

Department of Defense

FY 2006

# Performance and Accountability Report

Detailed Performance Information

for

Part 2: Performance Information



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**Strategic Goal 1: Balancing Force Management Risk – recruit, retain, train, and equip a ready force and sustain readiness.**

**Performance Goal 1.1 – Ensure Sustainable Military Tempo and Maintain Workforce Satisfaction**

Metric 1.1.1: PERSTEMPO Across Occupational Groups					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of an occupational group that surpasses the personnel tempo (PERSTEMPO) day constraints	Published Interim Personnel Tempo Policy Guidance	Validated and verified Service data Considered global joint rotational policy	Began tracking frequency and duration of PERSTEMPO trends Continued work on metric development	Metrics developed	Initial performance results were to be loaded on the Defense Manpower Data Center website for review and comment; resource constraints precluded loading during first quarter of FY 2006 Focus turned to repealing current legislation in favor of different metric; work to put data on website put on hold pending decision
<sup>a</sup> FY 2006 data are as of the fourth quarter.					

**Metric Description**

As directed by Congress, the Services started tracking and reporting individual time away from home (expressed in days), commonly referred to as PERSTEMPO, on October 1, 2000. Each of the Services has developed or enhanced existing data collection systems to support the legislative requirements. They report the number of days each member is deployed; particular emphasis and scrutiny will be placed on those 10 major occupational groups that have deployed 400 or more days out of the preceding 2 years. On October 8, 2001, the Department suspended certain PERSTEMPO management processes in accordance with the provisions of the national security waiver set forth in Section 991(d) of Title 10, U.S. Code.

The metric being developed will incorporate a frequency and duration dimension to PERSTEMPO based on changes to the PERSTEMPO legislation in the FY 2004 National Defense Authorization Act. The metric will capture the percentage of an occupational group, as defined by the Defense Manpower Data Center occupational codes, that have exceeded the 400-day PERSTEMPO constraint within the last 730 days or the 191-consecutive-day PERSTEMPO constraint, by Service and across the Department. This metric will provide valuable insight into the “high-deploying” skills and relate them to the high-deploying/low-density units.

**Ongoing Research**

The Department employed a contract consultant to help define and refine key performance indicators.

### ***Timeline to Completion***

Evaluation of the metrics using “live” data was planned for FY 2006.

### ***Performance Results for FY 2006***

DoD suspended further action on this metric, including evaluation of metrics using live data, because of the decision to pursue a different metric for evaluating PERSTEMPO. The proposed metric will provide flexible tools (not a member’s “time away from home,” which is the current standard) for managing deployment. It will modify the definition of deployment and eliminate statutory thresholds and management oversight mechanisms.

The current definition of PERSTEMPO became law before September 11, 2001, and does not allow the flexibility needed to compensate, establish deployment expectations, and influence retention behavior for members who experience hardship duty by being deployed in excess of approved thresholds. The current definition is constructed for forces operating normally in a low operational tempo environment, as opposed to a protracted global war on terror or prosecution of the “long war” as envisioned in the Quadrennial Defense Review.

A “day away” will be redefined to no longer count non-operational temporary duty absences and absences for conferences, seminars, and training as being operationally deployed unless designated by the Secretary concerned. The DoD believes that Department-specific levels of payment for exceeding thresholds—thresholds that are Service-unique and focused on a member’s expectation on how long he or she should be deployed—would better accomplish their individual goals, such as encouraging volunteerism and developing or enhancing skills unique to the deployed environment.

### ***Performance Results for FY 2005***

A contractor helped define and refine key performance indicators. The Department completed development of the metric during second quarter FY 2005. Work continued throughout the remainder of the fiscal year to determine the best way to accumulate the data from the PERSTEMPO database and to display the information on the information delivery system website. DoD planned for the data displays to be posted to the website during the first quarter FY 2006 for Departmental approval.

Metric 1.1.2: PERSTEMPO Standards Met					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of Active and Reserve components (by Service) that has exceed personnel tempo (PERSTEMPO) constraints	Published Interim Personnel Tempo Policy Guidance	Validated and verified data Considered global joint rotational policy	Began tracking frequency and duration of PERSTEMPO trends Continued work on metric development	Developed metrics	Initial performance results were to be loaded on the Defense Manpower Data Center website for review and comment; resource constraints precluded loading during first quarter of FY 2006 Focus turned to repealing current legislation in favor of different metric; work to put data on website put on hold pending decision
<sup>a</sup> FY 2006 data are estimated as of the fourth quarter.					

***Metric Description***

On October 8, 2001, the Department suspended certain PERSTEMPO management processes in accordance with the provisions of the national security waiver set forth in Section 991(d) of Title 10, U.S. Code. These included General/Flag Officer monitoring, approval of Service member PERSTEMPO days that may exceed certain thresholds, and payment of the high deployment per diem. However, Services were still required to report individual days away.

The metric being developed will incorporate a frequency and duration dimension to PERSTEMPO based on changes to the PERSTEMPO legislation in the FY 2004 National Defense Authorization Act. The metric will portray the percentage of the Service Active and Reserve Components that exceed the 400-day PERSTEMPO constraint within the last 730 days or the 191-consecutive-day PERSTEMPO constraint. This metric will provide valuable insight into the “high-deploying” tendencies of various Service components. The “drill-down” metric, PERSTEMPO Across Occupational Groups, (Metric 1.1.1) will measure those occupational groups that exceed the 400-day or the 191-consecutive-day constraint, and will provide further information on a Service’s use of the distinctive skills of their personnel.

***Ongoing Research***

The Department employed a contract consultant to help define and refine key performance indicators.

***Timeline for Completion***

Evaluation of the metrics using “live” data was originally planned for FY 2006.

### ***Performance Results for FY 2006***

DoD suspended further action on this metric, including evaluation of metrics using live data, because of the decision to pursue a different metric for evaluating a PERSTEMPO. The proposed revision will provide flexible tools (not a member's "time away from home," which is the current standard) with which to manage deployment. It will modify the definition of deployment and eliminate statutory thresholds and management oversight mechanisms.

The current definition of PERSTEMPO became law before September 11, 2001, and does not allow the flexibility needed to compensate, establish deployment expectations, and influence retention behavior for members who experience hardship duty by being deployed in excess of approved thresholds. The current definition is constructed for forces operating normally in a low operational tempo environment, as opposed to a protracted global war on terror or prosecution of the "long war" as envisioned in the Quadrennial Defense Review.

A "day away" will be redefined to no longer count non-operational temporary duty absences and absences for conferences, seminars, and training as being operationally deployed unless designated by the Secretary concerned. DoD believes that Department-specific levels of payment for exceeding thresholds—thresholds that are Service-unique and focused on a member's expectation on how long he or she should be deployed—would better accomplish their individual goals, such as encouraging volunteerism and developing or enhancing skills unique to the deployed environment.

### ***Performance Results for FY 2005***

DoD used a contractor to help define and refine key performance indicators. The contractor completed its work in FY 2005. The Department completed development of the metric during second quarter FY 2005. Work continued throughout the remainder of the fiscal year to determine the best way to accumulate the data from the PERSTEMPO database and to display the information on the information delivery system website. DoD planned for the data displays to be posted to the website during the first quarter FY 2006 for Departmental approval.



<b>Metric 1.1.3: Quality of Life Social Compact Improvement Index</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Trend data to monitor improvements in leading Quality of Life (QoL) indicators	No historical data; new metric	Developed framework for QoL index	Met or exceeded standards in four of eight functional areas  For two functional areas, some DoD Components met or exceeded standards  Did not meet standards for one functional area  Metric for one functional area was under development	Met or exceeded standards in three of eight functional areas  For four functional areas, some DoD Components met or exceeded standards  Metric for one functional area was under review	Meet or exceed standard in eight functional areas
<sup>a</sup> FY 2006 data are not available until end of the fiscal year.					

***Metric Description***

The QoL Social Compact Improvement Index monitors the health of eight key QoL programs and services supporting military members and families: housing, Military OneSource, off-duty/voluntary education, financial readiness, child development, DoD education activity, commissaries, and exchanges. The index links to the Modernized Social Compact that outlines a 20-year strategy to ensure that programs and services keep pace with the changing needs of the transforming military. Current deployment and high operation tempo necessitate robust QoL support for Service members and families. In an effort to mitigate force management risk in attracting and maintaining a quality workforce, the Department must transform QoL to keep pace with the American standard of living, changing demographics (two-thirds of military families live off the installation), and expectations of military members and their families. This metric tracks improvement in QoL to ensure that the Department provides support to families. Functional areas and metrics will be added or eliminated as data mature and priorities change. Data will be cross-referenced with the Community QoL Per Capita Cost metric to ensure that QoL programs are provided to meet the unique needs of military members and their families.

***Ongoing Research***

The Modernized Social Compact recognizes the reciprocal partnership that exists between the Department, the Service member, and his or her family. It is viewed as a living document that requires continual review and revision to keep pace with the changing needs of the transforming military. Although the Modernized Social Compact includes long-term, mid-term and short-term strategies, the QoL Social Compact Improvement Index focuses on the short term.

***Timeline for Completion***

The QoL Social Compact Improvement Index is complete; however, program areas and metrics will be added or eliminated as data mature and priorities change.

## ***Performance Results for FY 2006***

Performance results for FY 2006 will be available at the end of the fiscal year.

## ***Performance Results for FY 2005***

Overall, in FY 2005 the Department met the majority of established targets:

- In housing, the Department achieved the long-term goal to reduce average out-of-pocket expenses to zero. However, the number of single Service members in grades E4 and E5 living off the installation declined.
- All Services, including the Guard and Reserve, are participating in Military OneSource (24/7 Toll Free Family Assistance).
- The total number of Service members attaining degrees or diplomas increased overall. However, enrollments decreased by approximately 7 percent from FY 2004. This may be due to increased and lengthier deployments and rebasing efforts, which is understandable at this time. All Services continue to pay up to the \$250 semester unit tuition cap; however, the Navy did not meet the annual tuition ceiling.
- The Services are sustaining in financial readiness. There are no significant statistical differences between the FY 2004 and FY 2005 data. However, the Air Force met the long-term goal in both financial metrics.
- The Department showed significant growth in child care spaces, gaining 7,000 spaces in FY 2005. However, DoD child development center accreditation at 94 percent was slightly below the annual target (95 percent).
- DoD schools continued to meet all targets in FY 2005.
- Commissaries achieved all targets in FY 2005.
- Metrics, targets, and parameters for the exchanges are being reviewed by the Exchange Cooperative Efforts Board and will be available by the end of FY 2006.

Quality of Life Metrics, by Functional Area				
Functional Area	Metric	FY 2005 Target	FY 2005 Actual	FY 2006 Target
Housing	Percentage of out-of-pocket housing expenses	0%	0%	0%
	Number of E4s and E5s living off base	89,752	84,425	94,240
24/7 Toll Free Family Assistance: Military OneSource	Number of installations with coverage	300	300	300
Off-Duty/Voluntary Education	Out-of-pocket education costs	Meet DoD policy for per-unit cap and annual ceiling	All Services except Navy met goal	Meet DoD policy for per-unit cap and annual ceiling
	Number of degrees and diplomas	35,543	36,527	36,431
	Number of enrollments	> 882,467	819,526	> 819,526
Financial Readiness	Percentage reporting problems paying bills	37.5%	39.0%	35.6%
	Percentage reporting having difficulty making ends meet or are in over their heads	18.3%	13.0%	17.4%
Child Development	Number of spaces	4,586	6,999	3,747
	Percentage of centers accredited	95%	94%	95%
DoD Education Activity	Pupil-to-teacher ratio	No less than 18:1 or greater than 24:1	DDESS: 18.4:1 DoDDS: 18:1	No less than 18:1 or greater than 24:1
	Student achievement: 75% of all students at or above standard (math, reading, language arts)	Meet or exceed national standard	Met target: Reading: 71 Language: 71 Math: 68	Meet or exceed national standard
	Student achievement—8% or fewer of all students fall below standard (math, reading, language arts)	Meet or exceed national standard	Met target: Reading: 9 Language: 8 Math: 10	Meet or exceed national standard

Quality of Life Metrics, by Functional Area				
Functional Area	Metric	FY 2005 Target	FY 2005 Actual	FY 2006 Target
Commissaries	Customer savings	30%	32%	30%
	Sales	\$5.239B	\$5.369B	\$5.265B
	Customer satisfaction—internal Commissary Customer Satisfaction Survey and American Customer Satisfaction Index (ACSI)	Internal: 4.47 ACSI: 74	Internal: 4.55 ACSI: 77	Internal: 4.47 ACSI: TBD (published 2/07)
	Unit cost	\$0.2232	\$0.2171	\$0.2277
Exchanges	Customer savings	11%	New metrics under development/review	New metrics under development/review
	Sales and profits	Sales: AAFES: \$8.237M NEX: \$2.344M MCX: \$758M Profits: AAFES: \$427M NEX: \$81M MCX: \$39M	New metrics under development/review	New metrics under development/review
	Customer satisfaction—internal Commissary Customer Satisfaction Survey and ACSI)	ACSI industry average: 75	New metrics under development/review	New metrics under development/review
	Capital expenditures and dividends	Capital expenditures: AAFES: \$381M NEX: \$97M MCX: \$53M Dividends: AAFES: \$243M NEX: \$62M MCX: \$32M	New metrics under development/review	New metrics under development/review

Notes: AAFES = Army and Air Force Exchange Service, DDESS = Domestic Dependent Elementary and Secondary Schools, DoDDS = DoD Dependents Schools, NEX = Navy Exchange, and MCX = Marine Corps Exchange.

<b>Metric 1.1.4: Commitment to Military Life Index</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Trend data to monitor results in key commitment areas that are predictors of retention and satisfaction	No historical data; new metric	No historical data; new metric	Reviewed corporate commitment literature Developed commitment factors reflecting military environment and culture Conducted focus groups to validate and expand commitment factors	Fielded survey Developed final commitment index survey for military service Fielded commitment index survey questions in May 2004 survey of Guard and Reserve members Included commitment index questions in August 2004 Active Duty survey	Conduct further research to realize the full potential of the index Continue to include commitment index survey questions in Active Duty, Guard and Reserve, and spouse surveys
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### *Metric Description*

The Commitment to Military Life Index is being designed to track the factors that influence and predict commitment to military service for both Active Duty and Guard and Reserve members and spouses. This index is modeled after an approach used in corporate America to measure employee commitment. This performance measure responds to the National Security Presidential Directive 2 (February 2001), "Improving Quality of Life," and guidance from the Secretary of Defense to track QoL improvements and give priority to the implementation of QoL initiatives. Current deployment and high personnel tempo necessitate robust QoL support for troops and families. In an effort to mitigate force management risk and enhance workforce satisfaction, the Department must transform QoL to meet the needs of the changing demographics and expectations of military members and their families.

Retention is a critical issue in the military, and commitment has been shown to be a primary predictor of retention decisions. Thus, this effort is directed at tracking a brief index of Service member commitment to military service. A complementary index of spousal commitment to the military has been developed, acknowledging the importance of both military and family factors in predicting commitment to the military.

The value of the index is to demonstrate the fluctuations and factors of commitment over time. The commitment index survey questions will be included in all Defense Manpower Data Center (DMDC) surveys of Active Duty members, and once each year in a Reserve and Guard survey. The index will gain meaning as the factors influencing commitment are tracked at different points in time. The survey instrument will be reviewed and updated as needed, and data will be cross-referenced with the QoL Social Compact Improvement Index and Community QoL Per Capita Cost Metric.

### ***Ongoing Research***

The DoD developed and validated metrics for tracking member commitment and is doing the same for spousal commitment. Tracking commitment as a component of retention is important, but not sufficient to create informed interventions. DoD is working to understand the underlying causes of commitment for members and spouses. This includes understanding the disruptions, policies, and practices that buffer negative events or foster positive ones and determining how they affect the retention decision processes for Service members and their families. DoD is seeking to validate the impact of commitment on decisions to reenlist. Ongoing research must track, over time, how commitment develops and changes. It also must be connected to actual decisions to stay or leave the Service to verify the predictability of commitment. Ongoing research must also focus on the family so that DoD can learn how different events affect levels of commitment and how reenlistment decisions are negotiated.

### ***Timeline for Completion***

The scope of the project is being expanded so that the Department can better understand the commitment processes and link them to reenlistment decisions. Commitment must be tracked over the next decade as major policies change and commitment to the military is tested in times of lower and higher global conflict.

### ***Performance Results for FY 2006***

Spouse commitment indicators were included in the DMDC spouse survey completed in spring 2006. The results are being analyzed. The commitment variables were also included in the DMDC surveys of Active Duty and Reserve and Guard members. These data sets will be used in further research that will look at how commitment indicators are linked to actual reenlistment decisions. Commitment index survey questions will continue to be included in Active Duty, Guard and Reserve, and spouse surveys.

### ***Performance Results for FY 2005***

DoD established preliminary baseline of commitment data for Active Duty, National Guard, and Reserve members and developed the spousal commitment index, which was fielded in fall 2005 in the DMDC survey of military spouses.

<b>Metric 1.1.5: Satisfaction with Access</b>					
<b>Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005 Target/Actual<sup>a</sup></b>	<b>FY 2006 Target/Actual<sup>b</sup></b>
<b>Satisfaction with access</b>	80.8%	83.0%	81.8%	≥84%/81.0%	≥84%/80.6%
<sup>a</sup> Actual performance represents a weighted average for the entire fiscal year.					
<sup>b</sup> FY 2006 data are estimated as of the second quarter.					

***Metric Description***

Access always has been a significant factor in the overall satisfaction with medical care and, consequently, has been an area for focused improvement. The intent of this metric is to improve satisfaction with access to appointments for those individuals who have chosen to enroll in TRICARE Prime (similar to a health maintenance organization) within the Military Health System. This metric is based on a monthly customer satisfaction survey for those individuals who had an outpatient medical visit at a Military Treatment Facility (MTF) hospital or clinic during the previous month. Although a number of measures are related to access, ease of making an appointment by phone is a key measure that has been tracked over the past few years. The metric is based on Question 10a of the customer satisfaction survey, which asks: “How would you rate the (Clinic Name) on ease of making this appointment by phone?”

The Department fields the survey monthly and computes the percentage of respondents (weighted by appropriate sampling weights) who answer “Good,” “Very Good,” or “Excellent” (on a scale from “Poor” to “Excellent”). Reports are produced quarterly. Although information is available by Military Service branch, the table above shows only an aggregate Military Health System score.

***Performance Results for FY 2006***

Since the survey method was changed from a mailed survey to a phone-based survey, satisfaction with access has decreased. The Department expected a slight change in results due to the change in method, but the change was larger than expected and has raised concerns about access to the MTFs. Accordingly, the Department undertook a review using other tools to determine whether this was an issue across the board for the Military Health System or was focused on MTFs. The review found that the large decrease in satisfaction with access was primarily focused on the MTF Prime enrollees. A review of two major areas (“getting needed care” and “getting care quickly”) from the quarterly beneficiary survey showed that all individuals, except for MTF Prime enrollees, were at or near the norm. MTF Prime enrollees, who are getting care in both the MTFs and the private sector, appear to be less satisfied. Part of the reason appears to be related to the need to get care in the private sector while the MTFs are treating the returning wounded. As more appointments become available in the MTFs for Prime beneficiaries, the scores improve.

During the review, the Army decided to conduct its own survey focused on provider interactions with patients to improve the overall satisfaction. The Army found that satisfaction with access was not just related to the clinic operations, but was also related to physician interactions with the patients. As a result, the Army has instituted a program in which the Army Surgeon General will contact individual MTFs to improve performance. Providers doing well can receive a letter of congratulations for their achievement from the Surgeon General.

Although performance for FY 2006 is below the goal, scores have been rising since August 2005, when a low point was reached. Performance is expected to continue to improve throughout the rest of the year, but will likely miss the goal for the year. Access to care is a very important issue for the Military Health System, and DoD will continue to monitor and take appropriate action as needed.

### ***Performance Results for FY 2005***

Each of the three Services experienced a decline in satisfaction with telephone access through the first three quarters of FY 2005. Two of the Services are down slightly, and the third is down significantly. One reason for the decline is related to the survey population. For example, some of this decline is attributable to age differences. Older individuals tend to be more satisfied than younger individuals, and a larger percentage of the individuals being treated in the MTFs are now younger, Active Duty personnel.

The greatest decline in performance has been experienced in Army MTFs with large troop populations. Because Active Duty personnel generally score lower than other beneficiaries, and a larger percentage of the appointments are for Active Duty personnel, there is a significant decrease in satisfaction with access. Not only is the system experiencing a shift in workload from retirees to Active Duty members, but the scores of Active Duty members were also slightly lower in FY 2005 than FY 2004. In fact, at some major troop locations, satisfaction scores were down as much as 10 percent.

At locations where access has been a problem, DoD is using additional contract physicians to make more appointments available to returning Reservists. Based on the increased capacity at these MTFs, satisfaction with access should improve.



<b>Metric 1.1.6: Overall Satisfaction With Appointment</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual <sup>a</sup>	FY 2006 Target/Actual <sup>b</sup>
Overall satisfaction with appointment	87.1%	88.4%	87.6%	≥ 89%/88.8%	≥ 89%/90.5%
<sup>a</sup> Actual performance represents a weighted average for the entire fiscal year.					
<sup>b</sup> FY 2006 data are estimated as of the second quarter.					

***Metric Description***

This metric looks at beneficiaries’ overall satisfaction with their outpatient medical appointments at a Military Treatment Facility (MTF) hospital or clinic during the month. Overall satisfaction with the appointment is affected by numerous factors during the visit, including the experience in getting an appointment, the wait time at the appointment, the interaction with the provider, and interactions with the pharmacy or ancillary services. This metric is based on a monthly customer satisfaction survey for those individuals who had an outpatient medical visit at an MTF during the previous month. The metric is based on Question 12 of the customer satisfaction survey, which asks: “All things considered, how satisfied were you with the (name of clinic) during this visit?”

The Department fields the survey monthly and computes the percentage of respondents (weighted by appropriate sampling weights) who answer “Good,” “Very Good,” or “Excellent” (on a scale from “Poor” to “Excellent”). The lag between the appointment date and the posting of data on the web-based reporting site is 55 days, due to the time required for fielding, collecting, and analyzing the data. Results are based on the summation of data for all surveys completed by patients during the year. Although information is available by Military Service branch, the table above shows only an aggregate Military Health System score.

***Performance Results for FY 2006***

FY 2006 performance has continued to exceed the goal for the Military Health System. Once individuals are able to get an appointment with an MTF, they are satisfied with the health care services they receive and the overall treatment by the staff. Although the survey method changed from a mailed survey to a phone-based survey in FY 2005, the surveys did not show any decline in overall satisfaction with the appointment. DoD expects the score at the end of the fiscal year to remain above the goal.

***Performance Results for FY 2005***

During FY 2005, performance results were mixed across the Services. Two of the Services were just slightly below the goal, and the other Service struggled during the first two quarters of FY 2005. By the end of the year, the overall score was just slightly below the goal of 89 percent satisfaction.

<b>Metric 1.1.7: Satisfaction with Military Health Plan</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual <sup>a</sup>	FY 2006 Target/Actual <sup>b</sup>
Percentage satisfied with military health plan	46.5%	51.2%	53%	≥ 57%/53%	≥ 57%/56%
<sup>a</sup> Actual performance represents a weighted average for the entire year. <sup>b</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

A person’s satisfaction with his or her health plan is a key indicator of the performance of the Military Health System in meeting its mission to provide health care to more than 8 million eligible beneficiaries. For this metric, the following survey item is used: “We want to know your rating of all your experience with your health plan. Use any number from 0 to 10 where 0 is the worst health plan possible, and 10 is the best health plan possible. How would you rate your health plan now?”

Satisfaction is measured as the percentage of respondents (weighted by appropriate sampling weights) who answer 8, 9, or 10. The survey, fielded quarterly, asks respondents questions about the plan during the prior year. Currently, the results for the year are based on the surveys fielded during the fiscal year, which means the results are actually based on the respondents’ interactions with the health system during the prior fiscal year.

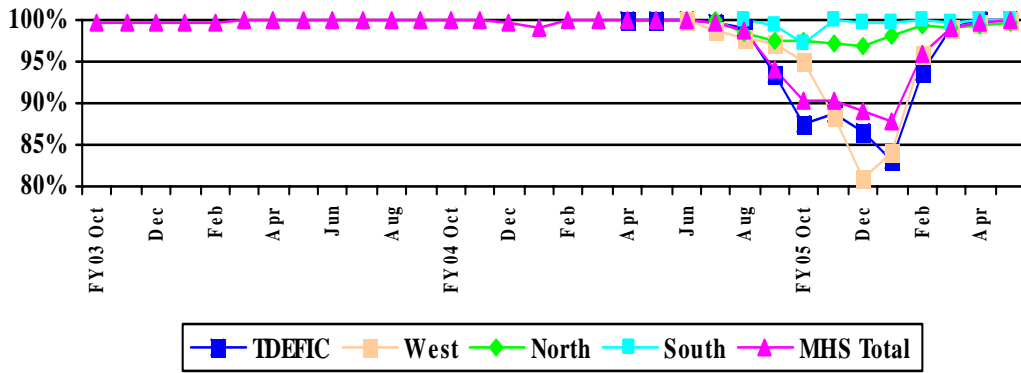
### ***Performance Results for FY 2006***

Throughout FY 2006, eligible beneficiaries’ satisfaction with the plan has improved. The results for each quarter of FY 2006 are above the comparable quarter for FY 2005. Issues with claims processing have been resolved, and development of the provider network is occurring smoothly. The next issue for focused improvement is access to care; the Department expects to make improvements that will have a positive impact on the beneficiaries’ overall satisfaction with the plan.

### ***Performance Results for FY 2005***

FY 2005 began with the initial rollout of new Health Support Services contracts and associated changes in claims processing and network development. Some problems occurred during this transition. For example, claims processing dropped from approximately 99.9 percent of claims properly processed within 30 days to a low of 80 percent (during a single month) for one of the claims processors. In addition, a number of providers decided to leave the network when the new contracts were rolled out. Beneficiaries voiced their displeasure when completing the survey. For the first 2 months of this fiscal year, the metric was 1 percent above last year’s performance at the same time.

Claims Processing Meeting 30-Day Goal



## Performance Goal 1.2 – Maintain a Quality Workforce

Metric 1.2.1: Active Component Enlisted Retention Goal					
Service <sup>a</sup>	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>b</sup>
<b>Army</b>					
Initial	19,433	19,821/21,838	24,903	26,935/27,818	26,490/24,539
Mid-career	23,074	19,509	21,120	23,773/24,407	24,510/19,571
Career	15,700	12,804	13,987	13,454/17,287	13,200/12,421
Total	58,207	54,151	60,010	64,162/69,512	64,200/56,531
<b>Navy<sup>c</sup></b>					
Zone A	59%	62%	54%	53%/52%	15,000/11,215
Zone B	75%	77%	70%	69%/63%	8,000/6,516
Zone C	87%	88%	87%	85%/85%	4,000/3,581
Total					27,000/21,312
<b>Marine Corps</b>					
First term	6,050	6,001	6,011	5,949/6,152	5,892/5,914
Subsequent	7,258	5,815	7,729	5,079/6,987	6,250/6,391
Total	13,308	11,816	13,740	11,028/13,139	12,142/12,305
<b>Air Force<sup>c</sup></b>					
Zone A	72%	61%	63%	51%/41%	19,356/14,769
Zone B	78%	73%	70%	71%/70%	9,319/7,844
Zone C	95%	95%	97%	88%/89%	6,178/5,204
Total					31,853/27,817
<p>Note: The Services are allowed (due to the national emergency) to operate with the strength required to prosecute the global war on terror. Because of Operation Iraqi Freedom and Operation Enduring Freedom, the Services decided to operate at a higher level than they had planned at the beginning of the year. To get to this higher strength, they increased the retention goals. (The Services use retention and recruiting as two levers that they can adjust to achieve the desired end strength. If recruiting is falling short, they increase retention goals. Similarly, if retention is falling short, they may choose to increase recruiting goals.)</p> <p><sup>a</sup> Definitions by years of service:                      Army: Mid-career—7 to 10; career—10 to 20                      Navy: Zone B—6 to 10; Zone C—10 to 14                      Air Force: Zone B—6 to 10; Zone C—10 to 14                      Marine Corps: First term—Marines on their initial contract who are interested in reenlisting during their Expiration of Active Service fiscal year; Subsequent—Marines in the ranks of sergeant, staff sergeant, and gunnery sergeant.</p> <p><sup>b</sup> FY 2006 actual data are final as of the third quarter. Target is the annual retention goal.</p> <p><sup>c</sup> To have a consistent reporting process across the Department, the Navy and Air Force started reporting number of reenlistments in FY 2006.</p>					

### Metric Description

The Services determine, within the zone of eligibility, their annual retention goals. Each Service is given latitude in how they establish their categories, goals within each category, and methods for tracking attainment of those goals. The common metric used is number of people retained against a monthly goal. Although the Services do not necessarily establish goals by month, DoD tracks by month, essentially spreading the annual goal equally across the 12 months, to measure the Services' progress. The annual goals can change during the year, because two other components—gains and

losses—also affect end strength. The Services must continually balance gains, losses, and retention to ensure that personnel readiness remains high.

### ***Performance Results for FY 2006***

The Army, Navy, Air Force, and Marine Corps continue to have excellent reenlistment rates and are meeting or exceeding goals across the board. As of the third quarter, the Marine Corps has already met its annual goal. The remaining Services will likely meet their annual reenlistment goals by the end of the fiscal year.

### ***Performance Results for FY 2005***

Both the Army and Marine Corps exceeded their annual retention goals. Air Force retention was sound, albeit below historical achievement as it sought to voluntary separations in surplus skills. Like the Army, the Air Force has been realigning military positions to better support the war on terrorism (e.g., one in eight Air Force recruits this year will be trained as security forces). The Navy had strong reenlistment performance, and its attrition rates are at or near 15-year lows. However, the Navy achieved only 91 percent of its mid-career goal due to a limited number of nuclear specialties in which retention bonuses operate at statutory ceilings, which proved insufficient for FY 2005.

<b>Metric 1.2.2: Active Component End Strength Meets or Exceeds the Fiscal Year Authorization but No More Than 2% Over the Fiscal Year Authorization (at the End of Each Quarter)</b>					
Service	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Army	486,542 (+1.4%)	499,301 (+4.0%)	499,543 (+3.6%)	502,400/492,728 (-1.9%)	512,400/496,362 (-3.1%)
Navy	383,108 (+1.9%)	382,235 (+1.7%)	373,197 (-0.2%)	365,900/362,941 (-0.8%)	352,700/353,496 (+0.2%)
Marine Corps	173,733 (+0.7%)	177,779 (+1.6%)	177,480 (+1.4%)	178,000/180,029 (+1.1%)	179,000/178,923 (-0.0%)
Air Force	368,251 (+2.6%)	375,062 (+4.4%)	376,616 (+4.8%)	359,700/353,696 (-1.7%)	357,400/352,620 (-1.3%)

<sup>a</sup> FY 2006 data are as of the third quarter.

### *Metric Description*

Service end strength authorizations are set forth in the National Defense Authorization Act for the fiscal year. Services are required to budget and execute to that end strength. The Services' actual end strength for each quarter is evaluated against the authorized strength for that fiscal year. By law (Section 115 of Title 10), the Service Secretaries may authorize operating up to 2 percent above the authorized end strength, and the Secretary of Defense may authorize the Services to operate up to 3 percent above their authorized end strengths for that fiscal year, if determined to be in the national interest. Due to the ongoing global war on terror, the Secretary waived the Title 10 end-strength constraints. A recent change in law added a quarterly measure requiring the Secretary to report, within DoD's budgetary documentation for the fiscal year, (1) the strength levels of each DoD Component for each of the first three quarters of the fiscal year and (2) the maximum allowable variance from those prescribed strengths.

### *Performance Results for FY 2006*

The nation continued to operate in a state of national emergency due to the threat of terrorism. Consequently, the end-strength requirements were waived.

The Army and Marine Corps were authorized end-strength increases during FY 2006. The Army's authorization was increased to 512,400, 10,000 more than FY 2005 and 30,000 more than FY 2004. The Marine Corps' authorization was increased by 1,000, to 179,000, which was an increase of 4,000 from FY 2004. The Marine Corps reached its new authorization by the end of the third quarter; while the Army, because it began the fiscal year with 492,700 soldiers, struggled to increase its inventory by almost 20,000. The Army had a successful retention program, but it was not enough to offset its challenging recruiting year. The Army will likely miss its authorized strength for the fiscal year.

The Air Force ended FY 2005 almost 2 percent below its fiscal year authorization and set about reducing strength levels and shaping the force to meet its FY 2006 authorized strength, which was 2,300 lower than FY 2005. The Air Force is a little below its authorized strength in the third quarter and will probably not meet its FY 2006 authorized strength. However, the Air Force will probably have its strength reduced by 23,200 in FY 2007; therefore, falling below the FY 2006 authorization is not a concern. The Navy had a 13,200 reduction in authorized strength from FY 2005 to FY 2006;

its force-shaping plans enabled the Navy to reduce strength this fiscal year. It ended the third quarter slightly above its authorized strength. However, in FY 2007, the Navy will probably have another strength reduction of 12,000.

FY 2006 Quarterly Metrics				
Service	Quarter 1	Quarter 2	Quarter 3	Quarter
Army	488,944 (-4.6%)	493,316 (-3.7%)	496,362 (-3.1%)	TBP
Navy	358,700 (+1.7%)	355,464 (+0.8%)	353,496 (+0.2%)	TBP
Marine Corps	178,704 (-0.2%)	178,461 (-0.3%)	178,923 (-0.0%)	TBP
Air Force	351,666 (-1.6%)	351,720 (-1.6%)	352,620 (-1.3%)	TBP

### *Performance Results for FY 2005*

The nation continued to operate in a state of national emergency due to the threat of terrorism. Consequently, the end-strength requirements were waived. In addition, the Army and Marine Corps were granted authorized end-strength increases during FY 2005. The Army's authorization was increased by 20,000; while the Marine Corps' authorization was increased by 3,000. The Marine Corps reached its new authorization by the end of the third quarter; while the Army lost ground as the year progressed. Although the Army had a successful retention program, it had a challenging recruiting year and missed its authorized strength for the fiscal year. The Air Force ended FY 2004 almost 5 percent above its fiscal year authorization and focused on reducing strength levels, shaping the force in FY 2005, and achieving further reductions through the Future Years Defense Program. The Air Force was below its authorized strength at the end of the fiscal year but was properly positioned to take further reductions in FY 2006. The Navy had a 7,900 reduction in authorized strength from FY 2004 to FY 2005; its force-shaping plans enabled the Navy to reduce strength gradually. Although the Navy ended the fiscal year slightly below its authorized strength, it, like the Air Force, was positioned to take further reductions in FY 2006.

FY 2005 Quarterly Metrics				
Service	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Army	488,944 (-4.6%)	493,316 (-3.7%)	496,362 (-3.1%)	492,728 (-1.9%)
Navy	358,700 (+1.7%)	355,464 (+0.8%)	353,496 (+0.2%)	362,941 (-0.8%)
Marine Corps	178,704 (-0.2%)	178,461 (-0.3%)	178,923 (-0.0%)	180,029 (+1.1%)
Air Force	351,666 (-1.6%)	351,720 (-1.6%)	352,620 (-1.3%)	353,696 (-1.7%)

<b>Metric 1.2.3: Reserve Component Selected Reserve End Strength Within 2% of the Fiscal Year Authorization</b>					
Reserve Component	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a,b</sup>
Army National Guard	351,078 (+0.3%)	351,089 (+0.3%)	342,918 (-2.0%)	333,177 (-4.8%)	350,000/340,706 (-2.7%)
Army Reserve	206,682 (+0.8%)	211,890 (+3.4%)	204,131 (-0.4%)	189,005 (-7.8%)	205,000/189,830 (-7.4%)
Navy Reserve	87,958 (+1.1%)	88,156 (+0.4%)	82,558 (-3.9%)	76,466 (-8.3%)	73,100/70,347 (-3.8%)
Marine Corps Reserve	39,905 (+0.9%)	41,046 (+3.8%)	39,644 (+0.1%)	39,938 (+0.9%)	39,600/39,436 (-0.4%)
Air National Guard	112,071a (+3.4%)	108,137 (+1.4%)	106,822 (-0.2%)	106,430 (-0.3%)	106,800/105,224 (-1.5%)
Air Force Reserve	76,632 (+2.6%)	74,754 (-1.1%)	75,322 (-0.6%)	75,802 (-0.4%)	74,000/74,704 (+1.0%)
Coast Guard Reserve	7,816 (-2.3%)	7,720 (-14.2%)	8,011 (-19.9%)	8,187 (-17.5%)	10,000/8,010 (-19.8%)
<sup>a</sup> FY 2006 data are final as of the third quarter <sup>b</sup> FY 2006 percentage reflects third quarter actual against Year-end Target.					

### *Metric Description*

End-year strength authorizations for each of the seven Reserve Components are set forth in the National Defense Authorization Act for the fiscal year. The DoD Components are compelled to budget and execute to that end strength by the end of the fiscal year. By law, the Secretary of Defense may authorize the DoD Reserve Components to vary their authorized end strengths for the end of that fiscal year, by no more than 2 percent, if determined to be in the national interest. A recent change in the law added a quarterly measure requiring the Secretary to report, within the DoD's budgetary documentation for the fiscal year, (1) the strength levels of each DoD component for each of the first three quarters of the fiscal year and (2) the maximum allowable variance from those prescribed strengths. The actual end strengths for each quarter are evaluated against the budgeted end-of-quarter strengths. DoD is considering evaluating the Reserve Components' quarterly strengths against the year-end authorization and changing that measure to relate actual end-of-quarter strengths against both the quarterly and annual prescribed strengths. While under partial mobilization, the Secretary may, as authorized by the President, waive all end-strength limitations, if deemed appropriate.

Each Component processes the data input from their subordinate units and provides edits and quality control checks on the validity of the data. The Component then sends the data to the Reserve Components Common Personnel Data System (RCCPDS). Integrated process teams review the data for quality regarding end-strength accounting and compare the data with that in other Component systems and Defense Finance and Accounting Service files. The National Defense Authorization Act, once made public law, is the authorization for the military services and components. RCCPDS is the official source for Reserve Component military end strength.



### *Performance Results for FY 2006*

The President waived the end-strength limitations for FY 2006. The Secretary directed DoD Components to attempt to meet the 2 percent criterion, though exceptions were authorized based on the operational situation. At the end of the third quarter, four DoD Components—Army National Guard, Army Reserve, Navy Reserve, and Coast Guard Reserve—were under the prescribed 2 percent criterion as evaluated against the end-of-year authorization. The primary reason for the shortfall in the two Army Reserve components was a strong economy and a shortfall in recruiting. The shortfall in the Navy Reserve was due to budgeted Navy Reserve downsizing, a shortfall in recruiting, and high attrition. The downsizing called for a reduction of about 10,000 in FY 2006. The Coast Guard Reserve shortfall is exaggerated because of certain strength accounting rules, which count 897 Reserve members in the Active Coast Guard strength. In addition, the Coast Guard Reserve budgeted for an end strength of 8,100 instead of the congressionally authorized 10,000. Finally, the Coast Guard Reserve is part of the new Department of Homeland Security, not DoD. Based on budgeted manpower ramps, the current end-strength status may approximate year-end data.

### *Performance Results for FY 2005*

The President waived the end-strength limitations for FY 2005. The Secretary directed DoD Components to attempt to meet the 2 percent criterion, though exceptions were authorized based on the operational situation. At the end of FY 2005, four DoD components—Army National Guard, Army Reserve, Navy Reserve, and Coast Guard Reserve—were under the prescribed 2 percent criterion as evaluated against the end-of-year authorization. The primary reason for the shortfall in the two Army Reserve components was a shortfall in recruiting. The shortfall in the Navy Reserve is due to budgeted and programmed Navy Reserve downsizing of 2,500 in FY 2005, and a planned reduction of about 10,000 for FY 2006, as well as a shortfall in recruiting and high attrition. The Coast Guard Reserve shortfall is exaggerated because of certain strength accounting rules, which count 897 Reserve members in the Active Coast Guard strength. In addition, the Coast Guard Reserve budgeted for an end strength of 8,100 instead of the congressionally authorized 10,000. Finally, the Coast Guard Reserve is part of the new Department of Homeland Security, not DoD.

FY 2005 Quarterly Metrics				
Reserve Component	Quarter 1	Quarter 1	Quarter 1	Quarter 1
Army National Guard	335,490 (-4.1%)	331,446 (-5.3%)	330,312 (-5.6%)	333,177 (-4.8%)
Army Reserve	199,791 (-2.5%)	196,132 (-4.3%)	192,267 (-6.2%)	189,005 (-7.8%)
Navy Reserve	79,791 (-4.3%)	77,953 (-6.5%)	77,484 (-7.1%)	76,466 (-8.3%)
Marine Corps Reserve	40,084 (+1.2%)	40,045 (+1.1%)	40,318 (+1.8%)	39,938 (+0.9%)
Air National Guard	106,305 (-0.5%)	106,020 (-0.7%)	105,964 (-0.8%)	106,430 (-0.3%)
Air Force Reserve	75,267 (-1.1%)	75,541 (-0.7%)	75,499 (-0.8%)	75,802 (-0.4%)
Coast Guard Reserve	8,130 (-18.7%)	8,099 (-19.0%)	8,146 (-18.5%)	8,187 (-17.5%)

Metric 1.2.4: Critical Skill Recruit Needs					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Percentage of accession mission met for all skills <sup>b</sup>	No historical data; new metric	No historical data; new metric	>95% fill for all skills <95% fill for 3 of the 63 designated skills (5%)	>95% fill for all skills <95% fill for 24 of the 68 designated skills (35%)	>95% fill for all skills <95% fill for 11 of the 70 designated skills (16%)
<sup>a</sup> FY 2006 data are final as of the third quarter. <sup>b</sup> Accession missions for each skill are set by the Services based on required manning levels in the current and future force and expected losses in training.					

### *Metric Description*

DoD is implementing this metric to capture the fill rate for the 10 percent of enlisted skills that the Services consider most critical for recruitment emphasis (enlistment bonuses, college funds, incentives to recruiters, etc.). Currently, the metric is applied only to Active Duty enlisted recruits. Critical skills to be emphasized in recruitment efforts may

- be crucial to combat readiness,
- be undermanned in the force,
- represent unfilled class seats,
- require high volume,
- have high entrance standards, or
- represent undesirable duty.

The exact fill rate for each skill will be measured, and each Service will be rated based on the recruit rate for its lowest skill rating.

The Department's Status of Resources and Training System uses the following criteria for evaluating overall unit readiness with respect to skill match (the categories and percentages indicate whether unit personnel have the skills to fit the unit's missions):

- C1—Fully mission capable      85% or above
- C2—Mostly mission capable      75% to 84%
- C3—Major parts mission capable      65% to 74%
- C4—Some parts mission capable      64% and below.

### ***Performance Results for FY 2006***

At the end of the third quarter, the fill rate for 11 of 70 designated skills was less than 95 percent. Even with a challenging recruiting environment experienced in FY 2006, three of the four Services are having success in filling critical skills. The Army saw a marked increase in its ability to fill its critical skills. In contrast, the Navy has experienced a significant decrease in critical skill recruiting. The Navy, in response to this difficulty, has increased or initiated enlistment bonuses for most of the skills not at acceptable levels. The Navy expects to be closer to acceptable levels by the end of the fiscal year.

<b>Enlisted Recruiting: FY 2006 Performance</b>	
Army, Active	3 of the 25 designated skills (12%) filled less than 95%
Navy, Active	7 of the 9 designated skills (78%) filled less than 95%
Air Force, Active	0 of the 22 designated skills (0%) filled less than 95%
Marine Corps, Active	1 of the 14 designated skills (7%) filled less than 95%

### ***Performance Results for FY 2005***

The fill rate for 24 of 68 designated skills was less than 95 percent. The challenging recruiting environment experienced in FY 2005 contributed to the critical skills shortage. In particular, the Army reported notable declines in a significant majority of critical skills. This more challenging recruiting environment may prove that the targets, established in a favorable time frame, are ambitious.

<b>Enlisted Recruiting: FY 2005 Performance</b>	
Army, Active	18 of the 25 designated skills (72%) filled less than 95%
Navy, Active	2 of the 9 designated skills (22%) filled less than 95%
Air Force, Active	0 of the 21 designated skills (0%) filled less than 95%
Marine Corps, Active	4 of the 13 designated skills (31%) filled less than 95%

<b>Metric 1.2.5: Selected Reserve Component Enlisted Attrition Ceiling</b>					
Selected Reserve Component	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Army National Guard	20.6	18.1	18.6	20.2	19.5/14.6
Army Reserve	24.6	22.1	22.6	23.4	28.6/16.8
Navy Reserve	26.5	26.5	28.2	31.2	36.0/18.8
Marine Corps Reserve	26.0	21.4	26.3	22.1	30.0/18.4
Air National Guard	7.3	12.7	11.5	10.2	12.0/8.2
Air Force Reserve	8.7	17.0	13.6	14.7	18.0/11.1
Note: All numbers are percentages representing total losses divided by average strength. <sup>a</sup> FY 2006 data are estimated as of the third quarter.					

### *Metric Description*

To assess retention trends in the Reserve Components, DoD uses attrition rather than retention rates. Attrition is computed by dividing total losses from the Selected Reserve of a specific Component for a fiscal year by the average personnel strength of that Component's Selected Reserve for that year. This metric is preferable to retention rates because only a small portion of the Reserve Component population is eligible for reenlistment during any given year and because the Reserve Components have different business practices than the Active Components mainly due to the mobility of reservists. In addition to monitoring attrition, the Department has established annual attrition targets for Reserve Component personnel. These targets, which took effect in FY 2000, represent the maximum number of losses deemed acceptable in a given fiscal year; in other words, they establish a ceiling for personnel departures. The attrition goal is actually a ceiling, which is not to be exceeded.

### *Performance Results for FY 2006*

The Presidential Declaration of National Emergency by Reason of Certain Terrorist Threats and the accompanying Executive order, giving the Military Departments the authority to implement stop-loss programs, was in effect during FY 2006. The only Military Department that continued to use a stop-loss program was the Army. Depending on the number of members mobilized, this influences attrition rates, since mobilized Army Reserve members are subject to stop loss for the duration of their mobilization, plus a transition period of 90 days after demobilization. Through the end of the third quarter of FY 2006, Reserve Component enlisted attrition remained within acceptable limits, though the Navy Reserve was at its limit. There is nothing remarkable or unexpected in attrition figures for FY 2006. Enlisted attrition through the third quarter FY 2006 was generally lower than the same period reported last year and in the base year of FY 2000, with the exception of the Navy Reserve, which has higher-than-normal attrition. DoD expects the fourth quarter 2006 to continue at these low levels with no improvement for the Navy Reserve. Enlisted attrition increased slightly over the previous 3 years across the Reserve Components, but FY 2006 may decrease from the FY 2005 level. Though attrition continues at low rates, DoD continues to be vigilant, especially considering the large number of Army Reserve forces mobilized to support the ongoing contingency operations and the ongoing Army stop-loss program.

### ***Performance Results for FY 2005***

The Presidential Declaration of National Emergency by Reason of Certain Terrorist Threats and the accompanying Executive order, giving the Military Departments the authority to implement stop-loss programs, was in effect during FY 2005. The only Military Department that employed a stop-loss program was the Army, which somewhat influenced Army Reserve attrition rates, since mobilized Army Reserve members were subject to stop loss for the duration of their mobilization, plus a transition period of 90 days after demobilization. Losses in all Reserve components for FY 2005 were within acceptable limits, with the exception of the Army National Guard. Enlisted attrition increased slightly over the past 3 years across the Reserve Components. However, attrition continued at low rates, requiring continued vigilance, especially considering the large number of Reserve forces mobilized to support the ongoing contingency operations and the ongoing Army stop-loss program.

Metric 1.2.6: Manning Level of Critical Skills					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of skills deemed critical for retention relative to a DoD-wide benchmark	No historical data; new metric	Started to define critical skills  Developed list of critical skills	Established common definitions for critical skills  Tested data collection	Began tracking the metric during the second quarter FY 2005	>95% fill for all skills/ Overall Services rating: Red  10 out of 40 (25%) designated skills achieved 95% or more of goal
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### *Metric Description*

DoD is developing a way to measure its effectiveness at retaining the military skills most critical to its mission. To be designated as “critical,” a skill must meet two tests: (1) it must be short of its targeted manning, and (2) it must be critical to the Service’s mission. As a first step, the Department established a common definition and metric to monitor critical skills across the Services.

The first test—skill shortage—is objective. A skill shortage may occur when fewer individuals are assigned than are authorized (quantitative) or when the average experience is substantially different from the desired experience (qualitative). These shortages are actual, projected, or have a past trend of historical shortages.

The second test—mission-critical skill—is subjective. To be considered mission critical, a skill must meet at least one of the following criteria:

- Require notably above-average training or replacement costs
- Be in high demand in the civilian sector
- Present a recruiting challenge
- Be crucial to combat readiness
- Be a low-density, high-demand skill.

The metric monitors each Service’s ability to retain members in its top 10 critical skills. If the Service retains 95 percent or more of its desired goal for a particular skill, it is rated “Green.” If the Service retains 85 percent to 94 percent of its goal for a particular skill, it is rated “Yellow.” If it retains less than 85 percent of its goal for a particular skill, it is rated “Red.” The Service’s overall rating can be no higher than its lowest-rated critical skill. The Department’s score can be no higher than the lowest-rated Service.

The next step is to test both data collection methods and the effectiveness of the metric in monitoring manning levels.

### *Ongoing Research*

The Department is refining the metric definition and its data collection methods.

## Timeline for Completion

The Office of the Secretary of Defense (OSD) and Service points of contact refined data collection procedures in July 2004. OSD and the Services tested data collection methods in August 2004. OSD began reporting the metric in the second quarter of FY 2005.

## Performance Results for FY 2006

Overall, DoD is rated “Red” for critical skills. Only 10 out of 40 (25%) designated skills achieved 95% or greater fill of goal.

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## Active Army

Status	Specialty (MOS)	Authorized/ Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	Initial			Mid-Career			Career		
					YTD Elig	YTD Retained	% YTD Retained	YTD Elig	YTD Retained	% YTD Retained	YTD Elig	YTD Retained	% YTD Retained
●	FA Met Crewmember (13W)	297/240	1	C, D	24	19	79.2%	15	15	100.0%	4	4	100.0%
●	Spec Ops Medical Sergeant (18D)	744/612	1	A, B, C, D, E	37	34	91.9%	45	42	93.3%	54	52	96.3%
●	Topographic Analyst (21U)	540/485	1	C, D, E	96	58	60.4%	57	49	86.0%	15	12	80.0%
●	Motor Transport Operator (88M)	15162/12627	1	C, D	1226	908	74.1%	899	754	83.9%	391	337	86.2%
●	Ammunition Spec (89B)	2638/2383	1	C, D	204	152	74.5%	180	163	90.6%	49	44	89.8%
●	Explosive Ordnance Disposal (89D)	1050/936	1	A, B, C, D, E	74	58	78.4%	37	29	78.4%	49	46	93.9%
●	Health Care Specialist (91W)	18158/16742	1*	A, C, D	2040	1359	66.6%	1161	1014	87.3%	457	403	88.2%
●	Petroleum Supply Spec (92F)	9723/8578	1*	C, D	1089	680	62.4%	769	659	85.7%	233	219	94.0%
●	Intelligence Analyst (96B)	4665/4536	1*	A, B, D	407	285	70.0%	280	215	76.8%	118	106	89.8%
●	Human Intelligence Collector (97E)	1520/1386	1*	A, B, D	114	78	68.4%	92	80	87.0%	25	23	92.0%

Army does not issue retention mission by MOS  
 \* Short based on 43 UA Structure

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Active Navy

Status	Specialty (Rating)	Authorized/ Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	Zone A			Zone B			Zone C		
					FY06 FYTD 3rd QTR Goal	FY06 FYTD 3rd QTR Reenlist	FY06 FYTD % 3rd QTR Reenlist	FY06 FYTD 3rd QTR Goal	FY06 FYTD 3rd QTR Reenlist	FY06 FYTD % 3rd QTR Reenlist	FY06 FYTD 3rd QTR Goal	FY06 FYTD 3rd QTR Reenlist	FY06 FYTD % 3rd QTR Reenlist
●	Nuclear NEC 33XX	11443/11920	1	A, B, C, D	624	419	67.10%	325	349	107.40%	145	88	60.70%
↓	HM (NEC 8491)	142 / 118	1	A-E	NA	NA	NA	6	5	83.33%	10	9	90.00%
●	HM (NEC 8425)	1091 / 950	1	A-E	NA	NA	NA	39	39	100.00%	63	63	100.00%
●	HM (NEC 8403)	37/28	1	A-E	NA	NA	NA	NA	NA	NA	1	1	100.00%
↓	Diver (NEC 53XX)	1218/949	1	A-E	45	33	73.33%	24	30	125.00%	16	23	143.75%
●	CTI (Linguist NECs)	1871 / 1752	1	A-E	53	74	139.62%	23	26	113.04%	16	17	106.25%
↓	EOD	970/915	1	A-E	25	24	96.00%	23	19	82.61%	19	27	142.11%
●	FC (NEC 13XX)	4834/4847	1	A-E	165	214	129.70%	158	188	118.99%	33	41	124.24%
●	STG (NEC 0466)	3072/3012	1	A-E	105	124	118.10%	79	81	102.53%	10	17	214.29%
●	SEAL	1788/1539	1	A-E	71	93	130.99%	50	69	138.00%	30	39	130.00%

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Active Marine Corps

Status	Specialty (MOS)	Authorized/ Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	1st Term			Subsequent		
					YTD Goal	YTD Retained	% YTD Retained	YTD Goal	YTD Retained	% YTD Retained
●	EOD 2336	493/341	1	A, B, D, E,	71	108	152%	42	50	119%
●	Counter Intel 0211	544/375	1	A, B, D, E,	63	65	103%	40	54	135%
●	Recon 0321	1176/1016	1	A, B, D, E,	56	77	138%	52	83	160%
●	Intel Specialist 0231	1297/1160	1	A, B, D, E,	59	77	131%	42	73	174%
●	Fire Support Man 0861	516/468	1	A, B, D, E,	22	29	132%	15	19	127%
●	Mid East Crypto 2671	225/160	1	A, B, C, D, E,	5	8	160%	6	5	83%
●	Asia-Pacific Crypto 2673	118/116	1	A, B, C, D, E,	4	5	125%	5	6	120%
●	Arty Elec Tech 2887	73/57	1	A, B, D, E,	3	4	133%	4	4	100%
↑	Avn Meteor Tech 6493	50/45	1	A, B, D, E,	2	3	150%	2	2	100%
●	LAV Crew man 0313	784/790	1	A, B, D, E,	41	56	137%	8	13	163%

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill



## Active Air Force

Status	Specialty (AFSC)	Authorized / Assigned	ACL		Mission Critical Reason	Zone A (YOS 1-6)			Zone B (YOS 6-10)			Zone C (YOS 10-14)		
			FY06 PLAN	YTD ACTUAL		YTD Plan	YTD Retained	% Plan Meet	YTD Plan	YTD Retained	% Plan Meet	YTD Plan	YTD Retained	% Plan Meet
●	1A7 Aerial Gunner	410/354	9.3	7.3	A,C,D,E	57.6%	34.5%	59.9%	64.7%	67.7%	104.6%	89.9%	93.8%	104.4%
●	1A8 Airborne Crypto Ling.	1097/719	8.8	10.9	A,C,D,E	42.8%	41.8%	97.6%	61.0%	72.0%	118.1%	69.1%	95.7%	138.4%
●	1C2 Combat Control	471/999	13.5	15.2	A,C,D,E	68.4%	84.8%	124.0%	77.9%	79.3%	101.8%	81.6%	80.4%	98.6%
●	1N0 Ops Intel	2695/2390	9.4	9.9	A,C,E	50.8%	49.3%	97.0%	62.8%	67.5%	107.5%	78.5%	83.0%	105.7%
●	1N1 Imagery Analysis	1375/1249	9.0	9.4	A,C,E	51.7%	41.7%	80.6%	59.7%	65.0%	108.8%	71.8%	83.2%	122.8%
●	1N4 Network Intel Analysis	1647/1559	10.4	11.5	A,C,E	55.8%	55.0%	98.8%	63.2%	68.0%	107.6%	84.7%	93.8%	110.7%
●	1N5 Elect Sig Intel Exploit	795/851	9.7	12.3	A,C,E	52.4%	64.7%	123.5%	63.7%	70.7%	111.0%	81.0%	95.7%	118.2%
●	1T0 SERE Ops	489/324	12.8	11.2	A,C,D,E	67.3%	60.7%	90.1%	72.8%	69.1%	94.8%	85.9%	91.7%	106.7%
●	1T2 Pararescue	376/247	10.3	13.2	A,C,D,E	60.7%	61.7%	101.6%	66.9%	71.3%	106.3%	75.5%	80.1%	106.2%
●	3E8 EOD	1157/1100	13.5	14.0	A,C,D,E	69.8%	66.2%	94.8%	78.4%	79.7%	101.6%	93.9%	84.2%	89.7%

Plan = % of personnel who we expect to keep from beginning to end of any given zone period  
 YTD = 1 Apr 05 – 31 Mar 06, Force Shaping Losses excluded

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Performance Results for FY 2005

Each Service began reporting its most critical skills for retention in the second quarter of FY 2005. To allow visibility into the full array of issues presenting retention challenges (e.g., skills in high demand in the civilian sector), DoD chose not to focus on a single criterion, but rather to investigate a variety of potential issues. Because DoD began using the metric during the second quarter, the year-end data do not reflect a full recruiting effort to obtain these critical skills.

## Active Army

Status	Specialty (MOS)	Authorized / Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	Initial			Mid-Career			Career		
					YTD Elig	YTD Retained	% YTD Retained	YTD Elig	YTD Retained	% YTD Retained	YTD Elig	YTD Retained	% YTD Retained
●	Infantryman (11B)	43108 / 44089	1*	C, D	5545	2479	44.7%	2892	2384	82.4%	778	689	88.6%
●	Spec Ops Medical Sergeant (18D)	771 / 591	1	A, B, C, D, E	24	23	95.8%	37	35	94.6%	7	6	85.7%
●	Topographic Analyst (21U)	563 / 507	1	C, D, E	40	22	55.0%	30	23	76.7%	18	16	88.9%
●	Intelligence Analyst (96B)	4224 / 4199	1*	A, B, D	313	137	43.8%	250	192	76.8%	102	92	90.2%
●	Motor Transport Operator (88M)	12900 / 11124	1	C, D	912	622	68.2%	894	787	88.0%	429	396	92.3%
●	Explosive Ordnance Disposal (89D)	1011 / 783	1	A, B, C, D, E	50	34	68.0%	37	32	86.5%	37	23	62.2%
●	Health Care Specialist (91W)	17986 / 16851	1*	A, C, D	1537	894	58.2%	1255	1033	82.3%	586	528	90.1%
●	Petroleum Supply Spec (92F)	8975 / 8628	1*	C, D	1080	600	55.6%	635	513	80.8%	265	237	89.4%
●	Food Service Specialist (92G)	9806 / 9803	1*	C, D	1047	555	53.0%	594	503	84.7%	332	308	92.8%
●	Human Intelligence Collector (97E)	4215 / 4188	1*	A, B, D	313	137	43.8%	250	192	76.8%	102	92	90.2%

Army does not issue retention mission by MOS  
 \* Short based on 43 UA Structure

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Active Navy

Status	Specialty (Rating)	Authorized/ Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	Zone A			Zone B			Zone C		
					YTD Goal	YTD Retained	% YTD Retained	YTD Goal	YTD Retained	% YTD Retained	YTD Goal	YTD Retained	% YTD Retained
●	Nuclear NEC 33XX	10536/10364	1	A	2964	913	30.80%	878	439	50.00%	190	133	70.00%
●	Diver (NEC 53XX)	3288 / 2187	1	B, C	147	162	110.20%	79	132	167.09%	86	97	112.79%
●	CTI (NEC 92XX)	932 / 872	1	A, C	99	47	47.47%	9	18	200.00%	14	9	64.29%
●	HM (NEC 8491)	101 / 54	1	A, B	0	0	0.00%	3	8	266.67%	6	6	100.00%
●	HM (NEC 8425)	614 / 188	1	A, B	0	0	0.00%	25	36	144.00%	15	26	173.33%
●	STS	1985 / 1901	1	A, C	141	97	68.79%	56	71	126.79%	15	0	0.00%
●	Aviat (NEC 9402)	214 / 145	1	A	20	11	55.00%	10	15	150.00%	1	1	100.00%
●	AW (NEC 7846)	225 / 215	1	A	25	25	100.00%	7	9	128.57%	4	0	0.00%
●	Aviat (NEC 8251)	354 / 257	1	A	13	10	76.92%	14	26	185.71%	15	17	113.33%
●	STG (NEC 0466)	175 / 111	1	A	4	2	50.00%	1	3	300.00%	4	9	225.00%

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Active Marine Corps

Status	Specialty (MOS)	Authorized/ Assigned	Short (1-Quantity, 2-Quality)	Mission Critical Reason	1st Term			Subsequent		
					YTD Goal	YTD Retained	% YTD Retained	YTD Goal	YTD Retained	% YTD Retained
●	EOD 2336	360/289	1	A, B, D, E	50	44	88%	35	43	123%
●	Counter Intel 0211	446/355	1	A, B, D, E	74	45	61%	57	57	100%
●	Recon 0321	937/887	1	A, B, D, E	74	52	70%	50	74	148%
●	Intel Specialist 0231	1253/1131	1	A, B, D, E	83	55	66%	60	36	60%
●	Fire Support Man 0861	473/395	1	A, B, D, E	28	24	86%	22	18	82%
●	Mid East Crypto 2671	220/171	1	A, B, C, D, E	10	10	100%	6	5	83%
●	Asia-Pacific Crypto 2673	118/89	1	A, B, C, D, E	6	6	100%	3	4	133%
●	Arty Elec Tech 2887	73/64	1	A, B, D, E	5	5	100%	3	2	66%
●	Avn Meteor Tech 6493	49/42	1	A, B, D, E	6	6	100%	3	3	100%
●	LAV Crew man 0313	814/782	1	A, B, D, E	60	33	55%	5	5	100%

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

## Active Air Force

Status Specialty (AFSC)	Assigned / Authorized	Short (1-Quantity, 2-Quality)	Mission Critical Reason	Zone A (YOS 1-6)			Zone B (YOS 6-10)			Zone C (YOS 10-14)		
				YTD Plan	YTD Retained	% Plan Meet	YTD Plan	YTD Retained	% Plan Meet	YTD Plan	YTD Retained	% Plan Meet
● 1A7 Aerial Gunner	360 / 417	1	A, C, D, E	56.3%	43.5%	77.3%	66.9%	74.1%	110.7%	90.7%	100.0%	110.2%
● 1A8 Airborne Crypto Linguist	534/1110	1/2	A, C, D, E	46.0%	52.0%	113.1%	61.4%	46.2%	75.3%	80.5%	79.2%	98.4%
↓ ● 1C2 Combat Control	383/473	1/2	A, C, D, E	67.4%	71.3%	105.7%	74.9%	74.8%	99.8%	83.2%	77.5%	93.2%
↑ ● 1N0 Ops Intel	2337/2486	2	A, C, E	47.8%	52.3%	109.5%	65.8%	66.1%	100.4%	79.2%	75.1%	94.8%
↓ ● 1N1 Imagery Analysis	1169/1224	2	A, C, E	46.1%	44.4%	96.5%	60.0%	51.7%	86.2%	81.7%	87.7%	107.3%
↑ ● 1N4 Network Intel Analysis	1474/1579	1/2	A, C, E	52.2%	46.2%	88.5%	64.0%	73.1%	114.1%	86.5%	93.9%	108.6%
↑ ● 1N5 Elect Sig Intel Exploit	786/779	2	A, C, E	49.9%	55.7%	111.6%	66.2%	72.9%	110.1%	79.2%	76.0%	96.0%
● 1T0 Surv, Evas, Resist & Escape Ops	336/362	1/2	A, C, D, E	62.2%	76.4%	122.8%	80.0%	81.0%	101.2%	90.7%	100.0%	110.3%
● 1T2 Pararescue	248/362	1/2	A, C, D, E	59.7%	41.3%	69.1%	64.4%	59.2%	91.9%	79.4%	84.6%	106.6%
● 3E8 Explosive Ordnance Disposal	1079/1091	2	A, C, D, E	66.5%	59.8%	89.9%	81.1%	79.7%	98.3%	96.4%	74.4%	77.2%

Plan = % of personnel who we expect to keep from beginning to end of any given zone period  
 YTD = 1 Aug 04 – 31 July 05  
 Short Quality = skill level imbalances within the AFSC or lacks experienced enlisted personnel

- A. Technical skills requiring high training and/or replacement costs;
- B. Skills in high demand in the civilian sector
- C. Challenging to recruit into
- D. Crucial to combat readiness
- E. Low density / high demand skill

<b>Metric 1.2.7: Active Component Enlisted Recruiting Quality</b>					
Category	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Percentage of recruits holding high school diplomas (Education Tier 1) <sup>b</sup>	94	95	95	>90/93	>90/92
Percentage of recruits in Armed Forces Qualification Test (AFQT) categories I–III A	70	72	73	>60/70	>60/70
Percentage of recruits in AFQT category IV	0.7	0.2	0.3	<4/1.9	<4/1.5
<sup>a</sup> FY 2006 data are final as of the third quarter.					
<sup>b</sup> High School Diploma Graduate performance excludes up to 7,100 participants in the Army's Tier Two Attrition Screen pilot program; therefore, the actual numbers were adjusted to reflect this factor.					

### *Metric Description*

DoD measures recruit quality along two dimensions: aptitude and educational achievement. All military applicants take a written enlistment test called the Armed Services Vocational Aptitude Battery. One component of that test is the Armed Forces Qualification Test. The AFQT, which measures math and verbal skills, correlates closely with trainability and on-the-job performance. The table below shows how AFQT percentiles are grouped into categories:

<b>AFQT Categories and Corresponding Percentile Score Ranges</b>	
AFQT Category	Percentile Score Range
I	93–99
II	65–92
III A	50–64
III B	31–49
IV	10–30
V	1–9

Those who score at or above the 50th percentile on the AFQT are in categories I–III A. DoD values these higher-aptitude recruits because their training and job performance are superior to those in the lower groupings (categories III B–IV). The Department also values recruits with high school diplomas because years of research and experience demonstrate that high school graduates are more likely to complete their initial 3 years of service.

Quality benchmarks for recruiting were established in 1992 based on a study conducted jointly by DoD and the National Academy of Sciences. The study produced a model linking recruit quality and recruiting resources to the job performance of enlistees. As its minimum acceptable quality thresholds, the Department has adopted the following recruiting quality targets derived from the model: 90 percent in Education Tier 1 (primarily high school graduates), 60 percent in AFQT categories I–III A, and not more than 4 percent in AFQT category IV. Adhering to these

benchmarks reduces personnel and training costs, while ensuring that the force meets high performance standards.

***Performance Results for FY 2006***

All Active Components, except the Army, met their quality goals. Although the Army met both AFQT targets, it has not met the high school diploma goal.

<b>Enlisted Recruiting: FY 2006 Performance Through Third Quarter</b>			
Active Component	Tier 1	Categories I–IIIA	Category IV
Army, Active	82%	62%	3.4%
Navy, Active	94%	75%	0.0%
Air Force, Active	99%	78%	0.0%
Marine Corps, Active	96%	68%	1.0%

***Performance Results for FY 2005***

All Active Components, except the Army, met or exceeded their FY 2005 recruiting quality goals. The Army was within 3 percent of the Education Tier 1 goal of 90 percent.

<b>Enlisted Recruiting: FY 2005 Performance</b>			
Active Component	Tier 1	Categories I–IIIA	Category IV
Army, Active	87%	67%	3.9%
Navy, Active	96%	71%	0.0%
Air Force, Active	99%	79%	0.0%
Marine Corps, Active	96%	68%	1.0%

<b>Metric 1.2.8: Reserve Component Enlisted Recruiting Quality</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of recruits holding high school diplomas (Education Tier 1)	89	87	87 <sup>b</sup>	85	≥90/89
Percentage of recruits in Armed Forces Qualification Test (AFQT) categories I–IIIA	66	66	66 <sup>b</sup>	63	≥60/61
Percentage of recruits in AFQT category IV	1.1	1.5	2.0	3	≤4/4
NOTE: AFQT = Armed Forces Qualification Test. The AFQT is a subset of the standard aptitude test administered to all applicants for enlistment. It measures math and verbal aptitude and has proven to correlate closely with trainability and on the job performance. <sup>a</sup> The FY 2006 data are final as of the 3 <sup>rd</sup> quarter <sup>b</sup> Excludes Air National Guard; see discussion in Performance Results paragraph.					

### *Metric Description*

DoD measures recruit quality along two dimensions: aptitude and educational achievement. All military applicants take a written enlistment test called the Armed Services Vocational Aptitude Battery. One component of that test is the Armed Forces Qualification Test. The AFQT, which measures math and verbal skills, correlates closely with trainability and on-the-job performance. The table below shows how AFQT percentiles are grouped into categories:

<b>AFQT Categories and Corresponding Percentile Score Ranges</b>	
AFQT Category	Percentile Score Range
I	93–99
II	65–92
IIIA	50–64
IIIB	31–49
IV	10–30
V	1–9

Those who score at or above the 50th percentile on the AFQT are in categories I–IIIA. DoD values these higher-aptitude recruits because their training and job performance are superior to those in the lower groupings (categories IIIB–IV). The Department also values recruits with high school diplomas because years of research and experience demonstrate that high school graduates are more likely to complete their initial 3 years of service.

Quality benchmarks for recruiting were established in 1992 based on a study conducted jointly by DoD and the National Academy of Sciences. The study produced a model linking recruit quality and recruiting resources to the job performance of enlistees. As its minimum acceptable quality thresholds, the Department has adopted the following recruiting quality targets derived from the

model: 90 percent in Education Tier 1 (primarily high school graduates), 60 percent in AFQT categories I–IIIA, and not more than 4 percent in AFQT category IV. Adhering to these benchmarks reduces personnel and training costs, while ensuring that the force meets high performance standards.

***Performance Results for FY 2006***

Through the end of the third quarter of FY 2006, four of the Reserve Components met or exceeded the AFQT I–IIIA goal, three met or exceeded the Tier 1/High School Diploma Graduate (HSDG) goal, and five were bettering the AFQT IV ceiling for enlisted recruit quality. During the year, quality has increased slightly, even as the recruiting force continues to face significant challenges. Emphasis on recruiting in the non-prior-service market increased, largely because the number of individuals separating from Active Duty service has declined (due in part to increased emphasis on retention) and because fewer of those who are separating are affiliating with the Reserve Components. At the same time, because of a strong economy and the pressures of the global war on terrorism, the propensity of young people to join—and encouragement by adults to do so—has decreased.

The Navy Reserve continued to experienced difficulties in reporting recruit quality data due to some transformation issues, but it expects a solution soon. The Air National Guard has historically far exceeded the DoD benchmarks. The Army National Guard continued to struggle to meet the Department’s quality benchmarks, and the Army National Guard recruit quality will likely be below the DoD benchmark at the end of the year.

<b>Enlisted Recruiting: FY 2006 Performance Through Third Quarter</b>			
<b>Reserve Component</b>	<b>Tier 1</b>	<b>Categories I–IIIA</b>	<b>Category IV</b>
Army National Guard	88%	57%	4.8%
Army Reserve	90%	59%	3.5%
Navy Reserve	81%	69%	0.0%
Marine Corps Reserve	96%	75%	1.0%
Air National Guard	94%	77%	0.0%
Air Force Reserve	95%	78%	0.0%

***Performance Results for FY 2005***

Only the Marine Corps Reserve and the Air National Guard met or exceeded the Tier 1/HSDG goal for enlisted recruit quality in FY 2005. The Army Reserve, Marine Corps Reserve, Air National Guard, and Air Force Reserve met or exceeded the AFQT I–IIIA goal in FY 2005. The decrease in quality remained throughout the year as the recruiting force continued to face significant challenges. Most notable was the increased emphasis on the non-prior-service market as the number of individuals separating from Active Duty service declined (due in part to increased emphasis on retention) and fewer of those who separated affiliated with the Reserve Components. The pressures of the global war on terrorism affected the non-prior-service market as the propensity of young people to join, and the level of encouragement by adults to do so, decreased.

The Army National Guard continues to struggle to meet the Department’s HSDG benchmark. The Navy Reserve continued to experienced difficulties in reporting recruit quality data due in part to

events during Hurricane Katrina. The data below are drawn from personnel data systems that are incomplete or known to contain errors.

Enlisted Recruiting: FY 2005 Performance			
Reserve Component	Tier 1	Categories I-III A	Category IV
Army National Guard	83%	57%	5.0%
Army Reserve	88%	67%	3.0%
Navy Reserve	69%	59%	0.0%
Air Force Reserve	87%	69%	0.0%
Air National Guard	91%	72%	0.0%
Marine Corps Reserve	96%	76%	1.0%



<b>Metric 1.2.9: Active Component Enlisted Recruiting Quantity</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Number of enlisted Active Component accessions	196,472	184,879	182,631	169,452/163,259	117,874/120,130
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### *Metric Description*

Department-wide targets for Active Duty enlisted recruiting represent the projected number of new Service members needed each year to maintain statutory military end strengths and appropriate distributions by rank, allowing for discharges, promotions, and anticipated retirements. As personnel trends change during the year, Active Component recruiting objectives may be adjusted.

### *Performance Results for FY 2006*

All Active Components met their goals for FY 2006.

<b>Enlisted Recruiting: FY 2006 Performance Through Third Quarter</b>		
Service	Target	Achieved
Army, Active	49,700	51,612
Navy, Active	24,456	24,456
Air Force, Active	22,843	22,959
Marine Corps, Active	20,875	21,103

### *Performance Results for FY 2005*

All Active Components, with the exception of the Army, met their goals. The Army's year-end Delayed Entry Program, or applicant pool, was the lowest in over a decade.

<b>Enlisted Recruiting: FY 2005 Performance</b>		
Service	Target	Achieved
Army, Active	80,000	73,373
Navy, Active	37,635	37,703
Air Force, Active	18,900	19,222
Marine Corps, Active	32,917	32,961

<b>Metric 1.2.10: Reserve Component Enlisted Recruiting Quantity</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Number of enlisted Reserve Component accessions	147,129	133,075	118,177	111,017	141,079/101,185
<sup>a</sup> FY 2006 data are final as of the third quarter.					

***Metric Description***

Department-wide targets for Selected Reserve enlisted recruiting represent the projected number of new (prior-service and non-prior-service) Selected Reserve members needed each year to maintain statutory military end strengths and appropriate distributions by rank, allowing for discharges, promotions, and anticipated retirements. As personnel trends change during the year, Reserve Component recruiting objectives may be adjusted. Targets and actual achievements include all Reserve Component accessions (prior-service and non-prior-service recruits, Active to Reserve transitions, and Individual Ready Reserve to Selected Reserve transfers).

***Performance Results for FY 2006***

As of the end of the third quarter of FY 2006, the Army National Guard, Army Reserve, Marine Corps Reserve, and Air Force Reserve had achieved their recruiting objectives. The Navy Reserve and Air National Guard fell short of their objectives. The strong economy and the pressures of the global war on terrorism have created a lower propensity among Service-eligible young people to join and a decreased desire by influencers to recommend military service. Enhanced recruiting and retention incentives have helped, and attrition is generally lower than programmed throughout the Reserve Components. Through June 30, 2006, the Reserve Components, in the aggregate, had achieved 99.8 percent of their recruiting objectives (101,185 achieved versus a target of 101,248).

<b>Enlisted Recruiting: FY 2006 Performance Through Third Quarter</b>		
Reserve Component	Target	Achieved
Army National Guard	49,988	51,477
Army Reserve	24,836	25,004
Navy Reserve	8,152	6,745
Marine Corps Reserve	6,076	6,130
Air National Guard	6,988	6,425
Air Force Reserve	5,208	5,404

***Performance Results for FY 2005***

In FY2005, only the Marine Corps Reserve and the Air Force Reserve achieved their recruiting objectives. The Army National Guard and Army Reserve fell well short of their objectives. The good economy and the pressures of the global war on terrorism resulted in a lower propensity among Service-eligible young people to join and a decreased desire by influencers to recommend military service. Enhanced recruiting and retention incentives have helped, and attrition is generally

lower than programmed throughout the Reserve Components. By the end of FY 2005, the Reserve Components, in the aggregate, had achieved 85 percent of their recruiting objectives (111,017 achieved versus a target of 130,231).

Enlisted Recruiting: FY 2005 Performance		
Reserve Component	Target	Achieved
Army National Guard	63,002	50,219
Army Reserve	28,485	23,859
Navy Reserve	11,491	9,788
Marine Corps Reserve	8,180	8,350
Air National Guard	10,272	8,859
Air Force Reserve	8,801	9,942

<b>Metric 1.2.11: Retain Balanced Mix of Non-Commissioned Officer Grade/Experience</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual
Number of skill and experience deficiencies in top 10 enlisted occupational groups	No historical data; new metric	Established a promotion-timing benchmark for 10 most critical enlisted occupational specialties	Completed study of Service retention metrics Began revising policy to establish a tie between grade and experience	Contracted for a study to implement policy changes and align enlisted grade and experience pyramids Developed metric Revised directive on promotion timing	Extended study through end of FY 2006; no metrics collected to date
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

This metric measures the alignment, within certain occupational skills/groups, of by-grade requirements and the supply of Non-Commissioned Officer (NCO) experience emerging from promotion and retention programs; it also identifies promotion bottlenecks that operate against retention. The metric monitors the top 10 enlisted occupational skills/groups that fall outside Service-defined promotion boundaries, time-in-service, time-in-grade, and promotion points. Annual goals are dynamic and can adjust from year to year. The goal for this metric is to avoid skill/experience deficiencies. This information is used to evaluate the mix of skills and experience and to determine where emphasis should be placed in development, promotion, and retention programs.

### ***Ongoing Research***

In support of the DoD Military Personnel Human Resources Strategic Plan, DoD is assessing the Services' current retention metrics to ensure that measurement tools are designed to meet force sustainment goals. The Department asked the Center for Naval Analyses (CNA) to determine why promotion policies vary across the Services (and across different communities within individual Services) and to suggest whether this variation is rational (in that it supports useful objectives) and how the Department might integrate the Services' different promotion policies into Service-specific models of military force shaping.

### ***Timeline for Completion***

During FY 2006, the Services will establish a long-term baseline/goal to determine the promotion-timing benchmark to help focus retention programs and evaluate outcomes. Promotion data are available now; however, the Services need to determine benchmarks for the occupations, such as time-in-service, time-in-grade at pin-on, and promotion points.

### ***Performance Results for FY 2006***

CNA provided an informal report on 30 June 2006. However, due to data collection issues, the study was extended through October 2006. The current effort is to work on modeling. CNA developed the basic elements of a small-scale, Excel-based model that combines notional data on an

existing force profile, notional estimates for retention by pay grade, notional estimates for the proportion eligible for promotion, and an advance to vacancy promotion policy (a generalization of the Army approach to advancement). The model will then age the force by 2 years and estimate time-in-service at pin-on for a single, notional pay grade (it makes this estimate both for the current year and for the next 2 years). The model also estimates the expected time to pin-on for individual cohorts; for example, it estimates the expected time to promotion for those who, in the current year, have time-in-service of x and time-in-grade of z. CNA is working with the Services to define the best ways to generate the parameters that should be used in the model estimates for retention and the proportion in a cohort (a particular pay grade and occupation code) who have met eligibility standards for promotion. In particular, the Services needed to explain in detail the commonalities and differences in their promotion policies. CNA expects to deliver the initial model in the first quarter of FY 2007.

### ***Performance Results for FY 2005***

DoD revised the directive requiring the Services to establish baselines, goals, and metrics to determine promotion timing for enlisted grades. The Department also contracted with CNA to recommend how to employ the new policy, project the average experience at promotion 1 to 3 years in the future, and provide the Services a method for establishing the benchmarks and metrics.

## Performance Goal 1.3 – Maintain Reasonable Force Costs

<b>Metric 1.3.1: Civilian Force Costs (Current Year \$000)</b>					
Item	FY 2002 <sup>a</sup>	FY 2003 <sup>b</sup>	FY 2004 <sup>b</sup>	FY 2005 <sup>b</sup>	FY 2006 Target <sup>c</sup>
Basic pay	33,376,576	34,947,575	37,046,481	38,723,913	40,050,777
Overtime pay	1,173,810	1,215,873	1,503,543	1,471,873	1,111,280
Holiday pay	53,772	46,787	66,610	64,237	63,925
Other pay	1,119,919	1,105,238	1,150,070	1,262,010	1,195,253
Benefit pay	8,822,937	9,501,778	10,276,114	11,142,567	11,544,887
Separation pay	320,049	410,333	283,582	127,909	66,798
Total <sup>d</sup>	44,867,328	47,227,585	50,326,400	52,664,600	53,966,122

<sup>a</sup> FY 2002 data are from FY 2004 President's Budget.  
<sup>b</sup> FY 2003 through FY 2005 data are from FY 2005 President's Budget.  
<sup>c</sup> FY 2006 data are estimated as of February 2006.  
<sup>d</sup> Totals may not add due to rounding.

### *Metric Description*

This metric provides only a broad overview of civilian compensation costs. It is not an effective measure of the success of any individual personnel program or benefit. For example, additional benefit costs do not indicate successful use of recruitment or retention incentives. Increased recruitment bonus or retention allowance payment amounts would reflect only usage, not the change in recruitment or retention based on payment of the incentive.

The metric monitors trends in the following pay categories:

- Basic pay—aggregate personnel compensation for full-time permanent, full-time temporary, and part-time/intermittent appointments
- Premium pay—personnel compensation for overtime, holiday, Sunday, night differential, hazardous duty, post differential, staffing differential, supervisory differential, physicians comparability allowance, remote work site allowance, cash awards, and other
- Benefit pay—health insurance, life insurance, retirement, social security, workers' compensation, uniform allowances, overseas allowances, non-foreign cost-of-living allowance, retention allowance, recruitment bonus, relocation bonus, and other
- Separation pay—compensation to involuntarily separated employees and payments made through the \$25,000 voluntary separation incentive pay program (buyout bonuses).

### *Performance Results for FY 2006*

In FY 2006, the civilian force costs have trended slightly upward. In constant dollar terms, the FY 2006 civilian payroll costs have increased 0.2 percent from FY 2005 payroll costs. Simultaneously, the size of the workforce has increased 1.4 percent, or 9,902 full-time equivalents (FTEs). The 2006 data are current and validated only through February 2006; therefore, the total number of any given figure is actually a projected figure for all of FY 2006. Data as of February 2006 indicate that

overtime/payroll dollars decreased compared to FY 2005, even with a 1 percent increase in the size of the workforce over FY 2005.

***Performance Results for FY 2005***

In FY 2005, the civilian force costs trended slightly upward. In constant dollar terms, the FY 2005 civilian payroll costs increased 1.9 percent from FY 2004 payroll costs. Simultaneously, the size of the workforce increased 0.4 percent, or 2,472 FTEs.

<b>Metric 1.3.2: Community Quality of Life Per Capita Cost (Current Year \$)</b>					
Service	FY 2002	FY 2003	FY 2004 <sup>a</sup>	FY 2005 Target/Actual <sup>a</sup>	FY 2006 Target/Budget <sup>b</sup>
Army	\$1,180	\$1,539	\$1,628	\$1,628/\$1,503	\$1,503/\$1,529
Navy	\$1,269	\$1,391	\$1,365	\$1,365/\$1,252	\$1,252/\$1,357
Marine Corps	\$940	\$1,018	\$1,103	\$1,103/\$1,204	\$1,204/\$1,098
Air Force	\$1,580	\$1,642	\$1,884	\$1,884/\$1,960	\$1,960/\$1,987
<sup>a</sup> FY 2004 and FY 2005 actuals include emergency supplemental funding. <sup>b</sup> FY 2006 data are budget estimates in the FY 2007 President's Budget. Actual funding data will not be available until the FY 2008 President's Budget is submitted.					

### ***Metric Description***

The Community Quality of Life (QoL) Per Capita metric monitors trends in the Department's QoL funding investment per Active Duty member over time. DoD will track individual Service progress toward sustaining or improving funding for critical QoL support. This metric addresses the National Security Presidential Directive, "Improving Quality of Life," and supports the Secretary's guidance that the Department track QoL improvements and give priority to the implementation of QoL initiatives. Current deployment and high personnel tempo necessitate robust QoL support for troops and families to ensure that support is adequate to ameliorate the stress associated with the military lifestyle, including multiple and lengthier deployments, and to engender commitment to military service.

### ***Performance Results for FY 2006***

Final performance results for FY 2006 will be available when the FY 2008 President's Budget is submitted. The FY 2006 budget reveals an increase in Army and Navy per capita funding compared to FY 2005; however, the Marine Corps FY 2006 budget per capita is below the FY 2005 level. DoD will continue to monitor these programs for potential impact on the support provided to Service members and their families.

QoL per capita will become the benchmark for QoL investments as DoD begins to implement global rebasing and Base Realignment and Closure. The goal is to keep standards high, even as the Department closes, realigns, and relocates installations and units to better fit the DoD's global defense mission. QoL per capita is a macro-level indicator that must be analyzed in conjunction with the QoL Social Compact Improvement Index to gain insight into the best ways to support and take care of Service members and their families.

### ***Performance Results for FY 2005***

The Marine Corps and Air Force met their FY 2005 per capita funding goals. The Navy and Army budgets revealed a decline in per capita funding.



<b>Metric 1.3.3: Cost of Basic Training (Constant FY 2006 Dollars)</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Cost of basic training per enlisted recruit	\$8,763.30	\$9,216.10	\$11,733.90	\$12,476.70	\$9,646.00/\$9,763.80
<sup>a</sup> FY 2006 data are estimated as of the third quarter.					

***Metric Description***

Basic training encompasses the fundamental introduction and indoctrination provided to enlisted entrants. Each Service has different training pipelines that take different lengths of time to complete. The cost of basic training is a management cost indicator; performance and production targets are accession driven and vary by Service and year. Funding requirements are projected by fiscal year and include manpower, support equipment, facilities, and all other costs associated with indoctrinating recruits into military culture, raising their standards of physical conditioning, and instructing them in basic military skills. (Basic training costs do not include expenses associated with initial skills training; initial skills training follows basic training, and its duration and costs vary with each military specialty.)

***Performance Results for FY 2006***

The overall funding for Program Element 0804711, Recruit Training, decreased approximately 0.7 percent, from the \$2,066.7 million reported in FY 2005 to \$2,052.6 million programmed for FY 2006. Some training from FY 2006 is still in progress, and the Services have not yet “closed the books” on these expenses. Thus, final FY 2006 expenditures may differ from this estimate. In addition, the Services anticipate approximately 44,600 more entrants to basic training in FY 2006 than in FY 2005. As a result, the cost of basic training per enlisted Service member will decrease from \$12,476.70 in FY 2005 to \$9,763.80 in FY 2006. This figure is within 1.2 percent of the targeted \$9,646.00 per enlisted Service member.

***Performance Results for FY 2005***

Total basic training costs fell from \$2,250.3 million in FY 2004 to \$2,008.6 million in FY 2005, a decrease of 10.7 percent. The mobilization and deployment of large numbers of Army Reserve and National Guard soldiers for Operations Enduring Freedom and Iraqi Freedom required expansion, in FY 2004, of the training base and its infrastructure, including the construction of training barracks in Afghanistan and Iraq for operations. The removal of this expense dropped the Army’s projected costs to \$871.7 million, a decrease of approximately 26 percent from the \$1,185.4 million expended in FY 2004. The Army fell short of its recruitment mission; approximately 16,500 fewer recruits than programmed completed basic training, raising the Army’s cost per recruit by more than \$2,500.

The Air Force experienced high retention in FY 2005 and recruited only 62 percent of its FY 2005 programmed mission in an intentional force-shaping effort. The actual cost for Air Force recruit training was also reduced due to this force-shaping effort and other factors.

Overall, the total number of recruits fell significantly from 198,092 in FY 2004 to 165,645 in FY 2005, a decrease of 16.3 percent. However, funding for training decreased from \$2,250 million to \$2,009 million, a 10.7 percent decrease. Though there were reduced expenditures for recruit training, the intentional and unintentional decreases in the number of recruit training entrants led to a

6.7 percent increase in the cost of basic training per recruit metric, from \$11,359 to \$12,122 per recruit from FY 2004 to FY 2005.

<b>Metric 1.3.4: Cost Per Enlisted Recruit—Active Component (Constant FY 2006 Dollars)</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 <sup>a</sup>
Cost per recruit	\$14,901	\$15,156	\$15,153	\$16,386	\$14,845
<sup>a</sup> FY 2006 data are as of the FY 2007 President's Budget.					

### ***Metric Description***

The metric is a performance indicator designed to analyze costs and trends over time, not set specific annual performance targets. Each year, DoD enlists about 180,000 new recruits for the Active Components. These new Service members provide entry-level manning necessary to meet manning and readiness needs. The cost of recruiting is calculated by dividing a Service's total expenditures for enlisted recruiting by the total number of accessions (non-prior service plus prior service). Recruiting expenditures include recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (such as vehicles, equipment, computers, supplies, and an applicant's transportation, food, and lodging), and other appropriations resources within the recruiting Command/Service (other procurement and research, development, test, and evaluation funding).

### ***Performance Results for FY 2006***

The cost per enlisted recruit in FY 2006 is below the FY 2004 and FY 2005 levels. This decrease is primarily due to the Army data. Those data are from the FY 2006 column of the FY 2007 President's Budget, but do not include significant resources from the Supplemental appropriation. These increased resources will be reflected in the FY 2008 President's Budget submission.

The overall funding for Program Element 0804711, Recruit Training, decreased approximately 0.7 percent, from the \$2,066.7 million reported in FY 2005 to \$2,052.6 million programmed for FY 2006. Some training from FY 2006 is still in progress, and the Services have not yet "closed the books" on these expenses. Thus, final FY 2006 expenditures may differ from this estimate. In addition, the Services anticipate approximately 44,600 more entrants to basic training in FY 2006 than in FY 2005. As a result, the cost of basic training per enlisted Service member will decrease from \$12,476.70 in FY 2005 to \$9,763.80 in FY 2006. This figure is within 1.2 percent of the targeted \$9,646.00 per enlisted Service member.

### ***Performance Results for FY 2005***

Total basic training costs fell from \$2,250.3 million in FY 2004 to \$2,008.6 million in FY 2005, a decrease of 10.7 percent. The mobilization and deployment of large numbers of Army Reserve and National Guard soldiers for Operations Enduring Freedom and Iraqi Freedom required expansion, in FY 2004, of the training base and its infrastructure, including the construction of training barracks in Afghanistan and Iraq for operations. The removal of this expense dropped the Army's projected costs to \$871.7 million, a decrease of approximately 26 percent from the \$1,185.4 million expended in FY 2004. The Army fell short of its recruitment mission; approximately 16,500 fewer recruits than programmed completed basic training, raising the Army's cost per recruit by more than \$2,500.

The Air Force experienced high retention in FY 2005 and recruited only 62 percent of its FY 2005 programmed mission in an intentional force-shaping effort. The actual cost for Air Force recruit training was also reduced due to this force-shaping effort and other factors.

Overall, the total number of recruits fell significantly from 198,092 in FY 2004 to 165,645 in FY 2005, a decrease of 16.3 percent. However, funding for training decreased from \$2,250 million to \$2,009 million, a 10.7 percent decrease. Though there were reduced expenditures for recruit training, the intentional and unintentional decreases in the number of recruit training entrants led to a 6.7 percent increase in the cost of basic training per recruit metric, from \$11,359 to \$12,122 per recruit from FY 2004 to FY 2005.

<b>Metric 1.3.5: Cost Per Enlisted Recruit—Reserve Component (Constant FY 2005 Dollars)</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Cost per recruit	\$6,636	\$7,773	\$9,174	\$10,012	2% variance from target/NA

<sup>a</sup> FY 2006 data are estimated as of the third quarter.

***Metric Description***

The metric is designed as an indicator to analyze costs and trends over time, not to set annual targets for performance. Each year, DoD enlists about 200,000 new recruits for the Active Components and about 130,000 for the Reserve Components. These new Service members provide the entry-level manning necessary to meet manning and readiness needs. The cost of recruiting is calculated by dividing a Service’s total expenditures for enlisted recruiting by the total number of accessions (non-prior service plus prior service). Recruiting expenditures include recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (such as vehicles, equipment, computers, supplies, and an applicant’s transportation, food, and lodging), and other appropriations resources within the recruiting command/service (other procurement and research, development, test, and evaluation funding).

***Performance Results for FY 2006***

Recruiting costs for the Reserve Components cannot be specified. Different accounting procedures, changes in Component personnel, and system issues have made it difficult to determine the reliability and validity of the data on cost per enlisted recruit for the Reserve Components. The Office of the Assistant Secretary of Defense (Reserve Affairs) has been working to develop a solution to this problem.

***Performance Results for FY 2005***

FY 2005 costs associated with Reserve recruiting activities increased over FY 2004. In FY 2005, the Reserve Components programmed an additional \$91 million for college programs and an additional \$83 million for enlistment bonuses. Payroll costs increased significantly due to an increase in the number of recruiters. The Army National Guard hired 1,900 recruiters, for a total of 4,600, and the Army Reserve hired 774 recruiters, for a total of 1,774. Advertising costs also increased as the Services employed targeted advertising and innovative recruiter support programs. The Office of the Assistant Secretary of Defense (Reserve Affairs) is investigating the accuracy of these figures.

<b>Metric 1.3.6: Medical Cost Per Equivalent Life Per Month</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual <sup>a</sup>	FY 2006 Target <sup>b</sup> /Actual <sup>c</sup>
Medical cost per enrollee per month	\$168	\$179	\$192	\$213/\$208	\$221/\$223
Percentage change	Not available (first year data reported)	6.5%	≤14%/7.3%	≤11%/8%	≤9%/10%
<p>Note: Metric information has been updated to reflect change from straight enrollee count to an equivalent life factor. This factor allows for better comparison across time due to changes in enrollees.</p> <p><sup>a</sup> FY 2005 data are now more complete and represent best estimate of final information.</p> <p><sup>b</sup> FY 2006 dollar value target is based on a 6-month period for FY 2006 compared to the same period for FY 2005. Percentage is real goal for the metric, and dollar values will change as claims data become more complete.</p> <p><sup>c</sup> FY 2006 data are estimated as of the second quarter.</p>					

### *Metric Description*

This metric looks at how well the Military Health System manages the care for those individuals who have chosen to enroll in a health maintenance organization-type of benefit. It is designed to capture aspects of three major management issues: (1) how efficiently a Military Treatment Facility (MTF) provides care; (2) how efficiently the MTF manages the demand of its enrollees; and (3) how well the MTF determines whether care should occur inside the facility or be purchased from a managed care support contractor.

This aggregate measure helps to monitor how well the Military Health System is managing the care for TRICARE Prime enrollees. It looks at all Prime enrollees, whether at the MTF or with the health support services contractors. The overall measure can be broken into multiple components that allow for review of utilization factors and unit cost information for both direct care and purchased care. By reviewing this information, MTFs can determine how much it costs to provided care and how many times the enrollees are receiving care. Although the top-level measure is used to track overall performance, the detailed measures allow for review and management at the local level.

Final results will not be available for approximately 3 years due to claims processing times; purchased care workload is projected to completion 6 months after the fiscal year ends. Purchased care workload does not place care delivered overseas into hospital or clinic areas, so overseas workload is excluded. To ensure consistency across the program years, purchased care excludes all resource sharing, continued health care benefit plan, and TRICARE-for-Life purchased care workload. Since data are not available until 6 months after fiscal year-end, this is a lagging indicator.

### *Performance Results for FY 2006*

This metric is a lagging metric due to the need to have complete claims data, and FY 2006 results are very preliminary. The initial data appear to show an increase in monthly care costs per enrollee of approximately 10 percent compared to the target of 9 percent, but DoD expects to get closer to the goals as more of the claims data are completed. A large portion of the data are currently projected to completion using only a small number of the final claims, and variation is frequently large when the number of claims is small. In addition, as more claims are being entered electronically, the claims completion factors are slightly overstating the completed values.

## ***Performance Results for FY 2005***

DoD achieved the FY 2005 target. To determine how well the Military Health System is managing enrollees, DoD reviewed the subcomponents of the metric. The initial findings showed that approximately 55 percent of the increase in costs was related to increases in utilization by enrollees. This follows the national trend for increases in utilization of health care services, but must be contained to stay below the targets for future years. In addition to the increased utilization, the review showed a shift of care from MTFs to purchased care contractors. Part of this shift was expected because of the continued enrollment of individuals at MTFs with only limited capacity to expand to meet the needs of these new enrollees.

Another area that increased across the board was prescription drugs. Since the retail sector is the most expensive method of delivery for prescription drugs, costs will likely increase at higher rates until changes can be made to sustain the benefit by shifting more of this demand to mail order delivery. Until then, the Military Health System is taking advantage of the lower government pharmaceutical pricing, which has reduced medication costs. DoD expects mail order delivery to further reduce overall costs of prescription drugs.

Equivalent life factors were used to adjust the data to better account for age, gender, and beneficiary characteristics and thus better predict health care utilization. For example a young healthy 20-year-old male is likely to consume very few health care services during a single year, whereas a 60-year-old male is likely to consume a significant amount of care both in doctor visits and pharmaceuticals. The young male might receive an equivalent life factor of 0.5, and the older individual may receive a factor of 2.0. By using these factors, DoD can better compare the relative increase in costs across time. In other words, the Department can compare costs by cohort, for example, young health Active Duty and family members or retirees and their family members.

<b>Metric 1.3.7: Military Personnel Costs—Enlisted Pay Gap</b>					
Metric	FY 2002 <sup>a</sup>	FY 2003	FY 2004 <sup>a</sup>	FY 2005	FY 2006 Target/Actual <sup>b</sup>
Percentage of enlisted pay gap closed <sup>c</sup>	48%	61%	73%	88%	91%/97%
Percentage of remaining gap closed (annually)	31%	25%	33%	59%	75%
<sup>a</sup> Data for FY 2002 and FY 2004 changed from prior reports because the baseline for civilian wages was updated due to the availability of more recent data. <sup>b</sup> FY 2006 data are final as of the fourth quarter. <sup>c</sup> Relative to FY 2000 baseline.					

### *Metric Description*

To ensure sufficient military manpower for national defense, military compensation must be competitive. DoD determined that military pay that matches the 70th percentile of pay earned by comparably experienced civilian workers is an appropriate short-run measure for assessing whether military pay is competitive with civilian compensation. In the past, whenever military compensation was significantly less than the 70th percentile as compared to civilian pay, recruiting and retention problems arose. It is generally very costly, in terms of both dollars and experience mix, to correct recruiting and retention shortfalls after they have appeared. This metric tracks the percentage of the pay gap between military pay and the comparable 70th percentile for civilian counterparts that has been closed, as measured and beginning in FY 2000.

For officers, the appropriate comparison group is civilians with college degrees and advanced degrees in managerial and professional occupations. The FY 2000 pay gap for officers was eliminated in FY 2002 through a combination of targeted pay increases, across-the-board raises that exceeded the average increase in the private sector, and general increases in allowances.

Measurement of the enlisted pay gap is based on civilian pay by education and years of experience and enlisted pay by pay grade and years of service. DoD's goal is to close at least 25 percent of the remaining gap annually until the gap is eliminated. After the gap is closed, the goal is to ensure that military pay remains commensurate with the 70th percentile of comparable civilians.

Although a good leading indicator of recruiting or retention trends, this metric alone is not sufficient to gauge the overall efficiency or effectiveness of the military personnel compensation program. Consequently, DoD is working on monitoring changes in total military personnel costs (in current and constant dollars), the probability that an enlisted member will remain in service until 15 years, and the average experience at promotion for grades affected by the pay gap.

### *Performance Results for FY 2006*

The Department came very close to closing the enlisted pay gap in FY 2006; the pay gap decreased from 12 percent to only 3 percent. This change was the result of a 3.1 percent across-the-board pay raise compared with a 2.6 percent increase in the private sector, as measured by the Employment Cost Index. Another important factor was a 6 percent increase in the average housing allowance and a 2 percent increase in the subsistence allowance.



### ***Performance Results for FY 2005***

DoD achieved a sizable reduction in the enlisted pay gap from 73 to 88 percent of the total gap. This was accomplished with an average pay increase of 3.5 percent, an increase of 12.4 percent in the average basic allowance for housing, and an increase of 5 percent in the basic allowance for subsistence. The average civilian wage increase during this period was 3 percent.

<b>Metric 1.3.8: Primary Care Provider Productivity</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Relative value units per primary care provider per day	13.8	14.0	14.1	≥14.3/14.6	≥14.8/15.2
<sup>a</sup> FY 2006 data are estimated as of the second quarter.					

***Metric Description***

Running a premier health maintenance organization (HMO) requires focusing on primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care. Although the HMO has a goal to reduce the overall number of encounters per beneficiary, an additional goal is to ensure the efficient use of dollars spent on medical care. The targets for this metric represent stretch goals that were instituted to move the organization forward, but were not achieved in FY 2003 or FY 2004.

***Performance Results for FY 2006***

During FY 2006 goal setting, DoD continued with the gradual approach for performance improvement that was successful in FY 2005. Overall performance continued to improve, and the Department expects to surpass the goal set for FY 2006.

Normally, the data for the metric are more complete, but problems with security issues during the initial update of the software for this year caused problems with some Military Treatment Facilities reporting their data. Although the problem has not been corrected, data are slowly being updated in the systems. The Department is continuing to monitor performance and taking any necessary actions to improve performance as data are updated.

***Performance Results for FY 2005***

Before the beginning of the fiscal year, the performance target was adjusted to make the goal more realistic for annual performance and to match the Defense Health Program performance plan for FY 2005. Instead of an increase of 1 relative value unit per primary care provider per day, the goal was adjusted to an increase of 0.2, a target that was viewed as more achievable by the Services. Based partially on that change and on an emphasis on provider productivity, two of the three Services showed immediate improvements. By the end of the year, the overall Military Health System had met its goal.

<b>Metric 1.3.9: Total Costs for Contractor Support</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Trend data showing the percentage increase or decrease in costs associated with contractor support	No historical data; new metric	Army assigned pilot program to capture contractor manpower and costs	Army worked on overcoming legal hurdles and developing processes to implement pilot program	Army began to determine DoD-wide applicability Army implemented pilot program	Over half of new Army contracts reported into website; linkage between Resource Management and Contracting stove-pipes being worked
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

The DoD workforce has three components: Service members, civilian employees, and contractors. Contractor costs will grow as the Department continues its efforts to balance personnel investments by outsourcing non-core functions, enabling it to return military manpower slots to the kinds of operational tasks that can be performed only by a trained Service member. This metric provides visibility into the total funding burden of contracted personnel.

DoD must find ways to capture data about the contracted work performed (including direct labor hours), the associated costs (including direct labor costs), and the unit supported. This information is needed to satisfy fiscal accountability standards, as well to determine where contractor investments overlap, which will enable DoD to propose alternative solutions, as needed. Existing financial and procurement systems do not capture the needed contractor workforce data. Therefore, DoD is developing a systematic method to capture the data across the Department; the final cost indicator will allow the Department to monitor the trends in contract investments in direct labor dollars for all Military Services.

### ***Ongoing Research***

In summer 2002, the Department approved an Army pilot program to capture contractor manpower and costs. The Army is testing a Contractor Manpower Reporting Application, documenting lessons learned, and developing a proposal for DoD-wide (Service only) use.

### ***Timeline for Completion***

The Army pilot program and final proposal for DoD-wide applicability are scheduled for completion in September 2007. DoD-wide implementation is expected by FY 2008. Services may begin reporting total contracting support cost data in FY 2009.

### ***Performance Results for FY 2006***

The contractors have been populating the website with data on all new Army contracts. Data are being monitored on more than half of the contracts and the Secretary of the Army receives updates monthly. Staff members continue to build linkage between the resource management and contracting management offices to reduce the stove-piped processes and to build efficiencies. Most

FY 2006 data reporting will occur in October 2006. The Army is ahead of schedule in collecting lessons learned and formulating recommendations to address lessons.

***Performance Results for FY 2005***

The Secretary of the Army issued implementation guidance to include reporting requirements into applicable contracts. Contracting offices began implementing standardized contractor workforce data as a line item in new Army contracts, and contractors began populating the website with data. The Army captured lessons learned and established a cross-Service working group to develop the DoD implementation instructions and negotiate legal and policy requirements.

## Performance Goal 1.4 – Shape the Force of the Future

Metric 1.4.1: Active Component/Reserve Component Force Mix					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 <sup>a</sup>
Completion of planned Service rebalancing actions	No historical data; new metric	Spaces planned = 9,700 Spaces rebalanced = 29,088 Percentage for the FY = 300 (Green)	Spaces planned = 20,200 Spaces rebalanced = 16,049 Percentage for the FY = 79 (Amber)	Spaces planned = 19,300 Spaces rebalanced = 28,905 Percentage for the FY = 150 (Green)	Spaces planned = 43,400 Spaces rebalanced = 24,725
<sup>a</sup> FY 2006 data are estimates as of the fourth quarter					

### *Metric Description*

The FY 2001 Quadrennial Defense Review directed a comprehensive study of the proper mix of Active Component and Reserve Component forces. That study, completed in December 2002, concluded that DoD could enhance overall military capability by rebalancing both the mix of Active Components and Reserve Components and the mission assignments. The Secretary of Defense, in a 9 July 2003 memorandum, directed the Services to review their force structures and, where required, rebalance their forces to ease stress on the Guard and Reserve. The Secretary provided the Services with two force structure planning metrics: rebalance forces to eliminate the involuntary mobilization of Reservists during the first 15 days of a rapid response operation, and limit the involuntary mobilization of Reservists to no more than 1 year out of any 6-year period.

### *Ongoing Research*

A variety of initiatives have been undertaken, ranging from studies to Secretary of Defense memorandums and guidance. A study of the stress on the Reserve Component forces examined all specialties mobilized for current operations (Noble Eagle, Enduring Freedom, and Iraqi Freedom) and compared the data against previous operations (Desert Shield and Desert Storm) and recent Presidential Reserve call-ups (Bosnia, Kosovo, and Southwest Asia). The study measured stress using three factors: frequency of call-ups; duration of call-ups; and percentage of inventory used (i.e., how much of the force capability was employed). The results of this study helped the Services identify where rebalancing was needed.

The Services have each reviewed their force structure and have submitted their plans for rebalancing. The numbers and types of spaces rebalanced vary by Service. The Department began tracking rebalancing actions in FY 2003. Rebalancing is a continuous and iterative process; the Services will review their force structures periodically and, where applicable, will take additional rebalancing actions.

### *Timeline for Completion*

Although rebalancing is an iterative and continuous process, the rebalancing actions required to compensate for the transition from the cold war to the global war on terrorism are scheduled to be completed by September 2010.

### ***Performance Results for FY 2006***

Because of a change in reporting requirements for FY 2006, the final results of the Services' efforts to rebalance are not yet available. Beginning this year, the Services are to report their rebalancing plans and results in terms of the addition of force structure (spaces) to stressed capability areas; previously, the focus was on unit force structure changes. This change of focus may result in report numbers different from those expected.

### ***Performance Results for FY 2005***

The Services continued to rebalance in FY 2005. They were able to exceed their projected 19,300 spaces, rebalancing a total of 28,905 spaces. This represented 150 percent of their fiscal year goal.

Metric 1.4.2: Civilian Human Resources Strategic Plan					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Percentage of Civilian Human Resources Strategic Plan tasks completed	90% (26 of 29 tasks completed)	98% (40 of 41 tasks completed; includes three carryover tasks from FY 2002)	80%/90% (54 of 60 tasks completed; includes one carryover task from FY 2003)	80%/100% (20 of 20 tasks completed; includes one FY 2004 rescheduled task)	Revised Civilian Human Capital Strategic Plan (CHCSP), finalized and issued
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

Good human capital management is one of the key tenets of the Department’s transformation initiative. The Department’s Civilian Human Resources Strategic Plan is the road map that provides direction and outlines the standards for achieving those transformational results. The plan links the standards to mission and goals that cascade throughout the Department.

Progress is measured in terms of the number of tasks completed as a percentage of the number of tasks scheduled (quarterly and annually). A successful rating requires completing 80 percent of scheduled tasks annually. To provide more qualitative information about the overall effect of annual activities, DoD is replacing task-dependent output measures with task-dependent outcome measures.

### ***Performance Results for FY 2006***

In FY 2006, the Department revised the DoD Civilian Human Resources Strategic Plan. The revised document is known as the Civilian Human Capital Strategic Plan. The CHCSP establishes long-term goals that align with the FY 2006 Quadrennial Defense Review, DoD’s overall human capital strategy, and Office of Personnel Management (OPM) human capital initiatives. In addition, it establishes metrics used to measure performance against the goals.

The CHCSP is the Department’s comprehensive plan for ensuring a strong civilian workforce, able to meet the mission challenges of today and the future, and guiding and informing the civilian Human Resources (HR) policies, programs and initiatives. The CHCSP establishes four goals:

- *Goal 1—World Class Enterprise Leaders.* DoD has diverse civilian leaders who effectively manage people in a joint environment, ensure continuity of leadership, and sustain a learning environment that drives continuous improvement across the enterprise.
- *Goal 2—Mission-Ready Workforce.* DoD has a highly capable workforce characterized by agility, flexibility, diversity, and seamless integration with the total force.
- *Goal 3—Results-Oriented Performance Culture.* DoD has a mission-focused, results-oriented, high-performing culture.
- *Goal 4—Enterprise HR Support.* The DoD civilian HR community is strategically aligned and customer focused, and it provides measurable, leading-edge results.

During FY 2006, DoD focused on implementing the CHCSP and the metrics to measure performance against the CHCSP goals. The metrics will be measured using the evaluation method outlined in the Civilian Human Capital Accountability System, which is scheduled for completion in the fourth quarter of FY 2006. Annually, DoD will provide a Human Capital Accountability Report to OPM. No task reporting was accomplished in FY 2006.

The following actions were completed in FY 2006:

- *Quarter 1.* Goals of the draft 5-year CHCSP were revised to reflect the implementation of the National Security Personnel System, the Base Realignment and Closure process, and the OPM requirements contained in the Human Capital Assessment and Accountability Framework.
- *Quarter 2.* Goals of the draft 5-year CHCSP were revised to align with the Quadrennial Defense Review and the President's National Security Plan.
- *Quarter 3.* Under Secretary of Defense for Personnel and Readiness approved the CHCSP.

### ***Performance Results for FY 2005***

During FY 2005, the Department began revising the Civilian Human Resources Strategic Plan. In addition, the Department completed all of activities planned for the year:

- Quarter 1
  - 1.2.1 Identified sources of expertise in academia and industry to enhance recruitment and marketing efforts and reduce underrepresentation in mission-critical occupations.
  - 2.2 Provided evidence of how many employees were promoted after completing the Department of Defense Executive Leadership Development Program and Defense Leadership and Management Program.
  - 3.2 Established communication with more than 400 colleges and universities to promote DoD employment opportunities and conducted marketing and recruitment outreach programs to students with disabilities, disabled veterans, and minorities.
  - 7.1 Promoted maximum use of policy and programs (flexible work schedules, teleworking, job sharing, child care, and elder care) to improve the working environment.
- Quarter 2
  - 1.2.4 Articulated to colleges and universities the skills needed to support DoD core mission and critical support occupations.
  - 1.4.6 Identified the requirements for tracking sources and amounts of corporate recruitment investment.
  - 4.2.3 Participated in the Program Objective Memorandum process, assessing the impact on the Department's civilian workforce.



- Quarter 3
  - 2.4.3 Evaluated pilot programs to improve the Equal Employment Opportunity complaints process. Conducted studies, analyses, and experiments to identify optimal customer-focused HR delivery systems.
  - 5.2.8 Assessed automated methods available within the Department and other sources for tracking civilians and contractors.
  - 6.1 .1 Conducted a Defense Manpower Data Center survey to identify optimal customer-focused HR delivery systems necessary to meet customer needs.
  - 7.1.5 Developed concepts for an injury compensation credentialing program for program administrators.
  - 7.4.2 Pursued legislative authority to adopt a uniform annuity commencement date.
- Quarter 4
  - 5.2.1 Determined scope of system needed for an integrated information technology system in support of the total force.
  - 5.2.6 Enhanced the Defense Civilian Personnel Data System to improve operations (consolidate servers, databases) to increase security and reduce costs.
  - 5.2.7 Identified requirements for tracking civilians who are deployed during contingencies.
  - 6.1.15 Established guidance for developing and standardizing HR recruiting websites.
  - 7.1.12 Prepared annual findings on attainment of DoD teleworking goals.
  - 7.3.16 Initiated development of a credentialing program for injury compensation program managers.
  - 7.3.7 Evaluated a concept for funded child care for DoD civilian employees.
  - 7.3.8 Evaluated a concept for spouse preference for DoD civilian employees' sponsors (Department of Defense Education Activity "Preference" model).

<b>Metric 1.4.3: Civilian Recruiting Cycle Time</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Trend data to monitor the number of days appropriated fund positions are vacant	No historical data; new metric	Drafted performance measures Established benchmark with Fortune 500	Issued reporting requirements for measure Integrated Office of Personnel Management reporting requirements into DoD reporting requirements	Collected and validated data Began to characterize results Calculated DoD time-to-fill metric: 71% actions within 90 days 12% actions within 120 days 17% actions over 120 days Data for Office of Personnel Management (OPM) metric not yet collected	Non-Senior Executive Service (SES) hires: 45 days/31 days SES hires: 30 days/75 days
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

This measure provides a standard metric and data collection method for evaluating the efficiency of civilian recruiting cycle time across the Department. It is linked to the Strategic Management of Human Capital initiative of the President’s Management Agenda.

In 2004, OPM imposed new goals for non-SES and SES hiring actions. OPM established a model of 45 working days or less for non-SES positions, measured from the date the vacancy announcement closes to the date the job offer is made. A model of 30 working days or less was established for SES positions, measured from the date the vacancy announcement closes to the date the package is submitted to the OPM Qualifications Review Board. DoD adopted both of these models as its principal measures of hiring efficiency.

### ***Timeline for Completion***

Data collection for the OPM hiring models began during FY 2005. The data were benchmarked during the second quarter of 2005, and data collection processes were refined and results verified throughout the rest of the fiscal year. The Department began regularly reporting accurate and reliable data during the second quarter of FY 2006.

### ***Performance Results for FY 2006***

DoD tracked both the OPM 45-day and OPM 30-day models for the first three quarters of FY 2006. The data were officially recorded beginning in the second quarter. (The intent was to start collecting the data earlier, but they were not complete or reliable until the second quarter.) Recruiting actions for all DoD positions at GS-15 and below were made well within the 45-day model. Against the 30-day model, the Department reduced its time to an average of 75 days. A benchmark of 125 days was established using second quarter FY 2005 data. The DoD average fill

time for SES positions for the second quarter of FY 2006 was 104 days, a 17 percent reduction from the same period in FY 2005. The DoD average fill time for SES positions is currently 75 days, a 28 percent reduction from the second quarter of FY 2006, and a 40 percent overall reduction from the original benchmark established in the second quarter of FY 2005.

The Department's performance against the models was as follows:

- *45-day model.* Quarter 1–NA, Quarter 2–31 days, Quarter 3–31 days
- *30-day model.* Quarter 1–NA, Quarter 2–104 days, Quarter 3–75 days.

### ***Performance Results for FY 2005***

The Department began collecting data for the OPM 45- and 30-day models beginning in the second quarter of 2005. The collection processes were refined during the remainder of FY 2005. The table below shows the civilian time-to-fill—defined as the time from the initiation of a Request for Personnel Action (RPA) to the entrance on duty (EOD) date—for FY 2005. The distribution for time-to-fill was as follows:

Within 30 days	25%
31–60 days	22%
61–90 days	20%
91–120 days	13%
More than 120 days	20%
Total	100%

FY 2005 Civilian Time-to-Fill														
Item	Army	Navy	Air Force	Washington Head- quarters Services	Defense Logistics Agency	Defense Contract Management Agency	Defense Finance and Accounting Service	Defense Information Systems Agency	Defense Contract Audit Agency	DoD Inspector General	Defense Acquisition University	Defense Commissary Agency	DoD Education Activity	Total
Time-to-fill <sup>a</sup>	Number of Transactions per Component													
<30 days	6,352	1,708	1,077	237	337	185	67	46	15	41		250	1,074	11,389
31–60 days	4,231	2,667	1,552	85	467	72	156	54	38	25		52	545	9,944
61–90 days	3,659	2,268	1,950	42	208	55	129	44	30	25		15	300	8,725
91–120 days	2,716	1,474	1,111	51	99	35	92	32	28	65		1	58	5,703
>120 days	4,594	2,314	1,623	151	76	51	153	145	30	20			36	9,193
Total	21,552	10,431	7,313	566	1,187	398	597	321	141	117		318	2,013	44,954
Source	Number of Transactions per Component													
New to government	9,393	3,029	3,071	214	141	24	229	25	85	75		200	960	17,446
External	266	1,242	156	28	173	0	1	113	11	8		117	7	2,122
Internal to DoD	273	690	157	14,136	124	2	37	39	7	15		12	7	23,996
Internal to Component	11,620	5,470	3,929	188	749	345	330	144	38	19		116	1,039	23,996
Duration	Average Number of Calendar Days													
From date position became vacant to EOD	— <sup>b</sup>	— <sup>b</sup>	— <sup>b</sup>	NA	61	— <sup>b</sup>	95.7	286	83	94		— <sup>b</sup>	27	
From date RPA was initiated to EOD	74	89	87	79	55	53.4	93.7	159	83	89		— <sup>b</sup>	35	
<sup>a</sup> Number of calendar days from initiation of RPA to effective date.														
<sup>b</sup> Data not provided.														

<b>Metric 1.4.4: Identify Future Critical Skills</b>					
<b>End-State Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006 Target/Actual<sup>a</sup></b>
Outcome goals that establish standards for emerging critical skills	No historical data; new metric	Established common definitions of critical fill needs Considered alternative metric development	Agreed to common definition of critical skills Identified most critical needs for recruitment and retention	Services reported metrics on skills most critical to recruiting and retention Funding not approved for necessary two-phase study	Services reported metrics on skills most critical to recruiting and retention Funding not approved for necessary two-phase study
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

### ***Metric Description***

DoD needs to identify skills critical to future forces, with enough lead-time to ensure that there are trained and ready Service members with these skills when needed. The skill/experience combinations deemed critical will vary from Service to Service. DoD needs to understand fully what makes these skill/experience combinations so important to assess adequately the capability to identify, recruit, train, retain, and sustain Service members in these skills.

### ***Ongoing Research***

DoD established a metric for “critical skills” to develop a comprehensive list of the most common critical skills across the Department. The Department then planned a two-phase study. In Phase I of the study, DoD will review the Services’ transformation programs and the Department’s vision of military strategy and responsibilities for the next 25 years. Specifically, DoD will identify the skills required to support this future strategy and determine which of those skills will be cataloged as “critical” (e.g., foreign area specialists, information operators, space experts) based on the criteria established in the study. In Phase II, DoD will address the many follow-on questions, such as these: How will personnel be recruited in these skills? What programs will be required: current programs, special incentives, and lateral entry? Is the training base adequately resourced with experienced personnel to provide entry-level and advanced training? What retention incentives are going to be required to retain them? What jobs and education are required to provide for a viable and rewarding career path?

### ***Timeline for Completion***

Three months after completing the Phase I study, the Department will draft a study plan for Phase II. A final report will be published 6 months after the Phase II study begins.

### ***Performance Results for FY 2006***

Services continued to report on the retention status and inventory (versus authorizations) of their critical skills for retention. However, this is just a small part of the total effort. As in FY 2005, the funding was not approved for the two-phase study.

***Performance Results for FY 2005***

During the first quarter, DoD completed the metrics for the retention portion of critical skills. However, the funding for the next step has not been approved, so further action has been delayed.

Metric 1.4.5: Implement New Reserve Component Management Paradigm					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
A new baseline for managing Reserve Component forces	No historical data; new metric	Established goals such as promoting volunteerism and reach-back capabilities Employed five initiatives to support creation of a seamless flow between Active and Reserve Components	Introduced legislative proposals Introduced linguist program	Approved certain legislative proposals in National Defense Authorization Act (NDAA) Incorporated continuum-of-service concept into Quadrennial Defense Review effort Continued to identify potential quantitative and qualitative metrics for implementation Initiated or expanded various pilot programs	Incorporated continuum-of-service, operational support, enhanced use of Reserve Components, and enhanced volunteerism concepts into the new management paradigm Evolved the management paradigm into a new operational reserve concept Created a new model, called Operational Reserves, that is supported by continuum of service and operational support
<sup>a</sup> FY 2006 data are estimates as of the fourth quarter.					

**Metric Description**

The FY 2001 Quadrennial Defense Review directed a comprehensive review of the use of Reserve Component forces. That study proposed a concept called “continuum of service.” Under this concept, a Reservist who normally trains 38 days a year could volunteer to move to full-time service for a period of time or to some increased level of service between full-time and his or her normal Reserve Component commitment, without abandoning civilian life. Similarly, an Active Duty Service member could request transfer into the Reserve Component for a period of time, or some status in between, without jeopardizing his or her full-time career and opportunity for promotion. Military retirees with hard-to-find skills could return on a flexible basis and create opportunities for others with specialized skills to serve.

The purpose of the new management paradigm is to create a comprehensive management system that will better facilitate flow between Active and Reserve Component service and enhance Reserve Component usage. Some initiatives related to the new management paradigm will require legislative, policy, or regulatory changes and, therefore, will take several years to implement.

## ***Ongoing Research***

DoD's efforts are focused on (1) creating a seamless flow between Active and Reserve Component forces; (2) encouraging volunteerism and establishing new affiliation programs; (3) simplifying rules for accessing, employing, and separating Reserve Component personnel; (4) increasing the flexibility of the Reserve Component compensation system; and (5) enhancing combined Active and Reserve Component career development. To measure the success of the new management paradigm, the Department is considering such concepts as the following: (1) establishing specific measures for each approved and initiated program, such as the 09L program, civilian employment information program, and lateral entry/direct-accession program; (2) compiling results of each specific program evaluation into a single comprehensive measure; and (3) determining the percentage of legislative proposals approved. Efforts to determine valid, useful performance measures will continue as the Department moves forward with multiple initiatives.



Initiatives Supporting the Reserve Component Management Paradigm	
Component	Initiative
Office of the Secretary of Defense	<ul style="list-style-type: none"> <li>Reform of Individual Ready Reserve (IRR) into participating IRR</li> <li>Creation/expansion of Service auxiliaries</li> <li>Development of sponsored Reserve (corporate partnership) programs for hard-to-grow and maintain skills</li> <li>Direct-entry IRR linguist program</li> <li>Reserve participation in information assurance scholarship program</li> <li>Direct-entry accessions programs</li> <li>Civilian employment information program</li> <li>Defense wireless service initiative</li> <li>Civilian occupational skills program</li> </ul>
Air Force	<ul style="list-style-type: none"> <li>Sponsorship of Reserve task force</li> <li>Additional blended/associate units</li> <li>Internal rotation for Air Expeditionary Force support</li> <li>Movement to "1.2" stress level for all Air Force specialty codes</li> <li>Civil Air Patrol/expanded service auxiliary</li> <li>Expansion of high-tech information operations/information assurance civilian acquired skills recruiting</li> <li>Enhancement of Active Duty retiree program</li> <li>Robust use of "Category E" (drilling) reservists</li> </ul>
Army	<ul style="list-style-type: none"> <li>Defense wireless service initiative</li> <li>IRR Arab linguist program</li> <li>Expansion of forces in civil affairs, psychological operations, chemical, special operations forces, intelligence, military police</li> <li>Resolution of stressed career fields</li> <li>Increase in modularity and flexibility</li> </ul>
Navy	<ul style="list-style-type: none"> <li>Sea Warrior (competency management)</li> <li>Increased connectivity of Navy Reserve sites to National Security Agency (reach-back)</li> <li>Flexible contracts/flexible drills pilot program</li> <li>Additional training periods for high-demand units</li> <li>Navy Reserve Redesign Study</li> <li>Navy Reserve First Call Program</li> </ul>
Marine Corps	<ul style="list-style-type: none"> <li>Use of more volunteers for small-scale, preplanned Reserve Component unit deployments and information assurance requirements</li> <li>Reorganization of Reserve Component intelligence command and control into Reserve Intelligence Support Battalion</li> <li>Robust rotational presence: UNITAS expeditionary operations, Guantanamo, and others</li> <li>Use of CONUS-based Marine Consolidated Active/Reserve Component Personnel Administration Centers</li> <li>Deliberate plan to utilize/fund IRR members for operations and exercises</li> </ul>

### *Timeline for Completion*

Specific measures will be developed in FY 2007.

### ***Performance Results for FY 2006***

DoD completed all initiatives related to continuum of service, operational support, enhanced use of the Reserve Component, and enhanced volunteerism. In addition, it evolved the new management paradigm into a new Operational Reserve concept. The Office of the Secretary of Defense for Reserve Affairs is developing a new matrix that will measure outcomes. These will be developed in FY 2007.

### ***Performance Results for FY 2005***

The Department added the continuum-of-service concept into its Quadrennial Defense Review effort. In addition, the direct accession/lateral entry program was evaluated via a report to Congress and considered for expansion in certain areas; the civilian employment information effort was implemented and population of a database, in accordance with specific, quantitative goals, was started; the Army's 09L program continued, and an effort to transition the program into the active force was reviewed; each Military Service, except the Air Force, initiated a Variable Pool Reserve–Unit pilot program to test varying (increased) levels of Reserve participation; the Air Force expanded its Future Total Force program and increased Reserve Component integration; the Army initiated a Defense Wireless Service Initiative pilot program; and evaluation of a Sponsored Reserve program continued.

About 80 percent of proposed legislative changes were approved and incorporated into the FY 2005 NDAA. The changes include the following:

- Eliminate the 180-day rule
- Create an “operational support” accounting category
- Provide enhanced bonuses for language skills
- Change the “purpose” of the Reserve Components.

The Department also developed two new programs. The first is an “Expectation Management” effort to better communicate Reserve Component obligations and opportunities to Service members and their families, employers of Reserve Component members, the Congress, and the media. The second is a “Defense Language Management Program” to increase language capability within the military.

<b>Metric 1.4.6: Meeting Civilian Critical Fill Goals</b>					
<b>Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005 Actual<sup>a</sup></b>	<b>FY 2006 Target/Actual<sup>b</sup></b>
Number of critical positions encumbered as a percentage of number of critical positions authorized	No historical data; new metric	Reviewed previously identified DoD critical positions, by core mission and critical support occupations Issued reporting requirements	Analyzed data at the DoD and Component level	Achieved overall fill rate of 104.5% for core mission occupations Achieved overall fill rate of 106.4% for critical support occupations	Updated list of mission-critical occupations (MCOs) Analyzed data and identified new metrics
<sup>a</sup> Data unreliable due to variances in maintaining authorization data by the Components and Defense Agencies. <sup>b</sup> FY 2006 data are final as of the third quarter.					

***Metric Description***

This measure monitors the fill rate of critical positions by core mission occupations and critical support occupations. The fill rates for core mission occupations, supported by critical support occupations, are an indicator of the Department’s ability to accomplish its mission over the long term. Fill rate is an integral part of human capital management. As early as 1999, the Government Accountability Office asked DoD to list core mission and critical support occupations. The DoD subsequently surveyed the Military Departments and Defense Agencies and identified 13 core mission occupations and 23 critical support occupations.

***Ongoing Research***

Considering the Quadrennial Defense Review strategies and capabilities, the Department is modifying the list of mission-critical occupations that include both core mission and critical support occupations. The Department will review the new MCOs to determine the competencies needed to support the mission. By developing a competency-based recruitment focus, the Department will be able to measure the gap between existing and needed competencies and to determine the extent to which competency gaps are being closed for MCOs.

***Timeline for Completion***

The Department is continuing to identify MCOs. It will then identify and assess competencies required for the new MCOs and will use a competency-based approach to determine and fulfill requirements for the civilian workforce to support the national defense.

***Performance Results for FY 2006***

At the end of FY 2005, it was determined that the civilian critical fill metric did not give a true picture of the Department’s status; therefore, no critical fill data have been reported for FY 2006. The picture was not accurate because DoD’s focus changed drastically in 2001. Support of national defense includes defeating terrorist networks, defending the homeland in depth, shaping the choices of countries at strategic crossroads, and preventing hostile states from acquiring or using weapons of mass destruction. These new goals are not accurately reflected in the current list of core mission and critical support occupations. The list of 36 core mission and critical support occupations, which were developed in 1999–2000, was revised and refreshed to facilitate the development of a

competency-based system to support the new needs of DoD. The revised list of MCOs is aligned with Quadrennial Defense Review strategies and capabilities. MCOs are grouped into the following families and series: Acquisition, Education/Training, Engineering, Financial/Budget, Human Resources, Information Technology, International Relations, Logistics/Supply/Distribution, Medical, Science, Security/Protection, Attorneys (0910), Management Analysts (0343), Public Affairs (1035), and Telecommunications (0391).

### ***Performance Results for FY 2005***

The performance metrics criteria for the fill rate of core mission and critical support occupations were based on the following parameters:

- Green: 95 percent or above
- Yellow: 86 to 94 percent
- Red: 85 percent or less.

The overall fill rate for FY 2005 for core mission occupations was 104.5 percent and for critical support occupations was 106.4 percent. The distribution was as follows:

- Core mission occupations
  - Army—117.92%
  - Navy—93.98%
  - Air Force—115.37%
  - Defense Agencies—96.60%
- Critical support occupations
  - Army—122.50%
  - Navy—98.33%
  - Air Force—106.27%
  - Defense agencies—96.51%.

Through the use of this metric, the Department determined that the data were unreliable due to variances in maintaining authorization data by the Components and Defense Agencies.

The following table lists the DoD fill rates by occupational category.

DoD Fill Rates by Occupational Category, FY 2005		
Occupational Category		Fill Rate
Core Mission Occupations		
0602	Medical Officer	128.04%
0800	Engineering Professions	99.49%
1101	General Business	131.63%
1102	Contracting	110.45%
1152	Production Control	104.62%
1300	Physical Science Professions	96.13%
1520	Mathematics	94.77%
1550	Computer Science	103.64%
1910	Quality Assurance	122.72%
2001	General Supply	103.95%
2003	Supply Management	97.38%
2010	Inventory Management	114.97%
2030	Distribution Management	107.77%
Critical Support Occupations		
0018	Safety and Occupational Health	105.06%
0080	Security Administration	103.98%
0083	Police	108.81%
0085	Guard	136.96%
0201	Personnel Management	109.67%
0260	Equal Employment Opportunity	102.42%
0301	Miscellaneous Administration	112.40%
0343	Management Analyst	103.53%
0346	Logistics Management	103.58%
0391	Telecommunications Manager	97.47%
0501	Financial Administration	109.63%
0505	Financial Management	99.79%
0510	Accounting	107.68%
0560	Budget Analyst	102.09%
1670	Equipment Specialist	105.12%
1710	Education and Vocational Training	94.32%
1712	Training Instruction	118.17%
1811	Criminal Investigating	96.24%
2101	Transportation Specialist	109.71%
2130	Traffic Management	112.39%
2150	Transportation Operations	105.02%
2161	Marine Cargo	108.57%
2210	Computer Specialist	104.71%

The following table lists the Component fill rates by occupational category.

Component Fill Rates by Occupational Category, FY 2005					
Occupational Category		Fill Rate			
		Army	Navy	Air Force	4 <sup>th</sup> Estate <sup>a</sup>
Core Mission Occupations					
0602	Medical Officer	133.77%	111.18%	102.56%	— <sup>b</sup>
0800	Engineering Professions	99.44%	94.06%	117.63%	97.18%
1101	General Business	314.57%	97.11%	115.66%	99.86%
1102	Contracting	150.28%	89.36%	104.73%	95.44%
1152	Production Control	127.53%	94.39%	112.35%	100.00%
1300	Physical Science Prof.	92.52%	93.17%	115.78%	96.23%
1520	Mathematics	91.61%	94.44%	102.25%	100.00%
1550	Computer Science	120.18%	100.89%	120.13%	75.21%
1910	Quality Assurance	219.97%	97.87%	107.71%	97.34%
2001	General Supply	119.21%	88.47%	110.04%	97.63%
2003	Supply Management	107.91%	86.85%	96.86%	98.34%
2010	Inventory Management	108.64%	91.32%	152.25%	96.69%
2030	Distribution Management	123.62%	109.09%	100.00%	97.50%
Total		117.92 %	93.98%	115.37%	96.60%
Critical Support Occupations					
0018	Safety & Occupational Health	122.72%	92.01%	106.99%	96.93%
0080	Security Admin	125.17%	87.85%	109.44%	92.21%
0083	Police	159.95%	81.07%	100.26%	92.80%
0085	Guard	135.90%	85.00%	188.43%	100.00%
0201	Personnel Management	147.55%	71.80%	115.65%	90.01%
0260	Equal Employment Opportunity	104.18%	94.65%	113.49%	97.67%
0301	Misc Administration	123.38%	102.29%	111.32%	94.33%
0343	Management Analyst	115.06%	95.16%	108.00%	95.47%
0346	Logistics Management	112.61%	95.50%	99.16%	99.65%
0391	Telecomm Mgmt	95.33%	97.14%	96.95%	101.83%
0501	Financial Admin	149.49%	113.09%	112.38%	95.47%
0505	Financial Management	114.05%	93.98%	91.48%	101.85%
0510	Accounting	155.42%	94.08%	106.89%	98.57%
0560	Budget Analyst	108.66%	94.42%	103.75%	92.12%
1670	Equipment Spec	107.01%	102.48%	106.11%	100.00%
1710	Education & Voc Training	180.00%	101.32%	66.67%	91.94%
1712	Training Instruction	126.75%	96.01%	108.86%	295.80%
1811	Criminal Investigating	129.61%	91.38%	% <sup>c</sup>	95.72%
2101	Transportation Spec	112.20%	107.32%	108.28%	100.00%
2130	Traffic Management	126.40%	102.37%	93.55%	99.20%
2150	Transportation Operations	147.71%	89.55%	107.95%	86.96%

Component Fill Rates by Occupational Category, FY 2005					
Occupational Category		Fill Rate			
		Army	Navy	Air Force	4 <sup>th</sup> Estate <sup>a</sup>
2161	Marine Cargo	101.85%	112.50%	% <sup>c</sup>	% <sup>c</sup>
2210	Info Technology Mgmt	116.96%	94.77%	109.68%	98.50%
Total		122.50%	93.88%	106.27%	96.51%
<sup>a</sup> Includes Office of the Secretary of Defense Components and Defense Agencies/Activities. <sup>b</sup> Does not have any positions authorized or encumbered. <sup>c</sup> Data not available					

<b>Metric 1.4.7: Military Human Resources Strategic Plan</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Percentage of scheduled tasks completed	1 <sup>b</sup>	7 <sup>b</sup>	100% (8 of 8 tasks)	67% (6 of 9 tasks)	73% (8 of 11 tasks)
<sup>a</sup> FY 2006 data are as of the third quarter. <sup>b</sup> Number of tasks completed. In 2002, 25 funded or in-house studies were programmed to be completed by the end of FY 2005. However, in 2003, this metric was changed to be consistent with the Civilian Human Resource Strategic Plan metric. Beginning with FY 2004, the measure is the number of tasks completed as a percentage of tasks (funded or in-house) scheduled for completion.					

### *Metric Description*

This metric compares the number of tasks scheduled for completion under the Military Human Resources Plan with those actually completed. If 80 percent of tasks are completed, the result is considered “on track” to achieving plan goals. Beginning in FY 2004, the percentage target is calculated by dividing the number of projects completed in a fiscal year by the number scheduled to be completed that fiscal year. Tasks are removed from the plan as they are completed.

The Military Human Resources Strategic Plan has six main goals:

- Increase the willingness of the American public to recommend military service to youth
- Recruit the right number of quality people
- Develop, sustain, and retain the force
- Seamlessly transition members to and from Active and Reserve status
- Develop a flexible, integrated human resources management information system
- Sustain continuous human resources process improvement.

Each goal has subordinate objectives and actions. As studies of new ideas or proposals are completed, one of four actions is taken:

- The idea is abandoned (typically, because it is ineffective or inefficient).
- Legislation is requested to implement the idea.
- The idea is implemented and applicable metrics established.
- The idea scheduled for further study.

This plan establishes the legislative and policy priorities for the next several years, such as the following:

- Accessing enlisted personnel with the right level of education and aptitude



- Ensuring that the force is manned with the right number of military members and in the appropriate skills
- Implementing a demonstration program evaluating various personnel management policies and programs for extending careers, such as an “up-and-stay” policy (versus “up-or-out”) for certain high-investment specialties.

### ***Performance Results for FY 2006***

By the end of the third quarter, the Department had completed 8 of the 11 efforts programmed for completion in FY 2006. The completed studies provided (1) the final report for variable officer career lengths; (2) the Defense Advisory Committee on Military Compensation report for recommendations for a flexible and competitive compensation system; (3) alternatives for the military retirement system and obstacles to their implementation; (4) the report on the Service General and Flag Officer career management process; (5) a validation of the Armed Services Vocational Aptitude Battery; (6) a first step in implementing the policy change to align enlisted grade and experience pyramids; (7) a strategic approach to joint personnel issues; and (8) alternatives for a flexible and competitive compensation system, to be evaluated in the Tenth Quadrennial Review of Military Compensation.

### ***Performance Results for FY 2005***

DoD completed six of nine scheduled studies. The completed studies (1) developed a critical skills metric for retention; (2) evaluated the utility and availability of non-monetary incentives to support retention efforts; (3) evaluated an indefinite reenlistment option; (4 and 5) developed policies and programs to facilitate the seamless transfer of members from an Active to a Reserve Component and vice versa; and (6) provided the final draft for alternative career officer career paths with variable career lengths, promotion timing, and in-career compensation and benefits.

Three of the scheduled studies were not completed for the following reasons:

- The study to develop legislative and policy changes to place Service Chiefs and Combatant Commanders under same tenure as the Chairman of the Joint Chiefs of Staff (CJCS) was rejected by Congress and the then-CJCS. DoD created a new initiative that will develop legislative and policy changes to allow for increased flexibility with regard to officer tenure in support of Departmental requirements for FY 2007–FY 2008.
- The study of the Service General and Flag Officer career management process—translating joint requirements to Service terms of reference—was delayed for various administrative and resource constraint decisions. The Joint Senior Leader survey, coupled with the prior Service-specific surveys, will permit a Department-wide “Job Book” enabling the purposeful development of officers to meet Department requirements. It is to be completed in FY 2006.
- The initiative to provide flexible and competitive compensation systems to achieve desired force profiles for each Service could not be completed until after the completion of the Defense Advisory Committee on Military Compensation report (FY 2006) and Quadrennial Review of Military Compensation (FY 2007).

Metric 1.4.8: Optimal Officer Career Patterns					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of officers on optimal career path for retention	No historical data; new metric	Phase I of RAND study completed Started Phase II	Published Phase I report	Completed Phase II	Published Phase II report Started Phase III
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

### *Metric Description*

The Military Personnel Human Resources Strategic Plan requires Military Personnel Policy to “conduct studies on officer career and promotion management that will extend time in job and service tenure.” DoD contracted with RAND to assess management and policy implications of potential changes in officer career management.

Phase I addressed General and Flag Officer careers and found that some, but not all, jobs and careers could be lengthened for General and Flag Officers. This phase, completed in July 2003, focused on which jobs to lengthen and for which officers. Phase II addressed careers of officers in the grade of colonel and below and focused on how to enable officers to have longer assignments and longer careers through changes in law and policy. After Phase II was complete, DoD proposed legislative and policy changes suggested from this work, but these efforts were met with resistance from Congress and some Services.

For Phase III, the Department expanded the scope of the study to include (1) an investigation of the effects of competency-based management on career patterns to support the recommendations published in the Quadrennial Defense Review and (2) the design of a demonstration project of alternative management systems that addressed congressional and Service concerns.

### *Ongoing Research*

RAND is developing a plan to test alternative management concepts such as the following:

- Cap on officer career lengths
- Feasibility and advisability of longer assignments
- Effects of different grade and position tenures on retention or performance
- Past officer assignment length patterns
- Patterns of promotion and career tenure
- Using system dynamics military manpower models to reflect selected changes to current officer management

- Implications of selected changes to policy for officers' career paths
- Need for different or additional compensation and incentives to support any changes in existing personnel practices.

### ***Timeline for Completion***

Phase III was initiated in July 2006. Its purpose is to develop legislative recommendations that can be inserted as early as the FY 2008 legislative process.

### ***Performance Results for FY 2006***

Efforts to implement legislative recommendations from Phase II work met with resistance from Congress and some Services. The Phase II report, "Challenging Time in DOPMA: Flexible and Contemporary Officer Management," was published in June 2006. Phase III work began in July 2006.

### ***Performance Results for FY 2005***

Two Phase II communities were modeled in FY 2005: Air Force Space and Missile, and Marine Corps officers. Progress reports were completed in January and May 2005. Phase II was completed in September 2005.

**Strategic Goal 2: Balancing Operational Risk – achieve and maintain operational superiority.**

**Performance Goal 2.1 – Maintain Force Readiness**

**Metric 2.1.1: Adaptive Planning**

End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of deliberate and crisis plans networked as “living plans” in a collaborative joint command and control environment	No historical data; new metric	Tested prototype of adaptive planning system	Approved adaptive planning concept and matured operational prototype	Used adaptive planning on select plans in contingency planning guidance Used adaptive planning to develop three deliberate war plans Wrote, staffed, and approved implementation road map Started initiation phase Rewrote and distributed Volume 1 of guidance for planner level staffing, with adaptive planning concept incorporated	Received signature of Secretary of Defense on adaptive planning road map Approved new Chairman of the Joint Chiefs of Staff (CJCS) instruction on contingency plan management and review incorporating the adaptive planning process Used adaptive planning process on all plans directed by the contingency planning guidance Released version 3.0.1.7 of Collaborative Force Analysis, Sustainment and Transportation (CFAST) Started first integration of a war-gaming tool into the technology suite

<sup>a</sup> FY 2006 data are estimated as of the fourth quarter.

***Metric Description***

As a result of a Combatant Commander’s conference, the Secretary of Defense directed the CJCS to develop a new system to replace existing deliberate and crisis planning methods. The goal is to produce plans that are more timely, adaptive, and responsive to the current security environment, providing relevant options to the President and Secretary of Defense. The long-term goal is to have a networked capability to produce, update, and transition through crisis situations seamlessly by the end FY 2009.

Adaptive planning will be implemented in three phases. The initiation phase (now through FY 2007) will deploy new technology and exercise portions of the adaptive planning construct on select priority plans. The implementation phase (FY 2007–FY 2008) will produce electronic plans for all contingencies in a collaborative joint command and control environment. The integration phase (beyond FY 2008) will produce and continually update “living” plans in a collaborative environment.

## ***Ongoing Research***

The CJCS established an implementation working group, with oversight from a senior steering group and executive committee, to provide direction to adaptive planning activities, actions, and procedures. DoD continues to test and refine the web-based CFAST suite of 30-plus tools to build campaign plans. Additional tools, including a war-gaming tool, are also being integrated into the web portal of tools or are under consideration. CFAST version 3.0.1.7 is a key component to successful testing of adaptive planning in its initiation phase. It will be interoperable with authoritative data sources and key command and control planning and execution systems. Version 3.0.1.7 will provide an initial crisis action planning capability, and it will earmark the integration of the contingency and crisis action communities toward adaptive planning.

The Joint Staff J-7 is also actively considering other tools to enable an end-to-end suite of planning and execution tools in a collaborative planning environment. Adaptive planning efforts continue to be synchronized with numerous other Department transformational initiatives such as Global Force Management, Standing Joint Force Headquarters, and Defense Readiness Reporting System.

## ***Timeline for Completion***

The implementation plan, initial tools assessment, refinement of the adaptive planning process and technology architecture, and development of CFAST version 3.0.1.7 should be complete by the end of FY 2007.

## ***Performance Results for FY 2006***

An important accomplishment in FY 2006 was the approval, by the Secretary of Defense, of the adaptive planning road map. Also approved was the new CJCS instruction on contingency plan management and review, incorporating the adaptive planning process. An important milestone was reached as the adaptive planning process was used on all plans directed by the contingency planning guidance. Two additional accomplishments were the release of CFAST version 3.0.1.7 and the first integration of a war-gaming tool into the technology suite.

## ***Performance Results for FY 2005***

In FY 2005, DoD prepared an adaptive planning road map.

<b>Metric 2.1.2: Analytic Baselines</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Number and quality of analytic baselines used to support the Quadrennial Defense Review (QDR) and other major Department studies	No historical data; new metric	Developed two future-year baselines	Developed two current- and two future-year baselines	Developed/updated two current- and three future-year analytic baselines	Three current-year and five future-year baselines available to support the FY 2006 QDR  Three additional baselines were completed
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### *Metric Description*

The Secretary of Defense directed that DoD create a foundation, or set of analytical baselines, for strategic analyses that rely on common scenarios and data. These baselines are intended to help provide members of the senior staff with responsive and analytically sound insights to help them make decisions on joint warfighting issues and policy. The baselines accomplish this by establishing common starting points (scenarios and data) for the Department’s major studies:

- Current-year analytic baselines accelerate the deliberate planning process and are based on existing Combatant Commander war-planning efforts and concepts of operation.
- Future-year analytic baselines are used in analyses of alternatives and major studies such as the Mobility Capabilities Study.

Department-wide studies such as the Operational Availability series are often used to develop the analytic baselines.

### *Ongoing Research*

The Joint Staff is currently conducting Operational Availability 2007 as directed in the strategic planning guidance for 2008–2013. This study will result in updates to several future-year analytic baselines. The Steady State Security Posture (SSSP) Defense Planning Scenario is under development now and will soon be followed by the SSSP Multi-Service Force Deployment document. The SSSPs will provide our leaders a tool for exploring the implications of the QDR-directed force planning construct and form the basis for all steady-state activities in joint studies.

### *Timeline for Completion*

Current-year analytic baselines are produced in accordance with the classified contingency planning guidance tasking from the Secretary of Defense to the Combatant Commanders to produce specific operations plans and concept of operations plans by a specific date, usually within a 2-year cycle.

The Office of the Secretary of Defense (Program Analysis and Evaluation) and the Joint Staff produce future-year analytic baselines as a result of direction from senior department leadership on a cycle to support the Department’s budget development and other efforts such as the QDR.

***Performance Results for FY 2006***

Three current-year and five future-year baselines were ready for use during the FY 2006 QDR study. Due to the QDR activities, the Department completed only one new current-year analytic baseline, one new future-year analytic baseline, and one updated future-year analytic baseline.

***Performance Results for FY 2005***

Two Combatant Commands developed and released current-year analytic baselines and Program Analysis and Evaluation provided two updated and one new future-year analytic baselines.

<b>Metric 2.1.3: Operational Lessons Learned</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of lessons learned captured, analyzed, and implemented to improve joint warfighting capabilities	Chairman of the Joint Chiefs of Staff (CJCS) released lessons learned development concept to U.S. Joint Forces Command	Secretary of Defense released the DoD Training Transformation Implementation Plan	Approved enhanced Joint Lessons Learned Program study	Completed Block 1 projected outcomes	Prepared CJCS 3150.25, Joint Lessons Learned Information System (JLLIS) Requirements Document Drafted JLLIS implementation plan Selected JLLIS tool to achieve initial functional capability Staffed Change 1 to CJCSI 3150.25B, Joint Lessons Learned Program
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### ***Metric Description***

The Secretary of Defense and the CJCS highlighted the importance of an effective joint lessons learned program in the Defense Planning Guidance. The strategic plan for transforming the DoD training identifies the need to ensure that lessons learned are integrated into the development of new training processes and systems. Lessons learned from operational missions must be systematically captured and injected into the full range of preparatory and planning activities; ongoing experimentation; concept development; doctrine; and joint tactics, techniques, and procedures development. The overall purpose of this supporting action is to develop an enhanced and robust Joint Lessons Learned Program that encompasses the range of joint activities, from Active and Reserve Components, specifically related to operational missions.

In FY 2006, the Joint Staff finalized lessons learned from Operation Iraqi Freedom and introduced the first five priority lessons learned into the Joint Capabilities Integration and Development System. The CJCS directed the U.S. Joint Forces Command to expand the lessons learned program by collecting and analyzing lessons learned data collected by Combatant Commands, Services, and Defense Agencies.

### ***Ongoing Research***

Throughout FY 2006, the Joint Staff developed lessons learned findings from the DoD response to Hurricane Katrina and introduced an action plan for each into the Lessons Learned General Officer Steering Committee (GOSC). The Joint Staff continued to develop the remaining Operation Iraqi Freedom findings in the GOSC and tracked the first five priority lessons learned through the Joint Capabilities Integration and Development System. The CJCS directed the U.S. Joint Forces Command to expand the lessons learned program by collecting and analyzing lessons learned data collected by Combatant Commands, Services, and Defense Agencies.



### ***Timeline for Completion***

The first phase of JLLIS development will utilize the LMS tailored to support the Combatant Commands. Each Combatant Command and the Joint Staff will have a discrete instance of LMS with legacy data migrated. The first phase is scheduled for completion in the fourth quarter of FY 2006.

### ***Performance Results for FY 2006***

The Joint Staff began coordinating Change 1 to CJCSI 3150.25B, Joint Lessons Learned Program, to update CJCS policy and guidance governing the program. It continued to fund the joint lessons learned specialists assigned to the Joint Staff, selected Combatant Commands, and Services. In addition, the Joint Staff drafted a JLLIS requirements document that outlines the strategic and operational requirements for a collaborative, web-enabled, and net-centric JLLIS. The Joint Staff staffed the JLLIS implementation plan, analyzed lessons management systems, and selected the Marine Corps' Lesson Management System (LMS) as the JLLIS baseline for initial functional capability. JLLIS will facilitate knowledge management of lessons learned in concert with the Joint Training System, the Joint Training and Information Management System, the Defense Readiness Reporting System, and Service systems through the Global Information Grid.

### ***Performance Results for FY 2005***

The Joint Staff published a new Joint Lessons Learned Program that documents the CJCS policy and guidance governing the program. It continued to fund the joint lessons learned specialists assigned to the Joint Staff, selected Combatant Commands, and Services. These actions, combined with previous years' activities, will lay the groundwork for the design, documentation, and development of a common JLLIS that will facilitate knowledge management of lessons learned in concert with the Joint Training System, the Defense Readiness Reporting System, and Service systems through the Global Information Grid.

<b>Metric 2.1.4: DoD Readiness Reporting System Implementation</b>					
End-State Metric (New Baseline)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
New DoD Readiness Reporting System (DRRS)	No historical data; new metric	Development contract awarded	Initial operating capability reached Technical capability reviewed Operational version provided	Force management query capabilities expanded, with nascent business intelligence applications Scope of resource data expanded Joint Task Force assessment application reached initial operating capability Serial 1 and 2 guidance published; governs identification of data sources, reporting processes, and transition from legacy reporting systems	DRRS version 3.0 released Serial 3 and Serial 4 guidance released; covers installation readiness and National Guard Title 32 missions DRRS used to support senior leadership and readiness forums Initial capability reached for Strategic Command Intelligence, Surveillance, and Reconnaissance duties Joint Task Force capability used to source Homeland Defense mission Business intelligence capability (for ad hoc data query) fielded
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

### *Metric Description*

The 2001 Quadrennial Defense Review directed DoD to change fundamentally the way force readiness issues are measured, reported, and resolved. DoD Directive 7730.65 (DoD Readiness Reporting System) launched a series of important changes to policy and procedures to develop and field a new readiness reporting and assessment system. When mature, the DRRS will provide capabilities-based, adaptive, near-real-time information for all military units. Readiness will be assessed from the perspective of the Combatant Commanders. This is important because Combatant Commanders describe their roles and responsibilities in terms of mission-essential tasks and assigned missions or core tasks first, and then assess their ability to conduct those tasks.

The DRRS concept has been validated with a proof-of-concept demonstration. A development team is designing and fielding an enhanced version of the Department's decades-old Status of Resources and Training System, called the Enhanced Status of Resources and Training System. The Department is also using an innovative development spiral approach to develop a DRRS scenario assessment tool.

### ***Ongoing Research***

The Under Secretary of Defense for Personnel and Readiness is managing a comprehensive research effort being conducted by two primary development teams:

- InnovaSystems International, LLC (system integrators, architecture and software development)
- Camber Corporation (training readiness development).

### ***Timeline for Completion***

DRRS achieved initial operational capability at the end of FY 2004; full operational capability is expected by the end of 2007.

### ***Performance Results for FY 2006***

A major software development milestone was reached in June 2006, when DRRS version 3.0 was released. This version integrates mission-essential task assessment functionality with asset visibility in a single software application. During FY 2006, the DRRS Implementation Office released additional serial guidance. Specifically, DRRS Serial 3 guidance outlined reporting procedures for installation and facility readiness in DRRS that supports force generation and deployment. Serial 4 guidance provides implementation guidance to support National Guard Title 10 and 32 missions and force visibility, directs the development of mission-essential tasks for stability operations and theater security engagement, and clarifies issues in codifying authoritative data. DRRS is also being used actively to support various readiness forums in the Department of Defense and to answer readiness questions at the highest levels.

### ***Performance Results for FY 2005***

In FY 2005, the DRRS Implementation Office released DRRS Serial 1 and 2 guidance outlining policies, processes, and timelines for mission assessments, data integration, and transitions from existing or legacy reporting systems. The project office identified feeds of more than 45 authoritative data sources throughout the Department into DRRS. These feeds contain detailed information on the status of military personnel, equipment, supplies, ordnance, and training, as well as organizational structure and location information. In addition, FY 2005 marked the development of nascent business intelligence tools that allow users to analyze underlying data. The project office also developed first-generation force management applications that allow users to search for capabilities based on identifiers such as individual skill codes or unit task reporting.

## Performance Goal 2.2 – Ensure Superior Capabilities Exist to Succeed

Metric 2.2.1: Global Force Management					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Real-time operational availability and risk assessment to guide decisions on how to source joint force capabilities	No historical data; new metric	Developed Global Force Management (GFM) construct	Established Force Management Functional Capabilities Board Tested prototype process to source FY 2005–2006 commitment	Executed five GFM Boards (GFMBs) Codified GFM process in guidance Integrated capabilities-based method with automated tools Started conducting capabilities-based assessment to identify automated tools requirements Started developing GFM data prototype to define business rules and demonstrate force structure data accessible and visible in a net-centric environment	Executed five GFMBs Codified Joint Staff Directorate-specific GFM responsibilities for incorporation into next revision of GFM guidance Published FY 2006 Forces for Unified Commands document on GFM webpage to provide planners and joint force providers with most current force structure information Aligned OIF/OEF, ISR, SOF, and Mobility requirement into an annual GFM allocation process beginning in FY 2008 Developed initial business rules and completed prototype, based on U.S.C. authorities, command and support relationships, and time in a net-centric environment
Notes: ISR = Intelligence, Surveillance, and Reconnaissance; OEF = Operation Enduring Freedom; OIF = Operation Iraqi Freedom; SOF = Special Operations Forces; U.S.C. = United States Code. <sup>a</sup> FY 2006 data are estimated as of the fourth quarter.					

## ***Metric Description***

In 2003, the Secretary of Defense directed the Chairman of the Joint Chiefs of Staff to develop an integrated force assignment, apportionment, and allocation method. The Secretary also directed the U.S. Joint Forces Command (USJFCOM) to develop a method for monitoring joint force operational availability. In response, the Department initiated the GFM process, designed to manage continuously the process that provides forces to conduct operational missions (called “sourcing”) using analytically based availability and readiness management methods. This process provides comprehensive insight into U.S. force postures worldwide and accounts for ongoing operations and constantly changing unit availability. It leverages the most responsive, best-positioned force at the time of need and forms the basis of a process that guides the allocation of Service forces that rotate into theater. GFM also provides senior decision makers a way to assess risk in terms of forces available to source Combatant Commanders’ war plans and to predict the likely stress on the force (i.e., personnel tempo) associated with proposed allocation, assignment, and apportionment changes. Finally, to support the process with reliable, accessible, and visible information, the Secretary also directed the Chairman to develop a joint hierarchical way to organize force structure data for integration across Service lines. When mature, this metric will describe DoD’s ability to rapidly source joint force capabilities with the right units providing the right capabilities.

Several ongoing initiatives support GFM. The GFM Data Initiative (GFM DI), a transformation effort that supports net centrality, establishes links between force structure, resources, and capabilities. This initiative is expected to achieve initial operational capability by December 2006 and to encompass all assigned forces by September 2007. The USJFCOM is the primary joint force provider and thus the single voice to source Combatant Command requirements. To assist, the Joint Staff is leading a capabilities-based assessment to define the capabilities needed for global visibility as primary joint force provider. A final initiative is to establish the roles, missions, and functions of the GFMB that will support the process.

## ***Ongoing Research***

Several ongoing initiatives support GFM. The Joint Staff is leading the GFM DI to define how the Services, Joint Staff, and Office of the Secretary of Defense electronically document organizational structures in a standardized format; use of a standardized format will enable the integration across Service lines, in a net-centric environment, of reliable, visible data on global force availability. In another GFM-related initiative, USJFCOM is assuming the role of the primary joint force provider—the single entity to source Combatant Command requirements. To assist with this role, the Joint Staff is defining the capabilities needed by USJFCOM for global visibility. A final initiative is the codification of the GFMB; a Joint Staff-led study team is establishing GFMB roles, missions, and functions that will support the GFM process.

## ***Timeline for Completion***

By December 2006, the Joint Staff will determine USJFCOM requirements in support of the joint force provider functions and codify the GFMB. Also by December 2006, the GFM DI is expected to achieve initial operational capability; full operational capability is targeted for December 2011. Current data will be provided to the joint force provider for incorporation into the Global Visibility Capability by September 2007. High-definition force structure data, both authorized and on hand, is targeted for October 2009.

## ***Performance Results for FY 2006***

DoD executed five GFMBs in support of the GFM process. Significantly, the Secretary of Defense approved updates to the Forces for Unified Commands Memorandum; those updates were posted on the GFM webpage. This action provided planners with updated force assignment information that assisted with developing optimal joint force sourcing solutions. Lastly, the Joint Staff codified additional guidance for Directorate-specific responsibilities in the GFM that will be incorporated into the FY 2007 Global Force Management Guidance update.

The Joint Staff achieved the following in support of the GFM DI:

- Completed the GFM DI prototype, which includes one major combat formation (Brigade Combat Team, Marine Expeditionary Unit, Expeditionary Strike Group, and Air and Space Expeditionary Task Force) from each of the Services, one Combatant Command Headquarters (U.S. Strategic Command), and the Joint Staff J-8.
- Developed the initial Organizational and Force Structure Construct to electronically document organizational hierarchies, command and support relationships, and manpower information.
- Developed the Global Force Management Information Exchange Data Model, which is an augmented subset of the NATO information exchange data model. This allows seamless, unambiguous sharing of force structure information across NATO.
- Developed an Organization Server spiral development plan to capture the development, documentation, identification, and dissemination of force structure authorization data in a net-centric environment.
- Finally, the GFMB aligned the OIF/OEF, ISR, SOF, and Mobility requirement into an annual GFM allocation process expected to begin in FY 2008.

## ***Performance Results for FY 2005***

The Secretary of Defense approved the processes in the Global Force Management Guidance in May 2005. In addition, DoD executed five GFMBs, which are Joint Staff-led study teams that support the GFM process.

<b>Metric 2.2.2: Theater Security Cooperation</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Annual assessment of how theater security cooperation plans contribute to DoD strategic goals	No historical data; new metric	Initial security cooperation guidance developed and approved Strategies developed by Combatant Commands and Services	FY 2005 plans completed FY 2004 strategies completed	Security Cooperation Guidance revised to focus on global war on terrorism Combatant Commands/Service plans completed	Revised Security Cooperation Guidance promulgated First comprehensive assessments completed by Geographic Component Commanders (GCCs)

<sup>a</sup> FY 2006 data are as of the third quarter.

### ***Metric Description***

Recently, the Department initiated a comprehensive security cooperation strategy review that focused the activities of Combatant Commands, the Services, and Defense Agencies on common goals that need to be achieved if the Department is to build the right defense partnerships with friends and allies. Security cooperation embraces all Defense interactions with foreign defense establishments, and it is the primary means of building relationships that promote specific U.S. security interests. Security cooperation activities help America's allies develop military capabilities for self-defense and coalition operations. They also provide information, intelligence, and peacetime access to en route infrastructure and other access in the event of a contingency. The title of this metric is being modified to reflect more accurately the metric's intent.

### ***Ongoing Research***

The Department is researching assessment metrics for determining the effectiveness of the security cooperation program. It also is evaluating the capabilities required for security cooperation. This analysis will help shape an associated Joint Operating Concept.

### ***Timeline for Completion***

Initial metrics are slated for completion during FY 2006, in time to be used to develop the FY 2007 plans.

### ***Performance Results for FY 2006***

In FY 2006, DoD published the Security Cooperation Guidance and began the implementation process. All GCCs, Functional Component Commanders, and Services sought coordination for their strategies from Combatant Commands that they support or with whom they share geographic boundaries. Subsequently, all Combatant Commands and Services published four-star-signed strategies and began developing implementation plans to be executed 1 October 2006.

Also in FY 2006, the first comprehensive GCC security cooperation assessments were submitted, analyzed, and forwarded to the Secretary of Defense. Recommendations derived from those assessments informed language in a May 2006 update memo on Security Cooperation Guidance.

Regarding GCC assessments, 5 of 18 objectives were selected for expanded metric development; 5 additional objectives will be selected for metric development in FY 2007.

Finally, the assessment process was expanded to include Functional Component Commanders and Services.

### ***Performance Results for FY 2005***

In FY 2005, the Department rewrote the Security Cooperation Guidance to focus on the global war on terrorism, following themes oriented around the National Defense Strategy framework (assure, dissuade, deter, defeat). This framework identifies 18 objectives that encompass all DoD efforts with foreign military organizations. The FY 2004 assessment inputs from Combatant Commands served to inform the latest draft of the Security Cooperation Guidance and the assessments. Although all Combatant Commands, Services, and selected Defense Agencies must produce security cooperation strategies and plans, only GCCs were required to submit assessments for FY 2005.



## Performance Goal 2.3 – Align Forces Consistent with Strategic Priorities

Metric 2.3.1: Joint Concepts					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Number of concepts approved to link strategic guidance to warfighting capabilities	No historical data; new metric	Joint Operations Concepts (JOpsC) construct approved	Two of four Joint Operating Concepts (JOCs) endorsed by Joint Chiefs of Staff Attributes of five Joint Functional Concepts (JFCs) approved by Joint Chiefs of Staff	Last two of four JOCs endorsed by Joint Chiefs of Staff All four JOCs approved by Secretary of Defense Capstone Concept for Joint Operations (CCJO) approved by Joint Chiefs of Staff	Four JOCs revised and two JOCs initiated One JFC initiated Two Joint Integrating Concepts (JICs) approved and one JIC started Four proposed JICs approved by Joint Concept Steering Group (JCSG) for consideration
<sup>a</sup> FY 2006 data are final as of the third quarter.					

### Metric Description

Joint concepts provide the operational context for the transformation of the armed forces by bridging the gap between strategic guidance and DoD's resourcing strategy for capabilities. The JOpsC family consists of a CCJO and a subordinate set of JOCs, JFCs, and JICs. As they are revised, all joint concepts within the JOpsC family are written in a problem/solution format to facilitate validation through assessment and experimentation.

The CCJO is the overarching concept that guides the development of future joint capabilities as well as force development and employment, primarily by providing a broad description of how the future joint force will operate across the range of military operations 8 to 20 years in the future. It applies to operations around the globe conducted unilaterally or in conjunction with multinational military partners and other government and non-government agencies. It envisions military operations conducted within a national strategy that incorporates all instruments of national power.

JOCs apply the CCJO solution in greater detail to a specified mission area. They describe how a joint force commander, 8 to 20 years into the future, is expected to conduct operations within a military campaign. They identify the operational level effects needed to achieve the envisioned end states and the associated broad military capabilities considered necessary to create those effects. A JOC contains illustrative vignettes to facilitate understanding of the concept. In addition, JOCs provide the operational context for JFC and JIC development.

JFCs apply elements of the CCJO solution to describe how the joint force will perform an enduring military function across the range of military operations (ROMO) 8 to 20 years into the future. They identify the operational-level capabilities required to support operations across ROMO, and they identify the key attributes necessary to compare capability or solution alternatives. JFCs also identify the military capabilities required to create the effects identified in the supported JOCs. JFCs provide functional context for JOC and JIC development.

JICs provide an operational-level description of how a joint force commander, 8 to 20 years into the future, will perform a specific operation or function derived from a JOC or JFC. JICs are narrowly scoped to identify, describe, and apply specific military capabilities, decomposing them into fundamental tasks, conditions, and standards. Further analysis is accomplished via a capability-based assessment (CBA) after the JIC is completed. JICs contain illustrative vignettes to facilitate understanding of the concept.

Institutionalized joint collaboration on concept development is manifested in the JCSG, a joint concept community that addresses joint concept issues quarterly. The JCSG is a planner-level, community-wide forum that addresses the development and assessment of joint concepts. In this way, key DoD stakeholders remain engaged in the critical areas needed to support the future joint force.

### ***Ongoing Research***

The Joint Staff is revising concepts in the JOpsC family with the assistance of stakeholders from across the Department. Various working groups are developing or revising the JOCs, JFCs, and JICs and conducting CBAs:

- Four JOCs (Major Combat Operations, Homeland Defense and Civil Support, Deterrence Operations, and Military Support to Stabilization, Security, Transition, and Reconstruction Operations) are being revised, and two JOCs (Irregular Warfare and Shaping) are being developed.
- Preparations are underway to revise seven JFCs (Force Application, Protection, Joint Logistics, Force Management, Command and Control, Battlefield Awareness, and Net-Centric Operating Environment), and one JFC (Joint Training) is being developed.
- Eight JICs have been developed since 2004. They are Global Strike-Raid, Joint Logistics-Distribution, Joint Command and Control, Seabasing, Integrated Air and Missile Defense, Joint Undersea Superiority, Net-Centric Operating Environment, and Joint Forcible Entry Operations (JFEO). One JIC (Persistent ISR) is being developed.
- CBAs for three JICs have been completed, the CBA for the JFEO JIC was cancelled in lieu of a near-term concept of operations, and CBAs for the remaining four completed JICs are underway.

The Joint Staff and U.S. Joint Forces Command are developing a Joint Experimentation Campaign Plan to guide experimentation. They also are considering new metrics to assess the impact of joint concepts on doctrine, organization, training, materials, logistics, personnel, and facilities.

### ***Timeline for Completion***

The CCJO, JOCs, and JFCs are on a 3-year revision cycle, in accordance with the newly published CJCSI 3010.02.3 (Joint Operations Concepts Development Process). The Chairman approved the revision of the original JOpsC document into the newly named CCJO in August 2005. The revisions for each of the four JOCs will be completed in summer 2006. Two JFCs (Force Management and Training) are scheduled to be completed by fall 2006, and the current JFCs are scheduled to be

revised beginning in September 2006. JICs are addressed as required; unlike JOCs and JFCs, JICs are not associated with any specific development timeline.

### ***Performance Results for FY 2006***

In aggregate, through May 2006, the Joint Staff has achieved the following:

- Institutionalized joint collaboration
- Informed strategy, operational plans, and defense planning scenarios
- Generated a robust body of joint warfighting knowledge
- Provided a solid conceptual basis for joint experimentation
- Described cross-cutting military functions
- Identified key joint force capabilities required
- Identified 93 joint capability gaps.

Solution analyses on the identified capability gaps continue and have produced at least one non-material Doctrine, Organization, Training, Materiel, Leadership and Education, Personnel and Facilities (DOTMLPF) Change Recommendation and five material Initial Capability Document (ICD) solutions. This number is expected to grow as solution analyses are completed.

The Joint Staff has also established a formalized process for inserting a Joint Capability Areas (JCA) lexicon throughout joint concepts—an initiative directed by the Secretary of Defense. The JCA lexicon provides a common structure for articulating joint capabilities, facilitates analysis by capability, provides a joint capability structure for Services to map into, and provides operational categories to provide a basis for conducting cross-Service trades analyses.

### ***Performance Results for FY 2005***

The Joint Staff issued revised guidance for the various concepts, based on input from stakeholders across the Department. The Secretary approved all four JOCs.

## Performance Goal 2.4 – Transition Forces Rapidly to Meet New Threats

Metric 2.4.1: Operational Availability					
End-State Metric (New Baseline)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Integrated data and management systems that can be used to assess percentage of force ready for specific joint tasks	No historical data; new metric	No historical data; new metric	Tested prototype process for Global Force Management (GFM) system  Approved adaptive planning concept and prototype  Developed two current and two future analytic baselines	Began GFM prototype development  Updated all warfighting analytical baselines and built baseline security posture baseline  Used baselines in DoD capability assessments (e.g., mobility capabilities and aerial refueling)	With Joint Chiefs of Staff (JCS)/J8, completed all four GFM prototypes  Explored extensibility of adaptive planning prototype tools for strategic analysis  Added three new scenarios and satisfied 713 demands for analytic-agenda products

<sup>a</sup> FY 2006 data are as of the fourth quarter.

### Metric Description

DoD must prevent terrorists from harming America, its people, and its friends and allies. The Department must be able to rapidly transition military forces to post-hostilities operations, and identify and deter threats to the United States, while standing ready to assist civil authorities with mitigating the consequences of a terrorist attack or other catastrophic event. These diverse requirements demand integration with and leveraging of other elements of national power, such as international alliances and partnerships.

To meet these new missions, DoD is developing a broader portfolio of capabilities and is realigning forces using a building-block approach to match those capability portfolios with mission goals. The following are among the most important initiatives:

- *Global Force Management Data Initiative (GFM-DI)*. This initiative will provide a database and management system that can be used to monitor U.S. force postures worldwide. It will account for ongoing operations and constantly changing unit availability, and it will allow DoD to allocate the right force for specific missions, at the right place and time.
- *Adaptive Planning*. DoD's goal is to produce war and contingency plans that are more timely, adaptive, and responsive to the current security environment, thus providing relevant options to the President and Secretary of Defense. The Department plans to have a networked capability to produce plans on demand via the Global Information Grid by 2008.

- *Analytic Agenda Products.* To guide analysis for both the near and far terms, DoD is creating a set of common scenarios and data. These analytical baselines will underpin strategic assessments, and guide decisions on joint warfighting issues and policy.

### ***Ongoing Research***

Numerous development activities are ongoing and are described in the sections discussing results.

### ***Timeline for Completion***

These and related initiatives, including the Defense Readiness Reporting System, are scheduled to be fielded by the end of FY 2008.

### ***Performance Results for FY 2006***

*Global Force Management.* The Department completed the four GFM prototypes. The Deputy Secretary of Defense issued Joint Programming Guidance to implement GFM-DI prototypes throughout the Department.

*Adaptive Planning.* The Department explored the extensibility of prototype adaptive planning tools for strategic analysis. The Deputy Secretary of Defense issued Joint Programming Guidance directing the Joint Forces Command to develop a plan to transition adaptive planning technology into the Net-Enabled Command Capability program.

*Analytic Agenda.* Analytic agenda products supported the Quadrennial Defense Review, Joint Air Dominance Study, Mobility Capabilities Study, and numerous other departmental and service studies. Work on and requests for these products included the following:

- New future-year analytical baselines added—3
- Future-year analytical baselines requested—113
- New current-year analytical baselines added—1
- Current-year analytical baselines requested—32
- Multi-Service force deployment data documents requested—259
- Defense planning scenarios requested—262
- Future forces databases requested—29
- Current forces databases requested—17.

Work on and use of the analytic agenda products involved the Joint Staff, Office of the Secretary of Defense, Services, and Combatant Commands.

### ***Performance Results for FY 2005***

The Strategic Planning Guidance directed the Chairman of the Joint Chiefs of Staff to develop a joint hierarchical way to organize force structure data for integration across Service lines. The

GFM-DI defines how DoD will electronically document force structure in a hierarchical way and make data transparent and easily accessible to users in a net-centric environment. This initiative will transform the Department by solving the data accuracy and standardization issues and is based on the premise that everything relates to force structure. Within the analytic agenda initiative, the DoD completed three analytical baselines and created a security posture baseline. These documents were used in assessments of DoD's mobility and aerial refueling capabilities.

**Strategic Goal 3: Balancing Institutional Risk – align the organization and its resources to support the warfighter.**

**Performance Goal 3.1 – Improve the Readiness and Quality of Key Facilities**

Metric 3.1.1: Base Realignment and Closure (BRAC) in FY 2005					
End-State Metric (New Baseline)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Development of a new DoD facility footprint	Legislative authority for Base Realignment and Closure (BRAC) process established	2005 BRAC authorized by the Secretary of Defense Management structure and seven joint cross-service groups established	Final selection criteria established Data collection and certification started	Final recommendations presented to independent Commission and Congress (May 2005) Commission provided its recommendation to President	Congress reviewed BRAC recommendations

<sup>a</sup> FY 2006 data are final.

***Metric Description***

To shift defense planning from the threat-based model that had dominated thinking in the past to a capabilities-based model for the future, DoD persuaded Congress to grant authority, in the FY 2002 National Defense Authorization Act, for another BRAC process in 2005. The BRAC 2005 guidance outlined the expectations and importance of reshaping DoD’s infrastructure to better support future force structure. It established two senior-level groups to manage and oversee the process, provided for the analysis of common business-oriented functions separate from Service-unique functions, and required specific functional recommendations to undergo joint analysis within 150 days.

An Infrastructure Executive Council, headed by the Deputy Secretary of Defense and including senior DoD officials, provided policy and oversight. An Infrastructure Steering Group, headed by the Under Secretary of Defense (Acquisition, Technology and Logistics), oversaw joint analysis of common military functions and ensured that those efforts were coordinated with Service reviews of specific operations.

Each of the Military Departments and Joint Cross-Service Groups has established procedures and designated personnel to certify that data and information collected for use in the BRAC 2005 analyses were accurate and complete. These procedures were incorporated into the required internal control plans and were consistent with the DoD certification procedures. Both were audited by the U.S. Government Accountability Office and the DoD Office of Inspector General.

***Ongoing Research***

The Department’s research for considering base realignments and closures ended with the Secretary’s transmittal of recommendations to the BRAC Commission and Congress on May 13, 2005.

### ***Timeline for Completion***

All Department activities for this metric were completed in FY 2005.

### ***Performance Results for FY 2006***

All Department activities for this metric were completed in FY 2005.

### ***Performance Results for FY 2005***

The Department met its milestones by providing the Congress with a revised Force Structure Plan in March 2005, analyzing more than 1,000 realignment and closure scenarios, and providing the Secretary with 222 final realignment and closure recommendations. The BRAC Commission forwarded its recommendations to the President on September 8, 2005. The President approved the recommendations and forwarded them to the Congress on September 15, 2005. Upon receipt, the Congress had 45 legislative days to vote down the Commission's recommendations on an all-or-none basis; otherwise, they take on the force and effect of law. The Congress approved the recommendations as required by law.

The Department's process is well documented. DoD provided the Commission and Congress a 12-volume report detailing its recommendations. The Department also established a section on the DoD website ([www.defenselink.mil/BRAC](http://www.defenselink.mil/BRAC)) containing the report volumes (with the exception of the classified force structure volume) as well as all policies, deliberative meeting minutes, and raw data used to develop the recommendations.



<b>Metric 3.1.2: Eliminate Inadequate Domestic Family Housing by 2007</b>					
Metric	FY 2002 <sup>a</sup>	FY 2003 <sup>a</sup>	FY 2004 <sup>a</sup>	FY 2005	FY 2006 Target/Actual <sup>b</sup>
Number of inadequate family housing units (U.S.)	130,500	115,645	93,334	61,308	27,635/29,245
Inadequate family housing units as a percentage of total family housing units (U.S.) <sup>c</sup>	59	59	55	50	40
<sup>a</sup> Prior-year values changed based on revised family housing inventory data included in the Services' FY 2007 President's Budget Requests. <sup>b</sup> FY 2006 actual data are estimated as of the end of the third quarter. <sup>c</sup> Targets are not established for the percentage of total family housing units.					

### *Metric Description*

DoD's goal is to eliminate all inadequate family housing at bases located in the United States by the end of FY 2007 and at bases located in other countries by FY 2009. In general, inadequate housing is any unit that requires a major repair, component upgrade, component replacement, or total upgrade. Each Service evaluated its housing and identified inadequate units. Each Service then developed a plan to eliminate this inadequate housing through a combination of traditional military construction, operations and maintenance support, and privatization. The plans are updated annually with the President's Budget.

### *Performance Results for FY 2006*

Through the end of the third quarter, an estimated 32,063 inadequate domestic units were eliminated through revitalization, demolition, or privatization. Final results for FY 2006 will not be available until the President's Budget for FY 2008 is submitted to Congress in February 2007.

### *Performance Results for FY 2005*

In FY 2005, the Department reduced domestic inadequate family housing by 32,026 units through revitalization, demolition, or privatization. The total number of inadequate housing units eliminated through privatization from the start of the program through FY 2005 was 86,179.

<b>Metric 3.1.3: Fund to a 67-Year Recapitalization Rate</b>					
Metrics	FY 2002	FY 2003	FY 2004 <sup>a</sup>	FY 2005 <sup>b</sup>	FY 2006 Target/Actual <sup>c</sup>
Facilities recapitalization metric (years)	101	149 <sup>d</sup>	136 <sup>e</sup>	103	111/73
Facilities sustainment model (percent)	89% <sup>f</sup>	93%	94%	95%	92%/92%
<sup>a</sup> Three Defense Agencies (Defense Logistics Agency, DoD Education Activity, and TRICARE Medical Activity) included beginning in FY 2004, but excluded in previous years. <sup>b</sup> FY 2005 data are as of the FY 2005 President's Budget. <sup>c</sup> FY 2006 data are estimated as of the second quarter. <sup>d</sup> FY 2003 data are as of the FY 2003 President's Budget. <sup>e</sup> FY 2004 data are as of the FY 2004 President's Budget. <sup>f</sup> Estimated (the facilities sustainment model was first fielded in FY 2003).					

***Metric Description***

The facilities recapitalization metric measures the rate at which an inventory of facilities is being recapitalized. The term “recapitalization” means to restore or modernize facilities. Recapitalization may involve total replacement of individual facilities, but often occurs incrementally over time without a complete replacement.

The performance goal for recapitalization equals the average expected service life of the facilities inventory, currently 67 years. The expected service life, in turn, is a function of facilities sustainment. “Sustainment” means routine maintenance and repair necessary to achieve the expected service life. To compute a normal expected service life, full sustainment levels must be assumed. A reduced expected service life results from less than full sustainment. For this reason, the metrics for facilities recapitalization and facilities sustainment are unavoidably linked and should be considered together.

Sustainment levels required to achieve a normal expected service life are benchmarked to commercial per-unit costs; for example, \$1.94 per square foot is needed annually to properly sustain the aircraft maintenance hangar inventory for a 50-year life cycle. The facilities sustainment model adjusts these costs to local areas and assigns the costs to the DoD components and funding sources.

Because both sustainment and recapitalization are included, the title of this metric will change to “Real Property Asset Life-Cycle Metrics” with next year’s submission. For evaluating planned performance, both metrics are converted to dollars (annual funding requirements) and compared to funded programs. The sustainment rate can be measured through execution; the recapitalization rate, which is primarily—but not exclusively—a function of multiyear military construction appropriations, is not tracked for execution on an annual basis.

For sustainment, a system is in place to capture the “actual” sustainment expenditure at the DoD Component level. That system has been refined since its inception in FY 2003, and the results have become increasingly more reliable and accurate. A process has being implemented that enables the Department to distinguish between sustainment for facilities included in the budgeted DoD sustainment requirement and those that are not. This essential distinction was blurred by the war on terrorism and, to a lesser extent, by global basing, both of which skewed execution results. The updated reporting process allows for sustainment of facilities not captured in the sustainment requirement to be accounted for separately from sustainment for facilities that are captured in the requirement.

## ***Performance Results for FY 2006***

The FY 2006 recapitalization rate estimated at 73 years exceeds the budgeted rate of 111 years. The increased investment in recapitalization was influenced by two factors: supplemental funding to restore facilities damaged or destroyed by Hurricanes Katrina and Rita, and the initiation of Base Realignment and Closure (BRAC) spending.

In FY 2006, the Facilities Modernization Model was approved for use in the FY 2010 President's Budget. This model will refine the recapitalization target from the current DoD average value to a value calculated using economic assessment and estimated service lives for each facility type, weighted by their plant replacement value in the inventory. The model will predict the average annual dollar amount required for DoD to modernize its inventory of facilities continually.

Also in FY 2006, the Department established a policy to standardize the calculation of the net effects on the inventory of eliminating and adding facilities. These standardized procedures will provide a more accurate assessment of the plant replacement value of the total inventory without regard to location or type of facility. The sustainment requirement for FY 2006 was further refined after additional scrutiny of the cost factors and the inventories upon which the requirement is calculated. The Department's goal continues to be full sustainment annually for all facilities. Fully sustaining our facilities is more cost effective over the life of the facility and prevents the premature deterioration that leads to more costly restoration requirements. BRAC, global basing, army modularity, and the devastating effects of last year's storms have necessitated increased emphasis on replacement construction and construction of facilities to support new combat units. Although these projects are necessary and important, it is equally important to sustain and modernize existing facilities to optimize their expected service life.

## ***Performance Results for FY 2005***

During FY 2005, the Department achieve a 104-year recapitalization rate and a 95 percent sustainment rate, an improvement over the FY 2004 levels of a 136-year recapitalization rate and 94 percent sustainment rate. In addition to the overall improvement in performance results in FY 2005, efforts to improve the fidelity and accuracy of the tools and metrics also continued. For example, the Department updated and refined the unit costs for sustainment, with specific emphasis on utilities systems. In addition, it completed the development of a more effective model to upgrade the existing metric for facilities recapitalization. When implemented, the upgraded model will provide a more precise expected service life for each Defense Component, as opposed to the "one-size-fits-all" metric of 67 years. DoD also initiated efforts to improve the accuracy of the model by capturing the net effect of adding and eliminating capacity. In addition, the Department began expanding the facilities metrics to include areas such as family housing, test and evaluation facilities, and industrial facilities.

Although the tools and metrics are being refined continuously, there are still concerns that continuing to fall short of the targets of a 67-year recapitalization rate and full sustainment results in less than a full service life and reduced utility and performance of the Department's facilities. As a result of not achieving a 67-year recapitalization rate, for example, obsolescence in the facilities inventories increases. The cumulative and compounding effect of these shortfalls is measured by the number of deteriorated, obsolete, or otherwise inadequate facilities. The Department's goal for sustainment remains full sustainment each year; a 5 percent shortfall in programmed sustainment in FY 2005 cannot be offset with 5 percent overage in FY 2006. Furthermore, the goal for recapitalization remains 67 years on average, even though past performance already has reduced the

service life of the facilities inventory. The direct effect of inadequate funding for sustainment and recapitalization is reflected in an accelerated recapitalization rate that is required to restore readiness to adequate levels by 2010.

<b>Metric 3.1.4: Restore Readiness of Key Facilities by 2010</b>					
<b>End-State Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006 Target/Actual<sup>a</sup></b>
Percentage of the DoD facilities restored to a high state of military readiness	No historical data; new metric	Chartered effort to standardize facility records and improve Installations Readiness Report summaries	Implemented revised condition reporting process Began reengineering Installations Readiness Report Conducted a special study to determine whether the FY 2010 goal is still viable	Initiated independent verification and validation (IV&V) study of new condition ratings Incorporated "Q" ratings into the new Office of Management and Budget-directed federal real property requirements Continued Installations Readiness Report reengineering with creation of multicomponent integration panel	Completed IV&V study of Q ratings Continued development of service-specific plans to incorporate facilities into the Defense Readiness Reporting System (DRRS)
<sup>a</sup> FY 2006 data are estimated as of the fourth quarter.					

***Metric Description***

This metric measures the quality of the Department’s facilities inventory as a function of unmet facility investments. In FY 2004, the Department initiated a two-pronged approach to refine the method for evaluating and reporting the quality of the facilities inventory:

- Evaluation of the condition of facilities has been improved by the adoption of the Q rating, a standardized indicator of restoration and modernization requirements associated with an individual facility record in the inventory. These ratings allow consistent programmatic analysis of funding needs directly from the real property inventory. In addition, the Q rating is consistent with new federal-wide reporting requirements issued in FY 2005 by the Office of Management and Budget and the Federal Real Property Council.
- Assessment of the impact of facility quality on unit readiness is being enhanced through integration of facilities data directly into the DRRS. This will enable DoD to view facilities as resources, just as personnel and equipment are currently viewed.

In prior years, the stated goal was to restore the readiness of existing facilities to at least “C-2,” on average, by the end of 2010. (“C-2” is a DoD readiness rating defined as “some facility deficiencies with limited impact on capability to perform missions.”) The Department is reevaluating this goal in light of the adoption of the Q rating and the more specific installation readiness assessments that are anticipated as installations become integrated into the DRRS. Accordingly, the metric title will be changed to “Facility Quality and Installation Readiness” with next year’s submission.

Defense Components are now implementing the revised quality reporting method (Q ratings) for their facilities inventories (totaling more than 500,000 individual facility records across the

Department). The rate of implementation has varied among the Defense Components; however, at the end of FY 2006, the Department will have complete ratings for all seven of the largest Defense Components. As part of this process, an IV&V of the Q-ratings project was launched in FY 2005 and was completed in the third quarter of FY 2006.

### ***Ongoing Research***

As a result of the IV&V of the Q ratings, the Department will continue efforts to refine the reporting method to provide greater fidelity at the Service, major command, and installation levels. In addition, the reporting criteria will be refined to improve consistency in the types of items that are reported and included in the report. The IV&V process also provided recommendations for ways to improve the actual condition of the facilities, as well as ways to assess and report on the condition.

### ***Timeline for Completion***

The next set of Q ratings will be submitted to the Office of the Secretary of Defense in the first quarter of FY 2007.

### ***Performance Results for FY 2006***

The first submission of DoD's condition index, based on Q ratings, to the federal real property database was in the first quarter of FY 2006. DoD expects to be fully compliant with federal reporting standards for real property condition index by the first quarter of FY 2007.

The Department completed the IV&V of Q ratings at 16 installations balanced across the Military Departments, and including reserve component installations. The IV&V focused on 10 facility types across the selected installations.

The Department published policy guidance for incorporating installations and facilities into the DRRS. Military Departments developed service-specific plans for implementing this guidance, with the Department of the Navy developed a working prototype Internet-based application for assessing installation readiness. Integration of the first package of Navy installations (including facilities condition ratings) into the DRRS-Navy system was completed in the second quarter of FY 2006.

### ***Performance Results for FY 2005***

During FY 2005, the Department completed Q ratings for a large portion of the facilities inventory, including Army, Air Force, Defense Logistics Agency, and the DoD Education Activity. DoD also initiated a study to validate and verify the Q rating across the DoD Components. In addition, the Department developed definitions for mission dependency index ratings consistent with Federal Real Property Council guidance, and established a multi-Component/multifunctional working group to oversee the integration of facilities into the DRRS. This group has developed a viable working concept and is crossing traditional stove-pipe organizations.

## Performance Goal 3.2 – Manage Overhead and Indirect Costs

Metric 3.2.1: Reduce Percentage of DoD Budget Spent on Infrastructure					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
Percentage of DoD budget spent on infrastructure	44	42	41/42	42/43	42/42
<sup>a</sup> FY 2006 data are estimated as of the fourth quarter. This is a lagged indicator. Projections are based on the FY 2007 President's Budget Future Years Defense Program (FYDP).					

### *Metric Description*

The share of the Defense budget devoted to infrastructure is one of the principal measures used by the Department to gauge progress toward achieving its infrastructure reduction goals. A downward trend in this metric indicates that the balance is shifting toward less infrastructure and more mission programs. In tracking annual resource allocations, DoD uses force and infrastructure definitions that support macro-level comparisons of DoD resources. These definitions are consistent with the Goldwater-Nichols Department of Defense Reorganization Act of 1986, which requires the assignment of combat units and their support to the Combatant Commanders and the retention, by the Military Departments, of the activities that create and sustain those forces. In addition to distinguishing between the force (military units assigned to Combatant Commanders) and infrastructure (activities retained by the Military Departments) categories, the force and infrastructure subcategories were updated and streamlined to reflect current operational concepts.

The Department updates the percentage of the budget spent on infrastructure each time the President's budget FYDP database is revised. The Institute for Defense Analyses reviews and normalizes the data to adjust for the effect of definitional changes in the database that mask true content changes. Prior-year data are normalized to permit accurate comparisons with current-year data. Because of these adjustments, there may be slight shifts upward or downward in the targets established for past-year infrastructure expenditures.

### *Performance Results for FY 2006*

DoD will allocate an estimated 42 percent of total obligational authority (TOA) to infrastructure activities in FY 2006, about the same as the preceding year. The Department continues to maintain its allocation of resources to forces fighting the global war on terrorism and meeting other operational requirements. Infrastructure requirements have decreased due to reform initiatives, including savings from previous base realignment and closure rounds, strategic and competitive sourcing initiatives, and privatization and reengineering efforts. DoD expects infrastructure expenditures to remain at current levels in FY 2007.

Department of Defense TOA by Force and Infrastructure Category (Constant FY 2007 \$ Billions)					
Category	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
<b>Force</b>					
Expeditionary Forces	163	211	223	232	212
Deterrence and Protection Forces	14	15	15	16	15
Other Forces	37	53	49	51	50
Defense Emergency Response Fund	16	1	0	0	0
<b>Forces Total</b>	<b>230</b>	<b>280</b>	<b>287</b>	<b>300</b>	<b>277</b>
<b>Infrastructure</b>					
Force Installations	29	35	33	35	28
Communications and Information	7	10	9	9	9
Science and Technology Program	11	12	13	14	14
Acquisition	9	10	12	12	12
Central Logistics	22	29	26	25	25
Defense Health Program	28	25	27	27	28
Central Personnel Administration	8	13	13	12	13
Central Personnel Benefits Programs	9	10	10	10	10
Central Training	33	36	33	33	34
Departmental Management	18	22	21	29	27
Other Infrastructure	4	4	12	25	5
<b>Infrastructure Total</b>	<b>180</b>	<b>206</b>	<b>209</b>	<b>230</b>	<b>205</b>
<b>Grand Total</b>	<b>410</b>	<b>486</b>	<b>497</b>	<b>530</b>	<b>482</b>
<b>Infrastructure as a Percentage of Total</b>	<b>44%</b>	<b>42%</b>	<b>42%</b>	<b>43%</b>	<b>42%</b>
Source: FY 2007 President's Budget and associated FYDP with Institute for Defense Analyses FYDP normalization adjustments.					



Force and Infrastructure Categories Used for Tracking the Portion of the DoD Budget Spent on Infrastructure
<b>Force Categories</b>
<i>Expeditionary Forces.</i> Operating forces designed primarily for nonnuclear operations outside the United States. Includes combat units (and their organic support) such as divisions, tactical aircraft squadrons, and aircraft carriers.
<i>Deterrence and Protection Forces.</i> Operating forces designed primarily to deter or defeat direct attacks on the United States and its territories. Also includes agencies engaged in U.S. international policy activities under the direct supervision of the Office of the Secretary of Defense.
<i>Other Forces.</i> Includes most intelligence, space, and combat-related command, control, and communications programs, such as cryptologic activities, satellite communications, and airborne command posts.
<i>Defense Emergency Response Fund.</i>
<b>Infrastructure Categories</b>
<i>Force Installations.</i> Installations at which combat units are based. Includes the Services and organizations at these installations necessary to house and sustain the units and support their daily operations. Also includes programs to sustain, restore, and modernize buildings at the installations and protect the environment.
<i>Communications and Information Infrastructure.</i> Programs that provide secure information distribution, processing, storage, and display. Major elements include long-haul communication systems, base computing systems, Defense Enterprise Computing Centers and detachments, and information assurance programs.
<i>Science and Technology Program.</i> The program of scientific research and experimentation within the Department of Defense that seeks to advance fundamental science relevant to military needs and determine if the results can successfully be applied to military use.
<i>Acquisition.</i> Activities that develop, test, evaluate, and manage the acquisition of military equipment and supporting systems. These activities also provide technical oversight throughout a system's useful life.
<i>Central Logistics.</i> Programs that provide supplies, depot-level maintenance of military equipment and supporting systems, transportation of material, and other products and services to customers throughout DoD.
<i>Defense Health Program.</i> Medical infrastructure and systems, managed by the Assistant Secretary of Defense for Health Affairs, that provide health care to military personnel, dependents, and retirees.
<i>Central Personnel Administration.</i> Programs that acquire and administer the DoD workforce. Includes acquisition of new DoD personnel, station assignments, provisions of the appropriate number of skilled people for each career field, and miscellaneous personnel management support functions such as personnel transient and holding accounts.
<i>Central Personnel Benefit Programs.</i> Programs that provide benefits to Service members. Includes family housing programs; commissaries and military exchanges; dependent schools in the United States and abroad; community, youth, and family centers; child development activities; off-duty and voluntary education programs; and a variety of ceremonial and morale-boosting activities.
<i>Central Training.</i> Programs that provide formal training to personnel at central locations away from their duty stations (non-unit training). Includes training of new personnel, officer training and Service academies, aviation and flight training, and military professional and skill training. Also includes miscellaneous other training-related support functions.
<i>Departmental Management.</i> Headquarters whose primary mission is to manage the overall programs and operations of DoD and its Components. Includes administrative, force, and international management headquarters, and defense-wide support activities that are centrally managed. Excludes headquarters elements exercising operational command (which are assigned to the "other forces" category) and management headquarters associated with other infrastructure categories.

*Other Infrastructure.* Programs that do not fit well into other categories. They include programs that (1) provide management, basing, and operating support for DoD intelligence activities; (2) conduct navigation, meteorological, and oceanographic activities; (3) manage and upgrade DoD-operated air traffic control activities; (4) support warfighting, war-gaming, battle centers, and major modeling and simulation programs; (5) conduct medical contingency preparedness activities not part of the defense health program; and (6) fund joint exercises sponsored by the Combatant Commanders or directed by the Joint Chiefs of Staff. Also included in this category are centralized resource adjustments (e.g., foreign currency fluctuations, commissary resale stocks, and force structure deviations) that are not allocated among the programs affected.

### *Performance Results for FY 2005*

DoD allocated approximately 43 percent of TOA to infrastructure activities in FY 2005, about the same as the preceding year. The Department continues to maintain its allocation of resources to forces fighting the global war on terrorism and meeting other operational requirements.

Infrastructure requirements have decreased due to reform initiatives, including savings from previous base realignment and closure rounds, strategic and competitive sourcing initiatives, and privatization and reengineering efforts.

### Performance Goal 3.3 – Realign Support to the Warfighter

Metric 3.3.1: Reduce Customer Wait Time					
Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Customer wait time (CWT) (in days)	16	19	23	21	15/17
<sup>a</sup> FY 2006 data are final as of the second quarter.					

#### *Metric Description*

Customer wait time measures the elapsed time from when a customer orders an item of material until the customer receives the item. The customer’s order may be filled from assets on hand at the customer’s military installation or naval vessel, or through the DoD wholesale logistics system. For this enterprise-level metric, CWT includes orders for spare and repair parts ordered by organizational maintenance activities. Below the enterprise level, CWT is captured by each of the Military Services and the Defense Logistics Agency.

#### *Performance Results for FY 2006*

Through the second quarter of FY 2006, DoD experienced an average CWT of 17 days. DoD has not met the target of 15 days due to the continuously high demand for critical items, primarily for Operation Iraqi Freedom, and to delays in closing out transactions. However, DoD continues to work on reducing CWT through supply chain improvements.

#### *Performance Results for FY 2005*

Through the end of FY 2005, DoD experienced an average CWT of 21 days, rather than its goal of 15 days, because of the increase in demand for critical items and delays in closing out transactions. However, improvements within the supply chain reduced CWT, which was down from 23 days at the end of FY 2004.

<b>Metric 3.3.2: Reduce Major Defense Acquisition Program (MDAP) Annual Rate of Acquisition Cost Growth (Lagged)</b>						
Metric	FY 2001 <sup>a</sup>	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>b</sup>
Percentage annual growth in acquisition costs	13.9%	6.4%	5.0%	3.5%	6.9%	Downward trend toward 0%/Not available
Note: Acquisition cost growth is calculated using data from the December Selected Acquisition Reports (SARs), which reflect the President's Budget. <sup>a</sup> Results for FY 2001 reflect acquisition cost growth for a 2-year period (FY 2000 and FY 2001). There were no December 2000 SARs, because a Future Years Defense Program was not included in the FY 2002 President's Budget submission. <sup>b</sup> Results for FY 2006 will be available with the release of the December 2006 SARs in April 2007.						

***Metric Description***

This metric measures the amount that acquisition costs grow from year to year. It is a percentage computed by taking the difference between the acquisition costs in the current-year President's Budget and the previous-year President's Budget, and then dividing by the acquisition costs for the previous-year President's Budget. The population is all Major Defense Acquisition Programs common to both current-year and previous-year budgets. A dollar-weighted average is calculated for the common MDAPs and adjusted for changes in quantity or inflation. Acquisition cost growth can occur for various reasons, including technical risk, schedule slippage, programmatic changes, and overly optimistic cost estimates. The Department's reform initiatives seek to reduce cost growth from all sources, providing an output target for procurement managers of individual systems, as well as for the aggregate procurement programs of the individual Services. The objective is to be on a downward trend toward an ultimate goal of no (zero percent) acquisition cost growth. Managerial responses are expected to include both specific cost control initiatives and process changes.

***Performance Results for FY 2006***

FY 2006 results will not be available until the release of the December 2006 SARs in April 2007.

***Performance Results for FY 2005***

In FY 2005, acquisition costs grew 6.9 percent (an increase from FY 2004). The increase was due almost entirely to cost increases associated with the restructuring of the Future Combat Systems program. Without that program, the cost increase would have been 1.9 percent, which meets the target of a downward trend toward no acquisition cost growth.

<b>Metric 3.3.3: Reduce Major Defense Acquisition Program Acquisition Cycle Time</b>						
Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target <sup>a</sup>
Acquisition cycle time for new starts in FY 1992–FY 2001 (months)	102	103	102	101	<99/101	<99
Acquisition cycle time for new starts after FY 2001 (months)	N/A	N/A	76	80	<66/81	<66
<sup>a</sup> Results for FY 2006 will not be available until the April 2007 release of the December 2006 Selected Acquisition Reports (SARs).						

***Metric Description***

Acquisition cycle time is the elapsed time, in months, from program initiation—when the Department makes a commitment to develop and produce a weapon system—until the system attains initial operational capability (IOC). This metric measures the average cycle time across all Major Defense Acquisition Programs (MDAPs). During the 1960s, a typical defense acquisition took 84 months to complete. By 1996, a similar acquisition required 132 months from program start to IOC. To reverse this trend, the Department established an objective to reduce the average acquisition cycle time for MDAPs started since 1992 to fewer than 99 months, a reduction of 25 percent. DoD achieved that initial objective through rapid acquisition with demonstrated technology, time-phased requirements and evolutionary development, and integrated test and evaluation. To continue that improvement, the Department is seeking to reduce the average cycle time to fewer than 66 months for all MDAPs started after FY 2001. To achieve that objective, the Department is introducing improvements to development and production schedules similar to those it initiated for managing system performance and cost. Rapid development and fielding of weapon systems—leveraging new technologies faster—will enable U.S. forces to stay ahead of potential adversaries.

***Performance Results for FY 2006***

FY 2006 results will not be available until the release of the December 2006 SARs in April 2007.

***Performance Results for FY 2005***

There was no change in cycle time between FY 2004 and FY 2005 for the post-FY 1992 programs.

<b>Metric 3.3.4: Reduce Major Defense Acquisition Program (MDAP) Operating and Support Cost Growth</b>						
Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of annual operating and support (O&S) cost growth	No historical data; new metric	No historical data; new metric	Established metric baseline from which to measure growth	2.3%	6.0%	0%/Not available
<sup>a</sup> Results for FY 2006 will be available with the release of the December 2006 Selected Acquisition Reports in April 2007.						

***Metric Description***

This metric measures the amount that O&S costs grow from year to year. It is computed by taking the difference between the total O&S cost estimates in the current-year Selected Acquisition Report (SAR) and the previous-year SAR, and then dividing by the total O&S cost estimates reported in the previous-year SAR, expressed as a percentage. The population is all Major Defense Acquisition Programs common to both current-year and previous-year budgets that report O&S cost estimates in the SAR. A dollar-weighted average is calculated for the common MDAPs. Estimated O&S cost growth can occur for various reasons, including technical or programmatic changes, changes in the support strategy or concept, and overly optimistic cost estimates. The objective is no (zero percent) O&S cost growth. Managerial responses are expected to include both specific cost control initiatives and process changes.

***Performance Results for FY 2006***

FY 2006 results will not be available until the release of the December 2006 SARs in April 2007.

***Performance Results for FY 2005***

In FY 2005, O&S costs grew 6.0 percent, up from 2.3 percent in FY 2004. The O&S costs grew for two primary reasons: several programs reported O&S estimates for the first time in FY 2005, and several other programs experienced quantity increases.

## Performance Goal 3.4 – Streamline the Decision Process, Improve Financial Management, and Drive Acquisition Excellence

Metric 3.4.1: Improve the Transparency of Component Submissions for Alignment of Program Review to Strategic Trades					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Establish a DoD-wide transactional data collection process	No historical data; new metric	Established initial database integration criteria	Established single collection point for operation and maintenance data	Continued database integration	Began pilot efforts to explore new data element structures to seamlessly integrate program and budget data
Streamline the Planning, Programming, Budgeting and Execution process	No historical data; new metric	Streamlined and combined the program and budget review Instituted streamlined process for developing the FY 2005 budget	Continued with streamlining effort to place more emphasis on planning and less on resourcing decisions Created a framework to allow greater visibility of program and resource data	Continued building the framework to allow greater visibility of program and resource data Created a lab environment to validate the framework and data structure rationalization	Drafted initial mapping of resources to the framework using current data structure.

<sup>a</sup> FY 2006 data are final as of the fourth quarter.

### *Metric Description*

Improving the transparency of DoD Component program and budget submissions will help align resource plans and provide senior-level decision makers with the insight they need to make better-informed decisions. Transparency fosters agreement about facts; that agreement will provide a consistent baseline that can serve as a common point of departure for making resource trades.

To achieve a consistent baseline, DoD must first streamline the flow of data. Each data element should be collected once by a single authoritative source collection system, and the agreement of all parties on the accuracy and validity of the data element (and of the authority of the source that provided it) should be reached. This would enable DoD to reuse the same resource data to support multiple decisions.

Efforts to improve transparency have been under way for several years, but the Department has never documented or quantified metrics to monitor progress. Evidence of success to date is mostly anecdotal. One area in which DoD can measure progress is the programming data requirements data collection and reuse initiative, which may serve as the pilot initiative for the development of measures to be applied more broadly.

To determine the accuracy of resource data, DoD will rely on fiscal and budgetary controls, combined with assessments of whether the data comply with strategic guidance. Where possible, DoD will establish business rules to ensure the appropriate use of existing data structures. DoD also will validate data by having analysts and subject-matter experts monitor particular groups of resources or programs.

## ***Ongoing Research***

Refining the submission of programming and budgeting data are tasks in progress with the Services, Defense Agencies, and the DoD Comptroller. Streamlining the data flow to eliminate dual submissions between budget and programming systems will reduce workload and improve data quality. Requirements will be standardized and reduced. Programming data requirements were reduced from 139 distinct formats in FY 2000 to 39 distinct formats in the FY 2003 cycle. This degree of reduction needs to be achieved in other areas as allowed for by legal and external agency reporting requirements.

Evaluating, validating, and improving the current program and budget data structures will significantly contribute to the alignment of programming and budgeting, and the analytic use of common data. The data structures must do the following:

- Facilitate compliance with reporting requirements
- Better support business and policy decisions
- Allow for easier management of the structures to ensure validity of the data
- Support the overlay of taxonomies for specific analytic purposes in support of strategic reviews.

Connections to the lower-level, component-maintained source data would provide further transparency. The end-state solution should enable analysts to find data at a finer level of detail maintained by the Components. The following are examples of criteria that measure the improvement of transparency:

- Data requirements: reduction in the number of distinct data elements requested at each point in the cycle
- Data structure management: level of human effort required annually to keep the structure accurate; amount of time and effort to create a new element
- Consistency of program reporting: degree to which resource plans provide an unambiguous result when viewed from different perspectives; time to create new mappings and the accuracy of the mappings to emerging requirements.

## ***Timeline for Completion***

The DoD Enterprise Transition Plan has set a target of full deployment of the systems supporting this metric by FY 2010. A unified information architecture will be implemented by FY 2008.

## ***Performance Results for FY 2006***

DoD began exploring the feasibility of improving underlying program and budget data structures to synchronize data elements. The goal of this effort is to determine if a better structure exists for integrating program and budget data such that both programming and budgeting requirements can be satisfied from a single data structure that uses common elements. DoD began two pilot efforts to validate potential structures.



DoD also developed method for applying initial program/budget framework mappings to future resource data submissions.

***Performance Results for FY 2005***

Validation of the program/budget framework and data structure rationalization efforts continued. DoD developed a common information model and began using it to validate the program/budget framework and data structure.

Metric 3.4.2: Increase Visibility of Trade Space					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 <sup>a</sup>
Ability to define and cost trades within and across capability areas while balancing investment and risk across the entire defense program	No historical data; new metric	Conducted Joint Defense Capabilities Study	Published Strategic Planning Guidance Initiated Enhanced Planning Process Issued Joint Programming Guidance using initial analytical findings	Initiated several capability area reviews Approved use of joint capability areas taxonomy	Completed and Published the 2006 Quadrennial Defense Review (QDR) Completed and published the 2006 Strategic Planning Guidance Initiated 8 QDR execution road maps Published the 2006 Security Cooperation Guidance Initiated an update of the Contingency Planning Guidance
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

**Metric Description**

The planning guidance of the Secretary of Defense is the primary tool for directing how Defense programs and budgets will be shaped. Previous guidance provided a list of projects of interest, and it set priorities across the Defense program. However, it did so with little fidelity. The result was fiscally unsound and unclear planning guidance that made it difficult to ensure compliance. To provide clarification and ensure compliance, the DoD restructured the guidance in FY 2003 to better define where more risk or less risk should be taken across the Defense program. This revised structure directed the Services and Agencies to apply explicit criteria for risk management and to align their resource plans accordingly. Then, during the program and budget review, any resource proposal that varied from guidance was corrected in the President’s Budget.

DoD further strengthened the guidance as a resource decision tool by adding more details on how Services and Defense Agencies were expected to meet the Secretary’s intent within fiscal constraints. The guidance—renamed Strategic Planning Guidance—marked the first attempt to estimate the direct cost of program priorities within the context of the overall Defense program. However, shortfalls still exist. It is still difficult to develop a truly independent cost estimate of planning priorities or to assess accurately all the variables associated with estimating the potential trade space created by accepting increased risk in some areas of the Defense program.

The newly initiated Enhanced Planning Process will provide a continuous, open, and collaborative analytic forum to examine closely issues of the greatest interest to the Secretary. The process is intended to produce programmatic recommendations that will be documented in a new annual publication, the Joint Programming Guidance.

## ***Ongoing Research***

The Department continues to improve this metric, but several factors will influence progress:

- *Definition of “visibility” and its gradations.* The DoD needs the ability to estimate accurately the costs associated with programmatic and budget trades. It must be able to frame the trade space discussion within the context of the overall Defense program and ensure clarity about the impact of making trades within and among the four risk management areas.
- *Development of an index for measuring compliance.* One approach to measuring increased visibility is measuring the degree of compliance. This metric might be measured in dollars failing to conform to guidance or in the number of issues of noncompliance that are raised in the program and budget review. Either index can provide a trend to show progress in achieving visibility of the trade space.
- *Classification and the pre-decisional nature of document.* The Secretary’s planning guidance is pre-decisional and thus not releasable. In addition, much of the guidance is classified. It is likely that some, or portions of, trade-space metrics would also be subject to these restrictions.

## ***Performance Results for FY 2006***

During FY 2006, the Department accomplished the following:

- Completed and published the 2006 QDR
- Published the 2006 Strategic Planning Guidance
- Initiated 8 QDR execution road maps:
  - Institutional Reform and Governance
  - Strategic Communications
  - Building Partnership Capacity
  - Sensor-Based Management of the Intelligence, Surveillance, and Reconnaissance (ISR) Enterprise
  - Irregular Warfare
  - Joint Command and Control
  - Locate, Tag and Track
  - Authorities
- Published nine documents in the Family of Joint Program Guidance
- Published the 2006 Security Cooperation Guidance
- Initiated an update of the Contingency Planning Guidance
- Under Institutional Reform and Governance, began four initial experiment areas.

### ***Performance Results for FY 2005***

The Department continued its efforts to institute a capabilities-based planning process and thus further improve its ability to shape the overall Defense program. Rather than examining systems on an individual basis only, DoD launched a number of capability area reviews that lay out and examine programs in related areas and produced initial drafts of capability road maps in those areas.

The Secretary approved an initial taxonomy of joint capability areas, which provides a framework for defining trade space. These areas will be incorporated as appropriate into planning scenarios, planning guidance, joint concepts, joint task lists, the joint capabilities integration development system, integrated priority lists, and program and budget databases. The Secretary directed continued elaboration and refinement of these joint capability areas. Once fully developed and implemented, this capabilities-based approach will greatly increase the Department's ability to define and cost tradeoffs, both within and across capability areas, to balance risk.

<b>Metric 3.4.3: Provide Explicit Guidance for Program and Budget Development</b>					
<b>End-State Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006<sup>a</sup></b>
Revised planning, programming, and budgeting decision process	No historical data; new metric	Conducted the DoD-wide study of joint defense capabilities	Combined the program/budget review process Implemented new joint perspective in planning and program guidance Added execution reviews to formal process	Reevaluated resource allocation and execution procedures	Established the Deputy's Advisory Working Group Prepared Quadrennial Defense Review (QDR) execution road maps Created the QDR Execution Office to monitor execution
<sup>a</sup> FY 2006 data are estimated as of the fourth quarter.					

***Metric Description***

In March 2003, the Secretary of Defense chartered a broad review of the Department's planning and resource decision process. A study team, chaired by a former Under Secretary of Defense, explored ways to make the existing process less cumbersome, more responsive, and more helpful to the Secretary's attempt to focus on managing and enhancing joint capabilities. The Joint Defense Capabilities Study, completed in November 2003, recommended focusing the Secretary's annual planning and programming guidance on high-level strategic issues, and framing resource alternatives as capabilities rather than programs. The study also recommended that actual results become a formal part of the overall assessment process. Accordingly, "Execution" was added to the overall process, making it the DoD Planning, Programming, Budgeting, and Execution System. DoD has enhanced its planning process to focus on issues that are strategic and joint and that address core military capabilities.

***Ongoing Research***

The Department is using disciplined joint analysis to propose programmatic alternatives and, subsequently, to formulate joint program and budget guidance. We are enhancing our planning process to focus on issues that are strategic and joint, and address core military capabilities.

***Performance Results for FY 2006***

To implement the 2006 QDR Report, the Deputy Secretary directed the development of eight execution road maps: Institutional Reform and Governance; Strategic Communications; Building Partnership Capacity; Sensor-Based Management of the ISR Enterprise; Authorities; Irregular Warfare; Joint Command and Control; and Locate, Tag, and Track. In developing the road maps, the Department conducted experiments and studies to evaluate proposals for improving its planning, programming, and budgeting decision processes. In addition, the Department continued to modify its decision-making processes to strengthen the linkages between planning, budgeting, and execution. To monitor these activities, the Department established a QDR Execution Office, which is responsible for reporting progress on QDR programmatic initiatives, on programmatic objectives identified in the Strategic Planning Guidance, and on the implementation of the recommendations emerging from the road maps. The Deputy's Advisory Working Group, chaired by the Deputy

Secretary of Defense and the Vice Chairman of the Joint Chiefs of Staff, provides top-level oversight of QDR implementation.

***Performance Results for FY 2005***

The Department reevaluated its resource allocation and execution procedures in the 2005 QDR.

**Strategic Goal 4: Balancing Future Challenges Risks – execute future missions successfully against an array of prospective challengers.**

**Performance Goal 4.1 – Define and Develop Transformational Capabilities**

Metric 4.1.1: Deny Enemy Advantages and Exploit Weaknesses					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Explicit and effective measures for DoD intelligence activities	The Secretary of Defense (SecDef) established the Defense Counter-intelligence Field Activity	The SecDef established an Under Secretary of Defense for Intelligence—USD(I)	Addressed shortfall in DoD counter-intelligence (CI) policy Initiated study to identify shortfalls in CI support for the Pentagon Developed standards for horizontal integration activities used to shape DoD planning guidance Established an Intelligence Campaign Planning (ICP) concept and timeline for implementation	Wrote new policy instructions Completed CI plan and associated resource requirements Included ICP in the priority DoD Unified Command Plan for selected contingency plans Completed and approved one National Intelligence Support Plan (NISP) and drafted three others Issued targeting packages for the four approved CI campaign plans	Supported the review and update of intelligence, security, and CI directives and policy Reviewed intelligence documentation affecting NISPs to improve horizontal and vertical alignment and integration of intelligence support Improved warfighter support by establishing Joint Intelligence Operations Centers (JIOCs) in each Combatant Command (COCOM) and the Defense Intelligence Agency (DIA) Identified and supported capability-centric Intelligence, Surveillance and Reconnaissance (ISR) Provided responsive ISR and captured early warning guidance in Defense Intelligence Guidance
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

**Metric Description**

The mission of the USD(I) is to deny our enemies advantages while exploiting their weaknesses by employing intelligence, security, and counterintelligence means. The purpose of the activity described in this metric is to establish outcome goals and efficiency measures to gauge the effectiveness of intelligence activities and associated program structures.

The success of any intelligence program depends on four fundamental areas: (1) aligning intelligence, security, counterintelligence strategy, policy, and processes for maximum effectiveness and

efficiency; (2) integrating intelligence activities horizontally (i.e., communication among and within agencies to promote information sharing); (3) focusing intelligence activities on supporting the warfighter's requirements; and (4) improving ISR capabilities.

The DoD intelligence community is conducting numerous activities to improve the effectiveness of intelligence in military operations and for overall national security. Further, the Department requires current and comprehensive policies to guide its intelligence community in accordance with the four fundamental areas. The ongoing efforts include identifying directives, instructions, regulations, and manuals that should be developed, modified, or canceled.

One of the major developments to come out of these activities is the ICP process. The overarching purpose of ICP is to provide a process that effectively integrates, synchronizes, prioritizes, and focuses DoD intelligence (both theater and national) on achieving the supported commander's operational objectives and desired effects during all phases of the plan. The ICP process supports top-priority plans specified in the Contingency Planning Guidance and the Joint Strategic Capabilities Plan. The process identifies knowledge gaps and capability shortcomings, which are, in turn, passed to the broader intelligence community through the Office of the Director of National Intelligence (DNI) to identify their capabilities to mitigate the shortfalls and to coordinate their support.

### ***Ongoing Research and Timelines for Completion***

The OUSD(I) is conducting a definitive review of all existing policies and directives relating to intelligence, counterintelligence, and security activities to codify a common lexicon and understanding of intelligence issues and thus facilitate horizontal integration. In the first phase of that review, which has been completed, the Department identified policies, directives, and instructions. In the second phase, the Department will review those documents using new criteria. Review of directives and instructions that were in coordination by 15 September 2005 will be completed in FY 2006. Various targeted activities are being conducted to address intelligence shortcomings for each of the four fundamental areas.

OUSD(I) is also assessing the additional insights and direction for Defense intelligence provided by lessons learned from the global war on terrorism, the Quadrennial Defense Review completed in FY 2006, and efforts to align with the DNI programs. This insight and direction will provide a foundation for changes in core metrics for FY 2007 and beyond. Targets will address critical components of intelligence support to the warfighter, research and technology, and the continuing integration of plans, intelligence, and operations, as well as the development of Defense Intelligence Component road maps for global warning and foreign science and technology developments.

### ***Performance Results for FY 2006***

During FY 2006, the Department accomplished the following:

- Alignment of directives
  - Eleven DoD Counterintelligence and Credibility Assessment directives, instructions, regulations, or manuals were in formal coordination or were signed, representing 69 percent of the total. In addition, OUSD(I) has developed a web-enabled process that facilitated the submission of over 60 percent of the directives for which the USD(I) is the proponent



- OUSD(I) continued to seek approval for three draft NISPs developed as part of the ICP efforts to support the Department's Adaptive Planning process. ICP is the intelligence component of DoD's Adaptive Planning process. The products produced during the ICP process are DIA's Dynamic Threat Assessment, the COCOM-produced Annex B (Intelligence), and the DIA JIOC's NISP that includes functional support plans produced by the combat support agencies.
- Horizontal integration
  - OUSD(I) improved horizontal and vertical alignment of intelligence support through implementation of directives, instructions, regulations, manuals, or memorandums of understanding affecting NISPs, domestic threat reporting, and access for COCOMs, among other areas.
  - OUSD(I) coordinated with the Joint Staff to issue CJCSI 3340, *Horizontal Integration for the Warfighter*.
  - The Department took steps to increase its role in the sharing of terrorist screening information through the signing of a memorandum of understanding with the intelligence and law enforcement communities directly supporting the Department's global war on terrorism.
  - OUSD(I) aggressively worked across the Department and the intelligence community to resolve many impediments related to sharing intelligence information about foreign disclosure and coalition operations. The result was revised joint implementing instructions, co-signed by the SecDef and the DNI, to share information, significantly improving intelligence access for COCOMs.
- Support to the warfighter
  - The SecDef approved an Execute Order establishing JIOCs in each COCOM and at DIA. All JIOCs reached initial operating capability in April 2006, with preliminary capabilities in accordance with the Execute Order's common principles.
  - For the first time, language was included on early warning within the Defense Intelligence Guidance. This document requires the Defense Intelligence Components to develop road maps for a DoD global warning system and for improving warning of foreign science and technology developments. These road maps represent the first steps in achieving USD(I)'s vision of providing reliable strategic warning and universal situational awareness.
- Intelligence, Surveillance, and Reconnaissance
  - In response to congressional direction, the ISR Integration Council (IC) was established in 2005 as the advocate for responsive ISR capabilities and initiatives. The ISR IC consists of representatives from the Office of the Secretary of Defense, the Joint Staff, the COCOMs, the Agencies, and the Services. The OUSD(I), in conjunction with the Joint Staff and the Unmanned Aerial Vehicle Center of Excellence, developed a method for determining Joint Task Force and COCOM sensor capability requirements more useful than the current approach of counting orbits (with more being better than fewer). Also the ISR IC identified and supported capability-centric ISR by advocating for early warning capabilities that were captured in Defense Intelligence Guidance and recommended investments to protect and safeguard ISR assets in space.

## *Performance Results for FY 2005*

During FY 2005, the Department accomplished the following:

- OUSD(I) published the ISR road map. The road map identifies integration phases in which programmatic efforts are intended to first align (2003–2010), then enable (2005–2012), and finally integrate (2007–2015) Defense ISR capabilities.
- OUSD(I) initiated six ICP efforts focused on the Department’s top priority efforts identified in Contingency Planning Guidance. OUSD(I) continued to integrate ICP into the JIOC organizational concept, which is designed to integrate the COCOM’s theater intelligence and operations functions.
- OUSD(I) worked across the intelligence community to support the U.S. Central Command in improving ISR support to the Counter-Improvised Explosive Device (IED) mission. OUSD(I) coordinated with the Joint IED Defeat Task Force to identify and advocate for new capabilities to exploit enemy IED concept of operations. The Defense Counterintelligence Field Activity led a multiagency working group that developed the plan and resource requirements for the integrated multiagency program designed to fill the void in counterintelligence support to the DoD Agencies and activities, including the Pentagon.
- OUSD(I) continued work on 20 documents identified for revision to address the shortfall in DoD CI policy.

<b>Metric 4.1.2: Make Information Available on a Network that People Depend On and Trust</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Number of systems that support Internet Protocol Version 6 (IPv6)	No historical data; new metric	No historical data; new metric	Began transition of selected systems and weapons to IPv6	Implemented IPv6 in limited lab and test networks	Continued implementation of IPv6 in lab and test networks
Number of systems that meet information assurance (IA) standards	No historical data; new metric	No historical data; new metric	Began development of IA standards	Continued IA standards development	Continued IA standards development and began structure initiatives to improve both current and future information systems security
<sup>a</sup> FY 2006 data are estimated as of the third quarter.					

### ***Metric Description***

Today’s diverse mission environments require the secure, quick, and accurate movement of information in support of military operations and combatant commanders. DoD’s ability to construct a global information network, configured with the information required for modern combat operations and able to support critical command and control requirements, has been limited by the flow of information through the network and processing power at any given time or point. In response, DoD has set the goal of building a Global Information Grid (GIG) to do the following:

- Achieve a ubiquitous, secure, and robust network
- Eliminate bandwidth, frequency, and computing capability limitations
- Deploy collaborative capabilities and other performance support tools
- Secure and assure the network and the information.

### ***Ongoing Research***

The Director, Strategic Resource Planning for the Assistant Secretary of Defense for Networks and Information Integration is engaged with the Deputy Chief Information Officer in developing outcome and output metrics to measure progress toward achieving the strategic planning goals of DoD’s information technology plan.

### ***Timeline for Completion***

Metric development and coordination should be complete by the end of FY 2007.

### ***Performance Results for FY 2006***

Development of the GIG continues with DoD-wide efforts focused on establishing specific geographic requirements and meeting the demands of the global war on terrorism. Significant

progress has been made in developing reach-back communications paths and infrastructure upgrades to support ongoing operations around the world, as discussed in the following paragraphs.

*IPv6.* Conversion and testing of IPv6 continued, with the objective of meeting today's requirements and future growth needs within a net-centric framework. DoD began a pilot implementation of IPv6 on networks that carry operations traffic. In addition, the Defense Information Systems Agency continued the programmed conversion from circuit-based to Internet Protocol operational capability for all teleport sites.

*Information Assurance.* In the 2006 Quadrennial Defense Review (QDR), IA was highlighted as one of the key requirements for achieving net centricity. Considering the diverse cyber threat environments, the Department instituted an aggressive multilevel defense network and has given IA increased program priority and funding necessary to build a robust combination of network defenses to meet today's threats. In addition, it initiated a significant research and development effort focused on defense and protection tools for information systems. The Department is also continuing efforts to reduce software assurance risk and is developing a software assurance strategy for use on major acquisition programs.

*Information Transport System.* As a result of QDR deliberations, the GIG information transport system infrastructure is postured to achieve significant improvements in reliability and trusted access. Increased investments in GIG implementation and development of better bandwidth requirements utilization models will allow for greater availability of capacity needed to support warfighter needs. In addition, the Department has restructured its future satellite communications approach to ensure both the successful and timely delivery of increased capability and the synchronization of the phasing and pacing of terminals and space vehicles.

### ***Performance Results for FY 2005***

Efforts to establish the grid continued through FY 2005, with significant progress gained in forming the DoD-wide policies for infrastructure, core enterprise services, and data standards. The DoD established IPv6 as the common end-to-end network protocol to meet net-centric warfighting requirements, with the goal of complete transition by January 2008. DoD will begin pilot implementation of IPv6 on networks that carry operations traffic in FY 2006. In addition, the Defense Information Systems Agency programmed conversion from circuit-based to Internet Protocol operational capability for all teleport sites. DoD also will establish a Department-wide software assurance tiger team to develop a holistic strategy to reduce software assurance risk and develop a software assurance strategy for use across the Department on major acquisition programs.

<b>Metric 4.1.3: Monitor the Status of Defense Technology Objectives</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Actual <sup>a</sup>	FY 2006 Target/Actual <sup>a,b</sup>
Percentage of Defense technology objectives evaluated as progressing satisfactorily toward goals <sup>c</sup>	97	96	94	0	≥70/99
Objectives evaluated in biannual review <sup>d</sup>	149 <sup>d</sup>	163 <sup>d</sup>	180	0	88
Total number of objectives <sup>d,e</sup>	401	386	404	392	404
<sup>a</sup> DoD implemented a new comprehensive review process that evaluates all objectives biennially. The latest review and assessment of Defense technology objectives was conducted in FY 2006 (not all FY 2006 results have been reported). <sup>b</sup> FY 2006 data are final as of the third quarter. <sup>c</sup> "Progressing satisfactorily" includes objectives rated as "green" or "yellow." <sup>d</sup> The number of objectives evaluated and the total number of objectives are provided for information only; no targets are established. <sup>e</sup> The total number of objectives is the sum of all objectives contained in the Joint Warfighting Science and Technology Plan and the Defense Technology Area Plan, dated February of the calendar year prior to the fiscal year in which the reviews are conducted.					

***Metric Description***

Technological superiority is a cornerstone of the national military strategy. Technologies such as radar, jet engines, nuclear weapons, night vision, smart weapons, stealth, the Global Positioning System, and vastly more capable information management systems have changed warfare dramatically. Today's technological edge allows the DoD to prevail decisively across a broad spectrum of conflicts and with relatively few casualties. Maintaining this technological edge has become even more important as the size of U.S. forces decreases and high-technology weapons are now readily available on the world market. Future warfighting capabilities will be determined substantially by today's investment in science and technology.

Science and technology investments are focused and guided through a series of Defense technology objectives developed by senior DoD planners. Each of these objectives highlights a specific technological advancement, the anticipated date the technology will be available, the specific benefits that should result from the technological advance, and the funding required (and funding sources) to achieve the new capability. These objectives also specify milestones to be reached and approaches to be used, quantitative metrics that will indicate progress, and the customers who will benefit when the new technology is eventually fielded. This metric measures the percentage of defense technology objectives that are progressing satisfactorily toward the goals established for them.

***Performance Results for FY 2006***

In accordance with the Department's new review process that evaluates all objectives biennially, the FY 2006 assessments are in process and the table shows the results through the third quarter.

***Performance Results for FY 2005***

The Department implemented a new comprehensive review process that evaluates all Defense technology objectives biennially. Therefore, no reviews were conducted in FY 2005.

<b>Metric 4.1.4: Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy</b>					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Percentage of DoD information available via net-centric solutions	No historical data; new metric	No historical data; new metric	Published net-centric checklist Began portfolio management	Codified the DoD net-centric data strategy	Continue drive toward a globally interconnected capability for all phases of warfighting, intelligence, and business operations
<sup>a</sup> FY 2006 data are estimated as of the third quarter.					

### ***Metric Description***

Military commanders need and use information of all kinds, not just intelligence data, to “see” the battle space and defeat adversaries. The net-centric enterprise architecture will enable commanders to engage the network at anytime from anywhere using a military version of the Internet search engine, without needing cumbersome base support. Data will be posted and ready for download and analysis as soon as they arrive, anywhere on the network. The strategy of the Chief Information Officer (CIO) is to ensure that data are visible, available, and usable when needed and where needed to accelerate decision making.

### ***Ongoing Research***

The CIO for the Department is the Assistant Secretary of Defense for Network Information and Integration—ASD (NII). The CIO heads a Defense-wide effort to define processes for assessing a program’s transition to a net-centric environment. The CIO also helps Services, Defense Agencies, and program managers incorporate net-centric attributes, implement data information assurance strategies, and align programs with the Joint Technical Architecture and the Net-Centric Operations Warfare Reference Model. This will ensure that priorities and transition plans of all Defense activities are in line with Global Information Grid enterprise services within their respective programs. The Director, Strategic Resource Planning is responsible for developing this metric, working with the Deputy CIO and the MITRE Corporation.

### ***Timeline for Completion***

This metric will be completed no later than FY 2008, by which point all DoD data are to be compliant with IPv6 standards so that they are accessible, discoverable, and usable. This goal was originally established in a June 2003 DoD CIO memorandum on IPv6. The DoD CIO is preparing to release an update to this policy that will define milestone objectives.

### ***Performance Results for FY 2006***

*Data Strategy.* The ASD (NII)/DoD CIO is moving forward with a broad Departmental data strategy based on development of a common data lexicon and strengthening of standards, organizations, and categorizations schemes. These changes allow for improved information sharing and information assurance across a multitude of domains from personnel to intelligence information systems. The data strategy is being implemented by developing specific and necessary revisions to requirements, acquisition, and budgeting processes, which will be incorporated into the appropriate processes.

*Information Sharing.* As the single focal point for information sharing policy and implementation, ASD (NII)/DoD CIO is developing a Departmental strategy focused on information sharing with federal, state, local and coalition partners. The strategy will provide recommended information sharing guidelines for DoD-wide implementation.

*Enterprise Services.* ASD (NII)/DoD CIO has created and implemented a process designed to ensure resolution of duplicative services and technical capabilities in service- and events-oriented architecture implementations, with first results in FY 2006. By continuing this process, ASD (NII)/DoD CIO will ensure that Department resources are appropriately focused on needed capabilities and that key information service implementations are accomplished via a Department-wide enterprise-focused approach.

### ***Performance Results for FY 2005***

The Department codified the DoD net-centric data strategy by issuing “Data Sharing in a Net-Centric Department of Defense,” a directive that sets the Department’s policy and responsibilities to ensure that data assets are visible, accessible, and understandable to any potential DoD user.

## Performance Goal 4.2 – Define Skills and Competencies for the Future

Metric 4.2.1: Attract, Recruit, Retain, and Reward High Quality People from Government, Industry, and Academia					
End-state Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 <sup>a</sup>
Create a Defense Civilian Intelligence Personnel System (DCIPS)  Develop policies and programs to attract, recruit, retain, and reward high-quality people	No historical data; new metric		Designated of Office of the Under Secretary for Defense (Intelligence) (OUSD(I)) as DCIPS organization Submitted 11 National Security Personnel System subchapters for implementation Developed and drafted policies to implement DCIPS and regulations to utilize the legislative flexibilities	Approved six of the 11 submitted subchapters for interim use Successfully advocated and approved an increase in foreign language proficiency pay Established a senior-level panel to review a 10 percent sample of the new executive and senior level performance plans	Increased Human Intelligence (HUMINT) Established HUMINT standards Entered into collaborative relationship with Office of the Director of National Intelligence (ODNI) to align DCIPS to Intelligence Community (IC) direction for human capital reform
<sup>a</sup> FY 2006 data are final as of the fourth quarter.					

### *Metric Description*

To execute the Defense Strategy and to accomplish its ambitious objectives, the Department of Defense’s (DoD) intelligence components must have the best people available. The components need to recruit people with broad and varied experiences who are agile problem solvers and can operate in an environment that changes as the threat changes. Legislation such as that contained in Chapter 83, Civilian Defense Intelligence Employees, of Title 10 of the U.S. Code provides DoD with hiring flexibility. A key first step and an ongoing effort is the development of an overarching directive establishing a common human resources system for the DoD intelligence components. The Defense Civilian Intelligence Personnel System (DCIPS) was authorized by Public Law 104-201, effective 1 October 1996, to provide the DoD Intelligence Components with independent civilian personnel authorities necessary to hire, develop and retain the diverse, versatile and highly qualified workforce necessary to the Defense intelligence mission. When fully implemented, DCIPS will provide civilian members of the Defense Intelligence Components with a competitive, performance-driven compensation structure and significantly enhanced hiring flexibilities much like the National Security Personnel System (NSPS) is expected to provide for the non-intelligence civilian defense workforce. DCIPS also will align to the Director of National Intelligence (DNI) common civilian personnel framework currently being developed under the leadership of the ODNI with the participation of representatives from across the Intelligence Community (IC).

In addition, there is an increasing value placed on personnel with critical foreign language skills who play an especially important role in the collection of human intelligence (HUMINT).



## ***Ongoing Research***

The Department is developing an overarching directive establishing a common human resources system for the Defense intelligence components.

## ***Timeline for Completion***

Development work continued through the end of FY 2005. Selected interim DCIPS policies currently are in place within the Defense Intelligence Components, particularly with regard to the management of the DISES and DISL workforce. However, development of broader DCIPS implementation policies and plans currently is timed to coincide with the IC human resources (HR) modernization effort being led by the Director of National Intelligence (DNI) with participation from all IC elements. The DNI expects to complete its recommendations for an IC HR framework by the end of calendar year 2006 for consideration by IC leadership. The USD(I) has made DCIPS implementation a priority for the Department, and has committed to implementation beginning not later than 30 September 2007.

## ***Performance Results for FY 2006***

Progress has been made in augmenting existing programs in the Military Departments, in DIA, and other key defense agencies, and in aligning the DoD intelligence elements conducting counterintelligence and HUMINT operations. This has reduced duplication, leveraged different talent sets and increased the value added by DoD HUMINT and counterintelligence in meeting the full spectrum of HUMINT and counterintelligence requirements, most especially those levied by the DNI. The Defense HUMINT Management Office established the standards for training, tradecraft, technology, architecture and operational tactics, techniques, and procedures across the Department to ensure all DoD elements are working together to meet the needs of COCOMs, Military Departments, and national decision makers.

To ensure the DCIPS is implemented fully across DoD, and to ensure it operates in sync with what the DNI plans for the IC, a new office within OUSDI has been established to focus on DCIPS and the related personnel development and readiness issues across Defense Intelligence such as the diversity of our workforce – especially at the senior levels and training, to include foreign languages, and career development. This office will address not only the civilian workforce but the military as well – the adequacy and standardization of the intelligence curricula and programs across the services.

## ***Performance Results for FY 2005***

DoD submitted 11 subchapters for the National Security Personnel System regulations; six were approved for interim use pending formal coordination and publication. The DoD also revised and upgraded the foreign language proficiency pay policy that resulted in a substantial increase in the maximum pay authorized for proficiency in a language or multiple languages.

<b>Metric 4.2.2: Strategic Transformation Appraisal</b>					
<b>Metric</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005 Target/Actual</b>	<b>FY 2006 Target/Actual<sup>a</sup></b>
Assessment of gaps or adjustments needed to remain on track	No historical data; new metric	Published first transformational planning guidance and a preliminary appraisal	Completed first formal Strategic Transformation Appraisal (STA)	Do a formal STA/Quadrennial Defense Review took its place	Do a formal STA/Will be available for use in Fall 2006
<sup>a</sup> FY 2006 data are estimated as of the third quarter.					

***Metric Description***

The Department’s overall transformation road maps address activities, processes, resources, and incentives to foster and promote innovation and transformational activities, including concept-based experimentation processes, education and training programs, and the use of operational prototypes. Each Service also prepares an annual update of information on its transformation efforts; Defense Agencies submit their annual road-map updates to the U.S. Joint Forces Command, which develops a consolidated road map that focuses on the 5 to 10 most important issues. The individual and consolidated road maps represent a shared future vision and provide actionable language for implementation. They complement the program and budget process, ensuring coherence between resource allocation decisions and future concept development and experimentation, and they provide a baseline for managing transformational change within the force. In addition, they articulate the Service and Defense Agency strategies for implementing and managing transformation risks.

Each year, the Office of Force Transformation (OFT) evaluates the progress and plans reported in the individual and joint transformation packages and assesses the gaps or adjustments requiring action. The STA is a strategic-level risk management tool. It supports the shift from the planning, programming, and budgeting system to planning, programming, budgeting, and execution by adding to the strength of planning within the Department. It does this by mapping the movement of the Services and the Defense Agencies along their respective transformation paths. It is the only Department-wide assessment of its type.

***Performance Results for FY 2006***

The transformation information packages from the Services were complete or nearly complete as of the end of July 2006. The package from the U.S. Joint Forces Command is complete. OFT will share a special matrix mapping tool with the Under Secretary of Defense (Acquisition, Technology, and Logistics); the tool expresses the results of the STA in terms of the Joint Capability Areas.

***Performance Results for FY 2005***

The OFT completed its first formal STA in November 2004. That STA emphasized the planned development by the Services and Defense Agencies of directed energy, information warfare techniques and concepts, joint battle management, non-lethal technology, and rapid access to space. The appraisal also highlighted the dilemma of balancing near-term concerns generated by operations in Iraq against long-term science and technology needs.

**Performance Goal 4.3 – Develop More Effective Organizations**

<b>Metric 4.3.1: Enhance Homeland Defense and Consequence Management</b>					
<b>End-State Metric (New Baseline)</b>	<b>FY 2002</b>	<b>FY 2003</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006 Target/Actual<sup>a</sup></b>
Strategy and an associated resource and technology road map	No historical data; new metric.	Established an Assistant Secretary for Homeland Defense Established U.S. Northern Command	Began developing first homeland defense strategy Developed initial resource and technology road maps	Finalized homeland defense strategy Promulgated homeland defense implementation guidance Published Policy Memorandum 5 regarding use of the strategy in Base Realignment and Closure considerations Published the National Response Plan Signed, with Department of Homeland Security (DHS) and U.S. Coast Guard, a memorandum of understanding (MOA) on U.S. Coast Guard support to DoD maritime homeland defense operations Established standing rules for the use of force Established 23 new Weapons of Mass Destruction–Civil Support Teams (WMD-CSTs) and initiated training and certification Established, with DHS and Department of Justice, a standardized process to transfer technology, equipment, and expertise to federal, state, and local responders	Developed a Defense Critical Infrastructure Protection Strategy Established Defense Industrial Base Government Coordination Council and Sector Coordination Council Promulgated a Defense Continuity Strategy Signed, with DHS and U.S. Coast Guard, an MOA on DoD support to U.S. Coast Guard maritime homeland security operations Completed DoD Implementation Plan for the National Strategy for Pandemic Influenza Certified 8 new WMD-CSTs Led DoD’s efforts to develop robust, fully integrated response initiatives for the provision of Defense Support of Civil Authorities in preparation for the 2006 hurricane season

<sup>a</sup> FY 2006 data are final as of the fourth quarter.

***Metric Description***

DoD’s highest priority is protecting the U.S. homeland from attack by succeeding at the full range of tasks associated with an active defense-in-depth, including military missions in the forward regions,

approaches to the United States, the U.S. homeland, and the global commons. Specifically, the Department must be able to do the following:

- Conduct military missions to prevent, deter, defend, and defeat attacks on the United States, the U.S. population, and defense critical infrastructure (homeland defense)
- Support civil authorities directed by the President or Secretary of Defense as part of a comprehensive national response to prevent and protect against terrorist incidents or manage the consequences of attack or disaster (homeland security)
- Enhance contributions of domestic and foreign partners to homeland security and homeland defense.

### ***Ongoing Research***

To guide our efforts to meet the challenges of the post-9/11 threat environment, the Secretary of Defense directed the development of the first comprehensive, Defense-wide strategy for homeland defense and civil support. This new strategy relies on an integrated threat assessment to define DoD's strategic goals, key objectives, and core capabilities for homeland defense and civil support. The strategy also will describe associated force structure, technology, and resource implications.

By providing overarching strategic goals aligned with resource and technology plans, the Department will add coherence and direction to the disparate activities to deter and prevent attacks, protect critical defense and designated civilian infrastructure, provide situational understanding, and prepare for and respond to incidents.

The completed strategy articulates a number of actions for immediate implementation to transform DoD's capabilities for homeland defense and civil support in each of the core capability areas, including providing maximum threat awareness, interdiction and defeat of threats at safe distance, mission assurance, and improved interagency and international capabilities and managing the consequences of a chemical, biological, radiological, nuclear, or explosive incident.

### ***Performance Results for FY 2006***

Actions continued this year in support of the implementation of the Strategy for Homeland Defense and Civil Support. Perhaps most important, direct participation in, and support of, the 2006 Quadrennial Defense Review ensured that the strategic goals and objectives of homeland defense and civil support were effectively considered. The following are some other specific actions that supported accomplishment of the strategic goals and objectives:

- Developed a Defense Critical Infrastructure Protection Strategy, which outlines the strategic goals, key objectives, and capabilities necessary to protect defense-critical infrastructure in accordance with the Strategy for Homeland Defense and Civil Support.
- Established, in accordance with the June 2006 National Infrastructure Protection Plan, a Defense Industrial Base Sector Coordination Council and a Government Coordination Council. The former serves as the primary point of entry for the federal government into the Defense industrial base sector for the entire range of critical infrastructure/key resource protection activities and issues, a coordination and information-sharing mechanism, and an advisory body for planning and research and development requirements and efforts. The latter

coordinates strategies, activities, policy, and communications across government entities within the Defense industrial base sector.

- Developed a Defense Continuity Strategy, which implements the continuity aspect of the mission assurance objective of the Strategy for Homeland Defense and Civil Support and provides a framework for transition of continuity capabilities for the future.
- Signed, in December 2005, an MOA between DoD, DHS, and the U.S. Coast Guard. This MOA provides for DoD support of U.S. Coast Guard maritime homeland security operations. This MOA complements the one signed in December 2004 regarding U.S. Coast Guard support to DoD maritime homeland defense operations.
- Developed the Department's Implementation Plan for the National Strategy for Pandemic Influenza, which was signed by the Deputy Secretary of Defense in August 2006. This plan addresses how DoD will provide for force protection; maintain mission-essential functions and services; communicate to federal, state, local, and international partners; and support the federal effort to prepare for, prevent, and, if necessary, respond to pandemic influenza.
- Certified 8 National Guard WMD-CSTs. By the end of FY 2007, the remaining 15 congressionally authorized teams will be fully trained and certified.
- Led the Department's efforts to develop robust, fully integrated response initiatives for the provision of Defense Support of Civil Authorities in preparation for the 2006 hurricane season. Represented the Department in the White House-led lessons learned review of the federal response to Hurricane Katrina, as well as the ensuing efforts to implement the resulting recommendations provided in "The Federal Response to Hurricane Katrina: Lessons Learned." In addition, coordinated and provided oversight to the establishment of pre-scripted requests for assistance, provided DoD planners to assist the Federal Emergency Management Agency and the Gulf Coast Recovery Office, and orchestrated the Secretary of Defense's approval of the Standing Defense Support of Civil Authorities and Standing Catastrophic Hurricane Response Execute Orders.

### ***Performance Results for FY 2005***

Several actions were taken to support implementation of the Strategy for Homeland Defense and Civil Support. Most important, the strategy was officially signed and published in June 2005, along with implementation guidance that directs specific actions to support accomplishment of the strategic goals and objectives. Specific actions in FY 2005 included the following:

- Published Policy Memorandum 5, which directed the Services to use the final coordination draft of the Strategy for Homeland Defense and Civil Support in their Base Realignment and Closure 2005 analyses and recommendations to ensure that the Department retains the capabilities necessary to support its homeland defense mission.
- Published the National Response Plan in December 2004. The plan represents a significant accomplishment in codifying federal roles and responsibilities. DoD supported DHS, along with other federal departments and agencies, in integrating existing federal response plans—for example, Federal Response Plan, Interagency Domestic Counter-Terrorism Concept of

Operations, National Contingency Plan, and Federal Radiological Emergency Response Plan—in accordance with the Homeland Security Act of 2002.

- Signed, in December 2004, an MOA between DoD, DHS, and the U.S. Coast Guard. This MOA provides for the U.S. Coast Guard in support of DoD maritime homeland defense operations. This MOA also established a joint command, control, and coordination structure using existing DoD and U.S. Coast Guard operations centers. This close coordination is essential to our ability to effectively interdict terrorists and other individuals attempting to enter the United States, possibly with WMD materiel and components, via the maritime domain.
- Obtained final approval of new Standing Rules for the Use of Force for DoD units designated to conduct land defense operations within the United States.
- Established 11 National Guard WMD-CSTs and the training certification of these, as well as the 12 WMD-CSTs established in FY 2004. Five of the 23 teams completed exit evaluations and await final certification. By the end of FY 2007, all 23 teams will be fully trained and certified.
- Established, with DHS and Department of Justice, a standardized process for the transfer of DoD technology, equipment, and expertise to federal, state, and local responders, in compliance with Section 1401 of the Bob Stump National Defense Authorization Act for Fiscal Year 2003.

Metric 4.3.2: Establish a Standing Joint Force Headquarters					
End-State Metric (New Baseline)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 Target/Actual <sup>a</sup>
Rapidly execute transformational command and control functions for joint force operations	Concept released	Experiments conducted Implementation guidelines developed	Headquarters established and staffed at Geographic Combatant Commands (GCCs) (except U.S. Central Command)	Headquarters in GCCs completed initial training Regional Combatant Command Standing Joint Force Headquarters (SJFHQs) participated in Joint Training Exercise U.S. Joint Forces Command (USJFCOM) established a headquarters to be employed by GCCs when required	USJFCOM established a SJFHQs to be employed by GCCs when required/Full operational capability reached in 2006 GCC SJFHQs sustainment is institutionalized/GCCs have taken steps to institutionalize their SJFHQs Each GCC is supported by a properly trained, manned, and equipped SJFHQs/Established SJFHQs have the manning and are trained and equipped; USJFCOM is providing U.S. Central Command with this capability GCC-designated Joint Task Force Headquarters are supported by SJFHQs/Designated Joint Task Force Headquarters received support from a SJFHQ during 2006
<sup>a</sup> FY 2006 data are estimated as of the fourth quarter.					

### *Metric Description*

In 2003, the Secretary of Defense directed GCCs to establish SJFHQs by FY 2005. These headquarters reflect standards established by USJFCOM and incorporate the lessons learned from 2002 joint exercises. Each GCC has a 58-person core SJFHQ that serves as a planning staff during day-to-day operations. In the event of a crisis, the in-place headquarters is prepared immediately to execute command and control functions for the integrated employment of air, land, maritime, and information forces. The headquarters is made up of joint-trained personnel skilled in using computer-based analysis tools and joint information and processes. To operate in the field, each deployable headquarters must have a deployable joint command and control capability.

### *Ongoing Research*

USJFCOM is continuing an extensive program of research, development, and experimentation to advance the key enabling concepts of knowledge management, effects-based planning and operations, and a collaborative information environment.

### *Timeline for Completion*

Most of the regional combatant commands had SJFHQ organizations established in FY 2005; the exception is the U.S. Central Command, where participation has been delayed by the ongoing contingency. During 2006, USJFCOM established an SJFHQ (Core Element Alpha) as an

operational reserve to the GCCs. It is placing this capability in direct support to U.S. Central Command; which mitigates this metric's risk. Based on a 2005 Secretary of Defense memo, USJFCOM has initiated a second SJFHQ (Core Element Bravo), which will achieve initial operational capability in FY 2007.

### ***Performance Results for FY 2006***

USJFCOM's SJFHQ achieved full operational capability in 2006 with Core Element Alpha, allowing it to support other GCCs with this capability. In addition, USJFCOM's SJFHQ achieved initial operational capability in 2006 with Core Element Bravo. USJFCOM is providing U.S. Central Command an SJFHQ capability, which equates to all GCCs completing this task. All GCCs have taken steps to institutionalize the funding, manning, training, equipping, and operational employment of their SJFHQs. All GCCs are supported by a properly trained, manned, and equipped SJFHQ. All SJFHQs report their readiness status via G-SORTS/DRRS. During 2006, designated Joint Task Force Headquarters received appropriate support from an SJFHQ.

### ***Performance Results for FY 2005***

All of the GCCs, except U.S. Central Command, accomplished the assigned task. In addition, all Commands' SJFHQs participated in a Joint Training Exercise during FY 2005, completing their initial training cycle.



<b>Metric 4.3.3: Transform DoD Training</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual
Percentage of military officers in critical positions certified as joint trained or educated	No historical data; new metric	No historical data; new metric	54.2%	52.5%/53.8% <sup>a</sup>	NA
Percentage of military officers in Combatant Commander (COCOM) critical positions certified as Joint Specialty Officers (JSOs) or waived by the Chairman of the Joint Chiefs of Staff (CJCS)	No historical data; new metric	No historical data; new metric	No historical data; new metric	90%/68% <sup>b</sup>	90%/68.8% <sup>c</sup>
<sup>a</sup> FY 2005 data are final as of the second quarter; metric was modified in the third quarter. <sup>b</sup> FY 2005 data are final as of the fourth quarter. <sup>c</sup> FY 2006 data are final as of the fourth quarter.					

### ***Metric Description***

Training Transformation (T2) is designed to provide dynamic, capabilities-based training in support of national security requirements across the full spectrum of Service, joint, interagency, intergovernmental, and multinational operations. Starting in FY 2004, DoD began transitioning from activity-based to outcome-based measures. Due to the spiral development process of T2, these metrics will be expanded and modified to keep pace with the actions and impact of the program.

One of the leading T2 indicators is the percentage of critical COCOM billets manned by JSOs. A higher percentage correlates to increased performance in jobs that require knowledge of joint matters, such as Critical Joint Duty Assignments (JDAs). Critical billets are required to be filled by JSOs unless waived by the CJCS. To become a JSO, an officer must successfully complete an appropriate program of Joint Professional Military Education (JPME) (JPME phase 1 followed by JPME phase 2) and must then successfully complete a JDA. A JDA, or joint billet, is a 2- to 3-year position in a multi-Service or multinational command or activity that is involved in the integrated employment or support of the land, sea, and air forces of at least two of the three Military Departments.

T2 measures will constantly evolve through a process of spiral development. In that development, DoD will consider the overall outputs and desired outcomes of the Joint Knowledge Development and Distribution Capability, Joint National Training Capability, and transformation as a whole.

### ***Performance Results for FY 2006***

The Joint Assessment and Enabling Capability (JAEC) continued development of performance measures for T2. Due to the T2 spiral development process, JAEC will continue to expand and modify program metrics to keep pace with the actions and impact of the program and measure the degree to which T2 meets COCOM needs.

JAEC currently tracks critical COCOM positions filled by JSOs or officers waived by the CJCS. Approximately 69 percent of military officers filling critical positions were certified JSOs or waived by the CJCS. This shortfall was due to overall Service manpower shortfalls and conflicting operational priorities of the global war on terror. The Office of the Deputy Under Secretary of Defense for Military Personnel Policy, ODUSD (MPP), has developed a strategic plan for joint

officer management and JPME. This strategic plan will be the basis for proposed legislative and policy changes to update joint officer management for current needs of the Department.

### ***Performance Results for FY 2005***

The JAEC worked on transitioning to outcome-based measures and completed its first block assessment of T2 by the end of the year. The measures address the quantity, quality, and responsiveness for both individual and collective training. However, the spiral development of T2 measures is an ongoing process; program objectives constantly evolve in response to current and future mission requirements.

DoD continued to track critical COCOM positions filled by joint trained or joint educated officers through the second quarter. At that time, 53.8 percent of military officers filling critical positions were certified as joint trained or joint educated, surpassing the goal of 52.5 percent. The Department refined and expanded the metrics to better assess the degree to which T2 meets COCOM needs.

In the third quarter of FY 2005, JAEC modified the T2 performance measure to reflect current policy and law regarding joint officer management. The new measure tracks critical COCOM positions filled by JSOs or officers waived by the CJCS. As of the end of FY 2005, 68 percent of military officers filling critical positions were certified JSOs or waived by the CJCS. As a result, the ODUSD (MPP) began a study of required joint competencies to enhance performance at COCOMs. This study will be the basis for a new strategic plan for joint officer management.

## Performance Goal 4.4 – Drive Innovative Joint Operations

Metric 4.4.1: Experiment with New Warfare Concepts					
End-State Metric	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006 <sup>a</sup>
Percentage of goals met	Developed guidance	Revised guidance	Conducted four major experimentation exercises Submitted joint experimentation plan for approval Fielded Standing Joint Force Headquarters prototypes	Conducted four major experimentation events Began FY 2006–2013 Joint Concept Development and Experimentation (Joint CDE) Campaign Plan Began Joint Experimentation Work Plan Initiated Joint Experimentation Knowledge Portal	Conducted 10 major experimentation events Submitted Joint CDE Enterprise Planning, Execution and Assessment Process Guide for approval Finalized the FY 2006–2013 Joint Concept Development and Experimentation Campaign Plan (includes Work Plan) Fielded the Joint Experimentation Knowledge Portal to the Joint CDE community
<sup>a</sup> FY 2006 data are estimated as of the third quarter.					

### *Metric Description*

The goal of the Department’s experimentation program is to rapidly convert innovative warfighting concepts into prototypes and fielded capabilities. Accordingly, the April 2003 Transformation Planning Guidance directed the development of the Joint CDE Campaign Plan to describe the role of joint experimentation as a major generator of transformational change. The plan follows two paths:

- The Joint Concept Development Program explores innovative near-, mid-, and far- term concepts for improving future joint warfighting. These concepts can result from an iterative experimentation program that relies on frequent, small-scale sets of experiments conducted in a joint war-gaming environment, or they can be developed and incorporated into large-scale experimentation programs. Experimentation on these concepts will lead to capabilities for the joint warfighter. The program provides actionable recommendations for mid- and far-term investments based on experimentation results.
- The Joint Prototype Program improves current warfighting capabilities and matures new capabilities through continuous experimentation. The program identifies capability proposals for rapid prototyping and provides actionable recommendations for future resource investments based on experimentation results.

### *Ongoing Research*

The Joint Operations Concepts (JOpsC) family has been developed to guide the transformation of the joint force so that it is prepared to operate successfully 8 to 20 years in the future. The concepts present a detailed description of how future operations may be conducted and provide the

conceptual basis for joint experimentation. A more detailed description of the JOpsC family can be reviewed in section JSC 13-06. The Capstone Concept for Joint Operations (CCJO) authors will be executing a multinational experiment in November 2006 to examine the CCJO's proposed solution. Capabilities identified in the Joint Operating Concepts, Joint Functional Concepts, and Joint Integrating Concepts are continually inserted into experimentation campaigns. The results influence the overall concept's revision and identify capability gaps and overlaps.

Prototypes under development include tools and processes for Architectures and Standards, Border Law Enforcement, Collaborative Information Environment, Cross-Domain Collaborative Information Environment, Effects-Based Approach to Operations, Joint Capabilities Requirement Tool, Joint Experimental Deployment and Sustainment, Joint Fires Initiative, Joint Urban Fires, Joint Information Superiority, Joint Interagency Coordination Group, Joint Mission Modeling Tool, Knowledge Access, Military Contribution to Unified Action, Multinational and Interagency Group, Personnel Recovery Mission Software Program, Real-Time Battlespace and Turnkey Command and Control.

### ***Timeline for Completion***

JOpsC is governed by the Chairman of the Joint Chiefs of Staff Instruction 3010.02B, "Joint Operations Concepts Development Process" (27 January 2006). The CCJO, Joint Operations Concepts, and Joint Functional Concepts are continually revised based on strategic guidance, experimentation, and assessment results. Joint Integrating Concepts are one-time concepts that are in various stages of development, experimentation, and assessment. Prototypes are at various stages of development.

### ***Performance Results for FY 2006***

U.S. Joint Forces Command has completed and is awaiting approval of the Joint CDE Enterprise Planning, Execution and Assessment Process Guide. This guide provides the Joint CDE community a process for synchronizing, coordinating, and integrating Joint CDE activities. The 2006–2013 Joint Concept CDE Campaign Plan is being finalized. It captures current joint experimentation guidance from the Unified Command Plan and the Chairman of the Joint Chiefs of Staff. This plan includes a joint experimentation work plan to ensure that concepts are programmed adequately into efforts over the next 2 years. Joint experimentation efforts for FY 2006 included Urban Resolve, Joint Expeditionary Force, Joint Urban Warrior, Unified Engagement, Global War on Terrorism, Integrated Battle Command, Reception Staging, Onward Movement and Integration, Unified Quest, Omni Fusion, and Multinational Experiments. Results from these events have helped inform many of the current concepts, as well as generate new ideas for additional concepts.

### ***Performance Results for FY 2005***

U.S. Joint Forces Command revised the 2006–2013 Joint CDE Campaign Plan to capture joint experimentation guidance from the Unified Command Plan and the Chairman of the Joint Chiefs of Staff. The Command also is developing a work plan to ensure that concepts are programmed adequately into efforts over the next 2 years. Joint efforts for FY 2005 included a national security workshop, campaign planning from the strategic to operational levels, Unified Quest, and Joint Urban Warrior. Results from these events have helped inform many of the current concepts, as well as generate new ideas for additional concepts.

<b>Metric 4.4.2: Maintain Balanced and Focused Science and Technology</b>					
Metric	FY 2002	FY 2003	FY 2004	FY 2005 Target/Actual	FY 2006 Target/Actual <sup>a</sup>
	Percentage of Science and Technology Budget				
Basic research	14.8%	14%	12.8%	15%/12.6%	15%/12.5%
Applied research	42%	38%	35.9%	35%/36.8%	35%/39.4%
Advanced technology development	43.2%	48%	51.3%	50%/50.6%	50%/48.1%
<sup>a</sup> FY 2006 data represent actual President's Budget Request for DoD S&T.					

***Metric Description***

The DoD science and technology program consists of research and development investments in basic research, applied research, and advanced technology development. This metric is designed to ensure a balanced and focused investment by funding basic research, applied research, and advanced technology development to 15 percent, 35 percent, and 50 percent, respectively, of the total annual science and technology budget.

***Performance Results for FY 2006***

The balance between the funding levels for FY 2006 in the three categories was close to the DoD goals.

***Performance Results for FY 2005***

The balance between the funding levels for FY 2005 in the three categories was close to the DoD goals.