

DEPARTMENT OF THE AIR FORCE
PRESENTATION TO THE SUBCOMMITTEE ON MILITARY PERSONNEL
COMMITTEE ON ARMED SERVICES
UNITED STATES HOUSE OF REPRESENTATIVES

SUBJECT: IMPACTS OF FULL YEAR CONTINUING RESOLUTION AND
SEQUESTRATION ON MILITARY PERSONNEL AND FAMILY RELATED PROGRAMS

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SEQUESTRATION AND THE UNITED STATES AIR FORCE

Today the 690,000 Total Force Airmen of your Air Force are a highly trained, experienced and battle tested force, standing as vanguards of freedom around the world. Despite the last two decades of sustained conflict, the men and women of your Air Force are as dedicated, innovative and hard working as ever before. The Air Force does not take lightly its primary role of training and equipping the highest quality Airmen the President, Congress, Combatant Commanders and ultimately our Nation can call upon as needed. In order to fulfill this role, the Air Force must remain focused on recruiting, training, supporting and retaining a world-class, all-volunteer Force. We realized long ago if we do not continuously focus and invest towards producing and retaining the highest quality Airmen, we as an institution fail. Sequestration promises to severely degrade these efforts, which ultimately will significantly undermine the readiness, responsiveness and performance our Nation expects of our fighting forces.

We face three separate, but interrelated budget mechanisms that taken together jeopardize the Air Force's ability to fulfill its role in the Nation's current defense strategy. For the United States Air Force, the Joint Committee sequestration order issued March 1 has already reduced our FY 2013 topline budget by \$10.7 billion, affecting every non-exempt account and program. We also face an estimated \$1.8 billion shortfall in overseas contingency operations funding due to higher than anticipated costs in theater, and if the current continuing resolution is extended to a full year, a second sequestration due to a breach in the fiscal year 2013 discretionary caps. The combination of these factors presents tremendous challenges. The threat of reductions of this magnitude has already driven disruptive actions in the near-term, and promises devastating impacts over the long-term. These budgetary limitations will significantly disrupt the Air Force civilian workforce, undermine the Air Force's readiness and responsiveness, and delay necessary infrastructure improvements today, while also hobbling modernization efforts-mortgaging the Air Force's future health for years to come.

Airmen are the backbone of your Air Force. Recruiting, training, sustaining and retaining a world-class, all-volunteer Air Force is a significant undertaking and requires a significant investment of time and national resources. We are morally obligated to make every effort to fill our ranks with the best from the recruiting pool our Nation has to offer, and then train, support and equip them to complete their assigned missions. If the out year cuts associated with sequestration are not replaced with alternative deficit reduction, the Air Force will experience sustained budget reductions from fiscal year 2014 to fiscal year 2021. The impacts of these reductions will not all be immediately felt. However, should these topline reductions continue beyond fiscal year 2013, our ability to recruit, develop, and sustain the

quality force we need to face the future threats of an ever increasingly complex national security environment will be severely impacted.

SEQUESTRATION IMPACT TO ACCESSIONS AND RECRUITING

Accessions are the lifeblood to a healthy future force and must be guarded in order to avoid significant personnel shortfalls and experience gaps that can last up to 20 years. Recruiting efforts are intricately linked to meeting accessions goals, and therefore, require constant investment. We are concerned reduced operating budgets and furloughs could lead to curtailed operations of Military Entrance Processing centers to support the Air Force's accession requirements. The Air Force calculates civilian furloughs will have an immediate and lasting impact on our ability to meet fiscal year 2014 accession goals and beyond. We depend on the ability to carry forward one third of our accessions goal into a fiscal year when it begins. The ability to do this is generated by having a revolving pool of qualified recruits. This pool provides the diversity needed to recruit the right people, at the right time, in the right jobs. The Air Force has determined sequestration beyond three months will put our ability to meet specific career field needs at risk.

We are already seeing indications of slowed interest among potential recruits as the economy shows signs of life. Future indicators show a greatly reduced propensity for young people to serve in the military, and an alarming increase in the number of young people reaching military service age who are deciding against a career in the armed forces. Additionally, approximately 75 percent of America's age qualified youth are not qualified for military service. When all these factors are combined, it suggests it is increasingly more difficult for the military services to meet accession goals from the pool of propensed and eligible youth who qualify in the top three mental aptitude categories (Cat I-III A). An adequate and sustained advertising campaign is one of the most effective tools to combat these trends. However, the inevitable reduction in recruiting investment due to sequestration could further threaten the future readiness and ability of the Air Force to attract the right recruits to fill our ranks in future years.

OFFICER ACCESSIONS PROGRAM IMPACTS

Current projections are sequestration will not affect throughput at any of the Air Force's commissioning sources, but the quality of the training they receive may be degraded. The United States Air Force Academy (USAFA) and the Prep School will absorb cuts by deferring facility and infrastructure projects to cover approximately 70 percent of the shortfall. Summer and military training will be reduced as will the capacity for outreach and recruiting efforts. USAFA will have more difficulty attracting and retaining civilian faculty to include Visiting Professors, which ultimately could affect

USAFA's accreditation and academic reputation. Sequestration will impact USAFA's ability to cover future obligations under research agreements, and potentially could reduce the number of sports programs. The potential for civilian furlough impacts all cadet support areas, including flying and field training, transportation, and feeding. However, while stretched, there is enough military faculty to continue the education mission.

Unlike USAFA, ROTC relies primarily on the infrastructure of the host university, so building maintenance is not an issue. ROTC has already reduced a great deal of their training and "experiential" courses based on past budget reductions. If scholarship funding is reduced, it will affect ROTC's ability to attract quality officers with the technical majors that are currently in demand. Additionally, ROTC scholarships help recruit high performing diverse students which lead to a more diverse officer corps. Civilian furloughs and reductions will affect the Air University registrar's ability to process scholarship applications and recruiting functions will be impacted as well.

CITIZENSHIP PROGRAMS (AFJROTC)

The 2013 National Defense Authorization Act (NDAA) provided relief to the Air Force Junior Officer Training Corps (AFJROTC) program's expansion, which was mandated in the 2009 NDAA. In lieu of growth, AFJROTC is mandated to sustain their current number of units at 870. As some units close due to lack of funds in local school districts, AFJROTC is required to open new units to maintain the 870 status quo. Further budget cuts will jeopardize AFJROTC's ability to sustain mandated unit levels, and mid-year adjustments make instructor salary, which accounts for 93% of programmed funds, vulnerable, potentially placing us in breach of contract with the individual school districts.

VOLUNTARY EDUCATION

The Air Force is reviewing all education programs to determine which may be curtailed without significantly degrading current and future capacity. One program being reviewed is the Military Tuition Assistance (MilTA) program. The MilTA program provides comprehensive opportunities for Airmen to pursue programs of Higher Education ensuring a highly trained and educated workforce. Higher education and military professional development ensure Airmen are able to perform at high levels of confidence. MilTA supports Air Force readiness by providing the education necessary for Airmen to develop the critical thinking skills required to perform in vague and unexpected environments quickly and effectively. For the remainder of fiscal year 2013 the Air Force is attempting to fund MilTA at the maximum extent possible.

AIRMAN DEVELOPMENT

While the Military Personnel Appropriations exemption does protect Airmen from a direct loss in compensation, sequestration could pose a threat to our ability to optimally fund programs that support military members. Of particular concern are Airman developmental education programs.

Developmental education is designed to further our Airmen's critical thinking skills and enhance their leadership and management expertise. The Air Force develops this intellectual framework via several developmental education (DE) opportunities: Professional Military Education (PME), Advanced Academic Degrees (AAD), Professional Continuing Education courses, Fellowships, Advanced Study Groups, research, and doctrinal studies. Education and training are the foundation of our airpower advantage; therefore, the Secretary and Chief of Staff have made developing Airmen at the tactical, operational and strategic levels a top priority. Sequestration will certainly mean a loss of critical development opportunities for our Airmen and threatens the ability to continue development efforts at the levels needed to maintain our airpower advantage. Sequestration could dictate immediately reducing training quotas for Airmen attending PME in a temporary duty status, specifically junior officers attending Squadron Officer School, enlisted Airmen attending their Airman Leadership School, as well as junior and senior enlisted Airmen attending our two non-commissioned officer academies. Reduced production capacity of our enlisted schools translates to the inability to develop the competencies we have deemed necessary for our Airmen to carry out their duties. Lost developmental education opportunities for our officers and senior enlisted corps diminishes our ability to develop a cadre of strategic leaders who are proficient in analytical techniques, systems-level problem-solving strategies, language, region and culture and communication skills.

Sequestration would also negatively impact civilian personnel development. We would cancel all senior leader development and prioritize functional training to only those required by Federal law, executive order or Department of Defense directive. This will reduce funding of occupational/functional training related to specific areas of expertise. Lack of training would erode productivity and result in the expenditure of more resources than necessary to correct deficiencies.

FAMILY SUPPORT AND TRANSITION PROGRAMS

Although we intend to protect family programs to the extent feasible, cuts in family support programs under sequestration may be necessary and will make it challenging to provide programs at their current levels. These programs help us to maintain ready, resilient Airmen, and sustained reductions to these programs may negatively impact future readiness and unit cohesion.

Our Airmen and Family Readiness Centers (A&FRC) provide a wide variety of programs and referral services for our total force members and our spouses. These programs include counseling, post-deployment training, family financial planning, and many facets of transition planning. We are concerned sequestration's effects from civilian furloughs and reduced budgeting could affect our mandatory Transition Assistance Program (TAP) classes and degrade other activities supporting service members and their families.

CHILD AND YOUTH PROGRAM IMPACTS

Child and Youth Programs will be affected by sequestration should their staff be furloughed. The impact will vary by installation based on available staffing but could result in reduced program opportunities across our Child & Youth Programs to include youth sports and instructional classes, homework help, recreational opportunities and outreach support to Guard and Reserve youth, or reduced class sizes leading to possible room closures or longer wait lists.

The furlough of Child Care support staff will impact approximately 25 percent of our caregiving staff as well as our entire management and administrative team, who are charged with ensuring health and safety standards are maintained. Because these standards must be maintained even with reduced staffing, installations may be forced to reduce hours of operation or reduce class sizes, which may require single and dual working parents to adjust their work hours or find alternative care at a higher cost. Reduced staffing and construction project delays could also stall the opening of approximately 750 child care spaces that are currently in different phases of construction. Due to limited off-base childcare options (particularly for infants and toddlers at many locations), the result may be growing on-base child care waiting lists at a time when community-based funding for such programs has simultaneously been cut.

Also, military spouses comprise an estimated 25 percent of our Child and Youth Program workforce, which will create a direct financial hardship to some of our military families by reducing family income.

MORALE WELFARE RECREATION AND LODGING

Morale, Welfare and Recreation (MWR) provides the programs the Air Force needs to foster ready, resilient Airman and families in support of mission accomplishment. Historically, various Quality of Life Surveys, to include the 2011 Department of Defense (DoD) MWR Customer Satisfaction Survey, tie MWR programs to positively supporting retention, readiness and unit cohesion. Consequently, one of the Air Force's key priorities is developing and taking care of Airmen

and families. Air Force leadership maintains keen emphasis on this priority while striving to be as efficient as possible, especially in the face of an austere fiscal environment.

In fiscal year 2012, Category A (Mission Sustainment) programs (e.g. Fitness Center, Libraries, Dining Facilities) received 95 percent of their appropriated fund requirements. Category B (Basic Community Support) programs (e.g. Outdoor Recreation, Information Ticket and Tours, Community Centers) received only 61 percent of their appropriated fund requirements which is below the Department of Defense standard of 65 percent. Sufficient appropriated funds were provided to Category C (Revenue Generating Activities) programs (e.g. golf, bowling, clubs) in remote and isolated (CONUS) and overseas installations. Overall, in fiscal year 2012, MWR experienced 19 activity closures at various Air Force installations due to their inability to remain solvent, but there have been no eliminated programs Air Force-wide.

Recognizing our recent funding challenges, the evolving demographics and lifestyles of today's Airmen and families, and further reduced budgets under sequestration, we are reviewing all Family and Morale, Welfare and Recreation (MWR) programs through customer satisfaction surveys and business analysis. Our goal is to determine how best to provide family and MWR programs and base-level support services in today's budget-constrained environment. For instance, we are focusing our resources on those core programs (ex: Food, Fitness, Child Care) which best support ready, resilient Airman and may be forced to make hard decisions to not fully support other programs (ex: Libraries, Youth Programs, Outdoor Recreation). This strategy provides an avenue to focus funding towards support programs having the greatest influence in promoting retention, readiness, unit cohesion and morale of our Airmen and their families. We will continue to leverage our resources to better meet the needs of Airmen and their families we serve.

Air Force Lodging is a cost-effective force protection method, which allows military members performing temporary duties to stay on an installation, in a secure environment, at less than the cost of housing than in commercial off-base hotel. Additionally, temporary lodging facilities provide our members and their families who are permanently changing duty stations the ability to stay on base in a safe, secure, and familiar environment while they find permanent housing. The capability for military members and retirees to stay in lodging on a space-available basis while traveling on personal business or vacation has long been recognized as a satisfying benefit to both the traveler and Air Force Lodging. Currently Air Force Lodging operates 88 Air Force Inns at 95 operating locations, which includes 30,000 visiting quarters and 3,500 thousand temporary living facilities. Due to mission changes at many of our installations, Air Force Services commissioned two studies in fiscal year 2012 to analyze each

installation mission and recommend “right-sizing” the number of lodging rooms to meet mission requirements and options for the most effective future operating model for Air Force Lodging, including privatization. These studies were recently completed and are being prepared for review by Air Force leadership to determine the way ahead. Even as we “right-size” and choose the most effective operating model for the future, it is clear that sequestration and the reduction in travel will affect our lodging operations.

Regardless of the result of sequestration, we are committed to supporting our Airmen and their families and will make adjustments based on available funding in an effort to focus our resources where they are needed most. Sequestration will most certainly frustrate these efforts, and we realize if we do not allocate the proper resources to develop and care for our Airman and families, it could ultimately affect readiness and retention.

MILITARY FUNERAL HONORS AND CASUALTY ASSISTANCE

We estimate that last year Air Force Installation Honor Guards provided honors at nearly 30 thousand funerals or memorials. The level of demand for these honors will remain sustained for the next two to five years due to the aging demographics of our veterans, in particular our veterans of the Second World War generation. Regardless of sequestration, we will continue to fulfill our sacred duty to provide military funeral honors for our active duty, retiree and veteran communities. While this commitment continues, we understand sequestration may have an impact at all mission levels. Our Honor Guards are composed of Airmen who volunteer for this honorable duty and are taken from units without any backfill, thus impacting the primary mission of their owning units. Further, sequestration over the longer term could greatly restrict our ability to restock supplies as they are expended, and without appropriate replenishment may hinder our ability to render honors with the professional polish we expect, due to the high cost of supplies such as ceremonial uniform items. We will continue to render honors for every request and expect limited direct impact to honor guards; the secondary effects of supporting this mission as expected could come at the detriment to other operational requirements.

Sequestration will not impact the Air Force's sacred mission to ensure prompt notification to the Next of Kin for our active duty members. Although many of the Air Force Casualty Assistance Representatives (CARs) at our bases are civilians, and will be impacted individually with a loss in income, they have trained military personnel as back-ups in the Airman & Family Readiness Centers as well as Casualty Augmentation Support Team (CAST) at each base. If a notification is required on the CAR's furlough day, the back-ups will ensure notifications are completed within the Air Force standard of 4 hours. Any requested Emergency Family Member Travel (EFMT) would also be worked

immediately by those back-ups. However, furlough days may over time impact the primary services being delivered by back-ups, and the length of time it takes to complete follow-on casualty assistance visits and paperwork for the Next of Kin may be extended. It will also delay the Survivor Benefit Plan (SBP) support our CARs provide to active duty members transitioning out of the Air Force and it will delay the casualty assistance support they provide for retiree deaths.

EXCHANGES

While the expected impact of sequestration to the Army and Air Force Exchange Services (AAFES) is expected to be small, there may reduced funding for the Second Destination Transportation used to subsidize shipping products to overseas Exchange locations, which would impact the delivery of time sensitive food items and merchandise. This, combined with an increased need to use local sourcing may increase prices and reduce access to stateside products at overseas locations. AAFES remains committed to leveraging resources to better meet the needs of Airmen and their families. They have conducted top to bottom operational reviews in efforts to reduce costs and become more efficient while continuing to provide quality services to our Airmen and their families. Sequestration will not impact this continued effort.

CHAPLAIN PROGRAMS

Sequestration will have great impact on the Chaplain Corps' ability to provide comprehensive spiritual care for Airmen and their families. Under sequestration, local chapels are expecting potentially large reductions to their appropriated budgets. If these reductions occur, there would be negative consequences to chapel ministries. Chapel contracts will be at risk, and if terminated, would force bases to reduce religious program opportunities. Furthermore, there will be a markedly diminished ability to provide resiliency opportunities and programs for Airmen and their families, to include child and teen character building opportunities, and family and deployment resiliency training. Finally, there will be reduced opportunity for credentialing and resiliency training opportunities for the professional development of Chaplain Corps personnel.

CONCLUSION

Your Air Force and the Airmen who proudly serve in it remain committed to its foundational purpose, to "Fly, Fight and Win" in air, space and cyberspace for our joint team. Sequestration will present a major challenge to this purpose. Specifically, sequestration will challenge the Air Force in our ability to fully recruit, develop, equip, and sustain the force our Nation deserves and expects. We recognize the significant fiscal challenges our Nation faces. However, utilizing arbitrary, across the board cuts, to achieve our fiscal goals is shortsighted and will impact our readiness levels in the near and

long-term. We urge Congress to do all that is necessary to avert the long-term impacts of these arbitrary budget cuts driven by sequestration and pass an appropriations measure to reach a more balanced and conciliatory solution.