

**NOT FOR PUBLICATION  
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SENATE ARMED SERVICES COMMITTEE**

**STATEMENT OF  
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AND  
DEPUTY CHIEF OF NAVAL OPERATIONS  
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)  
BEFORE THE  
SUBCOMMITTEE ON PERSONNEL  
OF THE  
SENATE ARMED SERVICES COMMITTEE  
ON  
MILITARY PERSONNEL**

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## **INTRODUCTION**

Chairman Tillis, Ranking Member Gillibrand, and distinguished Members of the Personnel Subcommittee, thank you for the opportunity to appear before you today to discuss our Navy's most important strategic asset, our people.

## **READY AND CAPABLE GLOBAL NAVY**

For over 240 years, the U.S. Navy has been a cornerstone of American security and prosperity. In an increasingly globalized world, the Nation's security is ever more dependent on the Navy. People are the strength behind every organization — the talent in our workforce is our most critical differentiator in a world complicated by numerous security threats. Today's workforce is very different from that of previous generations, changed by national trends in family, education and work dynamics. We are building a larger fleet with new operating concepts, which requires people of diverse backgrounds and experiences, critical thinking skills and the mental agility to operate across the spectrum of change that lies ahead while addressing the needs of the modern workforce, including an innovative personnel system, equally agile and flexible, and ready to meet the challenges and uncertainty of a great power era.

To compete for talent and dominate in the maritime domain, we must apply cutting-edge human resources management practices and technology, and as importantly, continue our efforts to become a customer-experience-driven organization that shows, through action, that we value Sailors and their families. We must consistently take care of them as they endure lengthy deployments, often in harm's way, and with prolonged family separations. Sailors deserve and rightly expect to be treated as valued members of the team, or they will go elsewhere. All of those antiquated things we ask Sailors and their families to endure about today's industrial-age systems send a signal that we do not value them as intelligent technology-oriented members of the Navy family. To remain a ready and capable global Navy, we must complete ongoing efforts to transform the Navy personnel system, as soon as possible.

## **COMPETING FOR TALENT**

Economic trends have a significant influence on the workforce. Under good economic conditions, America's youth have more options at their disposal, challenging Navy's ability to meet recruiting requirements as potential candidates explore alternative employment opportunities. This past year, the U.S. economy experienced its strongest growth since the recession of 2008, resulting in significant expansion of employment opportunity in an ever-tightening labor market. National forecasts predict regional labor shortages in the working-age population among critical occupational categories, e.g., computers, mathematics and healthcare. Economic trends reflect the difficulty private sector employers are experiencing in filling job vacancies. The proportion of firms with unfilled jobs, and the proportion of vacancies for which there are few or no qualified job applicants, have increased to historically-high levels. The number of employees choosing to leave their jobs has also escalated, making private sector retention increasingly difficult.

The labor market, especially among blue collar and service employees from which we draw most of our enlisted workforce, is experiencing extremely low unemployment and high wage growth. That segment of the workforce is declining as increasing numbers of youth in our target market attend college. Our competitive pay and benefits package may be the most significant factor buffering us from the impacts of this shift in the economic environment. Additionally, the demographic diversity of the workforce is increasing. These environmental factors are the foundation for understanding our workforce and how to manage talent. Labor market conditions may entice Sailors in certain critical skills to leave for the civilian job market. So, through predictive analytics, we are taking preemptive action to retain key labor skills by adjusting enlistment and retention bonuses ahead of need. We have also increased the number of recruiters and enhanced our marketing and advertising efforts through our new “Forged by the Sea” brand and a digital recruit prospecting strategy.

## **END STRENGTH AND BUDGET GROWTH**

The Navy is recruiting and retaining the talent needed for our growing fleet, and Sailor 2025 and MPT&E transformation efforts vital to delivering and sustaining *The Navy the Nation Needs*. Our Navy personnel team plays a pivotal role in executing the direction outlined in the new National Defense and National Military Strategies, particularly in ensuring readiness and lethality, and reforming business practices and systems to achieve greater performance and affordability. *Design 2.0 for Maintaining Maritime Superiority*, announced in December, details Navy’s implementation plans in support of these strategic documents.

We are arming our talented workforce with a modernized, agile and flexible personnel system, ready to meet the challenges and uncertainty of an era of emerging great power competition. We are growing our ranks to support shipbuilding, modernization and aircraft procurement authorized in the National Defense Authorization Act for Fiscal Year 2018 (FY18 NDAA), as we work towards building *The Navy the Nation Needs*. Sustaining the larger Fleet requires continued investment in people and reliable steady funding. We are aggressively working to complete the MPT&E transformation effort to simplify management and curtail personnel costs for Navy military manpower. Similarly, our Sailor 2025 initiatives are critical to recruiting the best Sailors up-front. To accomplish this mission, we will offer better talent-matching, greater career flexibility, modernized and portable training delivery, better life/work balance, and pay and incentives that keep pace with market forces. These factors will lead to higher retention and a leaner, more sustainable personnel footprint.

## **ENLISTED FORCE MANAGEMENT**

MPT&E transformation has delivered initial capability into the hands of Sailors and their families, heralding a new era in Navy personnel management that offers world-class customer service. We are demonstrating that we value Sailors and their families by designing every personnel process and policy with a Sailor-centric approach.

We have implemented several initiatives to address enlisted fleet manning shortfalls, including adjusting High Year Tenure (HYT), increasing enlisted accessions, modifying Physical Fitness Assessment (PFA) separation policy, and aligning sea tours with service obligations. We

established a new distribution policy to improve supervisory manning levels at sea and other operational units by transferring ~1,100 chief petty officers to operational units and restored the Sailor Early Return to Sea (SERTS) policy to reduce sea duty vacancies in pay grades E4-E9. Our Targeted Reentry Program (TRP) pilot identifies select Sailors for expedited return to active duty by eliminating burdensome reentry processes, enhancing Active and Reserve Component permeability. New pilot programs influence Sailors to stay Navy, through an Advancement-to-Vacancy Selection Board that spot advances enlisted Sailors into priority billets, and by offering a performance-based Selective Reenlistment Bonus premium for Sailors in certain ratings who meet key performance marks.

### *Enlisted Recruiting*

Over the past two years, we increased our annual enlisted accession goal by approximately 5,000 recruits, to meet growing fleet manning requirements. We achieved 100 percent of our Active Component (AC) accession goal in FY18. We have now met goal for 137 consecutive months. We fell short in Reserve Component (RC) Non-Prior Service and Prior Service accessions, and Active and Reserve New Contract Objective (NCO). Record AC retention means fewer separating Sailors available to affiliate in the Selected Reserve contributing to slight RC under-manning. While manageable, this shortfall is indicative of the changing environment.

We are improving the efficiency and effectiveness of our recruiting organization through realignment, transformation, workforce improvements and policy reform. “Street to Fleet” has been realigned under the Force Development pillar, led by Commander, Naval Education and Training Command, creating synergy and unity-of-effort throughout the recruiting and training pipeline. This allows us to better-identify talent needs and performance indicators up-front, reducing attrition and increasing retention, thereby lowering the demand for new recruits. We are focusing on talent acquisition while aligning our workforce based on individual skill sets to maximize productivity. In FY18, we transitioned four legacy Navy Recruiting Districts (NRD) into Navy Talent Acquisition Groups (NTAG) and subordinate Talent Acquisition Onboarding Centers (TAOC). This new model eliminates the “middle layer” of the NRD and associated overhead and bureaucracy, while improving overall recruiter performance output by 25 percent.

We are streamlining processes, through digital improvements in interactions with the civilian population and processing new leads, and we began a targeted and digital-focused Marketing and Advertising campaign under our new brand “Forged by the Sea.” Digital Prospecting allows recruiters to leverage messaging tools on the Navy.com website and other social media to start initial conversations with prospective recruits, increasing the number of recruiting prospects, and reaching diverse markets, while lowering costs-per-lead—the most efficient Marketing and Advertising campaign in Navy’s history.

We added 200 recruiters in FY18 by mobilizing Reserve Sailors, and will add 200 more in FY19 while extending over 400 Sailors on recruiting duty for six to 12 months. We increased incentive pay for top-performing recruiting teams, and advancement opportunities for top-performing Sailors, and are working on a plan to advance high-performing Sailors who volunteer for recruiting duty. We increased the amount, number and types of enlistment bonuses and

tailored packages to a prospective recruit’s needs to more effectively and efficiently target incentives.

We eliminated obsolete accession policies and improved others that excluded a potential source of talent. We expanded opportunity by aligning Armed Forces Qualification Test scores and age limits with the other military services and contemporized certain medical waiver criteria based on societal norms (e.g., ADHD, eczema, allergies). These types of changes resulted in nearly 8,300 additional Sailors in FY18, who otherwise would not have been able to serve, or who were influenced to join by greater job opportunities.

The net effect of these changes, most of which originated with deck-plate recruiters, has been staggering. The table below compares the difference in recruiter force size (boots on ground recruiters) and budgets, for FY18 and FY08, the last time we had an Active Component enlisted force recruiting mission of this size. What is particularly noteworthy is that, despite significantly less funding, the Navy Recruiting Team made FY18 goal by May 2018, middle of the third quarter.

<b>Navy Recruiting – FY08 Compared with FY18</b>		
	<b>FY08</b>	<b>FY18</b>
Active Accession Mission	38,419	39,000
Beginning of Year Delayed Entry Pool	18,855	18,384
Production Recruiters	4,600	3,200
Total Obligational Authority (O&MN) (\$K)	\$ 341,986	\$ 177,677
Marketing and Advertising (\$K)	\$ 190,375	\$ 48,824
Enlistment Bonus (\$K)	\$ 101,705	\$ 29,988

*Enlisted Retention*

Retention of every capable Sailor remains a vital element of our growth strategy. We increased retention across all pay grades in FY18, by applying a range of force management tools, and are maximizing retention efforts for proven performers to meet growing mission requirements. A fairly steep growth trajectory imposes some challenges for all ratings and skills. While overall enlisted retention in FY18 was the highest seen in many years, critical skill communities, such as Nuclear Field, Special Warfare, Advanced Electronics, Aviation Maintenance and Information Technology require focused retention efforts including targeted reenlistment bonuses. Special and incentive pays continue to play a vital role in retaining Sailors in high-risk, high-demand and/or high-investment skill sets and we are proactively managing force structure growth to man new units to operational requirements. Monetary incentives remain an integral part of our retention strategy, including our new pilot program that adds a merit-based component to enlisted retention bonuses.

We are refining force management policies by reducing the number of circumstances in which commanding officers must make individual force management decisions, while expanding Sailor choice for reenlistment or lateral conversions into other career fields. Efforts to-date have

yielded positive retention results, although some, e.g., easing High Year Tenure gates, offer immediate gains that will decrease over time. We have also expanded reenlistment and rating conversion opportunities, resulting in unprecedented retention and numbers of conversions under the Reserve Component to Active Component program. Shortfalls among high-demand critical skills in FY18 were mitigated through conversion of 1,163 Reserve Sailors to the Active Component.

## **OFFICER FORCE MANAGEMENT**

Competition remains keen as we continue using every force management lever to recruit top talent into our officer corps, train them with cutting-edge technology and techniques, and retain their expertise in which we have heavily invested, to preserve our competitive advantage in the maritime security environment. In addition to our Fleet Scholars Education Program (FSEP), Tours with Industry (TWI), and Merit-based retention incentives, we immediately began development of programs to implement officer personnel management reforms enacted in the John S. McCain National Defense Authorization Act for Fiscal Year 2019, including:

- expansion of constructive service credit to recruit civilian candidates with education, leadership, and experience credentials for leadership roles in cyber and engineering duty officer fields,
- expansion of spot promotion opportunity to designated O-5 and O-6 billets,
- executing merit promotion authority to incentivize top performers,
- retention of certain control grade officers with targeted skills in aviation, acquisition, engineering duty officer and attachés beyond traditional statutory limits,
- relaxation of the requirement that original appointments be granted only to individuals able to complete 20 years commissioned service by age 62.

Beginning with the FY21 promotion board cycle, we plan to exercise promotion deferment authority to afford greater flexibility to top performing officers whose competitiveness might otherwise suffer due to participation in career-broadening and education opportunities encouraged by the Navy, e.g., Rhodes and Olmsted Scholars, and Tours with Industry. We appreciate Congressional support for enactment of these provisions and look forward to updating you on our progress as we leverage these vital transformational force management tools.

### *Officer Recruiting*

We continue to see strong interest in commissioning opportunities through the U.S. Naval Academy (USNA) and Naval Reserve Officer Training Corps (NROTC) program, as the number of highly qualified applicants vastly exceeds the number of available appointments. We continue to attract the finest applicants and graduate well-rounded, technically competent leaders for commissioned naval service. While overall officer accession goals were met in FY18, the market continues to be challenging in certain designators, e.g., Judge Advocate General's Corps within the active component, and Medical Corps in the reserve component.

## *Officer Retention*

While officer retention is sufficient to meet milestone requirements in most officer communities, meeting our demand signal among aviation warfare officers in specific type/model/series platforms, nuclear-trained surface warfare officers, submarine officers, and naval special warfare (NSW), specifically Navy SEALs, remains challenging. We continue to apply and refine a combination of monetary and non-monetary incentives to address retention among these groups.

Naval aviation's inventory and accessions (tactical, maritime, and rotary wing combined) remain sufficient to meet operational requirements. However, declining pilot retention in some Active and Reserve communities, especially strike fighter (VFA) and electronic attack (VAQ), continues to present serious challenges to aviation long-term health. Low affiliation of maritime patrol (VP) aviators due to platform transition uncertainty, and high turnover rates within Fleet Logistics (VR) caused by commercial airline hiring, remain a concern in the Reserve Component. Challenges in retaining mid-grade and senior aviators continue to be primarily rooted in lack of flight hours, tactical training and progression of qualifications associated with aircraft material readiness challenges, quality of life dissatisfiers, especially in non-fleet concentration areas, and the perception of a broadening pay gap with the commercial airline industry.

Aviators seek more career path flexibility and opportunities for personal and professional development, and flexible, merit-based monetary incentives competitive with civilian sector. In March 2018, we announced substantial across-the-board improvements in Aviation Bonus for department head and command, and Aviation Incentive Pay, applying a holistic approach that synchronizes targeted increases in flight pay and bonuses in a mutually-supportive fashion to coincide with major aviation leadership milestones. These changes show early promise in improving retention and significantly increased take-rates in areas such as the Command Bonus.

We have expanded access to career-enhancing opportunities to improve flexibility in the Naval aviation career path, e.g., graduate school and fellowships, Tours with Industry and the Career Intermission Program. This past year, we leveraged authorities enacted in the FY19 NDAA and implemented the Professional Flight Instructor (PFI) Program that allows select pilots and naval flight officers to serve continuously as flight instructors as an alternative to the traditional sea/shore rotational career path, affording greater assignment stability and rewarding experiences through developing our newest naval aviators.

The combination of existing aviation-specific incentives and Sailor 2025 officer personnel reforms are expected to slow, and ultimately reverse, the trend of aviators choosing to leave the Navy after their initial commitment. Sustained support for readiness enabler accounts, including flight hour and aircraft spare parts accounts, is critical to improving the quality of aviation service in the near term. This support, coupled with personnel initiatives, should address most of the critical issues causing aviators to leave the Navy.

We are refining the NSW Officer Bonus to increase take rates and improve retention, and expanding eligibility to alternate career paths to improve inventory at pay grades O-4 and O-5. We are also consolidating Jump, Dive and Demolition pays into a single Skill Incentive Pay.

Submarine and Surface Warfare (Nuclear) communities are using monetary and non-monetary incentives to retain their best talent. Monetary incentives include retention bonuses for officers willing to commit early to future service and special duty pays for challenging nuclear billets. Recent changes to conventional (non-nuclear) Surface Warfare Officer Department Head retention bonuses, among our first to add merit components, continue to provide adequate retention.

## **SAILOR 2025**

Attracting and retaining the best Sailors in an increasingly competitive talent market requires continued flexibility and transparency in policies and practices. Sailor 2025, a dynamic set of over 50 initiatives, is a roadmap to improve personnel programs by providing choice and flexibility. Sailor 2025 is modernizing personnel management and training policies and systems to more effectively identify, recruit and train talented people and manage the force while improving warfighting readiness. The modern, innovative, information technology infrastructure we are building will improve how we recruit, train and retain talent, more accurately and efficiently assign talent, better design and account for compensation packages and generate a system that affords greater flexibility and permeability. Sailor 2025 is built on a framework of three pillars, a modern personnel system, a career learning continuum with modernized delivery methods, entitled Ready, Relevant Learning (RRL), and Career Readiness, that is shaping resilient, tough Sailors bolstered by a family support network, which fosters a career of service.

### **Personnel System Modernization**

The first pillar, “Personnel System Modernization,” is wholesale modernization of our entire personnel system. We are creating flexible policies and additional career choices and empowering commanding officers with tools to retain the best and brightest Sailors. We continued to implement programs in FY18, including primary/secondary caregiver leave, O5/O6 Selective Early Retirement Board, Targeted Re-entry, and Reserve Component (RC) to Active Component (AC) Fast-Track programs. We are also expanding “Detailing Marketplace” pilot initiatives, overhauling the performance evaluation system, modernizing advancement examinations coincident with rating modernization and achieving greater AC-RC permeability.

### **Ready Relevant Learning**

The second pillar, “Ready, Relevant Learning” (RRL), is a holistic approach to training our career enlisted force, which will accelerate learning for faster response to rapidly changing warfighting requirements in increasingly dynamic operational environments. Legacy training does not take full advantage of existing and emerging technology for knowledge-transfer. Skills acquired during accession pipeline training atrophy due to delays between receipt of training and on-the-job performance, increasing the burden on the fleet and potentially compromising operational readiness. We are using the science-of-learning to transform the current training model to modern training solutions delivered at the point-of-need, better prepare Sailors to operate and maintain equipment at its technological limits, and meet rapidly evolving



warfighting requirements. This will occur across three lines of effort: (1) career-long learning continuum, (2) modern delivery at the point-of-need, and (3) integrated content development.

We are approaching the end of the first stage of the career-long learning continuum line of effort, known as Block Learning, which divides existing accession-level training content into smaller blocks moved to real-world points-of-need in a Sailor's career, shortening initial accession training and sending Sailors to the fleet sooner. Block Learning uses existing content as we reengineer training to meet future RRL training continuum objectives. We have completed Block Learning analysis and approved changes for all 54 ratings — 44 executing training in block delivery construct, three projected to implement in FY19, and seven designated to move directly into the second line of effort, i.e., modern delivery at the point of need.

The second RRL line of effort leverages emerging learning technology to more-efficiently deliver training at the point-of-need, i.e., the waterfront or operational unit. Applying science-of-learning principles makes training more effective, efficient and available by leveraging technology to provide online training tools, including virtual reality and interactive “apps”, at the time and place needed, thereby, reducing the necessity and costs of returning Sailors to retrain at legacy brick-and-mortar schoolhouses. We have completed modernization requirements-development for two ratings and 23 more are scheduled for completion in FY19. Eighteen additional ratings are undergoing requirements with development to be delivered at a later date. We continue to identify and align IT capabilities to support delivery of modernized content ashore and afloat. We are on track to deliver modernized content in September for our first rating, Operations Specialist, to be followed by two other ratings in FY20.

We have entered the third line of effort - integrated content development, solidifying the fleet's role in defining training requirements and validating analysis that aligns training-content and delivery methods with fleet needs. An RRL Integration Board provides a framework to offer strategic guidance, approve major implementation and phasing decisions and address resourcing requirements. An RRL Training System Program Manager (TSPM) staff is responsible for planning and acquisition of RRL training content and hardware, and monitors program cost, schedule and performance. These governance and program-oversight initiatives align stakeholder efforts and resolve seam issues to ensure program success.

### **Career Readiness**

The third pillar, Career Readiness, will remove barriers to continued service and improve work-life balance, health and wellness. We will enhance career readiness by better-developing leaders and removing obstacles that negatively influence a Sailor's decision to Stay Navy. We are more powerful and lethal when we leverage the talents and strengths of the workforce and instill an environment in which all are valued and respected, a force multiplier. We have incorporated the One Navy Team concept into leader development to make our force more diverse, inclusive, resilient and competitive, equipped and ready to deter war and protect the National security. In FY18, we updated the Naval Leadership and Ethics Center curriculum in support of Navy-specific unconscious bias education and training.

## MANPOWER PERSONNEL TRAINING & EDUCATION TRANSFORMATION

This past year, we made significant headway in our transformation journey to holistically modernize the MPT&E Enterprise. MPT&E Transformation is vital to combat current and emerging threats, deliver global lethality and maintain maritime superiority. Ultimately, Navy will benefit from a more agile, adaptive and better-trained force, ready to meet an increasingly complex mission. We achieved critical milestones toward our vision and future state.

In September, we launched MyNavy Career Center (MNCC) Beta, delivering enhanced personnel, pay and training customer service. Sailors access tiered-service delivery with 24/7 customer support for phone and email queries and transaction requests. MyNavy Portal self-service options offer online knowledge tools and a select set of HR pay and personnel transactions, freeing-up time for Sailors to focus on warfighting missions and families. This year, we will achieve another MNCC milestone with our Initial Operation Capabilities (IOC) launch, which will bring new Customer Relationship Management and Telephony technology combined with numerous process improvements. Ultimately, Sailors and families will be able to conduct HR pay and personnel business online in the same secure manner in which they currently transact with banks and insurance companies.

We established a Results Delivery Office (RDO) and assigned Business Design Owners (BDOs) to matrix our organization and accelerate transformation. This past year, RDO and BDOs partnered to identify opportunities to enhance the Sailor experience and improve HR services to meet the needs of Sailors and their families, including:

- an interactive, customized My PCS Checklist, and Lean Orders to improve the Permanent Change of Station (PCS) move experience, and a forthcoming PCS app for easier, smartphone access to orders, submission of travel claims and other improvements
- a Performance Evaluation Transformation coaching tool to provide immediate performance feedback and clearer understanding of career development opportunities
- a “competition counter” into Career Management System - Interactive Detailing (CMS-ID) that provides greater transparency and helps Sailors evaluate opportunities,
- three prioritized solutions to provide additional opportunities and greater clarity in support of Credentialing, Apprenticeships, and Voluntary Education (CAVE)

Progressing towards a single, secure Navy Pay and Personnel (NP2) system, MPT&E Field Test 1 (FT1) prototype achieved its objective of demonstrating 60 percent of a Sailor’s “Street-to-Fleet” HR requirements using a Commercial-off-the-Shelf (COTS) system with no more than 10 percent customization. We launched a Rapid Prototype Pilot (RPP) to begin building a Treasury Direct Disbursement (TDD) and pay capability for Active and Reserve Sailors by December 2020.

Completing our new operating model, we stood-up an Enterprise Support group and developed an MPT&E Comprehensive Analytics Strategy and Roadmap that defines the steps needed to integrate state-of-the-art analytic methods into MPT&E Enterprise business processes. This will improve our ability to man the fleet with the right Sailor, in the right place, at the right time, and provide leadership with modern, predictive and prescriptive analytics tools.

Delivering transformed, 21st Century, worldwide, 24/7 personnel services and training to Active and Reserve Sailors and their families is incumbent on the ability to operate and interact in the commercial cloud. In 2018, working closely with DoD cyber security experts, we began prototyping numerous cloud-based capabilities, to provide a full production, secure, MPT&E system-of-systems in a commercial cloud environment.

This year of execution and progress, combined with ongoing Sailor 2025 and Ready Relevant Learning efforts, has moved us from planning to delivery of new capabilities and solutions, steering MPT&E to a more Sailor-focused organization. Sailors are beginning to see the benefits of improved transparency, connectivity and customer service. Fleet leaders are beginning to see faster translation of personnel and training needs to action, with access to more accurate data about how those needs are being met. I am confident our proven methodology and significant investment in stakeholder engagement with key partners will enable us to continue gaining velocity in transformation in the coming year.

## **TAKING CARE OF SAILORS AND NAVY FAMILIES**

### **Family Framework/Support Programs**

The *Navy Family Framework* reinforces the role families play in mission success and enhances support for families by improving support programs, improving communications and spouse training, expanding our education network, conducting meaningful command leader engagement and reinforcing family connection with the Navy and its core values of Honor, Courage and Commitment.

Informed by feedback from world-wide spouse engagement sessions, we are developing a mobile application to identify, consolidate and standardize information into one authoritative source. We also conducted 36 *Live Well* webinars, available online, on managing the unique demands of the military lifestyle, while installation commanders led over 150 all-hands calls and 100 town hall meetings to engage Navy families. A Governance Board was established to advise leadership on policy and efforts to ensure ready and resilient families. The Family Employment Readiness Program assists military spouses in obtaining employment and maintaining a career, particularly as they are impacted by changes in the economy, labor market conditions and military lifestyle. Navy is currently developing plans for implementing reimbursement of spouse licensure fees authorized in the FY18 NDAA.

Lack of accessible, affordable child care continues to be an important family readiness issue. Despite current shortfalls, we continue to invest heavily in meeting the child care needs of Sailors to ensure they are always mission ready, aware that their families are well cared for. We have added 7,000 child care spaces in the last decade and have extended hours of operation where needed. MilitaryChildCare.com is operational, allowing families to view available military child care world-wide, request child care at any DoD location and obtain anticipated placement time based on the family's priority. It will become a "one stop shop" for available child care resources, raising awareness of available resources, enabling a family to better plan for a move, and allowing for earlier placement on waiting lists, thereby reducing wait times during

transition. We are exploring partnerships with organizations to expand child care availability, which would benefit other organizations as well as Navy families in fleet areas with long waiting lists. Because most Sailors don't reside near extended family, the family network used by the general population is unavailable to Sailors. There is a nationwide shortage of child care, and a projected 1.4 million civilian space shortfall in locations where most Navy demand resides.

Navy morale, welfare, and recreation programs provide core fitness and recreation for Sailors and families to enhance quality of life and encourage life-long positive and healthy leisure pursuits. As part of Sailor 2025, we extended hours of operation at fitness centers and child development centers in response to demand from Sailors and families, which positively influences decisions to Stay Navy and improves our ability to meet fleet readiness requirements.

To make the Navy a truly family-friendly service, we have to do much more. Career paths that support life-work balance over the long-haul, in part made possible by recently enacted officer personnel management reforms, will be part of the mix. Finally, Navy culture must change. We must take the long view where a Sailor's family needs are at stake. This culture change is being hammered home through a combination of training at officer and enlisted leader development courses and a number of policy changes.

### **Culture of Excellence**

The Culture of Excellence campaign is an integrated, holistic approach at preventing destructive behaviors, from suicide and sexual assault to excessive use of alcohol, leveraging behavioral science and analytics, and aimed at promoting signature behaviors rather than focusing on behavior at the point-of-failure. It focuses on behaviors that reinforce mission effectiveness by instilling toughness, trust and connectedness to achieve warfighting excellence. Connectedness, mental toughness and trust that promote healthy life choices and help-seeking behavior, and skills that facilitate them, e.g., communication, conflict resolution, resiliency and problem-solving skills, guide our primary prevention efforts targeting three key focus areas:

- Defining problems using human factors analyses and predictive data analytics to understand Sailor needs and providing necessary support. For example, we are Beta-testing a Commander's Risk Mitigation Dashboard (CRMD) prototype to assess unit readiness levels and predict future readiness and performance. We continue to expand use of embedded mental health providers, deployed resilience counselors and chaplains to support leaders in addressing identified challenges. Use of non-uniformed counselors which serves to de-stigmatize counseling are showing great promise.
- Identifying primary prevention touchpoints for behavioral learning across the career continuum using avatar-based training adapted for Sailors at career milestones, or when facing life changes or other behavioral health challenges.
- Implementing evidence-based Policies, Programs, Practices, and Processes that address the full spectrum of behaviors, are continuous and balanced, and supported by Navy leadership. We are conducting a pilot that targets Sailor behavioral health e.g., Rational-Thinking and Emotional-Regulation through Problem-Solving (REPS) Training, at Recruit Training Command, which promotes mental fitness by addressing problematic thoughts, emotions and behaviors to help cope with emotional distress.

Our Culture of Excellence Governance Board, led by the Chief of Naval Operations, meets regularly to advance priorities, align resources, and promote a full spectrum of positive behaviors to maximize Sailor potential. Proven programs, such as the Navy Alcohol and Drug Abuse Prevention program, continue to support enhanced fleet, family and Sailor readiness, while the “Keep What You’ve Earned” campaign fosters improved decision-making regarding alcohol consumption, offers alternatives and educates about the consequences of poor decision making.

## **CONCLUSION**

The Secretary of the Navy has established priorities that center on People, Capabilities and Processes, which we will achieve through speed, value, results and partnerships. Readiness, lethality and modernization drive these priorities. *The Navy the Nation Needs* demands that we produce outstanding leaders and teams who learn and adapt faster than our adversaries. We are charged with ensuring that every Sailor and unit maximizes their potential and is ready for decisive combat operations. MPT&E Transformation and Sailor 2025 are the primary vehicles by which we are delivering this mandate. I look forward to working with you as we continue shaping our Navy to meet these challenges. On behalf of the men and women of the United States Navy, thank you for your unwavering support.