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STATEMENT BY

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UNITED STATES ARMY**

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RECORD STATEMENT OF
DEPUTY CHIEF OF STAFF, G1
LTG JOHN M. LE MOYNE

Mr. Chairman and distinguished members of the Committee, on behalf of the men and women of the United States Army, thank you for this opportunity to appear before this Subcommittee today to give you a Military Personnel Overview of America's Army. I would like to start by publicly expressing our thanks for your support and assistance in the major successes and achievements in the Human Resources environment this past year.

Since before the birth of the Nation, American Soldiers have instilled hope in a noble dream of liberty. Magnificent in their selfless service, long in their sense of duty, and deep in their commitment to honor, Soldiers have kept the United States the land of the free and the home of the brave. This is our legacy. While helping to fight the Global War on Terrorism, The Army is in the midst of a profound transformation. Personnel transformation remains our constant imperative – today, tomorrow, and for the future.

After three and a half years of undiminished support from the Administration and the Congress, and the incredible dedication of Soldiers and Department of the Army Civilians, we have begun to deliver The Army's Vision. With continued strong support, we will win the war against global terrorism, meet our obligations to our friends and allies, remain ready to prevail over the unpredictable, and transform ourselves for decisive victories on future battlefields.

Today, more than 198,000 soldiers remain deployed and forward stationed in 120 countries around the globe, conducting operations and training with our friends and allies. Soldiers from both the Active and the Reserve Component have remained "on point" for the Nation.

END STRENGTH

While the Congressionally mandated FY02 Active Army end strength was 480,000, The Army exceeded this end strength target, as well as the budgeted average strength of 474,000 manyears. The Army finished FY02 with an end strength of 486,543 (78,158 officers, 404,305 enlisted, and 4,080 Cadets). Stop Loss accounted for 2,217 of the total FY02 end strength. Our average strength was 482,733 manyears. Stop Loss

accounted for 827 of the total FY02 manyears. The Army recruited 79,585 new soldiers and met its accession quality marks. The Army exceeded its retention goals by 1,437 for initial term, mid career and career categories and 2,961 for end term of service category.

RECRUITING

Today's threats to security and military commitments throughout the world highlight the critical importance of manning our Army, which begins with recruiting. The Army continues to recruit in a tough environment. The private and public sectors, to include post-secondary educational institutions, are all vying for high quality men and women. Additionally, the propensity of America's youth to enlist is at one of the lowest levels since we started measuring. Despite these challenges, Army Recruiting was extremely successful for the past three years. The resources provided to the Army for this important mission are some of the most important reasons for our recent success. In the past when recruiting was successful, resources were diminished to the point of hurting the recruiting effort. Together we need to avoid this pitfall and manage the resources to ensure continued success and economy of resources. Recruiting will continue to be our first priority for manning the force.

The Army's recruiting requirements are developed from projected needs based on a steady state of 480,000 soldiers. Even with the slowing economy, youth unemployment remains relatively steady. This makes for a very tight labor market. The Army must recruit far more than any other Service. To make this possible, the Army must continue to be equipped and resourced to succeed in this task. Properly resourced, the Army will meet its recruiting goals.

For the third year in a row, the Army made mission and met or exceeded all three DoD quality goals in FY02 with 91.1% having a High School Diploma, 68.0% scoring in the top 50th percentile on the Armed Forces Qualification Test (categories I-III A) and only 1.4% scoring in category IV (26th to 30th percentile).

To fulfill the FY03 enlisted accession mission, the Active Component must write 71,200 net contracts to cover the 73,800 -accession requirements and build an adequate Delayed Entry Program (DEP) of 35% to start FY04. The lower contract requirement is because we had a large DEP going into this year and we want to

accomplish that again. The Army Reserve must access 42,400, and the Army National Guard 62,000. We are on track to meet our goals. We are fully engaged to meet this year's accession missions and believe we can accomplish all three Components' missions.

We are implementing initiatives to expand the recruiting market in cost effective ways, without degrading the quality of the force. Hispanics are underrepresented in The Army relative to their share of the U.S. population. We made efforts through marketing and our Recruiters to expand this market and have seen improvement. Enlistments from the Hispanic population increased from 9.1% of the Army in FY00 to 9.7% in FY01 and 11.5% in FY02.

We implemented the "*College First*" test program to further increase our recruitment from the bound-for college market. As of 13 February 2003, 1,393 college students contracted to enlist in the Army after they finish college through this program. You granted us changes to the College First program for FY03 that will improve the test and the ability to determine expansion to the bound-for college market.

You gave us the opportunity to provide a 15-month enlistment option as part of the *National Call to Service*. We look forward to executing this program in FY04 to help penetrate new markets and increase the participation of prior-service soldiers in the Reserves and provide motivated young men and women for continued volunteer service to our Nation. We will target this enlistment option at the college and quality markets. This option will be offered to 24 of our military occupational skills.

Additionally, you directed us to conduct a test of *contract recruiters* replacing active duty recruiters in ten recruiting companies. The Army is implementing this initiative. The ten companies are on mission and will run the full test from FY03 through FY07.

We have awarded this pilot program to two independent contractors each receiving contracts to perform the full complement of recruiting services, including prospecting, selling, and pre-qualifying prospective applicants for the Regular Army and Army Reserve, and ensuring that contracted applicants ship to their initial entry training. We estimate it will take at least 18 months of production evaluation to make an accurate assessment on the effectiveness of this program.

The Army placed 300 *Corporal Recruiters* on recruiting duty in 1999 and this program has brought a total number of on-production recruits to 6,161. This program has proven effective by using young leaders to recruit young soldiers. The *Special Forces Candidate "Off the Street" Enlistment Initiative* will continue its highly successful program in FY03. This effort seeks to enlist motivated, highly qualified, and dedicated individuals desiring the adventure and mission focus inherent in the U. S. Army Special Operations Forces. In FY02, The Army exceeded its assigned mission of 400 applicants, enlisting 465 candidates. Capitalizing on the success of this program, the FY03 mission has increased to 600.

Army University Access Online offers soldiers access to a variety of on-line, post-secondary programs and related educational services. HYPERLINK "http://www.eArmy.U.com" www.eArmyU.com is a comprehensive web-portal widely accessible to soldiers, including those in Afghanistan, Bosnia, and Kuwait.

Competition for America's young people is intense. The enlistment incentives we offer appeal to the dominant buying motive of young people and allow us to fill the skills most critical to our needs at the time we need them most. The flexibility and improvements you provided to our incentives in the past have helped us turn the corner regarding recruiting.

Last year we achieved 99.9% MOS accuracy, which was significantly better than any previous year. The combination of all incentives will help fill critical specialties as The Army continues its personnel transformation. The combined Montgomery GI Bill and Army College Fund, along with the Army's partnership with education, remain excellent programs for Army recruiting and an investment in America's future. While the actions we have taken will help alleviate some of the recruiting difficulties, we also know more work has to be done to meet future missions. We must continue to improve the recruiting efforts from developing a stable, robust resourcing plan to improving our core business practices. We must capitalize on the dramatic improvements in technology from the Internet to telecommunications and software. We must improve our marketing and advertising by adopting the industry's best business practices and seeking the most efficient use of our advertising dollars. As we improve our efficiency, we are able to reduce the size of our Recruiting Force and return seasoned soldiers to other parts of

the Army that need their skills and leadership. We are in the first year of a three-year plan of reducing Army recruiters by 1166 positions.

Business practices, incentives and advertising are a part of recruiting, but our most valuable resource is our recruiters. Day in and day out, our Army recruiters are in the small towns and big cities of America and overseas, reaching out to young men and women, telling them the Army story. We have always selected our best soldiers to be recruiters and will continue to do so. These soldiers have a demanding mission. We owe it to these recruiters and their families to provide them the resources, training, and quality of life that will enable them to succeed.

The Army appreciates Congress's continued support for its recruiting programs and for improving the well-being of our recruiting force. We are grateful for recent congressional initiatives to increase military pay and benefits and improve the overall well-being of our Soldiers. We believe these increases will not only improve quality of life and retention, but will greatly enhance our recruiting effort, making us more competitive with private sector employers.

ENLISTED RETENTION

The Army's Retention Program continues to succeed in a demanding environment. Our program is focused on sustaining a trained and ready force. Our retention efforts demand careful management to ensure that the right skills and grades are retained at sufficient levels that keep the Army ready to fulfill its worldwide commitments. Our Selective Retention Budget, though significantly reduced in FY03, continues to provide this advantage, which ensures a robust and healthy retention program.

Over the past decade, retention has played an essential role in sustaining manning levels necessary to support our force requirements. This past year was an excellent example of the delicate balance between our recruiting and retention efforts. Through a concerted effort by the Department of the Army, field commanders and career counselors; the Army not only achieved its FY02 recruiting mission, but finished the year by retaining 1437 soldiers above mission for a reenlistment percentage of 102.5%. Our Reserve Component transition results in FY 02 were equally successful. We transferred 9,545 Active Component soldiers into Reserve Component (RC) units against a mission of 9,500 for a 100.4% success rate.

This year's retention mission of 54,000 soldiers requires us to retain 67% of all separating soldiers. Although the annual mission is less than the 56,000 soldiers who reenlisted last year, the decreasing separating soldier population will make the annual mission just as difficult.

At the heart of our retention mission, we concentrate efforts on our first-term and mid-career soldiers. The foundation for the career force is built upon these two mission categories. Retention decisions are influenced in significantly different ways between these two groups. First-term soldiers cite educational opportunities and availability of civilian employment as reasons for remaining in the Army or separating. Mid-career soldiers are affected more by health care, housing, compensation, and availability of commissary, exchange, and other post facilities. Consistent with these influencing factors, a higher percentage of mid-career soldiers are married, although the number of married first-term soldiers continues to increase. We closely monitor both groups for change in reenlistment behaviors, as they are the keys to continuing a successful retention program. Our results tell their own positive story. First-term retention rates during FY00, FY01, and FY02 exceeded the 52% historic achievement levels. Mid-careerists are staying at a roughly 78% rate, again well above early to mid-1990's pre-draw down levels. At the senior end of the spectrum, 98% of all non-retirement-eligible career soldiers continue to Stay Army.

The ultimate success of our retention program is dependent on many internal and external factors. External factors beyond our ability to influence include: the economy, the overall job market, and the world situation. While the economy has not been the strongest, our soldiers continue to be highly marketable. The Global War on Terrorism and other missions are also key factors. We are well aware that these factors play heavily on the minds of soldiers when it comes time to make reenlistment decisions. Our force today is increasingly family oriented. Our current Army is 52% married. Army spouses are equally affected by these external factors and have great influence over reenlistment decisions.

The internal factors that we can influence include: benefit packages, promotions, the number of deployments, adequate housing, responsive and accessible health care, attractive incentive packages, and reenlistment bonuses. Not all soldiers react the

same to these factors. These factors challenge our commanders and their retention non-commissioned officers (NCOs) to provide incentives to qualified soldiers that encourage them to remain as part of our Army. In order to address the total spectrum of soldier and family member needs, our incentive programs provide both monetary and non-monetary inducements to qualified soldiers looking to reenlist. These programs include: The *Selective Reenlistment Bonus*, or SRB, offers money to eligible soldiers, primarily in the grades of Specialist and Sergeant, to reenlist in skills that are critically short or that require exceptional management. The *Targeted Selective Reenlistment Bonus* program, or TSRB, is a sub-program of the SRB that focuses on eleven installations within the continental United States and Korea where pockets of shortages have historically existed in certain military occupational specialties (MOS). The TSRB pays a reenlisting soldier a higher amount of money to stay on station at a location in the program or to accept an option to move. The *Critical Skills Retention Bonus* or CSRB offers soldiers in critical MOS a bonus at 18 to 24 years of service. The CSRB pays a lump sum bonus to career soldiers serving in MOS that have projected shortages and low continuation rates. Special Forces Sergeants First Class and Master Sergeants are currently receiving the CSRB. This program has experienced great success and has significantly benefited our Special Forces soldiers who are on the front line in the war on terrorism.

All of these programs, paid from the same limited budget, play key roles in force alignment efforts to overcome or prevent present shortfalls of mid-grade and senior NCOs that would negatively affect operational readiness of our force. We have used the SRB/CSRB program with tremendous success to increase reenlistments in such critical specialties such as Infantry, Armor, Special Forces, Intelligence, Communications, Maintenance, and Foreign Languages.

Non-monetary reenlistment incentives also play an important role in attracting and retaining the right soldiers. We continue to offer assignment options such as current station stabilization, overseas tours, and CONUS station of choice. Training and retraining options offer qualified soldiers yet another alternative incentive to reenlist. By careful management of both the monetary and non-monetary incentive programs, we

have achieved a cost-effective program that has proven itself in sustaining the Army's career force.

The Army's retention program today is healthy. Well into the 2nd Quarter of FY03, we have reenlisted 105% of our year-to-date mission and are on track to make the 54,000-reenlistment mission required to sustain a 480,000 soldier Army. We likewise expect to exceed our RC transition mission again this year. In FY03 year-to-date, we have transferred 3,008 soldiers into RC units against a mission of 2,766 for a rate of 109%. The Army is retaining the best qualified, and correct number of, soldiers necessary to maintain the highest levels of readiness that we have ever experienced. This is due in large part to the great support from Congress to protect existing incentive programs, and the continued involvement of Army leaders at all levels.

OFFICER RETENTION

The Army today has the lowest officer attrition rate since 1997. It is anticipated that the Army will finish FY03 above our officer budgeted end strength of 77,800. Retention in all Army Competitive Category (ACC) officer ranks, from lieutenant to colonel, improved in FY02. Specifically, the ACC captain due-course loss rate was 11% in FY02. This represents a significant reduction over the captain due-course loss rate of 12.5% in FY01 and a return to the 11% loss rate in FY99. This results in an overall company grade loss rate improvement from 8.1% in FY01 to 6.5% in FY02. Over the same period the major loss rate fell from 3.4% to 2.7%, the lieutenant colonel loss rate fell from 14.1% to 10.8% and the colonel loss rate fell from 19.0% to 15.9%. While the inventory of company grade officers exceeds requirements, minor shortages still remain at the field grade ranks.

The Army has successfully used increased accessions and enhanced promotion rates to maintain manning levels and overcome the impact of under-accessed cohorts during the draw down years. The Army steadily increased basic branch accessions beginning in FY00 with 4,000, capping at 4,500 in FY03, to build a sustainable inventory to support captain requirements. The Army has been promoting to captain at or above the DOPMA goal of 90% since FY95. Higher than DOPMA promotion rates will continue for the next 2 to 4 years depending on attrition behavior.

Army initiatives to improve retention among its warrant officer AH64 (Apache) pilot population have stabilized attrition trends resulting in an attrition reduction from 12.9% in FY97 to 7.5% in FY02. Since FY99 we have offered Aviation Continuation Pay to 1,765 eligible warrant officers, of which 1,590 accepted (90% take rate). Additionally, we have recalled 272 warrant officer pilots since 1997, and have five Apache pilots serving on active duty in selective continuation status. The Warrant Officer Corps is healthy in the aggregate with inventory slightly exceeding the budgeted end strength of 11,800.

LEADERSHIP/TRAINING

The Army is a profession – the Profession of Arms. The development of each member of The Army is the foundation of lifelong devotion to duty – while in uniform and upon returning to the civilian sector. Profession of Arms must remain firmly grounded in constitutional values and constantly change to preserve its competitive advantage in an evolving strategic environment. At all levels, our military and civilian leaders — must apply their professional knowledge in increasingly varied and unique situations that are characteristic of today’s strategic environment. Ultimately, we must grow professional Army leaders who provide judgments founded on long experience and proven professional expertise. This capacity is developed only through a lifetime of education and dedicated service – in peace and in war.

Soldiers serve the Nation with the full realization that their duty may require them to make the supreme sacrifice for others among their ranks. Soldiers fighting the war on terrorism today, those who will fight our future wars, and those who have fought in our past wars are professional soldiers and a precious national asset. To ensure we remain the greatest land power in the world defending our Nation, The Army and the Nation rely upon our Soldiers unique and hard-earned experiences and skills. To develop the operational skills required to defend the Nation, training must remain our number one priority.

The evolving strategic environment, the gravity of our responsibilities, and the broad range of tasks The Army performs require us to review and update the way we educate, train, and grow professional war fighters. The Army’s strategic responsibilities to the Nation and Combatant Commanders now embrace a wider range of missions. Those

missions present our leaders with even greater challenges than previously experienced. Therefore, leader development is the lifeblood of the profession. It is the deliberate, progressive, and continuous process that trains and grows Soldiers and civilians into competent, confident, self-aware, and decisive leaders prepared for the challenges of the 21st Century in combined arms, joint, multinational, and interagency operations.

In June 2000, we convened the Army Training and Leader Development Panel (ATLDP) to assess the ability of current training and leader development systems and policies to enhance these required skills of soldiers and civilian leaders. In May 2001, The Army Training and Leader Development Panel Phase I (Officer Study) identified strategic imperatives and recommendations. From those, we validated the requirement to transform our Officer Education System (OES) – from the Officer Basic Course through the Command and General Staff Officer Course. Additionally, the panel reconfirmed the value of Joint Professional Military Education II (JPME II) in preparing our leaders for joint assignments.

ATLDP Phase I (Officer Study) identified three high-payoff institutional training and education initiatives for lieutenants, captains, and majors. The first of these is the Basic Officer Leader Course (BOLC). BOLC will provide a tough, standardized, graduate-level, small-unit leadership experience for newly commissioned officers. The second of these initiatives is the Combined Arms Staff Course (CASC) for staff officers, and the Combined Arms Battle Command Course (CABCC) for company commanders. Both courses will capitalize on advanced distributed learning and intensive resident training methods. The third initiative, Intermediate Level Education (ILE), will provide all majors with the same common core of operational instruction, and it will provide additional educational opportunities that are tailored to the officer's specific career field, branch, or functional area. Beyond ILE, Army officers continue to attend Joint or Senior Service Colleges to develop leader skills and knowledge appropriate to the operational and strategic levels of the profession.

Completed in May 2002, the ATLDP Phase II (NCO Study) resulted in findings and recommendations – Army culture, NCO Education Systems (NCOES), training, systems approach to training, training and leader development model, and lifelong learning. Among others, the ATLDP Phase II recommended building new training and leader

development tools for NCOs to replace current methods, as required. The ATLDP Phase III (Warrant Officer Study) culminated with recommendations to clarify the warrant officer's unique role in The Army and improve the Warrant Officer Education System (WOES) to ensure timely training and promotion.

The Army Civilian Study is Phase IV of the largest self-assessment ever done by the Army. Completed in Jan 03, The Army Civilian Study panel's purpose was to identify training and leader development requirements for current and future Army civilians. The panel emphasized Army Civilians are part of the total force – Active, Reserve, Guard, Retirees and Family Members – and serve to support soldiers. The study concludes that growing civilian leaders has fallen short of The Army Plan that states the Army requirement with respect to people is to “Train soldiers and civilians to grow them into leaders through training and leader development programs.” The study also concludes that Army policies are out of balance with the expectations of Army Civilians. It believes that the future environment, in which Army Civilians will operate, will require a higher level of Adaptability and Self-awareness.

The study culminated with recommendations and imperatives surrounding *Accountability* – we need to make developing civilians a high priority, tie personal and professional and job performance together, accomplish this study's recommendations, and evaluate their effectiveness. *Lifelong Learning* – make it the standard, revamp career management with “gates” for progression, and build an effective Civilian Education System (CES). *Interpersonal Skills* – acknowledge they are pivotal to leader competence, teach them, and select leaders that exhibit them. *Army Culture* – integrate civilians fully into the Army culture– recognizing differences but embracing commitment to our national defense mission.

The study highlighted five recommendations, which the panel said were especially significant: first, make Army Civilian training, education and leader development a priority; second, integrate civilian and military individual training, education, and development where and when appropriate; third, improve the relationship among the four Army cohorts (officer, no-commissioned officer, warrant officer, civilian); fourth create a training and development paradigm that incorporates lifelong learning; and, last make interpersonal skills development a priority.

The Panel completed Phase I (Officer Study) in May of 2001, Phase II (NCO Study) in May of 2002, and Phase III (Warrant Officer Study) in July 2002. The Army instituted a management process under the proponentcy of the Army G3 to determine the feasibility, suitability, and acceptability of the recommendations. The Army integrated the recommendations into its Transformation Campaign Plan and has implemented a number of the recommendations and developed actions, decisions and resources required to implement the others.

The ATLDP will conclude its mission by developing a final report on training and leader development for the Army that fosters battlefield and operational success and develops our operational commanders and leaders to meet the demands of our national Military Strategy.

PERSTEMPO

To meet the demands of the current National Emergency, the Army has experienced substantial increases in Personnel Tempo (PERSTEMPO). By necessity, due to global operational commitments, soldier deployments and Reserve Component mobilizations have combined to increase the turbulence and uncertainty felt by soldiers and their families who serve our Nation. In defense of our Nation, soldiers in all components are being tasked to spend significant time away from home, for missions both foreign and domestic. We have not yet turned the tide in the upward spiral of these requirements, but wish to assure you that the Army is doing what it can to track and monitor deployments at the individual soldier level.

The Army employs various measures to actively manage and minimize the effects of PERSTEMPO and coordinates with OSD to manage force requirements. The Army seeks to reduce PERSTEMPO by rotating units, by selectively using Reserve Component forces, and through a post-deployment stabilization policy. The Army endeavors to manage contingency operations requirements through global sourcing, as well as through use of career and contract civilians where feasible.

We considered the effects of PERSTEMPO and implemented tracking and reporting the number of days a soldier is deployed in FY00. The statutes surrounding PERSTEMPO for tracking, reporting and payment procedures were imposed to encourage the Services to reduce, where possible, excessive individual deployments

vice payment of an entitlement for the soldier. The Army places priority on our mission requirements over the high deployment per-diem and will not compromise readiness nor unit cohesion to avoid future potential high deployment per diem payments. Army deployments will continue based on the needs of the Nation, the Army and the best interest of the soldier, in that order. The Army has a duty to comply with PERSTEMPO requirements and to manage them for the welfare of our soldiers, their families and the future of the Army.

The Army will continue to manage deployments with an emphasis on maintaining readiness, unit integrity, and cohesion while meeting operational requirements.

STOP LOSS

The present National Emergency warrants that certain soldier skills are essential to the national security of the United States under the provisions of 10 USC 12305. Selected soldier skills and officer/warrant officer specialties, will be retained on active duty and will not otherwise be separated or retired. Those affected by the order cannot retire or leave the service as long as reserves with those same skills are called to active duty or until otherwise released by proper authority.

On 30 November 2001, The Assistant Secretary for Manpower and Reserve Affairs, ASA (M&RA) approved a limited stop loss for soldiers of the Active Army (Stop Loss 1). On 27 December 2001, the ASA (M&RA) expanded Stop Loss 1 to include the Ready Reserve and additional skills and specialties for both the Active Army and the Ready Reserve (Stop Loss 2). On 8 February 2002, a third increment of stop loss was approved to include additional skills and specialties for both the Active Army and the Ready Reserve (Stop Loss 3). On 4 June 2002, the ASA (M&RA) approved partially lifting stop loss for skills and specialties affected by Stop Loss 1-3, and approved a fourth increment of stop loss to include additional skills and specialties for both the Active Army and the Ready Reserve (Stop Loss 4). Stop Loss 4 ensured a zero sum gain against FY02 end strength. Active Component soldiers who have completed their obligation under the Army's 12-month, skilled-based stop loss will not be subject to this new stop loss (soldiers however, will be given the choice to continue serving). Active Component (AC) unit stop loss, for selected forces that deploy in support of operations in the CENTCOM AOR, was approved on 14 February 2003. Potential impact to FY03

Army end strength if this stop loss initiative is approved ranges from 492.7K to 504.6K (2.7% to 5% over 480K end strength). Partial Lift #3 is for the MP Corps.

The global war on terrorism is projected to take years to successfully complete. Stop loss was not designed to preclude soldiers from voluntarily separating for an indefinite period of time. The time has come to provide soldiers affected by stop loss more predictability on when it will be lifted.

STOP MOVE

Stop move for selected AC units supporting operations in the CENTCOM AOR was announced 22 December 2002. Units in support of Operations Enduring Freedom (OEF) or Noble Eagle (ONE) are currently not affected by stop move. The intent of the Army's stop move program is to maintain personnel operating strengths, readiness, and cohesion for deploying units, while ensuring we do not deplete the rest of the Army (i.e., Korea) effective 21 December 2002. Soldiers in deploying units with PCS report dates between 31 Dec 02 and 28 Feb 03 continued to PCS while enlisted soldiers with report dates of 1 Mar 03 or later will deploy with the a unit. Officers and warrant officers with report dates between 1 Mar and 31 May 03 will be initially deferred for 90 days; additional deferrals and modifications for these officers with report dates 1 Jun 03 or later may be made pursuant to future operational assessment.

Stop move will affect Korea through the Involuntarily Foreign Service Tour Extensions (IFSTE) for up to approximately 2900 soldiers in Korea for 90 days beyond DEROS. Soldiers involuntarily extended will not be further extended for operational reasons or be required to meet service remaining requirements for PCS back to CONUS. Soldiers who would undergo undue hardship because of short-notice IFSTE (e.g., already shipped HHG, started terminal leave, or moved family members) are also exempt.

UNIT MANNING

Unit manning seeks to synchronize the life cycle of a unit with the life cycle of the Soldier within that unit. Soldiers and leaders will be stabilized, resulting in a significant increase in cohesion and combat readiness over our present individual replacement system. Such a system has significant second and third order effects across the force – training and leader development, recruiting and retention, unit readiness levels, and

total Army end strength, among others. All of these systems are being studied intensively.

The objective of our manning strategy is to ensure we have the right people in the right places to fully capitalize on their war fighting expertise. Correctly manning our units is vital to assuring that we fulfill our missions as a strategic element of national policy; it enhances predictability for our people; and it ensures that leaders have the people necessary to perform their assigned tasks. In FY00, we implemented a strategy to man our forces to 100% of authorized strength, starting with divisional combat units. The program expanded in FY01 and FY02 to include early deploying units. FY02 represented the third year of implementation for the Army manning strategy and we have maintained our manning goals and continued to fill our Divisions, Armored Cavalry Regiments, and selected Early Deploying Units to 100% in the aggregate, with a 93-95% skill and grade-band match. We remain on target to accomplish our long-term goal of filling all Army units to 100% of authorized strength. Our manning initiatives have filled our line divisions and other early deploying units to reduce the internal turbulence of partially filled formations and help put a measure of predictability back into the lives of our families.

PERSONNEL TRANSFORMATION

At war and transforming, The Army is accelerating change to harness the power of new technologies, different organizations, and revitalized leader development initiatives that enable flexible, cost effective personnel policies for reshaping the Interim and the Objective Force for 2015.

To accomplish this, we must transform our current personnel systems to meet the Army's vision of being more strategically responsive across the full spectrum of military operations. While the Army's eight Personnel Life Cycle functions (acquire, distribute, develop, deploy, compensate, sustain, transition, and structure) do not change under the Army vision, how we do them does change as we migrate legacy systems to web-based technology.

New capabilities under Army eHR will include paperless electronic workflow, digital signature, passive personnel tracking, predictive analytics, unobtrusive record keeping,

and a variety of on-line services. Overall customer service to the soldier, staff officer, and commander on the battlefield will be significantly more timely and accurate.

In preparation for the Objective Force, and with the infusion of enterprise COTS (Commercial Off the Shelf) technology, a complete realignment of the Personnel structure and workforce is well underway. Implementing new technology is absolutely key therefore we must invest in HR systems through FY05. This will enable the reshaping of personnel units to become more responsive to the needs of commanders from a smaller footprint in the battle space.

As the integrating framework, five Personnel Transformation themes synchronize the personnel life cycles to form the sync matrix for concept development, decision-making, and resourcing. These five themes are *Personnel Enterprise System*, which forms the operational infrastructure and the knowledge architecture, which is the vehicle for revolutionizing the delivery of personnel services to soldiers and commanders and enhancing operational readiness. The resulting capabilities include online services, transactional capabilities, and analytical decision support with accurate and timely data. Second, *Manning* is the key and essential part of readiness. Our plan is to man the future force employing a Rotational Unit Manning concept. A major change in the way we do business is necessary given a dramatic increase in deployments, the Global War on Terrorism, coupled with the fielding of an increasingly complex force. Significant changes in how we structure, recruit, manage our personnel, develop soldiers and leaders must be reconsidered to create degrees of freedom currently resident in the individual, equity based personnel system. Third, *Force Structure* changes are already underway, especially in the personnel community's workforce and organizations. From HQDA to unit level, a variety of multi-functional units are being structured and redesigned to meet the future needs of the Army. Fourth, *Training and Leader Development* must be mutually supportive. We will work diligently to develop policies that meet the readiness goals inherent in unit manning while at the same time support the professional development needs of our Army and our people. Fifth, *Well-Being* is key to both individual and unit readiness. It is also critical to sustainment of our Army of today as well as that of the Objective Force. More specifically, it is an integrated system that: recognizes the institutional needs of the Army; designed and resourced to

successfully account for the dynamic nature of The Army's operational challenges; maximizes outcomes such as performance, readiness, retention, and recruiting; and contributes to an institutional strength that enables The Army to accomplish its full spectrum mission.

Our efforts in transforming the Army's personnel system are progressing. To date, we have successfully used technology to webify or digitize various personnel systems (i.e. OMPF On-Line and 2X Citizen, PERSCOM Online, PERSTEMPO, automated selection boards, etc.). Working together with all components, we are confident that when the Army gets to the Objective Force in 2015, the Personnel and Pay communities will be transformed and ready. One of the five personnel enterprise systems, Unit Manning deserves additional attention as a significant factor of personnel transformation.

WELL-BEING

Well-Being is the Strategic Human Capital Management System for the Army. When applied at every level of leadership, this system provides the focus for balancing the needs of the Army and the expectations of our people – Soldiers, retirees, veterans, DA civilians and their families. Well-Being is oriented on developing strategic outcomes within the human dimension, and measuring progress and results in achieving those strategic ends.

To measure these results, the Army designed a Well-Being Status Report (WBSR). The WBSR serves as a feedback mechanism designed to track the current and future status of Well-Being as it impacts the personnel dimension of readiness, enabling the senior leadership of the Army to make informed decisions.

The Army is testing the concept at five locations for an entire year (June 2002 to May 2003). Additionally, the National Guard Bureau has funded a Well-Being laboratory site to explore methods to improve the effective delivery and receipt of Well-Being services and products to Guardsmen, Civilians and their family members. The NGB site is scheduled to stand up the first week of April 03.

Well-Being initiatives over FY02 have resulted in the largest pay raise for soldiers in a generation, as well as a 4.6% pay raise for civilians. There was an 18% increase in military construction for new barracks, family housing and medical facilities. The

medical component of Well-Being resulted in full funding for TRICARE military health care – a \$6 billion increase over the past year. Included in this initiative is TRACARE for Life for Medicare-eligible uniformed services retirees, family members and survivors. Well-Being's impact on our Reserve and National Guard constituents resulted in improved pay, benefits and quality-of-life initiatives for reserve component soldiers and their families, such as TRICARE eligibility for the military sponsor beginning on the effective date of their orders to active duty. For those soldiers ordered to active duty for more than 30 consecutive days, their families are eligible for health care under TRACARE Standard or TRICARE extra.

Given the competing demands for limited resources we must ensure the Well-Being of the force by making informed decisions about which Army Organizational Life Cycle functions provides largest "payoff", in terms of Well-Being of its people, while achieving the tasks to assess, recruit, train, retain and meet the Army's mission. Well-Being allows the Army leadership to focus the application of resources with a measurable result.

RETIREE/SUVIVOR SUPPORT

Our Army retirees and their families are highly valued partners with our active duty and reserve component soldiers. Their rich legacy of sacrifice and service inspires today's soldiers. Many continue to serve America in a wide variety of positions both in and out of government and are a strong bridge between the Army and their communities.

The Army remains committed to insuring that retirees and their families, as well as soldiers and families about to retire are well provided for. Insuring that health care systems remain robust for those who have borne the brunt of battle continues to be a major goal. The Army is very appreciative of recent congressional support in this arena and hopes that congressional commitment never wanes. Likewise, its very important to insure that surviving family members of retirees, as well as soldiers who die on active duty, receive the strongest possible financial support. This is especially true for our soldiers who die in combat related incidents. The Army urges strong support of the Survivor Benefit Plan, especially in situations where small children suffer the loss of a parent in service to country. Severely disabled retirees deserve continued recognition of

their precarious financial situation, especially if that disability resulted from a combat related incident.

CIVILIAN PERSONNEL

As of FY02, The Army employed 277,786 civilian personnel. To forecast future civilian workforce needs with precision, we developed the Civilian Forecasting System (CIVFORS), a sophisticated projection model that predicts future civilian personnel requirements under various scenarios. The Army is working closely with the Office of the Secretary of Defense (OSD) and other federal agencies to demonstrate the power of this system so they can fully leverage its capabilities, as well.

The Civilian Personnel Management System XXI (CPMS XXI) has identified the reforms necessary to hire, train, and grow a civilian component that supports the transforming Army. To achieve this, we have redefined the way civilians are hired, retained, and managed. Mandatory experiential assignments will become the vehicle by which we develop future leaders. CPMS XXI fully responds to current mandates in the President's Management Agenda and incorporates the results of the Army Training and Leader Development Panels. Here are two initiatives for recruiting well-trained civilians, The Army Civilian Training, Education, and Development System (ACTEDS) – a centrally managed program that accesses and trains civilian interns and grows a resource pool of personnel who can accede to senior professional positions and second the Direct Hire Authority for critical, hard-to-fill medical health care occupations which reduces in average fill-time for these positions to 29 days.

The Army is firmly moving in the right direction to provide greater flexibility and opportunity for employees, supervisors, managers, and executives in the area of human resources management. We will transform the way we recruit, compensate, assess, assign, and separate defense civilians.

DOMESTIC VIOLENCE

As you recall in June-July 2002, five homicides occurred at Fort Bragg North Carolina and the Army took action at both the local and Department of Army level. Fort Bragg conducted a review of the existing responses to domestic violence and developed a strategy focused on increasing awareness of domestic violence incidents and reviewed the existing support programs for victims and families. Additionally, Fort

Bragg leadership encouraged and expanded outreach to victims and families residing in the surrounding area and promoted community accountability and responsibility.

The Assistant Secretary of the Army (Manpower and Reserve Affairs) (ASA (M&RA)) directed a review and evaluation of Army domestic violence prevention and intervention programs/policies. The team focused their efforts on study conclusions of what the Army did well, what areas needed improvement, and recommendations that pave the way ahead for the Army. Team efforts are targeted at developing an Army-wide domestic violence program and culture that is compassionate, responsive, accountable, career safe and targets prevention and early intervention for high-risk groups. Additionally, ASA (M&RA) engaged the services of civilian consultants to evaluate Army programs/policies and make recommendations for program enhancement.

The Chief of Staff of the Army directed the G-3, Deputy Chief of Staff for Operations, to look at developing a program to facilitate the reintegration of soldiers returning from contingency operations into their family and domestic environments. The intent is to provide redeploying soldiers with proper psychological screening, debriefing, mandatory briefings, and more importantly, identify those “at risk” soldiers that require immediate and longitudinal services. Army teams will continue to develop and then execute an action plan that addresses the key issues identified.

THIRD WAVE

The primary objective of The Third Wave is to make sure we are properly utilizing the military manpower we have before asking for additional resources. This is necessary because we are operating within fixed constraints, a 480K-end strength, in an environment where there may be increasing demands for military capabilities for the global war on terrorism and worldwide contingencies. We will leverage our current end strength by converting non-core military positions to civilian employees or contract, where appropriate. We will pay for these conversions through savings generated from public-private competition and divestitures. The Third Wave supports the President’s Competitive Sourcing Initiative, which is one of five government-wide initiatives on the President’s Management Agenda. The Third Wave analysis is based on the Inventory of Commercial and Inherently Governmental Activities (which includes functions in the FAIR Inventory) and Senior Executive Council memorandum, subject: Using Core

competencies to Determine DoD's Sourcing Decisions. Third Wave study costs will be programmed in POM 05-09.

ACTIVE GUARD AND RESERVE SEPARATE PROMOTION COMPETITIVE CATEGORY

Army promotion policy requires mandatory Reserve Components centralized promotion selection boards to consider all eligible officers of a grade and competitive category regardless of the Ready Reserve component to which they may be assigned. This policy further requires that mandatory boards address Army mobilization requirements, rather than consider specific Selected Reserve vacancies.

The Reserve Component promotion competitive categories remain the same as those in effect prior to October 1, 1996, the implementation date for the Reserve Officer Personnel Management Act. Even though the Act authorizes the Secretary of the Army to establish separate promotion competitive categories for Reserve Component officers, to include those serving in an AGR program, the Army has elected not to do so.

The Army has twice considered proposals to initiate a separate U.S. Army Reserve AGR promotion competitive category. There has been no proposal for a separate Army National Guard AGR promotion competitive category. Army National Guard AGR officers may be promoted to fill AGR positions of the higher grade under the Title 32, U.S. Code, Federal recognition process. U.S. Army Reserve AGR officers may be promoted to fill AGR positions of the higher grade under the Title 10, U.S. Code, position vacancy board process.

The Army Staff reviewed both proposals to initiate a separate U.S. Army Reserve AGR promotion competitive category. It did not give a favorable endorsement to either request. The Army Staff did not favorably consider establishing a separate U.S. Army Reserve AGR promotion competitive category, because of a number of management and parity concerns. The Office of The Judge Advocate General, in its independent review of the concept, expressed concern that a separate U.S. Army Reserve AGR promotion competitive category might be contrary to the congressional intent authorizing the Secretary of a Military Department to establish a separate promotion competitive category.

There is an on-going study of the pending implementation of the Reserve Components Officer Personnel Management System XXI. And part of its study, is reviewing the Reserve Components officer promotion selection system. This officer promotion selection system review is intended to determine whether current promotion selection policy meets the needs of the Army and, if not, what changes need to be made. Included in this promotion selection system review are consideration of an Office, Chief Army Reserve request for the Army to initiate a separate U.S. Army Reserve AGR promotion competitive category, and alternatives to that proposal, to include extensive use of statutory position vacancy boards to meet specific U.S. Army Reserve AGR position vacancy needs.

IMPACT AID

Impact Aid funds are an important source of federal income for school districts that educate federally connected children. These funds help to ensure our military children are provided quality education. Education has always been and continues to be a very high priority for not only the Army, but for our soldiers. This is keenly evidenced by results from our yearly Army Family Action Plan (AFAP) conferences where education issues consistently rank among the top issues that our soldiers and their families vote as the most important to resolve. As you are no doubt aware, the Impact Aid program is a U.S. Department of Education (DoED) function and responsibility. The Army supports the Department of Defense (DoD) position that Impact Aid funding and management is correctly positioned within DoED.

The Army's strategy is to continue to work with DoED and DoD, to find solutions to current issues with Impact Aid. Recognizing the importance of Impact Aid funding to our local schools, the Army has funded 117 "dedicated" School Liaison Officer (SLO) positions effective FY03. One of the functions of the SLO is to ensure installation commanders and parents understand the Impact Aid program and serve as informed consumers for the funding of programs/services that address the specific needs of our military children. Through School Liaison Services, the Army supports partnerships with school systems and school boards to facilitate opportunities to notify school personnel, parents, and community leaders about the importance and potential benefits of Impact Aid. In July 2002, the Military Impacted Schools Association (MISA) partnered with the

National Military Family Association (NMFA) to brief the Army's School Liaison Officers on the Impact Aid program to include funding, legislation, and developing effective partnerships.

The Army has made great strides in finding ways to institutionalize strong partnerships among our military communities and our local education agencies. We will continue to work with our local schools and partner organizations to find creative solutions for the often-unique school transition and educational issues that our mobile military children face. We are committed to doing everything we can to ensure our children receive the quality education that they deserve.

CONCLUSION

We are proud of our progress. We are grateful for the strong congressional support that has helped offer tremendous opportunities to America's youth. Our soldiers return to America's communities better educated, more mature and with the skills and resources to prepare them for a productive and prosperous life. They make valuable contributions to their communities.

We are hopeful that your support and assistance will continue as we demonstrate our commitment to fulfilling the manpower and welfare needs of the Army; active, reserve, civilian and retirees and families.

Again, thank you for the opportunity to appear before you today.