

FY18 AF/A1 HASC MILPERS POSTURE STATEMENT

INTRODUCTION

America's Air Force—and American Airmen—are “Always There” to provide Global Vigilance, Global Reach, and Global Power to our Joint and coalition partners and the American public. Our Airmen, 660,000 Active, Guard, Reserve, and civilian have been globally engaged for the last 26 years in combat operations across the domains of air, space, and cyberspace. Day in and day out—our Airmen provide America with air and space superiority; intelligence, surveillance and reconnaissance; rapid global mobility; global strike; and command and control. To meet sustained and emerging mission demands, these critical capabilities demand resources and time for Airmen to train for a full-spectrum fight against violent extremism and a near-peer adversary. Our Airmen must be organized, trained and equipped to be combat-ready for current and future Combatant Command requirements. To continue a 70 year tradition of breaking barriers, we must continue to attract, recruit and retain the required number of Airmen needed to support, train for, and execute our missions.

WHERE WE ARE NOW

In 2017, our Air Force Human Capital Enterprise faces three distinct challenges for the future: the need for increased end-strength to support current mission requirements, a national pilot crisis, and the needs of our Airmen and their families to include preventing all forms of interpersonal violence.

End-Strength

The Air Force's top priority is increasing Total Force end-strength. Our Airmen, both military and civilian, are our most important asset. Our Airmen are the support personnel, maintainers, and operators of advanced and complex air, space, and cyber systems. Without the professionalism, experience, and expertise of American Airmen, those systems would be useless.

We remain steadfast in our support of today's joint fight despite a continual reduction in the Air Force's proportion to the size of the joint force. Despite minor active component growth in fiscal year 2016, the Air Force has made steep cuts in overall end-strength over the last 10 years. Even as mission requirements grew to meet emerging mission demands, we cut nearly 40K active duty Airmen since 2006. This reduction in Airmen resulted in a significant loss of overall capability, capacity and readiness.

The lack of required personnel affects our readiness and capability to respond to global crises. The high operational tempo levied on remaining personnel removes the time required to train for future, and potentially very different, conflicts. At current force structure levels, the operational tempo and deployments your Air Force maintains to support the joint force simply does not allow time for personnel to adequately train for future conflicts. An entire generation of Airmen has prioritized operations over training.

Congress' steadfast support in Air Force manpower growth will continue to help improve and maintain readiness, increase training capacity and maintenance accessions, and provide the manpower needed to sustain legacy airframes (A-10, EC-130, U-2, and RQ-4 Block 40) and onboard new weapon systems (F-35, KC-46, and B-21). Additionally, growth provides more capability within our remotely piloted aircraft enterprise; nuclear command, control and communications; intelligence and cyber missions.

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The Air Force appreciates the FY17 NDAA support for Air Force end-strength growth to 321K active duty Airmen. The Air Force's FY18 President's Budget (PB) continues to leverage the Total Force to support ongoing operations and future missions based on global security and joint force requirements. These new missions, coupled with existing operational needs, drive manpower requirements even higher. Our FY18 PB requests 675K Total Force Airmen—325.1K active duty, 106.6K Guard, 69.8K Reserve, and 173.8K civilians.

Pilot Crisis

Our Air Force pilot shortage is part of a larger Nation-wide shortage. Demand for pilots across the commercial, military, and cargo sectors is outpacing the Nation's ability to produce qualified pilots. Within the Air Force, our pilot crisis results from multiple factors including sustained high operational tempo over many years, quality of life and quality of service issues. Additionally, the commercial aviation industry has a current and projected high-level demand for pilots with an inability to rapidly increase production. At the end of FY 2016, the Total Force (active, reserve, and guard components) was short 1,555 pilots across all mission areas (608 active, 653 guard, 294 reserve). Of this amount, the Total Force was short 1,211 fighter pilots (873 active, 272 guard, 66 reserve). Our greatest concern is the active fighter pilot shortage that is projected to exceed 1,000 by the end of FY 2017.

Though our end-strength decreased 40K% since 2006, we experienced significant growth across several mission areas. Additionally, a quarter-century at war has strained the force through reduced sortie rates and training availability. At current force structure levels, the operational tempo and deployments the Air Force maintains to support the joint force severely limits the time available for Airmen to adequately train for future conflicts.

Personnel shortages are not limited to the pilot community and other career fields' shortages exacerbate our pilots' ability to train. Maintenance shortages directly impact our ability to generate the required sorties needed to fully train our aircrews. In the aircraft maintenance field, we ended FY15 with nearly 4,000 less maintainers than required. By the end of FY16, we reduced that shortfall to 3,400. As our FY16 accessions graduate from training pipelines in FY17 and report to their units, we expect the shortfall to drop to around 1,500. By the end of FY18, we anticipate being short by less than 1,000. The maintenance manning gap should be nearly closed by the end of FY19. We will then have a fairly inexperienced force needing both training and time to fully recover required readiness levels.

Another issue complicating our pilot crisis is the active recruitment of our rated Airmen by civilian aviation companies. Air Force pilots are highly attractive because of their proficiency, diverse experience, and the standardization and quality of military aviation training. A 2016 RAND study, requested by the FY16 NDAA and endorsed by OSD, projected a large growth in airline industry hiring over the next decade. This increased hiring will require the Air Force to significantly increase retention efforts. RAND modeled major airline hiring levels between 3,200 – 3,800 pilots per year and an average 13 percent increase in airlines salaries. In reality, actual airline hiring and salary increases are already surpassing those predictions. According to Future and Active Pilot Advisors, major airlines hired more than 4,100 pilots last year and salaries increased by 17 percent. These annual hiring levels are expected to continue for the next 10-15 years.

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Civilian job prospects are not the sole reason the Air Force is losing talent. A 2015 exit survey revealed additional motives for separation, highlighting negative impacts to the quality of life and quality of service of our aviators and their families. Pilots are also influenced to leave the service when daily, non-flying requirements impede their ability to fly and train. This includes performing duties not directly related to their primary flying job such as creating the daily flying schedule, vault security duties, ancillary training, and administrative support. Other quality of life issues include difficulties maintaining a homestation work-life balance when not deployed. This combination of high operational tempo, civilian airline pilot demand, and increased non-flying duties have created a perfect storm—one the Air Force is acting quickly to address. The Air Force's action plan to mitigate these pilot shortfalls is three-pronged: reduce non-flying requirements, increase pilot production and increase retention.

The Air Force is taking numerous steps to manage requirements by prioritizing operational unit assignments and implementing additional initiatives to mitigate shortages on staffs, deployed positions, and in the training enterprise. We also instituted programs to leverage our Total Force by providing opportunities for Air Reserve Component members to fill staff and training positions. Additionally, the Air Force is exploring opportunities for Air Reserve Component members to volunteer for 179- and 365-day deployments.

The Air Force recognizes the need to increase pilot production and has taken steps to expand Undergraduate Pilot Training to maximize training capacity. Future increases in throughput requires additional manpower, infrastructure, and operations and maintenance resources above what's in our budget. The Air Force is also actively pursuing additional ways to increase production across the entire training enterprise. This includes creating two new F-16 Formal Training Units, increasing the number of Total Force active-associate units, leveraging opportunities to increase active duty fighter pilot training at Air National Guard fighter units, and exploring a specific helicopter track for undergraduate pilot training to increase capacity for fixed wing pilots.

Given the American taxpayer investment and the substantial time required to train and season an Air Force pilot, it is vital our nation retains this talent. The Air Force employs a variety of monetary and non-monetary force management initiatives to produce the right mix and number of experienced Airmen. We are appreciative that with Congressional assistance, the Air Force is set to implement the first increase in the Aviation Bonus in 18 years. We are using a tiered model to tailor the bonus to our areas of greatest need. We are also exploring a variety of incentives for less-desired, hard to fill assignments that have traditionally produced high separations.

We realize that retaining our pilot force goes beyond financial incentives...it's about culture. The Air Force is implementing many non-monetary efforts to strengthen the culture and improve the quality of life and quality of service for our Airmen. We reduced additional duties, removed non-mission-essential training courses and outsourced select routine administrative tasks. All of these efforts allow our pilots to focus on their primary duty—flying. Furthermore, we increased the transparency and flexibility of the assignment process to promote family stability. We are also exploring additional options that provide for active duty pilots to work for the civilian aviation industry through the Career Intermission Program and then return to the active force to better balance individual, civilian and military needs and achieve long-term retention.

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Building and Sustaining Resilient and Ready Airmen and Families

Foundational to Air Force culture is building and sustaining resilient and ready Airmen and Families. We are committed to providing the resources and programs to meet the needs our families and to ensure we are improving the performance of our Airmen to meet and exceed readiness demands.

Resilience enables readiness. The Air Force recognizes this and is enhancing its Resilience Skills Program by increasing the number of Master Resilience Trainers (MRTs). MRTs are selected by installation commanders and provide peer-to-peer support and instruction to their units. By the end of this summer, we will have more than 3,000 trained and qualified MRTs. Additionally, the current Resilience Skills curriculum taught to all Airmen—from Basic Trainees to Senior Leaders—will be evaluated in FY18 to ensure we continuously adjust to the resiliency needs of Airmen.

The resilience of our Airmen is critical—especially for those returning from a deployment. We ensure redeploying Airmen who have seen combat or traumatic events downrange are afforded reintegration and decompression preparation at the Air Force’s Deployment Transition Center (DTC). The DTC program at Ramstein Air Base, Germany, eases reintegration back into home units and families.

To better understand the needs and challenges of military families the Secretary and Chief of Staff of the Air Force hosted an Air Force Spouses forum in October 2016. 60+ spouses attended in person with 1,700 attending virtually. Their concerns focused on the Exceptional Family Member Program, child development centers, spouse employment and deployment support. As a result of their concerns, we partnered with the Office of Secretary of Defense to establish a working group with the National Governor’s Association to advocate for reciprocity of spouse licensure and credentialing. This can vary from state to state and bar many of our highly qualified spouses from seeking employment. Additionally, we are providing 44 additional Exceptional Family Member Program-Family Support coordinators as well as engaging with parents of Exceptional Family Members in quarterly webinars.

Prevention of Interpersonal and Self-Directed Violence

The Air Force acknowledges that any form of interpersonal and self-directed violence is a detriment to our Airmen, our culture, and our core values. We are deeply committed to the prevention of any such violence in our Air Force. Each year we have more than 100 sexual assaults at the Air Force Academy and 2,000 sexual assaults across our Air Force. Any number is a number too many. Currently, only 1 in 4 of these individuals will report the crime. The Air Force initiated a multi-pronged sexual assault prevention strategy that focused on systematically addressing risk factors for sexual assault using proven approaches and building prevention infrastructure and capacity.

The supporting elements of our prevention strategy include leveraging resources such as an assessment tool used during recruitment to begin screening for individuals whose responses indicate an extraordinarily high propensity for perpetrating assault. We’re using evidence-based sexual assault prevention approaches—like our bystander intervention strategy—that has been proven to dramatically reduce sexual assault through culture change and resetting norms.

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Additionally, we invested in fostering healthy relationships through a life skills training program that will be evaluated in a trial at the United States Air Force Academy in 2017.

We also know that individuals who experienced sexual assault or abuse prior to military service are at heightened risk for sexual assault re-victimization in the Air Force. To address this risk, the Air Force embarked on formative research to adapt evidence-based programs used in college settings for use at our Basic Military Training (BMT). This part of our strategy will be evaluated at BMT in 2018. Finally, one of the keys to the successful execution of this strategy includes establishing strong integrated primary prevention infrastructure and professional staff at all levels. Primary prevention requires a unique and dedicated capability. In 2016, the Air Force began hiring violence prevention integrators for our installations and training them in a public health approach to violence prevention through an agreement with the Centers for Disease Control and Prevention. These Violence Prevention Integrators will collaborate with other professionals to develop and execute local strategies to prevent sexual assault.

The Air Force has established critical sexual assault response infrastructure with more effective supporting processes, accountability, and transparency. However, the most recent prevalence and response assessments show there is still more to accomplish to prevent sexual assault, increase reporting, and ensure the best response support for Airmen and commanders.

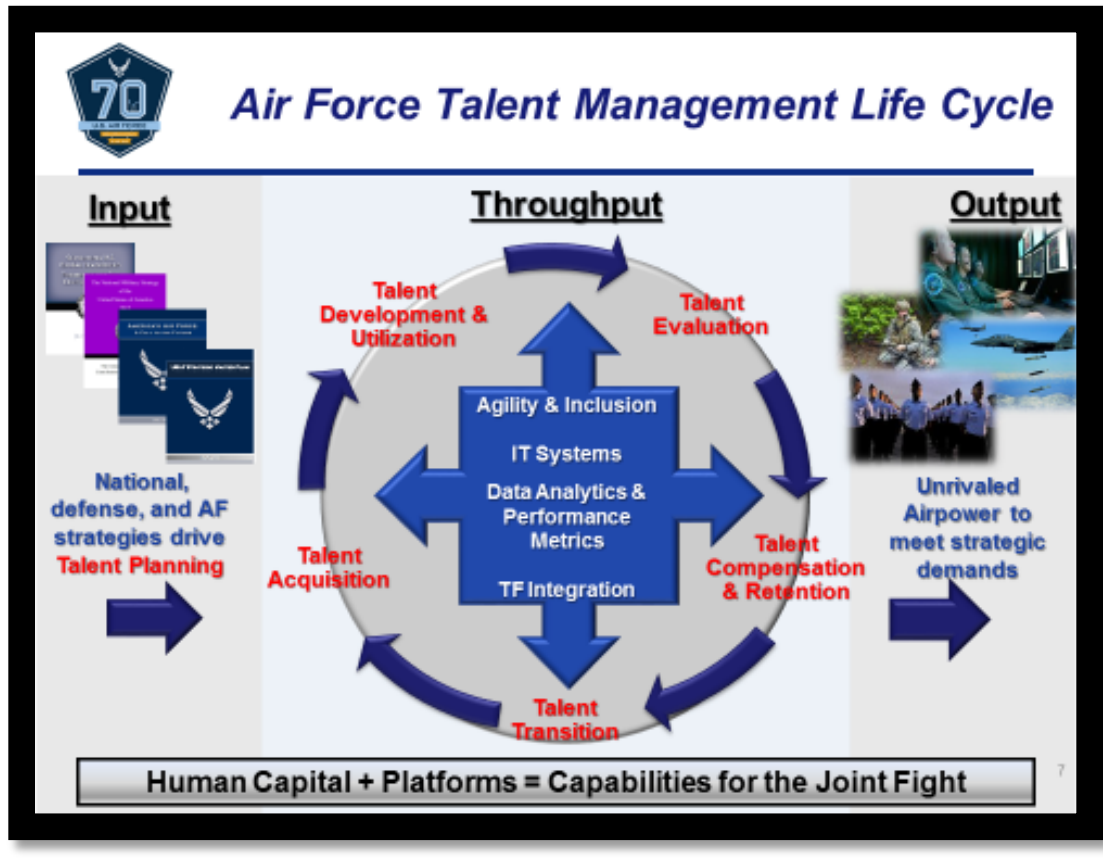
The Air Force prevalence trend for sexual assault between 2014 and 2016 remains at approximately 2,400 Airmen. The FY16 Annual report on Active Duty Sexual Assault in the Military showed the Air Force received 1,355 reports of sexual assault during fiscal year FY16. Sexual assault reporting (in the year of occurrence) declined from 617 in 2014 to 563 in FY16. The majority of assaults reported were blue on blue with the perpetrator known by victim. 30% of sexual assault reports within the year remained restricted. Alcohol use and prior victimization are some of the highest risk factors for behavior and vulnerability.

Violence is not always physical. In our digital age, forms of violence have bled into social media. The AF launched a social media working group to holistically assess existing guidance, policies, training and authorities. While we identified significant social media guidance already existed, we concluded our Airmen would benefit from consolidating that guidance into a single document. We also concluded Airmen would benefit if that guidance clearly established expectations and standards of behavior related to social media. This new guidance is currently in development and coordination, will be punitive and will be completed and issued in the next 60 days. Given we had existing guidance and training we are being less reactive and more deliberate in our actions. We also identified various levels of ongoing social media training within all our accession pipelines, officer and enlisted, as well as refresher training, although not always standardized. Once our social media guidance is revised, we plan to use it as the basis for updating all Air Force social media training to include ensuring appropriate revisit rates at various touch points throughout an Airman's career. Our updated guidance and training material will be provided to all commanders so they can personally engage with their Airmen to ensure clear understanding of social media use expectations. Finally, in coordination with the other Services, the Air Force is assessing existing UCMJ authorities to hold airmen accountable. Collectively, we will pursue enhancement to the UCMJ, as warranted.

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WHERE WE ARE GOING

Our human capital challenges are significant, but I am confident we will overcome them and continue to provide the world's most capable Air Force. To take the next steps into the future, we built a comprehensive human capital strategy to deliberately manage and execute the interdependent processes of our talent management system to include talent planning, acquisition, development and utilization, evaluation, compensation and retention, and transition. Our talent management strategy will allow us to best leverage available talent, maximize efficiencies, and increase human performance to produce Joint warfighters and Air Force leaders for today and tomorrow. Our talent management strategy will synchronize Total Force solutions across the Regular Air Force, Guard, and Reserve components for our officers, enlisted and civilian Airmen.



Talent Planning:

Our workforce planning is based on national, defense, and Air Force strategies. It drives our end-strength requirement and demand signal for talent acquisition and retention. More specifically, we are ensuring our human capital requirements are sized properly through this lifecycle to include looking at our training pipeline accounts (STP), incorporating process improvements in the requirements determination process, and ensuring our Airmen are able to focus on their primary duties. To ensure this focus, we are currently working initiatives to eliminate additional duties and provide more robust commander support staffs within squadrons. Across our lines of effort for talent planning, we apply agility and inclusion, ensure our IT

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systems are capable, account for opportunities for Total Force Integration, and develop performance metrics.

Talent Acquisition:

The Air Force is experiencing mission growth, a resource-constrained environment, an improving economy, and a rapidly changing global environment. As an all-volunteer force, less than 1% of Americans will raise their hand to answer the call to support and defend the Nation against all enemies. It is imperative our Air Force be seen as an attractive employer to the nation's best prospects. To do so, we must appeal to Americans from across our broad and diverse society. We need to provide opportunities to fulfill their dreams while they effectively contribute to the Air Force mission. Success in this endeavor rests squarely upon providing the right Airmen—who are sufficiently developed, equipped, and organized—to defend national interests through airpower. To find the right Airmen, marketing and advertising are essential to ensure our Air Force brand is in the marketplace. We need to reach not only those that traditionally have a propensity to serve, but also to reach populations that might not be considering service in the Air Force today. This means increased investment in marketing and advertising, increases in recruiting manpower, investments in infrastructure, and changes to policies and processes. This is particularly important as we surge to grow our active force. In the last two years, we maximized our recruiting and accession enterprise bringing in more than 30K non-prior service enlisted Airmen and another 4.5K plus officers. To help sustain this workload, we added 75 recruiters in FY16 and FY17 and plan to add another 130 or so in FY18 and beyond.

A successful recruiting program requires an assortment of recruiting tools. We are working to supply our recruiters with the latest technology that will allow them to successfully engage with and recruit the best talent for service in the Air Force.

The Air Force also knows we must capitalize on the strategic, asymmetric advantage of a diverse force. It is a national security imperative that we leverage the full spectrum of talent our Nation has to offer. No other Nation can match our natural diversity. We must skillfully apply our diverse human capital to create a strategic military advantage. In 2016, 40 percent of new enlisted Airmen came from just six states (California, Florida, Georgia, Ohio, Pennsylvania and Texas). This data is indicative of a need to cast a wider net in our recruiting efforts.

To widen our aperture of potential recruits, we began examining our accessions policies. We have already made changes to our tattoo policy and medical accession waivers for Eczema, Attention Deficit Hyperactivity Disorder, and Asthma. Our recruiters reported that nearly half of all recruits had tattoos of which approximately 18% required a review to meet our previous tattoo policy. Our new policy eliminates a specific percentage of the body where tattoos may exist while restricting tattoos above the neck or on the hands. Additionally, in conjunction with our Surgeon General, we streamlined the waiver processes for our three biggest medical disqualifiers—Eczema, Attention Deficit Hyperactivity Disorder, and Asthma. Each of these policy changes increases our ability to attract and assess the most talented and qualified Airmen our country has to offer.

As emerging threats to our data and security systems increase, the demand signal for an experienced cyber workforce to protect our Air Force networks and information systems has never been higher. To address these concerns, we have taken successful steps to robust our

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civilian cyber force. In August 2015, the Department of Defense issued DoD Directive 8140.01 which defined the cyber workforce. This cyber workforce includes information technology specialists, cybersecurity, and cyber-focused intelligence functions. From the DoD definition, our Air Force Cyber and Intelligence Functional Leaders have identified more than 800 civilian mission critical cyber positions. The Air Force also stood up a special talent management team of recruiters to actively recruit for and fill these positions. We are using a variety of hiring flexibilities and recruitment incentives to grow our new civilian cyber workforce. Building and maintaining ready forces and capabilities to conduct cyberspace operations is a high priority and strategic goal of the Air Force.

Finally, the Air Force launched a pilot to test a Total Force Outreach and Recruiting Capability. This pilot focuses on data sharing, inter-operable IT systems, and lead generation among our active military, air reserve component, and civilian recruiting teams. The ability to address potential recruits in a one-stop manner while being able to share data among the complete Total Force team allows the Air Force to leverage resources and increase recruiting success across all areas.

Our recruiting budget includes funding for day-to-day operations, personnel costs and advertising activities necessary to the successful accomplishment of the recruiting mission. Funding for these areas is critical as we continue our growth. Our recruiters are normally the first interaction the general public has with the military. A fully funded program is critical to our ability to sustain our All-Volunteer Force and enable the Air Force to be “Always There.”

Talent Development and Utilization

Once we acquire talented Airmen, talent development and utilization ensures we train, educate, and effectively use those skill sets to produce capabilities needed for the joint fight. Air Force capabilities are fundamental to the success of current and future joint military campaigns. It is imperative we build joint leaders with the tools, experience, and training to both support and lead joint teams. We must prepare our Airmen now for their role in a complex, rapidly evolving future fight across multiple domains. Through a deliberate evolution, we must be ready to operate in a transforming security environment by developing leaders and structures that consistently think, plan, fight, and lead in a joint environment.

We must continue to build an inclusive culture in our service, so we may leverage the broadest possible set of human resources to produce the maximum number of strategic options in our operations. We are implementing several initiatives in the coming months to continue our work in breaking down barriers for talented Airmen. The use of diverse slates will provide hiring authorities with better visibility of the talent they have available from which to fill key positions. Career field managers will actively encourage female and minority Airmen to pursue operational career fields where they are currently underrepresented. Female Airmen will have more time to make a decision on whether they can balance the responsibilities of an Air Force career and motherhood before requesting separation. Implementing unconscious bias training at key times will help our leaders understand such bias can lead to flawed talent management decisions and will give them tools for mitigating their own biases.

Our Force Development structure provides a governance body for functional communities to determine career field management and development practices. Our Functional Development Teams are a vital component of the Force Development Structure. They are charged with

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deliberately developing the right Airmen—both military and civilian—to lead the Air Force and counter complex, global challenges. We will continue to develop Airmen who can work across the whole of government and who have the right skills and experience necessary for joint and multi-domain operations. We are increasing opportunities to develop these key skill sets by utilizing joint and inter-agency assignments and rotations. The Development Teams have made great strides in developing our Airmen with a focus on 3 lines of effort: (1) continued standardization of the processes across functional communities; (2) continued identification and removal of barriers that inhibit Airmen from developmental opportunities; and (3) strategic focus on education vectoring, commander selection, and development opportunities.

In an effort to better connect Airmen to mentoring and career management resources, we rolled out MyVector last year. MyVector is a web-based application that supports mentoring, development and career management across the Total Force. This evolving IT platform underpins force development and mentoring efforts for all Airmen and allows our Airmen to be actively involved in their career development process. Currently, more than 160K Total Force Airmen and civilians are registered on MyVector and greater than 15K Airmen have matched mentoring connections.

In August of 2016, the Headquarters Air Force Deputy Chief of Staff for Manpower, Personnel and Services initiated the Talent Management Innovation Cell (TMIC). The TMIC is comprised of a small full-time staff and is augmented by a cross-functional team of action officers from across the Air Staff. The TMIC focuses primarily on opportunities to make rapid and impactful changes congruent with strategic objectives. The team has evaluated numerous ideas and is rapidly testing and fielding several capabilities to improve the way we execute assignments. The system currently being tested focuses on increasing transparency and participation among our Airmen as well as the gaining commanders and hiring officials. We are also exploring tandem applications of this system with our ability to offer incentives such as guaranteed assignments, training, stability and monetary incentives. The intent is to produce better assignment matches and reduce the separations often associated with filling less desirable assignments.

The TMIC team has also tested changes that reduce administrative burdens associated with officer promotion processes without compromising the thoroughness, quality, and equity associated with our promotion process. Once fully implemented, we believe this change could save upwards of 60K man-hours each year and further reduces the administrative workload at the Wing and Squadron levels.

Talent Evaluation:

Talent evaluation is used as an equitable and repeatable method to capture and measure performance. Effective evaluation allows the Air Force to leverage and reward high performance and improve or separate low or unsatisfactory performance.

In 2015 and 2016, we launched a full overhaul of our enlisted evaluation system to ensure performance could be delineated, recognized, and rewarded when evaluating or promoting enlisted personnel. The system places job and mission related performance at the forefront and is supported by a comprehensive feedback system. This foundation provides evaluators a solid mechanism to establish expectations, develop and support their Airmen, and relay how well expectations are being met. The feedback is conducted utilizing Airman Comprehensive Assessments and is directly tied to the formal evaluations conducted annually. The evaluations

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also provide commanders a tool to assign a promotion recommendation to all eligible Airmen under their purview. This promotion recommendation is based heavily on performance. As designed, our results show those receiving higher promotion recommendations are getting promoted at higher rates. We have now spent nearly two full years under the new system and we believe it has incentivized improved performance and talent evaluation in our enlisted force. Another key function of the enlisted evaluation system is the use of a future roles function, which allows commanders to provide recommendations for future roles, positions and duties where the Airman should serve in next. It is our intent in the near future to use this data to develop a pool for filling key developmental and key leadership positions.

The current Officer Evaluation System (OES) has served us well and has helped to produce, grow, and retain strong Air Force leadership. However, it is a dated system that has not kept up with current capabilities, workload, and the needs of our Airmen. Therefore, we are working to develop a system that will produce even stronger officers, a greater retention rate, and incorporate current technology. The OES system will become a streamlined process and improve all aspects of our force. There are several OES initiatives underway--including evaluating, streamlining and reducing the workload associated with developing promotion recommendation forms for our officers along with analyzing ways to improve our promotion boards, officer performance reports, and stratifications.

For our civilian force, the Air Force successfully transitioned approximately 80K employees to the New Beginnings Defense Performance Management and Appraisal Program (DPMAP) on 1 April 2017. We expect another 40K to transition under DPMAP between June-September 2017. We welcome this comprehensive and transparent multi-level performance management system that links performance expectations with organizational goals and missions. DPMAP provides for regular on-going feedback and allows meaningful distinctions in performance. It moves the majority of Air Force civilians from a 2-level pass/fail rating pattern to a 3-level rating pattern with the ability to rate performance elements as "Outstanding" and thus provide civilians meaningful distinctions in their performance. This shift in focus on communication and distinctions in performance allows the Air Force to fully realize a culture that embraces and supports a high-performing workforce. Additionally, DPMAP emphasizes the importance of employee engagement and places increased emphasis on leadership behaviors and supervisory responsibilities in an effective performance management system.

Talent Compensation and Retention:

Talent planning, acquisition, and evaluation are factors in compensation and retention strategies. Our focus is to align compensation to incentivize retention of required talent while supporting transition of talent excess to current or future needs.

To support this effort, we look forward to conducting a thorough assessment of compensation to ensure the most effective and efficient use of taxpayer dollars. We must also always be cognizant of the special demands and requirements of military service. Any compensation package implemented must provide the necessary incentives to recruit and retain the talent the Air Force needs to remain the premier fighting force it is today.

Air Force bonus and pay incentive programs are a critical element in enabling the retention of our most highly trained and experienced Airmen. These Airmen are required to execute ongoing operations the Air Force participates in every day. These programs are particularly important as

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we continue to grow the force and add new, inexperienced Airmen. Special and Incentive (S&I) pays are one of our most flexible and responsive force management tools. Accordingly, our FY18 budget includes approximately \$1B in S&I pays, which includes \$281.6M in Selective Reenlistment Bonuses, \$8.8M in Critical Skills Retention Bonuses and \$101.3.6M in Aviation Bonus. The Air Force will use these retention bonuses, along with the full suite of S&I pays, to deliberately shape the force with a focus on maintaining the number of Airmen needed in some of our most critical specialties. Officer retention challenges exist for maintenance, special operators, intelligence, contracting, select health professionals, and pilots—especially fighter pilots. For the enlisted force, specialties facing retention challenges include cyber defense, battlefield airmen, intelligence, explosive ordnance disposal and select nuclear enterprise specialties.

The Air Force appreciates the support we received in raising the annual cap authorized for the Aviation Bonus in the FY17 NDAA to \$35K per year. The Air Force developed a business case model that on an annual basis factors manning levels (current and trend), retention levels (current and trend), timeline for generating replacements, and costs to train and generate replacements. This model allows us to target the areas of greatest need and ensure effective use of these resources. Given the dire state of fighter pilots, these personnel are set to receive the highest bonus level at \$35K annually starting in FY17. There is a clear delineation between tiers, with the next stressed level (bomber pilots) receiving \$30K per year followed by the rescue and C2ISR pilots receiving \$28K per year. Some categories of personnel will not be receiving a bonus. However, it must be noted that RAND studies identified that there may be a need for a much higher authority level (\$38K - \$62K) should civilian should civilian airline hiring and pay increase to the highest levels RAND modeled. We will review the success of the current program and based upon the findings will determine the need to request Congressional support additional authority.

One outlier I want to address is our Remotely Piloted Aircraft (RPA) pilots—specifically, our enlisted RPA pilots. First, I am proud to announce the first three enlisted RPA pilots graduated on May 5th and are headed to their next training to fly the Global Hawk. While these personnel will not be eligible for a bonus until the expiration of their initial pilot commitment in 2023, we are determining the bonus level needed for all RPA pilots to ensure equitable treatment of all.

In addition to monetary compensation, the Air Force is implementing many non-monetary efforts to improve the quality of life and quality of service for our Airmen. We reduced additional duties, removed non-mission-essential training courses and outsourced select routine administrative tasks where possible. These efforts allow our Airmen to better focus on their primary duty. The Chief of Staff of the Air Force chartered a team to examine actions the Air Force can take to improve readiness, effectiveness and morale across the Total Force. The team is in the process of visiting 23 locations to identify and disseminate best practices, remove unnecessary impediments, and ensure the right authorities and responsibilities are at the right levels. This effort has already impacted enlisted professional military education and brought about ancillary training reductions. Additionally, the team is looking at how to improve preparation and support for squadron leadership teams in all of their mission and force development responsibilities, as well as examining how squadrons are organized and resourced for their missions.

Talent Transition:

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Finally, when time or circumstance warrants our Airmen to transition out of the Air Force, we will be prepared to facilitate that transition to another Total Force component or to life as a retiree or veteran—to include support for post-service care for Wounded Warriors, retirees, and veterans.

The Air Force Wounded Warrior Program orchestrates a comprehensive continuum of care to meet the non-medical needs of wounded, ill, and injured Airmen. Our focus is caring for every seriously or very seriously ill or injured Airman and their families to meet personal and professional needs. Helping our Airmen understand and adapt to their future, regardless of their medical condition, is a key principle of our efforts. We refined our regional adaptive sports events to include strengthening tools to enhance employability and their skills as peer-to-peer mentors. We also now have activities for caregivers. As we look to the future, we recognize we have a long way to go in understanding and meeting the needs of our Airmen with invisible wounds. We will continue seek resources for and implement solutions as we strengthen our continuum of care.

Data shows approximately 3 out of 4 Airmen separate before 20 years of service—leaving with no retirement plan. The Air Force, as part of a comprehensive DoD effort, is educating our Airmen about the new Blended Retirement System prior to its initiation and the beginning of the opt-in election period in 2018. Our 350K-400K Total Force eligible Airmen have a variety of opportunities, to include face-to-face counseling, to learn about the new retirement system. We are confident our Airmen are receiving the information they need to make the right decision for themselves and their families based upon their personal circumstances. Our Personal Financial Managers (PFMs) at Airman and Family Readiness Centers are in the initial phase of assisting our Airmen and we are adding 99 more PFMs across the Air Force to augment our financial education effort. Finally, to better gauge the potential impact of the implementation of the new system, we now include questions on the new retirement system in our exit and retention surveys. This will enable us in the future to assess the program to better inform execution and implementation.

As a final point, in an effort to increase agility across our talent transition programs, the Air Force is using the authority granted for the Career Intermission Program (CIP). The intent of the program is to keep top performers and talented Airmen rather than lose them to premature separation. Upon return, we expect those Airmen will bring greater experience, education, knowledge, commitment and passion to their career. Since CY14, 87 Airmen have entered CIP. The key to the success of CIP is an Airman's seamless return to active duty. Since program inception, fourteen Airmen returned to duty and we are actively monitoring their progress to assess effectiveness. We are executing our CY17 program using two six week application windows to provide greater flexibility for our Airmen. We will continue this trend in CY18, providing even more flexibility by expanding the application window to three annually. While we continue to evaluate the CIP, we are appreciative of the additional authority provided by Congress in the FY16 NDAA. In 2016, the Air Force removed the limit on the number of participants since Congress lifted the previous restriction of 20 officer and 20 enlisted participants.

CONCLUSION

The demand for air, space and cyber capabilities will only grow in the future. Resilient, ready and trained Airmen are the foundation of these missions. America's Airmen must be ready to

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fight alongside the Army, Navy, Marines, and Coast Guard—the joint military team—to meet national security obligations. In every mission, in every domain, and in every location... Airmen are essential to our nation's success. Your continued support for personnel authorities enabling effective talent management is essential to the Air Force meeting strategic demands now and into the future.