are partnering successfully on certain private label brands and NMFA encourages more of these partnerships in the future to ensure that funds generated by exchange sales are available to be used for MWR programs and not needed to fund the administration of the exchange systems.

NMFA has been following the work of DoD's Unified Exchange Task Force (UETF) closely to determine whether the DoD proposal to combine the exchange systems will have the potential to increase funding available for MWR while ensuring responsiveness to the needs of the beneficiaries and their communities. We thank the leadership of the UETF for its efforts to keep NMFA and other associations informed about its vision, goals, and research into how to design a uniform exchange system. While we appreciate the responsiveness of the UETF, however, NMFA must note that the Task Force cannot yet answer what is to us the critical question: How will this affect the beneficiaries? We believe the issue at stake in this discussion is bigger than a question of whether or not to combine the exchanges. MWR revenues support a variety of the most basic support programs available for families, single servicemembers, and other members of the military community. NMFA most wants to know whether consolidation will provide enough savings to support MWR programs at the level needed to support the community. If not, what else do we need to ensure the viability of these programs? NMFA also wonders how the costs of transitioning to a consolidated system will be covered. We believe the MWR funding stream must be protected and do not want to see funds diverted, even with the promise of savings and recovered revenue in future years. Families tell us that MWR programs are stretched too thin now to be asked to forego revenues in order to pay for a transition to a consolidated exchange system. We also wonder how funds generated by a consolidated system will be reapportioned back to the Services and installations in a way that takes into account Service size, sales generated, community needs, and the multi-Service and combined active and reserve component missions of some installations.

Consolidation issues that most concern NMFA are those that may require the maintenance of a Service-specific program, such as the Navy's Ship Stores. We are also concerned about a local exchange manager's ability, under a consolidated system, to provide certain Service-specific programs or incentives. For example, at the Quantico Marine Corps

Base, exchange shoppers can receive “child care bucks” when spending certain amounts at the exchange. These coupons can be used to pay for child care at the installation Child Development Center. NMFA thinks this is a wonderful initiative at an installation serving many young families; it helps them pay for child care and it makes the exchange their store of choice. We believe this program is made possible because of the integration of child care programs and the exchange as part of Marine Corps Community Services. We wonder whether this program, or similar tie-ins between exchanges and MWR programs, could continue under a consolidated exchange system.

NMFA appreciates the willingness of the Unified Exchange Task Force to engage in dialogue with beneficiary associations and to seek beneficiary input on issues related to a potential consolidation of the exchange systems. NMFA cannot take a position on exchange consolidation, however, until it is presented with more information on the costs involved in moving to a consolidated system and the effects on the flexibility of a local exchange to respond to the needs of the community and to offer products and services tailored to that community. NMFA asks this Subcommittee to provide the oversight necessary to ensure that the exchanges, whether or not they consolidate, continue to provide appropriate product choices, competitive prices, and increased funding for MWR programs.

BRAC

The publication in the Federal Register of the criteria DoD will use in developing recommendations for closure and realignment under the next BRAC round prompted a heightened concern in the military community about the future status of military installations and the continued availability of vital quality of life programs. Members of the military community, especially retirees, are concerned about the impact base closures will have on their access to their health care, commissary, exchange and MWR benefits. They are concerned that the size of the retiree, Guard, and Reserve populations remaining in a location will not be considered in decisions about whether or not to keep commissaries and exchanges open.

NMFA was pleased to see that the Department’s discussion of the comments received (included in the Federal Register posting of the final BRAC criteria) provide evidence that quality of life issues will be considered. In responding to comments arguing that a closure’s potential impact on retiree access to benefits such as commissaries and health care be considered, DoD noted that “while military value criteria must be the primary consideration, the impact of a closure or realignment on the local community, including military retirees residing therein, will be considered” in applying several of the other criteria. Some comments received by the Department addressed criterion #7, “the ability of both the existing and potential receiving communities' infrastructure to support forces, missions, and personnel.” These comments emphasized that the Department should look at the quality of life provided to servicemembers and their families. DoD’s response is encouraging:

The Department agrees that the quality of life provided to its military personnel and their families significantly contributes to the Department's ability to recruit and retain quality personnel. Military personnel are better able to perform their missions when

they feel comfortable that their needs and those of their families are taken care of. Quality of life is captured throughout the criteria, particularly criterion seven

NMFA is also concerned about the availability of schools, commissaries, exchanges, and MWR programs during shifts in troop populations during a CONUS BRAC or realignment of troops overseas. We look to Congress to ensure DoD's plans for these troop shifts will maintain access to quality of life programs and support facilities until the last family leaves the installation. In the same manner, we ask you to ensure that houses, schools, child development and youth programs, and community services are in place to accommodate the surge of families a community can expect to receive as a result of the movement of troops to a new location.

Strong Families Ensure a Strong Force

Mr. Chairman, NMFA is grateful to this Subcommittee for its oversight of vital quality of life components for today's force and for your advocacy for a better quality of life for servicemembers and their families. Just as the family worries about the deployed servicemember, the servicemember's constant concern is about the well-being of his or her family. In the dangerous environment in which they must frequently operate, servicemembers cannot afford to be distracted by concerns at home. Assuring the servicemember that the decision to serve will not penalize the family is critical to the servicemember's readiness and thus to mission readiness. The stability of the military family and community and their support for the forces rests on the Nation's continued focus on the entire package of quality of life components. Military members and their families look to you for continued support for that quality of life. Please don't let them down.