

**NOT FOR PUBLICATION UNTIL RELEASED BY  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

**COMBINED STATEMENT OF  
VICE ADMIRAL N. R. RYAN, JR., U.S. NAVY  
CHIEF OF NAVAL PERSONNEL  
AND  
DEPUTY CHIEF OF NAVAL OPERATIONS  
(MANPOWER & PERSONNEL)  
AND  
REAR ADMIRAL G. E. VOELKER, U.S. NAVY  
COMMANDER, NAVY RECRUITING COMMAND  
BEFORE THE  
SUBCOMMITTEE ON PERSONNEL  
OF THE  
SENATE ARMED SERVICES COMMITTEE  
ON  
RECRUITING/RETENTION  
24 APRIL 2001**

**NOT FOR PUBLICATION UNTIL RELEASED BY  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

## **INTRODUCTION**

Mr. Chairman, and distinguished members of this subcommittee, Admiral Voelker and I appreciate this opportunity to discuss the status of Navy efforts aimed at winning the “war for people” and to point out some of the promising initiatives our team has initiated to improve retention and recruiting. We have begun to show improvement in most areas, but it would be premature to declare victory. I remain concerned about our ability to maintain the momentum that we have gained as a result of improved retention, the efforts of our dedicated recruiting force and resources provided by Congress. Today’s hearing provides us with an invaluable opportunity to emphasize ongoing efforts to leverage the many successes we have experienced thus far and to solicit your continued support to help us achieve optimum personnel readiness in the near-term and then sustain it in the long-term.

These men and women, who choose Navy, join a force that commands the seas and projects U.S. sovereign power overseas. The return on our investment is to provide our nation a power that is immediately employable across the entire spectrum of conflict without foreign constraints. These bright, motivated, well-trained men and women on our advanced ships, submarines and aircraft make sacrifices every day. Our challenge is to first recruit and then retain them through an appropriate balance of Total Military Compensation and assured Quality of Service.

## **END STRENGTH**

The single, most important objective in our efforts to establish optimum personnel readiness is providing the fleet with the right Sailor, with the right training, at the right place and time. This has become increasingly challenging partly due to circumstances beyond our control, such as the flourishing economy, but also partly due to situations that are within our ability to influence, like the current imbalance in our force profile resulting from an aggressive drawdown strategy during the ‘90s. As we drew down, Navy achieved mandatory strength reductions by consciously under-accessing, so as to keep faith with an all volunteer force who had earned our loyalty by virtue of their having committed to Navy careers during the Reagan-era expansion. Those cohorts are now reaching retirement eligibility imposing a significant exodus of our corporate knowledge base. As we replace these senior, experienced, Sailors with new accessions, our force is “de-aging” resulting in an excessively junior and less-experienced force. Our near-term recruiting and retention efforts are focused on initiatives that will help us restore balance to the force profile and manage to steady-state manning requirements. To achieve the desired balance, Navy must continue to improve retention to enhance our experience base while continuing to access quality recruits and junior officers to provide a steady feed of future Navy leaders across all force profile length of service cells.

At this time last year, we were projecting an FY01 accession requirement of approximately 60,000 new recruits, as many experienced Sailors were leaving the Navy to pursue lucrative opportunities in the private sector. This contributed to an unacceptable 11,500 at-sea billet gap. To address this situation, we reinvigorated efforts throughout the Navy to retain every eligible Sailor, thereby easing the recruiting burden by lowering our enlisted accession requirement to 56,348. We offered new and enhanced officer continuation and enlistment/reenlistment bonus programs, expanded E4 and E6 High Year Tenure gates, improved advancement opportunities by gradually increasing the number of Sailors in the top six pay grades to more closely match for

requirements and concentrated efforts on reducing attrition. These efforts are producing desirable results and have contributed to reducing the at-sea billet gap to about 6,100, permitting us to further reduce FY01 accession mission by 1,348 requirements, to 55,000. At the same time, we project that our end of year strength will approach 376,000, above our authorized strength of 372,642. The Secretary of the Navy and CNO have allowed us to maintain this additional strength to help alleviate the cyclical bathtub that has historically presented an inherent readiness challenge in our annual manning profile. Maintaining it, however, is not without cost and we must now identify the additional resources needed to finance the retention benefit to keep this momentum going into FY02.

We currently project a significant shortfall across the Military Personnel, Navy (MP,N) account due to a number of factors including the additional strength, Basic Allowance for Housing revisions and other changes enacted in the National Defense Authorization Act for Fiscal Year 2001. We will require your assistance to address this shortfall to avoid having to cut back on programs contributing to our improved readiness profile. Otherwise, it may become necessary to take undesirable alternative measures, such as curtailing advancements/promotions and permanent change of station reassignments, which would hurt morale and adversely impact retention efforts. Our improved retention is real, yet fragile. The experience level of Navy's force profile will continue declining as drawdown cohorts retire unless we take prudent steps now to mitigate the de-aging process and position ourselves for long-term success as we transition to a more balanced and manageable future force.

## **COMMITMENT TO RETENTION**

In establishing his top five priorities as Chief of Naval Operations, Admiral Clark has consistently identified people as #1. At every Fleet call, he reminds Navy leaders to remain committed to our people and emphasizes that Quality of Service for our people is a top priority in readiness and mission accomplishment. Through innovative "Smart Recruiter", "Smart Work" and "Smart Ship" initiatives we have renewed emphasis on the value we place on our Sailors and the importance we place on convincing them to "Stay Navy". Bolstered by resources provided by the Congress, these commitments have led to real retention gains, permitting us to dramatically reduce our accession mission.

### ***Enlisted Retention***

When I testified before you last year, I discussed the formidable retention challenges confronting us. We were faced with reversing a declining trend in enlisted retention that was exacerbated by a decade-long drawdown. Through a strategy of improving the recruiting and retention balance, to correct personnel profile imbalances and manning shortages, we experienced impressive FY00 retention gains that have carried over into this year. Navy leaders and managers at all levels have reengaged in the retention battle. Through personalized leadership and mentoring, and a variety of innovative initiatives and programs, reenlistment rates across all zones of service are up 6.4 percent over the same time period last year. The combined effects of leadership involvement in Sailor professional development, expanded reenlistment bonuses, enhanced special and incentive pays, increased advancement opportunity, and significant Quality of Service improvements, have collectively contributed to this welcome turn-around. While we remain short of long-range steady-state goals require

anticipated future manpower needs, we have begun moving in the right direction.

**Selective Reenlistment Bonus (SRB).** The Selective Reenlistment Bonus (SRB) program continues to be our most cost effective and successful retention and force-shaping tool. At this point in the fiscal year, we have experienced more reenlistments than at the same time last year. These gains primarily resulted from reenlistments under SRB and we are committed to continuing to maintain a robust SRB program. We must now work harder on increasing the number of non-SRB reenlistments. We will meet this challenge head-on by continuing to enhance Fleet retention efforts, providing valuable career information training to counselors and leaders in the Fleet and by responding specifically to the needs expressed in Fleet feedback.

**Center for Career Development (CCD).** Our Center for Career Development (CCD), established one year ago, is the centerpiece of Navy's focus on retention. It funnels energy and resources towards meeting retention challenges and is dedicated to providing the Fleet with the tools necessary to enhance their retention efforts. These include enhanced professional training for Navy Career Counselors and Command Retention Teams, career decision workshops for Sailors and their families, comprehensive easy-to-use interactive products using the latest information technology and consolidation and analysis of Navy's retention and Quality of Service data into useful and predictive tools to assist senior leadership in making policy decisions. CCD also provides attrition and retention policy guidance to senior Navy leadership.

Career Decision Fairs are an excellent example of our aggressive efforts to retain high quality Sailors. They consist of a four pronged approach: First, with the assistance of a retired Navy flag officer, Sailors are shown a comprehensive view of their Total Military Compensation, including pay and allowances, leave, and other related benefits, to assist them in making informed decisions about whether to stay in or leave the Navy. Second, Sailors are provided an opportunity to meet face to face with detailers who can discuss career options, conduct community status briefs, or even negotiate orders. Third, command leadership teams are provided retention best practice briefs that are developed and updated from other CCD visits. Fourth, command retention teams are given a Professional Selling Skills course specifically designed to assist them in "closing the deal" with their Sailors. Since its inception, CCD has visited 33 commands, has hosted Career Decision Fairs for more than 5,000 Sailors and their families, and has convinced over 300 Sailors who were planning to separate at the completion of their obligation to reenlist for subsequent terms. Had these 300 Sailors left the Navy as they originally planned, we would have spent nearly \$10 million dollars in recruitment and training costs to replace them. Other initiatives targeted at giving Sailors increased flexibility in assignment options, collecting feedback from Sailors on areas of Navy life that they find enjoyable or unattractive, and using information technology to provide Sailors timely and quality career decision information will allow us to expand upon our recent retention successes.

**Detailer Communication Initiative (DCI).** We have engaged detailers, a Sailor's assignment and career advisor at the Navy Personnel Command (NPC), in our retention challenges through a new Detailer Communication Initiative (DCI). DCI is a proactive contact strategy aimed at providing improved customer satisfaction to the Fleet by having detailers initiate early and frequent contact with Sailors and their respective command career counselors to discuss future assignment options and desires. Through DCI, contact begins 12 months prior to the Sailor's projected rotation date and allows the

command career counselor and detailer to spend quality time discussing a variety of career options with Sailors.

**Guaranteed Assignment and Retention Detailing (GUARD) 2000.** The top priority for reassignment among Sailors is geographic location. GUARD 2000 provides an incentive that guarantees assignment to a specific geographic location and/or waiver of up to 18 months of their prescribed sea tour in return for a 4-6 year reenlistment. It also gives detailers greater flexibility in the number and type of billets they can offer Sailors. GUARD 2000 has been well-received by the fleet with over 2500 Sailors reenlisting under the program since August 2000, 1600 of them reenlisting for their first time. GUARD 2000 is an important tool for helping fulfill a Sailor's desire for specific geographic assignment while helping Navy retain those we worked hard to recruit.

**ARGUS Career Milestone Tracking Survey.** CCD and NPC developed a new web-based questionnaire and report generator system designed to assess career decision influences. The web site contains questions specifically tailored to capture Sailors' perceptions of their current quality of service and job satisfaction, and their view of leadership's concern over subordinate professional growth and development. Feedback from the survey will provide command leadership a resource from which to gauge the factors that influence a Sailor's career decisions.

**New Stay Navy Website.** CCD and NPC launched the newly designed Stay Navy Website on 28 March 2001. With more than 50,000 hits in the past month, the new site, [www.staynavy.navy.mil](http://www.staynavy.navy.mil), is a very popular tool providing high-tech, timely and accurate career information to Sailors and families worldwide. I encourage subcommittee members and professional staff to take a moment to peruse the site and would welcome any feedback you may wish to provide about the site.

### ***Enlisted Attrition***

We are working aggressively to overcome a pattern of excessive attrition through Fleet initiatives targeted primarily at our first term Sailors. BEARINGS is a remedial training curriculum targeted at young Sailors who require additional emphasis on the life skills that will see them through their Navy careers and beyond. SECOND CHANCE is an initiative aimed at giving young Sailors who are struggling in their first assignments a fresh start at a new command. Through both programs, we are extending to young at-risk Fleet Sailors, opportunities to successfully complete their initial service obligation.

Additionally, Commander, Navy Personnel Command and the Master Chief Petty Officer of the Navy sponsored an attrition summit last fall. This brought together Navy's senior enlisted leadership to explore the reasons for attrition and establish near-term and stretch goals for reducing it. The results of the summit were sent out to all flag officers for incorporation into their retention strategies. We are committed to keeping every Sailor who demonstrates potential for productive service, and to providing them with every opportunity to succeed.

### ***Officer Retention***

Improving officer retention is critical to our efforts to meet manpower requirements and achieve steady-state force structure. Under-accession of junior officer year groups during the drawdown, and changes in the post-drawdown force structure, mandate officer

retention levels significantly above the historical norm. We must continue to improve retention to meet officer manning requirements, particularly among the Unrestricted Line communities; i.e., aviation, submarine, surface and special warfare.

While we are beginning to see positive retention indicators, largely attributable to effective special and incentive pays that target specific officer retention problem areas, the strong economy and thriving civilian job market continue to compete directly with our retention efforts.

The Aviation Career Continuation Pay (ACCP) program provides incentives for aviators at all levels to make positive career choices. In FY00, it contributed to a 10 percentage point increase in aggregate aviator retention, including an 11 percentage point increase in pilot retention and a six percentage point increase in Naval Flight Officer retention. We are hopeful that the Fiscal Year 2001 ACCP program will yield similar results; however, we are currently seeing a significant increase in resignations, particularly among the Department Head and Department Head eligible aviators.

Surface Warfare Officer retention at the department head level is on a modest, long-term upswing, currently at 26 percent, up from its post-drawdown low of 17 percent. This improvement is largely attributable to Quality of Service improvements and implementation of Surface Warfare Officer Continuation Pay, first authorized in FY00.

Although FY00 retention for submarine officers dropped slightly from 30 to 28 percent, and retention of nuclear-trained surface warfare officers dropped from 21 to 20 percent, there has been a 30 percent increase among officers in the target year groups (94, 95, and 96) signing multi-year continuation pay contracts since implementing the FY01 Nuclear Officer Incentive Pay rate increase.

Special Warfare Officer Continuation Pay commenced in Fiscal Year 2000 and contributed to improvements in Special Warfare Officer Retention, which rebounded to 69% and 68%, respectively, in Fiscal Years 1999 and 2000 from an all time low of 63 percent in Fiscal Year 1998. Special Warfare has the highest URL officer retention requirements (74%), and SPECWAR retention outlook continues to be positive as a result of Navy and SPECWAR Quality of Service initiatives, as well as FY01 improvements to the SPECWAR Officer Continuation Pay program.

We still have more to do in the current challenging retention climate. Navy must continue to approach the officer retention challenge from a number of different directions, including implementation of initiatives focused on improving Quality of Service. We must sustain the push to increase aggregate and individual officer community retention to steady-state levels to meet control grade requirements and improve military personnel readiness.

## **MEETING THE RECRUITING CHALLENGE**

Thanks to the continued hard work of our recruiters, the application of Congressional resources, and initiation of new programs, we achieved our FY00 accession mission. Ninety percent of accessions were High School Diploma Graduates (HSDG) and more than 64 percent scored in the upper half of the Armed Forces Qualification Test (AFQT) (Test Score Category I-III A). Additionally, we substantially improved our occupational mix, achieved a healthy Nuclear Field posture and made significant gains in recruiting within critical ratings.

Despite last year's accomplishments, we are not yet positioned for long-term success. FY01 finds us continuing to face record low unemployment, formidable competition with the private sector in attempting to hire talented young Americans and low propensity to enlist. Our most serious challenge is that we have not restored the health of our Delayed Entry Program (DEP) despite our continuing efforts to do so. This has forced recruiters to work on a sub-optimal month-to-month basis, struggling to meet each month's accession goal. This negatively impacts overall productivity and detracts from efforts to improve the long-term health of recruiting. We missed accession goals for January and February 2001, but rebounded to meet the March goal.

### ***Innovative Approaches to Recruiting***

Given the requirements and conditions we expect to face over the next several years, we are working to improve our recruiting force and strategies. With continuation of strong Congressional support, FY00 saw the continuation and establishment of many improvements in the recruiter force, professional skills training, advertising, incentives, market penetration and attrition reduction. Several additional initiatives are currently being considered to help capitalize our recent successes.

**Bolstering the Recruiting Force.** Our recruiting force is the most important factor in the recruiting formula. We are striving to sustain a recruiting force of 5,000 with volunteers from the Fleet. We are also shifting to a more junior recruiting force. Our analysis indicates a more junior, largely volunteer, force will be most productive. We are improving recruiter selection with our Recruiter Selection Team (RST) and optimizing geographic distribution of recruiters using analytical methods and market data. This year we expanded Smart Recruiter initiatives to provide cell phones, vehicles and laptop computers to virtually all recruiters.

**Professional Selling Skills Program.** Starting in Fiscal Year 2000, Navy Recruiting partnered with a commercial firm, with a proven track record, to create a customized set of training courses for our entire recruiting force. The new selling methodology is based on the understanding that today's recruit is better informed and has more available options. We anticipate that this training will improve productivity, increase the number of DEP referrals and decrease DEP attrition rates. All field recruiters receive initial training during their recruiter orientation.

**Bluejacket Hometown Area Recruiting Program (HARP).** We initiated efforts in January 2000 to augment the existing recruiter force with a Bluejacket HARP. The aim is to significantly increase the quality and quantity of fleet Sailors who return home to assist local recruiters. The entire fleet is helping identify motivated young Sailors, generally on their first tour of duty, to participate in this worthwhile program. With the program in place just over one year, we have already scheduled over 9,000 participants and are averaging nearly four new referrals per Sailor. Along with results of specific referrals and contracts attributable to Bluejacket HARP, we are experiencing residual benefits of increasing local Navy exposure, introducing recruiters to new sources of recruits and exposing fleet Sailors to the excitement and satisfaction of recruiting duty. If we are to turn the tide in the war for talent, each and every Sailor must contribute to the recruiting effort. Bluejacket HARP moves us in that direction.

**Motivating the Recruiting Force.** Along with augmenting and equipping the recruiting force, we are exploring a variety of industry practices to better motivate recruiters and direct their efforts toward Navy priorities. We are benchmarking civilian sales and recruiting forces for examples of effective incentives. We have found that individuals respond best to monetary and in-kind awards; therefore, we are examining the possibility of providing, to top recruiters, in-kind awards at some point in the future.

### ***Advertising - Getting the Message Across***

Throughout Fiscal Year 2001, Navy has been improving its advertising based on an outstanding partnership with our new Advertising agency, Campbell-Ewald, which rolled-out our new “**Navy, Accelerate Your Life**” advertising campaign and web site this past month. Both have been extremely well received. We are engaged in all media markets, including television, radio, Internet, CD-ROM direct mail, printed materials, newspapers, magazines, job fair and convention support (including F/A-18 flight simulators) and public service announcements. We are leveraging new communication technologies to enhance our message, including streaming video/audio, live web casts and virtual ship tours.

Advertising is vital to the success of Navy's recruiting effort. The goal of our advertising campaign is to gain a positive awareness of the Navy among our target market (18 to 24 year old men and women), motivate their interest in the Navy as a “Career of Choice,” provide information about Navy opportunities, and reinforce the recruiter's message. The advertising is designed to develop leads by attracting prospective recruits to our recruiting web site ( [www.navy.com](http://www.navy.com) ) or toll free telephone number (1-800-USA-Navy) to generate new contracts.

To continue to be competitive, Navy Recruiting must reach majority and minority markets across an expanding media spectrum including commercial presence on national and cable TV, radio, print media, direct mail, and the Internet. Currently, as a result of inflation and a continuing robust economy, we are insufficiently resourced to adequately convey our message to our target market.

**CD-ROM.** Navy has moved toward the use of CD-ROM for direct mail advertising. Increased in-house capabilities have helped Navy fully achieve set goals to move several marketing videos and common printed information packets to interactive CD-ROM. For Fiscal Year 2001, Navy planned to produce 11 new CD-ROM projects that were to be used in marketing Navy's officer and enlisted opportunities. In fact, this fiscal year we will produce 18 such products. The rich media presentation of compact discs offers a stunning and captivating alternative to paper. In the first three months of FY01, Navy completed five new officer CD-ROM projects and embarked on a historic recruiter motivational campaign supported by an enlisted recruiting support mini CD-ROM. A contest was developed based on the “**Navy, Accelerate Your Life**” campaign that allows recruiting stations across-the-nation to compete against each other for the recruitment of high school and work force youth by addressing known objections of potential Sailors. The mini CD-ROM was developed based on feedback from recruiters and helps dispel many myths our target audience has about the Navy by providing interactive responses to frequently asked questions. Our CD-ROM products appeal to today's computer-savvy target audience and continue to present the Navy message through 3-D motion and robust sound with hyperlinks to our new web site and Cyberspace Recruiting Station. In the coming months, another 13 projects will be

completed. Several of these will market Navy directly to an ever-growing Hispanic community, our female target market and other ethnically diverse communities. We plan to increase exploitation of the newest technological advancements in interactive CD-ROM development and to produce 18-20 compact discs annually.

**Flight Simulators.** We are marketing through such innovative approaches as F/A-18 flight simulator rides at fairs and conventions in exchange for recruiting lead data. Last year, we leased a 3-D full-motion encapsulated ride that simulates a cockpit perspective of a Blue Angels flight demonstration. This unit, plus another smaller, F/A-18 computer-graphics simulator are major attractions at air shows, fairs, conventions and high schools and colleges.

**Kiosks.** Navy is designated lead agency in developing joint service recruiting kiosks. Plans are to explore the use of kiosks as force multipliers and leads collection tools, which will be placed in a number of venues such as air shows, malls and job fairs.

**Internet Recruiting.** We are expanding our presence in the fastest growing media market through our Navy web site, our Cyberspace Recruiting Station. In March 2001, as part of a coordinated advertising campaign launch, we debuted our new web site, "[www.navy.com](http://www.navy.com)". This site provides a "Life Accelerator" that enables young people to discover their interests and explore the opportunities that Navy offers relevant to those interests. Within the first week of its debut, the site generated over 70,000 visitors, almost as many as the previous site produced in its best month. Overall, Navy plans to double Internet-generated qualified leads over the past year. For Fiscal Year 2002, our plan is to keep pace with emerging technology through continuous improvements to the site and again double our presence on the World Wide Web. An expanding and increasingly important recruiting tool is our Cyberspace Recruiting Station. This station consists of a group of handpicked recruiters who conduct online screening and blueprinting of all Internet recruiting lead data. This provides recruiters with a list of high-quality prospects, and enhances efficiency of field operations.

### ***Enhancing the Appeal***

Throughout this fiscal year, we have offered varying levels and combinations of Enlistment Bonuses (EB) and Navy College Fund (NCF), as well as a Loan Repayment Program (LRP). We recently initiated an EB kicker available to applicants based on pre-accession college credit. This initiative was available only to Nuclear Field recruits; however, we have expanded eligibility to all recruits eligible for EB. This will assist us in better penetrating the college market and will encourage candidates to continue pursuing education while awaiting entry into the Navy. We are evaluating the awarding of college scholarship loans to individuals who enlist in the Navy and attend up to two semesters of college while in the DEP. Loans would be converted to grants upon successful completion of initial service obligation. This program would be consistent with national aspirations to make college education attainable for all while providing Navy with the talent pool we require in the 21st century.

Our goal is to provide programs that facilitate the pre-service educational aspirations of all qualified candidates and, in combination with in-service training, provide new recruits with their most efficient path to a college degree. Navy benefits from this approach by improving relations with colleges and high school counselors, enhancing Navy's appeal among college-oriented youth, increasing entry level education

of new recruits and positioning the United States Navy as an employer of choice. Over time, if enough recruits complete basic education and skills training prior to accession, due to Navy sponsoring and subsidizing such accomplishments, we could shorten training pipelines and realize cost savings.

Technical Preparation (TechPREP) partnerships and Navy College Assistance Student Headstart (NavyCASH) are two examples of educational programs we have in place to accomplish the goal described above and increase our appeal to the college-bound market. With increasing numbers of students choosing to attend college, it is essential to portray the Navy as a viable source of higher education, in partnership with colleges and universities.

**TechPREP.** Navy began forming TechPREP partnerships with community colleges in Fiscal Year 1999. Participants earn some college credit in high school, more after high school graduation while in DEP and remaining credits through Navy's basic and select advanced technical training to receive an associate's degree from a partner community college. We currently have standing agreements with 66 community colleges, four of which are statewide agreements, with many more pending. Several high school students are already participating in these programs.

**NavyCASH.** Currently limited to Nuclear Field and critical technical ratings applicants, NavyCASH offers selected applicants the opportunity to attend college for up to one year, in a paid status comparable to that of a junior enlisted member, prior to entering active service. This exciting program improves the entry-level training of applicants and allows Navy to level load the shipping dates of recruits during the most challenging accession months of February through May.

### ***Expanding Opportunities to Serve***

In today's competitive environment, we must explore all avenues to increase our existing market without sacrificing quality standards for new recruits. We have begun accessing limited numbers of home schooled applicants as High School Diploma Graduates (HSDGs), increased our accession mission for Prior Service personnel and stepped up our efforts, through re-establishment of a Diversity Programs Office, to improve our penetration of diverse markets.

**DEP Enrichment Program.** The DEP Enrichment Program, begun in Spring 2000, is designed to enhance the basic skill level of otherwise qualified candidates before accessing them into the Navy. We identify individuals with high school diplomas and clean police records, but whose test scores fall slightly below those required to qualify for enlistment. DEP Enrichment provides basic skills training and an opportunity to increase their AFQT score to facilitate their enlistment into the Navy. These candidates are typically good retention risks based on education credentials and are low disciplinary risks based on clean police records. By providing basic skills training, provided by Education Specialists (federal employees) at Navy Recruiting Districts, we give them a second chance to prove themselves and go on to serve with distinction. Since spring FY00, 54 recruits accessed through the program (in five months), 102 accessed through the first six months of FY01, 106 additional applicants are in DEP for the rest of FY01 and two applicants are in DEP for FY02.

**Diversity Outreach.** Navy currently recruits the largest percentage of minority accessions, but given the increasing diversity of the American people, there is room for improvement. Our Diversity Programs Branch is working several exciting initiatives to improve penetration of diverse markets. VIP tours of Navy commands are a popular means of exposing applicants and their influencers to Navy life in order to generate excitement about Navy opportunities. Trips conducted this year have been very well received. The Diversity Programs Branch has also begun college campus blitzes to spread the word of Navy scholarship and job opportunities on traditionally diverse campuses. Navy has established corporate board membership in the National Society of Black Engineers, Society of Hispanic Professional Engineers, and the Society of Mexican American Engineers & Scientists to ensure that minorities possessing technical backgrounds are aware of the many exciting opportunities available in today's Navy.

### ***Officer Recruiting***

Fiscal Year 2001 has been challenging for officer recruiting. We continue to experience significant shortfalls in specialty areas, including: Civil Engineer Corps, Chaplain Corps, Naval Flight Officer, Orthopedic Surgery, General Surgery, Optometry, Pharmacy and Health Care Administrator. Emergent goal increases, specialized skill requirements and civilian market competition for these specialties put goal attainment at high risk. Emergent goal requirements are especially challenging because we have no in-year incentives, such as signing bonuses, to offer college graduates or seniors, most of whom are receiving lucrative offers and/or have significant college loans to repay. We have continued to develop long term recruiting strategies for critical program success and the recruiting performance in the programs of concern is far exceeding the performance in Fiscal Year 2000. However, without an accession bonus to facilitate short term recruiting importance, the nominal time for recovery of a recruiting program remains about two years.

Given the challenges described above, Fiscal Year 2001 has still enjoyed several bright spots. The Nuclear Power Officer Candidate (NUPOC) program filled over 100 percent of its submarine and surface officer goals the second consecutive year after having failed to achieve goal since Fiscal Year 1996. Improved incentives for new accessions and strong resource sponsor support of the recruiting effort have generated a level of momentum projected to sustain a successful NUPOC program in the foreseeable future.

Along with improving marketing materials, we are pressing for individuals in critical specialty fields to participate in our Officer Hometown Area Recruiting assistance Program (OHARP) and working with the leadership of several officer communities to take an active role in recruiting the talented individuals needed for their designators. We are exploring the need for additional accession bonuses and/or loan repayment programs to assist with critical in-year officer accession requirements. We are also reviewing steps to streamline the officer application process by contracting commercial physical examinations and establishing web-based applications, blueprinting and electronic application routing.

### **SUMMARY**

Navy is committed to winning its war for people. We need to continue leveraging our recent successes, capitalizing on the commitment of Navy leadership and innovative

recruiting, retention and attrition-reduction programs, to maintain the current recruiting and retention momentum. Progress made thus far is, in large part, due to the strong support and leadership that Congress has shown. With your continued help, we remain cautiously optimistic that we will be able to sustain efforts to attract America's high-caliber youth as we challenge them to "accelerate their lives". Navy is an "Employer of Choice" even in the current competitive environment. We will continue demonstrating the many rewarding opportunities that await them through service in the Navy and we will continue concerted efforts to convince Sailors to "Stay Navy" once they have joined our team.