

**Prepared Statement**

**of**

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**on**

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## **INTRODUCTION**

Chairwoman Davis, Representative Wilson, and members of this distinguished Subcommittee, thank you for inviting us to be here today.

As Secretary Gates as stated in his budget testimonies, the Department's first priority is to take care of its people. The President's budget fully supports this priority by fully funding military healthcare, moving family support including childcare and youth programs from the supplemental to base budget, raising the military pay, and fully funding programs that support our wounded warriors and their families.

## **MILITARY PERSONNEL POLICIES**

### ***Active Duty Recruiting***

The Services have emerged over the last six months from the most challenging recruiting environment since the advent of the All-Volunteer Force (AVF) in 1973. This environment lasted over four years during which time the economy was growing, unemployment was low, influencers of youth were not likely to recommend military service, propensity among youth themselves hit an all-time low, and recruiting goals of the Army and Marine Corps were increasing - all of this at the same time we were engaged in the first protracted war for our volunteer military. Yet since 2005, the Services together were able to meet or exceed both their numerical and quality recruiting goals and the AVF has performed magnificently. The recruiting program never waived.

Nonetheless, the Department is in the midst of reviewing the impact of today's economy and other recruiting indicators on this important program. Unemployment continues to rise and economic uncertainty permeates the nation. Generally, times like this make recruiting less

challenging, and a regrettable trend in national unemployment operates to the advantage of those who are hiring, including the U.S. military. In addition, the situation in Iraq has improved, and interest in the military among young people has increased markedly.

However, we must remember that the economic downturn is not the only factor affecting recruiting. There continue to be other factors that negatively impact our ability to attract bright, young Americans into the Armed Forces – the lower likelihood of influencers of youth (e.g., parents and teachers) to recommend service, a large and growing proportion of youth population who are ineligible to serve in the military, higher numbers of youth going to college directly from high school, and the continuing concerns about the prolonged worldwide, irregular campaign with its concomitant high operations tempo. Therefore, we are in uncharted waters – with significant factors, both negative and positive, directly affecting military recruiting. As a result, we are carefully reviewing recruiting programs to align funding and policies with current realities. Our proposed cuts to recruiting budgets in response to a less challenging recruiting environment appear reasonable and should not compromise success. The Services will decide where best to take those cuts, and whatever realignments are undertaken will be done carefully and their effects closely monitored.

Fiscal Year (FY) 2008 was a successful year for Active Duty recruiting – with 172,103 first-term enlistees and an additional 12,738 individuals with previous military service – and the Services, together, exceeded their goal of 184,186 accessions by 655.

FY 2009 Active Duty recruiting efforts to date are even better. Through April, all Services have met or exceeded both quantitative and qualitative recruiting objectives for the active force, with the Army achieving 38,314 of its 36,625 recruiting goal, for a 105% year-to-date accomplishment (Table 1). Especially notable is the fact that after four years of falling

below the 90 percent DoD Benchmark for High School Diploma Graduates, the Army is now exceeding that measure, with 94 percent of new recruits holding that credential; the Army is expected to meet or exceed this 90 percent benchmark for the fiscal year.

**Table 1. FY 2009 Active Duty Enlisted Recruiting Through April 2009**

AC Enlisted Recruiting Through January 2009	Quantity			Quality	
	Accessions	Goal	Percent of Goal	% High School Diploma Graduate (HSDG); DoD Benchmark = 90 percent	% Scoring at / above 50th Percentile on Armed Forces Qualification Test; DoD Benchmark = 60 percent
<b>Army</b>	38,314	36,625	105%	94%	66%
<b>Navy</b>	19,902	19,902	100%	94%	76%
<b>Marine Corps</b>	16,398	13,900	118%	98%	69%
<b>Air Force</b>	19,215	19,204	100%	99%	79%
<b>DoD Total</b>	93,829	89,631	105%	96%	71%

We should not lose sight of the fact that, although the overall youth population is large, a relatively small proportion of American youth is qualified to enlist. It is an unfortunate fact that much of the contemporary youth population is currently ineligible to serve. Medical disqualification (with obesity a large contributing factor) removes 35 percent, drugs or alcohol removes 18 percent, and another 23 percent do not meet our standards for reasons such as criminal misbehavior, more dependents than can reliably be accommodated in the early career, or low aptitude scores. Another 10 percent are qualified, but are attending college.

Given this limited pool of eligible youth, our continuing recruiting success does not come easily. It remains the result of long hours and hard work by the 15,000 dedicated and professional, Active Duty military recruiters. These recruiters often stand as the sole representative of our military forces in local communities, and they have the both my and the

Department's most sincere respect and gratitude.

On August 1, 2009, the implementation of the Post-9/11 GI Bill will begin – the most extensive restructuring of post-service education benefits since the introduction of the original World War II GI Bill. As I am sure you are aware, the current post-service education program, the Montgomery GI Bill (MGIB), has been a cornerstone of our Active Duty military recruiting efforts since 1985. There is little doubt that the MGIB has met or even exceeded the expectations of its sponsors when it was enacted, and has been a major contributor to the success of the All-Volunteer Force.

The new Post-9/11 GI Bill should enhance our recruiting efforts even more. However, we remain cautious about the impact of such a major, new benefit on retention, particularly first-term retention. We hope that the provision in the new program that allows career Service members to share or transfer their GI Bill with immediate family members, long requested by both members and their families, will mitigate any negative retention impacts. We will be monitoring the effects of this implementation very closely.

### ***Active Duty Retention***

As a result of the economic situation and growing inclination of Service members to stay in the military, the Services continue to review their retention bonus programs and are making adjustments with regard to bonus amounts and the skill sets covered by retention bonuses. There are still retention concerns, however. Previous Navy and Air Force reduction/force shaping programs created grade and skill imbalances. Air Force also had less than successful retention in FY 2008. Retention bonus authorities continue to offer powerful tools which allow the Services to target the technical and hard-to-train, mid-grade skills where shortages exist as a result of previous force shaping decisions. The Army and the USMC also continue to need bonus

authorities to fix skills that are short as a result of force structure growth. Bonus programs are also essential in retaining those skills, such as nuclear, legal, and medical, which are generally insulated from the effects of the economy.

Retention continues to remain relatively strong in the Active Duty force since September 11, 2001. The Army continues to meet or exceed its overall reenlistment goals each year. And while the Navy, Marine Corps and Air Force did relatively well, they did not always meet all retention goals, and their efforts were often complicated by force shaping (or growth in the case of the Marine Corps) decisions. These three Services have adjusted their retention bonus programs to better target deficient skills and grade levels. For FY 2008, in particular, the Army and Navy surpassed their retention goals while the Marine Corps missed its first-term goal; however, the Marine Corps achieved impressive levels of enlisted retention, ending with 95% against a very challenging retention goal. The Marine Corps increased its FY 2009 accession mission by 3,300, which should make up the shortages from FY 2008. Air Force missed its FY 2008 end-of-year mission in each reenlistment zone. To address this shortfall, the Air Force tripled funding for new selective reenlistment bonuses (SRBs) in FY 2009 to reconcile skill and grade imbalances.

With regard to the use of bonuses in the Army, a recent GAO report titled "MILITARY PERSONNEL: Army Needs to Focus on Cost-Effective Use of Financial Incentives and Quality Standards in Managing Force Growth," recommended that the Army avoid making excessive payments to achieve desired results and build on currently available analyses that will enable the Army to set cost-effective enlistment and reenlistment bonuses. The Department understands the GAO concern, but pointed out, "The intent of bonuses is to influence personnel inventories in specific situations in which less costly methods have proven inadequate or impractical."

Additionally, the Department of Defense requires extensive justification prior to approving new bonus authorities or defending changes to existing incentives. The Department, however, understands that motivating retention behavior is very complex and constant adjustment is needed to avoid bonuses in excess of what is required. To that end, in February 2009, the Department contracted a DoD-wide research study entitled “Recruiting and Retention Effectiveness of Cash Incentives.” The objective of this research is to assess the impact of military cash incentives on enlistment and reenlistment propensity. The assessment of bonuses will cover scope of application, growth trends, and cost-effectiveness relative to other resources utilized to improve recruiting and retention. The Department expects to receive initial research findings in August 2009.

FY 2009 retention through April is strong in the active force as shown in Table 2. Nearly all Services have met or exceeded their overall retention missions.

**Table 2. Active Duty Enlisted Retention Through April 2009**

	Status	Reenlisted	Mission YTD		FY09 Goals
Army					
- Initial	G	22,705	17,168	132%	19,250
- Mid-Career	G	21,859	17,491	125%	23,100
- Career	G	13,338	10,505	127%	12,650
Navy					
- Zone A	G	8,285	7,322	113%	13,300
- Zone B	G	6,251	5,848	107%	9,400
- Zone C	G	3,805	3,766	101%	6,000
Air Force					
- Zone A	G	10,126	10,089	100%	17,296
- Zone B	G	5,578	5,770	97%	9,892
- Zone C	G	4,959	4,869	102%	8,346
Marine Corps					
- First	G	7,628	4,278	178%	7,334
- Subsequent	G	7,508	4,354	172%	7,464

Active Duty officer retention is strong across the Services; however, there is still concern with critical shortages in certain specialties. The Air Force and Navy completed their force shaping downsizing programs in FY 2008; however, during this transition period both Services experienced shortages – with Special Operations and Health Professionals having the most acute shortages. Both Services adeptly utilized the Critical Skills Retention Bonus and targeted their shortage skills appropriately.

The Army force structure growth in FY 2008 resulted in shortages among basic branch majors and captains. To address this shortage, the Army offered an incentive package, as well as

a cash bonus, to junior officers willing to extend their contract for an additional three years. Army saw success in that more than 15,000 Captains took the incentives and cash bonuses. In lieu of the cash bonus option for the remaining portion of the fiscal year, Army is developing programs to commission directly a limited number of civilians with critical skills to ranks above lieutenant.

The growth of the Marine Corps in 2008, to include the increase of nearly one thousand captains through FY 2011, caused an immediate shortfall within the Marine Corps junior officer force. Similar to the Army, the Marines offered a cash bonus to any captain willing to extend for an additional year to help close the gap between the inventory of captains and mandated force structure growth.

### ***Stop Loss Update***

All Services discontinued Stop Loss except the Army, which uses Stop Loss to preserve cohesion in units deploying into combat, enhancing collective unit performance and safety. From a peak of 15,758 in 2005, the Army has reduced the number extended under the Stop Loss authority to fewer than 13,000 (one percent of its Active and Reserve Component forces).

The Secretary of Defense has approved a comprehensive plan to eliminate Stop Loss, while retaining the authority for future use under extraordinary circumstances. As part of that plan, the Department implemented the Special Pay as authorized in Section 8116 of the “Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009.” Specifically, the Army is providing a monthly payment of \$500 to those Service members whose term of enlistment, period of obligated service, or planned retirement date is, or was involuntarily, extended by way of Stop Loss during FY 2009.

The Department understands that some members of Congress support Stop Loss Special Pay (House FY 2009 Supplemental Appropriations) for the 170,000 Service members who have had their enlistments involuntarily extended during the period September 11, 2001 through September 2008. A recent report on the feasibility of this pay was sent to Congress on May 6, 2009, and explains why the pay would be extremely difficult to implement, since automated records of those affected do not exist. Moreover, the gain in readiness to be directly achieved is unclear. We urge against its adoption.

***End Strength Management***

End strength levels remain a top priority of the Department. Table 3 below depicts the FY 2009 Active Duty statutory authorizations and projected levels planned by the Department to achieve end strength requirements for FY 2010 and beyond. The Secretary has used authority granted to him under the terms of the President’s national emergency declaration and the FY 2008 National Defense Authorization Act (NDAA) to revise strength goals in recognition of the challenges each Service is facing. The Services have implemented recruiting, retention, and force shaping policies and programs to achieve end strength for FY 2009.

**Table 3. Active Component End Strength Summary**

Component	FY 2008 Actual End Strength	FY 2009 NDAA	FY 2010 Request
Army	543,645	532,400	547,400
Navy	332,228	326,323	324,400**
Marine Corps	198,505	194,000	202,100
Air Force	327,379	317,050	331,700

\*\* The total Navy request, including the OCO budget, is 328,800

## ***Force Development***

Enactment of the Goldwater-Nichols Department of Defense (DoD) Reorganization Act of 1986 was a watershed event. The special authorities enacted by the Congress in the FY 2007 NDAA, allowing the Department to recognize joint experience whenever and wherever it occurs in an officer's career, is turning out to be just as significant a milestone. Implementation of these authorities is aiding in the creation of an officer corps with the critical competencies required for counter-insurgency warfare, peacemaking, peacekeeping, and nation building.

Reserve Component officers, full partners in this system, have the opportunity for the first time to have their joint experiences recognized and earn the same qualifications as their Active Component counterparts. As of January 2009, the Department validated over 2,000 joint experiences from officers of all components and designated 40 Active Duty and six Reserve officers as Joint Qualified Officers (JQO) who earned their experience credit through a series of deployments. We expect this number to continue to grow as the Joint Qualification System matures.

Joint officer management is not the only area of significant improvement for the officer corps. The Department continues to develop a credible and sustainable cadre of senior military intelligence leaders by working with the Director of National Intelligence to create a viable National Intelligence Structure and to provide general and flag officers to fill critical positions in each major intelligence organization.

As we look to the future, the next steps are clear; we must capitalize on the momentum gained and deliver a general and flag officer management system that seamlessly integrates with the changes to joint officer management. The numerous controls put in place over the years to address a myriad of senior leader issues must be reassessed. The statutory framework supporting

the management of our senior leaders must be at least as flexible as that of the joint officer management system and the Senior Executive Service.

The authorities delivered by the Congress in the FY 2009 NDAA provide for the development of general and flag officers with the competencies and experiences necessary to lead and counter emerging threats. We will deliver to the Congress in the upcoming weeks the requested report and conforming legislation that will allow full implementation of these authorities. We look forward to continuing our partnership with the Congress on these changes.

### ***Military Decorations and Awards***

As reported to Congress, the Department continues to update military decorations and awards policies and procedures to conform to the realities of the Global War on Terrorism (GWOT). The Department of Defense Manual of Military Decorations and Awards has been completely revised for clarity of understanding, inclusion of GWOT policies and procedures, and elimination of unnecessary requirements. The current version of the manual, dated September 1996, will be replaced with three awards manuals providing DoD and the Military Departments with contemporary policies and procedures. All three volumes of the revised manual are being coordinated within the Department – official coordinating versions are expected to be released to the Military Departments in June 2009, and completed manuals will be released by late 2009.

### ***Leave and Liberty Enhancements***

Given the ongoing operations tempo associated with Operation IRAQI FREEDOM and Operations ENDURING FREEDOM, the Department has worked diligently to ensure our Soldiers, Sailors, Airmen, and Marines receive adequate leave and liberty opportunities. Service

members serving in Iraq and Afghanistan are provided a much needed break through the Rest and Recuperation (R&R) program. Through the R&R program, the Department funds transportation to the airport closest to the Service members' leave destination.

Additionally, the Department established the Post Deployment/Mobilization Respite Absence (PDMRA) program to provide Active Duty Service members who are deployed above and beyond the Secretary of Defense's desired dwell time ratios with respite time off upon return from deployment.

I would also like to take this opportunity to thank Congress for enacting legislation, through the FY 2008 NDAA that allowed our Service members to temporarily increase, from 60 to 75, the number of leave days they are authorized to carry over from fiscal year to fiscal year. This provision led to a decrease in lost leave days from 830,000 in FY 2007 to 219,000 in FY 2008 – a decrease of 74 percent. The provision that allowed our Soldiers, Sailors, Airmen and Marines to save up to 75 days of their unused leave is due to expire on December 31, 2010. The Department also appreciates the opportunity to conduct a pilot test on career intermission. Presently, the Department of Navy is using this discretionary authority under the policy published by the Department of Defense.

### ***Separation Policy***

The Department's military personnel separation policies continue to evolve to recognize our changing military. As stated in a report to Congress, the Department shares Congress' concern regarding the use of personality disorder as the basis for administratively separating Service members who deployed to imminent danger areas. Our primary goal was to ensure that

Service members who should be separated due to disability as a result of post-traumatic stress disorder (PTSD) were appropriately processed for disability separation. To address this concern, the Department instituted policy requiring multiple levels of review, to include the Surgeon General of the Military Department concerned, prior to separating a previously deployed Service member for a personality disorder. To further support our separating Service members, the Department is also updating policy regarding the DD Form 214 (DD214), Certificate of Release or Discharge from Active Duty. Specifically, it will allow electronic signatures and electronic transfer to the Department of Veterans Affairs. This seamless connection will allow Service members to receive veteran's benefits in a timelier manner. The Department will publish revised DD214 policy in the summer of 2009.

### ***Military Compensation***

With your continued support, we have ensured that our forces are receiving fair and equitable compensation and benefits. The member's compensation and benefits package has greatly contributed to our ability to recruit and sustain our highly skilled and ready volunteer military. For FY 2010, the Department proposes a 2.9 percent across-the-board increase to Service members' basic pay – on par with the Employment Cost Index (ECI).

The Department continues its strong commitment to provide a secure standard of living and quality of life to those who serve in uniform. We must continue to increase military pay for all Service members on par with civilian wage growth as measured by the ECI.

The Department thanks the Congress for assistance in consolidating over 60 separate pays into eight broad pay categories. Earlier this year, we provided our report with the implementation plan for this transition, and we are happy that we are on our way to using more

of these broader and more flexible authorities. Under this new structure, our special pays, bonuses, and recruiting and retention incentives will have highly increased focus and flexibility to target specific skills, and the quantity and quality of personnel filling those positions. The new flexibilities in the consolidated authorities have also allowed the Department to implement certain enhancements to military pay programs. For example, under the consolidated authorities, the Department implemented the Pay and Allowance Continuation program for wounded, ill, and injured military personnel serving in a combat zone, combat operation, hostile fire area or exposed to a hostile fire event. This program ensures that all the special and incentive pays these members are receiving at the time of their injuries or illnesses are continued during their hospitalization and rehabilitation.

## **RESERVE COMPONENT**

### ***National Guard and Reserve Forces***

In recent years we have seen an unprecedented reliance on the Reserve Components (RC) – since 9/11, almost 717,000 Reserve Component members have been mobilized; of that number 196,000 have served more than once. The transformation to an Operational Guard and Reserve represents the largest set of changes in policy and statute since the inception of the all volunteer force.

As events unfolded following the attacks of September 11, 2001, we recognized this would require a different kind of operational Reserve Component with changed expectations and policies. Our policies on mobilization, force structure rebalancing, personnel management, training, readiness, equipping, and family and employer support have changed significantly during what is now the largest mobilization of the Guard/Reserves since the Korean War—in a period of conflict that has lasted longer than World War II. This year, we have issued the first-ever DoD Directive to establish the principles for managing an operational Guard and Reserve.

### ***Mobilization Policies***

We authored mobilization policies, such as the Secretary of Defense memo on January 19, 2007, that institutionalized “judicious use” as the core principle of Reserve Component use. It requires 30 days notification prior to mobilization, with an eventual goal of 180 days. Our policies are evolving to sustain a reasonable level of utilization of an Operational Reserve force. The planning objective for involuntary mobilization of Guard/Reserve units will remain a one year mobilized to five years demobilized ratio and we will move to the broad application of 1:5

as soon as possible. The Army is moving away from Stop Loss by January 2010. Involuntary mobilization for members of the Reserve forces will be for a maximum one year at any one time. A key part of this approach is Train-Mobilize-Deploy, a construct that allows units to better prepare during pre-mobilization to allow a greater boots-on-the-ground time for RC units.

### ***Personnel Management***

At the outset of the conflict, it also became clear that many personnel management policies and practices were too rigid and inflexible for the operational demands encountered. One of our signature initiatives in meeting this challenge was the creation of the concept of the “continuum of service,” which provides greater flexibility in managing Reserve personnel. It offers innovative accession and affiliation opportunities to permit individuals with specialized skills to contribute to military mission requirements. This allows the Reserve Components increased flexibility to meet the emerging needs of an operational force by widening the aperture of how people can serve. Since 2002, more than 165 separate legislative changes directly affecting Reserve personnel management have been enacted, establishing the statutory basis to manage the Reserve Components as an operational force. We have made tremendous progress in cementing the underpinnings of managing the Reserve Components as an emerging operational force with a manpower management system increasingly different than the one that supported once-in-a-lifetime mobilization.

### ***Reserve Component Recruiting***

Even with the stress of mobilization and the other elements in this challenging recruiting environment, the DoD Reserve Components continued the upward trend for the past four years

and, cumulatively, achieved 105% of their FY 2008 recruiting objectives. This success can be primarily attributed to a variety of successful initiatives that have mitigated many of the current challenges. Through the end of April 2009, the Reserve Components have achieved 112% of their year-to-date goals with all six DoD Reserve Components meeting or exceeding their recruiting objectives.

We continue to monitor the quality of recruits against DoD benchmarks, and in this area we also see continued improvement in the quality of young men and women being recruited today. Changes to the Reserve enlistment and affiliation bonuses and a challenging economic environment have helped to sustain this positive trend.

**Table 4. Reserve Component Recruiting Performance through April 2009**

	Quantity			Quality	
	Year-to-date Goal	Year-to-date Accessions	% of Goal	% High School Diploma Graduate (HSDG); <i>DoD Benchmark = 90%</i>	% Scoring at / above 50th Percentile on AFQT (Categories I-III); <i>DoD Benchmark = 60%</i>
<b>Guard and Reserve Enlisted Recruiting (Through April 2009)</b>					
<b>Army National Guard</b>	35,286	40,396	<b>114%</b>	<b>94%</b>	<b>74%</b>
<b>Army Reserve</b>	21,598	24,678	<b>114%</b>	<b>96%</b>	<b>63%</b>
<b>Navy Reserve</b>	4,527	4,527	<b>100%</b>	<b>92%</b>	<b>72%</b>
<b>Marine Corps Reserve</b>	4,369	4,587	<b>105%</b>	<b>98%</b>	<b>70%</b>
<b>Air National Guard</b>	5,330	6,081	<b>114%</b>	<b>94%</b>	<b>76%</b>
<b>Air Force Reserve</b>	5,238	5,264	<b>100%</b>	<b>98%</b>	<b>71%</b>
<b>DoD Total</b>	76,348	85,533	<b>112%</b>	<b>95%</b>	<b>71%</b>

### ***Reserve Component Retention***

Measuring all losses, regardless of reason, from the Reserve Components, we note that enlisted attrition remained below established ceilings for FY 2008. As a matter of fact, the composite (officer + enlisted) attrition rate of 18.5% was the second lowest rate since FY 1991. Through the March 2009, enlisted attrition is on track to remain below ceilings established by each Reserve Component. We are closely monitoring retention/attrition, particularly among those who have been mobilized and deployed to support operations in Iraq and Afghanistan.

### ***Reserve Component End Strength***

End strength achievement grew for the third year in a row to a cumulative 100% of the authorized Reserve Component strength in FY 2008. We project that five of the six Reserve Components will meet their authorized levels in FY 2009. This positive strength picture is due to increased recruiting achievements and low attrition.

Judicious use has been a core principle of Reserve Component utilization. This, coupled with compensation increases, management programs designed to reduce stress on the force, and policy changes in the areas of recruiting, retention and mobilization, have all combined to sustain the Reserve Components during this period of extensive use.

**Table 5. Reserve Component End Strength Summary**

Component	FY 2008 Actual End Strength	FY 2009 NDAA	FY 2010 Request
Army National Guard	360,351	352,600	358,200
Army Reserve	197,024	205,000	205,000
Navy Reserve	68,136	66,700	65,500
Marine Corps Reserve	37,523	39,600	39,600
Air Force National Guard	107,679	106,756	106,700
Air Force Reserve	67,565	67,400	69,500
Coast Guard Reserve	7,970	10,000	10,000

### ***Employer Support of the Guard and Reserve (ESGR)***

The support for employers and in turn their support for employees who serve in the Guard and Reserve continues to be excellent. The mission of Employer Support of the Guard and Reserve (ESGR), a DoD agency, is to gain and maintain employer support for Guard and Reserve service by recognizing outstanding support, increasing awareness of the law, and resolving conflict through mediation. ESGR leverages the overall effort of approximately 4,500 volunteers located in all 50 states and U.S. Territories. In FY 2008 these volunteers logged more than 234,000 hours of service.

### ***Commission on the National Guard and Reserves***

The Commission's final report of January 31, 2008 contained 95 recommendations. The Commission validated two strategic initiatives the Department undertook several years ago – the operational role of the Reserve Components and the Continuum of Service personnel management construct. Following the release of the Commission's report, a working group was established to assess the recommendations. We determined that there are 82 recommendations which require the Department to take action or continue actions already underway. The remaining 13 recommendations are either under the purview of another Department or no action will be taken. A biannual report will be provided to show the implementation progress and to identify any impediments to their implementation. Currently the Services and the Department are providing the implementation status of each implementation plan for which they have responsibility.

## **CIVILIAN PERSONNEL POLICIES**

### ***Human Capital Planning and Forecasting***

The Department continues to lead an enterprise-wide effort to establish a more-structured, standard approach to Strategic Human Capital Management (SHCM), based on a combined effort of competency assessment and workforce analysis trending.

A DoD Instruction on Civilian Strategic Human Capital Management was issued in November 2008. It assigns responsibility for SHCM to Functional Community Managers (FCMs) at the OSD and Component level, in concert with Human Resources and manpower staffs, and Command leadership. The instruction requires FCMs to assist in managing the health of their community by assessing future mission and environmental trends, forecasting current and future workforce needs based on those trends, developing plans to address competency and recruitment gaps, and assessing the effectiveness of established plans in addressing identified gaps. The Department believes the involvement of top leadership, at both the OSD and Component levels, will result in achieving its SHCM objectives. FCMs at the OSD, and Departments of the Navy, Army and Air Force have been designated. The FCMs are currently updating workforce forecasts to identify outyear recruitment and retention goals for mission critical occupations.

The Department's SHCM planning efforts are fully integrated with mission and program goals. The Department refreshed its mission critical occupations to ensure those skills needed to meet current and future mission and program goals were identified and addressed, i.e., military to civilian conversion in support of the All Volunteer Force, Base Realignment and Closure

(BRAC), Stimulus Bill hiring goals, in-sourcing, and emerging mission requirements such as cyber warfare and Stability, Security, Reconstruction Operations in Iraq and Afghanistan.

In support of these mission goals, the Department has undertaken a number of aggressive recruitment and retention strategies.

Civilian Expeditionary Workforce (CEW): We are in the process of establishing a Civilian Expeditionary Workforce (CEW). The CEW catalogues DoD civilians by skill sets for the purpose of supporting military operations; contingencies; emergency operations; humanitarian missions, disaster relief; restoration of order; and stabilization & reconstruction operations. Certain DoD positions will be designated as Emergency Essential (EE) (required to support combat operations) or Non-combat essential (NCE) (required to support humanitarian and other non-combat operations), depending on the position requirements. Assessment of DoD positions to identify those requiring EE or NCE designation is scheduled to begin later this fiscal year. A third component of the CEW encompasses those employees, not in EE or NCE positions, but who have capabilities needed to support contingency operations, and who have volunteered to support such an operation if called. Currently, there are 1,285 employees in the CEW volunteer data base. Civilians deployed under the CEW receive general and theatre-specific training, and are eligible for the same health care benefits as deployed military personnel, including Medical Evacuation and access to hospital services in-theatre. To date, 4908 civilian employees are serving in theater; an additional 86 selections have been made and in-processing is ongoing and 36 selections are pending theater decision.

Hiring Healthcare Professionals: We have conducted aggressive recruitment campaigns to hire healthcare practitioners to care for wounded warriors and their families. The medical community has a Direct Hire authority, which it has used aggressively at job fairs and when

conducting web-resume mining, resulting in, as an example, 78 mental health care practitioner hires thus far this fiscal year in the Army. A new compensation system is also being developed for the Department's non-NSPS doctors and dentists that will enable payment of salaries commensurate with those paid at the VA.

Acquisition Workforce: We have developed and are currently implementing a comprehensive plan to recruit more organic talent to manage the Department's many acquisition programs and equipment recapitalization efforts. We delegated expedited hiring authority (EHA) in December 2008 for most mid-level and above acquisition positions. The EHA has enabled the Department of the Navy, for example, to hire 111 acquisition personnel since the EHA's delegation.

Information Technology Specialists: We have initiated recruitment and compensation strategies to meet the increased need for Information Technology specialists especially in the information assurance/cyber warfare areas, and to hire the large numbers of Civil Engineers needed to address BRAC, humanitarian and SSTRO requirements.

Interagency Competencies: We are aggressively pursuing training activities to develop the interagency competencies needed for our National Security Professionals, as well as a "joint, national security competency" for our Senior Executive Service members.

## **Executive Leadership**

The Department is also focusing on its executive leadership capability to enable 21st century mission requirements. In the fall of 2007, the Department began the transformation of its Senior Executive Service to be a more agile, joint, capable and portable executive cadre. Deliberate management of the SES members' career lifecycle, which includes development of competencies to facilitate the interchange of General/Flag Officers and SES leaders, a pay for

performance system that focuses on accountability and rewarding results, and a succession planning system to ensure a pipeline of fully competent leaders, will ensure a continuum of executive leadership talent to meet the Department's 21st century mission requirements.

Two highly competitive DoD-wide leader development programs are key building blocks of the new leader development framework. The Executive Leadership Development Program (ELDP) and the Department of Defense Senior Leader Development Program (DSLDP) Defense Leadership and Management Program (DLAMP) have been thoroughly reviewed for alignment to this new 21<sup>st</sup> century competency framework. Both programs are designed to ensure application of critical leader competencies in the joint environment.

### **International Programs**

The Department recently launched a review of the foreign national (FN) human resources program, which covers over 70,000 workers in some 22 countries to ensure alignment with the Department's 21st Century requirements. The Department employs the FN workforce under various laws, treaties, and international agreements, host nation labor policies and labor union contracts resources program. To inform the review, the Department hosted a worldwide conference in April 2009 of U.S. and FN human resources personnel.

The Department continues to be engaged in establishing Status of Forces Agreements (SOFAs) with new NATO partners, such as Romania, Poland, Bulgaria, and the Czech Republic. Implementing Arrangements with Romania and Bulgaria have been concluded and contain provisions that allow the Department to effectively hire and manage a local national civilian workforce. While the SOFAs with Poland and the Czech Republic have not been entered into

force, the Department was able to conclude the labor articles in each agreement that provide a framework for FN employment which will ensure a ready, capable and agile FN workforce.

### **Workforce Shaping**

The Department leverages a number of tools to mitigate the impact of workforce shaping, while ensuring we have the talent needed to effectively continue Department operations. These tools include: the Priority Placement Program (PPP), and Voluntary Early Retirement Authority (VERA) or the Voluntary Separation Incentive Pay (VSIP) program, or both VERA and VSIP. During the four previous BRAC rounds, through the use of the PPP and these authorities, the Department reduced its civilian workforce by over 400,000 employees with less than 10 percent being involuntarily separated. We continue to establish and foster employment partnerships with Federal agencies, State, county and local governments, trade and professional organizations, local Chambers of Commerce, and private industry to facilitate improved outplacement opportunities, including partnering with the Department of Labor to provide BRAC installations outplacement assistance under their Workforce Investment System (WIS). The WIS consists of over 3,000 State One-Stop Career Centers prepared to offer assistance such as retraining, career counseling, testing, and job placement assistance.

## **DEFENSE HEALTH**

### ***Force Health Protection.***

Among the many performance measures the Military Health System (MHS) tracks is the medical readiness status of individual members, both Active and Reserve. Specifically, we track individual dental health, immunizations, required laboratory tests, deployment-limiting conditions, health assessments, and availability of required individual medical equipment.

DoD has been performing health assessments on Service members prior to and just after deployment for several years now. These assessments serve to identify any potential health concerns that might warrant further medical evaluation. This includes assessing the mental well-being of all soldiers, sailors, airmen and Marines in the Active Force, Reserves, and National Guard.

We also ensure that the health of our Service members is evaluated before deployments (through the annual Periodic Health Assessment and the Pre-deployment Health Assessment), upon return (through the Post-Deployment Health Assessment) and then again 90–180 days after return from deployment (through the Post-Deployment Health Reassessment). These health assessments provide a comprehensive picture of the fitness of our forces and highlight areas where we may need to intervene.

Mental health services are available for all Service members and their families before, during, and after deployment. Service members are trained to recognize sources of stress and the symptoms of depression, including thoughts of suicide, in themselves and others, that might occur during deployment. Combat-stress control and mental health care are available in theater. In addition, before returning home, we brief Service members on how to manage their reintegration into their families, including managing expectations, the importance of

communication, and the need to control alcohol use.

After returning home, Service members may seek help for any mental health issues that may arise, including depression and post traumatic stress disorder (PTSD), through the MHS for Active Duty and retired Service members, or through the VA for retired and non-retired veterans. TRICARE is also available for six months post-return for Reserve and Guard members. To facilitate access for all Service members and family members, especially Reserve Component personnel, the Military OneSource Program—a 24/7 referral and assistance service—is available by telephone and on the Internet. Through Military OneSource, we provide no-charge, confidential face-to-face counseling in the local community for all Service members and family members.

Pandemic influenza represents a new threat to national security. With our global footprint and far-reaching capabilities, we are actively engaged in the Federal interagency effort to help effectively prevent, detect, and respond to the threat of avian and pandemic influenza, domestically and internationally. In an influenza pandemic, the DoD's mission is to preserve the U.S. combat capabilities and readiness and to support U.S. government efforts to save lives, reduce human suffering and slow the spread of infection. The President's National Strategy for Pandemic Influenza includes the DoD as an integral component in our nation's response to this threat. One example of this integrated response is DoD's Pandemic Influenza Watchboard to provide ready access to pandemic influenza information for DoD Service members, civilians, and their families, DoD leaders, and DoD health care planners and providers. Currently, the Watchboard includes extensive information on the H1N1 flu outbreak.

### ***Centers of Excellence for Psychological Health and Traumatic Brain Injury***

The Department is committed to providing the assistance and support required to meet the challenges that confront our severely injured and wounded Service members, and their families. Our Defense Centers of Excellence (DCoE) for Psychological Health (PH) and Traumatic Brain Injury (TBI) are integrating quality programs and advanced medical technology to give us unprecedented expertise in dealing with psychological health and TBI. DCoE partners with the DoD, VA, and a national network of military and civilian agencies, community leaders, advocacy groups, clinical experts, and academic institutions to establish best practices and quality standards for the treatment of PH and TBI. This work is carried out across these major areas: clinical care; education and training; prevention; research and patient, family and community outreach. In developing the national collaborative network, the Centers will coordinate existing medical, academic, research, and advocacy assets within the Services with those of the VA and Health and Human Services (HHS), other federal, state and local agencies, as well as academic institutions.

### ***Health Informatics***

The MHS continues to expand and improve AHLTA, its electronic health record (EHR). A key enabler of military medical readiness, AHLTA gives healthcare providers secure, 24/7, worldwide access to medical records of our highly mobile patient population. Across the enterprise, AHLTA supports uniform, high-quality health promotion and healthcare.

Electronic medical records MHS beneficiaries are retrievable at the point of care, whether the care is delivered at one of more than 880 fixed military medical and dental facilities, on board select ships, or in a deployed medical facility. AHLTA use continues to grow at a

significant pace. On average, AHLTA processes over 135,000 encounters per workday; as of May 1, 2009, AHLTA had processed and stored over 107 million outpatient encounters.

### ***DoD-VA Data Sharing***

Currently, DoD and VA share a significant amount of health information for patients being treated by both Departments, including pharmacy data, allergy data, laboratory results, radiology reports, provider notes and procedures, problem lists, vital signs, family and social history, and digital radiology images at some sites. The two Departments have broadened the scope of shared information, supporting enhanced continuity of care; the Departments expect to achieve interoperability for the provision of care, as defined by the Interagency Clinical Informatics Board, by September 30, 2009. DoD's improvements to AHLTA will enhance its performance, reliability and usability. Improvements such as an improved flexible graphical user interface (GUI) and enterprise service bus based on a common services approach will dovetail with the virtual lifetime electronic record.

On April 9, 2009, President Obama announced the creation of a "virtual lifetime electronic record" for Service members and Veterans. DoD and VA accelerated efforts already underway toward developing the approach to achieve that goal. The purpose of the virtual lifetime electronic record described by the President is to improve care and services to Service members and Veterans by enhancing the availability of administrative and healthcare information through role-based access by both Departments. It will be the source of information on the Service member/Veteran from the point of entry into military service, through the military career and Veteran continuum up to, and including, internment upon death of the individual.

Role-based access ensures that the information is accessed only by those who have a legitimate need for it, thus supporting security and privacy.

### ***Health Budgets and Financial Policy***

The FY 2010 budget reflects several areas of emphasis. While we have achieved outstanding success in managing injuries on the battlefield and preparing wounded Service members to live productive lives, much remains to be done to help America's injured warriors return to full duty or to move on to the next phase of their lives. The Unified Medical Budget, the Department's total request for health care in FY 2010, is \$47.4 billion. This includes the Defense Health Program; Wounded, Ill and Injured Care and Rehabilitation; Military Personnel, Military Construction, and Medicare-Eligible Retiree Healthcare.

Providing the highest quality care and cost effective care at the lowest possible cost to the taxpayer is a goal every bit as important as the others. The ways we are addressing cost effectiveness include implementation of Federal Ceiling Pricing of retail pharmaceuticals; obtaining significant discounts for pharmaceuticals at Military Treatment Facility (MTFs) and mail-order venue; effective Contracting Strategies to reduce administrative costs, and additional increases in VA and DoD sharing of facilities.

## **FOREIGN LANGUAGE AND REGIONAL EXPERTISE**

The Defense Language Program continues to transform how the Department develops, values, employs, and deploys foreign language capability and regional expertise, helping shape the force for 21<sup>st</sup> century operations. We have made great progress with Defense Foreign Language Transformation and look forward to building upon these successes. Efforts continue to ensure the Department can deploy the right people with the right skills at the right place at the right time. The Department continued the following initiatives and made these significant accomplishments. The FY 2010 budget will allow us to continue these efforts, and others, to increase our foreign language capability:

Senior Reserve Officers' Training Corps: Over the past two years, the Department awarded 12 grants, totaling close to \$5 million, to colleges and universities with Senior Reserve Officers' Training Corps (ROTC) programs, to increase opportunities to study languages of strategic interest. Additionally, on April 8, 2009, we kicked off a Skills Proficiency Bonus incentive that will pay up to \$3,000 annually for ROTC cadets and midshipmen to successfully complete courses in foreign languages and cultures of strategic importance to the Department. We thank you for your support of this important initiative.

Army's 09L Interpreter/Translator Program: Another particularly successful program was initiated to recruit and train individuals from heritage Arabic, Dari, and Pashto communities. The Army subsequently established the 09L Interpreter/Translator permanent military occupational specialty with a full enlisted career path. More than 600 native and heritage speakers have successfully graduated and deployed, with approximately 150 personnel currently in the training pipeline. The Army continues to expand and develop this highly effective program.

Defense Language Institute Foreign Language Center: The Institute has an enrollment of approximately 4,000 students a year, up from approximately 2,000 in 2001. We have increased the resourcing to almost triple since 2001. Additionally, we have redirected training toward the more strategic languages such as Arabic, Chinese, and Persian Farsi.

The Foreign Area Officer (FAO) Program: This program fulfills the Department's need for a cadre of language and regional professionals. FAOs are highly educated, have professional-level foreign language fluency in at least one regional language, and have studied and traveled widely in their region of expertise. FAOs are the Department's uniformed experts who possess a unique combination of strategic military focus, regional expertise, cultural awareness, and foreign language proficiency. In FY 2001, there were 1,164 Army and Marine officers designated, qualified or in training as FAOs; there are now over 1,770 from all the Services.

Cross-Cultural Competence: Cross-cultural competence is the institutionalization of a culture-general approach known as "cross-cultural competence" (or "3C") for the DoD Total Force. 3C involves universal concepts that cut across cultures such as kinship, religion, or negotiation methods. The Defense Language Office is identifying desired outcomes for cross-cultural competence and is sponsoring academic research, hosting senior-level symposia, and assembling working groups to determine requisite initiatives for institutionalizing 3C across the Department. Also, Services are conducting culture-specific training to meet their immediate operational needs.

The National Security Education Program (NSEP) continues to represent a vital component of the Department's language transformation efforts and the commitment to expand

the national capacity to educate a new national workforce of globally competent professionals. During the past year, NSEP has aggressively moved forward on the following programs and issues:

Startup of a New Department of Defense Professional Development Program for Recipients of NSEP Awards: Beginning in September 2009, the Office of the Secretary of Defense and associated components will bring annually into the Department a group of NSEP award recipients highly skilled in critical languages, regions and cultures. We are very pleased that a number of these outstanding individuals will be joining the Office of the Under Secretary for Policy.

Establishment of the National Language Service Corps (NLSC): NSEP has completed the 2<sup>nd</sup> year of pilot testing the concept of a National Language Service Corps. The NLSC represents an entirely new, highly cost-effective organization that promises to provide the national security community, as well as the entire federal sector, with vital access to Americans with language skills when they are needed. NLSC has just completed a highly successful exercise with the Centers for Disease Control and has completed plans to support USPACOM on a new international exercise in Indonesia taking place next month.

Expansion of the Language Flagship Program: NSEP has established a set of unprecedented programs across the U.S. designed to graduate students at the “Superior” level (based on American Council on the Teaching of Foreign Languages standards) in languages to include Arabic, Hindi/Urdu, Persian, and Russian. Flagship represents a vital investment in a future workforce that has the language and cultural skills we so desperately need. In the coming years, the Department will have access to hundreds, if not thousands, of university graduates proficient in a wide range of languages.

English for Heritage Language Speakers: In 2006, Congress tasked the Department and, in turn, NSEP with the challenge to provide English language training for American citizens who are native speakers of critical languages. NSEP has responded with the development of an intensive six-month program at Georgetown University. Now in its third full year, a significant percentage of the program's graduates have been hired by the Intelligence Community and have greatly enhanced our capacity to exploit open source literature. In addition, students in the program now enjoy a highly productive relationship with the Defense Intelligence Agency (DIA), working on specific projects provided by DIA while enrolled in the Georgetown program.

### **SEXUAL ASSAULT PREVENTION**

The Department is committed to preventing sexual assault in our Armed Forces. Our aggressive training and outreach programs, victim-centered reporting options, large-scale prevention campaigns, and pursuit of improvements in training and sustainment have sent an unmistakable message: sexual assault violates the very essence of what it means to be a Soldier, Sailor, Airman, or Marine.

The FY 2010 budget has increased sexual assault prevention by approximately \$20 million, which will be incrementally distributed to each Military Service, and their Reserve Components for 54 full positions at Military Service, National Guard Bureau and Reserve Component Headquarters; the implementation and evaluation of Sexual Assault Prevention and Response standards by the Military Services, and to service sexual assault prevention and response efforts including training, prevention and response.

## **SUPPORTING THE WOUNDED WARRIOR**

The Department established the office of Transition Policy and Care Coordination (TPCC) and has appointed a new Deputy Under Secretary to lead it. The TPCC assumed responsibility for policy and programs related to disability systems, Service member transition to veteran status, separations from the Armed Forces, case and care coordination, and pay and benefits entitlements for wounded, ill and injured service members, veterans and their families. Concurrently, we established the Office of Strategic Planning and Performance Management/Executive Secretariat to the WII SOC/JEC and have appointed a permanent senior executive leader. This office has many of the responsibilities formerly accomplished by the WII SOC Staff Office, including tracking progress of SOC-directed actions; tracking the status and accomplishment of the more than 600 actions embraced by DoD and VA.

The Department has fully funded the programs that support Wounded Ill and Injured service members and their families in the FY 2010 budget.

### ***Disability Evaluation System (DES)***

The mission of the Disability Evaluation System (DES) is to develop and establish one solution for a DoD and VA Disability Evaluation System that is seamless, transparent, and administered jointly by both Departments and uses one integrated disability rating system, streamlining the process for the Service member transitioning from DoD to VA. That system must remain flexible to evolve as trends in injuries and supporting medical documentation and treatment necessitates.

Now, as in the past, the Department of Defense remains committed to providing a comprehensive, fair and timely medical and administrative processing system to evaluate our

injured or ill Service members' fitness for continued service using the DES. One way we have honored these men and women, was to develop and establish a DES Pilot that provides one solution for a DoD and VA Disability Evaluation System using one integrated disability rating system. This system has several key features: simplicity; non-adversarial processes; single-source medical exam and disability ratings (eliminating duplication); seamless transition to veteran status; and strong case management advocacy. The system must remain flexible to evolve as trends in injuries and supporting medical documentation and treatment necessitates.

Based on guidance from the WII SOC, the DES Pilot will expand to a total of 20 sites by June, 2009. In addition to the locations in the National Capital Region, which include Fort Belvoir and Fort Meade, the following expansion sites are now operating the DES Pilot:

- Naval Medical Center San Diego, CA and Fort Stewart, GA, as of November, 2008
- Camp Pendleton, CA as of January, 2009
- Naval Medical Clinic Bremerton, WA, Vance Air Force Base, OK, and Fort Polk, LA, as of February, 2009
- Nellis Air Force Base, NV, MacDill Air Force Base, FL, and Marine Corps Base Camp Lejeune, NC, as of March, 2009
- Fort Drum, NY, Fort Richardson, AK, Fort Wainwright, AK, and Elmendorf Air Force Base, AK, as of April, 2009

Expedited DES: The Secretary of Defense established a voluntary program that will expedite a Service member through the Disability Evaluation System. The Expedited DES process is a special benefit to those Service members who sustain catastrophic injuries or illnesses from combat or combat-related operations as defined in the policy. The establishment of the policy supports the Department's belief that there must be a special process for those members who sustain catastrophic disabilities while participating in combat or combat-related operations, in contrast with those disabled otherwise.

To qualify, a Service member's condition must be designated as "catastrophic" and the injuries or illnesses must have been incurred in the line of duty and received as a result of the causes prescribed under the statutory definition of "Combat-Related" as used in the combat-related special compensation program. Under the Expedited DES, Service members receive a presumed 100% disability retirement from DoD. The Expedited DES process will allow the early identification of the full range of benefits, compensation and specialty care offered by the Department of Veterans Affairs.

### ***Care Coordination***

The mission of Care Coordination is to simplify the care coordination process by providing uniform standards for wounded, ill and injured Service members and their families throughout their continuum of care from recovery, rehabilitation, and return to duty or reintegration into the community.

A DoD Directive Type Memorandum, "Recovery Coordination Program (RCP): Improvements to Care, Management and Transition of Recovering Service Members", was published and implemented by the Services' Wounded Warrior Programs in January of 2009. A working group chaired by the Care Coordination Office in the Office of Transition Policy and Care Coordination is now writing the DoD Instruction to fully address the FY 2008 NDAA requirements to establish Recovery Care Coordinators and a Comprehensive Recovery Plan for all recovering Service members. Members of the working group include representatives from the Service Wounded Warrior Programs, Surgeons General, Assistant Secretaries for Manpower and Reserve Affairs, Health Affairs and, Family Support Programs, the Joint Chiefs of Staff, Joint Task Force National Capital Region Medical, OSD Reserve Affairs, Services' Reserve

Components, and the Department of Veterans Affairs. The DoD Instruction is expected to be completed by early July.

Recovery Care Coordinators (RCCs): Currently there are 31 RCCs deployed across the United States at 13 Military Treatment Facilities (MTFs) and installations. The RCCs have been trained using uniform, standard DoD curriculum, as required by Congress. An additional 100 plus Army Wounded Warrior Program (AW2) Advocates were recently trained as RCCs using this uniform standard curriculum.

Defense Knowledge Online: We established an online portal through the Defense Knowledge Online (DKO) system to serve as an online resource for those involved in management and implementation of the Recovery Coordination Program. The portal provides information on policy, training, communications and the latest news on the Recovery Coordination Program. The initial launch provides access to Recovery Care Coordinators and Wounded Warrior Program Directors. The DKO site is part of a larger RCP Communications Plan to improve awareness and support of the RCP amongst key stakeholders inside and outside the Pentagon.

Recovery Coordination Program Evaluation: A Pulse Check of Wounded Warrior Program Directors and Recovery Care Coordinators was conducted in April 2009. Initial results showed that we have a good start, but we have more work to do around clarifying roles and responsibilities of the RCCs and we need to continue to refine the tools we developed to assess eligibility for the program. Preparation for the initial baseline evaluation of the DoD RCP is well under way. Metrics are currently being established to evaluate the program, and assess the current RCC workload. Customer satisfaction surveys will be administered to recovering service members and families enrolled in the RCP and assigned an RCC.

## **SUPPORTING THE MILITARY FAMILY**

The Department of Defense has made family support a high priority in recognition of the crucial role families play in supporting Service members on the battlefield, a concept that has resounded during these times of multiple deployments. To ensure continuity in program delivery, the Department increased the FY 2010 Defense-wide baseline by shifting \$234 from the Overseas Contingency Operations funding to the baseline. The total FY 2010 Defense-wide Family Assistance budget request, not including DoDEA, is \$472M to fund programs such as child care expansion, outreach to Guard and Reserve, non-medical counseling, financial education and training and access to training and certification opportunities for spouses. These programs are lifelines of support for military members and their families who are stationed around the globe. Our military leaders have testified to the inextricable link between investments in quality of life programs and readiness of Soldiers, Sailors, Airman, and Marines.

### ***Child Care***

DoD continues a strong commitment to child care and youth programs. Yet, some components still have unmet demand for childcare. Efforts are ongoing to address an estimated shortage of approximately 37,000 child care spaces needed for Active Duty, Guard, and Reserve families, although the Air Force states that by the end of FY 2009, the Service will be able to meet its childcare space requirements. The FY 2010 Defense-wide budget includes \$60 million to expand child care in civilian communities for public-private ventures. The Department has exercised a robust program to accelerate child care capacity and increase spaces on a rapid basis. We need to eliminate barriers to hiring practices key to expanding our partnerships with community providers of child care. The temporary program to use minor military construction

authority for the construction of child development centers provided a means to increase the availability of quality, affordable child care for Service members and their families.

### ***Youth Programs***

DoD promotes positive youth development by designing programs to recognize the achievements of youth and by developing partnerships with other youth-serving organizations like the Boys & Girls Clubs of America and 4-H that offer a variety of resources. Programs prepare pre-teens and teenagers to meet the challenges of military life, adolescence, and adulthood. Recognizing that developing good financial habits needs to start earlier, we launched the Military Youth Financial Readiness Campaign as part of the Military Saves Week in 2008. In 2008, we had over 5,000 youth participants and this year that number grew to more than 7,000.

### ***Department of Defense Education Activity (DoDEA)***

A key quality of life issue is the education of military children. Service members often make decisions about assignments based on the availability of quality educational opportunities for their children. The Department of Defense Education Activity (DoDEA) provides quality pre-kindergarten through 12th grade educational opportunities and services to military dependents around the globe, who would otherwise not have access to U.S.-accredited public education. Of the approximately 1.2 million military school-age children, DoDEA educates nearly 85,000 in 192 schools in 12 foreign countries, seven states, Guam, and Puerto Rico with 8,700 educators. DoDEA also operates a tuition reimbursement program for military assigned

overseas without a DoDEA school. Through the Educational Partnership Initiative and new technologies, DoDEA can expand its reach to the approximately 92% of military students who do not attend DoDEA Schools.

The ongoing relocation of thousands of military students through force structure changes has created an urgent need and responsibility to enrich and expand partnerships with military-connected communities to ensure the best possible educational opportunities for military children. DoDEA works collaboratively with the Secretary of Education to ease the transition of military students, to use DoDEA funds to share experience with local educational agencies (LEAs) who educate military students, and to provide programs such as distance learning and teacher training to LEAs with military students undergoing transition from force structure changes. DoDEA is developing a new approach to provide a fully accredited virtual school program for Grades 9-12. Beginning in School Year 2009-2010, DoDEA plans to increase course offerings within the existing distance learning program to implement a comprehensive accredited virtual high school by School Year 2010-2011. A middle and upper elementary program is also planned for delivery in subsequent years.

### ***Interstate Compact***

The mobile military lifestyle creates tough challenges for children who attend, on average, six to nine different school systems from kindergarten to twelfth grade. To help overcome these issues, the Department is working with the states to implement the Interstate Compact on Educational Opportunity for Military Children. A variety of federal, state and local officials as well as national stakeholder organizations helped develop this interstate agreement whose goal is to replace the widely varying treatment of transitioning military students with a

comprehensive approach that provides a uniform policy on eligibility, enrollment, placement and graduation in every state that chooses to join.

Eleven states, Arizona, Colorado, Connecticut, Delaware, Florida, Kansas, Kentucky, Michigan, Missouri, North Carolina and Oklahoma, adopted the compact in 2008. This was sufficient to activate the Compact and establish the Commission to finalize implementing rules and provide operational oversight. Although it is still fairly early in 2009, Indiana, Iowa, Mississippi, Texas, Virginia, and Washington have joined the Compact bringing the total number of member states to 17 and covering 58 percent of military children. In addition, legislation is being actively considered in 15 states, and in 3 of these (Alaska, Hawaii, and Maryland), it has passed both chambers and is with the respective governors for signature.

### ***Voluntary Education: The First Joint Service Graduation Ceremony in Iraq***

The first Graduation/Military Recognition Ceremony was conducted on Camp Victory, Iraq, Sunday, 17 May 2009. All Service members who have graduated in 2008-2009 college year and are stationed in Iraq will be participating. Graduates from Central Texas College, University of Maryland University College, American Military University, Pierce College, Webster University, University of Phoenix, American International University, Troy University and Toro University International. Currently about 130, who are either college graduates or military recognition candidates, will be receiving their diplomas and/or certificates.

### ***Fitness***

All of the military Services continue to expand and provide innovative fitness programs that sustain a physically fit, healthy force in our military communities and for deployed men and

women around the world. Long term plans will modernize the fitness infrastructure beginning with the Services request for ten fitness center military construction projects in FY 2009 and another 71 fitness centers programmed through FY 2014. Installation fitness facilities are one of the most important facilities on base for troops to release stress after returning from combat, combat obesity, and remain physically and mentally fit.

### ***MWR Outreach***

To promote a healthy lifestyle and expand the military MWR benefit to Active Duty, Guard and Reserve and their families who do not have access to installation MWR programs, we have contracted with the Armed Services YMCA to offer free YMCA family memberships at local, participating YMCAs to families of deployed Guard and Reserve Personnel, Active Duty Service members and their families assigned to Independent Duty locations, any relocated spouse of a deployed Active Duty Service member and a limited number of families assigned to the Joint Base locations.

### ***Communication Services in Combat Areas***

The ability to communicate with family and friends is the number one factor in being able to cope with longer and more frequent deployments. Service members have free access to the non-secure military Internet by using their military e-mail address, including aboard ships. They also have free Internet access at 751 MWR Internet Cafes in Iraq and Afghanistan with 9,107 computers and 4,015 Voice Over IP phones (with call rates of less than 4 cents a minute). To enhance MWR provided services, the Exchanges provide personal information services for a usage fee for this customer convenience. Back home, computers and Internet service located in

our family support centers, recreation centers, libraries, and youth centers help ensure families can connect.

Additionally, the Exchanges contract for telephone services in combat zones, operating 72 calling centers with 1,536 phones in Iraq, Afghanistan, and Kuwait, plus calling centers on-board ships in theater. Rates are 45 cents per minute afloat and 15 cents per minute ashore. The Exchanges are in compliance with the Department of Defense policy and the law, which require that contracts for telephone service be awarded through competitive procedures and include options to minimize costs to individual users. Where feasible, the contracts provide the flexibility to use a variety of phone cards.

**MilitaryHOMEFRONT** ([www.militaryhomefront.dod.mil](http://www.militaryhomefront.dod.mil)): The DoD library of official information about quality of life programs for helping professionals and military families. The Homefront provides access to information about benefits, entitlements and programs available to military members and their families including policies, reports and directives on topics from child care to relocation, special needs to voluntary education, morale welfare and recreation to combat stress. Further, DoD uses MilitaryHOMEFRONT to develop tools, accessible through both the Military OneSource and MilitaryHOMEFRONT websites, to assist families – including the very popular “Plan My Move” and “Military Installations.” Military Installations, an on-line directory within the website, provides access to points of contact for 56 activities on installations worldwide, including the commissary, exchanges, MWR programs, child development centers and the military health care facilities.

## ***Military OneSource Outreach Center***

Six years of deployments and redeployments have prompted the Department of Defense to rethink methods and strategies to deliver family support. Two major issues drove the development of the new delivery system: 1) how do we meet the needs of the National Guard and Reserve families and those geographically dispersed, and 2) how we can meet the needs of commanders for surge support surrounding deployments. The Military OneSource Center, along with the Military OneSource 24/7/365 call center and web-site, provide the scaffolding for our outreach and support.

**1. Military OneSource.com and Call Center:** Launched in 2002, Military OneSource provides support services 24/7/365 to Active Duty, National Guard and Reserve Component Service members and their families world-wide. This backbone of the Military OneSource Center provides toll-free confidential telephonic support and a website that provide interactive tools, educational materials, discussion boards, links to military and community resources, and tax filing services, among other services. Testimony to its usefulness is the fact that over 600,000 tax returns were prepared through Military OneSource this tax season, at no charge to Service members.

**2. Outreach Counseling** offers Services members and families with confidential, short term, situational, problem solving assistance, instrumental for coping with normal reactions to the stressful situations created by deployments, family separations and reintegration.

*Military OneSource* offers confidential face-to-face, telephonic, and on-line counseling up to twelve sessions. *Telephonic and on-line counseling sessions are new and beginning to grow.* The *Military and Family Life Consultant (MFLC)* program provides professional,

confidential, and flexible service delivery on a 30-90 day rotational basis on military installations to meet surge support requirements and to support Guard and Reserve events.

**3. Financial Counseling.** Additionally, financial counseling is available, through both Military OneSource and the MFLC program, to assist with the financial concerns of military members and their families during all stages of the deployment cycle. The Military OneSource Center has been highly successful in making these services available world wide.

**Financial Readiness Installation Roadshows:** Installation workshops are delivered on demand that include information about budgeting, mortgage and foreclosure, debt reduction, saving and investing, identity theft and retirement planning. Twenty-three road shows have been conducted since November 2008; over 20 additional events are scheduled in 2009.

**4. Military Spouse Career Advancement Accounts.** To jump start portable careers in health services, education, information technology and financial services, DoD will provide up to \$6000 per spouse to assist spouses in developing portable careers in fields such as nursing, teaching, real estate and banking. This, in turn, supports families in attaining their aspirations and goals that may be interrupted as a result of the mobile military lifestyle.

**5. Outreach support to the National Guard and Reserve – Joint Family Support Assistance Program.** A continuum of support and services for National Guard and Reserve members and their families during pre-deployment, deployment, post-deployment, reunion and reintegration. Services have reached 364,000 Service members and families over the last year. It is a support service multiplier by broadening the network of resources beyond those that exist on installations. This program also supports Yellow Ribbon Reintegration Program 30-60-90 day events during post-deployment.

**6. Wounded Warrior Resource Call Center.** Embedded in the Military OneSource Call Center, this feature provides Service members who have become wounded, ill or injured, as well as their families and their primary caregivers, with a single point of contact for referral to Services' resources. Assistance is provided with reporting deficiencies in covered military facilities, obtaining health care services, receiving benefits information and any other difficulties encountered.

### *Commissaries and Exchanges*

The commissary and exchange programs are vital to mission accomplishment and, as components of the military compensation system, are important contributors to morale and readiness. The Defense Commissary Agency (DeCA) operates 254 commissaries around the world providing groceries and household products to military personnel, retirees, and their families at cost plus a five percent surcharge to fund commissary construction and equipment. Savings exceed 30 percent compared to commercial prices; savings that contribute nearly \$3,400 per year in disposable income for a family of four that does all of its grocery shopping at the commissary. Sales exceed \$5.8 billion; operations are funded by appropriations of \$1.3 billion. DeCA met or exceeded all performance goals in Fiscal Year 2008 and is performing equally well in 2009, with year-to date sales above target. DeCA is bringing the commissary benefit to Guard and Reserve personnel who don't live near a commissary through their 158 on-site sales at Guard and Reserve locations. The three exchange systems - the Army and Air Force Exchange System (AAFES), the Navy Exchange System Command (NEXCOM) and the Marine Corps Exchange (MCX) - operate over 3,700 retail outlets at 300 military installations, in 89 contingency operations, and aboard 161 ships. The exchanges sell a wide range of goods and services and

distribute 63 percent of their profits to support MWR programs. Savings exceed 20 percent, not including sales tax savings. Soon, AAFES will deploy new mobile exchanges specially outfitted to serve Guard and Reserve units together with DeCA. In combat areas, the exchanges provide 129 retail operations, 228 name brand fast food outlets, 600 service concessions, and telephone services that minimize costs for deployed members to call home. The exchanges had sales of \$11.8 billion in FY 2008 with profits of \$579 million and project sales of \$13 billion in FY 2009.

## **READINESS AND TRAINING**

### ***Improving Readiness Assessment and Reporting***

The Department has fundamentally changed the way we view and assess readiness. The Defense Readiness Reporting System (DRRS) represents a significant cultural change for the Department; both in the technology used to report readiness and the assessments that define readiness. Combatant Commanders now have a view of their resources and capabilities for assigned missions which did not exist before. For the first time, the Department can now see what capabilities are available to address developing threats; capabilities which are current and visible to decision makers. The Combatant Commanders' assessments have become the nexus for these mission assessments marking a significant shift from the cold war focused readiness reports. Mission based readiness now puts the focus on our ability to successfully execute operational plans in today's dynamic geopolitical environment.

We continue to work with the Services, Joint Staff, Combatant Commands, and Combat Support Agencies to implement mission based assessments. Combatant Commanders, the Army, the Navy, and most of the Combat Support Agencies have been using DRRS for their assessments for a number of years now. As of June 2009, the USMC and Air Force will begin assessing in DRRS, completing the original plan for a DoD-wide system for mission assessments.

A supporting pillar to DRRS assessments is accurate and timely asset visibility. DRRS has greatly expanded data transparency, allowing users a single source to look across the entire Department or down to an individual or a single item of equipment. DRRS data are discoverable, accessible, and understandable net-centric environment. These data are also easily

shared across the DoD Enterprise. DRRS allows leaders to "drill down" to root causes affecting mission performance and is routinely used by our Combatant Commanders and the leadership of the Joint community.

DRRS is a major transformation, moving the focus of force managers from reporting and assessing unit resources to managing force capabilities. We continue to expand this readiness concept through our work in support of domestic missions through the National Guard Bureau, and NORTHCOM with a goal to provide increased situational awareness and assist the Department in integrating and coordinating our response to domestic crisis. Development and implementation of DRRS will continue through 2010.

***Defense Mishap Reduction Initiative.***

As a world-class military, we do not tolerate preventable mishaps and injuries. The direct cost of mishaps is more than \$3 billion per year, with estimates of total costs up to \$12 billion. We have rededicated ourselves to achieve a 75 percent accident-reduction goal and are aggressively working towards it. From our 2002 baseline, the Department is down 46 percent in our civilian lost work day rate, down 38% in private motor vehicle fatality rate, and down 50 percent in our Class A aviation accident rate.

To reach the next level in military and civilian injury reductions, we are pursuing 78 funded initiatives. The Department is implementing Occupational Safety and Health Administration's (OSHA) Voluntary Protection Program (VPP) at more than 135 DoD installations and sites. This program brings together management, unions, and employees to ensure safe working conditions. We are expecting 36+ sites to attain OSHA's Star recognition, which is designed for exemplary worksites with comprehensive, successful safety and health

management systems. Additionally, we have developed an Omni Intermedia award winning Military Injury Prevention Course, and various projects ranging from a military field injury tracking system, to the HMMWV rollover escape training device. These and our other initiatives have the highest visibility and support within the Department.

We believe that safety technologies will prevent rotary wing, fixed wing, and unmanned aerial vehicle accidents. Investments in hardware and software will prevent aircraft crashes; reduce the need for replacement aircraft, and save the military lives. These technologies assist the pilots when they are mission/aircraft over tasked. Several of these technologies already exist in commercial aircraft, in foreign military aircraft, or have been previously tested in DoD military aircraft---but not previously funded. Our plan is for DoD components to upgrade the appropriate safety technologies in our current systems and include as a standard requirement in future acquisition programs.

### ***Joint Training.***

The goal of Training Transformation (T2) is to ensure no member of the deployed joint force will experience a task for the first time in combat. Lessons learned are gathered on a weekly, and at times daily, basis from forward-deployed commands. Those units share real-world experiences with stateside training centers and schoolhouses. Mission rehearsal exercises now routinely integrate Afghan, Iraqi and coalition partner personnel as well as interagency, non-governmental and international organizations and personnel, with a focus on sharpening cultural sensitivities and basic language skills.

In today's complex operations, T2 must be broadened beyond the traditional military participants to include the other US agency and DoD civilians, our multi-national partners,

NGOs, and academia. In support of the whole-of-government training vision, USAID, the Department of State, and the DoD co-chair a Senior Leader Roundtable (SLRT) that addresses crosscutting training requirements for Reconstruction and Stabilization Operations. Since its inception in 2006, the SLRT has grown to include eleven Executive Agencies.

The Advanced Distributed Learning (ADL) Initiative and the ADL Co-Laboratory System has harnessed the power of individual learning technologies. ADL is the technology enabler of the Joint Knowledge Development and Distribution Capability and has developed the standards and guidelines for the development of a technology-based digital learning environment. In FY 2008 ADL enabled over 10 million course completions across DoD and the number of courses available grew to over 300.

T2 also addresses the training for new equipment to include updated Defense policy that now require early consideration of “System Training” as a Selective Key Performance Parameter in Defense Acquisition Programs. Additionally, acquisition programs such as Littoral Combat Ships and Joint Strike Fighter are working with ADL on linking their technical publication and data standards with training courses to ensure accuracy, currency of configuration, and to promote reuse of the content.

## **CONCLUSION**

Chairwoman Davis, we want to thank you and members of this Subcommittee for your advocacy on behalf of the men and women of the Department of Defense. We believe that the FY 2010 budget honors our commitment to our people by devoting over \$244 billion or nearly half of the Department’s total base budget. These funds will help us to continue our work in supporting our most precious resources in the Department – our people.