

**DEPARTMENT OF THE AIR FORCE**

**PRESENTATION TO THE COMMITTEE ON ARMED SERVICES**

**SUBCOMMITTEE ON PERSONNEL**

**UNITED STATES SENATE**

**SUBJECT: PERSONNEL OVERVIEW**

**STATEMENT OF:           LIEUTENANT GENERAL DONALD L. PETERSON**  
**DEPUTY CHIEF OF STAFF, PERSONNEL**  
**UNITED STATES AIR FORCE**

**9 MARCH 2000**

## INTRODUCTION

Mr. Chairman and members of the Committee, it's a great honor to once again represent the men and women of the United States Air Force in reporting the status of our Service's Personnel programs and policies, including recruiting, retention, and quality of life efforts. People are our most critical resource in today's Air Force and, at the dawn of a new century, the Air Force needs the best and brightest. The Air Force must recruit, retain and maximize the potential of our people. We greatly appreciate the strong signal of support you sent our people through last year's Defense Bill. With your continued support, we are pursuing initiatives that leverage our technologically superior military capabilities to achieve our national objectives. Furthermore, these initiatives reinforce the values our people seek and respect. Air Force people are proud to serve their country, are dedicated and willing to give the extra effort for mission accomplishment, and we, in turn, have an obligation to take care of them and their families.

People are essential to our readiness. Today, over 11,000 Air Force active duty and reserve men and women are deployed around the world and another 76,000 are forward based on permanent assignment. They are carrying out the mission, doing whatever it takes to support our nation and its objectives—working long hours, often separated from their families, and putting forth that extra effort every time it's needed. And, we continue to ask more of them. As an expeditionary force, we are deploying more of our people than ever in support of the most capable aerospace force in the world. Underlying this revolutionary way of employing aerospace power is the fact that we have decreased our force by 40% since 1989 while facing a four-fold increase in tempo of contingency operations. Our ability to continue meeting the challenges of the

future is predicated on recruiting and retaining high caliber men and women as well as providing them the quality of life they deserve.

## RECRUITING

Today, our recruiters face one of the most difficult environments we have encountered since the beginning of the All-Volunteer Force. Because we depend heavily on highly technical skills honed over years of experience, we seek to recruit the very best, and then retain a large portion of them for a career. For the first time since 1979 and only the second time since the inception of the All-Volunteer Force, the Air Force missed its annual recruiting goal. While we accessed more airmen (32,068) in FY99 than in each of the previous 6 years, we fell short of our FY99 recruiting goal by 1,732, accessing 95% of the FY99 goal of 33,800. Furthermore, while our Delayed Enlisted Program bank should normally be 43% filled entering a new fiscal year; we entered FY00 with the bank only 32% full. Experience tells us that such a DEP shortfall at the beginning of the fiscal year indicates our recruiters have a steep climb to meet this year's recruiting goal of 34,000.

Enlisted Accession History/Projection									
FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99*	FY00*
30000	35100	31500	30000	31000	30700	30200	31300	32068	34000

\* Lower than projected retention/accessions increased FY99 goal by 2,300 to 33,800; FY00 goal further increased to 34,000

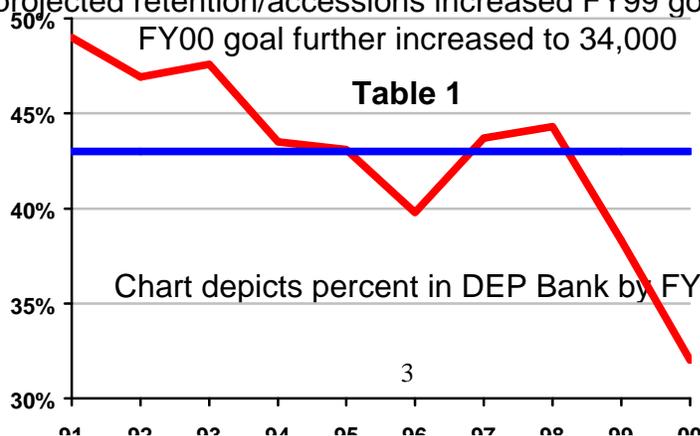
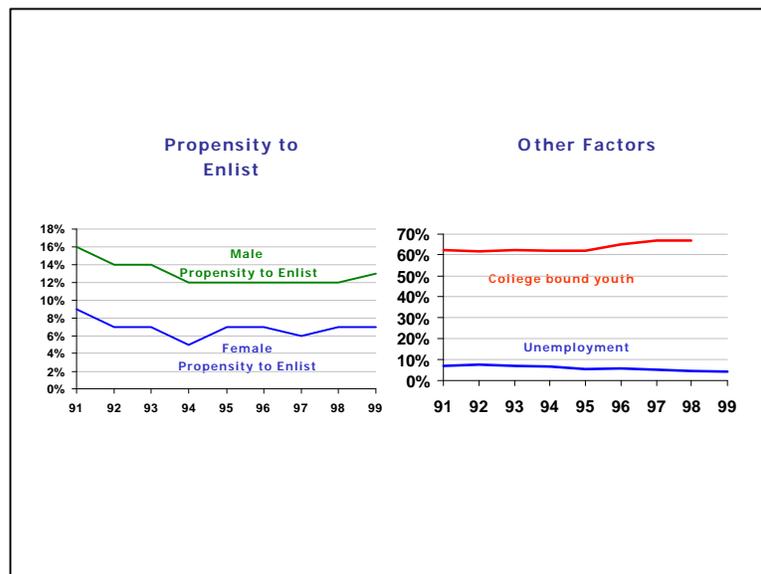


Figure 1

## Recruiting Environment

Environmental factors pose the most intense recruiting hurdles we have experienced in our history. The propensity to join the Air Force has been relatively stable over the last 5 years (13% for men and about 7% for women) after declines in the early 1990s. As a backdrop to this, we are experiencing the longest sustained economic growth period in our nation's history that shows no sign of slowing down. The job market is strong, especially in the high-tech industries—the Air Force's biggest competitor. Unemployment in January 2000 hit an all time low ratio of 4.0%. Additionally, the percent of college bound youths has increased to 65%, further reducing the number of potential recruits.



## Figure 2

While accession targets have increased and challenged our recruiters, they continue to work to maintain the quality standards of our recruits. Last year over 99% of our recruits had high school diplomas and 76% of our new recruits scored in the top half of the Armed Forces Qualification Test. This surpassed the DoD goal of 60% but fell short of the Air Force standard of 80%.

To help meet the growing challenge for new recruits and proactively frame our future recruiting efforts, the Air Force conducted a top-to-bottom recruiting and accession review. As a result of this review, we have developed a multifaceted plan including more than 120 proposals we are now studying and implementing to combat the recruiting shortfall. Funding increases of \$8M in FY00 and \$20M in FY01 have already been designated to: expand our recruiting force; step up marketing and advertising; broaden awareness of the Air Force; and field more enlistment incentives.

### **Recruiting Initiatives**

The Air Force is expanding its recruiter force to ensure we have enough recruiters—front line ambassadors—in the field. Air Force recruiters are outnumbered by our Sister Services almost 13 to 1, signifying that every recruiter in the field is very important. We have increased recruiter production to fill our existing billets. Our recruiting manning improved throughout FY99 (985 total) putting our recruiters at 94% manned—over 1,140 today. We are targeting 100% manning (1,209) of our recruiters by April 2000. Improved manning resulted from expanding Recruiter School class size,

adding three classes to the FY99 schedule, and increasing in the number of Air Force specialties which released volunteers to become recruiters. We will continue our thrust through CY00 to increase recruiters by an additional 300 for a total of 1,450 by April 2001 and pursue increasing recruiter manning even further. In FY01 we will invest approximately \$8M in new facilities and support equipment for recruiters.

We are stepping up our marketing and advertising efforts. The recruiting advertising budget is a key element in solving our recruiting challenges. In the past, the Air Force successfully recruited high quality people without intense marketing strategies. Today's strong economy offers other attractive options for the high quality people we are endeavoring to recruit. Thus, in 1999, for the first time in our history, we have budgeted for prime time television advertising. It is critical that our advertising budget keeps pace with rising costs in a competitive market. Through paid television and in-system high school television advertising, radio, theater, magazines, internet, interactive CD-ROMs, and targeted base-level and regional influencer tours, we seek to increase awareness among today's youth and their influencers that Air Force service is a rewarding, challenging, and viable option. The Air Force spent \$54M in FY99 to purchase paid television advertising time for ads to run during FY99 and FY00. For FY00, we have allocated a total advertising budget (including television) of over \$65.4M and plan to invest \$59.2M in FY01 to continue to expand our Air Force image. Our television advertising budget is \$37M for FY00 and \$37M for FY01.

Advertising Budget											
90	91	92	93	94	95	96	97	98	99	00	01
16.3	8.6	8.7	7.7	7.8	13.0	14.3	15.7	17.2	76.0	65.4	59.2

**Table 2**

Additionally, we are establishing a centralized Air Force marketing and advertising office to administer all Air Force marketing and advertising efforts. Their charter will include centralizing all marketing and advertising funding and research, expanding marketing and advertising expertise, and developing a comprehensive multi-media program. We must leverage our marketing and advertising efforts to optimize our ability to specifically attract our target audience and increase our visibility at all levels, from the broad national perspective to the local community. This office will be responsible for the recruiting advertising mission while also carrying the Air Force mission to America in an effort to educate the influencers (parents, teachers, family, etc.) of our youth about the benefits of serving their Nation.

In addition to increased advertising, we are broadening awareness of the Air Force by increasing our presence in America's local communities through JROTC. Although JROTC is a citizenship and leadership development program, nearly 45% of all JROTC graduates historically affiliate with the military. Therefore, with your support and reprogrammed funds, the Air Force is expanding the number of high school JROTC units from 609 currently to 945 by FY05. In FY01, we will also open a new Senior ROTC detachment in Alaska.

To help attract quality applicants, we are committed to developing and expanding our accession incentives. We have expanded our Enlistment Bonus Program to include 100 skills and increased the maximum bonus amount to \$12,000 for some 6-year enlistments. These increases have met with great success. Sixty-eight percent of our total eligible accessions elected a 6-year initial enlistment for FY99. Historical data and trends indicate 6-year enlistees have a higher propensity to reenlist upon completion of their initial term of enlistment. Also, as a result of the recruiting

review, the Air Force will invest in a trial College Loan Repayment Program in FY01 and increase funding for critical skill enlistment bonuses in our FY00 budget.

We are targeting enlistment bonuses for the high-tech and hard-to-fill skills. In FY01 we are instituting a 6-month test for individuals with a mechanical aptitude index of 44 or higher. Individuals with a qualifying score will receive a \$3,000 bonus for a 4-year enlistment. That maximum amount could increase if the member changes to a 6-year enlistment or is selected to serve in a skill that has a higher bonus. To assist field recruiters with shipping recruits during our historically difficult months of February through May, we are authorizing an additional \$1,000 bonus. This bonus is in addition to mechanical or electrical skill bonuses. Finally, we are allowing General Equivalency Diploma (GED) Program accessions to participate in the Initial Enlistment Bonus Program.

Another recruiting review initiative is expanding our Prior Service Program to return more experienced NCOs to duty. In FY99, we accessed 605 prior service members compared to 196 in FY98. This initiative helps man our force while adding valuable experience and leadership. We are also developing a pilot program to test a new Prior Service Enlistment incentive. As a result of our review, we have developed an Enhanced Prior Service Program that expands the number of career fields for former Air Force members who honorably served in any specialty, possess the necessary aptitude and are willing to retrain into any critically manned skill. In addition, we have also expanded the opportunities for a select number of former Sister Service members who meet our entrance criteria. Paralleling these efforts, we are investing \$2M to develop and field a prototype Prior Service Enlistment Bonus Program targeted at former Air Force members who can move into hard-to-fill or critical career fields in

FY01. We recently conducted a Recruiter Mentoring Program through a nation-wide blitz to augment production units. We sent experienced staff recruiters assigned to non-production positions to the field for a 6-week period to train, coach, and mentor with the ultimate goal of bolstering recruiting effectiveness.

With the right number of recruiters in the field, and the right tools, the Air Force will be in a better position to achieve our objective to fully man our Expeditionary Aerospace Force with quality trained airmen to meet our global commitments. We expect these four targeted efforts, in addition to the compensation gains provided in FY00, will have a positive impact in our ability to demonstrate that the choice of an Air Force career is a meaningful and rewarding option.

## **RETENTION**

Recruiting the caliber of men and women we need in the Air Force is the first step in building and sustaining the Air Force that will achieve the national objectives of the 21<sup>st</sup> century. However, retention drives recruiting and greater retention of personnel would ease some of the pressures on recruiters in their already challenging recruiting environment. Retention is a concern for all Services, especially in today's robust environment. The Air Force depends heavily on highly technical skills honed over years of experience. Our structure is built on high retention because we must retain an experienced technical force structure to provide the dynamic response required in the employment of aerospace power. Reduced retention equals lost experience and increased replacement costs. For example, if second term retention were to drop an additional 9% (from 69% to 60%) and if career airmen retention dropped 1% more (from 91% to 90%), we would require a 17% increase in accessions

(5,300) and an additional \$95M for training costs, infrastructure, and base support. It is clearly more effective to retain our experienced force versus retraining a new one.

## Officer Retention Statistics

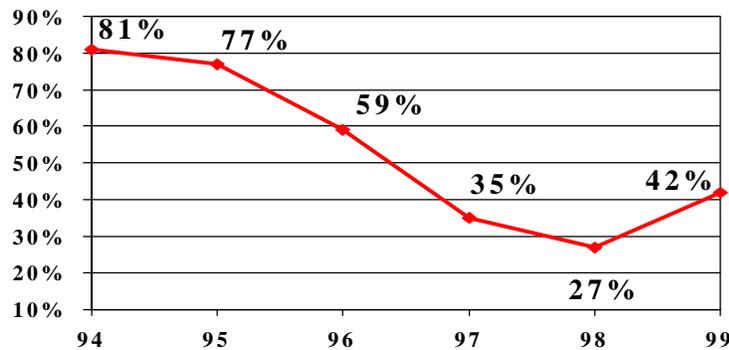
Officer retention is becoming increasingly more challenging. Using a cumulative continuation rate formula, retention is currently measured by the percentage of officers entering their fourth or sixth year of service (sixth year for navigators and pilots) who will complete 11 or 14 years of service, given existing retention rates. Although cumulative continuation rates have rebounded from their lows in 1993, the height of the drawdown, the caution light is on with rates continuing to fall to levels not seen since 1991 and 1992. For example, navigator retention has fallen over 24 percentage points (or 26%) since 1994 while non-rated operations officer retention is 14 percentage points (20%) lower than in 1994. Mission support officer retention rose 1 percentage point to 44% in FY99, but this is still 17 percentage points (28%) below FY94 levels.

Category/FY	FY89	FY90	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
Pilot	36%	37%	35%	34%	62%	82%	87%	77%	71%	46%	41%
Navigator	75%	66%	70%	54%	28%	84%	86%	75%	73%	62%	62%
Non-rated Ops	69%	59%	65%	43%	20%	70%	54%	62%	59%	57%	56%
Mission Supt	56%	54%	58%	37%	21%	61%	51%	50%	45%	43%	44%

**Table 3**

Pilot retention has been particularly challenging. With retention dropping over 41 percentage points (50%) since FY94, pilot force management has been and continues to be one of the Air Force's top priorities. In FY99 alone, three pilots walked out the door for every two pilots we trained. As a result, significant impacts are being felt as warfighting and management staff expertise declines, workloads continue to increase, and training costs climb. However, the FY99 long-term pilot bonus take rate, a forward-

looking measure of pilot retention, rose to 42%, up 15 percentage points from FY98's long-term rate of 27%. We are optimistic that our new Aviation Continuation Pay (ACP) authority will help us close the gap between our pilot requirement and inventory and early indications are positive. We appreciate the ACP authority you gave us and are fully implementing this important initiative.



Bonus Take Rate  
Figure 3

### Enlisted Retention Statistics

The warning light is on for enlisted retention and we are very concerned about sustaining our enlisted corps. For the second year in a row, the Air Force missed its retention goals in FY99 in all three enlisted categories (first term, second term, and career). First term retention rates are a concern (49% versus 55% goal). Retaining these skilled airmen is key to sustaining our NCO corps. Second term retention rates are also a concern (69% versus 75% goal)—these mid-level NCOs constitute the backbone of our enlisted corps, the technicians, trainers, and future enlisted leaders.

We are carefully watching career airmen retention rates (91% versus 95% goal)—they are the supervisors and leaders of our enlisted corps.

Cat/FY	FY91	FY92	FY93	FY94	FY95	FY96	FY97	FY98	FY99
1st Term	59%	58%	61%	59%	63%	59%	56%	54%	49%
2 <sup>nd</sup> Term	77%	76%	82%	81%	77%	76%	71%	69%	69%
Career	95%	96%	97%	96%	96%	95%	95%	93%	91%

(Air Force GOALS: 1<sup>st</sup> Term = 55%, 2<sup>nd</sup> Term = 75%, Career = 95%)

**Table 4**

Attrition is a major concern and is our first true retention challenge. Our goal is to retain all recruits through completion of their initial contract without sacrificing our quality and performance standards. Basic Military Training (BMT) and post-BMT attrition combined averaged 33% since FY88. In that time, our BMT attrition rate averaged 8.5%. Medical problems account for nearly half of BMT attrition. To reduce these losses, we introduced special pain rehabilitation classes for minor injuries, added a combat boot break-in period, and introduced stress management classes. We also simplified training program reentry for airmen with medical conditions that could be quickly resolved.

Post-BMT attrition averaged 24% during the same time. Involuntary separations for quality account for nearly half of post-BMT attrition. After examining the cases, we found that many involved multiple infractions and discharge was appropriate. For others, we needed more supervision and effort in developing these young airmen. Increased emphasis on mentoring is helping in this area. Historical data shows that miscellaneous separations accounted for 22% of all post-BMT attrition. After

significantly tightening our policies on miscellaneous separations, they now account for only 7% of our post-BMT attrition.

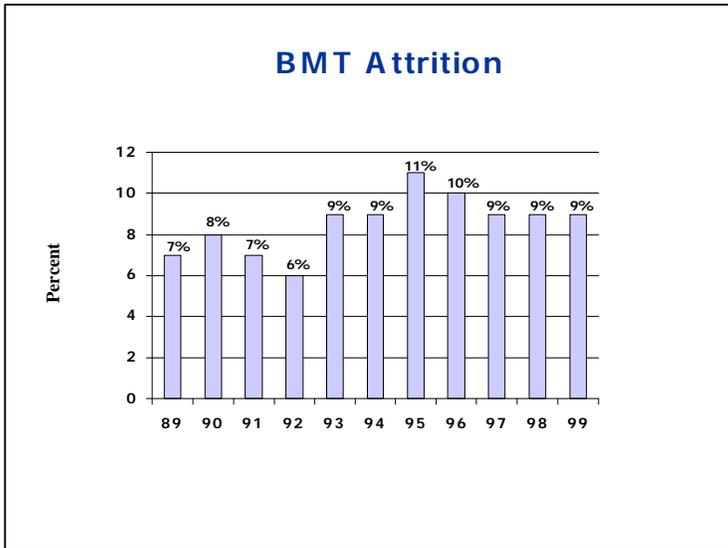


Figure 4

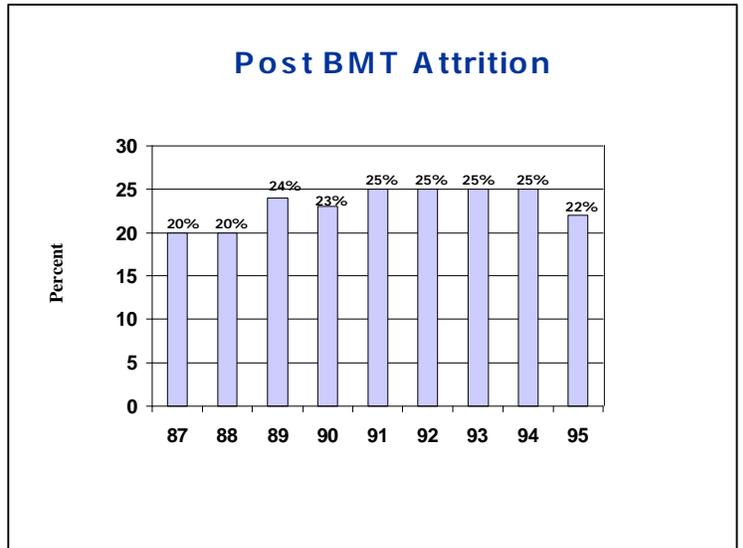


Figure 5

## Retention Environment

There are a myriad of factors influencing our personnel to stay in or separate from the Air Force. Our quality of life and exit surveys over the last 3 years have surfaced reasons our members are dissatisfied. Several tangible reasons that our personnel are leaving include: erosion of pay, high TEMPO, reduced quality of life, a robust economy producing the lowest unemployment rate in a generation, and sustained industry demand for our people. For our pilot force, airline hiring that is projected to continue through the Future Years Defense Program is a strong pull force. Additionally, job security concerns due to competitive sourcing and privatization initiatives reflect key influencers for our people to separate from the Air Force.

## Retention Initiatives

The Air Force greatly appreciates the FY00 compensation gains that will help combat declining retention rates. Initiatives incorporated in the FY00 legislation include restoring the value of the military retirement system, a 4.8% pay raise, future pay raises set at Employment Cost Index plus 0.5%, and pay table reform to better reward performance. Another FY00 legislative initiative authorized DoD to accelerate the transition to market-based Basic Allowance for Housing (BAH) rates 3 years ahead of schedule. Currently, BAH covers approximately 82% of a member's typical housing costs with the remaining 18% absorbed by the member. The Secretary of Defense recently announced his intention to reduce out-of-pocket expenses to 15% by FY01 and then to eliminate out-of-pocket expenses entirely within 5 years. These efforts will make continued service in the Air Force more attractive. Although too early to assess the full retention impact, we believe the benefits gained through the FY00 legislation will have a positive impact on Air Force personnel contemplating a "stay or go" career decision. These initiatives display sincere gratitude for the daily sacrifices of our service men and women and indicate our nation's commitment to them. Our members do not expect to become rich but need to have a fair and competitive wage.

Additionally, we are implementing other incentives to eliminate the reasons our people leave the Air Force. Managing TEMPO through the implementation of the Expeditionary Aerospace Force (EAF) and improving care for families of deployed personnel are two critical elements of our retention strategy. The EAF concept will give our people more stability and predictability in their deployment schedule and allow them to better plan for training, education, and family activities. Also, we have implemented post-deployment stand-down programs to ensure deployed members

have time to get reacquainted with their families. We will manage TEMPO by sourcing deployments more equitably and reducing exercises and inspections so that personnel serve 15%-20% fewer days in Joint and Air Force exercises. The predictability of the EAF will allow better utilization of our Air Reserve Forces and may result in TEMPO relief for our Active Force. We have also beefed up manning in critical support skills and are hopeful this will assist in reducing TEMPO.

### **Officer Retention Initiatives**

The Air Force continues to pursue efforts that address the declining non-rated operations and mission support officer retention. Air Battle Managers (ABMs), with their air weapons controller experience, are the core of the ABM combat capability. With support from FY00 legislation, these newly rated members were provided “save pay” when converting from Hazardous Duty Incentive Pay (HDIP) to Aviator Career Incentive Pay (ACIP).

In addition to the FY00 legislative gains shared by all service members, targeted gains in FY00 legislation should also help improve pilot retention and reduce the pilot shortage. With your strong support, we were able to expand the Aviation Continuation Pay (ACP) Program to increase bonuses to \$25,000 per year and extend the length of the bonus to 25 years of aviation service. This legislative initiative was a significant program improvement and is a key element in our multi-faceted plan to improve pilot retention in FY00 and beyond.

We have taken other steps to help work through the pilot shortfall as well. We increased pilot production from 650 in FY97 to 1,100 in FY00 and expanded production throughout the Total Force. We also increased the Specialized Undergraduate Pilot Training commitment to 10 years and increased Aviation Career Incentive Pay (flight

pay) from \$650 to \$840 at 14 years of service. In addition, with your legislative relief from dual compensation limits in the FY00 legislation, the Air Force now has vital incentive tools to draw valuable retired rated expertise back to augment our undermanned staffs.

## **Enlisted Retention Initiatives**

Several additional FY00 compensation initiatives will help sustain a viable enlisted force for the future. Enactment of the Career Enlisted Flight Incentive Pay (CEFIP), similar to rating our Air Battle Managers, will encourage enlisted members to join and remain in the aviation career field as well as to increase compensation for our career enlisted aircrew members. We have also made progress toward reducing out-of-pocket expenses for our young airmen through the enactment and implementation of a Temporary Lodging Expense (TLE) for our first-term airmen as they are assigned to their first duty station.

To address downward enlisted retention trends and encourage the number of reenlistments needed in certain skills to sustain the career force objective in those skills, we have more than tripled the number of specialties eligible for Selective Reenlistment Bonuses since 1995. Approximately, 70% of all enlisted skills (146 of 208) now qualify for a bonus in one, two, or all of the three bonus zones. We have increased Special Duty Assignment Pay for hard-to-fill duty. Additionally, increasing enlisted promotion rates will assist with retention. Our most recent senior master sergeant selection rate was 7.98%—the highest in 9 years; master sergeant rate was 29.7%—the highest in 13 years; and technical sergeant and staff sergeant rates were 24.4% and 36.39% respectively—the highest since the Air Force established the Weighted Airman Promotion System in 1971. The FY00 promotion cycle is projected to

be even higher. We are also continuing efforts to better shape our enlisted force to our mission requirements by moving a higher proportion of our enlisted force (48.5% to 56%) into the top five enlisted paygrades in order to sustain the experienced force we need while ensuring reasonable promotion opportunity.

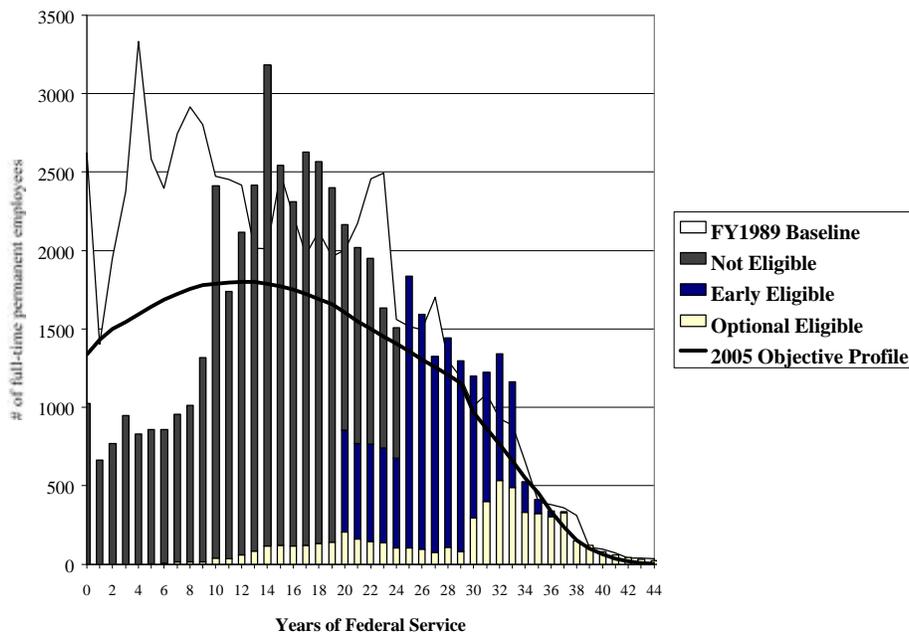
We have re-balanced our non-commissioned officer force and limited retraining from shortage career fields. For healthier specialties such as security force personnel, we offer retraining into OSI, recruiter, or any operations skill. We eliminated Career Job Reservation constraints by relaxing first term reenlistment control. We implemented liberal High Year of Tenure (HYT) waiver policy, allowing wing commanders to approve extensions for senior airman through senior master sergeant in order to preserve needed experience levels.

The Air Force is aggressively pursuing additional retention initiatives. We conducted a Retention Summit to review retention issues covering the full range of concerns to include TEMPO management, quality of life, the assignment system, mentoring and leadership, etc. The Retention Summit group developed 89 initiatives for further study and implementation. We will conduct Focus Groups visits to several Continental United States and overseas bases to validate these initiatives and identify new ones. We remain optimistic that these changes and improvements will renew our people's faith in our ability to provide the quality of life they deserve and reaffirm our commitment to recruit and retain a dedicated, high quality Air Force.

## **Civilian Workforce Shaping Issues**

To sustain a civilian workforce, we need the right mix of new, mid-level and senior employees. In the last 10 years we have seen a 62% drop in employees with less than 8 years of service and 11% increase in the number of our employees who are

eligible for optional retirement. In 5 years, over 45% of our civilian work force will be eligible for optional or early retirement. This imbalance occurred through a combination of loss programs and constrained accessions. Loss programs included early retirements and separation incentives that trimmed the more senior year groups while minimizing involuntary actions, such as reductions in force. Constrained accessions limited the number of new hires while the force was reduced over the last 10 years. These factors, if not corrected, are leading to sustainment problems and a shrinking pool from which to select future Senior Executives. "Currency of skills," particularly in our high-tech area, is another issue related to civilian force management. To avoid skill imbalances, a more corporate approach to training, education, and development of our civilians is a priority. Without an adequate influx of new employees with current, state-of-the-art skills, our acquisition, scientific, and technical workforce is not sustainable.



**Figure 6**

To provide commanders with a state-of-the-art, sustainable civilian workforce capable of meeting tomorrow's challenges, we are working on the following solutions: managing our accessions with properly sized force renewal programs; expanded and targeted training and retraining; and pursuing legislative initiatives for separations management through the use of buyouts (incentives) for force shaping. Such legislative authority would help stimulate turnover from a segment of the force with aging skills and create headroom for new developmental hiring with current state-of-the-art skills and technological expertise we need to meet both present and future mission requirements.

## **QUALITY OF LIFE**

The Air Force's most valuable resource is our people and we are committed to taking care of them and their families. Because quality of life initiatives are pivotal to recruiting and retaining our people, quality of life occupies a prominent position in Air Force Strategic Planning and ranks with modernization and readiness as Air Force's top priorities. The welfare of the men and women serving our nation is a critical factor to our overall readiness. Therefore, the Air Force will continue to place future quality of life investments in a balanced funding priority with readiness and modernization. We will continue, with your support, to pursue quality of life priorities such as fair and competitive compensation and benefits; balanced TEMPO; access to quality health care; safe, affordable, adequate housing; retirement system and benefits; increased support of community and family programs; and expanded education programs. The degree of emphasis placed on each quality of life initiative has varied over time with retirement, pay and compensation, and TEMPO gaining prominence the last couple of years. Improvements in medical care and housing will be focus areas in the next few

years. However, the Air Force strongly supports any initiative that improves the quality of life for our personnel; a first class workforce deserves to work and live in a first class environment. Taking care of our families is very important to us. We realize that we recruit the member and retain the family.

## **Fair and Competitive Compensation and Benefits**

The FY00 legislation provides significant enhancements for our people. The FY00 compensation gains package recognizes our people as valuable assets, acknowledges their contributions, and sends a strong signal to our people that our leadership and Congress appreciate their sacrifice. The FY00 legislation contained major pay enhancements which will reduce the military pay gap: a 4.8% across-the-board pay raise in January 2000 for all members; a one-time reform of the current pay table in July 2000 to reward performance and getting military pay raises at 0.5% above the Employment Cost Index through 2006. After the implementation of these pay initiatives, we estimate the pay gap to be approximately 8.5% in 2006. With your assistance, our first term airman are now eligible for Temporary Lodging Expenses upon assignment to their first duty station to help defray moving expenses. Also, Career Enlisted Flight Incentive Pay approval, Aviation Continuation Pay enhancements, Air Battle Managers save pay provision, and accelerated Basic Allowance for Housing (BAH) all serve to make the Air Force more attractive.

## **Balanced TEMPO**

We are working to balance the impact of high TEMPO rates by enhancing the quality of life of deployed troops, mitigating impacts on members and families, and balancing TEMPO levels for all. The Expeditionary Aerospace Force framework will bring stability and predictability and further incorporate the Total Force. This concept

will spread deployments more evenly among operational units, potentially reducing average TEMPO.

### **Access to Quality Health Care**

The Air Force is committed to providing access to quality health care for all members, including retirees, with emphasis on prevention programs, affordability, and readiness. Access to quality health care is crucial to the quality of life of our personnel (active duty and retirees) and their families and greatly affects our recruiting and retention efforts and, ultimately, our readiness. The Department of Defense has fully deployed TRICARE—the military form of managed health care. This is a significant change in military health care and the program still requires additional effort and resources to maximize health care services by improving access to care, claims processing, and reimbursement levels. TRICARE improvement is a top DoD concern. The Department of Defense has made health care improvements a major initiative for the year. Additionally, the Defense Medical Oversight Committee (DMOC) has been formed to ensure optimum Service participation in the health care agenda, define medical benefits, and establish budget priorities. The Department of Defense is testing a Medicare Subvention Demonstration Project (TRICARE Senior Prime) to assist in providing continued health care to retired members.

### **Access to Safe, Affordable and Adequate Housing**

The Air Force is seeking to provide safe, affordable and adequate housing through sustained investment levels, competitive sourcing and privatization initiatives where feasible as well as cost-based housing allowances. Our infrastructure has borne the brunt of funding pressures in a budget-constrained environment and sustained deferment of maintenance over many years further complicates the problem. As part of

the \$1.1B Military Construction Bill for FY00, numerous projects have been targeted for construction or enhancement, such as Child Development Centers, dormitories, fitness centers, and dining facilities. We have applied \$91.6M on this budget submission toward our Dormitory Master Plan to eliminate a deficit of dormitory rooms. We have made great progress in improving the living conditions for our airman. As of 31 Mar 99, 75% of our unaccompanied airmen are housed on base in 1 + 1 standard rooms—one airman living in a room sharing a bath. Additionally, we have funded \$223M for our Family Housing Master Plan. Further, in an effort to reduce out-of-pocket permanent change of station expenses, an FY00 legislative initiative authorizes DoD to accelerate the transition to market-based Basic Allowance for Housing (BAH) rates 3 years ahead of schedule. The Secretary of Defense recently announced his intention to reduce out-of-pocket expenses to 15% by FY01 and perhaps eliminate out-of-pocket expenses entirely within 5 years.

### **Maximize Retirement System and Benefits**

Due to your superb support, the FY00 legislation restored the retention value of the Military Retirement System and added some options. We consider retirement at 50% of basic pay for 20 years of service and full inflation protection one of our most valuable retention tools. In addition, service members who came on active duty since 1 August 1986 can now choose their retirement plan. In exchange for receiving only 40% of basic pay for 20 years of service and reduced inflation protection for life, members who opt for the Redux Plan receive a \$30,000 Service Bonus at 15 years of service. For those who invest wisely, this could offer attractive life stream earnings and encourage longer service.

### **Increase and Enhance Support of Community and Family Programs**

The Air Force recruits individuals, but retains families. As large parts of our force deploy for extended periods, our ability to care for their families becomes increasingly important. Therefore, it is crucial that we demonstrate our commitment to our people and their families through support of several programs. The Air Force's Family Support Centers have established numerous programs to help spouses with employment after a permanent change of station, such as the Career Focus Program, Spouse Executive Search Program, and Spouse Demonstration Project. We have dedicated \$4.1M to expand and enhance our child care and youth activities. Other programs such as surviving spouse casualty support, relocation and transition assistance, commissaries and military exchanges provide numerous quality of life benefits. Additionally, money specifically earmarked for quality of life has been targeted for: in-theater fitness sports and recreation equipment; increased overseas entertainment; and enhanced of libraries. Our Personal Financial Management Program helps our troops deal successfully with today's heavily credit-based society. We have dedicated \$2.9M to our deployed spouse outreach programs, which increases internet capability at deployed locations to provide worldwide connectivity between deployed troops and their families. Personal fitness contributes to Air Force readiness by increasing productivity and providing preventive health benefits and long-term medical cost savings. As such, we dedicated \$3.5M for additional in-theater fitness, sports and recreational equipment.

### **Expand Educational Opportunities and Access**

We continue to expand our educational opportunities and access for our people. Education is a major quality of life factor that significantly impact recruiting and retention. The Community College of the Air Force allows airmen to combine college

credits and Service-related education and experience to earn an Associate Degree in Applied Science. The Air Force tuition assistance program pays up to 75% of tuition at accredited colleges and universities and the Air Force Civilian Tuition Program supports self-development for our civilian employees. Strengthening the MGIB is under consideration within the administration. These Air Force educational programs provide our people great motivational benefits. To improve access of educational opportunities for our deployed personnel, we are developing an advanced distributed learning initiative through web-based education for the future. These initiatives complement our existing Tuition Assistance Programs as well as our widely used degree granting Community College of the Air Force.

## **Equal Opportunity**

Creating and sustaining an environment that is free from discrimination and harassment is a vital part of the Air Force readiness equation. Our commitment to fully utilize the talents and capabilities of a diverse workforce is critical to achieving the Air Force mission. All Air Force Active, Guard, Reserve and civilian personnel deserve the opportunity to realize their full potential and to work and live in an atmosphere that respects and values human dignity.

Air Force policy on unlawful discrimination and harassment is very clear: Zero tolerance. Harassment, threats or ridicule of individuals or groups based upon their real or perceived differences have no place in the Air Force and will not be tolerated. The Air Force will provide equal opportunity and treatment for all members and employees as prescribed by law regardless of race, color, religion, national origin, sex, and in the case of civilian employees, disability and age.

The Air Force is committed to eliminating behavior and unintended barriers that hinder successful performance, and to creating an environment where every person has an opportunity to serve. We are committed to providing everyone in the Air Force with strong leadership, effective policies and programs, training and education opportunities, enforcement and resolution tools. We will continue to strive for improvement through an ongoing program of evaluation and assessment. Equal Opportunity is a critical performance factor for military and civilian leaders, supervisors and managers.

## **IN CLOSING**

There is less of a footprint where Americans are exposed to the military, which makes for a challenging recruiting environment. Compared to earlier times, the public has little understanding of the military in general, as only 6% of Americans under the age of 65 have worn their country's uniform. At the same time, the Air Force has closed 25% of its Stateside bases and 65% of its overseas bases in recent years. Therefore, as you consider the FY01 budget, we think it is vitally important to remember that our return on investment is seen in terms of recruiting and retaining and taking care of quality people. To lead the world's finest aerospace force, we need your continued support to ensure our readiness, modernization, and the infrastructure that provides the quality of life for our people and their families remain a priority.

Air Force people are indispensable and are a definitive element in our national military strategy. Nothing can substitute for high quality people. Our quality of life efforts must be comparable with the sacrifices we ask of them and we must provide them adequate resources to accomplish their mission. We are not asking Americans to help make our military members rich, but request that our personnel are offered a

reasonable standard of living that motivates service to country. You've provided many of the resources we've needed and your continued support is critical to our future.