

**NOT FOR PUBLICATION  
UNTIL RELEASED BY THE  
HOUSE ARMED SERVICES COMMITTEE**

**STATEMENT OF  
VICE ADMIRAL MARK E. FERGUSON III, U.S. NAVY  
CHIEF OF NAVAL PERSONNEL  
AND  
DEPUTY CHIEF OF NAVAL OPERATIONS  
(MANPOWER, PERSONNEL, TRAINING & EDUCATION)  
BEFORE THE  
SUBCOMMITTEE ON MILITARY PERSONNEL  
OF THE  
HOUSE ARMED SERVICES COMMITTEE  
ON  
MILITARY PERSONNEL OVERVIEW  
AND  
DOD'S PROPOSED PERSONNEL EFFICIENCIES**

**MARCH 17, 2011**

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Chairman Wilson, Ranking Member Davis, and distinguished members of the House Armed Services Committee, thank you for the opportunity to review Navy's Fiscal Year 2012 manpower and personnel budget request. We believe our budget request appropriately balances risk in supporting the readiness requirements of the fleet and joint force, growth in emerging mission areas, and essential programs that provide for the care of our Sailors and their families.

### **A Ready and Capable Global Navy**

On a given day, more than 44,000 Sailors are deployed and nearly half of our 288 ships are underway around the globe. Our Navy has more than 14,000 active and reserve Sailors on the ground and approximately 10,000 at sea in the Central Command (CENTCOM) Area of Responsibility (AOR) supporting joint and coalition operations.

Overall, the tone of our force remains positive. Our 2010 Navy Total Force Survey results revealed Sailors are generally satisfied with the quality of their leadership, benefits, compensation, and the opportunities Navy provides for personal growth and development. With our sustained operational tempo, we remain vigilant concerning stress on our Sailors and their families and continue to carefully monitor the health of the force. The results of our 2010 Behavioral Poll indicate the majority of Sailors are coping with stress in positive ways by talking to family members and friends, taking advantage of the resources provided by chaplains and Fleet and Family Support Centers, and using their chain of command to proactively address concerns. Additionally, the majority of Sailors report being satisfied with the level of support provided by their leadership to help them and their families effectively cope with stress, to include both pre-deployment and post-deployment assistance.

Our FY12 budget request will enable us to continue to meet the operational demands of the fleet and the joint force while optimizing personnel readiness. Our active budget request of \$29B consists of \$27.2B for Manpower Personnel Navy (MPN) and \$1.85B in related Operations and Maintenance Navy (OMN). Our reserve budget request consists of \$1.96B for

Reserve Personnel Navy (RPN) and \$6.4M in related Operations and Maintenance Navy Reserve (OMNR). Our budget request supports active end strength of 325,700 and reserve end strength of 66,200.

To address critical manning challenges for our ships, squadrons, submarines, and other operational units, our FY12 budget increases manpower at sea and reduces manpower assigned to our shore infrastructure. While we believe this transition is manageable, it will present challenges to our ability to maintain sea-shore flow for some of our enlisted Sailors and sustain manning levels across the force in the near-term as we execute these billet shifts.

Additionally, Navy has placed end strength previously funded by the Overseas Contingency Operations (OCO) appropriation into our baseline program for FY12. We are also projecting a gradual reduction of Individual Augmentee (IA) demand in Iraq and Afghanistan as ground forces withdraw.

### **Navy Personnel Efficiencies**

In developing our budget request, we reviewed current operations, our procurement profile, and readiness requirements. This review indicated a requirement to add a total of approximately 6,800 billets to the operational forces across the Future Years Defense Program (FYDP). This requirement includes the addition of 3,900 billets across the FYDP to support new warfighting platforms. In FY12 alone, we are adding billets for a new Riverine Squadron, Littoral Combat Ship (LCS) manning, and the E-2D Advanced Hawkeye.

Our review also indicated a requirement to add approximately 2,900 billets across the FYDP to support current warfighting platforms. In FY12, we are adding approximately 1,800 billets to existing platforms. For the submarine force, we are adding billets to support information technology, nuclear plant operations, and strategic weapons management. For the surface force, we are adding billets to support Ballistic Missile Defense and returning billets at sea to support damage control and firefighting capabilities, safety of navigation, preservation,

material condition, and underway watchstanding. Additionally, this budget adds billets at Regional Maintenance Centers for Sailors with sea-intensive specialties in response to the Fleet Review Panel. These assignments will provide Sailors the opportunity to further develop critical craftsmen skills, particularly in the areas of surface engineering, combat systems, and deck ratings.

To source these billets without additions to our overall end strength, we identified efficiencies in staff structure and shore activities, and reduced capacity in areas of the force commensurate with anticipated reductions in future demand for ground force enablers. This review resulted in a reduction or consolidation of approximately 8,400 billets in the Fleet, squadron staffs, and shore activities across the FYDP. Specific efficiencies will include:

- Disestablishment of a destroyer squadron staff, three submarine squadron staffs, a strike group staff, and a carrier air wing staff
- Consolidation of the staff of Commander, Second Fleet with U.S. Fleet Forces Command
- Horizontal staffing reductions across Navy shore activities
- Disestablishment of a helicopter anti-submarine squadron and consolidation of two patrol squadron special projects units and two Fleet air reconnaissance squadrons
- Reductions in recruiting, education, and training staffs, bands and NJROTC units.

Additionally, we reduced both billet seniority and structure in selected Restricted Line and Staff Corps communities. This efficiency produced additional billets for the operational forces. As part of the Office of the Secretary of Defense flag and general officer review, we proposed to eliminate nine and reduce the seniority of 15 flag officer billets, affecting 15% of our flag officer billet structure.

## **Building Resilience through a Comprehensive Continuum of Care**

Our FY12 budget request of \$164.2M for Sailor and family care supports expansion of our comprehensive continuum of care to address the medical, physical, psychological, and family readiness needs of Sailors and their families. Navy's Operational Stress Control Program, Navy Reserve Psychological Health Outreach Program, Warrior Transition Program, Returning Warrior Workshop, Navy Safe Harbor, and our Medical Home Port Program continue to be the critical elements of this continuum.

Navy's Operational Stress Control (OSC) program addresses the psychological health of Sailors and their families by encouraging Sailors to seek help for stress reactions before they become stress problems, promoting strong leadership involvement, and increasing awareness of support programs and resources. The FY12 budget request supports our continuing focus of helping Navy leaders recognize and respond to stress reactions among our Sailors.

The Navy Reserve Psychological Health Outreach program was established to improve the psychological health and resiliency of reserve component (RC) Sailors and their families. Teams of psychological health outreach coordinators and outreach team members located at the five regional reserve commands provide psychological health assessments, education, and referrals to mental health specialists. In FY10, these teams conducted mental health assessments for more than 1,600 RC Sailors, made outreach calls to over 2,400 returning RC Sailors, and conducted approximately 300 visits to Navy Operational Support Centers (NOSCs) around the country, providing basic OSC awareness training to more than 23,000 RC Sailors and staff members.

The Warrior Transition Program (WTP) provides a place and time for Sailors serving as Individual Augmentees to decompress and transition from the war zone to life back home. Small group discussions facilitated by chaplains and medical personnel prepare Sailors for resumption

of family and social obligations, return to civilian employment, and reintegration with the community. In FY10, 376 WTP workshops for 7,056 Sailors were conducted in Kuwait.

The transition back home not only impacts the Sailor, but his or her family, employer, and community. Returning Warrior Workshops (RWWs) are designed to remove stigma that may prevent people from seeking appropriate support during the potentially challenging demobilization and reintegration process. More than 34 RWWs are planned through FY12 to direct Sailors and their families to the support programs that best address their needs.

Navy Safe Harbor remains the Navy's lead organization for coordinating the non-medical care of wounded, ill, and injured Sailors, Coast Guardsmen, and their families. Through its network of Recovery Care Coordinators and Non-Medical Care Managers at 12 locations across the country, Safe Harbor provides exceptional, individually tailored assistance to an enrolled population of over 600 wounded, ill, and injured. Over the past year, we have increased our support for community reintegration through the Anchor Program, which pairs members with volunteer RC Sailors in their communities, and initiated the Adaptive Athletics Program, designed to support long-term recovery and rehabilitation through whole-body training and education. Additionally, we signed Memoranda of Agreement with the Departments of Labor and Veterans Affairs (VA) to ensure greater access to employment services and support programs and provide assistance in navigating the transition from military medical care to VA medical care. The FY12 budget request supports our enduring goal to provide the highest quality care to our wounded, ill, and injured.

We remain committed to ensuring our Sailors and their families have ready access to high quality health care services. Our Medical Home Port Program is a team-based model focused on optimizing the relationship between patients, their providers, and the broader healthcare team. Mental health providers are embedded within our Medical Home Ports to facilitate regular assessment and early mental health intervention. This model enables Sailors to be treated in the

settings in which they feel most comfortable and reduces the stigma associated with the care they receive. Additionally, improving early detection and intervention in the primary care setting reduces the demand for time-intensive intervention in our mental health specialty clinics.

### **Suicide Prevention: All Hands, All of the Time**

Our Sailors face challenges while deployed and at home making suicide prevention an “all-hands – all of the time” effort, involving the Sailor, family members, peers, and leadership. The results of our 2010 Behavioral Quick Poll indicate the majority of Sailors are confident in their ability to effectively respond to a Sailor who talks about suicide and the ability of their commands to support Sailors seeking help for suicidal thoughts or actions.

In 2010, we conducted more than 25 unit level suicide prevention coordinator briefings and training workshops around the world and provided training to more than 200 installation suicide prevention coordinators at our first Navy Suicide Prevention Coordinator Training Conference. We remain committed to creating an environment in which stress and other suicide-related factors can be more openly recognized, discussed, and addressed, and where seeking help is a sign of strength. This includes maintaining a solid foundation of suicide prevention coordinators, refreshing mental health provider skills, providing installation first responders with the skills necessary to respond to behavioral emergencies, and raising family awareness of suicide risk, warning signs, and support resources.

Navy’s calendar year 2010 suicide rate of 10.9 per 100,000 Sailors represents a decrease from the 2009 suicide rate of 13.3 per 100,000 Sailors. Though we recognize any loss of life to suicide is a tragedy, this rate is below the national rate for the same age and gender demographic of 18.7 per 100,000<sup>1</sup> individuals.

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<sup>1</sup> National Center for Injury Prevention and Control (2007). Standardized U.S. suicide rates are adjusted for Navy demographics.

### **Sexual Assault: Not in my Navy**

The goal of Navy's Sexual Assault Prevention and Response (SAPR) program is to eliminate sexual assault by fostering a culture of prevention, response, and accountability. This includes comprehensive education and training, collaboration with the Naval Safety Center on messaging that emphasizes the negative relationship between alcohol and sexual assaults, 24/7 response capability for victim support, standardized worldwide reporting procedures, and a system of accountability that protects all Sailors. We have also issued additional reporting guidance to Commanding Officers to ensure the first flag officer in their chain of command is aware of every sexual assault that occurs, as well as command actions taken to prevent future incidents. Although Navy reports of sexual assault increased in FY10, it is possible that this increase in reporting is the result of more Sailors coming forward to seek help, providing a preliminary indication that our outreach and education efforts are resonating with the force. We continue to monitor this trend closely and focus our education efforts on prevention and bystander intervention.

Our FY12 budget request supports an emphasis on sexual assault prevention while continuing compassionate support for victims. This prevention emphasis includes twelve SAPR workshops in fleet concentration areas worldwide, execution of a pilot prevention program focusing on young Sailors, our most at-risk demographic, and most importantly, a clear and consistent message from leadership at all levels that sexual assault will not be tolerated in the United States Navy.

### **Shaping Manpower for the Future Force**

Our force stabilization efforts remain focused on maintaining a balanced force in terms of seniority, experience, and skills to meet Fleet and joint requirements while staying within our authorized end strength. As I have outlined in previous testimony, we continue to execute the following measures:

- “High-Year Tenure” separations for Sailors at selected paygrades and years of service
- “Perform-to-Serve (PTS)” reenlistment review process that requires conversion to undermanned specialties or separation in Zone A (0-6 years), Zone B (6-10 years), and Zone C (10-14 years)
- One-year time-in-grade retirement waivers for select senior enlisted and officers
- Early transition for enlisted, allowing them to separate up to 12 months before the end of their active obligated service
- Monthly probationary officer continuation and redesignation boards
- Annual performance-based continuation boards for senior enlisted in pay grades E7–E9 with more than 20 years of service

Due to high retention, we are experiencing an excess of active senior Unrestricted Line (URL) officers. To balance the force and ensure sufficient senior officers are available at the right time in their careers to serve in critical fleet billets, we will conduct in July 2011 an active Unrestricted Line Captain and Commander Selective Early Retirement Board (SERB). This board will consider URL Captains with at least four years time in grade and Commanders who have twice failed to select for promotion to Captain. At this time, we project approximately 120 URL Captains and 120 URL Commanders will be selected for early retirement.

We are projected to meet our FY11 authorized active end strength of 328,700 and reserve end strength of 65,500 by the end of the fiscal year.

### **Recruiting and Retaining a Highly-Skilled Workforce**

Last year marked the third consecutive year that we achieved officer recruiting goals in the active component and enlisted recruiting goals in both the active and reserve components. The reserve component achieved 95% of our FY10 officer goal. While we anticipate that we will meet our aggregate recruiting goals this year, the increased demand for critical specialties in

support of operations in Iraq and Afghanistan will present a challenge, particularly within the reserve component.

The FY12 budget requests \$305M for our recruiting programs, a reduction of \$57.6M from FY11. These programs include accession incentives, advertising, and recruiter support for our active and reserve recruiters. To offset reductions in paid media advertising, we continue to expand our use of social media and other technologies to broaden our outreach efforts and generate recruiting leads. Navy Recruiting Command has over 100,000 active followers across 19 prominent social media sites, to include 15 Facebook communities of interest. However, it is the face-to-face contact with recruiters in the field that is the cornerstone of our sustained recruiting success in attracting high-quality, diverse individuals, particularly as the economy begins to improve. Our budget request ensures that the recruiting force remains appropriately sized and has the necessary resources to achieve continued success.

Accession bonuses remain critical to achieving our goals for health professionals, nuclear operators, and special warfare/special operations. To meet increased demands for these skills, we maintained bonus levels for nuclear officers and health professionals and continue to offer enlisted accession bonuses to special warfare/special operations and other critical ratings. A favorable recruiting environment has enabled us to reduce the number of ratings eligible for an accession bonus from 67 in 2008 to six in 2011. The FY12 active budget request for bonuses, special pays, and incentives, represents a decrease of \$32M from FY11.

We continue to closely monitor retention behavior across the force and project we will meet our FY11 overall officer and enlisted retention goals. While we have been able to make selected reductions in retention bonuses, Sailor retention behavior indicates we must continue to apply bonus programs to critical skill areas that require significant investments in training and education and are less responsive to changes in the economic environment.

## Recruiting - Enlisted

In this fiscal year to date, we have met or exceeded our active and reserve recruiting goals each month. We continue to exceed Department of Defense (DoD) quality standards in all recruit categories as shown in Table 1.

Table 1. Active and Reserve Component Accessions and Quality

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
<b>Total Active</b>	34,180	34,140	100.1	9,651	9,622	100.3
<b>Total Reserve</b>	6,669	6,654	100.2	2,581	2,550	101.2
<b>HSDG*</b>	35,995	95%	97.4	10,538	95%	98.9
<b>TSC** I-III A</b>	30,653	70%	83.0	9,255	75%	86.8

\*HSDG – High School Diploma Graduate; DoD standard is 90%; Navy standard is 95%

\*\*TSC – Test Score Category (Aptitude Level); DoD standard is 60%; Navy standard is 75%

Last year, we were successful in meeting our recruiting goals for nuclear, special warfare/special operations ratings, and all OCO ratings, and are well-positioned to meet this year's targets as shown in Table 2. These ratings remain our top enlisted recruiting priorities.

Table 2. Nuclear, Special Warfare/Special Operations and OCO Accessions

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
Nuclear Field	2,981	2,981	100.0	914	912	100.2
SPECWAR/SPECOPS	2,153	2,144	100.4	450	444	101.4
Active OCO*	9,501	9,489	100.1	2,729	2,699	101.1
Reserve OCO**	1,825	1,822	100.2	630	623	101.1

\*Active OCO ratings include CTI, CTN, CTR, IS, IT, HM, HMDA, LS, MA, OS, and the Seabee ratings (BU, CE, CM, EA, EO, SW, UT)

\*\*Reserve OCO ratings include all of the active OCO ratings plus ND, HMFm, and RP (8408 NEC)

## Recruiting - Officer

We achieved our general and medical officer recruiting goals in the active component, but fell short of meeting these goals in the reserve component as shown in Table 3. Although we accessed more reserve officers in FY10 than FY09, a 13% increase in FY11 goals and high officer retention in the active component will continue to challenge reserve officer recruiting.

Table 3. Active and Reserve Officer Accessions

	FY10			FYTD 11 (as of 31 Jan 2011)		
	ATTAINED	GOAL	%	ATTAINED	GOAL	%
<b>Active General Officer*</b>	1,538	1,518	101.3	1,170	1,357	86.2
<b>Reserve General Officer*</b>	1,171	1,213	96.5	365	1,414	25.8
<b>Active Medical Officer**</b>	876	866	101.3	364	843	43.2
<b>Reserve Medical Officer**</b>	349	387	90.2	116	395	29.4

\*Does not include accessions from the United States Naval Academy or Naval Reserve Officer Training Corps.

\*\*Medical Officer includes Medical Corps, Nurse Corps, Dental Corps, and Medical Service Corps.

Health care professionals remain a recruiting priority through FY12, especially within the reserve component where several specialties are undermanned. To address shortfalls among reserve health professionals, the FY12 budget request supports an affiliation bonus for prior service medical department officers, as well as an accession bonus for direct commission nurse corps officers with specific qualifications. Additionally, certain health professionals are eligible for special pays, school loan repayment, and a monthly stipend while pursuing a critical wartime specialty.

### **Retention - Enlisted**

We continue to experience high retention across the force as shown in Table 4.

Table 4. FY10 Active Navy Retention

Active Navy Retention	FY10 Achievement		
	Reenlisted	Benchmark	FY10
<b>Zone A (0-6 yrs)</b>	16,930	12,600	134%
<b>Zone B (6-10 yrs)</b>	10,845	8,300	131%
<b>Zone C (10-14 yrs)</b>	7,750	5,800	134%

Along with current economic conditions, our new policies are encouraging longer-term career behavior. Sailors are committing sooner to stay for longer periods of time. In addition, we are experiencing higher retention of female Service members, especially within our critical technical and warfighting skilled areas. Although this behavior affords Navy increased

predictability of future personnel readiness, higher retention also contributes to increasing competition for reenlistment opportunities.

Attrition, defined as Sailors who are discharged prior to the end of their contract, declined for both active and reserve. For active duty in FY10, we saw declines in misconduct-related discharges by 10% and training-related discharges by 12% from the previous year. Reserve enlisted attrition rates also continue to trend lower than the historical average of 28%. This is evidence of the higher quality force we are recruiting.

We remain challenged in meeting nuclear retention goals as a result of what we assess to be a growing demand for Navy's highly trained nuclear-qualified Sailors in the civilian industrial base. We remain focused on retaining Sailors with critical skills in high demand in the civilian sector, as well as Sailors in specialties that continue to experience high operational tempo in support of OCO, such as special warfare/special operations and independent duty corpsmen. Our Selective Reenlistment Bonus (SRB) programs remain an important tool to retain these highly-skilled Sailors.

We continue to closely monitor retention behavior and adjust SRB levels in response to observed behavior. Over the past 16 months, we adjusted SRB levels five times, reducing the number of skill areas eligible for SRB by 31% compared to FY10, and adjusting or maintaining existing bonus levels for those skills eligible for SRB. In FY11, only 34 ratings of 84 receive SRB, and the pool of eligible Sailors is 6.5% of our active enlisted force. This represents a reduction of over 54% in the pool of SRB eligible Sailors from FY09. We continue to structure our award plan to target high-demand skill sets that remain relatively insulated from changes in the economic environment, to include special warfare/special operations, intelligence, medical, cryptology, and nuclear ratings. Our FY12 active budget request includes \$95.9M for new SRB contracts, a reduction of \$35.7M from FY11.

The SRB budget for Selected Reserve Sailors was reduced by 31% in FY11, and further reduced by another 10% in our FY12 budget request, reflecting a total decrease of \$875K. This reduction is the result of a realignment of resources within the Navy Reserve Comprehensive Bonus Strategy to target RC officers and enlisted personnel in our most critical specialties.

### **Retention - Officer**

Overall, active and reserve officer retention rates continue to increase in part due to targeted incentive pays, improved mentoring, more flexible career options, and increased emphasis on life-work initiatives. Female unrestricted line (URL) retention past the initial minimum service requirement (MSR) has increased in the last four years in both the surface warfare (from 19% for Year Group 2001 to 33% for Year Group 2004) and aviation communities (from 14% for Year Group 1998 to 27% for Year Group 2001)<sup>2</sup>. We continue our efforts to improve the health of Selected Reserve (SELRES) officer communities by 2014 through initiatives such as targeted officer affiliation and retention bonuses, increased accession goals, and Continuum of Service programs focused on “Recruit Once, Retain for Life.”

We remain focused on junior officer retention, especially within select communities where we are challenged to meet our retention goals. Retention of junior officers for operational department head tours is a critical metric for monitoring the health of these communities. Although the overall loss rate for junior officers increased slightly from FY09 to FY10, the surface and submarine communities met their retention goals for the second year in a row.

After more than 10 years of war, we are seeing increased stress on our Naval Special Warfare community. Sustained operational tempo, decreased dwell time, and deployment unpredictability have contributed to a decrease in junior officer retention, particularly at the

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<sup>2</sup> Because Minimum Service Requirement (MSR) is different for Surface Warfare (five years) and Aviation (seven years), two comparable year groups (i.e., includes women who are past their initial service obligation) were examined to more accurately capture overall URL female retention.

lieutenant commander (O-4) level. Mentorship and increased access to family support programs and operational stress control resources remain our primary tools to mitigate the effects of stress on these Sailors and their families. Additionally, our FY12 budget request includes \$7.4M for targeted incentive pays to retain these critical officers.

We have experienced slight improvements in medical community loss rates trends, largely due to competitive incentives and bonuses. Select subspecialties continue to require attention, to include dentistry, clinical psychology, social work, physician assistants, general surgery, preventive medicine, family medicine, and nurse anesthetists. Our FY12 budget request includes \$253.7M for special and incentive pays to retain these critical medical professionals.

We continue to conduct comprehensive reviews of many of our special and incentive pay and bonus programs to adjust bonus levels in response to retention behavior. In addition to adjustments to enlisted Special Duty Assignment Pay (SDAP) and SRB, we reduced officer bonuses in the aviation, surface warfare, and intelligence communities over the last year. Additionally, we restructured our Submarine Support Incentive Pay program to more efficiently address shortfalls at specific career points. We anticipate further reductions to retention bonuses for selected officer communities in FY11 in response to strong retention behavior. As we execute these actions, we will continue to monitor retention rates and adjust our incentive programs as necessary.

### **Learning and Development: Navy's Asymmetric Advantage**

Education and training are strategic investments, enabling us to develop a highly-skilled force to meet the demands of the Maritime Strategy and the joint force. Our FY12 education and training budget of \$1.5B supports increased investments in curricula, training technology, and instructors for critical mission areas such as missile defense, cyber, and anti-submarine warfare. Additionally, we continue to focus training investments in LCS to include the Virtual Ship Centric Training Strategy. Initiated in 2010, this strategy includes a series of seaframe variant

unique and common simulators combined with actual seaframes to address multiple training needs for LCS. Simulators continue to present significant opportunities for increasing training capability, capacity, and effectiveness across the fleet, while minimizing stress on equipment and risk to the safety of our Sailors. The FY12 budget request supports continued investments in simulator technologies.

We remain committed to the professional development of our enlisted and officers. Navy offers several college-focused incentives, including the Navy College Fund, the Navy College Program for Afloat College Education (NCPACE), and tuition assistance (TA). We continue to use management controls to remain within our fiscal authority. As part of the transformation of our Voluntary Education Program, we established the Virtual Education Center (VEC) in July 2010. Prior to the VEC, requests for TA were processed at local Navy College Offices around the country. The VEC provides centralized management of TA requests, Sailors' academic transcripts, and virtual counseling. This transformation has decreased paperwork and processing time while increasing the accessibility of educational opportunities for Sailors.

To guide Sailors in their professional development, we created learning and development roadmaps that provide detailed information about required training, education, qualifications, and assignments throughout their careers. Last year, we completed all 86 enlisted roadmaps, and officer roadmaps for four subspecialties: financial management, operations research, education and training management, and foreign area officer. We continue to leverage civilian credentialing programs through Navy Credentialing Opportunities Online (COOL), bolstering the professional qualifications of Sailors in all ratings and increasing Sailor equity in their professional advancement.

To develop leaders who are strategically-minded, capable of critical thinking, and adept in naval and joint warfare, Navy has a progressive continuum of professional military education for E1 to O9. Junior enlisted personnel are able to pursue professional military education

through distance learning while senior enlisted personnel are afforded the opportunity to attend the Senior Enlisted Academy (SEA) which graduated 455 senior enlisted Sailors in FY10.

Officers have the opportunity to pursue advanced education through the Naval Postgraduate School (NPS), the Naval War College (NWC), other service and joint colleges, and several Navy fellowship and scholarship programs. For the 2010-2011 academic year, more than 1,700 active and reserve officers (resident and non-resident) are enrolled in NPS graduate degree programs, including 245 international students from 46 countries. We expect that about 304 officers will complete Joint Professional Military Education (JPME) Phase I and 235 officers JPME Phase II through in-resident courses in 2011. More than 3,000 non-resident opportunities to receive joint education are planned for FY11 through courses delivered in conjunction with graduate degree programs at NPS, Fleet seminar programs offered in 20 fleet concentration areas, and electronically via the web or CD-ROM. We continue to increase opportunities for reserve officers to pursue JPME through Fleet seminars and Advanced Joint Professional Military Education (AJPME), a 40-week blended academic program to obtain JPME Phase II credit. These non-resident opportunities provide the flexibility necessary for active and reserve officers to balance joint education requirements with personal and operational demands.

Cultural, historical, and linguistic expertise remain essential to fostering strong relationships with our global partners and enhancing our ability to effectively execute missions in multinational environments. In FY10, Navy's Language, Regional Expertise, and Culture (LREC) program provided language and cultural training to over 100,000 Sailors and 36 Flag Officers heading to overseas assignments. In addition, we recently expanded the Navy Reserve Language Culture and Pilot Program to include all Selected Reserve personnel. The FY12 budget request supports continuing efforts to enhance foreign language capabilities and regional expertise to include \$24.5M in FY12 and \$134.9M across the FYDP for Navy Foreign Language Proficiency Bonuses to incentivize proficiency in languages critical to Navy's missions. Our

request also supports expansion of opportunities for overseas study, language and cultural immersion, and professional exchanges with foreign navies for Naval Academy midshipmen and full implementation of an in-country language immersion training program for Foreign Area Officers. Additionally, we will continue to participate in Maritime Security Cooperation activities and support the joint force in Afghanistan and Pakistan with enhanced language and cultural capabilities through the AFPAK Hands Program.

### **Competing for the Best Talent**

We continue our efforts to attract, recruit, and retain the nation's best talent to meet Navy's mission through recognition of Navy as a Top 50 organization. Top 50 organizations encourage innovation and focus on performance, while taking care of their people through programs and policies that support a culture of trust, respect, and collaboration. In December 2010, Navy received several awards for Business Excellence in Workplace Flexibility from the Alfred P. Sloan Foundation, recognizing initiatives introduced in nine different organizations across the Navy to promote flexible work options while achieving business goals. For the second year in a row, Navy received a prestigious *Workforce Management Magazine* Optimas Award for its "Navy for Moms" program, becoming the first organization to have won back-to-back awards in the 20-year history of this award and one of only eight organizations to have received an Optimas Award twice.

Navy continues to receive recognition for its high quality training and development programs. In the two years since Navy began participating in the American Society for Training and Development (ASTD) awards program, no organization has won more awards for "Excellence in Practice." Most recently, Navy was honored by *Training Magazine* as one of the premiere training organizations in the country, ranking seventh out of 125 organizations that were recognized. We remain committed to seeking out best practices across industry and benchmarking our programs against the best in the nation.

We continue to compete for the best talent in our nation's colleges and universities. The Naval Reserve Officers Training Corps (NROTC) program has 60 units located at 73 host institutions with 86 cross-town institution agreements. Of the total 159 NROTC affiliated colleges and universities, 16 schools rank in the top 25 of *U.S. News and World Report's* Best National Universities of 2011, including three Ivy League affiliations. While the NROTC program has more than sufficient capacity for our current requirements, the Navy recognizes the value of engagement and presence on the campuses of American's elite colleges and universities and appreciates the high quality educational experience provided to our future military leaders at these institutions.

We recognize the value of diverse ideas, perspectives, and experiences to remaining competitive in an increasingly global environment, and our Navy draws strength and innovation from this diversity. NROTC made significant increases in diversity enrollment over the past two years. As a result, the NROTC class of 2014 joins the U.S. Naval Academy class of 2014 as the most diverse classes in our history. In recognition of our efforts, Navy received *DiversityInc's* Top Federal Agency for Diversity Award, ranking number five of 30 agencies for excellence in leadership commitment, human capital, communications and supplier diversity. Additionally, Navy's Strategic Diversity Working Group (SDWG) was recognized as one of the nation's top ten national Diversity Councils by the Association of Diversity Councils.

Our internal survey data show that organizational support of life-work integration and the availability of flexible career options are key to attracting, recruiting, and retaining the talent of a new generation entering the workplace. Our Sailors and their families continue to benefit from comprehensive parental support programs, to include paternity and adoption leave, extended operational deferment for new mothers, and expanded childcare. We thank Congress for their support of these programs. We continue to assess innovative ways to support life-work

integration while meeting mission requirements through initiatives such as Career Intermission, telework, and other flexible work options.

### **Women in Submarines**

This past year, the Secretary of the Navy and Chief of Naval Operations authorized the integration of female officers into the submarine force. This will enable our submarine force to leverage the tremendous talent and potential of the women serving in our Navy. For the first phase of integration, female officers will be assigned to two ballistic missile (SSBN) submarines and two guided missile (SSGN) submarines, which have the space to accommodate female officers without structural modifications. The first 18 female submarine officers commenced the standard 15-month nuclear and submarine training pipeline in 2010, and will begin arriving at their submarines at the end of this year. The plan also integrates female supply corps officers onto SSBNs and SSGNs at the department head level.

We continue to examine the cost effectiveness of design modifications to all classes of submarines to accommodate mixed-gender crews without adversely impacting habitability standards or operational capabilities, as well as the manning policies necessary to maintain a stable and sustainable population of women in the submarine force.

### **Repeal of Don't Ask, Don't Tell**

Following the President's signature of the provision authorizing the repeal of section 654 of Title 10, United States Code, commonly referred to as "Don't Ask, Don't Tell" (DADT), Navy is actively preparing for final repeal. We will carry out the implementation process in a prompt, thorough, and deliberate manner. We are preparing the necessary policies and regulations to implement this change in the law and will provide training to Sailors and leaders at all levels. The central message of this training will emphasize the principles of leadership,

professionalism, discipline, and respect. Training will be provided using a tiered approach to ensure all personnel receive the appropriate level of training:

- Tier 1 training will be provided to experts who may deal frequently with repeal issues, such as chaplains, judge advocates, military law enforcement personnel, fleet and family support center personnel, personnel support professionals, equal opportunity advisors, recruiters, senior human resource officers, and public affairs officers. Community leaders within each of these disciplines will develop and deliver the required training.
- Tier 2 training will be provided to senior leaders and command leadership.
- Tier 3 training will be provided to active and reserve Sailors, Navy civilians who supervise military personnel, and Department of Defense contractors, as required by their position and responsibilities.

We are providing regular updates to the Office of the Secretary of Defense as we execute this training.

### **Continuum of Service**

We continue to strive for a continuum of service approach to retention. Our goal for the continuum of service initiative is to achieve a seamless transition between the active and reserve components, and the civilian workforce, to meet mission requirements and encourage a lifetime of service. We are making progress in addressing the barriers impeding a quick and efficient transition between components to meet changing workforce demands. Since the establishment of the Career Transition Office (CTO) in May 2009, average transition time has decreased from more than 30 days to five days. We recently integrated our Fleet Rating Identification Engine (Fleet RIDE) application, a tool that provides a comprehensive assessment of Sailors' qualifications for Navy enlisted ratings, with our Perform to Serve initiative. This further facilitates the reserve affiliation process by providing each active component Sailor with

information about reserve opportunities and the ability to apply for a reserve component quota. Additionally, we established an Intermediate Stop (I-Stop) to enable transitioning Sailors to report directly to their gaining Navy Operational Support Center once they have made the decision to transition from active duty to the reserve component. Finally, we continue to work towards implementing a Total Force Integrated Pay and Personnel System. Our goal remains to transition Sailors between the active and reserve components within 72 hours.

### **Conclusion**

Our mission remains to attract, recruit, develop, assign, and retain a highly-skilled workforce for the Navy. We continue to:

- Align the personal and professional goals of our workforce with the needs of the joint force, while ensuring the welfare of our Sailors and their families.
- Deliver a high-performing, competency-based, and mission-focused force to meet the full spectrum of joint operations.
- Provide the right person with the right skills at the right time at the best value to the joint force.

Our FY12 active and reserve budget requests support the critical programs that will ensure continued success in delivering the human component of the Maritime Strategy and key capabilities for the joint force. On behalf of all the men and women in uniform who sacrifice daily and their families who faithfully support them, I want to extend my sincere appreciation for your unwavering support for our United States Navy. Thank you.