

US ARMY WAR COLLEGE  
INSTITUTE FOR NATIONAL SECURITY AND COUNTERTERRORISM  
CIVILIAN RESEARCH PROJECT

# Modernizing Benefits: Supporting Veterans & the Federal Budget

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United States Army



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# **Modernizing Benefits: Supporting Veterans & the Federal Budget**

by

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## Abstract

During a time of dwindling resources and competing requirements, the future of our veterans' care and benefits remains uncertain. It is our obligation as a nation to establish a strategy to ensure support for those who defend our freedom and protect our way of life. It is also our fiduciary responsibility to the American public to ensure this strategy is manageable given a fiscally constrained environment. This paper will discuss issues of supporting an All-Volunteer Force and also will provide a brief overview of the US Department of Veterans Affairs (VA) system's current practices and trends in benefit claims. It then recommends possible courses of action with respect to military retirement and benefits reform as well as VA disability benefits. Ultimately, this paper advocates that a national policy must be implemented to benefit the military and our society as a whole.

## Introduction

We have been a nation at war for more than 13 years. This burden has been borne by the men and women who have chosen to don a uniform and defend our country during the longest period of conflict in America's history. Their motives for serving may vary. Many joined for the education benefits, some saw value in making the profession of arms a long-term career, and still others were driven by deep-seated patriotism and a desire to protect our nation and its citizens. Although soldiers' motivations may differ, they share one thing in common—they all volunteered. In this era of the *All-Volunteer Force*, less than 1% of the population serve in the military and few in society are related to or personally know a veteran. The tradition of service often stays within families, with 8 of 10 veterans having at least one relative in the military, according to Secretary of the Air Force Deborah Lee James.<sup>1</sup>

Not long ago, military service was practically a requirement for serving in Congress. As World War II veterans have retired and relatively few Americans enlist in the All-Volunteer Force, veterans now account for a smaller and smaller share of Congress. Only 97 members, about 20%, of the 114<sup>th</sup> Congress have served in the military.<sup>2</sup> It is little wonder that after the tragedies on Sept. 11, 2001, there was no call for a shared national sacrifice to support the wars in Afghanistan and Iraq. Previous generations planted victory gardens, purchased war bonds, and rationed items such as food, gasoline, aluminum, and nylon to support war efforts. It was a source of pride to do your part for the military personnel fighting bravely overseas.

Generally speaking, taxes rise during wartime to support war efforts and come down during the years afterward. Our nation saw an increase in taxes during the Civil War, World War I, and World War II, but this was not the case during the wars in Afghanistan and Iraq.

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<sup>1</sup> LuAnn Bishop, "Exploring the citizen-soldier disconnect at the inaugural Yale Veterans Summit," *Yale News Online*, April 13, 2015, <http://news.yale.edu/2015/04/13/exploring-citizen-soldier-disconnect-inaugural-yale-veterans-summit> (accessed April 14, 2015).

<sup>2</sup> Drew DeSilver, "Most members of Congress have little direct military experience." *Pew Research Center Online*, Sept. 4, 2013, <http://www.pewresearch.org/fact-tank/2013/09/04/members-of-congress-have-little-direct-military-experience/> (accessed Nov., 15, 2014).

While our service members were sacrificing their lives for our freedom, those back at home were enjoying unprecedented tax cuts.<sup>3</sup> The Economic Growth and Tax Relief Reconciliation Act of 2001<sup>4</sup> and the Jobs Growth and Tax Relief Reconciliation Act of 2003<sup>5</sup> not only added about \$1.7 trillion to this nation's deficit<sup>6</sup>, they also served to further remove the American public from sharing in the sacrifice of a nation at war. This lack of shared sacrifice further serves to isolate Americans from those who volunteer to protect them.

Unlike generations in the past, this generation of veterans was not conscripted. They made a deliberate and educated choice when they elected to volunteer to serve in the armed forces. Part of that choice involved not only the pay but also the benefits offered as incentives for commissioned and non-commissioned service. Volunteers expect America to fulfill its promise to provide the care and resources due to them for defending the nation. The All-Volunteer Force views this support as part of the compensation owed for their service and sacrifice. The majority of Americans are pleased to repay them, but at what cost?

During a time of dwindling resources and competing requirements, the future of our veterans' care and benefits remains uncertain. It is our obligation as a nation to establish a strategy to ensure support for those who defend our freedom and protect our way of life. It is also our fiduciary responsibility to the American public to ensure this strategy is manageable, given a fiscally constrained environment. This paper will discuss issues of supporting an All-Volunteer Force and will also provide a brief overview of the US Department of Veterans Affairs (VA) system's current practices and trends in benefit claims. It then recommends possible courses of action with respect to military retirement and benefits reform as well as VA

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<sup>3</sup> Kayla Williams, "Nonprofits and bridging the civil-military divide," *The Hill Online*, March 27, 2014, <http://www.thehill.com/blogs/congress-blog/homeland-security/201858-nonprofits-and-bridging-the-civil-military-divide> (accessed Jan. 7, 2015).

<sup>4</sup> *Economic Growth and Tax Reconciliation Act of 2001*, House Resolution 1836, 107<sup>th</sup> Congress, *Congress.gov Online*, 2001, <https://www.congress.gov/bill/107th-congress/house-bill/1836> (accessed March 10, 2015).

<sup>5</sup> *Jobs Growth and Tax Relief Reconciliation Act of 2003*, House Resolution 2, 108<sup>th</sup> Congress, *Congress.gov Online*, 2003, <https://www.congress.gov/bill/108th-congress/house-bill/1836> (accessed March 10, 2015).

<sup>6</sup> Kayla Williams, "Nonprofits and bridging the civil-military divide," *The Hill Online*, March 27, 2014, <http://www.thehill.com/blogs/congress-blog/homeland-security/201858-nonprofits-and-bridging-the-civil-military-divide> (accessed Jan. 7, 2015).



disability benefits. Ultimately, it advocates that a national policy must be implemented to benefit the military and our society as a whole.

## Caring for the All-Volunteer Force

In the more than two centuries since the US Constitution went into effect in March 1789, our government has only relied on conscription to field an armed force four times: the Civil War (1863-1865), World War I (1917-1918), World War II (1940-1945), and in the Korean and Vietnam conflicts during the Cold War (1946-1947 and 1948-1973)—a total of 35 years.<sup>7</sup> When America ended the military draft and transitioned to the All-Volunteer Force, the success of this ambitious enterprise was not guaranteed.<sup>8</sup> More than 40 years later, and after the longest duration of military conflict in American history, there is little doubt that the All-Volunteer Force has succeeded. However, the budgetary resources that have funded that success are now at risk.<sup>9</sup>

Our nation has been struggling with how best to compensate veterans for their service since Congress passed the first federal pension law a mere eight weeks after the signing of the *Declaration of Independence*. This commitment was further reinforced when Congress expanded the scope of veterans' benefits during the Civil War era and President Abraham Lincoln stated in his Second Inaugural Address what has now become the motto for the VA: "To care for him who shall have borne the battle and for his widow and his orphan"<sup>10</sup>. Yet, despite our best efforts, the nation was ill prepared for the influx of World War I veterans and the level of medical care they would require. The quality of veterans' care and the management of veterans' needs waxed and waned, but the unique medical problems of World War I veterans combined

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<sup>7</sup> Karl W. Eikenberry, "Reassessing the All-Volunteer Force", *The Washington Quarterly*, (Winter 2013), 36:1, 7.

<sup>8</sup> Ibid.

<sup>9</sup> Paul Darling, "The Future of America's All-Volunteer Force", *Cicero Magazine Online*, July 29, 2014, <http://ciceromagazine/opinion/the-future-of-americas-all-volunteer-force/> (accessed April 14, 2015).

<sup>10</sup> Abraham Lincoln, Second Inaugural Address, endorsed by Lincoln April 10, 1865. Transcribed and annotated by the Lincoln Studies Center, Knox College, Galesburg, Illinois. Available at Abraham Lincoln Papers at the Library of Congress, Manuscript Division (Washington, DC: American Memory Project, [2000-2002], <http://www.ourdocuments.gov/doc.php?doc=38&page=transcript> (accessed April 1, 2015).

with the inherently slow moving nature common in government agencies served to bring the issue of how veterans are treated once they come home fully into the spotlight.

In response to these needs and concerns, Congress established the US Veterans Bureau in 1921, now known as the US Department of Veterans Affairs, with the intent of providing a single point of care for wounded and disabled veterans.<sup>11</sup> In an effort to provide quality medical services for our veterans, our nation built hospitals specifically devoted to their care. When there were complaints of overcrowding, we built more. This well-intentioned effort was a bit over-zealous and led to the construction of facilities that far exceeded the need. The number of hospital beds rose from 10,655 in 1925 to 61,848 in 1941.<sup>12</sup> Consequently, there was a lot of available space and facilities were woefully underutilized. In an attempt to keep these beds filled and to justify the overhead expense of operating veterans' hospitals, Congress passed the Veterans Readjustment Benefits Act of 1966.<sup>13</sup> This act expanded VA health care benefits to veterans without service-connected injuries, so long as veterans' facilities had available space.<sup>14</sup> In 1973, Congress further authorized funding for outpatient care for veterans without service-connected disabilities. The new standards opened the flood gates as veterans who had previously been ineligible for care poured into the system. By 2008, two-thirds of patients treated in the VA system did not have a service-connected disability.<sup>15</sup>

Although Congress tried to rein in VA health care spending in 1986 with the introduction of priority groups and cost sharing<sup>16</sup>, the expectation that the government would subsidize medical care had already taken root. By 1988, when the VA became a cabinet-level department, the organization was firmly entrenched in bureaucracy. The VA showed promise

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<sup>11</sup> William H. Frist, Jim Marshall, Michael Kussman, Avik Roy, Darin Selnick, and Pete Hegseth, *Fixing Veterans Health Care, A Bipartisan Policy Taskforce*, Concerned Veterans for America, 25.

<sup>12</sup> Ibid.

<sup>13</sup> US Department of Veterans Affairs, *VA History in Brief*, Department of Veterans Affairs, Office of Public Affairs (2009), [http://www.va.gov/opa/publications/archives/docs/history\\_in\\_brief.pdf](http://www.va.gov/opa/publications/archives/docs/history_in_brief.pdf), 18 (accessed Oct. 21, 2014).

<sup>14</sup> William H. Frist, Jim Marshall, Michael Kussman, Avik Roy, Darin Selnick, and Pete Hegseth, *Fixing Veterans Health Care, A Bipartisan Policy Taskforce*, Concerned Veterans for America, 25.

<sup>15</sup> Sidath Viranga Panangala, *Healthcare of Dependents and Survivors of Veterans* (Washington, DC: US Library of Congress, Congressional Research Service, April 4, 2013), 1-3.

<sup>16</sup> US Department of Veterans Affairs, *Health Care Benefits Overview 2014*, Department of Veterans Affairs, Veterans Health Administration (2014), [http://www.va.gov/healthbenefits/resources/publications/ib10-185\\_va\\_health\\_care\\_benefits\\_overview\\_2014\\_eng.pdf](http://www.va.gov/healthbenefits/resources/publications/ib10-185_va_health_care_benefits_overview_2014_eng.pdf), 4, 9-11 (accessed Feb. 15, 2015).

with efforts to implement performance metrics and to be competitive with private medical care during Kenneth Kizer's tenure as the Under Secretary of Health during the Clinton Administration<sup>17</sup>, but that progress halted when he left the position in 1999. Since then, the problems with VA care have been numerous and often egregious.

## Issues with the US Department of Veterans Affairs

From 2005 to 2014, the VA Office of the Inspector General issued 18 reports that identified, both at the national and local levels, deficiencies in scheduling resulting in lengthy wait times and a negative impact on patient care.<sup>18</sup> During 2013 and 2014 there were countless reports of flawed patient care, excessive delays for appointments, falsification of data in medical records, and manipulation of Kizer-era metrics to secure performance bonuses. More than 57,000 veterans have waited at least three months for appointments at VA facilities across the country.<sup>19</sup> The waits have been particularly long for new patients. In the Californian Los Angeles, Long Beach, Loma Linda, and San Diego VA systems, 2,667 new patients were told that appointments were unavailable within 90 days.<sup>20</sup> Veterans at the Honolulu VA system face an average wait time of 145 days.<sup>21</sup> In light of these statistics, it stands to reason that the department's goal of attempting to schedule appointments within 14 days of a patient's request for care is simply not attainable.

Pressures to meet this unattainable goal and the motivation to secure performance bonuses tied to this metric appear to have inspired some facilities to falsify their data and create secret wait lists for patient appointments. More than 3,500 patients were identified by the VA

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<sup>17</sup> The George Washington University, "Restructuring the VA Health Care System: Safety Net, Training, and Other Considerations", *National Health Policy Forum*, Issue No. 716, March 25, 1988, [www.nhpf.org/library/issue-briefs/IB716\\_VA\\_3-25-1998.pdf](http://www.nhpf.org/library/issue-briefs/IB716_VA_3-25-1998.pdf) (accessed Sept. 23, 2014).

<sup>18</sup> Richard Griffin, *Veterans Health Administration Interim Report Review of Patient Wait Times, Scheduling Practices, and Alleged Patient Deaths at the Phoenix Health Care System*, VA Office of Inspector General, May 28, 2014, <http://www.va.gov/oig/pubs/VAOIG-14-02603-178.pdf>, 1-47 (accessed Sept. 14, 2014).

<sup>19</sup> Richard Simon, Alan Zarembo, "New audit of VA finds 3-month waits for medical appointments", *LA Times Online*, <http://www.latimes.com/nation/la-na-va-audit-20140610-story.html> (accessed Oct. 29, 2014).

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.



Office of Inspector General as being on unofficial wait lists for medical care.<sup>22</sup> When the scandal of these wait lists and the resulting excessive delays in medical care were alleged to have caused the death of 40 veterans in the Phoenix area alone<sup>23</sup>, Americans were outraged. When they were made aware of the bonuses paid to employees while veterans languished and even died without care and benefits, Americans demanded action.

According to salary data provided by the Office of Personnel Management, more than two-thirds of the claims processors in the VA collected more than \$5.5 million in bonuses.<sup>24</sup> During 2012, Office of Personnel Management records show that some of the most troubled offices gave their employees the most extra pay.<sup>25</sup> The Baltimore office, which has the longest wait times in the country for processing claims, gave bonuses averaging \$1,100 each to 40% of its workforce.<sup>26</sup> The Oakland, CA office, which had to completely suspend business operations in order to retrain underperforming employees, awarded nine out of every 10 workers a total of about \$33,000.<sup>27</sup> That amount is almost enough to pay the standard year's benefit to a veteran who is 100% disabled.<sup>28</sup> Although former US Secretary of Veterans Affairs Eric Shinseki resigned from the VA as a result of this scandal, it appears that little effort has been made to hold accountable those who manipulated wait time data and even less has been done to improve the transparency of the VA.

In an NBC *Meet the Press* interview on Feb. 15, 2015, current VA Secretary Robert McDonald stated, "We've got 60 people that we fired who have manipulated wait times." McDonald also stated that 100 senior leaders are under investigation by the US Inspector

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<sup>22</sup> Richard Griffin, *Veterans Health Administration Review of Alleged Patient Deaths, Patient Wait Times, and Scheduling Practices at the Phoenix VA Health Care System*, VA Office of the Inspector General, Aug. 26, 2014, <http://www.va.gov/oig/pubs/VAOIG-14-02603-178.pdf>, 1-47 (accessed Oct. 23, 2014).

<sup>23</sup> Ibid.

<sup>24</sup> Mary Shinn, Daniel Moore, and Steven Rich, "Despite backlogs, VA disability claims processors get bonuses", *The Washington Post Online*, Aug. 25, 2013, [http://www.washingtonpost.com/world/national-security/despite-backlogs-va-disability-claims-processors-get-bonuses/2013/08/25/1be00a28-0cea-11e3-9941-6711ed662e71\\_story.html](http://www.washingtonpost.com/world/national-security/despite-backlogs-va-disability-claims-processors-get-bonuses/2013/08/25/1be00a28-0cea-11e3-9941-6711ed662e71_story.html) (accessed April 4, 2015).

<sup>25</sup> Ibid.

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Ibid.

General and the US Department of Justice.<sup>29</sup> Until McDonald's TV interview, fewer than a dozen employees and senior executives were known to have been removed from their posts.<sup>30</sup> In reality, disciplinary actions for 75 employees have been proposed since June 3, 2014.<sup>31</sup> Of those 75, only 8 have been removed as of Feb. 13, 2015.<sup>32</sup> Only one executive has been removed for actions directly relating to the VA scandal. Former Phoenix, AZ VA Health Care System Director Sharon Helman, whose hospital was at the center of the scandal and who was found to have known of data manipulation problems for at least two years, was placed on administrative leave for seven months and eventually terminated for inappropriately accepting gifts.<sup>33</sup> Although 60 employees may be under investigation, they have yet to be fired. The VA must radically change its culture to shed the image of an apple that is rotten at its core.

Additional resources are not always the means for effecting change. Despite a \$91 billion cumulative increase in the VA budget since 2006, and a 101,000 person increase in the VA's staff, the timeliness of health care delivery for a shrinking veteran population has not improved.<sup>34</sup> As an interim measure, Congress passed the Veterans Access to Care Act of 2014 authorizing the appropriation of funds for the VA to use non-VA health providers for veterans waiting more than 30 days for an appointment, those who live more than 40 miles from the nearest VA treatment facility, or those who face a variety of extreme circumstances in order to travel to a VA treatment facility.<sup>35</sup> Although this act provided some respite for those currently experiencing delays in receiving care, the influx of new veterans, with oftentimes multiple and complex problems, will further stress an already taxed medical system. This leaves many to question how the nation can fix the VA and provide quality care in a timely manner for its

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<sup>29</sup> Michelle Ye Hee Lee, "No, the VA has not fired 60 people for manipulating wait-time data", *The Washington Post Online*, blog entry posted Feb. 18, 2015, <http://www.washingtonpost.com/blogs/fact-checker/wp/2015/02/18/no-the-va-has-not-fired-60-people-for-manipulating-wait-time-data> (accessed April 4, 2015).

<sup>30</sup> Ibid.

<sup>31</sup> Ibid.

<sup>32</sup> Ibid.

<sup>33</sup> Ibid.

<sup>34</sup> William H. Frist, Jim Marshall, Michael Kussman, Avik Roy, Darin Selnick, & Pete Hegseth, *Fixing Veterans Health Care, A Bipartisan Policy Taskforce*, Concerned Veterans for America, 8.

<sup>35</sup> *Veterans Access to Care Act of 2014*, House Resolution 3230, *Congress.Gov Online*, 2014, <https://www.congress.gov/bill/113th-congress/house-bill/3230> (accessed April 8, 2015).

veterans. The US has already tripled the budget for the VA, added nearly 50% more staff to the department, and quadrupled the budget for the US Department of Defense medical system.<sup>36</sup>

Sen. John McCain (R-AZ), a member of the House and Senate Veterans' Affairs Conference Committee, says he is unsure that money alone will fix the problems within the VA. "Unless we change the way the VA does business, we will not change anything," McCain said in an interview with *The Arizona Republic*.<sup>37</sup>

## Trends in VA Disability Benefits

It is uncertain how much longer our nation can sustain this sort of financial outlay. Merely estimating costs based on the number of veterans is not sound financial practice. From 2000 to 2013, the number of veterans who were receiving disability payments rose by almost 55%, from 2.3 million to 3.5 million, despite a 17% decline in the total population of living veterans, from nearly 27 million to 22 million.<sup>38</sup> In 2000, 9% of all veterans received disability benefits; by 2013, that proportion had risen to 16%.<sup>39</sup> Over the same period, the average disability payment rose by nearly 60%—from \$8,100 in 2000 to \$12,900 in 2013.<sup>40</sup> In fiscal year 2013 alone, the VA paid \$53.6 billion in disability compensation to 3.6 million veterans.<sup>41</sup>

Costs are rising and so is the number of disabilities claimed, according to the Congressional Budget Office. Veterans from World War II and Korea receive compensation for approximately 2.4 disabilities on average per person. Vietnam-era veterans are receiving compensation for 3.6 disabilities on average per person. However, Iraq and Afghanistan

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<sup>36</sup> Linda J. Blimes, "A Call for A National Strategy On Veterans", *Cognoscenti Online*, Nov. 11, 2014, <http://www.cognoscenti.wbur.org/014/11/11/veterans-day-linda-blimes>, (accessed Feb. 10, 2015).

<sup>37</sup> Craig Harris and Michelle Ye Hee Lee, "Transforming the VA will be daunting task", *The Arizona Republic*. Retrieved from *Navy Times Online*, July 7, 2014, <http://www.navytimes.com/article/20140707/NEWS05/307070019/Transforming-VA-will-daunting-task> (accessed Feb. 12, 2015).

<sup>38</sup> US Congressional Budget Office, *Veterans Disability Compensation: Trends and Policy Options* (Washington DC: Congressional Budget Office, August 2014), 1.

<sup>39</sup> Ibid.

<sup>40</sup> Ibid.

<sup>41</sup> US Government Accountability Office, *GAO 15-50 Veterans' Disability Benefits* (Washington, DC: U. S. Government Accountability Office, November 2014), 1.

veterans claim an average of 12 disabilities each and are receiving compensation for 5.4 disabilities.<sup>42</sup>

And although the total veteran population is shrinking, the veterans from Operation Iraqi Freedom, Operation New Dawn, and Operation Enduring Freedom are applying for medical and disability benefits at an unprecedented rate. A total of 886,161 veterans from Iraq and Afghanistan have been treated by the VA for medical conditions; 783,623 of them have filed disability claims with the VA.<sup>43</sup> The actual number of Iraq and Afghanistan veterans receiving government medical care has grown to more than 56% of the total. One out of every two veterans from Iraq and Afghanistan has already applied for permanent disability benefits.<sup>44</sup> At this rate, the care for wounded veterans from Iraq and Afghanistan will total approximately \$1 trillion in medical and disability payments and the associated administrative burden through 2054.<sup>45</sup>

Peak spending on veterans' disability and medical care for every war occurs decades after the war ends. For instance, the peak year for paying disability compensation for World War I veterans was 50 years after Armistice in 1918.<sup>46</sup> If we are struggling with these costs now, how will we afford them in another 40 years?

## Rising Military Health Care Costs

Disability benefits are not the only rising cost in supporting our All-Volunteer Force. Military health care costs soared from \$19 billion in 2001 to \$53 billion in 2012, roughly 10% of

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<sup>42</sup> US Congressional Budget Office, *Veterans Disability Compensation: Trends and Policy Options* (Washington DC: Congressional Budget Office, August 2014), 12-13.

<sup>43</sup> Doug Gavel, "Linda Blimes on the US Engagement in Iraq and Afghanistan: 'The Most Expensive Wars in US History'", *Harvard Kennedy School Harvard University Online*, March 28, 2013, <http://www.hks.harvard.edu/news-events/news/articles/blimes-iraq-afghan-war-cost-wp>, (accessed April 20, 2015).

<sup>44</sup> Linda J. Blimes, *The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets*, (Harvard, MA: Harvard Kennedy School Faculty Research Working Paper Series, March 2013, RWP13-006, Harvard Kennedy School, 4.

<sup>45</sup> Neta C. Crawford, *US Costs of Wars Through 2014: \$4.4 Trillion and Counting Summary of Costs for the US Wars in Iraq, Afghanistan, and Pakistan*, (Boston, MA: Boston University, June 25, 2014), 1.

<sup>46</sup> Linda J. Blimes, *The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets*, (Harvard, MA: Harvard Kennedy School Faculty Research Working Paper Series, March 2013, RWP13-006, Harvard Kennedy School, 4, 6.

the entire defense budget.<sup>47</sup> The Congressional Budget Office estimates that the costs of military health care could reach \$65 billion by 2017 and \$95 billion by 2030.<sup>48</sup> In a 2010 speech at the Eisenhower Library in Abilene, KS, former US Secretary of Defense Robert Gates said: “Healthcare costs are eating the defense department alive.”<sup>49</sup> Gates was right. The cost of military pay and allowances combined with military health care comprises about one-third of the department’s budget. Medical costs alone have more than doubled since 2001.<sup>50</sup> These growing personnel costs are consuming funds needed for training, equipping, and improving our military forces and risk seriously degrading our readiness posture.

In 2012, the US Department of Defense (DOD) spent \$52 billion on health care for service members, retirees, and their families. Between 2000 and 2012, funding for military health care increased by 130%. In 2000, funding for health care accounted for about 6% of DOD’s base budget; by 2012, that share had reached nearly 10%.<sup>51</sup> The Center for American Progress reports that between fiscal year 2001 and fiscal year 2012, the military health care budget grew by nearly 300%.<sup>52</sup> The federal budget cannot continue to support the financial burden that accompanies this rate of growth.

Increases in the number of service members with significant physical and mental health challenges caused by the wars in Iraq and Afghanistan; increased use of the TRICARE healthcare program and expansion of TRICARE coverage; and increased prescription usage have all served to contribute to this budgetary growth. Maj. Gen. (Ret.) Arnold Punaro has

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<sup>47</sup> Donna Cassata, “Pentagon struggles with high cost of health care”, *The Associated Press Online*, April 8, 2013, <http://news.yahoo.com/pentagon-struggles-high-cost-health-care-075320388--politics.html> (accessed Aug. 27, 2014).

<sup>48</sup> US Congressional Budget Office, *Long Term Implications of the 2013 Future Years Defense Program* (Washington, DC: Congressional Budget Office, July 2012), 20-23.

<sup>49</sup> Department of Defense, “Remarks as Delivered by Secretary Robert M. Gates”, public speech, Eisenhower Library, Abilene, KS, May 8, 2010, <http://www.defense.gov/speeches/speech.aspx?speechid=1467> (accessed April 6, 2015).

<sup>50</sup> Office of the Undersecretary of Defense (Comptroller)/Chief Financial Officer, *US Department of Defense Fiscal Year 2015 Budget Request Overview* (Washington, DC: Department of Defense, March 2014), 51-64.

<sup>51</sup> U. S. Congressional Budget Office, *Approaches to Reducing Federal Spending on Military Health Care* (Washington, DC: Congressional Budget Office, January 2014), 1.

<sup>52</sup> Lawrence J. Korb, Alex Rothman, and Max Hoffman, “Reforming Military Compensation, Addressing Runaway Personnel Costs Is a National Imperative”, *Center for American Progress Online*, May 7, 2012, <https://www.americanprogress.org/issues/security/report/2012/05/07/11573/reforming-military-compensation/> (accessed Nov. 17, 2014).

calculated that “the total costs of pay for active duty and retirees, their health care costs, veterans and other related costs [is] \$417 billion a year—that’s 63% of the combined DOD/VA budget.”<sup>53</sup>

At this rate, we are spending more on health care for our service members than we are on military research and development projects needed to ensure we maintain our global status as the premier defense force. Given its impact on the defense budget, civilian and uniformed leaders should treat the requirements and cost of military health care as a fundamental question of national security.<sup>54</sup> One of the many factors of success for the *All-Volunteer Force* is adequate financial resources. The defense budget must be large enough to support pay raises that keep pace with both inflation and civilian sector pay increases and to fund the military retirement program as well as health care initiatives.<sup>55</sup>

## Reforming Military Retirement Benefits

In addition to competitive pay, service members desire quality of life benefits. These benefits include not only health care but also a military retirement program. The current military retirement system has not been meaningfully modified or adjusted to reflect the creation of the All-Volunteer Force. The system was designed in an era when life spans were shorter, pay was substantially less than civilian sector wages, second careers were less common, and skills acquired in the military did not readily transfer to private sector employment.<sup>56</sup> None of those factors accurately reflect the modern day fighting force.

The current retirement system is a defined benefit system based upon a 20-year cliff vesting structure. Under this system, the government is liable for retirement pay for the duration of a service member’s lifetime. Those who serve less than 20 years receive no benefit,

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<sup>53</sup> Arnold Punaro, *Remarks as prepared for Aug. 24, 2014, Chicago, National Guard Association of the United States*, speech to member of the National Guard Association of the United States, Chicago, IL, Aug. 24, 2014, <http://bit.ly/1wS6CQT>, (accessed April 11, 2015).

<sup>54</sup> H. Hugh Shelton, Stephen L. Ondra, and Peter L. Levin, *Reforming the Military Health Care System*, Center for a New American Security, Feb. 2, 2015, 3.

<sup>55</sup> Rand Research Brief, “The Evolution of the All-Volunteer Force”, *Rand Corporation Online*, <http://www.rand.org>, (accessed March 8, 2015).

<sup>56</sup> Defense Business Board, Report to the Secretary of Defense, *Modernizing the Military Retirement System, Report FY11-05*, (Washington, DC: United States Department of Defense (2011), 2.



while those who serve for 20 years earn a lifetime benefit of 50% of their base pay. In comparison, private sector pension contributions range from 4% to 12% per year.<sup>57</sup> This system offers a unique incentive for career military service. Service members begin drawing retirement pay upon exiting the service as opposed to drawing at age 60 or 65, when most civilians collect their retirement benefits.<sup>58</sup> This means that many service members begin collecting their retirement benefits as early as 38 years of age. Since the average life expectancy in the U.S. is 78.8 years of age<sup>59</sup>, they will collect retirement for two decades longer than the time they spent in active service to our nation.

The current military retirement system remains a vestige of the draft-era military, and it is one we can no longer afford.<sup>60</sup> When the Gates Commission reported to President Richard Nixon in 1970 that the All-Volunteer Force would not lead to significant increases in the defense budget, it did not estimate future outlays for retirement costs.<sup>61</sup> This lack of foresight proved to be a significant omission. Retirement costs in 1973 totaled \$4.4 billion; current costs are in excess of \$100 billion.<sup>62</sup> A report entitled *The 20 Year Military Retirement System Needs Reform*<sup>63</sup> argues that the existing military retirement system does a poor job of attracting and retaining the best quality personnel and should be reformed to better reflect the force's contemporary realities. Remarkably, that report was published in 1978 by an agency now known as the Government

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<sup>57</sup> Ibid. 1.

<sup>58</sup> Center for a New American Security, *Military Compensation and Retirement Modernization*, Center for a New American Security, Feb. 2, 2015, [http://www.cnas.org/blog/military-compensation-report-infographic#.VS553\\_nF-Ng](http://www.cnas.org/blog/military-compensation-report-infographic#.VS553_nF-Ng), 4 (accessed April 15, 2015).

<sup>59</sup> Centers for Disease Control and Prevention, FastStats, *Life Expectancy*, [www.cdc.gov/nchs/fastats/life-expectancy.htm](http://www.cdc.gov/nchs/fastats/life-expectancy.htm), (accessed April 12, 2015).

<sup>60</sup> Paul Darling, "The Future of America's All-Volunteer Force", *Cicero Magazine Online*, <http://ciceromagazine/opinion/the-future-of-americas-all-volunteer-force/>, (accessed April 14, 2015).

<sup>61</sup> Karl W. Eikenberry, "Reassessing the All-Volunteer Force", *The Washington Quarterly*, (Winter 2013), 36:1, 9.

<sup>62</sup> Donna Cassata, "Pentagon struggles with high cost of health care", *The Associated Press Online*, April 8, 2013, <http://news.yahoo.com/pentagon-struggles-high-cost-health-care-075320388--politics.html> (accessed Aug. 27, 2014).

<sup>63</sup> US Government Accountability Office, *The 20-Year Military Retirement System Needs Reform* (Washington, DC: US Government Accountability Office, March 13, 1978), <http://www.gao.gov/products/FPCD-77-81> (accessed 1 May, 2015).

Accountability Office. Nearly four decades later, the problems outlined then have grown more acute and the need for reform more pressing.<sup>64</sup>

Not only is the current system costly, it is also unfair. Statistics show that 83% of those who serve do so for less than 20 years. Those who serve for less than 20 years in the military walk away with no compensation. This cohort includes the majority of troops who have engaged or will engage in combat.<sup>65</sup> Most private sector employers offer 401(k) vesting after an employee has been with the company for two years. In cliff models, employees become 100% vested after 3 years. In blended models, it is 6 years.<sup>66</sup> 401(k) benefits are also readily transferrable between employers when employees elect to move to a new organization. Those serving in the military for even a day short of 20 years leave without any retirement compensation whatsoever. Despite the fact that only 17% of those who serve in the military earn a 20-year retirement, the numbers of retirees and the costs of providing benefits for them is still significant.

According to the Office of the Secretary of Defense Office of the Actuary, annual military retirement payments are forecasted to increase from \$52.2 billion in 2011 to \$116.9 billion in 2035.<sup>67</sup> The DOD currently supports 2.3 million retirees, including 1,470,803 active retirees, 103,160 medical retirees, and 383,000 reserve retirees, as well as 326,780 military survivors receiving annuity payments.<sup>68</sup> This population now exceeds the size of the active military and will soon exceed the size of the active and reserve force. If these trends continue for both retirement pay and health benefits, DOD will soon pay more to support its retired military population than it does its current force.<sup>69</sup> Personnel benefits make up one quarter of the

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<sup>64</sup> Pete Hegseth, "It's time for Washington to act on military pay, benefits reform", *The Hill Online*, Feb. 3, 2015, <http://thehill.com/opinion/op-ed/23669-its-time-for-washington-to-act-on-military-pay-benefits-reform>, (accessed April 15, 2015).

<sup>65</sup> Defense Business Board, Report to the Secretary of Defense, *Modernizing the Military Retirement System, Report FY11-05*, (Washington, DC: United States Department of Defense, 2011), 2-3.

<sup>66</sup> US Department of Labor, "What You Should Know About Your Retirement Plan", <http://www.dol.gov/ebsa/publications/wyskapr.html>, (accessed Feb. 17, 2015).

<sup>67</sup> Todd Harrison, "Rebalancing Military Compensation: An evidence-Based Approach", Center for Strategic and Budgetary Assessments, 2012, 14-27.

<sup>68</sup> Ibid.

<sup>69</sup> Ibid.

Pentagon budget, although the size of the overall force has been reduced by roughly half since 1990. That means that the DOD spends nearly three times as much per service member on compensation as it did 25 years ago.<sup>70</sup> Pentagon officials have said that changes are needed to curb personnel costs, which are budgeted at \$177 billion in fiscal year 2015, or more than a third of the department's non-war budget of \$496 billion.<sup>71</sup>

Numerous options have been proposed for how best to reduce the costs of military health care and retirement as well as the costs associated with the continued care of our veterans. One of the most controversial proposals involves the elimination of concurrent receipt of military retirement and VA disability benefits. Until 2003, retirees could not receive their full retirement plus full compensation for disability benefits. Instead, they had to choose to between receiving their full retirement or receiving their disability benefits from the VA and foregoing an equal amount of their military retirement pay. The National Defense Authorization Act of 2003<sup>72</sup> changed this process and allowed retirees whose disabilities occurred as a result of combat and retirees who were deemed at least 50 percent disabled to draw their full retirement as well as their full VA disability benefits. Completely eliminating concurrent receipt would reduce federal spending by \$112 billion between 2015 and 2024 as estimated by the Congressional Budget Office.<sup>73</sup>

Military healthcare, known as TRICARE, is another area in which minor reforms could lead to major cost savings. TRICARE currently consumes 8% of the defense budget. If it continues to grow at the current rate, it will consume 18% of the total budget by 2017.<sup>74</sup> As the portion of the total health care costs that TRICARE was subsidizing increased, the participation

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<sup>70</sup> Anna Murine, "Pentagon wrestles with how to shield current veterans from budget cuts", *Christian Science Monitor Online*, Jan. 29, 2015, <http://www.csmonitor.com/USA/Military/2015/0129/Pentagon-wrestles-with-how-to-shield-current-veterans-from-budget-cuts>, (accessed March 6, 2015).

<sup>71</sup> Brendan McGarry, "Report: Changes May Hit Military Basic, Special and Retirement Pays", *Military.com Online*, Jan. 28, 2015, <http://www.military.com/daily-news/2015/01/28/report-changes-may-hit-military-basic-special-retirement-pays.html>, (accessed March 6, 2015).

<sup>72</sup> *National Defense Authorization Act for Fiscal Year 2003*, House Resolution 4546, *Congress.gov Online*, 2003, <http://www.congress.gov/bill/107th-congress/house-bill/4546>, (accessed Sept. 30, 2014).

<sup>73</sup> U. S. Congressional Budget Office, *Options for Reducing the Deficit: 2015 to 2024* (Washington, DC: Congressional Budget Office, November 2014), 9.

<sup>74</sup> Linda J. Blimes, *The Financial Legacy of Iraq and Afghanistan: How Wartime Spending Decisions Will Constrain Future National Security Budgets*, (Harvard, MA: Harvard Kennedy School Faculty Research Working Paper Series, March 2013, RWP13-006, Harvard Kennedy School, 15.

rate among eligible military and family members rose as well, from 29% to 52%.<sup>75</sup> These TRICARE beneficiaries with highly subsidized co-pays have no incentive to economize. An analysis conducted by TRICARE shows that recipients have a 30% to 40% higher medical utilization rate than civilians and use 30% more prescriptions per year than civilian HMO users.<sup>76</sup>

Currently, military retirees and their family members who are eligible for Medicare can receive a supplement called TRICARE for Life. This program pays for nearly all costs not covered by Medicare and requires little out-of-pocket expenditures. By introducing a deductible and requiring co-pays comparable to civilian standards, federal spending would be reduced by approximately \$27.9 billion between 2017 and 2024.<sup>77</sup> Modifications to TRICARE enrollment fees for working age retirees could result in a reduction in revenue of \$19 billion by 2024.<sup>78</sup> If we took that a step further and made working age military retirees ineligible for TRICARE Prime, a plan that is similar to a health maintenance organization and is the most expensive of the TRICARE options, the cost savings would be in excess of \$73 billion by 2024.<sup>79</sup>

In response to concerns with military compensation and benefits, the Military Compensation and Retirement Benefits Modernization Commission was established to make recommendations in order to ensure the long term viability of the All-Volunteer Force during all levels of conflict and economic conditions, enable quality of life for service personnel and their families, and modernize and achieve fiscal sustainability for their compensation and retirement.<sup>80</sup> Although the Commission made 15 recommendations, the two most pertinent to this research—retirement modernization and health care benefits—have not been accepted by the White House or Congress. These two areas are the ones most in need of reform and would

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<sup>75</sup> Ibid., 10.

<sup>76</sup> Ibid., 13.

<sup>77</sup> US Congressional Budget Office, *Options for Reducing the Deficit: 2015 to 2024* (Washington, DC: Congressional Budget Office, November 2014), 48-52.

<sup>78</sup> Ibid.

<sup>79</sup> Ibid.

<sup>80</sup> Military Compensation and Retirement Modernization Commission, *Final Report* (Washington, DC: Military Compensation and Retirement Commission, January 2015), 1.

also result in the most significant reductions in federal spending. The implementation of a 401(k) form of retirement would reduce DOD budget costs by \$6.7 billion during FY2016 to FY2020. The elimination of TRICARE would reduce DOD budget costs by \$26.5 billion during the same time period.<sup>81</sup>

TRICARE often limits access to care by confining beneficiaries to a lengthy and frustrating process of receiving care and a limited network of civilian health care providers.<sup>82</sup> In 2015, the commission recommended eliminating TRICARE completely and providing military dependents with private sector health care insurance similar to that offered to federal civilian employees. The DOD refused to consider that option and the White House also rejected it, despite the fact that the modernized health benefit system would not only eliminate the existing TRICARE referral process, it would reduce DOD budgetary costs by \$6.7 billion.<sup>83</sup> The commission's intent was to provide quality health care in a way that included choices, but there are a lot of second and third order effects when considering disestablishing TRICARE, and it is too complex of an undertaking to quickly assess.<sup>84</sup> Current US Secretary of Defense Ashton Carter has stated that the commission's recommendation on the TRICARE health benefit needs more work.<sup>85</sup> The commission's recommendations for retirement reform appear to be less contentious and stand a better chance of being accepted by the DOD, the White House, and Congress.

The Military Compensation and Retirement Modernization Commission also proposed a recommendation that would blend the recruiting benefits of a modern, private sector, 401(k)-

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<sup>81</sup> Ibid., 255-262.

<sup>82</sup> Ibid. 82.

<sup>83</sup> Andrew Tilghman, "DoD rejects Tricare reform, does not oppose military retirement changes", *Military Times Online*, April 30, 2015, <http://www.militarytimes.com/story/military/pentagon/2015/04/30/dod-rejects-tricare-reform-does-not-oppose-retirement-changes/26638471/> (accessed May 1, 2015).

<sup>84</sup> Lolita C. Baldor, "White House rejects Tricare revamp, backs other benefit changes", *The Associated Press*, retrieved from *Stars and Stripes Online*, April 30, 2015, <http://www.stripes.com/news/us/white-house-rejects-tricare-revamp-backs-other-benefit-changes-1.343413> (accessed May 1, 2015).

<sup>85</sup> Jim Garamore, "Obama Sends Pay, Retirement Commission Recommendations to Congress", US Department of Defense *DoD News Online*, May 1, 2015, <http://www.defense.gov/news/newsarticle.aspx?id=128710>, (accessed May 1, 2015).

type plan with the retention benefits of the current retirement annuity.<sup>86</sup> The ability to begin vesting in a retirement system early in one's career combined with the portability of a savings account which travels with the employee as they transition to different jobs makes this plan very attractive, especially to those who will never see the standard 20-year military retirement benefit. The adoption of this modernized retirement system would reduce federal outlays by \$4.7 billion annually starting in FY2053.<sup>87</sup> Although the Pentagon has not endorsed the proposed retirement plan presented by the commission, it appears to be strongly considering the implementation of a 401(k) type of plan. The House Armed Services Committee recently approved a nearly \$612 billion defense policy bill that includes a similar retirement change provision that would take effect in 2017.<sup>88</sup>

Perhaps one of the most intriguing recommendations for restructuring the military retirement system comes from the Strategic Studies Institute and US Army War College Press and was issued prior to the recommendations made by the Military Compensation and Retirement Modernization Commission. This proposal, referred to as the 10-15-55 plan<sup>89</sup>, is also based on a 401(k) retirement system with employer contributions and is initiated upon entry into the service. What sets this plan apart is that at 10 years of service, the service member controls 50% of the military contributions to the plan as well as his or her own contributions. At 15 years, he or she will control 100% of employer contributions.<sup>90</sup> This would allow those who do not reach the full 20 years to depart with retirement benefits commensurate with their years of service.<sup>91</sup>

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<sup>86</sup> Military Compensation and Retirement Modernization Commission, *Final Report* (Washington, DC: Military Compensation and Retirement Commission, January 2015) 3.

<sup>87</sup> *Ibid.*, 255.

<sup>88</sup> Lolita C. Baldor, "White House rejects Tricare revamp, backs other benefit changes, *The Associated Press*, retrieved from *Stars and Stripes Online*, April 30, 2015, <http://www.stripes.com/news/us/white-house-rejects-tricare-revamp-backs-other-benefit-changes-1.343413> (accessed May 1, 2015).

<sup>89</sup> Roy A. Wallace, David S. Lyle, & John Z. Smith, *A Framework For Restructuring The Military Retirement System* (Carlisle, PA: Strategic Studies Institute and US Army War College Press, July 13), viii.

<sup>90</sup> *Ibid.*

<sup>91</sup> *Ibid.* viii, 10, 17.



The 10-15-55 plan also recommended that service members do not start drawing retirement or full medical benefits until age 55.<sup>92</sup> Currently, active duty retirees begin drawing their retirement pay as well as all medical benefits as soon as they retire, which for some can be as young as 38 years of age. By pushing the age of receipt back to 55 years old, it would encourage retirees to pursue a second career. Given the fact that the average life expectancy in the United States is currently 78 years, a later receipt age also would shorten the duration of time that the federal government must pay retirement and medical benefits, resulting in substantial savings. Delaying receipt of pension benefits by one additional year saves 3.77%.<sup>93</sup>

## Recommendations

The government and society at large recognize that military retirement and benefits need to be reformed in order to meet the needs of service members and taxpayers. 401(k) plans similar to those in the private sector hold a great deal of appeal as a potential way ahead in military retirement modernization. The Military Compensation and Retirement Modernization Commission recommendations for retirement may be considered too portable and could result in our top talent leaving the service after a few years. The 10-15-55 proposal would serve to incentivize those who are strongly considering the military as a career as well as serve to retain mid- to senior-level managers. The ability to draw retirement 10 years earlier than civilian counterparts may serve as an excellent retention tool for more experienced personnel. The plan also serves to encourage our retirees to pursue a second career upon retirement in order to provide for pay and benefits up to a minimum age of 55 years old. Congress should strongly consider this option in addition to that presented by the commission.

Congress should also strongly consider transitioning from TRICARE to private insurance for better accessibility and quality of care. One of the biggest complaints about TRICARE is the limited number of providers and excessive wait times for appointments with

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<sup>92</sup> Ibid., viii, 10-12.

<sup>93</sup> Ibid., 21.

specialists as well as primary care physicians.<sup>94</sup> Many providers do not accept TRICARE due to the low reimbursement rates and complicated reimbursement process.<sup>95</sup> TRICARE beneficiaries in rural areas often have to travel a great distance to find providers who take their insurance.<sup>96</sup> Widely accepted private sector options such as Blue Cross Blue Shield would enable service members and their dependents to be seen by a majority of providers at a multitude of facilities throughout the nation. At a bare minimum, co-pays and deductibles should be assigned to help offset costs and should be comparable to the private sector. The 10-15-55 recommendation for not allowing retirees to receive full medical health care coverage until age 55 is also something which should be retained in order to decrease federal spending and encourage military retirees to remain active and obtain second careers.<sup>97</sup>

I further recommend that concurrent receipt of retirement and VA disability benefits be rescinded. The elimination of concurrent receipt will have an immediate cost savings impact on the budget. The secondary effect will be one of reduced claims for VA disability and decreased workload for Veterans Affairs providers and staff. In addition, all veterans currently utilizing VA medical treatment facilities should be given the choice to pay a small deductible and co-pays and see private sector providers or continue seeking treatment directly from the VA. At the same time, the VA needs to be more transparent and remember its mission is to put veterans first. If they cannot provide quality care in a timely and cost-effective manner, it may be time to privatize veterans' health care and allow the VA to focus on other veterans' policy issues.

Once we have modernized our retirement, health care, and VA systems, it will be time to push for a National Veterans Strategy.<sup>98</sup> This nation has a clearly defined process of how to commit troops in wartime, but we have nothing in place for how to provide for those who have

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<sup>94</sup> Military Compensation and Retirement Modernization Commission, *Final Report* (Washington, DC: Military Compensation and Retirement Commission, January 2015), 81-84.

<sup>95</sup> Ibid.

<sup>96</sup> Ibid.

<sup>97</sup> Roy A. Wallace, David S. Lyle, & John Z. Smith, *A Framework For Restructuring The Military Retirement System* (Carlisle, PA: Strategic Studies Institute and US Army War College Press, July 13), viii, 10-12.

<sup>98</sup> Syracuse University Institute for Veterans and Military Families & Syracuse University Institute for National Security and Counterterrorism, *A National Veterans Strategy: The Economic, Social And Security Imperative* (Syracuse, NY: Syracuse University, February 2013), 2.

defended our country once they return home. We owe it to our nation and our veterans to solve this issue.

There have been excellent proposals made in *A National Veterans Covenant* by the University of Southern California's (USC) School of Social Work<sup>99</sup> and Syracuse University's (SU) Institute for Veterans and Military Families and Institute for National Security and Counterterrorism's *A National Veterans Strategy: The Economic, Social, and Security Imperative*.<sup>100</sup> In their report, SU experts note that, "[t]he repercussions of war persist for years and decades after the last shot is fired, but we seldom consider the inevitable costs, the economic consequences, and the impact on quality of life for those who fought and their families. As a war-weary America returns from 13 years of exhausting conflict in Iraq and Afghanistan, we must put in place a long-term strategy for taking care of the wounded, reconstructing lives, and repaying war debts."<sup>101</sup>

Americans have contributed millions of dollars, thousands of jobs, and countless volunteer efforts in a "sea of goodwill" to our service members and their families<sup>102</sup>, but that support may have already begun to wane.<sup>103</sup> We must do our part to show that we are good stewards of taxpayer resources and modernize our retirement and benefits system to make them more cost effective.

Both SU's and USC's recommendations call for a coordinated effort by local, state, federal, and non-governmental agencies on a national level to address support of veterans. This coordination would be the first step toward creating a national strategy. The second Obama Administration was perfectly poised to enact the recommendations made by Syracuse

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<sup>99</sup> Anthony Hassan, Marilyn Flynn, & Ron Avi Astor, *A National Veterans Covenant – Community as the Catalyst and Resource*, University of Southern California School of Social Work, September 2012, 6.

<sup>100</sup> Syracuse University Institute for Veterans and Military Families and Syracuse University Institute for National Security and Counterterrorism, *A National Veterans Strategy: The Economic, Social And Security Imperative* (Syracuse, NY: Syracuse University, February 2013), 5-7.

<sup>101</sup> Syracuse University Institute for Veterans and Military Families and Syracuse University Institute for National Security and Counterterrorism, *A National Veterans Strategy: The Economic, Social and Security Imperative* (Syracuse, NY: Syracuse University, February 2013), 3.

<sup>102</sup> John W. Copeland & David W. Sutherland, *Sea of Goodwill - Matching the Donor to the Need* (Washington, DC: Office of the Chairman of the Joint Chiefs of Staff Warrior and Family Support, July 2010), 1-2.

<sup>103</sup> Chairman's Office of Reintegration, *After the Sea of Goodwill: A Collective Approach to Veteran Reintegration* (Washington, DC: Office of the Chairman of the Joint Chiefs of Staff, October 2014), 1.

University and others, but it has implemented nothing to date.<sup>104</sup> Advocates calling for action at the grassroots state and local levels are not seeing major coordinated efforts either.<sup>105</sup> At this point, it may be up to non-profit organizations to spearhead a national strategy. It would be a tragedy to have this “sea of goodwill” become an ocean of apathy.<sup>106</sup>

George Washington once declared that “the willingness with which our young people are likely to serve in any war, no matter how justified, shall be directly proportional to how they perceive the veterans of earlier wars were treated and appreciated by their nation.”<sup>107</sup> We must heed Washington’s advice or the future of the All-Volunteer Force may be in great peril.

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<sup>104</sup> Chairman’s Office of Reintegration, *After the Sea of Goodwill: A Collective Approach to Veteran Reintegration* (Washington, DC: Office of the Chairman of the Joint Chiefs of Staff, October 2014), 4.

<sup>105</sup> Anthony Hassan, Marilyn Flynn, and Ron Avi Astor, *A National Veterans Covenant – Community as the Catalyst and Resource*, University of Southern California School of Social Work, September 2012, 1-2.

<sup>106</sup> Philip Carter, *Upholding the Promise – Supporting Veterans and Military Personnel in the Next Four Years*, Center for a New American Security, November 2012, 6.

<sup>107</sup> Michele A. Flournoy, “We aren’t doing enough to help veterans transition to civilian life”, *The Washington Post Online*, April 2, 2014, [http://www.washingtonpost.com/opinions/we-aren-t-doing-enough-to-help-veterans-transition-to-civilian-life/2014/04/02/d43189e2-b52a-11e-b899-20667de76985\\_story.html](http://www.washingtonpost.com/opinions/we-aren-t-doing-enough-to-help-veterans-transition-to-civilian-life/2014/04/02/d43189e2-b52a-11e-b899-20667de76985_story.html), (accessed Nov. 18, 2014).

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