

STATEMENT OF  
THE HONORABLE  
CAROLYN H. BECRAFT  
ASSISTANT SECRETARY OF THE NAVY  
(MANPOWER AND RESERVE AFFAIRS)  
BEFORE THE  
PERSONNEL SUBCOMMITTEE  
OF THE  
SENATE ARMED SERVICES COMMITTEE  
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CONCERNING PERSONNEL OVERVIEW

Mr. Chairman and distinguished members of the Subcommittee, it is a pleasure to appear before you today to testify on behalf of the outstanding men and women of our Navy and Marine Corps Team -- active duty, reserve and civilian -- who comprise our Total Force. At the outset, let me thank the members of this Committee and the entire Congress for the outstanding support you have shown for our Nation's military. With last year's passage of the compensation Triad as well as other special pays and bonuses, you demonstrated your commitment to our most vital resource, our people. That commitment is deeply appreciated and is having a positive impact; more, however, needs to be done.

There are still serious challenges to be addressed as we strive to place the right person, in the right place, with the right training, at the right time. We must ensure the Quality of Service which instills the personal and professional pride that translates into choosing the Navy or Marine Corps as a career.

## **RECRUITING - FOR THE TOTAL FORCE**

### **Navy (Active Component)**

#### **Enlisted**

Following a recruiting shortfall of almost 7,000 in FY98, the Navy met accession and end-strength goals in FY99.

This success was largely attributable to a combination of the infusion of manpower and capital, enhanced recruiting tools, development of internal strategies and initiatives, and exceptional team commitment. We increased the recruiting force by more than 30 percent in a single year to 5000 production recruiters; expanded the Enlistment Bonus (EB) and Navy College Fund (NCF) budgets; developed new and improved educational programs; and created a new multi-faceted advertising campaign. We thank you for your strong and continuing support.

Nonetheless, the recruiting environment continues to be challenging. Unemployment is at record low levels, college attendance is increasing, and the propensity to join the

military is still very low. Although the Navy met end-strength and accession requirements for FY99, we were not able to improve our recruiting posture entering FY00 as the numbers in the Delayed Entry Program (DEP), our recruiting reservoir, are at a record low of 28 percent. To overcome these developments, the Navy will maintain the increased level of recruiters; expand the recruiter support structure; and continue to incorporate the recommendations we received from an independent study on military advertising (including more Internet advertising, improvements to our recruiting web site, and additional market research on both current and future youth demographics).

### **Officer**

Overall FY99 was encouraging for officer recruiting. Navy recruiting achieved 109 percent of general officer recruiting goals and met most program objectives. Medical officer recruiting missed goal in only a few particularly challenging specialties. The Nuclear Program Officer Candidate (NUPOC) program, although improved over FY98, did not have a successful year in FY99.

FY00 will be an exceedingly challenging year for officer recruiting. Due to lower than anticipated retention and a

higher than anticipated level of Officer Candidate School attrition, the in-year goals for the various officer programs increased by an average 30 percent. Emergent goals for officer programs are especially challenging. We are exploring the need for additional accession bonuses and/or loan repayment programs to assist with critical in-year officer accession requirements.

The FY00 picture is mixed. Currently we anticipate achieving our overall accession mission for general officer programs (non-NUPOC or Medical), but foresee difficulties in some specialty areas (Civil Engineer Corps (CEC), Supply, Chaplain, Naval Flight Officer (NFO)). Accessions for medical officers and other health professionals are tracking close to FY99 levels, with the exception of the most challenging specialty areas (Orthopedic Surgeon, Family Practice, Optometry, Pharmacy and Health Care Administration). The NUPOC program is positioned to fully achieve success in FY00.

#### **Navy (Reserve Component)**

The Naval Reserve failed to meet both its officer and enlisted accession goals in FY99. Naval Reserve recruiters continue to face challenges similar to their active component

counterparts. Several initiatives are being implemented to address these challenges, including:

- hiring 45 additional Canvasser Recruiters, 35 enlisted and 10 officers, in FY00 and FY01.
- detailing an additional 35 enlisted Training and Administration of the Reserves (TAR) personnel to Reserve recruiting in FY00.
- a \$15M increase in the FY00 budget for additional advertising, recruiting administrative support, and recruiting and affiliation bonuses.

Naval Reserve Recruiting is also reviewing its business practices in an effort to increase efficiency throughout the command.

#### **Marine Corps (Active and Reserve Components)**

The Marine Corps has met or exceeded its accession goals since June 1995. The Marines, however, are undertaking several recruiting initiatives designed to ensure continued success. Working with their advertising agency, the Marine Corps has contracted with two leading generational scholars to better understand what motivates and appeals to "Millennials," the generation after "Generation X," and will use this insight to

craft the Marine Corps' message to resonate with America's 21<sup>st</sup> century youth.

As demographics change and populations shift, the Marine Corps recruiting force will change along with it. This year, the Marine recruiting force initiated a nationwide restructuring effort, based on market research, advertising effectiveness, demographics, and the costs of relocating recruiters, to better align the distribution of its recruiters with target populations. Simultaneously, efforts continue to round out the officer corps with the minority role models our enlisted Marines deserve.

With increasing costs in the advertising industry, the Marine Corps is exploring new advertising venues to reach the youth of America. The Marine Corps' long-range plan and focused, consistent message has served recruiting well; future success will depend on continued hard work and robust funding levels.

#### **NROTC**

The Naval Reserve Officers' Training Corps (NROTC) program is the largest single source of Navy and Marine Corps officers.

A recent Center for Naval Analyses (CNA) study cited it as the most viable method of increasing the number of new accessions with technical backgrounds required to support Unrestricted Line, Nuclear Power, Nurse Corps and USMC requirements.

The Navy is currently increasing its overall NROTC accession requirement in order to meet long-term, post-downsizing officer personnel strength goals. During last year's POM and budget review:

- 100 Navy and 20 USMC scholarships were added in FY00 to produce officer accessions by FY04.
- 250 Navy and 50 USMC scholarships were added in FY01 to produce officer accessions by FY05.

#### **NJROTC / MCJROTC**

The Navy Junior Reserve Officers' Training Corps (NJROTC) and Marine Corps Junior Reserve Officers' Training Corps (MCJROTC) are valuable programs for high school students, the Department of the Navy and the nation. Students learn about the Navy/Marine Corps' role in national defense and are prepared to become more productive citizens. This is achieved by encouraging self-discipline, self-confidence and leadership while helping students become successful at meeting life's

challenges. The programs offer support to some of the nation's most disadvantaged secondary schools.

The Department of the Navy recognizes the positive impact this program has on improving the leadership and citizenship skills of high school students. In order to reach more students, both the NJROTC and the MCJROTC programs are undergoing significant expansion. Beginning in FY00, the number of NJROTC units will increase incrementally from the current 434 units to reach the statutory limit of 700 units by FY05. In FY00, the number of MCJROTC units will rise from the current 178 units to the statutory limit of 210 units.

### **REDUCING THE GAP AT SEA**

People are, and will always be, our most vital resource. Our primary goal remains putting the right person, in the right place, with the right training, at the right time. This means establishing and prioritizing manpower requirements and fully resourcing programs to maintain the personnel inventory to recruit, train, assign, develop, and retain our personnel. The strong economy, increased personnel tempo (PERSTEMPO), desire for enhanced Quality of Life, and other factors, have resulted in a 20-year low retention rate and an extremely challenging

recruiting environment. This, in turn, has produced inventory and distribution problems resulting in gapped billets both afloat and ashore.

In FY98, the at-sea enlisted manning gap averaged just over 17,300. A number of aggressive initiatives helped reduce that number to approximately 12,000 by the end of FY99. Our progress continued, as we entered the new century with the gap at 9,757. We anticipate it averaging less than 10,000 throughout the remainder of this fiscal year and we continue to pursue a number of internal management actions to reduce it further. Efforts continue unabated to address the root causes of the gap, to include: improving retention, building a healthy Delayed Entry Program (DEP), and making adjustments to lessen the impact of differences in accessions versus loss phasing. Additionally, we are taking a hard look at whether it might be beneficial to modify the current Career Sea Pay program, given the extremely arduous nature of shipboard sea duty, to enhance the effectiveness of critical distribution tools in our inventory. This may be vital to our continuing efforts to narrow the at-sea manning gap and to improve retention.

## **RETENTION - OUR HIGHEST PRIORITY**

### **Navy Enlisted Retention**

Overall enlisted first-term retention during 1999 was approximately 28 percent, about ten percent below our long-term, steady-state retention target. Second- and third-term rates were also below steady-state goals. Despite these lower retention rates, the Navy retained enough good Sailors, in conjunction with a successful recruiting year, to end FY99 about 1,000 Sailors over end-strength. Short-term extensions continue to maintain a high "stayer" rate, especially among first-term Sailors. In fact, since FY96, the Navy has experienced a steady increase in the percentage of Sailors opting for shorter (less than 24 months) extensions. Our objective is to convert these shorter-term extensions into long-term contracts. Adoption of the pay Triad, higher reenlistment bonuses, increased advancement opportunities, and maintaining PERSTEMPO within established goals, particularly during the inter-deployment training cycle, are contributing to our efforts.

An important part of our overall retention strategy is maintaining a robust Selective Reenlistment Bonus (SRB) plan. FY99 was an extremely successful SRB execution year. We

exceeded our goal of 10,513 SRB reenlistments by 200 and expended \$98 million dollars. SRB reenlistments accounted for over 29 percent of the 36,656 reenlistments in FY99, making it the best performing SRB year since 1992. Clearly, a strong SRB program targeted at the most critical skills is one of our best retention tools and allows us to keep the "right" Sailor, at the right time, in the Fleet. With congressional support, the Navy further expanded the SRB program to \$120 million for FY00. In addition, the increase in the legislative maximum SRB authority from \$45,000 to \$60,000 provides great flexibility in targeting our efforts at our most technical critical ratings. Our FY00 plan is off to a fast start with 1,545 more SRB reenlistments than at this same time last year. Particularly noteworthy are the 753 additional six-year obligor reenlistments over this time last year, exactly the type of reenlistment behavior we are seeking to achieve.

### **Marine Corps Enlisted Retention**

Current enlisted retention is relatively stable. The Marine Corps is experiencing first-, second- and third-term reenlistment rates that are close to historical norms. In FY 99, 23 percent of our eligible first-term Marines re-enlisted into the career force. This represents 100 percent of our

first-term reenlistment goal. Since 68 percent of our enlisted force is comprised of first-term Marines, in FY00, we will need to retain 26 percent of our eligible first-term Marines. With the smallest enlisted career force in the Department of Defense, retaining high-quality, career Marines is key.

Even though the current enlisted retention situation is stable, we are experiencing turbulence in some specialties. Shortages persist in some highly technical specialties such as intelligence, data communications experts, and air command and control technicians. We have recently introduced a number of improvements to our first-term accession process that promises to eliminate systemic challenges for filling short occupational specialties. The Marine Corps also addresses these critical shortages with the Selective Reenlistment Bonus (SRB) program. Currently, the Marine Corps has allotted \$23M in SRB new payments to assist our reenlistment efforts in FY01.

### **Navy Officer Retention**

Officer retention is key to maintaining Navy's steady-state force structure. It is critical that retention improve in the Unrestricted Line (URL) communities if we are to maintain

readiness and adequately man our ships, submarines, and aircraft in the coming years.

Although we are close to reaching steady-state force levels, the thriving civilian job market continues to offer enticing employment alternatives to officers and is directly competing with officer retention efforts. Operational requirements and commitments are not decreasing, and with every missed retention goal, the workload on the remaining officers increases, making retention that much more difficult.

Across the Unrestricted Line, retaining lieutenants and lieutenant commanders is proving the most difficult. Extended periods away from home, and the resulting family separation, weigh heavily on a force that is older and more family-oriented than ever. The lure of a strong economy, coupled with excellent opportunities for educated professionals and a perception of enhanced Quality of Life in the civilian sector, is leading too many junior officers to choose separation over retention.

We have approached officer retention from a number of different directions. These include:

- increased funding for flight hours, steaming days and spare parts to allow officers to maintain the highest level of warfighting proficiency,
- CNO-directed reduction in Inter-Deployment Training Cycle inspections and administration,
- continued vigilance in maintaining PERSTEMPO goals and,
- properly funding the MPN account to allow officers, and the enlisted personnel they lead, to focus on warfighting and not be distracted by uncertain Permanent Change of Station moves, delayed promotions, and missed training opportunities,

We are beginning to see positive retention indicators, largely attributable to effective special and incentive pays that target specific retention problem areas. Newly authorized Surface Warfare Officer (SWO) and Special Warfare Officer (SPECWAR) Continuation Pays and major enhancements to Aviation Continuation Pay are having an overall positive effect on these critical warfighting communities. While it is still too early to measure long-term effects, the outlook is encouraging. The strong support for these incentives from Congress, particularly those on this Committee, is greatly appreciated. However, there is still more work to do, as we build on last year's retention initiatives to sustain and solidify positive momentum in officer retention.

The Civil Engineering Corps is beginning to face significant inventory and retention challenges. This community competes directly with private industry for new engineers. Additionally, while SWO Continuation Pay shows an encouraging initial response, the Surface Warfare Officer inventory shortage -- particularly at the O-4 level - is prompting exploration of an expansion of this bonus to retain as many of the remaining officers as possible. The Navy has been working diligently, through various community-specific working groups, flag officer field visits, retention teams, and junior officer feedback, to establish a dialogue with junior officers and to convey leadership's plans and initiatives for addressing their concerns. While fair compensation is only one aspect of improving officer retention, it is key to our overall success in this critical area.

Aviation Warfare: As widely reported, Naval Aviator retention decreased significantly in the last four years. Various initiatives, including the enhanced FY00 aviation bonus program, are beginning to have a positive effect. While continuation of mid-level officers remains our greatest retention challenge, we have seen a significant increase in resignations of senior aviators -- up seven percent in the last year for aviators with 14 to 18 years of service.

Surface Warfare: During the 1990s drawdown, the Surface Warfare Officer community had difficulty retaining enough junior officers to fill ship department head billets, reaching a low of 17 percent retention in FY95 and improving only to 24 percent last year. We recommended and Congress enacted the Surface Warfare Officer Continuation Pay, which encourages officers to remain in the community through the department head milestone. As a result of this and other initiatives, the retention trend appears more favorable.

Submarine Community: Submarine officer accessions remain below requirements. While retention rates improved slightly (30 percent in FY99 compared to 27 percent in FY98) and remain adequate in the near-term, they must reach 38 percent by FY01 to meet steady-state manning requirements for a notional force of 50 attack submarines. The current Nuclear Officer Incentive Pay (NOIP) program remains the surest and most cost-effective means of meeting manning requirements. The FY00 National Defense Authorization Act raised the limits of the NOIP program, providing the Secretary of the Navy a flexible means to meet future accession and retention challenges.

Special Warfare: Special Warfare Officer, or "SEAL," retention rebounded slightly from the downward trend of the past few years, reaching 70 percent at the end of FY99. Although this rate falls short of the required steady-state level of 74 percent, it suggests that the tide is turning. The recently enacted special and incentive pays, which include an increase in Diving Duty Pay, repeal of the restriction on drawing more than one Hazardous Duty Incentive Pay, and establishment of Naval Special Warfare Officer Continuation Pay, are key factors in improving SEAL retention.

Civil Engineering Corps (CEC): The CEC has experienced a trend of increased losses over the last four fiscal years, largely due to the current economic boom. Almost 12 percent (nearly 150 officers) of the Corps have submitted letters of retirement, resignation or release from active duty in FY00. Of particular concern, 96 junior officers are separating in FY00, up from 78 in FY99. To combat this trend, the CEC has established a mentoring process for all junior officers and distributed a Junior Officer Counseling Guide in an effort to improve retention. Additionally, we are exploring the possibility of legislation to authorize a CEC accession bonus.

## **Marine Corps Officer Retention**

Marine Corps officer retention appears to be experiencing modest improvements over last year. Results from the first quarter of FY00 reflect that the overall officer attrition rate is decreasing slightly. This may be attributed to the approved compensation Triad and strategic use of specialty pays. However, as with the enlisted force, we have skill imbalances within the officer corps. These shortages are the result of higher attrition in fixed-wing aviation MOS's and some ground MOS's.

Fixed wing pilot retention remains a concern. Prior to FY96, the annual historic average for fixed wing pilot resignations was 35. The average between FY96 and FY98 was 94 per year. There were 68 pilot resignations in FY99. The trend points to a FY00 projection of 60. Aviator attrition is being addressed through use of the Aviation Continuation Pay coupled with longer contracts. Currently, the Marine Corps has allotted \$14.9 million for the Aviation Continuation Pay in FY01 up nearly \$4 million from FY99.

## Naval Reserve Retention

Despite not meeting recruiting goals in FY99, the Naval Reserve Force did finish the fiscal year within the Congressionally mandated end-strength limits. The Naval Reserve's FY00 retention data indicate that the Naval Reserve is facing enlisted retention challenges similar to the Active component.

Attrition rates for the Naval Reserve in FY99 were 29.8 percent enlisted and 19.6 percent officer. Naval Reserve statistics through the first four months of FY00 indicate projected annualized attrition rates to be 31.2 percent enlisted and 13.8 percent officer.

In an effort to address these challenges, strength-related funding was realigned in FY99 to revitalize Naval Reserve Incentive and Bonus programs. During execution, \$3.2M (RPN) was realigned for the processing of 2000 enlisted bonus packages between April and September 1999. Data indicates continual improvement throughout FY00 with the processing of 2134

enlisted bonus packages in the first five months of the fiscal year.

Additionally, RPN funding for the Reserve Montgomery GI Bill is increasing. In FY99, \$2.983M was executed for Reserve Montgomery GI Bill incentives. This appropriation increased in FY00 to \$5.102M. The President's Budget for FY01 indicates a further increase to \$5.538M. Naval Reserve Commanding Officers are also placing greater emphasis on retention and career counseling.

## **PAY AND COMPENSATION**

With the help of Congress we have made tremendous strides in the last year to improve the compensation, benefits and retirement systems. I would especially like to thank this committee for your concern and commitment to the well being of our Sailors, Marines and their families by supporting a 4.8 percent pay raise, pay table reform, and repeal of the REDUX retirement system.

In January 2000, our service members received the single largest pay raise since 1981. In July, pay table reform will provide significant additional pay raises of up to 5.5 percent targeted at our critical mid-level officer and enlisted leadership, with 75 percent of all service members receiving some additional pay increase. Finally, the recent repeal of the REDUX retirement plan has already provided service members with a more palatable choice of retirement plan options and has helped dispel the perception of benefits erosion. These initiatives will more fairly compensate our service members for their performance and should improve retention of our trained corps of experienced leaders.

#### **Basic Allowance for Housing (BAH)**

Basic Allowance for Housing (BAH) has been a major success story in the compensation arena. In January 1998, we began the phased implementation of new rates based on a comprehensive reform of the survey standards, evaluation process for local housing markets and rate determination methodology. This year, with the support of this committee, we have accelerated implementation of these rates to more rapidly close the gap between the allowance and actual expenses.

This year, in addition, the Secretary of Defense directed that out-of-pocket expenses -- currently at 18.8 percent of the national median housing cost for each service member (by paygrade and dependent status) -- be reduced to 15 percent in FY01, and legislation is being proposed to buy down these costs to zero by FY05. Implementation of this measure will directly affect almost three-quarters of Navy and Marine Corps families and approximately 27 percent of our single Sailors and Marines. The buy down will be an important step in fulfilling our commitment to providing safe, desirable housing for our service members and their families

In conjunction with BAH reform, the Department of the Navy is reviewing the possibility of seeking authority to allow Service Secretaries to authorize the payment of BAH to E-4 members without dependents who are assigned to sea duty. Such authority would be limited by Service regulation to those single shipboard E-4s who cannot be housed in adequate Bachelor Quarters in close proximity to their ships. Presently, all service members on shipboard sea duty, in paygrades below E-5, without dependents, are required to accept shipboard living conditions while in port, or to pay for housing ashore out of their own pockets. We are pursuing this initiative as a way to

improve morale and thus increase the propensity of junior sailors to reenlist.

### **Special and Incentive Pays**

Our special and incentive pays remain a critical part of our overall compensation package. These targeted pays have proven to be a cost efficient, highly effective means to address specific retention problem areas. As previously discussed, the authorization of career incentive pays for both Surface Warfare Officers and Special Warfare Officers as well as major enhancements to Aviation Continuation Pay have had an overall positive effect on these critical warfighting communities, as have the enhancement of the enlistment bonus and selective reenlistment bonus for the enlisted force. We thank you for your past support and seek your continued assistance as we explore further improvements which will enhance Service Secretary flexibility in adjusting and targeting special and incentive pays to react quickly to the ever-changing recruiting and retention picture.

## **Thrift Savings Plan**

We continue to strongly support implementation of the Thrift Savings Plan. Our Sailors and Marines have expressed a strong desire for this tax deferred saving plan. Finding an offset for the PAYGO provision is the final obstacle to implementing this program, and we look forward to working with the Office of Management and Budget and the Congress in finding a workable solution.

This year's pay and compensation improvements must not be viewed as a one-time fix; rather, they must represent a new commitment to sustaining an adequate standard of living for the members and the families of a smaller, more engaged force. Competitive military compensation is crucial to recruiting and retaining the high-quality people we need to sustain that force. Our Sailors and Marines, as any American, should be able to reap the rewards of the nation's growing economy for themselves and their families. When we consider the tremendous sacrifices we expect of them in defense of National interests, we must be steadfast in our commitment to ensure that those rewards are within their grasp, and that they are allowed to share in America's prosperity through a package of competitive compensation and benefits. They deserve nothing less.

## **RESERVE COMPONENTS**

The Department of the Navy's reserve components play an integral role in day to day operations. The Naval Reserve and the Marine Corps Reserve are more relevant today than at any time in recent history and consistently make contributions as integrated members of the Total Force.

Both reserve components maintain a delicate balance between two mission areas - mobilization readiness and peacetime contributory support. Additionally, the Department of the Navy's reserve components are currently supporting three Presidential Reserve Call-ups in Kosovo, Bosnia, and Iraq.

## **NAVAL RESERVE OVERVIEW**

Naval Reserve units are an integral part of a number of Navy mission areas, including Fleet logistics, maritime patrol, carrier and helicopter wings, mobile construction forces, intelligence units, surface combatants, explosive ordnance disposal, undersea warfare units, operational and administrative staffs, special warfare, and medical support units. By percentage of the total Navy, Naval Reserve contributions include mobile inshore undersea warfare units (100 percent),

logistics support squadrons (100 percent), cargo handling battalions (93 percent), mobile construction battalions (60 percent), and Fleet hospitals (40 percent). Additionally, the Naval Reserve comprises 50 percent of the Navy's mine countermeasure force. Fourteen mine warfare ships, including the Navy's only Mine Countermeasure Command Ship, USS INCHON, are Naval Reserve assets.

- Naval Reserve Force (NRF) ships continue to provide worldwide support in contingency operations and multi-national exercises. NRF ships consistently provide operational tempo relief for active component personnel by participating in counter-narcotics operations, exercises such as UNITAS, and Great Lakes cruises.
- Naval Air Reserve squadrons provide 100 percent of the Navy's adversary support and intra-theater organic airlift, including continuous detachments in Sigonella, Sicily, and Atsugi, Japan. Additionally, a Naval Reserve EA-6B airborne electronic counter measures squadron deployed to Italy in direct support of Operation Allied Force. This same squadron has also provided operational tempo relief for active component personnel by flying missions in support of Operation Northern Watch in Iraq.

- Naval Reserve aircraft perform 25 percent of the counter drug mission; while Naval Reserve ships accomplish some 50 percent. Reserve Maritime Patrol squadrons have provided three forward deployed aircraft and three aircrews contributing to the national "War on Drugs" effort. Over the past few years, Naval Reserve aircraft have flown approximately 5,000 hours in support of counter drug operations, a trend that is expected to remain constant into the future.
- Naval Reserve Seabees participated in Department of Defense funded civil-military programs that not only increased reserve personnel readiness, but also assisted local communities.
- Naval Reserve Flag officers have performed extended active duty periods in support of worldwide requirements, including Deputy Commander of the Joint Task Force in Southwest Asia, Commander COMFAIRMED, Commander of Naval Bases in Jacksonville and Iceland, Deputy Commander CINCPACFLT, and Commander Naval Reserve Force.

#### **MARINE CORPS RESERVE OVERVIEW**

The Marine Corps is, for all intents and purposes, a *de facto* Total Force. Whether in the active or reserve component,

all enlisted personnel and officers train to a common standard. Reserve units can be used in addition to, or instead of, active units, either for operational tempo relief or for actual mission requirements. Marine reservists are a major part of the Marine Corps' warfighting and expeditionary forces.

- Marine Corps Reserve contributions to the Marine Corps, by percentage, include civil affairs (100 percent), intelligence units (33 percent), headquarters and service battalions (25 percent), supply battalions (25 percent), and communications battalions (25 percent).
- During FY99, the Marine Corps Reserve participated in exercises and operations in all five geographical CINC's theaters including Operation BATTLE GRIFFIN in Norway involving over 2,100 Marine reservists and the NEW HORIZONS series of projects, key elements of SOUTHCOM's theater engagement plan.
- The Marine Corps Reserve supports over 60 percent of the Corps' counter drug missions. Support includes aerial reconnaissance and intelligence analysis. Reserve squadrons flew every USMC mission during FY99 in support of marijuana eradication, both CONUS and OCONUS.

- The Marine Corps Reserve was instrumental in filling billets for four Presidential Reserve Call-ups during the last fiscal year. Support included over 9,000 work-days for Operation ALLIED FORCE in Kosovo, and over 10,000 work-days of support for Operation JOINT FORGE in Bosnia. Other contingencies supported were Operation NORTHERN WATCH in Southwest Asia and Operation UPHOLD DEMOCRACY in Haiti. Today, Marine reservists continue to support operations in Bosnia and Kosovo.
- Marine reservists are major contributors in support of the Marine Corps Warfighting Lab (MCWL). Marine reservists augment the MCWL staff and participate in experimental exercises such as HUNTER WARRIOR and URBAN WARRIOR.

#### **MILITARY FUNERAL HONORS**

As a result of legislation, effective January 1, 2000, the Department of the Navy has revised pertinent Navy and Marine Corps policies to incorporate the law's new requirements. We are working closely with the Office of the Secretary of Defense, the Department of Veterans Affairs, and Veterans Service Organizations to develop partnerships to improve the delivery of funeral honors.

Both the Navy and the Marine Corps anticipate a continual rise in the demand for personnel to perform Military Funeral Honors. An increased utilization of reservists will be required to meet this increased demand. We have concerns whether the \$50 stipend, currently authorized for reservists who perform funeral honors duty, will provide enough incentive for reservists to participate. We will monitor this entitlement closely during the upcoming months to ensure the Department's compliance with the law.

### **QUALITY OF LIFE**

The sustained high operations tempo around the globe continues to exact difficult demands on our personnel and their families. Robust Navy and Marine Corps Quality of Life (QOL) programs are key to retaining Sailors and Marines in today's challenging environment and are an essential part of military readiness.

As always, Quality of Life programs compete with many equally pressing funding priorities. We must remain vigilant to ensure that the Quality of Life gains we have made in recent years are not eroded and that we have sufficient funding to

ensure that our Sailors and Marines can receive an acceptable level of Quality of Life services no matter where they are stationed or deployed. Quality of Life Master Plans are used to detail individual programs and funding standards, the progress that has been made in meeting those standards, and any current or future initiatives that will further the Master Plans' overarching goal of providing more equitable Quality of Life services from location to location. These Master Plans are used throughout the planning, programming and budgeting process to defend the resources for these programs.

### **Voluntary Education**

Surveys and studies have shown that being able to obtain further education is an important reason young people join the military, and that their ability to go to school while in the service makes them better at their jobs, increases their promotability, and is a positive factor in retention. We have made a number of important improvements in our ability to help Sailors and Marines achieve their educational goals during the past year.

The Navy launched a new effort called the Navy College Program (NCP) on October 1, 1999. The NCP's purpose is to

streamline and expand Sailors' current opportunities to pursue college degrees by building on the academic credit they earn for Navy training and on-the-job experience. One of the key features of NCP is a transcript provided at key points in a Sailor's career. The transcript, called the Sailor/Marine American Council on Education Registry Transcript (SMART), is a computer-generated document that will automatically record the college credit a Sailor earns for military and work experience. The college credit recommendations in SMART are made by the American Council on Education and are considered a highly reliable indicator of the credits that can be accepted by a college or university. A second key feature of NCP is the development of partnerships with colleges and universities to offer degree programs that correspond to Navy ratings. These partnership institutions will accept, to the maximum extent possible, college credit for Navy training and experience from the corresponding rating or ratings, and will simplify acceptance, enrollment, residency requirements and the acceptance of college credit transferred from other academic institutions. The partnership agreements are still in development but are expected to come on line later this year. These and many other enhancements are expected to create an environment designed to facilitate more Sailors earning college degrees while on active duty, and will remind them that they may

be earning college credit before they even set foot in a college classroom.

The Marine Corps has also systematized their voluntary education efforts through the development of the Lifelong Learning Program. In this program, which is geared toward the demographics of the Marine Corps (primarily a young, first term force), the approach is to establish an integrated approach to learning. There are a wide variety of possible learning goals provided such as high school completion, academic skills improvement, a college degree, enrollment in an apprenticeship program related to the Marine's MOS, a vocational/technical certificate, etc. Education counselors assist first-time Marines with mapping out how to achieve their personal educational goals. At the same time, the Marine is also accumulating college credits like his Navy counterpart on a SMART transcript, which can be applied toward a college degree if he or she so chooses. The intent of the Lifelong Learning Program is to enable Marines and their families to achieve their personal learning goals anytime and anywhere through four major components: educational services (Tuition Assistance, distance education, academic skills improvement, high school completion, etc.), learning resources (Lifelong Learning Centers and libraries), testing (College Level Examination Program and other

kinds of tests offered through the Defense Activity for Non-Traditional Education Support), and credentialling (apprenticeship programs, SMART transcript, etc.).

### **Morale, Welfare and Recreation (MWR)**

The Department of Navy has made significant strides in delivering quality, well-rounded MWR programs and facilities that promote mission readiness and productivity. From our budget successes in recent years, we have substantially increased funding to help MWR programs meet DoD Category "A" and "B" appropriated funding standards. At current programmed funding levels, we anticipate the Navy will reach the DoD goal in FY02, with the Marine Corps following in FY04. Our focus continues to be targeted on programs that promote fitness, a healthy lifestyle, and a strong sense of military community.

At approximately 110 Navy and 18 Marine Corps installations world-wide, MWR programs provide more than fifty different types of programs that contribute to an enhanced Quality of Life within the military. Quality of Life research data suggest a significant correlation between satisfaction with Navy MWR and its contribution to retention, and readiness, and the mental, physical, social, and emotional well being of military personnel

and their family members. Specifically, results from the Navy-wide MWR customer survey conducted in 1999 revealed that 72 percent of enlisted and 79 percent of officer personnel attributed MWR programs to the improvement of their Quality of Life. Further, a 1999 GAO study entitled "Quality of Life and Retention in the Military," reported that the Quality of Life factors considered as top sources of satisfaction included traditional MWR programs and services, such as fitness and sports.

The Marine Corps has successfully developed the Semper Fit program, which weaves leisure, fitness, health and nutrition into one shop. This holistic approach addresses all facets of a healthy lifestyle, which emphasizes total wellness of the service member and their family members.

Throughout the Navy and Marine Corps, we continue to emphasize fitness, intramural sports, Single Sailor/Marine, and high-adventure outdoor recreation programs to promote unit camaraderie and provide viable alternatives to alcohol and substance abuse. We are also implementing customer service training programs to improve the delivery of our programs to Sailors and Marines. In fact, the Navy MWR Customer Service program was recently nominated for an award through the

"Innovations in American Government Program" administered by the John F. Kennedy School of Government. This program recognizes creative governmental initiatives that are especially effective in addressing vital public needs. Navy MWR has undertaken an effort to create an organization in which customer focus and customer commitment prevails. To accomplish this cultural change, Navy MWR implemented a "Star Service Program" which is a two-tiered effort with the primary goal of elevating customer service in Navy MWR facilities to a "best in class" status. These initiatives, along with our continued commitment to properly resource the programs, should place MWR on course to reach a high quality standard by the end of the FYDP.

### **Single Sailor/Single Marine Programs**

In addition to the myriad MWR programs and activities that we provide for active duty members and their families, the Navy and Marine Corps have also developed robust single member programs that are focused on providing healthy Quality of Life alternatives.

Although many of the Navy's core MWR programs serve the Single Sailor, the Single Sailor Centers and "Liberty Program" act as focal points to tailor these programs for all our young

men and women. These centers provide a comfortable, home-like environment where Sailors can gather to socialize, watch TV and movies, play video games, register for organized events, use the Internet, read books, or just relax in a non-stress place. The majority of these Single Sailor programs are free of charge and all programs deglamorize tobacco and alcohol use. Considering 44 percent of the Navy's population consists of first-termers, the Single Sailor program is an important step in taking care of the relative newcomers who will soon be faced with a decision whether or not to remain in the Navy.

The Single Marine Program was established as a result of a 1993 Quality of Life study, which revealed inequities between single and married Marines. Since the single population currently represents 59 percent of the entire Marine Corps, Quality of Life for this customer base is a high priority with the Corps. The key elements of the Single Marine Program are overall Quality of Life, health and wellness, recreational activities, community involvement, life skills, and career planning.

Examples of Single Marine Program initiatives throughout the Corps include voter registration drives, designated driver programs, food drives for the holidays, Sober Marine Pledge

drives, gift bags for deployed Marines, involvement in Big Brother/Big Sister programs, and Red Cross volunteerism.

A new systemwide Single Marine initiative for FY00 is support of the Marine Corps' Illegal Drug Use Prevention Program.

Since its inception in 1994, the Single Marine Program has grown tremendously, as Marines are getting out of the barracks and into constructive activities that benefit the Marine Corps and civilian communities.

### **Family Service Centers**

Our 62 Navy and 18 Marine Corps world-wide Family Service Centers are a source of major support for single and married service members and their families. Staffed with over 2,000 dedicated professional counselors, community information and referral specialists, and life skills educators, these centers provide support services that help service and family members prevent and deal effectively with various types of crises. Commands and family service centers share the common goal of keeping individuals and families healthy and strong, preventing individual and family dysfunction, facilitating personal and family self sufficiency, and creating overall command and community wellness.

Family Service Centers also help prepare service members and their families to deal with upcoming military mobilizations, deployments, separation, relocation, and major life transitions. By providing information, training and assistance on such topics as allotments, family support groups, Ombudsmen and volunteer services, cultural adjustment, deployment support, and community resources and activities, service and family members can become more self-sustaining and satisfied with their overall Quality of Life.

#### **Family Advocacy Program**

The Department of the Navy views family violence as a leadership issue. We expect each service member to take personal responsibility for the safety, health and well-being of his or her family members. Our Navy and Marine Corps policies and leadership training reinforce this message at every level within the chain of command. The Navy and Marine Corps also require on-going leadership involvement, prevention activities, victim safety and support, offender accountability, rehabilitation education and counseling, and community accountability.

One initiative that has reaped positive results for both the Navy and Marine Corps in preventing and identifying spouse and child abuse is the New Parent Support Program (NPSP), a highly effective home-visiting prevention education program for parents of children under 6 years of age. NPSP is located at more than 60 DoN installations. We are also teaching our leaders and community members about the scope of the family violence problem, the underlying causes of abuse and available military and civilian community resources. Finally, we continue the implementation of coordinated initiatives which integrate the efforts of family support and medical professionals, law enforcement and investigative personnel, victim advocates, chaplains, command leaders and community members in preventing and intervening in incidents of family violence.

### **Child Development Services**

The purpose of Navy and Marine Corps Child Development Programs (CDP) is to assist DoD military and civilian personnel in balancing the competing demands of family life with the accomplishment of the DoD mission, and to improve the economic viability of the family unit. The Military Child Care Act of 1989 has produced a high quality, affordable child care system for our Navy/Marine Corps families around the globe. We

strongly believe that Child Development Programs have a direct link to readiness.

While we have maintained one of the highest quality, affordable Child Development Programs in the Nation, we are still facing challenges in meeting the high demand for our program. The DoD goal is to meet 65 percent of the potential need. The Marine Corps is currently meeting 58 percent of the need, with the Navy following at 55 percent. Both are expected to reach goal by FY03.

To address the issue of capacity, we have instituted a multi-faceted approach to expanding care. One of the primary options that we explored this past year was to compete our government operated program against the private sector in an effort to increase spaces for fewer dollars. Our pilot test, which included ten Navy and two Marine Corps bases in the San Diego region, concluded that it was more cost-effective to operate the internally managed government program than to use the private sector. We believe we successfully achieved the primary goal of this study, which was to expand capacity within available resources without sacrificing quality.

Another option we are using is Family Child Care, also referred to as in-home care. Family Child Care has proven to be an economical way to provide quality care that is affordable to parents and cost effective to the Navy and Marine Corps. Navy provided over 13,000 in-home spaces in FY99, with Marine Corps reporting over 4,500 in the same year. Family Child Care is particularly effective for infants and pre-toddlers and for Service members requiring extended care. Expanded use of direct cash subsidies to providers, which make parent fees comparable to those charged in on-base centers, is making this type of care more affordable and, therefore, more attractive to parents. A 1998 Caliber Child Care Survey indicated that cost and location are the top two factors influencing a service member's child care choice. The Center for Naval Analyses completed a review of the "Effectiveness of Direct Cash Subsidies" and found subsidies increase the number of providers and increase the number of parents willing to use Family Child Care. Overall, study results indicate that growth can be expected in this program if Family Child Care is affordable, of equal quality as center-based care, and is convenient to either the home or workplace.

## **LIFELINES**

The Department's LIFELines initiative continues to be a key vehicle to provide Quality of Life support services to all Sailors and Marines and their families regardless of duty location. LIFELines is a joint military services partnership for Quality of Life support services delivery using two forms of electronic communications - the Internet and television broadcasting. LIFELines provides access to a full range of on-line Quality of Life information and business transactions to service members and their families, 24 hours a day, seven days a week - an important supplement to our existing bricks-and-mortar and personnel Quality of Life program infrastructure. In its first full year of operation, many new resources and features have been added to the "Quality of Life Mall," which is the LIFELines Internet website. Late last year, the Quality of Life Mall opened 12 new stores and added hundreds of new hotlinks.

The Quality of Life Broadcast Network has produced several major broadcasts including training programs on intercultural relations for Relocation Program Managers, training for Ombudsmen, and a program produced by the Chaplain Corps for deployed troops. Additionally, in collaboration with the Department of the Navy's Chief Information Officer SMART Card

Office, LIFELines is developing several business innovations using SMART Card technology. LIFELines will serve as the "front end" portal and customer interface for a pilot program providing online business process improvements such as online registration for housing and child care.

Late last year, the General Services Administration conducted a national survey of over 200 web sites, including several dozen government sites, and selected LIFELines as one of two government sites recognized as the best on the World Wide Web. GSA cited LIFELines as "one of the best examples of transactional delivery around." The Center of Excellence for Information Technology (CEIT) also recently selected LIFELines as a CEIT 2000 winner for using technology to facilitate the delivery of governmental services, improving the productivity of government operations, and encouraging adoption of proven information technology practices.

LIFELines is currently undergoing an upgrade to provide state-of-the-art technology and enhanced services. Among the improvements, this upgrade will cut costs for Quality of Life operations by substituting electronic publications for paper ones, and provide electronic courseware reducing the need for expensive travel to schoolhouse sites. LIFELines has become a

model for Quality of Life services delivery within the Department of Defense.

### **Exchange Operations**

The Navy and Marine Corps exchange operations continue to provide an important compensation in-kind benefit through the provision of nonappropriated fund support for MWR programs and goods and services at less than commercial market rates. With continued pressure from competing commercial retail providers, each of our exchange systems is challenged with providing a service in an environment of downsizing and budget cuts. To save operational costs, at two BRAC locations within the Navy (Naval Air Station Fort Worth and the former Naval Training Command, Orlando, Florida) we are providing the exchange service through a combined commissary and exchange "hybrid" store. Additionally, where it makes sense, we have constructed our exchanges in a collocated fashion with the commissary, allowing us to enjoy the residual efficiencies of joint construction. Naval Submarine Base Pearl Harbor and Naval Air Station Sigonella, Italy are examples where we have built collocated operations.

The Military Services continue to conduct a comprehensive review of our collective exchange systems, with a focus on ways to optimize operations and gain greater efficiencies. This review, which we refer to as "The Due Diligence Study", will provide recommendations as to how we can provide the best possible service to our patrons, operate most efficiently and continue to provide nonappropriated fund support to our MWR programs. We look forward to sharing the results with Congress.

## **Health Care**

We know how important access to quality medical care is to our Sailors, Marines, family members, and retirees, their families and survivors. It is a cornerstone of readiness and affects the quality of service, Quality of Life, retention and recruiting of our personnel. We are committed to delivering medical care and force health protection to our men and women - keeping them physically and mentally prepared to perform their demanding missions. We also understand our Sailors and Marines must know that, when they are deployed and away from home, their family members will receive the medical care they require.

This year we have seen a significant commitment on the part of senior leadership to help improve the delivery of health care services. The Secretary of Defense, Service Secretaries and Service Chiefs have identified health care as one of their top priorities. The establishment of the Defense Medical Oversight Council (DMOC) represents a major step by the senior leadership of the Department of Defense and the Military Departments to provide strategic direction to the Military Health System. Co-chaired by the Under Secretary of Defense (Personnel & Readiness) and the Vice Chief of Naval Operations, the DMOC has been actively working on important issues such as financing the Defense Health Program, assessing the health benefit, and improving TRICARE. In addition, the Chairman of the Joint Chiefs of Staff has been working hard to improve the delivery of health care services to all active duty and retired personnel and their family members. Their attention on much needed program initiatives such as TRICARE PRIME Remote for Active Duty Family Members has been important in constructing long-term, sustainable solutions. The leadership commitment is vital to ensuring all beneficiaries recognize how important this issue is to the Military Departments and, most importantly, the steps we are taking to improve the system.

TRICARE is an important component of the Military Health System. This managed care program allows us to partner with the private sector to deliver the full spectrum of health care services to our beneficiaries, while ensuring that our medical readiness capabilities are maintained. We do, however, know that some aspects of TRICARE must be improved to ensure that this system is more responsive to our beneficiaries. Our beneficiaries have been clear that they want a system that is less confusing and easier to navigate, irrespective of geographical location. Efforts are underway to improve important, customer-based services such as access to appointments, timely claims processing, establishing robust provider networks and easy-to-access beneficiary assistance. These areas, together with ensuring our future managed care support contracts reflect best business practices and lessons learned, are essential to delivering quality services. We are also encouraged by the potential opportunities from implementing the military treatment facility optimization plan and leveraging key technologies, such as telemedicine.

Another important focus area is improving the access to care for our over 65 Medicare-eligible beneficiaries. In addition to the various demonstration projects currently underway, such as TRICARE Senior PRIME, FEHBP-65, TRICARE

supplement, and the national mail order pharmacy program, the leadership is carefully assessing other options to address the unique health care needs of this growing beneficiary group. We recognize the commitment made to these dedicated individuals and their family members and will continue to work with OSD, Joint Chiefs of Staff and the DMOC on the strategies and resource requirements for benefit improvements. This issue is particularly challenging and we recognize that we have more work to do in this important area.

## **ENSURING OPPORTUNITY**

### **Equal Opportunity**

Our goal in this area remains the same: Provide all Department of the Navy personnel with the opportunity to learn, grow and achieve regardless of their race, color, religion, gender or national origin. Navy and Marine Corps leaders are committed to eradicating discrimination, as well as other forms of unethical and unprofessional behaviors that negatively impact morale or unit cohesiveness.

To assess the effectiveness of our Equal Opportunity (EO) programs we conduct Service-wide system checks through surveys and focus groups. Differences between majority and minority accessions, promotions, educational opportunities, separations, retention, assignments, complaints, and disciplinary actions are actively tracked and analyzed to identify any disparities and determine how best to overcome them.

The principles of equal opportunity are stressed in a number of training courses. The Navy's Leadership Continuum and Marine Corps' Leadership Development Programs are two examples of service-wide, career-long training that cover a wide range of leadership issues including equal opportunity and sexual harassment prevention, while emphasizing high standards of character and professional behavior.

#### **WOMEN IN THE NAVY AND MARINE CORPS**

Women comprise 13.7 percent of the Navy and continue to serve in every community and career field with the exception of submarine duty and special operations. The Navy provides excellent opportunities for women at sea and in aviation, with women currently assigned to 106 combatant ships, 49 non-combatant ships, and 6 carrier air wings. Twenty-one of the 106

combatant ships have women officers assigned but no enlisted women. There are a total of 545 woman aviators, of those 84 are tactical air aviators. In FY00, 11 ships and one carrier air wing are scheduled to become gender-integrated. Plans for FY01 include 8 additional ships and one carrier air wing. The Navy continues to recruit and retain women for their talent and contributions, and has given them ever-expanding roles of increased responsibility commensurate with their professional development.

Women Marines are eligible for employment in all roles except those explicitly prohibited by law. Women Marines serve in MOSs and billets commensurate with their individual abilities and in keeping with their potential. The Marine Corps provides meaningful career paths for women that allow equitable Fleet Marine Force (FMF)/non-FMF rotation, when compared to male counterparts of the same grade and MOS. Women may be assigned to the command element of any Marine Air-Ground Task Force, division, aircraft wing and Force Service Support Group. Women deploy with their units subject to the availability of appropriate transportation. Currently there are 888 Marine Corps female officers serving in a variety of billets, to include 39 in Marine Corps Aviation. Additionally, there are 1,404 women Staff Non-Commissioned Officers.

## CIVILIANS IN THE DEPARTMENT OF THE NAVY

After more than 10 years of steady downsizing, civilians make up about one-third of the Department's population and are valued members of the Total Force team. In 1989, the Department of the Navy employed about 331,000 U.S. citizen civilian workers. Today we have approximately 188,000 U.S. citizen civilians, and expect further reductions will take us to a civilian work force of 170,799 by the year 2005. Throughout this process, we have and will continue to make maximum use of authorities for separation incentives and early retirement and will pursue every opportunity to assist employees who must be involuntarily separated.

One result of this downsizing is shared across the entire Federal Government: the Department of the Navy employs a work force which is rapidly approaching retirement age. Examining just the core business of the DoN, we find troubling statistics. In the next five years, 47 percent of our engineers, 55 percent of our scientists, 70 percent of our computer specialists, and 64 percent of our contract specialists will be eligible for retirement. When we look at potential replacements in the pipeline, we find that in 1988, we had 2.25 employees to replace each departing or retiring employee. In 1998, that number was

reduced to less than one employee (.82). These statistics tell us that we need to take a close look at how we will recruit and maintain the critical civilian workforce of the future.

Traditionally, field activity and headquarters commands have competed against other public and private sector organizations, and sometimes inadvertently against each other, for abundant labor resources. In this competitive environment, however, tradition has to give way to innovation. As the labor shortage intensifies, competition for qualified, dedicated employees is becoming even more challenging. The Department of the Navy is committed to improving our efforts and our results in attracting a workforce that reflects the diversity of our nation and meets our mission needs. We fully support efforts within the Department of Defense to identify legislative and regulatory changes we need to provide more recruiting flexibility.

In the meantime, we are revitalizing our recruiting efforts to ensure that accurate and effective job information is readily available to a cadre of well-trained and experienced recruiters. This year, we will be conducting recruiter conferences and training aimed at enhancing our recruitment efforts at colleges, universities, and career fairs. We are developing guidelines

and materials for use by recruiters, and identifying opportunities for sharing resources and best practices. Our goal is to ensure the Department of the Navy is seen as an employer of choice by our current workforce and by high quality candidates for our future jobs.

## **IMPROVING OUR PROCESSES**

### **Navy Human Resources Board of Directors**

The end of the drawdown has resulted in a returned focus on the most efficient and cost effective methods to manage our personnel. In a continuing effort to improve support for our Sailors, the Navy has chartered a Navy Human Resources Board of Directors (NHRBOD) as a vehicle to integrate human resource organizations and processes. Chaired by the Chief of Naval Personnel, NHRBOD membership includes senior military and civilian leadership representing the Fleet, the Navy secretariat, Deputy Chiefs of Naval Operations responsible for personnel, training, and installations, the Reserve Forces, and the Navy medical establishment. The NHRBOD serves as a forum for this diverse group to address a wide variety of issues

impacting personnel management, distribution, compensation, training, and Quality of Life.

### **Training Reengineering**

Striving to improve "Quality of Service", the Department of the Navy is instituting fundamental changes to the way we train by focusing on the following objectives:

- reducing the infrastructure cost of training and education
- increasing personnel readiness
- making training an ongoing priority for every Sailor and Marine.

Our current training infrastructure is being modernized and made more efficient to take advantage of a host of new technologies. The net results will be an enhanced ability to teach a broad foundation of knowledge, an increased speed of learning, greater technical proficiency, improved realism of training scenarios, access to special situational knowledge, and focused remediation in order to minimize attrition.

The Chief of Naval Education and Training's training reengineering effort incorporates leading-edge technology into the classroom in order to provide more Sailors to the Fleet

faster and with more knowledge. Key components of the reengineering effort include the Advanced Electronic Classrooms (AEC), self-paced trainers, and Learning Resource Centers (LRC).

AECs are classrooms equipped to provide instructors with the capability to deliver training materials in an electronic format. They incorporate PC-based technology that automates the delivery of classroom instruction. Students have access to the same Interactive Electronic Technical Manuals that they will use in the Fleet. Instructors also have the ability to receive instant feedback on the student's understanding of course material. Another form of AECs, the self-paced trainers, consists of digital experiment card sets to support basic electricity and electronics training at the technician level.

Learning Resource Centers (LRCs) provide a venue at the schoolhouse for students to access both curriculum training materials and professional enhancement materials in an electronic-based format. The interactive courseware design delivers curriculum and applications for different learning styles, enhances and accelerates learning, augments traditional lecture and demonstration based learning, provides instant feedback, and improves remediation and skill enhancement.

All training reengineering efforts have resulted in significant returns on investment:

- Implementation of AECs, LRCs, and self-paced trainers have resulted in improved student motivation and reduced attrition and setback rates. At Service School Command Great Lakes, attrition has declined from 6.6 percent to 1.4 percent, and setbacks have declined from 21.1 percent to 1.8 percent in reengineered courses. In addition, the length of the Advanced Electronics Technical Core Course at SSC Great Lakes was reduced by 38 days.
- Self-paced trainers have reduced the time to train electronics technicians by 26 days, which translates to an increased capacity of Electronics Technician (ET) and Fire Controlman (FC) throughput to the Fleet of 1200 additional Sailors annually.

A \$28M training reengineering investment during the period FY97 through FY99 returned a total of 2,357 work-years from the classroom to the Fleet. Total return on investment amounts to \$86M.

Additionally, the Navy is using broad band communications to facilitate shipboard "distance learning" and information age

simulations to improve training. Investments in these training technologies, focused curricula, modeling and simulation, and a shift toward increased training in an operational setting will better support the preparation of today's Sailor and Marine.

### **Personnel Task Force**

As you are well aware, my office must be concerned with the issues of tomorrow as well as issues of today. In addressing issues of the future I am sponsoring a Department of the Navy Personnel Task Force. This task force is chaired by former Navy Secretary Sean O'Keefe and includes invited subject matter experts from within the DoN and such sources as other federal organizations, the private sector, professional associations, and academia. As part of this effort, we have established a partnership with the National Association of Public Administration, or NAPA, to address civilian personnel issues.

For the purposes of this effort, the task force is using the year 2020 as its planning horizon. Its first phase efforts, which have just been completed, involved developing a practical understanding of the future personnel needs of the naval forces and the factors that could affect the DoN's ability to meet those needs. During the second phase, which is currently

underway, the task force is using the knowledge it has developed to create personnel system designs to meet future naval personnel needs. In the third phase, the task force will develop implementation plans for the naval personnel systems designs. The task force is expected to complete its work by the end of summer 2000.

## **CONCLUSION**

In conclusion, on behalf of our Sailors and Marines, civilians, retirees, and their families, I want to thank you again for your outstanding support. The initiatives and programs approved in last year's National Defense Authorization Act have been a positive step forward in addressing the challenges we face and providing the Quality of Service these dedicated men and women deserve. I am confident that, with your continued support of our efforts to maintain the course of improvement, our Fleet and Marine Forces will be the versatile force required for the 21<sup>st</sup> century.