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Mr. Chairman and distinguished members of this Subcommittee, thank you for this opportunity to discuss our programs supporting the well-being of military families. Let me begin by addressing issues recently in the news.

Current Events

Last week, Secretary of Defense Gates announced his decision to extend from 12 to 15 months the tours for active Army soldiers in Central Command. That was a difficult decision for the Secretary as these longer tours will be hard on Army families. While a 15 month tour is an unpleasant prospect, we hope this decision will allow most soldiers a full year at home between deployments and will preclude the need for unplanned tour extensions during a deployment. As a result, Secretary Gates was able to provide a measure of predictability and stability for soldiers and their families.

As you know, we are fully investigating the care provided to our wounded, including outreach to and support for families. Earlier this week, we received the report of the Independent Review Group established by Secretary Gates. We appreciate their work and are moving quickly to evaluate their recommendations. We also await the findings of the President's Commission on Care for America's Returning Wounded Warriors, Secretary Nicholson's Interagency Task Force on Returning Global War on Terror Heroes, and the Veterans' Disability Benefits Commission. As these or our own investigations identify areas demanding improvement we will act—and that includes seeking legislation from the Congress, should that be necessary.

Last year, Congress passed legislation to eliminate predatory lending to members of the Armed Forces. Last week, the regulations called for in the law were published in the Federal Register, beginning a 60 day comment period. We are on track to have those regulations in effect by October 1, 2007, as intended by the Congress. Elimination of predatory lending will make a big difference to the financial well-being of our young enlisted families. Thank you for your strong support.

Families: the Heart and Soul of Troops on the Battlefield

This is the sixth year of sustained combat and the resiliency of service members and their families is nothing less than remarkable.

Our military families are the heart and soul of troops on the battlefield and when they call back home they want to hear, "We're doing fine.....we miss you but we are doing fine." The Department made family support a priority and redesigned and boosted family support in a number of ways to recognize the crucial role families play in supporting service members on the battlefield.

Of paramount importance to those deployed is to know that their families have good support and someone to reach out to while they are away. Without a doubt, families also serve and sacrifice.

What makes a difference for families back home.

Communication with their loved ones: Military spouses indicate that being able to communicate with their loved one is the number one factor in being able to cope with deployments. Back home, computers and Internet service at base libraries, family support centers, and youth centers ensure families can send and receive e-mails from their loved ones who are deployed. This communication is essential to morale and to our ability to sustain deployments.

In the deployed environment, phone banks with Internet hook ups are readily available in base camps. Free morale calls are also regularly available in theater. Morale programs include 145 free MWR-operated Internet cafes in Iraq and 30 Internet cafes in Afghanistan. Mobile Internet cafes offer Internet Protocol phone service at less than 4 cents per minute. The cost of phone calls is now much reduced through work with telecom companies. Telephone calls once a dollar or more a minute are now down to 19 cents a minute. Our exchanges also provide unofficial telephone service at low international per minute rates for deployed members on land and sea (19 cents in Iraq and Afghanistan and 45 cents aboard ship).

Communication strategy: In partnership with the military services, the Department leveraged the power of technology to provide Service members and their families with reliable information, as well as someone to talk to 24/7. Our new capability is two pronged. Through our Military HOMEFRONT web portal

and our toll free call center and interactive Web site, Military OneSource, we provide credible, confidential support in a convenient and efficient manner. The success of our technological outreach services has been phenomenal.

The cornerstone of our communication strategy is Military OneSource (www.militaryonesource.com or 1-800-342-9647). Military OneSource has quickly become the trusted source of information and assistance for Service members and their families. Military OneSource is a referral service that provides information and assistance on a wide range of issues. Topics include parenting, child care, educational services, financial information and counseling. Individualized assistance is available by telephone, email, or the Internet. Department survey results indicate that one in five Service members used Military OneSource in the previous 12 months. The current call volume is almost 1,000 calls per day. In FY 2006, there were on average 125,000 on-line visits per month.

The 2006 Army Family Action Plan Conference designated Military OneSource as the number one program in support of mobilization, deployment, and family readiness. The organization praised Military OneSource as a benchmark program that is not dependent on family geographic location or branch of Service, or component (Active or Reserve) within a Service.

The second part of our communication strategy is Military HOMEFRONT, (www.MilitaryHOMEFRONT.dod.mil). Our award-winning, “best in government” quality of life web portal is a user friendly site that provides easy access to all of the on-line information about the Department’s quality of life programs. In FY 2006, there were over 25 million hits and 1.5 million visitors.

Two new applications, *Military Installations* and *Plan-My-Move*, add a new dimension to the HOMEFRONT. For the first time, Service members can access the on line *Plan-My-Move*, interactive moving program that provides tools for budget planning, customized calendars, household goods inventories and much more. *Military Installations* provides directions to programs, services and facilities for military bases, National Guard offices and Department of Veterans Affairs (VA) facilities worldwide. *Military Installations* allows families to find relocation information tailored to their specific needs, whether they are moving overseas, moving a family member with special needs, moving with children, or seeking employment for a spouse after a move. These programs are part of our commitment to military families, and provide information families need to deal with their mobile military lifestyle. These services can also be accessed through Military OneSource.

Counseling: Demand for family assistance and military member counseling more than doubled over the last year. The Department is aggressively and very successfully addressing the stressful effects of repeated deployments by increasing availability of family assistance counseling. This short term, situational, non-medical problem-solving support is designed to help Service members and their families cope with normal reactions to stressful situations. All the Military services use this resource that is intended to augment existing military support services during the cycles of deployment and reintegration. Counseling support is available both on and off military installations in the United States and overseas. Up to six sessions of counseling per situation can be requested by individuals and families. The counseling, provided by licensed and credentialed professionals, is confidential and optimally available within a 30 minute drive time of the individual requesting services. Counselors are trained to assist families with life management issues such as reunion expectations, loneliness, stress, long separations, differences after a year apart, effects of deployment on children, loss and grief, and how best to reintegrate into family life. Financial counseling is also available to help with today's complex financial decisions and the added complication of family separations.

Counseling support is designed to be extremely responsive and flexible in order to meet emergent needs. For example, during the recent extensions of the Stryker Brigade at Fort Wainwright and Fort Richardson, Alaska, the 1st/34 Brigade from the Minnesota Army National Guard, and the Third Brigade of the 10th Mountain Division at Fort Drum, counselors were immediately deployed—at the request of the home station commanders—to support the families.

Counselors are also available to meet returning aircraft when Service members arrive at home from deployment. Counselors speak at Family Readiness Support Groups and town hall meetings. Psycho-educational presentations are provided by counselors to help Service members and families understand the emotional challenges they may experience during the current high-stress military environment. The counselors also provide support to the Department's summer youth programs, the National Guard Summer Programs, and the National Military Family Association Operation Purple camps. Services are available to children, parents, and staff.

Our families are managing successfully. New research shows that divorce rates are no higher than they were ten years ago, when demands on the military were less intense. Commitment remains strong from both family members and service members. Still, even resilient warriors and families sometimes need professional

assistance to sustain continued deployments. Non-medical counseling is helping young families cope and is often that necessary ounce of prevention that enables them to cope successfully with the challenges of military life.

Child Care: Military parents rely on child care and youth programs during deployments to help them manage their rigorous work schedules. Upon deployment, the remaining parent becomes a single parent. Forty-two percent (42%) of E1-E4 Service members reported that managing child care schedules was a moderate to very serious concern during their last deployment. Therefore, having affordable, available child care is an important stress reliever for many families.

In FY 2006, the Department moved forward with the emergency intervention strategy to address the most pressing child care needs at locations affected by high deployments and rebasing. To continue the effort, the Department dedicated \$82 million toward the purchase of modular facilities, and to renovation and expansion of existing facilities. This intervention will create approximately 7,000 additional child care spaces in 37 new child care centers and additions/renovations to child care centers at 42 high personnel tempo locations.

Providing child care for the Reserve and Guard presents challenges. Difficulties arise because of many factors; families do not generally receive services from an active duty installation and support systems available in the community may not be sufficient when a service member deploys. The Department supports the child care needs of Reserve Component families through several initiatives to include:

Operation: Military Child Care is a Department partnership with a national non-profit organization that helps families/child guardians locate child care at reduced rates in their own communities when they are unable to access child care on military installations.

Operation Military Kids is the Army's collaborative effort with community agencies to support the 'suddenly military' Reserve Component children and youth before, during, and after the deployment of a parent or loved one. In Fiscal Year 2006, more than 29,000 youths in 34 states participated in *Operation Military Kids* activities.

In 2007, a new *Coaching for Young Families* initiative will provide 20 full-time positions offering counseling support to families with young children in high deployment areas. Twelve of the 20 consultants will work at National Guard and Reserve Component locations.

Challenges of Deployment and War

Extensions of deployments are particularly stressful to families who desire predictability of return and to troops who do not want to disappoint their families. Properly handling notification of military members and families in case of an unplanned deployment extension is essential and every effort is made to notify members and then, expeditiously, families. The speed with which the news media can disseminate information can make it difficult for the chain-of-command to provide the first notification to families of a deployment extension. We are reviewing our processes to ensure these we get news to the families first whenever we can.

Health Care: We know that everyone who goes to war changes. We also know that families, particularly those who live far away from a military base, may feel alone and worried about their loved ones who are deployed, injured, wounded or sick.

In addition to the TRICARE Prime and TRICARE Standard benefit, TRICARE beneficiaries who need assistance with depression, stress-related illness, chemical dependency, alcohol-abuse problems or other related issues should know that TRICARE offers a wide range of mental-healthcare services. Access to those services, also known as behavioral health care, is easy and convenient.

To supplement the TRICARE benefit, the military health system added the Mental Health Self-Assessment Program (MHSAP) in 2006. This program provides military families, including National Guard and Reserve families, Web-based, phone-based and in-person screening for common mental-health conditions and customized referrals to appropriate local treatment resources. The program includes screening tools for parents to assess depression and risk for self-injurious behavior in their children. The MHSAP also includes a suicide-prevention program that is available in Department schools. Spanish versions of these screening tools are available.

For families who are visiting a loved one who is severely injured, wounded or sick, the military health system is developing the *Family Transition Initiative*. Working jointly with the VA, our mission is to improve the transition process for

families of seriously injured inpatient Service members who are transferring to VA Polytrauma Centers. The Department and VA will recommend a systematic approach to prepare and support patients and families during the transition of inpatient care between the two departments. We are currently conducting an inventory of existing Department and VA family support programs and will base recommendations on the programs that work best.

The Family Transition Initiative is also addressing the communications gaps and addressing such issues as allowing family members to meet staff members from a new facility before transition. We are also addressing the fact that family members may also have healthcare needs while visiting their loved ones. Family members may not be eligible for TRICARE or VA benefits, and we must ensure their healthcare needs are met.

The Department and VA will deliver a report to the Health Executive Council with recommendations for the *Family Transition Initiative* by June 2007.

Casualty Assistance: The Department takes very seriously its responsibility to provide assistance to families of fallen Service members and continues to explore new methods, procedures, and policies to enhance the current level of assistance. Each Service has its own customs, but all see assistance to families of the fallen as a top priority. The Army, Navy, and Marine Corps assign a uniformed member to assist the family, while the Air Force provides assistance through a full time civilian Casualty Assistance Representative and a family liaison officer. The Services have developed programs to provide personal assistance as long as the families desire contact and stand ready to respond whenever a concern arises.

The Department collaborates with the VA, the Social Security Administration (SSA) and multiple non-governmental agencies and family advocacy groups to improve support to families. In March 2006, the Department published "A Survivor's Guide to Benefits, Taking Care of Our Own". It was subsequently updated in June and in November. This guide is on the Military HOMEFRONT website, and is always available in its most current version. The guide details the Federal benefits available to families of Service members who die on active duty, to include coordinated benefit information from the DoD, VA, and SSA.

For Service casualty staff and military widows, the Department created "The Days Ahead, Essential Papers for Families of Fallen Service Members", a tool designed to assist families in organizing the avalanche of paper work that is necessary as a family applies for and receives Federal benefits as a result of an active duty death. Spouses who receive "The Days Ahead" notebook will also receive a print copy of

the most recent version of "A Survivor's Guide to Benefits" and another excellent resource, "The Military Widow" by Joanne Steen and Regina Asaro; the first book specifically focused on the unique challenges women face when they become military widows.

Transportation of Fallen Loved Ones: The Department believes that the return of the remains of our fallen to their families must be handled as expeditiously as possible, with the utmost care, dignity and respect. In the past, when the return of the fallen included air transportation, the primary mode of air transportation was scheduled commercial service. With the enactment of Section 562 of the John Warner National Defense Authorization Act for Fiscal Year 2007, effective 1 January 2007, dedicated military or military-contracted aircraft is the primary mode of air transportation of remains that are returned to the United States from a combat theater of operations through the mortuary facility at Dover Air Force Base (AFB). Commercial air may only be authorized at the request of the person designated to direct disposition. The Department has recently expanded this provision to include transportation for all personnel who die of their wounds or injuries sustained in a combat theater of operations regardless of whether the remains are processed through Dover AFB.

A member of the Armed Forces, in an equal or higher grade, escorts the fallen Service member's remains continuously until arrival at the applicable destination. At the arrival airfield, an honor guard detail is available to render appropriate honors and participate in the off-loading of the flag-draped casket from the aircraft to awaiting ground transportation for onward movement to the funeral home or cemetery.

Since families still sometimes choose the use of commercial air, the Department continues to work with the commercial airline industry to ensure that all actions are taken to ensure our fallen are handled with the highest level of respect. The airline industry responded to this request for support in a very positive way. Examples include: seat upgrades for escorts for easy exit to perform their duties, airplane access for honor guards to participate in the off-loading of the flag-draped casket from the aircraft, coordinated access to the airport tarmac for the escort, honor guard details, family members, the funeral home hearse, and in many cases community based support groups wishing to show their respect and participate in the arrival of a local hero. When such access to the airplane or tarmac has not been possible because of security or safety requirements, several airlines responded by producing transport carts dedicated specifically for the movement of Service member remains.

Recently, the Department initiated an “Honor Cover” for the standard air tray required in the transport of caskets. The honor cover has a rendering of the American flag on the top and the Department’s seal on each end. This cover provides greater visibility and conveys the appropriate level of respect to the fallen while in transit.

Expedited Citizenship: Gaining citizenship for a non-US Service member is not only a satisfying, and often a life-long goal for that individual – it also provides a stepping stone for members of the family to become citizens, an opportunity that will benefit generations to come. For those who serve their country, obtaining citizenship should be achievable in a reasonable amount of time. The Department works closely with the Department of Homeland Security's U.S. Citizenship and Immigration Services (USCIS) to expedite citizenship applications for non-US citizens who serve honorably in our Armed Forces. USCIS established an office in 2002, dedicated to work all military citizenship applications. Since September 11, 2001, nearly 32,000 Service members have obtained citizenship as of March 19, 2007, and the average processing time has been reduced from nine months to less than 60 days. USCIS has entered into an agreement with the FBI to permit the use of military member fingerprints provided at the time of enlistment for processing military member citizenship applications. This eliminated the need for Service members to travel, in some cases hundreds of miles, to be fingerprinted at a USCIS office and has further reduced citizenship application processing time.

The Department also continues to work closely with USCIS to conduct naturalization interviews and swearing-in ceremonies overseas and onboard ships. As of March 19, 2007, over 3,400 military members have been naturalized at overseas ceremonies conducted since October 1, 2004.

Military Severely Injured Center: The Department is committed to providing the assistance and support required to meet the challenges that confront our severely injured and wounded Service members and their families during the difficult time of transition. Each Service has programs to serve severely wounded from the war: the Army Wounded Warrior Program (AW2), the Navy SAFE HARBOR program, the Air Force Helping Airmen Recover Together (Palace HART) program, and the Marine4Life (M4L) Injured Support Program. DoD's Military Severely Injured Center augments the support provided by the Services. It was established in December 2004 and continues to be even more robust today. It reaches beyond the DoD to coordinate with other agencies, to the nonprofit world, and to corporate America.

It serves as a fusion point for four federal agencies - DoD, the VA, the Department of Homeland Security's Transportation Security Administration, and the Department of Labor.

Federal Partners. The Military Severely Injured Center unites federal agencies through a common mission: to assist the severely injured and their families.

- The VA Office of Seamless Transition has a full-time liaison assigned to the Center to address VA benefits issues ranging from expediting claims, facilitating VA ratings, connecting Service members to local VA offices, and coordinating the transition between the Military and the VA systems.
- The Department of Labor (DOL) has assigned three liaisons from its Recovery & Employment Assistance Lifelines (REALifelines) program which offers personalized employment assistance to injured Service members to find careers in the field and geographic area of their choice. REALifelines works closely with the VA's Vocational Rehabilitation program to ensure Service members have the skills, training, and education required to pursue their desired career field.
- The Department of Homeland Security's Transportation Security Administration has a transportation specialist assigned to the Center to facilitate travel of severely injured members and their families through our nation's airports. The Center's TSA liaison coordinates with local airport TSA officials to ensure that each member is assisted throughout the airport and given a facilitated (or private) security screening that takes into account the member's individual injuries.

Non-Profit Coordination. The MSI Center has coordinated with over 40 non-profit organizations, all of which have a mission to assist injured Service members and their families. These non-profits offer assistance in a number of areas from financial to employment to transportation to goods and services. Many are national organizations, but some are local, serving Service men and women in a specific region or at a specific Military Treatment Facility. Some of the many organizations that are providing assistance are the Wounded Warrior Project, the Injured Marine Semper Fi Fund, the VFW, the American Legion, Disabled American Veterans, the Coalition to Salute America's Heroes, and, of course, the Service Relief Societies. There are hundreds of other non-profits who offer assistance to military families in general that are part of the America Supports You network (www.americasupportsyoud.com).

Operation Warfighter: The Department sponsors Operation Warfighter (OWF), a temporary assignment or internship program for Service members who are convalescing at military treatment facilities in the National Capital Region. This

program is designed to provide recuperating Service members with meaningful activity outside of the hospital environment that assists in their wellness and offers a formal means of transition back to the military or civilian workforce. The program's goal is to match Service members with opportunities that consider their interests and utilize both their military and non-military skills, thereby creating productive assignments that are beneficial to the recuperation of the Service member and their views of the future. Service members must be medically cleared to participate in Operation Warfighter, and work schedules need to be flexible and considerate of the candidate's medical appointments. Under no circumstance will any Operation Warfighter assignment interfere with a Service member's medical treatment or adversely affect the well-being and recuperation of OWF participants.

In 2006, 140 participants were successfully placed in OWF. Through this program, these Service members were able to build their resumes, explore employment interests, develop job skills, and gain valuable federal government work experience to help prepare them for the future. The 80 federal agencies and sub-components acting as employers in the program were able to benefit from the considerable talent and dedication of these recuperating Service members. Approximately 20 permanent job placements resulted from Operation Warfighter assignments upon the Service member's medical retirement and separation from military service.

The core of Operation Warfighter is not about employment, however; placing Service members in supportive work settings that positively assist their recuperation is the underlying purpose of the program. The Department works very closely with DOL's REALifelines program in this effort.

Heroes to Hometowns: The American public's strong support for our troops shows especially in their willingness to help Service members who are severely injured in the war and their ever-supportive families, as they transition from the hospital environment and return to civilian life. Heroes to Hometowns' focus is on reintegration back home, with networks established at the national and state levels to better identify the extraordinary needs of returning families before they return home. They work with local communities to coordinate government and non-government resources necessary for long term success.

The Department has partnered with the National Guard Bureau and the American Legion, and most recently the National Association of State Directors of Veterans Affairs, to tap into their national, state, and local support systems to provide essential links to government, corporate, and non-profit resources at all levels and

to garner community support. Support has included help with paying the bills, adapting homes, finding jobs, arranging welcome home celebrations, help working through bureaucracy, holiday dinners, entertainment options, mentoring, and very importantly, hometown support.

Many private and non-profit organizations have set their primary mission to be support of severely injured veterans. One example, the Sentinels of Freedom in San Ramon, California recruits qualifying severely injured to their community with "scholarships" that include free housing for four years, an adaptive vehicle, a career enhancing job, educational opportunities, and comprehensive community mentoring. Through a coordinated effort among local governments, corporations, businesses, non-profits, and the general public, six scholarships have already been provided in the San Ramon Valley and in March, Sentinels of Freedom announced plans to expand the program nationwide.

The ability of injured Service members to engage in recreational activities is a very important component of recovery. We continue to work with the United States Paralympics Committee and other organizations so that our severely injured have opportunities to participate in adaptive sports programs, whether those are skiing, running, hiking, horseback riding, rafting, or kayaking. We are also mindful of the need to ensure installation Morale Welfare and Recreation (MWR) fitness and sports programs can accommodate the recreational needs of our severely injured Service members. At Congressional request, we are studying the current capabilities of MWR programs to provide access and accommodate eligible disabled personnel.

National Guard and Reserve Family Support: Families who previously had limited exposure to military systems now must deal with the likelihood of multiple and longer deployments for the Service member. This past year has seen a maturing of existing programs, new initiatives, and integrated support systems to respond to the special needs of families, especially National Guard and Reserve families located significant distances away from military installations. Connecting Reserve Component families with the services they need presents a particular challenge. Whether those services are family support, child care or transition assistance (including assistance for the severely injured), the Department is bridging the gap between services provided for active duty members and Guard and Reserve.

Per direction in the FY 2007 National Defense Authorization Act, the Department is designing a regional joint family support model. Two critical components of the

model involve building coalitions and connecting federal, state, and local resources and non-profit organizations to support Guard and Reserve families. Best practices and lessons learned from 22 Inter-Service Family Assistance Committees and the Joint Service Family Support Network will guide the planning process.

Minnesota's, "Beyond the Yellow Ribbon" reintegration program, researched by the University of Minnesota, will serve as a model with a funded Community Reintegration Coordinator position. Hawaii and Oregon have volunteered to be models. These are states where we can build onto a successful infrastructure to deliver a wide range of family assistance to expand our reach to the Guard and Reserve. We appreciate the opportunity to bridge the gaps and augment existing programs, and thank Congress for recognizing this need.

The Backbone of Military Community and Family Support

Quality of life programs for Service members' and their families' lives have made great strides during the past few years. The Department recognizes that military members have difficult, complicated jobs to do under extremely arduous conditions. We continue to explore ways to improve programs in support of quality of life. Any or a combination of the following initiatives could raise the quality of life for military families and, therefore, affect readiness, recruiting and retention.

Financial Readiness: The Department considers the personal financial stability of Service members and their families a significant factor in Military preparedness – financial stability equates to mission readiness. As such, financial readiness remains a top priority for the Department and we are aggressively promoting a culture within the military that values financial competency and responsible financial behavior. The Department's Financial Readiness Campaign encourages Service members to achieve good credit, save on a regular basis, obtain good interest rates on loans, and take advantage of the opportunity to participate in the Thrift Savings Plan (TSP) and the Service Members' and Veterans' Group Life Insurance (SGLI).

The Financial Readiness Campaign includes partnerships with other federal, corporate, and non-governmental organizations to support both military members and their families on how to manage their finances. Key techniques include proactive and preventive measures: encouraging savings and reducing debt. We know that being free of credit card debt is a goal for 79 percent of military spouses who must often hold the financial reins of the family during deployment. However, while trends in the past couple of years show more Service members are

able to save and fewer are having financial problems, a third of E1s-E4s still indicate that they have financial problems. It is important that we continue efforts to provide access to cost-effective financial readiness tools and products, and protect members from predatory lenders that can place service members in a dangerous and sometimes unrecoverable spiral of debt. For example, 10 percent of E1s-E4s reported they obtained a payday loan in the past year. As we have seen, the personal and professional stressors of poor financial management can dramatically affect family quality of life, and ultimately, our mission readiness.

Education is our first line of defense. In 2006, the Services provided more than 11,800 financial management classes at their installations around the world and trained more than 324,000 service members (approximately 24 percent of the force), as well as 19,400 family members. Our campaign partner organizations, such as those represented by our on-installation banks and credit unions, conducted an additional 1,300 classes, serving a total of 60,600 Service members and their families. These classes help equip our men and women with the necessary tools to achieve financial freedom and avoid the financial traps that befall many of their contemporaries outside of the military.

Our 23 financial readiness partners are invaluable in providing both education and counseling to our Service members and families and in offering affordable, easily accessible financial products. The following highlights some of this organizational support:

- The Financial Literacy and Education Commission provides educational and training materials through the Web site www.mymoney.gov. The commission also supports a toll-free number and consolidates education and training materials available through the federal agencies that have been widely advertised and linked to the Department's and military service Web sites.
- The InCharge Institute provides access to credit counseling/debt management, and publishes a quarterly magazine called Military Money in partnership with the National Military Family Association.
- The National Association of Securities Dealers Foundation has funded a multi-year awareness and education program to supplement programs provided by the military services. Included are multimedia public service announcements through sources such as Armed Forces Radio and Television Services, Service command information publications, magazines and radio; an interactive Web site – www.saveandinvest.org; sponsorship of a scholarship program for military spouses through partnership with the

National Military Families Association to accredit them as ‘financial counselors’ in return for volunteer hours in military communities; and education for military service financial counselors and educators.

- Our military relief societies, of course, continue to provide outstanding educational materials and counseling, as well as financial assistance when our Service members are in need.

As we push our campaign into 2007, the Department provides free federal and state on-line tax preparation and filing through Military OneSource for all members regardless of component or activation status. This service includes free telephonic access to trained financial professionals who can answer many of the tax questions that our Service members and families may have. The Department encourages Service members and their families to use the Military OneSource free tax preparation service and to add any refunds to a savings account.

The Department sponsored “Military Saves” Week in February, in conjunction with the Consumer Federation of America's nationwide “America Saves” campaign. This is an intense week of training and encouragement for our military members and families to start reducing their debt and saving for their future. Members can set a savings goal by registering on www.militarysaves.org.

Domestic Violence: Domestic violence statistics are slightly lower than last year. The Department remains steadfast in its commitment to strengthen its response to domestic violence and continues to make substantial efforts to improve training of key staff. During the past year, we conducted six domestic violence training conferences, three of which were offered to joint gatherings of commanding officers, Judge Advocates, law enforcement personnel, and victim advocates. These conferences addressed each group's responsibilities in responding to domestic violence in accordance with new domestic violence policies issued by the Department.

We continue implementation of the restricted reporting policy for incidents of domestic violence. This policy offers victims the option of seeking medical and victim advocacy assistance without making a report to the victim or abuser’s commander or law enforcement. This confidential assistance is crucial for victims who may be concerned about their safety, the military career of the family-member offender, or the family's financial welfare. The Department continues to expand its victim advocacy program, which provides access to on-call victim advocates and shelters to assist victims of domestic violence.

During the past year we also launched a Web based domestic violence training curriculum for commanding officers that addresses their responsibilities when responding to incidents of domestic violence. Commanding officers may now log-on anywhere in the world and receive training on responding to domestic violence.

In partnership with the Family Violence Prevention Fund, we developed and launched a national public awareness campaign to prevent domestic violence. The campaign is designed as a prevention message to educate Service men and women and their families about domestic violence and increase awareness of domestic violence prevention resources.

In partnership with the Office on Violence Against Women of the Department of Justice, we have continued several joint initiatives, including training for victim advocates and law enforcement personnel. Additionally, we are conducting domestic violence coordinated community response demonstration projects in two communities near large military installations. The goal of the projects is to develop a coordinated community response to domestic violence focusing on enhancing victim services and developing special law enforcement and prosecution units. Finally, we are participating in the President's Family Justice Center Initiative. The initiative provides funding through the Office on Violence Against Women for 15 centers in select communities nation-wide. The Department partnered with four centers near military installations to address domestic violence.

Military Children's Education: The Department shares a vested interest in quality elementary and secondary education for military children along with our partners in state and local education systems. One of the major factors in sustaining the all volunteer force is providing quality educational experiences for military children.

The Department's schools have high expectations for the over 91,000 students enrolled in our 208 schools located in 12 countries, seven states and two territories. The Department's world-wide school system serves as a model education system for the nation and is without question a "career satisfier" and high priority for Service members and families. The Department's students are among the highest performing in the nation as measured by norm-reference assessments like the TerraNova and the nation's report card, the National Assessment of Education Progress. Our students consistently score above the national average at every grade level and in every subject area. A key ingredient to this success is the partnership that exists among schools, parents, and military commands that focus on superior student achievement. Department schools are also leading the nation

in closing the achievement gap between white and non-white students. Diversity is one of the strengths of the system. African-American and Hispanic students in DoDEA schools consistently outperform their counterparts in the 50 states in reading and math.

The Department's school system has responded to the President's National Security Language Initiative, which promotes the study of critical need languages in grades K-12. The DoDEA has launched a foreign language program that will initially introduce strategic foreign languages (e.g., Mandarin Chinese) to selected elementary and secondary schools in the DoDEA system.

Public Law 109-364 recently directed the Department to ease the transition of military students from attendance at DoD schools to attendance in schools of local educational agencies (LEAs). DoDEA will share their expertise and experience in developing rigorous and successful academic programs, curriculum development, teacher professional development, and distance learning technology capabilities with stateside school districts impacted by base closures, global rebasing, and force restructuring. The Department identified 17 communities in 14 states that will experience a large number of students transitioning into their schools because of large scale relocation and rebasing. DoDEA has begun building partnerships with affected stateside school systems to assist them in developing instructional programs similar to those in the DoDEA schools. The ultimate goal of the program is to ensure that a high quality educational program is provided to all military dependents living both inside and outside the gates of military installations.

As an initial step in sharing best practices with LEAs, the Department sponsored a Conference on Education for Military-Connected Communities, which brought together teams comprised of military, civilian, school and business leaders from the 17 communities that will experience an increase in military dependent students due to the large scale rebasing effort. Over 200 participants heard from experts who provided participants with a list of resources for their communities to use during transition.

The Department is also sharing information on the unique characteristics of military dependent students with military and community leaders, military parents and school superintendents who work with these students. To communicate effectively with military parents, teachers and students, the Department has included helpful information on our Web site: www.militarystudent.org about the

impact of deployments on children, resources to assist in separations and transitions, and best practices in quality education. A toolkit was developed by a joint service task group and disseminated on compact discs and the website to help families, military commanders and school leaders understand education options and help schools provide a smooth transition for military dependent students.

Along with toolkits and outreach through DoDEA, the Department is making the Johns Hopkins Military Child Initiative (MCI) available to military-connected communities and LEAs. The John Hopkins Center for Schools Impacted by Children of the Military focuses on meeting the needs of children and youth least likely to feel connected to school (i.e., children of military families who live in highly mobile circumstances). Their approach is being shared with impacted schools and military parents to improve student success, school/family/community partnerships and student engagement.

Family Members with Special Needs: The Exceptional Family Member Program has operated for over 20 years to ensure that the needs of family members who have specialized medical requirements or who require special education are considered during the assignment process. The EFMP identifies family members who have specialized medical or educational needs, and documents their specific requirements (medication, specialty care, special education requirements, physical accommodations). The military health system and the DoD schools coordinate all overseas assignments to ensure that the necessary medical and educational services are available to meet the family members' needs prior to approving overseas travel.

Exceptional Family Member Program managers operate in all Army and Marine Corps family centers to assist military families with special needs. The EFMP managers help families identify and access resources. Additionally, the Army has instituted a new respite care program to mitigate deployment related stress for families with special needs.

The Department has published the DoD Special Needs Parent Toolkit, which is available on-line at the MilitaryHOMEFRONT website and through Military OneSource. The toolkit provides families with an introduction to services available to them both through the military and through State and local community programs. We have provided a series of Military OneSource webinars aimed at families with special needs that have covered topics such as the Parent Toolkit, record keeping, advocacy, and moving with a special needs child. The MilitaryHOMEFRONT publishes a monthly newsletter to families with special needs who have registered for the newsletter. The newsletter provides families

with up to date information about programs and services available to them, and about other issues of interest to families with special needs.

Spouse Education and Careers: Trying to sustain a career while serving the country is a major issue facing military spouses. Nearly half of all spouses report their job or education demands were a problem during their spouse's deployment. Military spouses are not unlike their civilian counterparts as they are major contributors to the family's financial well-being. The majority of the 700,000 military spouses of active duty personnel are in the civilian workforce. In the 2006 Survey of Spouses, regardless of their current employment status, 77 percent of spouses report they want and/or need to work to supplement their family income or stay in the career of their choice. The vast majority (83 percent) of spouses report that developing a career is a personal goal. And perhaps, even more important to the Department, research indicates that a military spouse's support for a career in the Armed Forces is a top factor in the retention decision of a married service member.

Unfortunately, military spouses are a disenfranchised population as they are generally not included in our nation's major labor and workforce development opportunities. Frequent relocations result in denial of opportunities ranging from eligibility for in-state tuition and state unemployment compensation to achievement of tenure. For those spouses whose employment requires costly certification and/or licensure requirements, the state-to-state moves are enormously expensive, sometimes with the expense of discontinuing a career. The unemployment rate for military spouses, at 12 percent, is much higher than the national unemployment rate. Further, our research shows that military spouses earn about \$3.00 per hour less than their civilian counterparts.

At the same time, military spouses are better educated than their civilian "look-alikes", as seven of ten spouses have some college education. While about 20 percent of spouses are enrolled in post-secondary schools, another 51 percent would like to be in school. However, the overwhelming majority of these spouses, nearly three-fourths, cite the cost of education as the reason they are not in school.

While the Department is committed to helping military spouses pursue rewarding careers and to achieve educational and training goals, we realize that these issues can only be addressed by partnering with the states, the private sector, and other Federal agencies. We are actively working with DOL to ensure military spouses can receive education and training support via Workforce Investment Act funds. Further, we are partnering with DOL and National associations around careers in

high-growth industries with mobile and portable careers such as medical transcription, financial services, education and real estate. The DoD/DOL collaborative Web site (www.milspouse.org) which assists spouses with resume development, locating careers, identifying available training and linking to One Stop Career Centers, continues to be a great resource for our military spouses with almost 7 million website hits in FY06.

When asked what would have helped them find work after their most recent PCS move, approximately a third of those spouses surveyed in the 2006 Survey of Spouses indicated that easier transition of certifications would have helped, and 27% indicated that financial help with transferring certifications was lacking. We have identified a range of popular spouse careers that have state-specific licensing requirements and have designed strategies to address them, initially focusing on teaching and real-estate. Six states have now adopted the American Board for Certification of Teacher Excellence (ABCTE), a national passport teaching credential. Spouses with an ABCTE credential will not have to be re-certified in these states, which will result in less unemployment time. The Department also implemented the Spouse-to-Teacher program that supports military spouses in their pursuit of K-12 teaching degrees and positions in public and private schools. We are also working closely with colleges and universities to offer more scholarships, grants, and reduced tuition for Service members' spouses.

Re/MAX launched a program, OPERATION Re/MAX, which provides military spouses the opportunity to achieve a career in the real estate industry. Since August 2006, there have been almost 2,000 inquiries from military spouses and there are over 800 Re/MAX offices offering to hire military spouses.

Our efforts to raise employer awareness through our partnership with military.com, a division of monster.com, have proven to be a great success. Via this Web site portal: www.military.com/spouse, 155,000 military spouses have posted their resumes and conducted over 3 million job searches of federal and private sector jobs. There are now over 300 spouse-friendly employers who are actively recruiting military spouses for their vacant positions; these organizations can post jobs at no cost and may search this exclusive database for military spouse candidates. Spouses may search public and private sector jobs by military installation locations.

Advisory Groups: At the OSD level, we take advice and counsel from internal organizations on which military families serve, to include the DoDEA advisory councils on dependents education, a commissary council and an exchange council.

The Defense Advisory Committee on Women in the Services (DACOWITS), whose charter includes quality of life support and membership includes military spouses, has advised us on such programs as child care services.

At the Services level, the Army Family Action Plan (AFAP) is a well organized grass roots program that has reached down to installation level and brought issues to Army and OSD leadership for the past 25 years. The AFAP process, which is highly prized and respected within the Department, has resulted in numerous legislative and policy changes impacting military families. Both the Army and the Marine Corps have chartered family readiness advisory councils, whose membership is comprised solely of military spouses and volunteers. These councils assess and recommend solutions for evolving family issues.

Finally, several non-governmental organizations serve to advocate for military families and influence family policies. Prominent among these is the National Military Family Association who has an excellent track record of working with Congress as well as with the Department.

Youth Partnerships: Last year, eKnowledge Corporation, a leading supplier of interactive test preparation products for college entrance exams, along with a group of patriotic NFL players, donated \$6.9 million to pay for multimedia SAT/ACT test preparation products worth \$200.00 to military service members and their families. During 2006, more than 48,000 free SAT/ACT multimedia CD & DVD test preparation programs were donated to service members and their families worldwide. Over the past several months, eKnowledge and the NFL players have received tens of thousands of letters and emails from service members expressing appreciation for the valuable SAT/ACT test preparation projects. Based on the tremendous response from service members and their families, eKnowldege and the participating NFL players announced that they will extend the free SAT/ACT donation program through 2007, with a total financial commitment of \$10 million.

It is with great pride that Military Youth programs worldwide can now take advantage of their affiliation with the Boys & Girls Clubs of America by participating in the Major League Baseball ® S.T.A.R. Award program. This MLB award program is designed to recognize youth ages 10 to 18 year-round for their youth sports, fitness and social recreation achievements. Any youth who demonstrate the four MLB S.T.A.R. Award characteristics: Sportsmanship, Team spirit, Achievement and Responsibility is qualified to be nominated. Whether on the baseball field, at the swimming pool, in the games room or in the dance studio, it is these attributes that help our military youth succeed at anything they do

regardless of where they live around the world. Each participating youth program will be allowed to select one outstanding youth who best embodies all four characteristics. That youth will receive a trophy and become eligible for state, regional and national competition. Later this year, six deserving youth, one from each of BGCA's five regions and an overseas military site representative, will be selected to attend the MLB® All-Star Game®. One national winner will be invited to the MLB World Series game.

State Liaison Initiatives: In 2004, the Department of Defense approached the National Governors' Association to request their assistance in supporting those aspects of quality of life for Service members and their families that could be influenced best through the actions of State governments. In the past two years, the Department has found Governors and state legislators have embraced these opportunities to show their support for Service members and their families.

The Department has concentrated discussions on 10 key issues at the state level: (1) assistance to Guard and Reserve members and families, (2) assistance to the severely injured, (3) in-state tuition rates for Service member and their families, (4) school transition assistance for children of military families, (5) employment assistance for military spouses, (6) unemployment compensation for military spouses, (7) limits on payday lending, (8) absentee voter assistance, (9) growth of foreign language education, and (10) increases in child care assistance for Guard and Reserve families.

Governors and other state policymakers have taken these issues seriously and provided support through state resources. For example, the states are providing over 720 benefits to members and families of the Guard and Reserve – an increase of over 200 benefits since 2004; for example, a total of 30 states (an increase of nine) are providing in-state tuition rates to Service members and their families while assigned to a state as a non-resident, and continuing this support for family members enrolled in school if the Service member is reassigned out of state. Additional information on the progress of the key issues is provided to state policymakers and others at www.USA4MilitaryFamilies.org.

Several Governors have established councils and committees to advise them on establishing initiatives to support the military community within their states. Many Governors have also initiated legislative packages to enhance quality of life for Service members and their families on a number of the 10 key issues.

Additionally, the Department is partnering with national associations representing state governments to obtain support. For example, the Department is working with the Council of State Governments to establish an interstate compact designed to assist children of military families with the challenges that come from frequent transfers between school systems. This compact is designed to ameliorate differences in school systems ranging from differing age requirements to start kindergarten through varying requirements to graduate from high school.

The Department has found its collaboration with Governors and state legislators to be an important aspect to supporting Service members and their families who make daily sacrifices to fulfill their commitment to defending the Nation. We anticipate these collaborative relationships will continue to produce important benefits for Service members and their families.

Morale Welfare and Recreation (MWR):

MWR programs enhance the social fabric of a military community by providing activities normally found in “hometown communities”, such as libraries, fitness centers, bowling, golf, parks and sports fields. These programs and activities impact the quality of life of our military families each and every day.

Fitness Programs. All of the Military Services continue to expand robust fitness programs designed to sustain a physically fit, healthy force. Long term plans are being made to modernize the fitness infrastructure. The Services requested 79 fitness center construction projects between FY 2007 and FY 2013.

Libraries. Virtual resources, such as the Army's General Library Information System, and the Air Force's Learning Resource Centers provide access to academic materials regardless of location.

Five Department recreational libraries will participate in the National Endowment for the Arts (NEA) "Big Read" initiative. The Big Read is a community reading project which began one year ago and is expanding to encompass military bases located in close proximity to civilian communities that have already agreed to participate. These communities were provided funding by the NEA for a month long festival in which interested participants are encouraged to read the same novel. Military bases will be provided 100 copies of the selected books for base library circulation.

Exchanges and Commissaries: The commissary and exchange are among the most valued contributors to the quality of life of our Service members and their families. They provide a safe and convenient community hub, particularly in overseas areas.

Commissaries would help military families save over 30 percent on grocery and household necessities, even including the commissary surcharge and commercial sales taxes. The Defense Commissary Agency makes sure that familiar name brands are available for military families at active duty installations around the world. The Department's challenge is to sustain the value of the commissary to our service members without increasing the cost to the tax payer. The Defense Commissary Agency, with oversight by the Commissary Operating Board, is becoming a state of the art retail enterprise and continues to make steady progress toward becoming increasingly efficient and effective at delivering the benefit. Commissary customer satisfaction continues to surpass the supermarket industry. Moving forward, DeCA will pursue new ways to support military families who don't live on or near military installations and explore cooperative efforts with the military exchanges that enhance overall quality of life.

The Armed Service Exchanges provide military families with merchandise and services at a 16 to 20 percent savings, not including sales tax savings, and provide over \$300 million to help support morale, welfare and recreation programs. The Exchanges operate on military installations, on board ships, in deployed locations, contingency operations, disaster relief areas, and through catalog and internet shopping. The Exchanges are re-engineering using technology – independently and with each other -- to improve value to their customers and to lower operating costs. Moving forward, the exchanges are concentrating on improvements to logistics, systems, and supply chain management, where there are many opportunities for cooperative efforts.

Conclusion

The Social Compact, published in 2002 and modernized in 2004, reiterated the compact between the Department of Defense, its warfighters, and those who support them – one that honors their service, understands their needs, and encourages them to make national defense a lifelong career. The array of quality of life programs covered by the Social Compact recognizes the challenges of military life and the sacrifices Service members and their families make in serving their country. The partnership between the American people and the noble warfighters and their families is built on a tacit agreement that families also serve. Our

military families are the heart and soul of our troops on the battlefield. Without a doubt, families also serve and sacrifice.