

Eliminate Harmful Sequestration Cuts

Issue: Unless current law is changed, the Defense Department will have to cut an additional \$54B in FY 2016 and \$269 billion over the following five fiscal years thereby re-creating the potential for a hollow force similar to previous years of budget cutting.

Background: The Budget Control Act (BCA) of 2011 established automatic budget cuts known as sequestration which reduces America's national defense capabilities putting our national security at greater risk.

During the 2011 debt negotiations, the Administration agreed to reduce the DoD budget by \$487B over a ten year period; however, with the enactment of sequestration, DoD had to make an additional \$500B in budget cuts. Former Secretary of Defense Panetta testified in December 2012 that such a "meat axe" approach to budget reductions will "hollow out the force."

The Bipartisan Budget Act (BBA) of 2013 mitigated the spending cuts for FY 2014 and 2015. However, the original sequestration cuts FY 2016 through 2021 remain in effect continuing to place national security at increased risk.

Concern for readiness was reinforced by former Secretary of Defense Chuck Hagel when he stated "the only way to implement sequestration is to sharply reduce spending on readiness and modernization, which would almost certainly result in a hollow force...the resulting force would be too small to fully execute the President's defense strategy."

The proposed FY16 defense budget assumes additional monies will be forthcoming to mitigate sequestration impacts. However, the sequestration "sensitive" budget submission proposes to make significant reductions to several compensation areas for the military community.

The budget caps the FY16 pay raise a full 1% below the private sector and what the law authorizes; increases active duty members out of pocket expenses for housing; reduces commissary savings; and increases their health care costs and pharmaceutical expenses. History proves that the net effect of these actions will create a hollow force because of an inability to recruit and retain a quality all-volunteer force.

Recent Military Times survey indicates that calls for pay and benefit cuts are hurting morale – the numbers are glaring. 56 percent of the 2,300 active duty personnel stated their quality of life is good or excellent – down from 91 percent in 2009. 44 percent felt their pay and allowances were good or great – down from 87 percent in 2009.

MOAA Position: Debt reduction is a national priority. However, military personnel and their families should not have to shoulder a disproportional share of the rebalancing. They have sacrificed more than any other segment of the American population.

Recommendation: *Congress needs to end the harmful effects of sequestration by supporting a bipartisan debt reduction package that avoids disproportional penalties on servicemembers and their families.*