

**DEPARTMENT OF THE AIR FORCE**

**STATEMENT OF**

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(MANPOWER, RESERVE AFFAIRS,  
INSTALLATIONS, AND ENVIRONMENT**

**BEFORE THE**

**COMMITTEE ON ARMED SERVICES  
SUBCOMMITTEE ON PERSONNEL  
UNITED STATES SENATE**

**SUBJECT: PERSONNEL OVERVIEW**

**MARCH 9, 2000**

## **INTRODUCTION**

**Mr. Chairman and members of the committee, I appreciate the opportunity you have provided us to discuss the current status of Air Force personnel programs and policies including recruiting, retention, and quality of life efforts. The men and women of the Air Force are our most valuable resource and our programs and policies must reflect our continuing commitment to recruit, reward, and retain this country's best and brightest.**

**With your help, last year we were able to strengthen our compensation and benefits package. The historic gains you provided in last year's Defense Bill will assist us in attracting and retaining the number of talented people needed to maintain our readiness posture.**

**Secretary Peters appropriately referred to 1999 as a “rebuilding year” and stated that 2000 “will be another building year to keep it all going.” We must carry forward this momentum by continuing to protect and enhance compensation and benefits, evaluating and implementing recruiting and retention initiatives, and addressing quality of life issues that are important to our uniformed members and their families. With your continued support, we will pursue new and creative initiatives to meet these challenges.**

## **RECRUITING**

**The Air Force is taking an aggressive approach to the challenges we face in meeting our recruiting objectives. For the first time since 1979, and only the second time since the inception of the All Volunteer Force, we missed our FY 99 annual recruiting goal. We missed our goal by slightly over 1,700 and we accessed 95 percent of the FY 99 goal of 33, 800. Our recruiters actually accessed 577 more recruits in FY 99 than in FY 98, but we still fell short. The target is 34,000 in FY 00 and so far we are short 1,710 new recruits having accessed 84 percent of our goal. It's obvious that our recruiters remain challenged by a robust economy that is producing greater shares of youth who are pursuing college or entering the civilian work force. This, coupled with the lowest unemployment rate in 30 years, means that our recruiters are faced with an extremely competitive market.**

### **Recruiting Summit**

**In October 1999, at the direction of the Under Secretary and Vice Chief, we convened a Recruiting Summit tasked to respond to Air Force shortfalls by conducting a cradle-to-grave recruiting and accession review. Senior Air Force civilian and military leaders met to evaluate our recruiting and accession programs from top to bottom. The top-to-bottom review**

**yielded numerous initiatives to combat the recruiting shortfall. We are now vetting major initiatives grouped into three focus areas: increasing our visibility; incentives for recruits; and incentives for recruiters. While the working group process is on-going, we're already moving forward with initiatives in each of these areas.**

### **Increasing Visibility**

**To increase our visibility in the recruiting market, we're expanding our ability to reach America's youth and those who influence them. Our first major initiative is to increase the number of Air Force recruiters on the street. Currently, our recruiters are out-numbered by our sister Services' recruiters by almost thirteen to one. Our target is 100 percent recruiter manning by this April. Next, we have increased our advertising budget and have budgeted for prime time television. We also plan to establish an Air Force centralized advertising and marketing office to focus on marketing strategies and to develop a comprehensive multi-media program. The Air Force also plans to broaden its visibility by increasing the number of our Junior Air Force Reserve Officer Training Corps units from 609 to 945 by FY 05.**

### **Incentives for Recruits**

**We are examining additional incentives to attract new recruits. We have expanded our enlistment bonus program to include 100 Air Force specialties that have an initial enlistment bonus and increased the maximum enlistment bonus to \$12,000 for a six-year initial enlistment. We also increased our efforts to recruit prior service personnel and were able to access 605 in FY 99 compared to 196 in FY 98. Accessing prior service members not only helps us man the force, but also returns valuable experience to us. As an additional incentive, we are authorizing a \$1,000 bonus to recruits who begin basic in our most difficult months of February through May. Funding for a college loan repayment pilot program is also among our priorities.**

#### **Incentives for Recruiters**

**Finally, we are pursuing administrative support and equipment for our recruiters. Our funding priorities include a plus-up for operations and maintenance of facilities and support staff. We plan to provide cell phones, fax machines, and lap top computers to help our recruiters operate more efficiently in the field. Your continued support will assist us in implementing our recruiting objectives and meeting the challenges that confront us.**

#### **RETENTION**

**The Air Force views retention as a serious and complex problem with many factors impacting the “stay or go” decision of our people. Losing first term, second term, and career airmen in all categories represents the loss of many highly skilled technicians, maintainers and deployers. For the second year in a row, we have missed our retention in all three enlisted categories (first term 49% versus 55% goal, second term 69% versus 75% goal, and career 91% versus 95% goal). Attrition is our first true retention challenge for both the enlisted and officer force. We must be able to retain recruits past their first and second term contracts.**

**Officer retention in operational and support career fields is as equally challenging as retention issues in the enlisted force. Pilot and navigator retention rates in FY 99 reflect a drop of over 41 and 24 percentage points, respectively, since FY 94. Our non-rated operations officer retention rate was 14 percentage points lower while the rate for mission support officers was still 17 percentage points lower than FY 94 levels. We are committed to pursuing every initiative that will help influence our people to stay with us.**

**Expeditionary Aerospace Force (EAF)**

**We are implementing the EAF concept of operations to help manage operations tempo and relieve the instability and stress experienced by our people during deployments. The EAF brings greater stability and**

**predictability by distributing recurring deployments over a larger pool of units on a rotating basis. It is a total force package that integrates our guard and reserve units who will also share the benefits of this predictability in working leave with their employers and planning events with their families. Composed of 10 Aerospace Expeditionary Forces (AEFs), we fielded the first EAF units in October 1999. Last December, AEFs #3 and #4 began their three-month rotation of a full 15-month cycle. Thus far, the AEF concept is working well.**

#### **Air Force Retention Summit**

**Senior Air Force leadership is spearheading our efforts to improve our retention programs. In January we conducted an Air Force Retention Summit. The initiatives generated from the Summit fall into five major issue areas: manning and operations tempo; leadership; educational benefits; better and more timely communication; and quality of life issues. We plan to reconvene the Summit in mid-April to review the results of field focus groups and then prepare a prioritized list of initiatives.**

#### **Compensation and Benefits**

**FY 00 legislation brought gains and improvements needed in the vital areas of compensation, pay table reform, and restoring retirement benefits. Additional support in the forms of Career Enlisted Flyer Incentive**

**Pay and Temporary Lodging Expense for first term airmen, an increase and expansion of the Aviator Continuation Pay and increases in Aviation Career Incentive Pay, and the maximum allowable reenlistment bonus are helping us retain our skilled airmen. These gains are a critical first step forward in demonstrating our commitment to our dedicated men and women in uniform. We must continue this effort.**

**We appreciate the FY 01 legislative initiatives that will provide additional assistance to our military members, their families, and our military retirees. The 3.7 percent pay raise with its economic cost index of +.5 percent will help narrow the gap with the private sector. We also strongly support the Secretary of Defense's initiative to add 3 billion dollars to basic allowance for housing to bring down and then eliminate out-of-pocket housing expenses in the next five years. This is a real plus for our personnel and their families. We also agree with the decision to restore recently reduced housing rates to FY 99 levels and support the effort to review the housing survey process.**

### **Health Care**

**The importance of improving health care as a quality of life factor influencing retention and recruiting must not be overlooked. We, therefore, always look to improve the health care and benefits of active duty families and retirees. We are strengthening and expanding Primary Care Clinics in Air**



**Force treatment facilities and optimizing the use of these facilities. This will give patients access to more appointments on a daily basis.**

**Providing health care for our retired community is also a significant issue. We are working with the Defense Medical Oversight Committee to identify resources and programs to ensure that our retired community has access to cost effective and efficient health care services.**

**We have a special concern for our senior retirees who are age 65 and older. We are field testing two programs: TRICARE Senior Prime (Medicare Subvention) and the Federal Employees Health Benefit programs. Once we have data on use, cost, and patient satisfaction, we will make an informed decision on the best way to proceed. Regardless of these outcomes, we believe that a prescription drug program for both acute and chronic health care conditions is one of the key programs the DMOC is considering.**

**For our active duty people, we have worked extremely hard over the last year to implement TRICARE Prime Remote for those who work and live more than 50 miles from a military treatment facility. We are making progress and will continue working this important issue until all families' medical needs are met. There is a consensus that health care is a critical component to quality of life; but it is underfunded. This funding shortfall needs to be resolved.**

## **Other Quality of Life Programs**

**Establishing and maintaining community, family support, and educational programs is important to retention and readiness. From expanding or improving our child development, youth activities, and family support programs to commissaries, military exchanges, and libraries, we must consistently demonstrate our commitment to our people and their families.**

**The Air Force's Family Support Centers are at the center of many of these vital programs. One program that is especially important to our junior enlisted personnel is providing financial counseling and training that helps them manage their income in today's credit-based consumer society. Our Personal Financial Management Program, (PFMP) provides professional financial education, training and guidance to foster self-sufficient and financially responsible members and families. The counseling begins with education at Basic Military Training, continues at Technical Training, and is required for all airmen at their first new duty station. Helping our people effectively manage their personal financial resources is one way we can help our members succeed in adapting to the military way of life.**

**Our Family Support Centers also play an important part in helping members transition to life after the Air Force through the Transition Assistance Program. Our dedicated program staff at Air Force bases worldwide conduct pre-separation counseling sessions that review benefits, discuss services available, and make appropriate referrals to other service providers. These counseling sessions are important in providing timely and pertinent information to help reduce the stress members and their families can experience in the transition process. Three-day workshops also give members a thorough indoctrination in job search skills essential in making a career move. Our people know that if they stay with us through an enlistment or a career, we will be there to help them after their dedicated service is complete.**

**Education remains high on the list of reasons why members stay with us. Our Tuition Assistance and off-duty education programs are in the top five ranking of community programs having a positive influence on recruiting and retention. The Community College of the Air Force, which allows airmen to combine college credits and Service related education and experience to earn an Associates Degree is highly regarded.**

**The Air Force also recognizes the importance of providing our people and their families better conditions to live, work, play and worship. We are using**

**a balanced approach and leveraging our funding in this critical area with our readiness and modernization programs. The Air Force Total Force Military Construction budget includes funds for ten enlisted dormitories in our master plan, a child care center, and four fitness centers. Further, while we continue to strive to increase Real Property Maintenance dollars for infrastructure and new facilities, we must continue to demolish worn out or obsolete facilities to reduce recurring operations and maintenance costs.**

**Overall, the Air Force is tackling retention issues with a game plan that focuses on the people accomplishing the mission day in and day out. We are transitioning into the EAF concept to better manage operations tempo that will produce better stability and predictability for our members who deploy. Senior Air Force leadership is also committed to evaluating and implementing initiatives identified in our Air Force Retention Summit that can help improve the quality of life. Strong community, family support, and educational programs are a centerpiece in this effort. And finally, with your support we will continue to protect and build on those gains made to ensure fair and competitive compensation and benefits, adequate and affordable housing, and an accessible and efficient health care system.**

## **CIVILIAN FORCE SHAPING**

**Management of the civilian workforce has its own unique challenges in a downsizing environment. The magnitude of the downsizing and the speed with which it has been accomplished has created skills imbalances along with a corresponding imbalance of experience levels. Constrained accessions have also limited our ability to hire college graduates and interns, a necessary element to renewing the civilian workforce in the same manner that we renew the military through the accession process.**

**We have difficulty competing with the private sector for highly skilled employees, especially in the scientific, engineering, and computer science occupations. Technology is changing at such a rapid rate that it is critical for us to develop innovative personnel systems that allow for an agile workforce capable of quickly expanding and contracting with the changing need. For example, in order to have a highly skilled core of scientist and engineers who can meet the dynamic technological challenges of the 21<sup>st</sup> century there must be changes to the existing personnel systems to facilitate a “refreshment” flow through of talent from academia and industry. We are working with OPM to obtain flexible hiring processes and salaries that are market-based in these critical areas. Regardless of downsizing, we need the ability to bring in new people every year for revitalization of the workforce. We will continue to develop legislative initiatives that address these issues.**

**We also recognize the importance of training, retraining, education and continual development in the overall strategic plan for sustaining the civilian workforce. In the Air Force, we are establishing a corporate approach for identifying requirements, managing training resources, and evaluating program results to provide effective training, education and developmental activities that meet Air Force current and long term leadership, management, technical mission, and employee and corporate needs.**

**Programs that facilitate separation management are also important civilian workforce management tools. The Air Force has effectively used existing programs such as the DoD Priority Placement Program, Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) to manage the drawdown. However, these tools cannot be used to counter skills imbalances that result from reductions-in-force. Expansion of the VERA and VSIP for these purposes is needed to facilitate workforce restructuring. VERA and VSIP are valuable tools for shaping the force to meet mission needs. It is critical to manage all phases of our work life cycle, from accessions to separation, to ensure a vital and dynamic workforce that is ready to meet future challenges.**

## **CONCLUSION**

**In summary, we must continue to market the Air Force as a viable and realistic career option in today's competitive environment. We rely on high quality people to meet the challenges of our high-tech mission. As such, we must continue leaning forward to provide competitive compensation and to address those quality of life issues that help retain our best, talented personnel and attract new recruits. At the core of our commitment is bringing better stability and predictability to our total force by implementing the EAF. All of our efforts must center on our most valued resource--the welfare of our men and women in uniform who are the critical factors in our overall readiness. With your continued and dedicated support, we can make this happen.**

