

RECORD VERSION

STATEMENT BY

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Chairman Banks, Ranking Member Kim, distinguished members of this Subcommittee, thank you for the opportunity to appear before you on behalf of the men and women of the United States Army.

Our Army will remain the most effective fighting force in this fluid and ambiguous environment through continuous transformation. To maintain this competitive edge, our organizations, materials, and doctrine must be agile and adaptive to serve our force. As we change our force structure to grow new capabilities to support the joint force in Large-Scale Combat Operations (LSCO), we are transforming how we recruit and invest in our people, the most substantial overhaul in Army history. We are building the Army of the future, mindful that our personnel serve as its bedrock. Investing in our people is paramount to guaranteeing the readiness of the Army. The Army's People Enterprise is postured to support the Army objectives within a Multi-Domain Operations framework to win our nation's wars. Moreover, enhancing Soldiers' capacity to grasp and respond to evolving circumstances heightens their effectiveness, accuracy, and resilience. Our primary focus remains on selecting individuals best suited to serve our nation and guaranteeing the well-being of our Soldiers, Army Civilians, and Families.

Continuous Transformation

Army transformation is well underway, but we must accelerate and intensify our efforts. We must transform our capabilities, force structure, and recruiting enterprise. We must deliver ready combat formations and take care of our people, ensuring the quality of life for our Soldiers, Army Civilians, and Families. The Army is taking active measures to overcome recruiting challenges without compromising on our standards for high quality soldiers. We continue to develop and implement innovative ideas to invest in America's youth, and attract high quality recruits.

Transforming our Force Structure

The Army is transforming our force structure to incorporate new capabilities and refocus on LSCO. The legacy structure from the past two decades focused on counterinsurgency and counterterrorism operations and maintained authorizations to

accommodate 494,000 Soldiers. Our transformation will reduce the unfilled and excess positions and create space for new capabilities supporting LSCO in a multi-domain environment. The success of this restructure will rely on the Army's ability to gradually increase end strength from the current 445,000 Soldiers to 470,000 by FY29 to meet the requirements of the future force. This transformation includes a reduction of 32,000 authorizations across the force structure and an addition of 7,500 new authorizations, leading to a net decrease of about 24,000 authorizations. The overall reduction in authorizations will more closely align the structure to the authorized end strength to improve the readiness of formations by ensuring they are appropriately filled, while increasing their capabilities. New additions to the force structure will bring advanced capabilities to meet current requirements and ensure that we maintain overmatch against adversaries in the future.

Recruiting Transformation

To build these advanced capabilities and new formations that will ensure we maintain overmatch against adversaries, the Army is transforming how we recruit. This is essential to overcome the greatest existential threat to the All-Volunteer Force. Fixing recruiting is a "no-fail" mission. In October 2023, the Secretary of the Army and the Chief of Staff of the Army announced a significant transformation of the Army's Recruiting Enterprise. This effort to enhance how the Army recruits for a transforming Army is focused on 5 lines of effort to be successful.

1. Transform how the Army prospects.

Because the labor market has changed fundamentally since the inception of the All-Volunteer Force in 1973, the Army will expand its focus beyond recent high school graduates. Today's high school seniors comprise more than 50 percent of our annual contracts, however, they represent only 15-20 percent of the larger prospect pool from which we could recruit. Accordingly, in addition to the high school market, we need to attract and hire Americans in the college market or those already out in the job market. The Army leadership has set a goal of at least a third of the Army's newest soldiers to have more than a high school degree by 2028, compared to 20 percent today.

2. Transform the Army's recruiting workforce.

The labor market is increasingly competitive, and we recognize we have technical gaps among our recruiting workforce. As a result, the Army developed two new MOS's: 420T and 42T; Talent Acquisition Technician and Talent Acquisition Specialist to better equip recruiters with skills and tools to achieve success. We are developing the Talent Acquisition team through a rigorous selection and training process to optimize a recruiter's ability to identify, and contract interested young Americans. Soldiers are eager for these additional skills as indicated by the early interest in the program. Over 1,000 candidates are interested in applying to the Warrant Officer track. The 1st cohort, consisting of 122 current Warrant Officer applicants, resulted in 75 Warrant Officers invited to the mid-March assessment, from which 20-30 are expected to be selected. Cohort 2 and 3 will also include Enlisted Soldiers applying to become Warrant Officers as a part of the selection process. Once complete, the 420Ts will serve as recruiting leadership, leveraging their skills and experience to standardize marketing strategies and inform talent acquisition-policies. When coupled with the upcoming 42T noncommissioned officers (NCOs), we expect to see an increased capacity to leverage data and more effectively match interested recruits with Army contract opportunities.

3. Development of an Innovation and Experimentation Capability within U.S. Army Recruiting Command (USAREC).

The Army further identified the need for an innovation team, composed of recruiters supported by experts in information technology (IT), data management, survey design, labor market analysis, marketing, operations, and procurement. This will create a fluid culture of innovation which will allow the organization to navigate the current socioeconomic environment and keep Army regulations and policies current to support innovation and rapid tech advancements. This new innovation capability within USAREC has the authorities and resources to drive innovation and, importantly, scale successful innovations across the command. Ultimately, this will enable the development of new markets, methods, and technology to compete for talent without sacrificing current and future year production targets.

4. Enhance the evidence base for recruiting policy decisions.

To recruit the best qualified talent for our 21st century force, we must adapt and transform to provide applicants more tailored incentive packages. As such, the Army needs to improve the formal measurement and evaluation of recruiting policy decisions to better determine return on investment and more effectively allocate resources. To address this, we are establishing an evidence-based learning capability in the Army headquarters that will incorporate data collection and program evaluation design into accessions policy planning and implementation. As part of this line of effort, the Army will launch an Enlistment Incentives Pilot Program designed to enable a better understanding of the value our Future Soldiers place on monetary and non-monetary enlistment incentive offerings. This will help us to improve the Army's value proposition year after year. Lessons learned from this pilot will enable the Army to reinvest in innovative programs supporting the recruiting effort while building Army readiness.

5. Aligning Army recruiting leadership and structure.

Finally, we are seeking to elevate USAREC to become a three-star command that oversees enlisted recruiting, Army Cadet Command, and the Army's Enterprise Marketing Office and reports directly to the Secretary of the Army and the Chief of Staff of the Army in light of its critically important mission. The leadership of USAREC will serve for an extended tenure, building stability and expertise and decreasing the impact of frequent leadership changeover.

Quality Total Army Accessions

Army readiness depends on a high-quality all-volunteer force. The recruiting challenges facing the Army are not new, and they are not from a single cause. Several of the trends we are observing, and now responding to, were years in the making. We are in an intense competition for talent. Some of the benefits that long set the Army apart from the private sector, are becoming more common there such as healthcare and tuition assistance. The Army is addressing each of these challenges head-on, with all resources committed, to turn around recruiting. We are doing better this year at this

same point compared to last year. We are laser focused on building back our end strength to grow additional capabilities that our Army needs.

The Army is carefully monitoring and as needed, adjusting incentives to position itself as a highly desirable employer of choice. We are adjusting enlistment bonuses to help recruit into critical skills specialties. Recruits can combine multiple enlistment bonuses and can combine up to four different incentives. Specific occupational training of choice and duty station of choice remain the most popular incentives.

Investing in the Army requires investing in our youth and helping them realize their full potential. The Army did not meet its recruiting goals in Fiscal Year (FY) 2023, it did however enlist 50,181 recruits in the Active Component (AC), 29,310 recruits in the Army National Guard (ARNG), and 9,319 recruits in the U.S. Army Reserve (USAR) in FY 2023. The majority of these were high school graduate recruits: 94% high school graduates for the AC, 98% for the ARNG, and 97% in the USAR. Similarly, 59% were Armed Forces Qualification Test (AFQT) Test Score Category (TSC) I-III A for the AC, and both the ARNG and USAR recruited 62% TSC I-III A Soldiers in FY 2023.

Furthermore, TSC IV recruits only made up 3% of the AC and USAR recruits, and 4% of ARNG recruits in FY 2023, ensuring we remained below the Department of Defense (DoD) standard of no more than 4% Category IV recruits. As of February 29, 2024, the AC achieved nearly 31% of its FY 2024 recruiting mission of 55,000. In FY 2024, the AC has recruited 94% high school graduates, and is currently at 56% TSC I-III A. The ARNG achieved more than 44% of its FY 2024 recruiting mission of 34,140. The ARNG is at 97% high school graduates and 58% TSC I-III A. The USAR achieved more than 29% of its recruiting mission of 14,650. Of these recruits, 98% are high school graduates, and 58% are TSC I-III A.

The Future Soldier Preparatory Course (FSPC) is yet another innovative and successful pathway we have developed and implemented in response to the tough environment we are amid. This program is an investment in America's youth. It is expanding our recruiting pool, while not sacrificing quality. FSPC is a holistic program to aid potential

recruits to meet either the physical or academic aptitude standards to fully qualify for Army service. In FY 2023, the success of the FSPC program provided upwards of three Brigade Combat Teams (12,887 Soldiers) worth of additional combat power to the Army. 47 percent of graduates are scoring in Test Score Category IIIA or higher, thus ensuring we maintain our continued goal of accessions quality over quantity. 96.6 percent of academic track graduates and 95.4 percent of fitness track graduates have graduated Basic Combat Training which is higher than standard BCT graduation rate of 94 percent. Army is looking at ways to expand the program to provide a pathway for those with the propensity to serve.

Retention

Readiness depends on retaining the right Soldiers in the right jobs at the right time. To do this, we are constantly adapting to the dynamic operational environment. As we see Soldier trends change, we adjust our policies to meet Soldier's needs, wants, and desires, to Army strengths and needs. These adjustments can include monetary and non-monetary incentives we use to drive behavior. A strong retention program further supports continued service in critical roles or skills needed as we transform to the Army of future. In FY 2023, the Regular Army retained 56,239 exceeding the prescribed objective of 55,110 by 2%. Another 7,041 of those scheduled to Expiration Term of Service (ETS) in FY 2023 were transitioned into the Army Reserve or National Guard exceeding the established target of 6,379 by 10.4%. This year, the Army has established and missioned a reclassification goal in addition to the FY 2024 and FY 2025 reenlistment mission objective. The Precision Retention Military Personnel (MILPER) provides Soldiers and families with an overview of the process the Army utilizes to achieve a balance among MOSs. It provides Soldiers and their Families with an outline of which MOSs have limited opportunities due to being overstrength, those with greater opportunities due to being understrength, and the process by which they can reclassify from one to the other. The Regular Army is on track to meet its FY 2024 retention mission objective to retain 54,700 Soldiers and has retained over 32,000 Soldiers year to date which is a completion rate of just over 58%. Overall, Army

retention is high, which signals Soldiers are having a positive experience and achieving their goals and aspirations across our Army.

We are investing in our recruiters by modifying how they are selected, improving their training, increasing their resources, and educating them on available family programs. Other initiatives to improve our recruiting efforts include the development of the Soldier Referral Program to provide an opportunity for soldiers in the AC, USAR, and ARNG to connect with youth where they are, share their Army story, and be rewarded when the referred recruit joins the Army. From implementation of the SRP in January 2023 through 31 March 2024, USAREC contracted 2,277 enlistees from referrals for the Regular Army and 490 for the US Army Reserve, of which 1,781 (RA) and 321 (USAR) have shipped to initial military training. The referrals for those who shipped to training were made by over 1,367 serving Soldiers across the Army. Accordingly, all 1,367 serving Soldiers were awarded the Army Recruiting Ribbon. Of the 1,367 serving Soldiers, 596 were promoted to an advanced rank based on valid referrals that shipped to training under the SRP pilot. In January 2023, the Army began the Recruiter Production Incentive – Assignment Incentive Pay to incentivize recruiters to exceed their quarterly recruiting mission. This new program earns the recruiter \$75 for each contract over the requirement in CAT IIIB, and \$150 for each contract over the requirement in CAT I-III A.

Civilian Workforce Recruiting

Our civilian workforce is a force multiplier across the Total Army and our investments in their capabilities is crucial for meeting the needs of the Army of the future. The Army appreciates the many civilian direct hire authorities and other flexibilities that Congress has afforded the Department. These authorities allow us to reach top civilian talent and bring them on faster than through traditional hiring. In addition, direct hire authorities have allowed the Army to increase outreach and proactively recruit from a more diverse audience to acquire uniquely skilled candidates. The Army has implemented several initiatives as part of a broader strategy to reduce civilian time-to-hire and increase candidate quality. This multi-year strategy is designed to increase competency and

skills-based hiring in support of Executive Order 13932, *Modernizing and Reforming the Assessment and Hiring of Federal Job Candidates*, leverage Office of Personnel Management resources, and optimize Army hiring processes. As our multi-year strategy to reduce time-to-hire and improve candidate quality matures, we expect to achieve consistent reductions in the time it takes to hire civilian personnel while simultaneously ensuring a more qualified pool of candidates.

Marketing

The Army provides opportunities and possibilities for investing in oneself for a better life. The Army offers 178 career fields as options for new recruits, and Army Marketing is unrelenting on re-introducing this Army to America's youth. Serving in the Army is not a detour; it allows our youth to take an accelerated path to fulfill their dreams and realize their full potential. We must meet young people where they are and address their concerns that are barriers to entry. Our research informs us that prospects have a lack of knowledge about what Army service can offer, trouble identifying with service culture and lifestyle, and diminished trust that they will be treated fairly. However, the top concerns among the prospect audience continue to be that serving in the Army will either delay or put them "off-track" from their life goals or separate them from friends and family.

Our marketing efforts are tailored to assuage these concerns and show prospects that the Army will accelerate their path to achieving life goals. Last year, the Secretary of the Army and the Chief of Staff of the Army announced the Army's first new brand refresh effort since "Army Strong" nearly twenty years ago. This effort was the culmination of two years of research and preparation to bring the Army back to relevancy in the minds of Generation Z and others. The Army conducted extensive research among prospects and our important stakeholder audiences and influencers before deciding on the elements of this brand refresh, which include a modernized logo and the tagline "Be All You Can Be." While this tagline is very popular among our veterans, it was not chosen for the sake of nostalgia; it was chosen because testing among our target audience and others revealed it to be the most favored and best suited for communicating the

possibilities available with service in the Army and the purpose and passions of our prospect audience. Elements of this campaign are now in market and appearing in connection with events like the Men's and Women's National Collegiate Athletic Association (NCAA) Basketball tournaments, with more planned this fiscal year.

Over the last 12 months the Army put three distinct advertising campaigns in market to communicate from multiple angles to the prospect audience. "Know Your Army" communicated tangible employment benefits that the Army provides. The third Chapter of the "What's Your Warrior" series informed prospects on the breadth of career fields available. Finally, "Decide to Lead" communicated how service as an officer provides unparalleled leadership training and experience. This was the first officer-focused campaign for the Army since 2009. As a result of this campaign, we exceeded our Army Reserve Officers' Training Corps' National Scholarship Board application goals. We have seen a positive cumulative effect on prospective lead generation by using multiple campaigns simultaneously in the market to address the interests of multiple audiences.

Leader Selection, Personnel Modernization, Compensation and Benefits

The foundation of Army Readiness is personnel readiness. Programs, policies, innovations, and management models are transforming the Army's personnel systems to meet future needs. These changes will provide our soldiers and civilians with more opportunities to excel; give our Army the enduring advantage of a transparent, data rich personnel environment; and improve our ability to compete for and retain talent.

Talent Management

Unit level commanders are in the best position to have positive impacts and influence in our Soldiers. Identifying and selecting the very best leaders demonstrates the Army's commitment to take care of its Soldiers and maintain the all-volunteer force. This is critical in the Army's efforts to prioritize human capital investment and talent management by acquiring and leveraging the Knowledge, Skills, and Behaviors (KSBs) of its soldiers, balanced with the needs of the Army.

The Command Assessment Program (CAP) improves the Army's ability to select the best leaders at the battalion and brigade levels. In November 2023, the Army completed the fifth iteration of CAP. Over 7,000 leaders at lieutenant colonel, colonel, GS-14, GS-15, and E-9 levels have been assessed through CAP over the past four years. To date, CAP has identified 300 leaders with consistent counterproductive behaviors, contributing to more positive command climates. These non-selections for command are provided developmental feedback and encouraged to work on the "gap" in their leadership swing to potentially compete at CAP the following year. CAP has continually improved its feedback mechanism to contribute to individual and organizational growth. When compared to the legacy Centralized Selection List system, CAP assesses and identifies leaders who are more cognitively capable, better written and verbal communicators, more physically fit, more self-aware, more emotionally resilient and less likely to exhibit counterproductive or ineffective leader traits.

The Army Talent Alignment Process (ATAP) revolutionizes personnel utilization through a decentralized, regulated marketplace, empowering officers to align with unit needs based on a comprehensive assessment of critical talent data. ATAP operates under a set of robust business rules that delineate responsibilities for units, officers, and the Human Resources Command (HRC) during market cycles. These rules not only ensure fair and transparent operations but also enable the Army to dynamically adjust assignments to meet evolving readiness requirements, thereby strengthening overall force effectiveness.

To date, ATAP has successfully matched over 60,000 officers and warrant officers with assignments across eight cycles, highlighting the effectiveness of the market-style hiring approach in meeting both individual preferences and command requirements. Under the guidance of Army Senior Leaders, efforts are underway to formalize ATAP through the Army Directive, ensuring its integration into the Army's talent management framework. Headquarters Department of the Army Executive Order (EXORD) 241-21 mandates the participation of Active Component units and officers through the Assignment Interactive Module 2.0 (AIM2), further enhancing the reach and efficiency of the process.

The Integrated Personnel and Pay System – Army (IPPS-A)

IPPS-A is the Army's 21st Century Talent Management System. It is embracing emerging technologies, integrating modern personnel management and data analytics capabilities, and aligning with the Army's efforts to build a more effective and efficient force. It delivers a secure, comprehensive, and data-rich human resource (HR) talent management system to the Total Force.

Just over a year ago, IPPS-A Release 3 was deployed to over 1.1 million Soldiers in all three components, providing the Total Force visibility required to support Readiness, Talent Management, and Auditability. IPPS-A is the Army's top human resources modernization effort and system of record for accountability of Army personnel. Over the last year, IPPS-A processed more than 2.5 million pay impacting transactions with an accuracy rate of approximately 99 percent, along with over 250 thousand Customer Relationship Management (CRM) cases actioned by HR and IT professionals. IPPS-A trained over 41 thousand HR Professionals on their roles and responsibilities with the new platform while also providing Self-Service and Leaders videos and user manuals. With the transition to Agile Software Development in July 2023, the team is able to easily flex to meet law, regulation, and policy change updates while also completing enhancement requests from the users. IPPS-A averages over 100,000 users daily with 380,000 downloads of the mobile app. IPPS-A is a Soldier's system and it shows.

Compensation and Entitlements

Since the inception of the all-volunteer force, our compensation program has been instrumental in attracting and retaining qualified personnel to fill our ranks. Recent challenges in meeting recruitment goals underscore the importance of this fact, and we deeply appreciate Congress' support in maintaining a high-quality all-volunteer force. Recent initiatives by the DoD and Congress to enhance the quality of life for Servicemembers have resulted in several welcomed changes. The recent increases to Basic Pay, Basic Allowance for Subsistence, and housing allowances have been positively received by our members and will significantly impact the lives of Soldiers and

their families. Additionally, expansions in parental leave and the inclusion of bereavement leave demonstrate our commitment to supporting our Soldiers and their families during times of celebration and sorrow. Furthermore, granting the Department authority to cover pet travel expenses during Permanent Change of Station reflects our concern for all members of our Soldiers' families. Lastly, we commend the efforts of DoD and Congress in addressing food security for our Soldiers and families through the Basic Needs Allowance, particularly benefiting our most vulnerable junior enlisted Soldiers with larger families.

The steadfast support from Congress and the proactive efforts of the Department of Defense to improve the quality of life for Servicemembers not only demonstrates our nation's commitment to our Soldiers and their families but also underscore our dedication to maintaining a high-quality, all-volunteer force. As we continue to face evolving challenges, we remain committed to ensuring that our compensation program and benefits align with the needs of our personnel, enabling us to fulfill our mission effectively.

Transition Assistance Program

The Army is fully committed to caring for its people, from the beginning of their tours in basic training until they leave the service. It is in the Army's and our Nation's best interest to ensure soldiers successfully transition back into our communities after their active-duty military service and become ambassadors for the Army within those communities. The Transition Assistance Program (TAP) is the overarching program that provides assistance, information, training, counseling, and services to eligible soldiers in transition to help them achieve career readiness upon separation, retirement, or release from active duty. During FY 2023, 106,477 Active Army, Reserve and Guard Soldiers transitioned off active duty with nearly half meeting TAP Career Readiness Standard (CRS) requirements and 80% beginning their TAP process at least 230 days prior to transition.

TAP offers Soldiers the opportunity to participate in the Career Skills Program (CSP), also known as the DoD Skillbridge program. Soldiers have the option to participate in first-class apprenticeships, pre-apprenticeships, on-the-job training, employment skills training, and internships to obtain industry-recognized skills, and move into high-demand and highly skilled careers with little-to-no cost upon transition. During FY 2023, 10% of transitioning Soldiers successfully completed a CSP. This is a highly popular program that is continuing to gain more traction as commanders at all levels are being educated on the benefits afforded to transitioning soldiers.

Soldier For Life

The Soldier for Life (SFL) program is reconnecting the Army with communities throughout the country. SFL's outreach and advocacy efforts focus on engaging local governments, non-government organizations, private organizations, and non-profit organizations to influence policy, programs, and services that support Soldiers, Veterans, and Families while also encouraging Soldiers to remain Army ambassadors upon their transition from service.

In FY 2023, SFL focused on building greater awareness and knowledge of the Army within civilian communities across the country, especially where there are no Army installations. These efforts included: leveraging SFL relationships to improve institutional and community awareness of programs available to support the military community, expanding support to the accessions enterprise by leveraging outreach and centers of influence to support the recruiting mission, and building the SFL mindset by partnering with U.S. Army Training and Doctrine Command (TRADOC) and Army Centers of Excellence to instill the mindset into the operational force through Initial Military Training, Professional Military Education, and operational touch-points throughout the Soldier life cycle. Veteran support in communities was fostered with the launch of the SFL apparel line, now in over 30 military exchange stores and online. In FY 2024, SFL is reframing its mission and vision, with a focus on awareness, understanding, and embodiment of the SFL mindset in every Soldier throughout the Soldier life cycle. SFL's unique program directly reaches Soldiers at military

installations, in the Army Reserve, in the Army National Guard, and our Retired Soldiers as well. Efforts continue to identify issues that impact Soldier transitions in the areas of education, employment and health and wellness. But employment efforts are being broadened by re-aligning the Army Partnership for Your Success (PaYS) Program from accessions to SFL.

The SFL mission remains critical because it directly connects external organizations to the Army. Soldiers in the SFL office are often the only contact that communities have with the Army. SFL's presence makes a difference.

Conclusion

The Army's mission remains unchanged, to fight and win our Nation's wars. To meet our mission requirements, while building and transforming the Army of the future, we rely on this Congress to support our efforts through the President's budget and in our collaborative relationship concerning our personnel policies. This relationship and these investments in our people will ensure the Army's readiness today and into the future. Rest assured, the Army's number one priority will remain our people—our Soldiers, Army Civilians, Families, and Veteran Soldiers for Life. The people of the United States Army—these servicemembers who serve our Nation, both in and out of uniform, along with their families—are our strength and our legacy. Congressional support for our Army enables our ability to transform our force while showcasing our abilities and offering opportunities to allow careers and Families to flourish.

Thank you for your generous and unwavering support of our outstanding Soldiers, Civilian professionals, and their Families.