

**DEPARTMENT OF THE AIR FORCE**

**PRESENTATION TO THE COMMITTEE ON ARMED SERVICES**

**SUBCOMMITTEE ON PERSONNEL**

**UNITED STATES SENATE**

**SUBJECT: RECRUITING AND RETENTION**

**STATEMENT OF:**

**LIEUTENANT GENERAL DONALD L. PETERSON**

**DEPUTY CHIEF OF STAFF, PERSONNEL**

**UNITED STATES AIR FORCE**

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**BY THE COMMITTEE ON ARMED SERVICES**

**SUBCOMMITTEE ON PERSONNEL**

**UNITED STATES SENATE**

## **INTRODUCTION**

Mr. Chairman and members of the Committee, it is a great honor to come before you to represent the men and women of the United States Air Force and report the status of Air Force recruiting and retention. Our people are our most crucial readiness component, and as we begin a new millennium, we must continue to recruit and retain the best and brightest to sustain the force. We rely on a highly skilled, diverse, educated and technologically superior force of world-class officers, enlisted men and women, and civilians to function as an effective war-fighting team. Despite the challenges they face, our people remain willing to give the extra effort needed to achieve the mission -- and our families support those decisions. Our people are proud of their contributions to our nation's security and cognizant of how that security contributes to our nation's unprecedented prosperity and the freedoms we all enjoy. Air Force leadership values their service and is committed to taking care of our people and their families.

A key to our ability to execute the National Military Strategy is establishing end strength at a level where our resources are appropriate to our taskings. Then, we must attract sufficient numbers of high quality, motivated people, train them, and retain them in the right numbers and skills. Meeting end strength -- recruiting and retaining the right number and mix of people -- has been challenging during a decade of sustained economic growth, record low unemployment, increasing opportunity and financial assistance for higher education, and declining propensity to join the military. In fact, exit surveys show that availability of civilian jobs is the

number one reason our people leave the Air Force. In addition, we have severely stressed parts of our force, primarily those individuals who man our low-density/high-demand (LD/HD) systems. The Quadrennial Defense Review (QDR) will help us refine our mission and determine the right end strength. However, we already know that the current situation cannot persist -- we must either add end strength or reduce taskings. With Congress' continued support, we will be able to address this issue and correctly size and man our force to perform our mission and achieve our national objectives.

During the past year, we averaged over 13,000 active duty and reserve men and women deployed daily around the world, and another 76,000 are forward based on permanent assignment. They do what is necessary to execute the mission -- work long hours and endure prolonged separation from their families. At the same time, individuals at home station pick up the duties of those who are forward deployed. Earlier this year, I traveled to Europe and the Pacific to talk with our people, to see the conditions under which they are working, and to listen to their concerns. Despite the fact that our people are tired, stressed, and strained, morale is high. Almost universally, our people expressed concern for our Air Force and pride in what they do. They are interested in understanding and executing leadership priorities. They also want their concerns listened to, understood, and acted upon. They do not ask for much. They simply want the appropriate tools and enough trained people to do the job, and they want to know their families are being taken care of. We need to attract America's best and brightest, and we must retain them. While patriotism is the number one reason

our people -- both officers and enlisted -- stay in the Air Force, patriotism alone cannot be the sole motivation for a military career. We must provide our people with quality of life commensurate with the level of work they perform and the sacrifices they make for their country.

## **RETENTION**

We are unique among the Services in that we are a retention-based force. Our expeditionary mission and our complex weapon systems require a seasoned, experienced force and we depend on retaining highly trained and skilled people to maintain our readiness for rapid global deployment. However, we expect the “pull” on our skilled enlisted members and officers to leave the Air Force to persist. Businesses in the private sector place a high premium on our members’ skills and training, which makes retaining our people a continuing challenge. In addition, manning shortfalls, increased working hours and TEMPO continue to “push” our people out of the Air Force. The result of these “push” and “pull” factors is that our human capital remains at risk.

### **Enlisted Retention**

Highly trained, experienced enlisted men and women are the backbone of our personnel force; they are vital to the success of our mission. Adverse retention trends, particularly for our first-term (4-6 years) and second-term (8-10 years) enlisted members, have been our number one concern. We measure reenlistment rates by the percentage of those members eligible to reenlist who reenlist. For first-term enlisted members, our reenlistment goal is 55 percent; for second-term members, our goal is 75 percent; and for career (over ten years)

members, our goal is 95 percent. In Fiscal Year (FY) 2000, we missed all three goals. The first-term reenlistment rate was 52 percent, 3 percent below goal; the second-term reenlistment rate was 69 percent, 6 percent below goal; and the career rate was 91 percent, 4 percent below goal. However, FY 2001 reenlistment rates show some improvement. As of 31 March 2001, the cumulative reenlistment rate for first-term was 56 percent; for second-term it was 70 percent and for career airmen, it was 91 percent. This is the first time since summer, 1998 that we met our first-term retention goal. While second-term reenlistments are slightly up from FY 2000, the continued shortfall in this area continues to be our most significant enlisted retention challenge. Second-termers are the foundation of our enlisted corps; they are the technicians, trainers, and future enlisted leaders. Our career airmen reenlistment rate also continues to be of concern. While the rate remained constant at 91 percent, it is still below goal by 4 percent. Figure 1 illustrates retention trends since 1979.

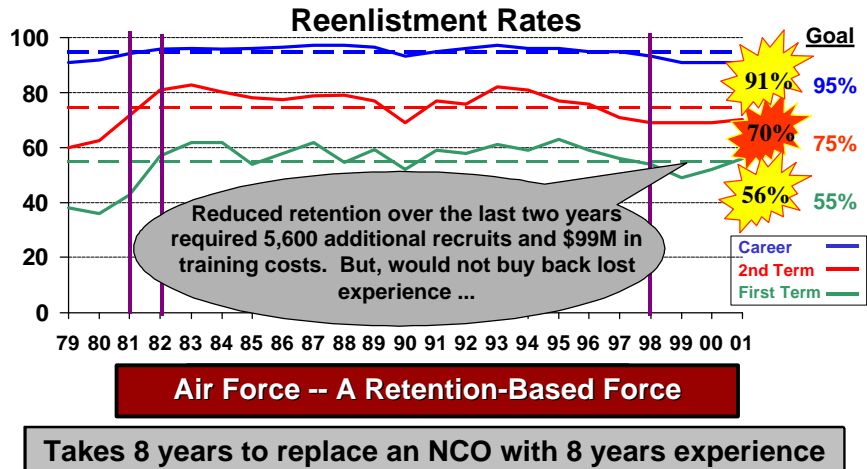


Figure 1 (As of 31 Mar 01)

Retaining the right skills in our enlisted force is just as important as retaining the right numbers. Figures 2 and 3 show trends in first- and second-term reenlistment rates for critical and key warfighting skills. We have shown progress in some areas. However, most of these skills are still below goal. For example, while the second-term reenlistment rate for communications/computer systems control specialists is up 10 percent from FY 1999 to FY 2001, the rate is still 30 percent below goal.

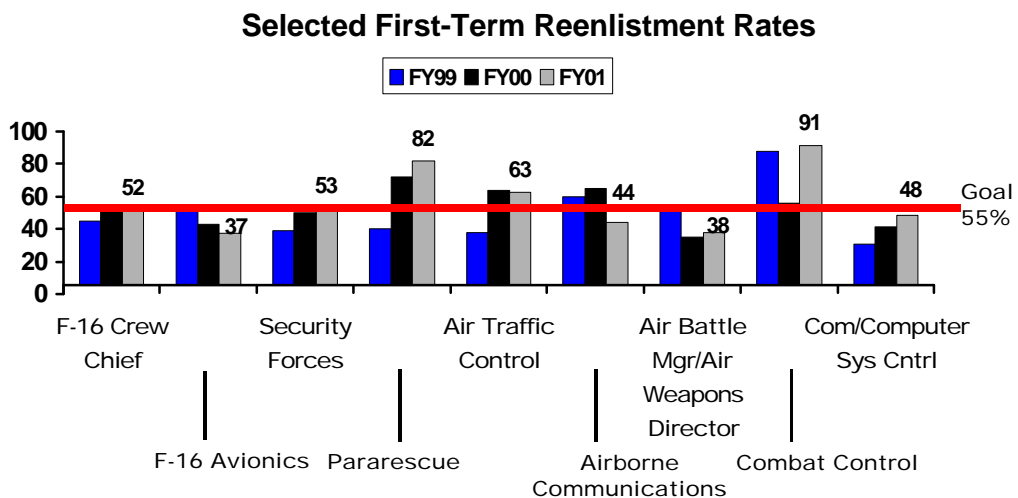


Figure 2 (As of 31 Mar 01)

### Selected Second-Term Reenlistment Rates

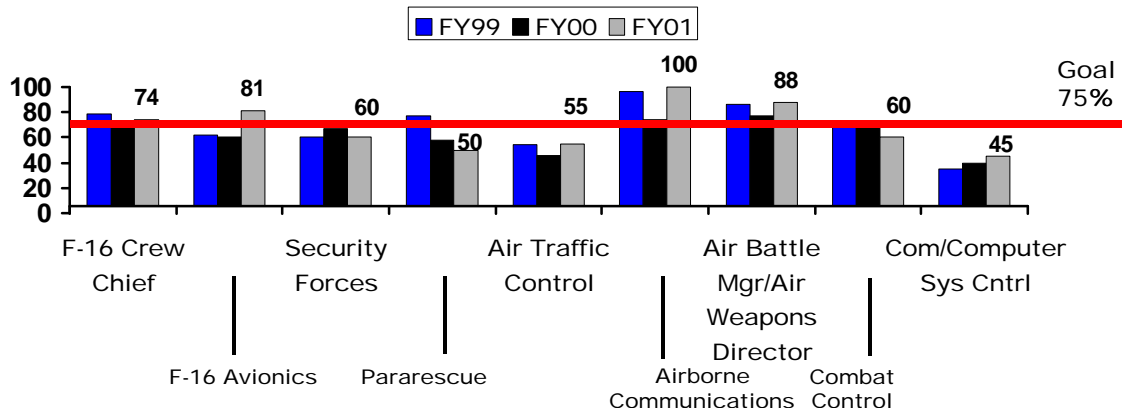


Figure 3 (As of 31 Mar 01)

The Air Force, unlike a business, cannot recruit many already trained members, such as F-16 avionics specialists. It literally takes us eight years to replace the experience lost when an 8-year noncommissioned officer leaves the Air Force. There are no shortcuts. In addition, it costs less to retain than to recruit and retrain, and when we retain, we maintain skill, experience and leadership. Now, more than ever, we must address the factors that encourage our people to leave or stay. Approximately seven out of every ten enlisted men and women will make a reenlistment decision between FY 2001 and FY 2004 -- over 193,000 enlisted members. Considering today's strong economy, potentially large numbers of our enlisted force, our technical foundation, will likely continue to seek civil sector employment and more stable lives for themselves and their families. In fact, availability of comparable civilian jobs and inadequate pay and allowances are the top reasons our people leave the Air Force. We work our enlisted retention challenge with this fact in mind.

## Officer Retention

Officer retention is also challenging our Air Force. We measure officer retention by cumulative continuation rates (CCR), the percentage of officers entering their 4th year of service (six years for pilots and navigators) who will complete or continue to 11 years of service given existing retention patterns. Our navigator and air battle manager (ABM) CCRs showed improvement from FY 1999 to FY 2000; the navigator CCR increased from 62 percent to 69 percent and the ABM CCR from 45 percent to 51 percent. However, our non-rated operations and mission support CCRs declined from FY 1999 to FY 2000. Our non-rated operations CCR was 51 percent in FY 2000, 6 percentage points below the FY 1999 rate, and 8 percentage points below the historical average of 59 percent -- the rate as of March 2001 is 49 percent. In FY 2000, our mission support officer CCR was at 43 percent, down from 45 percent in FY 1999—historical average has been 53 percent. Figure 4 illustrates historical CCRs in these specialties.

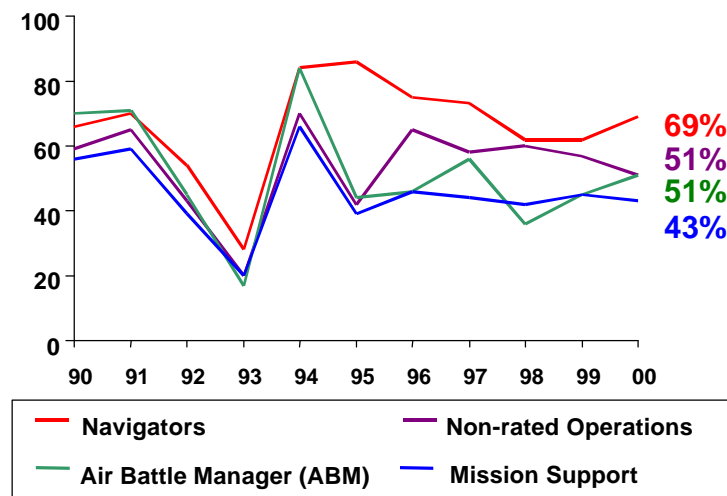


Figure 4 (As of 30 Sep 00)



As with the enlisted force, we have difficulty retaining officers with skills that are in demand in the private sector. We are particularly concerned about retaining our scientists, engineers, and communications-computer systems officers. We are not meeting our desired levels in these critical specialties. In FY 2001, we have shown some progress, as CCR for developmental and civil engineers and communications-computer systems officers improved slightly. However, we remain below historical CCR for these officers. Figure 5 illustrates historical CCRs for selected critical skills.

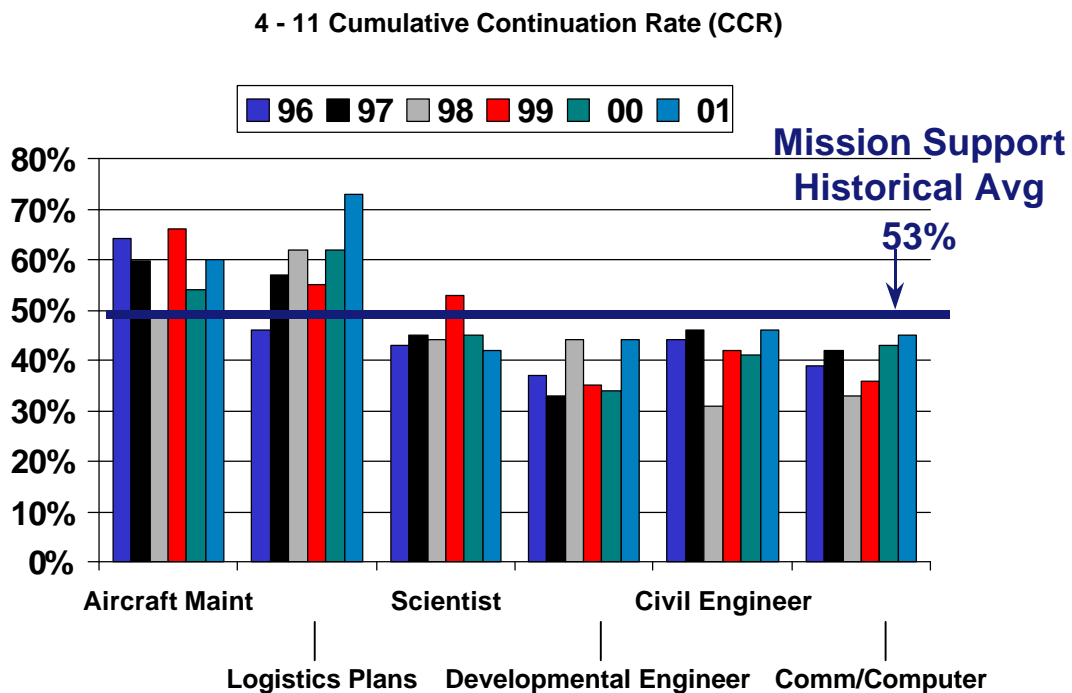


Figure 5 (As of 31 Mar 01)

### Retention Initiatives

Through a number of initiatives, we are fighting back; progress is slow but steady. For our enlisted troops, we increased the number of career specialties eligible to receive a Selective Reenlistment Bonus over the past three years. Now,

150 of 200 skills (75 percent of enlisted specialties) receive a reenlistment bonus. The number of enlisted men and women who received initial bonus payments increased dramatically from approximately 2,500 in FY 1995 to over 17,000 in FY 2000. Over 24,500 members received anniversary payments and nearly 200 received accelerated payments, which are provided to members experiencing hardship situations. The result has been a moderate improvement to first-term and second-term retention, and the ability to hold steady in career retention.

We appreciate the legislative authority you granted us to offer our people the Officer and Enlisted Critical Skills Bonus of up to \$200,000 over their careers and the increase in Special Duty Assignment Pay to a maximum of \$600 per month. This will help us turn around the crisis we are experiencing in retaining our mission support officers and enlisted members in our warfighting specialties. We also implemented a liberal High Year Tenure (HYT) waiver policy to allow noncommissioned officers with skills we need to stay past their mandatory retirement. In FY 1999, we granted nearly 1,600 such waivers, and we granted over 1,100 in FY 2000. As of 31 March 2001, we granted 593 HYT waivers.

On the officer retention front, our Acquisition community held a Scientist and Engineer Summit to review our long-term strategy for recruiting, retaining and managing these highly technical officers and civilians. A key outcome of the Summit was that our Acquisition community was identified to serve as the interim central manager for scientists and engineers. They are developing a concept of operations for our scientists and engineers, and analyzing scientist and engineer manpower requirements. A second summit is being planned to review and

prioritize the requirements, establish career path guidance and request civilian hiring practices to make us competitive with industry. We have also outsourced many of our officer engineering and programming requirements.

### Pilot Retention

Management of our pilot force has been a top priority since the fall of 1996 and is one of our most difficult challenges. The “pull” of civilian airline hiring and “push” of TEMPO continue to impact our pilot retention. Major airline hiring is far exceeding predictions. Since 1994, annual airline hires have nearly quadrupled: from 1,226 in Calendar Year (CY) 1994 to 4,799 in CY 2000. The 14 major airlines could hire every fixed-wing pilot that the United States Army, Navy, Marine Corps, and Air Force produces and still not meet their requirements for the foreseeable future. Figure 6 graphically portrays this challenge.

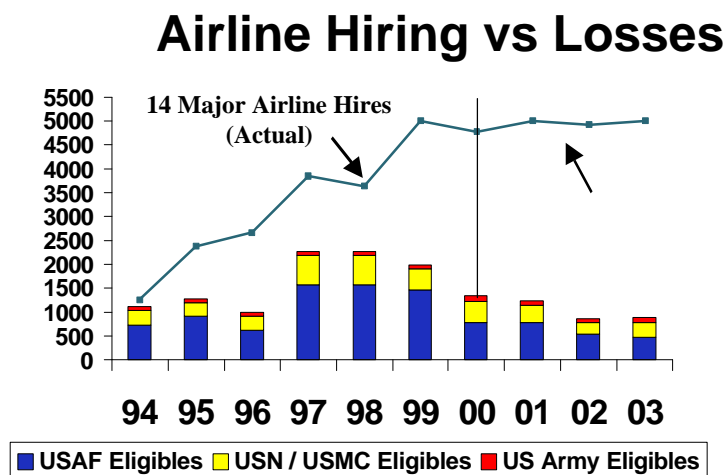


Figure 6

In addition, the overall increase in TEMPO over the past several years has affected the pilot force. A recent Air Force study of pilot retention concluded that high TEMPO carries significant, adverse retention impacts, and recent surveys cite

TEMPO as among the leading causes of pilot separations. In FY 2000, there were 1,084 approved pilot separations compared to only 305 separations in FY 1995. As a result, we ended FY 2000 approximately 1,200 (9 percent) below our pilot requirement. Our pilot CCR of 45 percent in FY 2000 is down from a high of 87 percent in FY 1995. We project a pilot shortage of approximately 1,100 (8 percent) by the end of FY 2001.

We are aggressively attacking the pilot shortage from numerous angles. We are focused on fully manning our cockpits and have prioritized rated staff manning. We established temporary civilian overhire billets and implemented a Voluntary Rated Retired Recall Program. We also increased pilot production from 650 in FY 1997 to 1,100 in FY 2000 and beyond. In October 1999, we increased the active duty service commitment for pilot training to ten years. Additionally, the Expeditionary Aerospace Force is helping us manage TEMPO for our people, affording us greater predictability and stability.

Under a provision of the FY 2000 National Defense Authorization Act (NDAA), we began offering Aviation Continuation Pay (ACP) payments through a pilot's 25<sup>th</sup> year of aviation service at up to \$25,000 per year. We also expanded eligibility to include pilots through the rank of colonel. This ACP restructuring resulted in a substantial increase in committed man-years and improved force predictability. We made further enhancements to the pilot bonus program in FY 2001. The up-front lump sum payment cap was raised from \$100,000 to \$150,000 and up-front payment options were expanded for first-time eligible pilots. These enhancements are designed to encourage pilots to take longer-term agreements.

Although the bonus take rate for first-time eligibles has declined over the past two years, due in large measure to the growing effects of the sustained “pull/push” retention forces described, the ACP program continues to play a vital role in partially countering these effects.

All of these efforts, along with significant improvements in quality of life, have resulted in a projected increase in our pilot inventory over the next decade. While pilot shortages will remain, we are holding the line in a tough retention environment.

## **RECRUITING**

Since our transition to an all-volunteer force in 1973, we met our enlisted recruiting goals in all but two FYs: 1979 and 1999. However, the propensity of our youth to serve in the military has declined. More high school graduates, approximately 70 percent, are choosing to enroll in college versus pursuing a military career -- in many cases, they don't realize what the military has to offer. Our footprint in the civilian community is getting smaller. There are fewer military influencers -- parents, grandparents, teachers, counselors, and community leaders -- who have served in the military. In fact, only 6 percent of our population under age 65 have military experience. These factors, combined with the longest sustained economic growth in our nation's history, have made recruiting a diverse all-volunteer force extremely difficult. However, we have taken significant steps to reverse the downward trend in recruiting. In FY 2000, we waged an all-out war to recruit America's best and brightest -- and won. We increased recruiter manning, developed more competitive accession incentives, instituted an expanded and

synchronized marketing, advertising, and recruiting effort, and broadened our prior service enlistment program. Additionally, we targeted minority recruiting markets with a goal to increase diversity.

Using these weapons, we ended FY 2000 at over 101 percent of our enlisted accession goal, accessing 34,369 towards a goal of 34,000. In addition, we did not sacrifice quality. We still require 99 percent of our recruits to have high school diplomas and nearly 73 percent of our recruits score in the top half of test scores on the Armed Forces Qualification Test. Additionally, 848 prior service members returned to active duty, compared to 601 in FY 1999 and 196 in FY 1998. For FY 2001 year to date, we have accessed 487 prior service members.

**Enlisted Accession Goal History**

FY92	FY93	FY94	FY95	FY96	FY97	FY 1998	FY 1999	FY 2000	FY 2001
35,100	31,500	30,000	31,000	30,700	30,200	31,300	33,800	34,000	34,600

Lower than projected retention/accessions increased FY 1999 goal by 2,300, FY 2000 goal further increased to 34,000. FY 2001 goal set at 34,600 (Non-Prior Service/Prior Service Goal combined)

Table 1

As of 31 March 2001, we had accessed 102 percent of our year-to-date recruiting goal and 101 percent of our year-to-date net reservation goal. The significance of this achievement is clear when you compare it to the same point in FY 2000, when we had accessed 83 percent of our recruiting goal and 93 percent of the net reservation goal. Being ahead of our year-to-date recruiting targets alleviates the pressure associated with surging during the summer months to overcome a mid-year deficit -- the bottom line is we are slightly ahead of schedule for making our FY 2001 recruiting goals and should enter FY 2002 with a healthy bank of applicants holding enlistment reservations. Also, successful recruiting

means enlisting airmen whose aptitudes match the technical skills we need. Recruiting is more than just numbers -- we are concerned about accessing the appropriate mix of recruits with mechanical, electronics, administrative, and general skill aptitudes. In FY 2000, we fell about 1,500 short of our goal of 12,428 recruits with mechanical aptitude. In response to this shortfall, we developed a targeted sales program that is now being taught to all our field recruiters to highlight the many opportunities we offer to mechanics. Additionally, we are currently testing a "prep school" to improve the basic skills of the airmen attending courses in hard-to-fill areas such as jet engine repair and avionics maintenance. In just the first six months of FY 2001, our efforts have begun to pay off -- we accessed 6,351 mechanical recruits against our goal of 5,942 (106 percent). As of April 2001, increased focus and targeted bonuses allowed the Air Force to meet mechanical requirements, but we are still 176 short in electronics aptitudes.

At the beginning of FY 1999, we had 985 production recruiters. Since then, we've made significant improvements in recruiter manning. As of April 1, 2001, recruiter staffing was at 1,442 -- 99 percent towards a goal of 1,450. We are pressing forward to meet a goal of 1,650 recruiters by end of CY 2001. To help us reach this goal, we implemented a new system to select recruiters. Historically, filling recruiter requirements through a volunteer system served us well, but to get to 1,650 recruiters has required we change the way we do business. So, we implemented a process that handpicks recruiters and creates a standing pool of eligible noncommissioned officers who ably represent the Air Force.



Figure 7

Bonuses have also proven to effective in helping meet recruiting goals. We expanded the enlistment bonus program from 4 skills in 1998 to 83 in FY 2000, and increased the maximum payment to \$12,000 -- 68 percent of our bonus eligible accessions selected a 6-year initial enlistment in FY 2000. Additionally, an up to \$5,000 "kicker" incentive program helped us fill the ranks during hardest-to-recruit months (February through May). To encourage "trained" personnel to return certain specialties, in Apr 01 we introduced the Prior Service Enlistment Bonus of up to \$14,000 to target a previously untapped pool of prior service personnel. The bonus targets high-tech, hard-to-fill positions. In FY 2001, the bonus program remains an instrumental tool in our recruitment arsenal. The effectiveness of the FY 2001 initial enlistment bonus program is illustrated by our year-to-date success in making recruitment goals. Additionally, the Air Force maintains an aggressive and integrated advertising and marketing campaign in



order to saturate the applicant market and reach a cross section of American society.

### **Officer Recruiting**

In FY 2000, we achieved 97 percent of our line officer accession target, even though FY 2000 production was 21 percent greater than FY 1998 and 5 percent above FY 1999. The Reserve Officer Training Corps (ROTC) anticipates shortfalls of 430 officers in FY 2002 and 230 in FY 2003. However, we are working on several initiatives to reduce these shortfalls, such as offering contracts to non-scholarship ROTC cadets after the freshman rather than sophomore year, and some legislative initiatives to ensure a strong and viable officer corps in the future.

Recruitment of health care professionals has also been difficult. Many medical, dental, nurse and biomedical specialties are critically undermanned -- only 80 percent of our clinical pharmacy positions are currently filled. In FY 2001, for the first time, we will offer a \$10,000 accession bonus to pharmacists who enter active duty.

### **QUALITY OF LIFE**

The welfare of our men and women serving our nation is critical to our overall readiness and is essential to recruiting and retention. But more than that, providing our people with adequate quality of life is the right thing to do. With continued strong support from Congress, we will pursue our core quality of life priorities: adequate manpower, improved workplace environments, fair and competitive compensation and benefits, balanced TEMPO, quality health care,

safe and affordable housing, enriched community and family programs, and enhanced education opportunities.

This year, we added two new core quality of life priorities: manpower and workplace environments. Updated wartime planning factors and real-world operations validate increased manpower requirements beyond our FY 2000 level. Meeting our current mission requirements with our current end strength is wearing out our people and equipment at an unacceptable rate. It is essential that we match resources to taskings -- manpower requirements must be programmed to the necessary level to execute today's missions and meet tomorrow's challenges. We need to increase our force, primarily in combat, combat support, low-density/high-demand, and high TEMPO areas. RAND conducted an independent assessment of our requirements and reported that manning requirements may be understated. To keep trust with our men and women, we must provide the essential manpower to help balance TEMPO and to meet the national military strategy.

The Air Force recognizes that workplace environments significantly impact readiness and morale. Our workplace environments have been neglected over the years -- requirements exceed available resources. Our infrastructure accounts have continually been tapped to pay for readiness. Real property maintenance (RPM) has been underfunded, allowing only day-to-day recurring maintenance and life-cycle repairs, creating a backlog of required RPM. Military construction has been drastically reduced since the mid-1980s. The resulting degraded and unreliable facilities and infrastructure negatively impact productivity on the

flightline, in maintenance shops and administrative areas, and also adversely influence career decisions. In the long term, reduced funding results in reduced combat capability and readiness, increased RPM, parts and equipment backlogs, and creates larger bills for the future.

Providing our people with safe, affordable living accommodations improves quality of life, increases satisfaction with military service, and ultimately leads to increased retention and improved recruiting prospects. Our unaccompanied enlisted personnel desire and deserve privacy; the Air Force will continue to pursue a private room policy for our airmen using the 1+1 construction standard. Currently, 86 percent of our unaccompanied airmen housed on base has a private room with a shared bath. This percentage represents airmen living in newly constructed dorms configured to the DoD construction standard, as well as airmen who are living in 2+2 dorm rooms (rooms once shared by two individuals). The Air Force goal is to provide a private room to all unaccompanied airmen (E-1 to E-4) by FY 2009. The 1+1 construction standard will allow our members to live in a private room with a private bath. We are also focusing efforts to improve, replace, and privatize over 10,000 family housing units for our members with families by FY 2010 -- 59,000 of our 104,000 housing units need revitalization, as their average age is 37 years. Ensuring members and their families have adequate visiting quarters and temporary lodging facilities is also a priority.

We are committed to ensuring our personnel are adequately compensated — this is crucial in helping us recruit and retain quality personnel. Congressional support in achieving gains in military compensation played a significant role in

improving overall quality of life for our people. We are encouraged by the positive momentum gained from the improved compensation packages in the FY 2000 and 2001 National Defense Authorization Acts. Our 2000 retention survey indicated officer and enlisted intent to stay in the military increased in nearly all categories over the 1999 survey results -- from 24 to 31 percent for first-term airmen, 36 to 43 percent for second-term airmen, and 81 to 84 percent for career enlisted members. Company grade pilots' intent to stay increased from 25 to 42 percent, and the intent of other company grade officers increased from 52 to 59 percent. Field grade pilots' intent to stay increased from 63 to 77 percent, but other field grade officers' intent decreased from 87 to 84 percent.

In the 2000 Chief of Staff of the Air Force Quality of Life Survey, First Sergeants ranked pay and benefits as the number one quality of life priority within their units, and commanders ranked pay and benefits as second -- TEMPO ranked first. In the October 2000 Major Command Revalidation, all major commands commented that we must continue to improve compensation and benefits. All major commands ranked pay and benefits in their top three quality of life priorities.

The 3.7 percent pay raise (one half percent above private sector wage growth) authorized in the FY 2001 NDAA and the targeted pay raise for E-5s to E-7s ranging from \$32 to \$58 per month were important and positive developments. The need to widen our bonus footprint to cover more career fields, coupled with current retention rates, is strong evidence that the basic pay structure is too low.

Out-of-pocket expenses are also an area of concern. Recent improvements in the Basic Allowance for Housing (BAH) will help prevent further growth of out-of-pocket expenses. In CY 2001, our members' out-of-pocket housing expenses will be reduced from 18.9 to 15 percent--the stated OSD goal is zero out-of-pocket costs by CY 2005. This will be an added expense and is likely to be included in the Secretary of Defense's review of quality of life issues. It is also important our members are not adversely impacted by moves required by the government. Our members are particularly concerned about the loss of their spouses' incomes when transferring to an overseas location. The Navy conducted an overseas spouse employment survey in September 1999 at their 13 overseas locations and found that employed spouses lose an average maximum of \$27,600 annually. The Cost of Living Adjustment (COLA) is designed to defray the difference between the cost of living in the CONUS and OCONUS, not to replace lost spousal income. Overseas employment for spouses often is not available or is only available at reduced income levels due to local custom or Status of Forces Agreements.

The loss of spousal income due to assignment to overseas locations is causing difficulties in filling overseas billets and is discouraging members from continuing active duty service. Additionally, members who are ordered into or out of base housing (including privatization or renovation of housing) at their permanent duty station without a permanent change of assignment do not receive a dislocation allowance. To help reduce out-of-pocket moving expenses, the FY 2001 NDAA equalized the Dislocation Allowance for E-5s and below and

authorized advanced payment of temporary lodging allowance as well as a pet quarantine reimbursement up to \$275.

Again, we appreciate the support of Congress. Enhancing community and family programs is crucial to the readiness of a force that is 62 percent married. We created the Community Action Information Board (CAIB) to bring together senior leaders to review and resolve individual, family, and installation community issues that impact our readiness and quality of life and to improve the synergy of our resources. The Air Force maintains one of the nation's largest childcare programs -- 55,000 children per day. As part of a recent force-wide retention initiative, we launched a major new child care initiative called the Extended Duty Child Care Program to provide child care homes for parents whose duty hours have been extended or changed. Despite these initiatives, we are able to meet less than 65 percent of the need for child care in support of active duty members. We must continue to invest in quality childcare facilities and programs.

We recognize the economic benefits our members and their families derive from strong community and family programs such as youth programs, family support centers, fitness centers, libraries and other recreational programs that support and enhance the sense of community. Physical fitness is a force multiplier; thus investments in fitness facilities, equipment and programs directly impact our capabilities. We also support the commissary benefit as an important non-pay entitlement upon which both active duty and retired personnel depend.

We have an excellent on-line tool available for military members and their families to access detailed information on all our installations. The website,

[www.afcrossroads.com](http://www.afcrossroads.com), provides a host of support programs to include a spouse forum, pre-deployment guide, eldercare hotlines, school information, and a spouse employment job bank. It also offers an avenue for young people to chat with youth at the gaining installations so they can learn from their peers what it is like being a young person at the installation to which the family will be moving. The job bank allows spouses to search for jobs submitted by private industry and post up to three resumes for review by potential employers. In further support of spouse employment needs, we are participating with other Services in providing IT training to a limited number of spouses. This website is receiving seven million hits per month.

Although our current TEMPO can make educational pursuits difficult, our Learning Resource Centers and distance learning initiatives offer deployed personnel education and testing opportunities through CD-ROM and interactive television. The Montgomery GI Bill contribution period of one year (\$100 a month) is a financial burden for new airmen. Additionally, we have joined with the other Services, the Department of Labor, and civilian licensing and certification agencies to promote the recognition of military training as creditable towards civilian licensing requirement.

We are committed to providing quality, accessible, and affordable health care for our Air Force people, their families and our retirees. We greatly appreciate the many health care programs authorized in the FY 2001 NDAA, such as TRICARE for Life for approximately 1.5 million retirees over the age of 65. By enrolling in Part B Medicare, they will be able to visit any civilian health care

provider and have TRICARE pay most, if not all, of what Medicare does not cover. We are concerned that out-year medical funding could affect delivery of this critical medical benefit.

We look forward to implementing extended TRICARE Prime Remote to our family members who are accompanying their military family member on assignment to remote areas, eliminating co-payments for military members, establishing chiropractic care for active duty members at some selected sites, reducing the TRICARE catastrophic cap to \$3,000 per year, and improving claims processing. We have established patient advocates, beneficiary counseling/assistance coordinators and debt collection assistance officers at medical treatment facilities to assist our people with TRICARE processing issues.

## **CIVILIAN WORKFORCE MANAGEMENT**

No discussion of Air Force recruiting and retention would be complete without including our civilian workforce. In fact, our Air Force civilians are more critical to our mission than ever before. With an expeditionary aerospace force, they provide critical reachback capability and we have turned more and more to them for critical technical and professional expertise. However, our Air Force civilian workforce is not structured to meet tomorrow's mission, a challenge that is faced by the entire federal civilian workforce. Our Air Force workforce is out of balance because of significant personnel reductions during the drawdown years. As a result of actions taken to effect these reductions, in the next five years, over 40 percent of our civilian career workforce will be eligible for optional or early retirement. This contrasts significantly with our civilian force in 1989 -- 16% of our



permanent U.S. professional and administrative personnel were in their first five years of service. Now, only 8 percent of the workforce are in their first five years of service. While we are fully meeting our mission needs today, without the proper force shaping tools, we risk not meeting tomorrow’s challenges. Figure 8 illustrates our civilian workforce challenge.

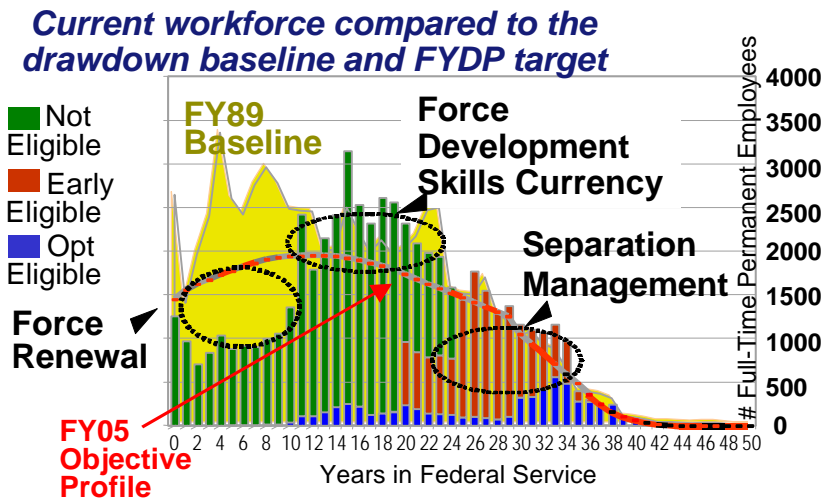


Figure 8

In order to sustain our civilian force, we need a diverse mix of developmental, mid-level, and senior employees. We have not been complacent. We developed a four-prong strategy to attract and recruit civilian employees, streamline our hiring process, better align civilian salaries with those of private industry, and pursue special salary rates for hard-to-fill occupations. We must invest in civilian workforce development to meet today’s demands of an increasingly technical force. Job proficiency training, leadership development, academic courses, and retraining are fundamental in addressing our civilian workforce retention concerns.

We will also use separation management tools to properly shape our civilian force. Using methods such as voluntary separation incentive pay and voluntary early retirement authority, we will retain employees with critical skills and create vacancies so that our workforce is refreshed with new talent. Vacancies created as a result of these shaping programs will be used to create an increasingly diverse workforce with new talent with current skills.

## **IN CLOSING**

We are concerned about the decline in our experience levels in the officer corps and enlisted force, and about our out-of-balance civilian work force. We cannot easily replace the experience lost when our people depart the Air Force, nor can we assume that a replacement will be available. The “pull” forces that have severely impacted our recruiting and retention will continue, and while these factors are good for our nation overall, they represent a challenge for us. We have addressed their impact on recruiting through a strategy that is increasing recruiter manning, synchronizing marketing, advertising and recruiting programs, targeting our bonuses to critical skills, and pursuing prior service members to bring back needed experience.

Retention is affected by both “push” and “pull” factors. In particular, our members and their families are stressed by a way of life that cycles between temporary duty and regular 55-hour work weeks at home. Our retention strategy is based on the premise that if we take care of our people and their families, many of them will stay with us despite the pull factors. Our core quality of life programs underpin the strategy. We must match resources to taskings and recapitalize our

people, readiness, modernization and infrastructure areas. We need to upgrade neglected workplace environments, provide safe and affordable living accommodations, adequately compensate our people, enhance community and family programs, provide educational opportunities and affordable health care. Reducing out-of-pocket expenses, and access to health care are two areas in which Congress' support is key.

Finally, we recognize the increasingly important role of civilians to our armed forces. They are our leaders, scientists, engineers and support force that provides reachback for deployed and forward-based forces. We need flexible tools and policies to manage this force.

We depend on a highly skilled, diverse, educated and technologically superior force of world-class men and women to function as an effective war-fighting team. Air Force people are an indispensable part of our national military strategy. There is no substitute for high-quality, skilled and trained people. Although we will continue to have a challenging recruiting and retention environment, the Air Force is committed to developing the right programs to recruit and retain America's best and brightest. You have provided many of the tools we need and we will work hard to gain your continued support for legislation, funding and the flexibility we need to manage our force. These tools are critical to the Air Force's future and to the future of our nation.

I appreciate the opportunity to speak to this Committee and share the initiatives we have taken to combat our retention and recruiting challenges and

convey to you the appreciation of our extremely capable and committed Air Force people.