

Guard and Reserve Issues for Congress

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In Brief

The Reserve Components lack the personnel, funding, and equipment for the missions asked of them.

Congress should provide the resources and force structure necessary for the Reserves to maintain their relevance while also improving benefits for those who serve.

Congress must engage in serious consideration of the role the National Guard and Reserves play in American defense policy.

The National Guard and Reserves (collectively, the Reserve Components) are under-manned, under-funded, and under-equipped for the demands we are making of them. The men and women who make up the Reserves continue to carry on, accomplishing the missions the nation asks of them. But to keep faith with America's citizen-soldiers will require leadership from the President, the Secretary of Defense, and the United States Congress to advance an agenda that keeps the Reserves ready and relevant.

Personnel Issues

As of April 25, 2007, more than 80,000 Guardsmen and Reservists were mobilized in support of ongoing operations. Over the past few years, the number mobilized has hovered around 100,000 soldiers. In addition to overseas responsibilities, 50,000 National Guard soldiers participated in Hurricane Katrina relief operations and 6,000 more are participating in border security Operation Jump Start. At the same time that the National Guard serves as the primary force responsible for homeland security, its personnel are training for overseas combat operations.

The Army and its Reserve Components are under severe strain. Since 2001, the Army Guard has deployed 186,000 soldiers and the Army Reserve 164,000 soldiers for duty in Iraq and Afghanistan and in homeland-defense missions. Although the National Guard and Army Reserves make up 55% of overall Army strength, DOD policy until recently only allowed reservists to be mobilized for up to 24 total months under the current mobilization authority. Consequently, only 90,000 of the Army Reserve Components 522,000 personnel were still available to be mobilized. When a unit was mobilized, the only soldiers who could deploy were those who volunteered or had never deployed before. This practice resulted in cascading problems across units throughout the force as vacancies were filled with available personnel plucked from other units, effectively spreading the problem without solving it.

Remarkably, in 2006, 62% of all Soldiers who deployed with mobilized Army National Guard or Reserve units came from other units, compared with 6% in 2002 and 39% in 2003.¹ This situation, usually referred to as “cross-leveling,” severely degrades readiness and combat effectiveness. Units who fight together must train together. Units cobbled together, who first meet each other upon mobilization, are not as effective as units that have trained together in peacetime. Additionally, this personnel situation degrades the National Guard’s ability to respond to natural disasters and homeland security responsibilities.

DOD recently announced that it would rescind the policy that reservists can only be mobilized for up to 24 months. This policy change would allow units to train and mobilize together even if unit members had already involuntarily served more than 24 months. DOD also reiterated the intention that units would only mobilize once every five years. Taken together, these policies do not relieve the unprecedented stress on individual reservists, their employers and families. Moreover, DOD acknowledges that certain high demand units will be mobilized as needed, even if it means deploying more than once every five years. For example, 13,000 Guardsmen from four units, the 37th Brigade Combat Team (BCT), from Ohio; the 76th BCT from Indiana; the 45th BCT, from Oklahoma; and the 39th BCT from Arkansas will soon mobilize. All these units have already mobilized and deployed to the CENTCOM area of responsibility previously.

Although Active Component units will deploy to theater for 15 month tours, DOD has also announced that reservists will only be mobilized for a maximum 12 month tour. In order to ensure that units are adequately trained prior to deployment, units alerted for mobilization will perform increased training as their mobilization date approaches. It remains to be seen if DOD can adhere to this policy over time as the need to flow reservists to theater continues unabated.

In its March 2007 report to Congress, the Commission on the National Guard and Reserves (CNGR) stated:

The current posture and utilization of the National Guard and Reserves as an “operational reserve” is not sustainable over time, and if not corrected with significant changes to law and policy, the reserve component’s ability to serve our nation will diminish.

The CNGR noted that “the long-term viability for recruiting and retention remains highly problematic” for the Guard and Reserves. From FY97 to FY06 the number of prior active duty personnel enlisting in the Guard and Reserves has steadily increased. The percentage of parents, teachers and other “influencers” willing to recommend military service to their children or other young people has continually decreased. The total youth propensity to enlist declined from 15% of the population to only 10% from 2005 to 2006.

In addition, the CNGR noted that over 50% of employers stated in a 2007 survey that they would not hire a reservist because their employee could be mobilized. Significantly, the CNGR stated that the trend of employers to question hiring reservists is directly correlated to when the Pentagon began referring to the Guard and Reserves as an “operational reserve” as opposed to a “strategic reserve.” As the report explained, if the Guard and Reserves are “operational,” then they are not really a force held in reserve. Accordingly, employers are less willing to hire prospective employees more likely to face frequent extended absences due to deployments.

Equipping and Manning the Force

The United States trains, equips, and funds the reserve forces for a world that simply does not exist anymore. On paper they are organized as a strategic reserve. In reality they are used as an operational force, deploying at the start of conflicts. But in practice, they are funded and equipped based on text-book assumptions that they would deploy late in combat operations. Accordingly, there is a mismatch between resources and needs.

Although units must be manned and equipped at 90% of the requirement when they deploy, Reserve Component units are only manned and equipped at partial readiness during peacetime, that is to say 60-70% of the

requirement. As a Strategic Reserve force, units would receive necessary equipment and personnel upon mobilization and have time to train before deployment.

This model has broken down as the pace of deployment has accelerated. As the CNGR noted, nearly 90% of Army National Guard units are not ready because of equipment shortfalls. Just as “cross-leveling” weakens personnel readiness, it also weakens equipment readiness. Units that are not preparing to deploy transfer equipment and people to units that are deploying. For example, as described in the September 2006 Government Accountability Office (GAO) testimony to the CNGR, when the Army National Guard’s 30th Brigade Combat Team was alerted to deploy to Iraq in 2004, it had only 40% of its deployment requirement of night vision goggles. The Army National Guard had to transfer thousands of goggles to fully equip the unit, leaving other nondeploying units with even fewer goggles available for training or other missions. As a result of equipment “cross-leveling,” nondeploying units cannot train for their deployment due to lack of equipment and personnel.² Moreover, depleted Guard units have a harder time executing homeland security missions since they lack the resources they should have. The problem is exacerbated because Guard and Reserve units often leave their equipment overseas when they return home so that follow on units can use the equipment. Resulting equipment shortages mean that Reserve Component units cannot prepare for future missions at home or overseas.

As the GAO explained to the CNGR, Army National Guard units currently have less than one-third of the equipment they require. As of 2005, Army National Guard units transferred 101,000 pieces of critical equipment from nondeploying units to fill gaps in deploying units. Such transfers and combat use have exhausted the inventory of 250 critical items. In addition, the National Guard has less than 80% of the night vision goggles and chemical monitoring/decontamination equipment it requires. According to National Guard officials quoted by the GAO in its September 2006 report, as of July 2005, only 34% of nondeployed Guard units had their essential equipment, down from 87% of units having their equipment as of October 2002. Today, less than 30% of units have their critical equipment. Without their required equipment, units cannot train for future deployment or respond to domestic contingencies.³

National Guard and Reserve units are not required to be “war fight ready.” Instead, they are required to be mobilization ready. Except in extraordinary circumstances, Guard and Reserve units should have time after mobilization to train before deployment. This concept only works, however, if sufficient equipment is available for units to train with before mobilization. As of today, Guard units cannot perform peacetime training because their personnel are transferred to fill shortages in deploying units and their equipment is either being left overseas or transferred to deploying units.

Moreover, as the CNGR noted, the “DOD is not adequately equipping the National Guard for its domestic missions.” The Pentagon budget does not fund equipment or personnel costs associated with civil support for domestic emergencies. Instead, DOD assumes that as long as the military is prepared to fight a major war, it is ready to respond to a disaster or emergency at home. The CNGR called this a “flawed assumption” because Army Guard units have only 50% of their authorized stock of “dual use” equipment that can be used either for overseas or domestic contingencies.

The United States needs a new business model that matches resources to policy. On January 31, 2007, LTG Steven Blum, the Chief of the National Guard Bureau, testified to the CNGR that the Guard would require \$40 billion to achieve an “adequate state of equipment readiness,” i.e. with 80% of the equipment it needs on hand and ready for operations at any given time. If the Guard and Reserve are to be used as an operational force, then their equipment requirements should be fully funded so that they can train in peacetime, execute domestic contingencies and train for future new missions. The Pentagon must also change its resourcing processes to ensure that the necessary funds for training and equipping the National Guard to respond to domestic contingencies is included in the annual budget submitted to Congress.

Congress must also monitor the conversion of National Guard units to the new modular force structure. Although Army Guard units will convert to the new modular force structure by 2008, Guard units will not be

equipped for these designs until at least 2011. Instead, Guard units will convert with the equipment they have on hand. Because of pre-existing shortages, equipment left in Iraq and the need to repair equipment used on deployment, Guard units will not have the equipment they need to train for new modular unit designs. Unless Guard equipment requirements are fully funded, the Guard will not be able to function as an operational force as Army transformation is implemented.

Training

Currently, National Guard and Reserve personnel train for 39 days per year. Several witnesses testified before the Commission on the National Guard and Reserves that the number of training days should be increased to reflect the fact that the Reserve Components are an operational force.⁴

Although increased training days would presumably enhance readiness, the number of training days cannot be viewed in isolation. First, increasing training without solving the equipment shortages and personnel transfers means that units would train more with fewer assets. Second, family members and employers would likely oppose an increase in peacetime training requirements.

While there are certainly reservists who are interested in maximizing the amount of active duty tours they can perform, those individuals are not the norm. A force cannot be constructed that assumes that most reservists are available for such a career path. Accordingly, while the “continuum of service” model may work for some, it will become problematic for all when the massive mobilization is over. At that time, those Guardsmen and Reservists who left the civilian economy will have to rebuild civilian careers with no promise of future military tours, job training or assistance.

The Reserve Components should be preserved as a reserve force, not a “continuum of service” force. Among the greatest strengths of the Guard and Reserve are the civilian skills gained in the civilian economy that cannot be replicated in the active force. Future policy decisions should be mindful of the effect of increased Reserve Component usage on the unique features of those forces.

During peacetime, retention of reservists depends upon providing them with realistic training, a meaningful mission and quality equipment. When the pace of mobilization and deployment significantly abates, those considerations will again become paramount. However, as long as the Guard and Reserve remain an overextended operational force, retention will depend on providing a robust benefits package that reflects the demands placed upon reservists who will frequently leave their civilian jobs and families. Unlike the Active Component, the Guard and Reserve depend on continued support from civilian employers whose interest in subsidizing national defense may well decrease as the demands of mobilization increase.

Legislative Initiatives

The following identifies several legislative proposals that would strengthen the National Guard and Reserve and provide needed support to Citizen-Soldiers, their employers and families.

A “National Guard/Reserve Soldier, Employer and Family Support Act” should contain the following provisions:

- Readiness – Protect against personnel and funding cuts; fund equipment shortfalls;
- Reservist Support – Enhance GI Bill benefits and protection for mobilized students;
- Employer Support – Give tax credits to employers who provide continued pay or benefits to mobilized employees;
- Family Support – Improve benefits for spouses;

- Retirees – Establish a formula that allows Guardsmen and Reservists who have been mobilized to collect retirement before age 60.

Finally, Congress must engage in a robust debate on the proper role of the Reserve Components as either a strategic or operational reserve.

Readiness

In the 2006 Program Decision Memorandum III (PDM III), the Office of the Secretary of Defense (OSD) directed a reduction in the size of the Army National Guard and Army Reserve in each of the next five years. These cuts were directed solely to generate savings—shrinking the size of America’s ground forces at a time when we are desperately short of boots on the ground.

After extensive pressure, OSD agreed to restore the cuts to the National Guard but not the Army Reserve. In the FY07 Defense Authorization Act, Congress directed OSD to restore the cuts in Army Reserve end strength in FY08. The FY08 DOD budget restores the reductions.

Congress must remain vigilant to ensure that OSD does not further seek “savings” by reducing the size of the Army National Guard and Army Reserve at a time of unprecedented operational tempo. Congress must not only fully fund Army National Guard and Reserve end strength, it should also fully fund the full-time Army National Guard and Army Reserve force. Full-time soldiers and civilian technicians are a key readiness enhancer and critical for an operational force.

The dual missions of the National Guard must also be considered. In order to ensure that sufficient forces are available for a domestic contingency, the Guard has set a goal that no more than 50% of forces in any state be deployed at any time. This is a worthy effort but one that will be difficult to achieve in the current environment. Congress should require OSD to report on the impact overseas deployments are having on the ability of the Guard to execute its domestic mission on a state by state basis.

Reservist Support

Congress should expand Montgomery GI Bill (MGIB) benefits for the National Guard and Reserve. Last year, Congress considered H.R. 6250, introduced by Representative Vic Snyder, which ensured that members of the Guard and Reserve would be entitled to post-service use of MGIB benefits they earn during mobilization. The bill would combine active and reserve MGIB benefits under the same provision to ensure equal increases for all Service Members, regardless of component. It also allows reservists activated for a contingency to use their mobilization benefits for up to 10 years following completion of reserve service. Under current law, reserve MGIB benefits can only be used while the reservist is actually serving in the Guard or Reserves. Because significant portions of service in the reserves will be spent on deployment, it is unreasonable to require reservists to use up their benefits while in the service.

Congress should provide that mobilized students receive a military leave of absence while serving on active duty and are restored to their prior educational and scholarship status when they are released from active duty.⁵

Finally, the federal government should lead by example when it comes to employer support. Congress should enact a requirement that mobilized federal employees receive the difference in pay between military compensation and federal civil service compensation. Federal civil servants who serve in the Guard and Reserve bring unique experiences and skills to the government in both their civilian and military capacities. The government should recognize their unique contributions and act to retain them in federal civil service by providing a salary differential.

Employer Support

Congress should enact tax credits for employers of mobilized Guardsmen and Reservists. Over the past six years there have been many different proposals to achieve that objective.⁶

When a reservist is mobilized, employers suffer some economic consequence, including loss of productivity. Because the employee's job is protected, employers are limited in how they can replace the employee. If employers hire a temporary replacement, they incur hiring and training costs and suffer a loss of productivity until the temporary employee is proficient. Accordingly, employers are subsidizing national security because their employees can be called away for extended and multiple deployments.

The various tax credit bills that attempt to compensate employers have one or more of the following general characteristics:

- credits are only available for small businesses;
- credits are available to companies that hire reservists;
- credits are available only to an employer who provides compensation to a mobilized employee;
- credits are available once an employee is mobilized, whether or not the employer provides any compensation;
- credits are subject to a cap per employee and/or per year.

In the last Congress, the House Ways and Means Committee was opposed to any employer credit. Former Chairman Bill Thomas and his staff argued that employers who suffer economic loss as a result of mobilization should be paid out of Defense Appropriations and that the tax code should not be used to compensate employers. They also argued that employers should not receive a credit just because an employee is mobilized.⁷ Because federal law requires that employers protect the jobs of mobilized reservists, credits should not be available to employers who do nothing other than allow reservists to return to their former jobs. In other words, employers should not be rewarded for merely complying with the law.

The first argument is specious but the second does have some merit. According to the General Accounting Office, 41% of Guardsmen and Reservists earn less in military pay upon mobilization than they earned in their civilian jobs. Reservists whose income decreases after mobilization are less likely to remain in the force. There is a real pay gap that must be addressed. Employers who provide continued compensation or benefits upon mobilization are part of the solution. Accordingly, credits should not only compensate employers for the involuntary loss of an employee but also incentivize them to provide continued compensation or benefits upon mobilization.

In 2004, the Senate passed Senator Mary Landrieu's amendment to S. 1637 that provided employers a 50% tax credit on the salaries paid to activated employees. In addition, the amendment provided small businesses a \$6,000 tax credit for hiring a temporary worker to replace an active duty employee. Small manufacturers would have received a credit of up to \$10,000 to help find a temporary replacement. Although passed by voice vote, the provision never became law.

The tax credit should be narrowly tailored and mirror Senator Landrieu's amendment. In order to incentivize employers, minimize cost and target the credit to those who most need it:

- the credit should only be available to small businesses;
- the credit should only be available to employers who provide compensation or continued insurance or other benefits to employees while on active duty;
- the employee must have been on active duty for at least 179 consecutive days during a calendar year;

- the credit should be equal to 50% of the amount of compensation paid to the employee (minus the value of military compensation) or the total value of the employer's contribution to insurance, retirement or other benefit program;
- the credit should also be equal to 50% of the wages paid to temporary employees hired to replace mobilized employees;
- the credit should be capped at a maximum of perhaps \$100,000 per employer per year.

Admittedly, the tax credit only addresses concerns of private sector employees. Many reservists are public sector and local government employees. Law enforcement agencies, for example are often hit hard when Military Police units are mobilized. A grant program could be established that law enforcement agencies could apply for if they have a certain percentage of personnel mobilized.

Family Support

In the FY07 Defense Authorization Act, Congress expanded TRICARE coverage for all National Guard and Reserve members and families. This was an important development. There are other benefits that should also be considered.

Congress should authorize reservists to transfer MGIB benefits to their spouses. It should also amend the Family and Medical Leave Act (FMLA) to allow spouses of mobilized reservists to take unpaid leave to deal with family issues upon mobilization. Few reservist families live near military installations and, therefore, cannot access benefits there. No job protections exist for military spouses and many reservist families need to be closer to other family members during mobilization. Accordingly, the FMLA should ensure that spouses can resume their careers when mobilization ends.

Retirees

When Congress established the National Guard and Reserve retirement program in 1948, few reservists were mobilized and Congress assumed that reservists would have full-time civilian careers. The reserve retirement annuity was designed to supplement a normal civilian career retirement program. Accordingly, reservists do not begin to receive retiree pay until their 60th birthday.

Because reservists are now expected to spend at least 25% of their prime working years on full-time active duty, they will suffer an inevitable decline in their civilian compensation package. For several years, Congress has considered proposals to lower the age when reservists receive their first retirement payment.

In the FY 2007 Defense Authorization Act, House-Senate conferees rejected a Senate provision that would have lowered the reserve retirement age by 3 months for every 3 months served on active duty in a contingency operation. This provision was initially introduced by Senator Lindsay Graham in S. 337 with 23 bipartisan cosponsors. This provision should be reconsidered. By targeting the earlier retirement to those who have been mobilized, it rewards those who have been mobilized as opposed to those reservists whose civilian careers were uninterrupted.

Operational vs. Strategic Reserve

Finally, Congress should debate the future roles and missions of the Guard and Reserves. Submission of the final report of the Commission on the National Guard and Reserves early next year will provide a starting point for the debate. As long as the Iraq War continues, admittedly debates about whether and how often the Guard and Reserve should deploy will be largely academic. Nevertheless, certain questions are apparent:

- What should the National Guard and Reserve look like in the post-Iraq War defense establishment?
- Should the National Guard and Reserve be an operational force or strategic reserve?
- If the National Guard is to deploy as an operational force, how can the states be provided with sufficient forces to execute domestic missions?
- What missions should be assigned to the National Guard and Reserve?
- What is the optimum mix of forces in the National Guard and federal reserve?
- What long-term systemic fixes can address the perennial Reserve Component equipment shortages?

Reliance on the Reserve Components flows from the post-Vietnam War Total Force Policy that America would never again go to war without home town America, that is to say the Reserve Components. The Reserve Components represent the link between American civil and military societies and are the military “footprint” in much of the civilian world.

Notwithstanding the expectation that the public would be more heavily invested in a war if the Reserve Components were involved, public opposition to the Iraq War does not appear to be related to the unprecedented use of the Reserve Components. Deployment of National Guard and Reserve units has become routine and the unacceptably high cost of the war is not specifically tied to the fact that Reserve Component units have borne an equal share of the cost. Accordingly, the Iraq War may have demonstrated that the public does not view Active and Reserve Component units differently insofar as it relates to support for a conflict.

Congress should debate the appropriate role of the Reserve Components in America’s defense policy. It is unlikely that the Total Force Policy can survive in its present form if Reserve Component forces are used as frequently as Active Component forces across the spectrum of conflict. The Reserve Chiefs have publicly acknowledged that their forces are already broken or on the verge of breaking. Increased homeland security requirements exacerbate the demand for National Guard units and deployed forces cannot be relied upon for domestic contingencies. In the past, force structure decisions were made because a Reserve unit costs less than an Active unit. The so-called “war on terror” may require modification and rethinking of some past force structure decisions.

Endnotes

1. Army Testimony to the Commission on the National Guard and Reserves (CNGR), December 13, 2006, quoted on page 12 of transcript of second session.
2. Testimony of MAJ Thomas Friloux, 3rd BN, 156 Infantry, LARNG and MAJ Christopher Foxx, 10th Division Maintenance Officer, USAR, September 20, 2006, to CNGR, describing lack of equipment on hand for their units to train on prior to mobilization and deployment.
3. In its September 20, 2006, testimony to the CNGR, the GAO testified that, “DOD has required Reserve [Component] units to leave over 60,000 pieces of equipment overseas for use by other forces and much of this equipment has not been replaced yet, nor is it clear when it will be. As a result, Army National Guard units had almost completely exhausted their inventory of almost 220 critical items such as certain types of night vision goggles, chemical warfare monitoring and decontamination equipment as of July 2005.”
4. LTG Stultz, Chief Army Reserve, “One weekend a month, two weekends in summer no longer meet nation’s needs,” *The Officer*, December 2006, www.roa.org; Testimony of MAJ Thomas Friloux, LARNG, September 20, 2006, “the current 39-day training model for reserve components is a dinosaur of the strategic reserve force.”
5. These provisions were introduced in the 109th Congress as HR 333 (Lynch) and S. 2063 (Vitter.)
6. Bills from the 109th Congress include S.11, S.38, S.240, S.417, S.460, S.871, S.871, S.3977, H.R.443, H.R.446, H.R.838, H.R.1543, H.R.4468, H.R.5751, H.R.5765.
7. Personal conversation between the author and Congressman Thomas’ staff.

About the Author

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