

Statement

by the

**NATIONAL MILITARY FAMILY ASSOCIATION**

for

**Subcommittee on  
Personnel**

of the

**UNITED STATES SENATE  
ARMED SERVICES COMMITTEE**

February 14, 2017

#### **EXECUTIVE SUMMARY**

The United States military is the most capable fighting force in the world. For more than a decade of war, service members and their families never failed to answer the call, steadfastly sacrificing in order to protect our Nation. They made these sacrifices trusting that our government would provide them with resources to keep them ready. Continued national fiscal challenges have left military families confused and concerned about whether the programs, resources, and benefits contributing to their strength, resilience, and readiness will remain available to support them and be flexible enough to address emerging needs. The Department of Defense (DoD) must provide the level of programs and resources to meet this standard. Sequestration weakens its ability to do so. Service members and their families have kept trust with America through 16 years of war with multiple deployments and separations. Unfortunately, that trust continues to be tested.

#### **We ask Congress:**

As you evaluate proposals submitted by DoD, consider the cumulative impact on military families' purchasing power and financial well-being, as well as the effects on the morale and readiness of the all-volunteer force now and in the future.

Please:

- Reject budget proposals that threaten military family financial well-being as a way to save money for the government.
- Keep military pay commensurate with service and aligned with private sector wages.
- Preserve the savings military families receive by shopping at the commissary and oppose any reform measures that would reduce the value of the benefit.

We especially ask Congress to end sequestration, which places a disproportionate burden on our Nation's military to reduce the deficit.

We also ask Congress to make improving and sustaining the programs and resources necessary to keep military families ready a national priority.

We ask Congress to:

- Provide oversight to ensure DoD and the individual Services are supporting families of all components by meeting the standards for deployment support, reintegration, financial readiness, and family health. Fund appropriately at all levels.
- Ensure adequate funding for military child care programs, including child care fee assistance programs. Improve access to installation-based child care and increase availability of part-time and hourly care.
- Facilitate easier paths to both licensure and employment for military spouses and veterans who are in the mental health field when they work with our service members and their families. Include military spouses who enter the mental health profession in federal loan-forgiveness programs.
- Expand service member and family access to Military OneSource counseling and other assistance to one year post-separation.
- Ensure appropriate and timely funding of Impact Aid through the Department of Education (DoEd).
- Continue to authorize DoD Impact Aid for schools educating large numbers of military children and restore full funding to Department of Defense Education Activity (DoDEA) schools and the DoDEA Grant Program.
- Bring the Extended Care Health Option (ECHO) benefits on par with State Medicaid waiver programs and extend ECHO eligibility for one year following separation.
- Correct inequities in Survivor benefits by eliminating the Dependency and Indemnity Compensation (DIC) offset to the Survivor Benefit Plan (SBP). Make the Special Survivor Indemnity Allowance (SSIA) permanent.
- Ease the financial burden and coverage confusion faced by Medicare-eligible, medically-retired wounded, ill, and injured service members.

After 16 years of war, we continue to see the impact of repeated deployments and separations on our service members and their families. We appreciate Congress' recognition of the service and sacrifice of these families. Your response through legislation to the ever-changing need for support has resulted in programs and policies that have helped sustain our families through these difficult times.

## **COMMISSARY**

Military families consistently tell us the commissary is one of their most valued benefits. We view the commissary as an important element of military compensation and thank Congress for fully funding it in the FY17 NDAA. However, we are concerned about changes to commissary operations that the Defense Commissary Agency (DeCA) is implementing pursuant to provisions included in last year's Defense authorization. Specifically, DeCA is abandoning the previous "cost plus five percent" pricing model and replacing it with variable pricing, in which prices would fluctuate based on local competitors' prices. DeCA has also announced plans to introduce private label products.

Taken together, these changes represent a significant departure from DeCA's traditional business model. We are not convinced that DeCA officials have the expertise to manage these new systems. In addition, while we acknowledge that private label products might be popular with customers, we wonder how including them in the product mix will generate enough revenue to reduce the need for appropriated funds, as DeCA claims. If the changes do not generate the needed revenue – or if customers respond by shopping elsewhere – how will DeCA make up the shortfall?

It is worth noting that DeCA has embarked on this transformation with little to no input from the military families it serves. We have suggested that DeCA reinstitute the Patron Advisory Council, which would ensure greater transparency and accountability to commissary customers. Military families rightly expect the commissary to offer high quality products and shopping experience in addition to good value. That focus on the customer must not be lost as DeCA undergoes changes in its operations.

It is also important to remember that the Exchange retail stores are highly dependent on foot traffic from nearby commissaries. Any threat to the health of the commissary is a risk to the military resale system as a whole. This is particularly concerning as Services reduce funds for installation Morale, Welfare, and Recreation (MWR) programs. These programs are increasingly dependent on the Exchanges for funding. If Exchange sales revenues decrease, funding for MWR programs will go down as well.

We are gratified that both Congress and DoD have recognized the importance of commissary savings to military families and have expressed their commitment to preserving the value of the benefit. However, we are concerned about what will happen if the changes do not generate the expected revenue.

Given the importance of the commissary benefit, ***we ask for close Congressional monitoring as DeCA embarks on this transformation.***