

**NOT FOR PUBLICATION
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SENATE ARMED SERVICES COMMITTEE**

**STATEMENT OF
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AND
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(MANPOWER, PERSONNEL, TRAINING & EDUCATION)
BEFORE THE
SUBCOMMITTEE ON PERSONNEL
OF THE
SENATE ARMED SERVICES COMMITTEE
ON
PERSONNEL OVERSIGHT
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INTRODUCTION

Chairwoman Gillibrand, Ranking Member Tillis, and distinguished members of the Military Personnel Subcommittee, thank you for the opportunity to appear before you today to discuss our Navy's most important strategic asset, our people.

STRATEGIC ENVIRONMENT

As stated in the Tri-Service Maritime Strategy and Chief of Naval Operations Navigation Plan (NAVPLAN), the United States Navy is engaged in a long-term strategic competition with the People's Republic of China (PRC) and Russian Federation (RF). These two nations have usurped control of valuable sea-based resources, unlawfully violated the sovereignty of our allies through intimidation by force, and hold international waterways and the global economy at risk. With its One Belt, One Road initiative and aggressive naval build-up, as stated by Secretary Austin, the PRC is our pacing threat. Enabled by modernization of tactical nuclear warheads, submarines, and hypersonic missile capability, the RF poses a direct threat to our homeland with an increased capacity to launch kinetic and cyber attacks with no warning. The PRC and RF endeavor to undermine the freedom of the seas that has benefitted the globe since the end of the Cold War and will attempt to outpace and overwhelm us in this long-term competition. However, we will bolster our resolve to deter aggression, fight, and win with the greatest warfighting asset that can outthink and outfight any adversary, our people.

ADVANTAGE AT SEA

To be victorious in long-term strategic competition, we must attract, develop, and manage the most talented Navy workforce possible, and these Sailors will form the backbone of the Navy that can fight and win. Additionally, we will continue to strengthen our Fleet by establishing a culture of toughness, high standards, and trust. We will increase our lethality by removing bias and prejudice, eliminating discrimination, and learning from and listening to one another with dignity and respect. Lastly, we will inspire our Sailors to outthink our adversaries by promoting innovation, initiative, and confidence in their decentralized decision making. Just as we are accelerating the development of a larger, more lethal Fleet, we will produce the best trained and best educated naval force in the world, supported by our core values of honor, courage, and commitment. MyNavy HR's four strategic goals, Build a Navy that Can Fight and Win; Optimize Talent Management; Provide Exceptional Service to our Sailors and their Families; and Transform the MyNavy HR Enterprise, are vital to maintaining our advantage at sea and defending our nation for decades to come.

ATTRACTING THE NATION'S BEST TALENT

At the beginning of 2020, MyNavy HR focused on maintaining recruiting, retention, and operational readiness due to steady economic growth, historically low unemployment rates, and strong competition from civilian employers. When the Coronavirus Disease 2019 (COVID-19) pandemic shocked the U.S. and global economies, prospective recruits and current Sailors were forced to choose between a heavily disrupted and uncertain civilian labor market and military service during a global pandemic. While the immediate effects to recruiting and retention were

unknown, COVID-19 mitigation measures forced immediate innovations in the way we attract talent, pivoting to a completely digital recruiting presence to connect with potential Sailors.

Accession Mission and Recruiting Modernization

Despite ongoing challenges driven by COVID-19, we continue to leverage our digital recruiting presence to achieve the fiscal year (FY) 2021 accession mission of 34,834 enlisted Sailors and 2,513 officers in the Active Component (AC), and 6,325 enlisted Sailors and 1,319 officers in the Reserve Component (RC). MyNavy HR concluded FY20 with just over 100 percent (39,678/39,600) of our AC enlisted accession goal. However, record high AC retention created more challenges with RC accessions, as fewer eligible personnel separated from the Navy to affiliate with the selected reserve. Thus, we achieved 97 percent of goal (5,728/5,907), a manageable deficit, as we continue to meet our RC end strength. For officers, we fell short of mission solely due to the implementation of COVID-19 mitigation measures, as we attained 91 percent (2,160/2,390) of the AC and 78 percent (1,109/1,419) of the RC mission.

COVID-19 mitigations, particularly social distancing, prevented traditional MyNavy HR recruiting processes, creating the opportunity for us to accelerate our timeline to transform and modernize our recruiting model. We expeditiously completed the transition to 26 Navy Talent Acquisition Groups from legacy models three years ahead of schedule, using a transformative business model, which embraces and exploits the speed, accuracy, flexibility, and agility of today's digital environment. Additionally, we deployed a cloud-based Customer Relationship Management software, which facilitated personalized customer service, management decision support via analytics, and opportunity and territory management capabilities. Simultaneously, we established E-Talent teams to focus on digital prospecting and lead efficiency management, greatly reducing the disruption caused by social distancing. Lastly, in January, Navy recruiters began using ZOOM for outreach in schools.

Enlisted Recruiting

While digital development and modernization enabled MyNavy HR to meet enlisted recruiting goals, accessing Sailors in specific high-demand fields continues to be a challenge. Expanding our inventory in areas such as the Nuclear Field, Cyber Warfare, Special Warfare/Operations, Submarine, and certain aviation specialties is vital to maintaining Fleet readiness at sea. To attract superb talent, we continue to develop and improve recruiting strategies for all demographic groups while discovering methods to best leverage existing incentives to attract personnel. Our touch points were already shifting online prior to COVID-19, but the pandemic hastened our innovations, requiring new virtual platforms to connect with potential recruits. As we optimize these platforms, we consistently review, develop, and improve recruiting strategies to attract the high-quality, diverse, and motivated talent who will strengthen Fleet readiness.

Concerning generational trends, the youngest military-eligible generation, Centennials, comprises the bulk of new accessions. Apart from being the most diverse generation to enter naval service, Centennials also receive information and address issues differently from Millennials, members of Generation X, and Baby Boomers. They are far more comfortable

building and maintaining relationships in the digital space, have greater trust in internet sources, and easily learn from online content as was demonstrated by the COVID-19 pandemic. More so than previous generations, they seek physical and psychological stability in a world fraught with turmoil, including COVID-19, long-term strategic competition, civil unrest, and shattered economies, making career readiness, progression, and growth paramount. MyNavy HR is mindful of these generational trends, as we compete for a diverse and talented workforce.

Officer Recruiting

There continues to be significant interest in commissioning programs through the United States Naval Academy, Naval Reserve Officers Training Corps (NROTC), and Officer Candidate School (OCS), continuing the trend that very qualified candidates exceed allotted appointments. Similar to enlisted recruiting efforts, we increased the use of virtual recruiting by expanding our efforts using digital media such as LinkedIn and Handshake, enhancing our ability to attend virtual career fairs and increase diversity-focused placements in local and national media outlets.

This past year, we grew the highly successful NROTC Preparatory Program (NPP), expanding NROTC scholarship opportunities to untapped talent and preparing them for success in the NROTC program. NROTC Preparatory Scholarship Reservations (NPSR) support this mission by partnering with educational institutions where interested high school students can apply for a one-year institutionally or privately funded scholarship to support room, board, and tuition while they are enrolled in a university NPP. This program expands the relationship between Navy and host academic institutions and offers a performance-based pathway for these midshipmen candidates to earn NROTC scholarships. For academic year (AY) 2019-2020, 67 midshipman candidates enrolled with 49 completing the program and receiving NROTC scholarships. For AY20-21, 109 candidates enrolled, and, at present, 157 reservations are set aside. Over 140 candidates are expected to start NPP in the Fall of 2021. Additionally, starting the summer of 2021, the NROTC program has partnered with the United States Naval Academy to provide 10 reservations for NROTC prospective scholarship applicants to attend Broadened Opportunity for Officer Selection and Training 2.0 (BOOST 2.0) at the Naval Academy Preparatory School.

While we met our recruiting goal for most AC officer communities, recruiting for the Judge Advocate General's Corps and Medical Corps continues to be challenging due to a high level of competition from civilian employers. Our RC officer recruiting goal fell short, as record high retention in the AC made it difficult for our Navy Veterans program to recruit potential selected reserve officers.

Accession Supply Chain

At the beginning of the pandemic, Recruit Training Command (RTC) Great Lakes suspended recruit shipping for three weeks to implement safety and health measures. MyNavy HR created a protected "bubble-to-bubble" shipping and training process, as future Sailors progressed from recruiting stations to RTC and follow-on duty. With this "bubble-to-bubble"

method, RTC resumed training with smaller weekly training groups of 500 recruits, who spent two weeks in off-site restriction of movement (ROM) at private facilities. As RTC solidified safety procedures, weekly shipping incrementally increased from approximately 500 to 750, followed by 1,000 and eventually 1,250 recruits, resulting in a graduation class of 1,259 Sailors in one week, the largest class since October 2004.

To consolidate resources, recruits were sent to Fort McCoy, a U.S. Army facility in western Wisconsin, to complete the required two-week ROM. The Navy appreciates the strong support from our Army partners. Two drill halls at RTC were rapidly retrofitted into additional berthing, and we were able to implement 100 percent testing for recruits and staff thanks to the support of the Captain James A. Lovell Federal Health Care Center. Additionally, recruits who had previously contracted the virus donated convalescent plasma to support development of potential treatments. However, the success of the “bubble-to-bubble” method would not have been possible without the support from the Navy Air Logistics Office which provided flights to ship more than 10,000 Sailors since the beginning of the pandemic.

Officer Training Command (OTC) Newport implemented similar measures to maintain a safe officer supply chain, such as smaller class sizes, conducting ROM on-site where students used online education to prepare for training, and the staff stayed on-site until OTC was able to effectively implement testing, screening and prevention measures. Additionally, 25 NROTC lieutenant instructors were temporarily reassigned to supplement OTC instructors, as they managed ROM requirements. These NROTC instructors taught Navigation, Seamanship, History, Engineering, and Cyber academic courses to over 600 officer candidates. Additionally, many of these personnel assisted in converting the OCS curriculum to a Moodle online learning environment by completing voiceovers and aiding in the development of trainee guides for future OCS candidates.

DEVELOPING OUR TALENT

As we attract the nation’s best talent, MyNavy HR continues to invest in our Sailors’ intellectual capital, enhancing lethality and bolstering our advantage at sea in long-term strategic competition. We achieve these goals by instilling continuous learning behaviors, thus enabling adaptation, institutional improvements, and the ability to outthink and outperform our competitors in any environment. Some of these programs include Ready Relevant Learning (RRL), the United States Naval Community College (USNCC) Pilot, MyNavy Coaching, and Culture of Excellence (COE).

Ready Relevant Learning

RRL fundamentally changes the way our Sailors train, transforming industrial-era, conveyor-belt training into a modern, proactive system. This program accelerates learning for faster response to rapidly changing warfighting requirements in increasingly dynamic operational environments. Using evolutions in the science of learning, we provide Sailors with the right training, at the right time, in the right manner, to maximize Sailors’ abilities to operate at the extreme technical edge and ultimately win in a high-end fight.

Additionally, RRL changes the “what,” “how,” and “when” of Navy training to support continual Sailor development, improve individual performance, and enhance mission readiness. Through a career-long learning continuum, RRL delivers training at the most appropriate time in a Sailor’s career, while providing a detailed learning roadmap for every Navy career, covering technical, professional, and leadership training tightly linked to real Fleet needs. In many cases, this shortens initial accession training time while providing more capable Sailors to the Fleet sooner.

Leveraging modern technology and maximizing accessibility, RRL delivery uses emerging technology to increase training effectiveness, whether by use of simple tools such as YouTube-like videos and interactive applications, or more complex tools like immersive simulators and virtual reality trainers. These modern tools are designed to be the most effective means of training today’s Sailors and are intended to build “muscle memory” through multiple “reps and sets” before Sailors interact with physical equipment or systems. Additionally, RRL continues to work toward establishing a cloud-based environment to deliver, track, and assess modernized training content. Through our modernized information architecture, all training content will be accessible to Sailors where and when they need it, and new training will be delivered to the Fleet much faster than current training systems and processes allow. With this technology, training will be resident on the waterfront, flight line, and available on our afloat units.

To date, we have accession level training completed requirements development for 39 ratings, with an additional nine ratings scheduled to complete in FY21 and FY22, and 21 more ratings will start development in FY23 and beyond. Additionally, 27 ratings are on contract for content modernization, with an additional eight ratings going on contract in FY21, and we anticipate three additional ratings will start conversion in FY22.

RRL has delivered four modernized A-schools: Operations Specialist, Intelligence Specialist, Quartermaster, and Retail Services Specialist. We project four modernized A-schools will be delivered in FY21, and six to eight more ratings will deliver in FY22, all as part of the RRL effort to improve Sailor development and performance while enhancing mission readiness.

United States Naval Community College

Further supporting education of our enlisted workforce, the Department of the Navy has established the USNCC Pilot, and the vision at full operational capacity is for all active duty enlisted Sailors, Marines, and Coast Guardsmen to have the opportunity to enroll in this fully online community college upon completion of basic training. The USNCC will establish a consortium of participating civilian academic institutions to maximize credit earned for service members’ technical training. Students will have the opportunity to earn stackable certificates leading to an associate of science degree in a warfighting-relevant concentration, such as nuclear engineering or data analytics, and a Naval Studies certificate at no cost to the student. In January 2021, 558 students began taking courses in General Education (e.g. Mathematics, English, Ethics, and Leadership), Nuclear Technology, Cyber Security, and Data Analytics. The intent of this pilot is to evaluate potential partner institutions and obtain student feedback. The second

pilot will begin in January 2022, and the USNCC plans to deliver a Naval Science course to 100 students. Pending the results of these pilots, the USNCC will expand to approximately 5,000 students by fall 2022.

Talent Development

To maximize our advantage at sea, sustain a culture of excellence, and retain our best talent, MyNavy HR is modernizing and enhancing our development processes, starting with how we grow our Sailors, through initiatives to improve development (MyNavy Coaching) and performance evaluation (eNavFit). These integrated and coordinated efforts will shift our culture, practice, and processes and serve as a launching point for future innovations to develop a capable, mission-ready force and retain the Navy's highest performing Sailors.

MyNavy Coaching is a science and evidence-based communication program, lending itself to developmental conversations with open, honest, and respectful feedback mechanisms. This initiative is the result of collaboration across numerous military communities, academic, and research organizations, and the Navy is piloting a MyNavy Coaching curriculum across several Navy warfare communities. The key to effective developmental coaching for performance is a structured conversation using a coaching framework-focused on a willingness to engage Sailors with open-ended questions. These questions ask Sailors what they want to develop personally and professionally, providing bi-directional feedback to perform as a team as well as taking ownership and accountability of their development and performance. The outcome of these sessions is a robust individual development plan rooted in the coaching framework, which has tangible benefits for the Sailor and the command, yielding better development and performance outcomes and providing greater inclusivity within the Navy.

eNavFit transitions Sailor performance evaluation from a desktop system with wet signatures and paper-based mail submissions to a web-based system with digital signatures which can be accessed with fully online, intermittent, or disconnected operations. In FY20, approximately 24 percent of performance evaluations were rejected due to errors, and the time to complete a performance evaluation and populate a service record took roughly four weeks. eNavFit retains current performance evaluation policy, forms, and performance traits, but transitions to a more modern system. For shore-based commands with regular internet access, eNavFit has fully online functionality, built-in business rules to reduce errors, electronic signature, and web-based submission that can reduce submission time from weeks to days. For Navy platforms with intermittent internet access, the eNavFit intermittent operations workflow allows users to work offline, upload, and submit performance evaluations to the Sailor's service record. Finally, for platforms that are fully disconnected from the internet, the disconnected operations workflow allows all work to be completed offline, printed, and submitted by mail to the Navy Personnel Command. eNavFit bridges our current performance evaluation process to a digital environment thus enabling future, transformative performance appraisal enhancements.

Culture of Excellence

Critical to developing our talent, the Navy's holistic COE campaign plan counters destructive behaviors and champions signature behaviors. We firmly believe if we can focus

more on the interrelated and positive behavior space rather than the stove-piped and negative behaviors, the results will ensure the Navy can sustain a lethal warfighting force composed of Sailors who are resilient, tough, and ethical. Ultimately, we will improve the trust and respect Sailors have for each other, their commands, and the Navy as a whole. The plan focuses on the following lines of effort:

- **Develop Lethal Warfighting Force.** Ready Relevant Learning delivers the right training, at the right time, in the right manner, so that Sailors are ready to operate and maintain their equipment at the extreme technical end of its capability to control the high end of maritime conflict.
- **Champion Signature Behaviors.** These ten behaviors support the proactive prevention of destructive behaviors by showing Sailors what “right” looks like.
- **Counter Destructive Behaviors.** Destructive behaviors harm our Sailors, impact our mission effectiveness, and contribute to unplanned losses. We are executing a campaign plan that unifies and aligns efforts to counter destructive behaviors.
- **Diversity, Equity, & Inclusion (DEI).** We actively include all perspectives and harness the creative power of diversity, accelerating Navy’s warfighting advantage and lethality.
- **Governance, Analytics, Assessment & Strategic Communications:** We continuously evaluate the governance structure of our programs and strategic communications through Flag-level governance bodies, surveys, and working groups.

We actively address the interpersonal problems associated with suicide through updated policies, programs, campaigns, and training. Key initiatives include:

- Expanding the embedded Mental Health Program;
- Increasing deck-plate leadership through Expanded Operational Stress Control training led by Command Resilience Teams;
- Continuing to offer the Sailor Assistance and Intercept for Life (SAIL) program that provides rapid assistance, ongoing risk management, care coordination, and reintegration assistance for service members identified with a suicide ideation or a suicide attempt; and
- Providing tailored Gatekeeper training to the key communities who tend to interact more often with Sailors who are at a heightened risk for suicide.

Navy's Sexual Assault Prevention and Response Program reflects our force-wide commitment to prevention and that sexual assault is not tolerated, condoned, or ignored. In FY20, Navy saw a three percent decrease in total reports from FY19. We assess that COVID-19 and resulting response measures, including ROM, may have affected victim reporting. As long as there is a gap between prevalence and reports of sexual assault, work remains in understanding, preventing, and responding to this destructive behavior. Our focus has increased toward metrics-based data to better understand where and why assaults occur, provide a more robust analytic capability, and ensure research-informed approaches to prevention programs and policies. We completed the second phase of the DoD-mandated Prevention Plan of Action, a comprehensive approach to understanding the current environment, determining the scope of the problem, and assessing organizational factors that drive prevention.

Navy's Harassment Prevention and Military Equal Opportunity program promotes an environment free from personal, social, or institutional barriers that prevent Sailors from rising to the highest level of responsibility possible. The program promotes equal opportunity as being critical to mission accomplishment, unit cohesiveness, and military readiness. Commanders are required to complete a climate assessment within 90 days after change of command and every 9-12 months as follow-up assessments during their tenure.

Navy families are an integral part of our Navy team and a vital contributor to mission success. MyNavy HR is committed to delivering better services and support that are dedicated to the health and well-being of our families. We have worked diligently to ensure our families are provided service delivery options that are immediately accessible, whether in person, virtual or remote locations to include:

- Providing relevant, up-to-date services that keep families informed;
- Providing a service delivery model that meets families where they are;
- Bolstering our virtual capabilities to ensure our family support services are available, 24/7/365;
- Ensuring Navy families are aware of the robust programs and services that are available to them via marketing and education;
- Reimbursing spouse licensure fees incurred due to a permanent change of station (PCS) move for spouses with an average payment of \$369;
- Releasing and updating the MyNavy Family mobile application with input from spouses to identify, consolidate, and standardize information available into one authoritative source; and
- Refining pregnancy policies for our service women, ensuring consistency with professional opportunities, career milestones, and community specific achievements.

Task Force One Navy

Task Force One Navy (TF1N) was established in July 2020 to analyze and evaluate issues in our society and military that detract from Navy readiness, such as racism, sexism, and other structural and interpersonal biases. The task force was empowered to establish transparent approaches to disparities within the Navy. To achieve this initiative, TF1N leveraged the COE governance structure and its efforts to identify and begin the process of dismantling barriers to equity and inclusion while creating sustainable opportunities and ultimately achieving desired end-state of greater warfighting excellence. The leadership and membership of this task force represented a diversity of background, thought, experience, and perspectives.

The TF1N final report is organized around five specific lines of effort, four of which are each led by a flag officer with specific focus areas to include Recruiting; Talent Management/Retention; Professional Development; and Innovation, Science, Technology, Engineering, and Mathematics. There is also a miscellaneous line of effort with a series of recommendations addressing topics such as women's policy issues to naming of ships, buildings, and streets to create a series of additional recommendations. To analyze and evaluate these issues within each line of effort, TF1N:

- Participated in the DoD Board on Diversity and Inclusion to address DoD-wide issues of diversity, equity, and inclusion;
- Leveraged the experience of current and prior Navy leadership by engaging the current Flag Wardroom, Senior Executive Services (SES) Corps, and Master Chief Petty Officer of the Navy's Senior Enlisted Leadership Mess as well as the retired Trusted Advisory Group comprising of 21 retired flag officers, SES, and Fleet Master Chief Petty Officers;
- Conducted listening sessions across the Navy with Sailors and civilians in the nation and overseas using consistent themes such as respect, skepticism, empathy, training, accountability, and silence of leadership;
- Conducted special engagements with the National Naval Officers Association, United States Naval Academy Minority Association, Sea Service Leadership Association, and Association of Naval Services Officers;
- Solicited voluntary inputs from a diverse cross-section of Sailors by conducting more than 280 focus groups from across Navy;
- Created a Necessary Conversations Guide, a how-to-guide with messaging and tools for leaders to start productive dialogue about DEI topics; and
- Coordinated with the College of Leadership and Ethics at the Naval War College to present a summary of actions, selected problem statements, and key recommendations to the Intermediate Flag and Executive Course to collectively provide a peer review of insight and input directly to the TF1N Director.

In total, 56 recommendations and further areas of proposed study were established for consideration. To ensure these are executed, and enduring initiatives are reassessed and updated continuously, LOE stakeholders will continue to lead with accountability and measure the success of selected recommendations. As we transition to sustain the TF1N framework, leaders will continuously analyze our Navy systems, climate, and culture to ensure differences are valued and that diversity of thought within the organization is promoted. The newly embedded relationship between TF1N and the COE Campaign Plan will support the organization in institutionalizing DEI and further accelerating COE efforts.

Extremist behavior and beliefs are contrary to our values, and we have zero tolerance for it in our Navy. To reach our full potential, we must have an inclusive, respectful, professional fighting force ready to meet the challenges of long-term strategic competition. We expect Sailors and our civilian employees to be guided in their actions by a professional ethic that prioritizes the team, the mission, and the nation. The Navy's leadership plays a significant role in preventing extremism in the ranks, particularly in the creation and sustainment of command climates which discourage and hold accountable such behavior and promote a culture of respect, trust and, professionalism in the Navy. We are leveraging our leadership at the deck-plate level to demonstrate accountability, provide standards of behavior, and carry the message that it is on every one of us in the Navy to expunge extremism from our ranks.

We increased our efforts through the Secretary of Defense directed Extremism Stand-Down, which was just one of many tools through which we strengthen the core of our Navy –

Our People and our Core Values of Honor, Courage, and Commitment. The stand-down emphasized the meaning and importance of our oaths of office, signature behaviors, and that we must all strive to be inclusive, creating an environment where every individual understands that they are a valued member of the Navy team. We also ensured each Sailor and civilian has no doubt that the corrosive behaviors addressed in the stand-down are contrary to our Navy's Culture of Excellence where diversity, equity, and inclusion enable our Navy's warfighting advantage.

OPTIMIZE TALENT MANAGEMENT

Having attracted the nation's best talent, it is not sufficient to stop at developing our Sailors for long term strategic competition. We must provide our Sailors and families with a Sailor-centric talent management system that provides greater career flexibility where they have an active role in career choice, development, training, and assignments. To achieve this, we expanded our Talent Marketplace, creating a modern, flexible and transparent assignment process that aligns the desires of the Sailor, their skills, and opportunities for professional development and advancement with mission and operational needs. Enriching a Sailor's career by providing exceptional service and improving the way in which they receive human resource services maintains our competitive edge to produce and retain warfighters and enhance readiness.

Enlisted Talent Management

Our enlisted retention attainment levels are above the forecasted levels in all reenlistment zones from the start of this fiscal year to date. The Navy's retention attainment is determined by both reenlistments and long-term extensions, characterized as 24 months or greater. While overall enlisted retention remains high, competition to retain talent in high-demand, low-density communities such as Nuclear Field, Cyber Warfare, Special Warfare/ Operations, Submarine, and certain aviation specialties remains challenging. These skills are difficult to attract and retain in any job and education market, requiring a proactive retention strategy that includes monetary and non-monetary incentives. Targeted special and incentive pays for high-demand operational ratings continues to be a vital retention tool while our expansion of the Meritorious Advancement Program has assisted in rewarding our top performers through spot advancement. In FY21, Advancement-to-Position will continue to expand, incentivizing service in priority or hard-to-fill billets across the Fleet by advancing Sailors who fill them to the next pay grade, delivering on-demand, continuous advancements.

As a direct result of the pandemic environment, Navy wide advancement examinations and selection boards were spread out over time to maximize social distancing, and E-4 examinations were cancelled, proving E-4 advancements can be executed without written examinations while also maintaining community health. This provided valuable lessons learned, as we modernize our advancement system. To ensure Sailors who advance from E-3 to E-4 have the requisite knowledge, skills, and abilities for their rating, MyNavy HR is piloting the Occupational Advancement Requirement Standards (OARS), a tool that establishes the foundation for basic rating standards expected of an E-4 while providing Sailors an opportunity to demonstrate and document knowledge retention and application to "real-world" experiences.

While not a replacement for advancement examinations, OARS completion demonstrates the Sailor has the knowledge and skillset required to perform as an E-4 in their particular rating.

Finally, MyNavy Assignment (MNA) has replaced the Career Management System-Interactive Detailing and delivers a modern interface and user-friendly experience for both the AC and RC. This initiative expands visibility into assignments and ready access to features such as the Sailor Resume, Job Bookmarking, and the Sailor Application Lifecycle Tracker, as well as enhanced Projected Rotation Date modification request routing and associated incentives for a particular assignment. At the close of last year, MNA began providing a Sailor Aviation Maintainer Experience (AMEX) data display and AMEX unit level data. This year, follow-on releases will enable the rating conversion process for AC and Full Time Support Sailors along with the ability for them to apply for their next assignment.

Officer Talent Management

MyNavy HR continues to utilize the expanded authorities of the Defense Officer Personnel Management Act provided by Congress to better attract and retain our talented officer corps. These significant force shaping tools include the “Up and Stay” construct, retaining control grade officers beyond statutory limitations, “opting out” of promotion boards, promotion merit reordering, and increased use of spot promotions.

Though most unrestricted line officers remain under the “Up and Out” model until separation, retirement, or lateral transfer, the “Up and Stay” construct permits officers with specialized skills to detour off of traditional career paths. They either remain longer in a specific technical or non-command billet, with limited upward mobility potential, or return at the same or higher pay grade, depending on skill and desires. For example, Professional Flight Instructors serve continuously as flight instructors beyond the department head milestone. This opportunity provides assignment stability for officers and their families, allowing complete focus on developing our newest aviators by supporting instructor manning.

Allowing certain control grade officers serving in targeted skills to remain on active duty beyond traditional statutory limits has been expanded to Acquisition Major Program Management positions and Naval and Defense Attachés. This capitalizes on their experience, which cannot be easily replaced or developed.

Promotion Board Consideration Deferment enables us to retain top talent by allowing an officer to “opt-out” of promotion consideration for one year to complete a broadening assignment, advanced education, or a career progression requirement delayed by one of these assignments. This allows officers to pursue highly coveted fellowships and scholarships without detriment to their careers.

Promotion Merit Reorder has been extremely effective, allowing us to place up to 15 percent of those selected for promotion to the top of the list, demonstrating the primacy of merit over time-in-service. We have utilized this authority during our FY20 and FY21 active duty promotion selection boards. Additionally, we have now expanded the use of this authority for our Navy Reserve promotion selection boards beginning with the FY21 promotion cycle. Since

FY19, we have conducted semi-annual expanded spot promotion boards for O-4 and O-5 officers to promote to the next higher paygrade, filling shortfalls in critical skill positions with the requisite talent.

Specifically addressing warfare communities, Naval Aviation continues to face pilot retention shortfalls, which pose significant challenges to Fleet manning. Although overall inventory and accessions remain sufficient to meet operational requirements, we missed FY21 pilot department head selection goals in nearly all platforms with declination rates on par with FY20. The strike fighter community remains a priority concern with all squadrons facing officer manning deficits, and we are addressing these challenges through a number of monetary and non-monetary incentives.

Naval Special Warfare (NSW) officer continuation pay and retention bonuses were renewed in FY20 to increase retention across milestone tours. Approval of NSW Skill Incentive Pay (SKIP), in lieu of hazardous duty incentive pay, has reduced costs, decreased personnel tempo, and removed financial disincentives to seek early medical intervention for lingering injuries. Pay modernization initiatives like NSW SKIP will continue to enhance operational readiness, improve NSW's health and retain the highest caliber of performers.

The Submarine Force continues to have challenges meeting its department head retention goals, falling short of the target number for the previous six years (FY15 through FY20). This shortfall is being addressed through several monetary and non-monetary measures to ensure department head sea tours are maintained near nominal tour lengths. We recently completed a division officer survey and symposium and are working on several division officer identified initiatives to improve quality of service. A similar survey was completed by department heads with a symposium scheduled in 2021 to identify any further initiatives for the Submarine Force to take in order to improve quality of service and improve retention. Additionally, a tiered bonus structure was implemented at the start of FY21 that incentivizes an earlier and longer commitment to service as well as continued service through all career milestones. Year Group (YG) 2016 and 2017 submarine officers, which are the most recent year groups able to commit to department head tours, have shown an increase in the initial number of contracts signed when compared to the previous five year groups.

The Surface Warfare Officer (SWO) Community faces challenges with department head retention. YG14 officers project to meet approximately 95 percent of the first tour department head demand, up from YG13 (93 percent) and YG12 (85 percent). However, there were significantly more YG14 accessions than YG12-13 accessions, yet YG15-18 accessions are lower compared to YG14 and will have an increasing department head demand. Shortfalls over several years have induced a deficit at O-4, where the SWO Community is approximately 100 officers short of the discrete Officer Programmed Authorization, leading to shortfalls in O-5 and O-6 production. SWO special and incentive pay adjustments are required to reduce these systemic shortfalls. The SWO (Nuclear) Community met department head retention requirements in FY16 through FY20 following several years of shortfalls. This change was the result of non-monetary incentives based on officer feedback.

The Reserve Officer force experienced parallel retention issues as the AC, as RC implemented similar monetary and non-monetary efforts to improve and maintain the health of the reserve force. Overall, reserve retention has remained consistent over the last year at healthy levels in most of the communities. However, shortfalls in aviation accession and retention were comparable to AC retention challenges. Bonus programs remain an essential tool for combating low retention, resulting in an overall increase in bonus acceptance rates and accessions as compared to FY19. NSW and Medical communities are experiencing the greatest shortfalls. The Medical and NSW communities are comprised of critical wartime subspecialties in which incentive and special bonuses are offered to assist in recruiting and retaining in support of readiness and global force management requirements.

MYNAVY HR SERVICE DELIVERY

To support managing our talent, the Navy is in the middle of sweeping transformation by replacing decades' worth of unchanged processes and outdated technology with a modern, world-class personnel services delivery system. Although transformation on this scale takes time, we achieved critical milestones this past year, propelling us toward our future state vision. MyNavy HR transformation has fundamentally changed our approach to personnel processes, policies, and programs, shifting from a bureaucratic to a customer-centric mindset, as we focus on how the Navy, Sailors and families will conduct human resource business in the future.

Modernized Personnel and Pay Systems

We continue to develop the Navy Personnel and Pay (NP2) system, an auditable, cloud-hosted software suite, enabling Treasury-Direct Disbursement and a single pay source for all Sailors. NP2 is our highest transformation priority with an initial operating capability of January 2022. NP2 is key to Active and Reserve Component permeability and our ability to smoothly perform a distributed mass mobilization and meet the timelines established in Combatant Commander war plans. The initial NP2 rollout began in 2019 with the launch of MyPCS Mobile, a Command Access Card (CAC)-free mobile access to PCS checklists, orders, travel vouchers, and entitlements calculators. It continued through October 2020 with releases of new travel processing capabilities, access to reserve orders and travel claim processing, and a preview of MySailor Data, the future replacement of the Navy Standard Integrated Personnel System Electronic Service Record. Continued deployment of NP2 will see the system integrated into the three Transaction Service Centers (TSCs) located in Norfolk, Memphis, and Great Lakes in addition to 12 Regional Support Centers, designed to support a broad base of customers in Fleet Concentration Areas.

TSC Memphis is responsible for 95 percent of all PCS travel claim processing and has enabled more effective internal control oversight, resulting in the highest travel pay audit rates in history. When faced with record-breaking travel claim volumes due to the COVID-19 stop movement order, TSC Memphis increased production capacity and targeted training and communication with Command Pay and Personnel Administrators in the Fleet. Responsible for Navy reserve pay and personnel support, TSC Norfolk demonstrated a 100 percent success rate of mobilizing Sailors with active pay accounts and executed the first virtual mass mobilization of

approximately 1,250 Reserve medical Sailors in support of COVID-19 relief efforts, including hospital ships USNS MERCY and USNS COMFORT and Expeditionary Medical Facility teams from Bethesda and Camp Pendleton. Other personnel and pay actions, like strength gains, are controlled by TSC Great Lakes, which is addressing issues with enlisted to officer pay record conversions, self-service emergency data and dependent applications, and other support.

The Modern Sailor Experience

In September 2019, MyNavy HR delivered the MyPCS Mobile application, a component of NP2, providing Sailors access to PCS-related information and resources using their personal mobile devices with commercial grade multi-factor authentication. Including a tailored checklist, the ability to apply for government housing and childcare, Sailors can view orders on their mobile device, and the ability to submit PCS travel vouchers electronically from their mobile device with an electronic signature, significantly improves the PCS experience for our Sailors and their families. Legacy travel claims experience 20 to 40 percent rejection rates, yet claims submitted through MyPCS have experienced a zero percent rejection rate as this Sailor-facing application prevents the member from submitting an incomplete or incorrectly filed claim.

MyNavy Portal (MNP) is a Single Point of Entry for Sailors to access human resource services and personal data with an interface available to the public, a smartcard-enabled secure private site for Sailors, and mobile CAC-free web-browser capability. Over the past year, MNP added the capability for Sailors to establish a CAC-free MyNavy HR account using commercial-off-the-shelf multi-factor authentication. This significant accomplishment enables Sailors to access their personnel data, submit leave requests, review physical fitness reports, submit travel claims to MyNavy Career Center (MNCC), and complete other career-related tasks.

Mobile applications (App) continue to improve Sailor's access to important information regarding issues ranging from uniform requirements, training courses, and financial information. To date, we have created more than 28 Apps, improving the Sailor and family customer experience. Some recent accomplishments include:

- Rapidly adding COVID-19 links to the MyNavy Family App that provided access to resource and blog information, as well as capabilities to effectively communicate during any potential future crisis,
- Adding policy alerts to the MyNavy UNIFORMS App that include guidance and graphics for face coverings, temporarily relaxed hair grooming standards, and guidance from the Centers for Disease Control and Prevention on making face coverings at home,
- Providing monthly updates to Navy Credentialing Opportunities On-Line to support Sailors making enlistment decisions, roadmaps to career advancement and retention, in-Service civilian and industry certification and licensing opportunities, and insights into prospective occupations during the eventual transition from the Navy back to the civilian workforce,
- Improving the Professional Military Knowledge – Enlisted Education App by updating E-4, E-5, E-6, and E-7 examination support for active and reserve Sailors, so they can prepare for these exams at their convenience,

- Adding several new courses to the MyNavy Financial Literacy App to help Sailors achieve their personnel financial goals, and
- Creating the Navy Exceptional Family Member Program (EFMP) App to aid Sailors and their families with medical, mental health, and educational needs by providing essential EFMP information to help their family members thrive.

MyNavy Career Center

For over two years, the MNCC has served as the human resources services delivery operating model for the Navy, and during this time, we have established two 24/7 contact centers, providing the first level of support to Sailors and command representatives related to pay and personnel issues. Using leading edge, integrated commercial capabilities and a world-class telephony system, MNCC captures every customer encounter. When required, it escalates customer concerns for subject matter expert action while maintaining centralized tracking in three locations. MNCC has successfully processed over one million service requests, averaging an overall 87 percent resolution rate within three days and proved to be a “just in time” asset when the COVID-19 pandemic impacted our Sailors and families. The challenges of the pandemic demonstrated the positive impact of the MNCC by quickly responding to Sailor and family needs, adapting our human resource processes to this dynamic situation, and keeping our Sailors informed about issues directly affecting them and their families.

Delivering Modern Analytics

Capitalizing upon advances in data analytics, MyNavy HR is modernizing our data-driven decision-making for our internal and external stakeholders. A central pillar of our strategy is the development of an Authoritative Data Environment (ADE). This will reduce duplication across disparate data sources preventing contradictions in analysis, facilitating an environment in which decisions are made using timely, accurate data, and leading to automation of human resource functions. Within ADE, analysts and data management staff have access to a wide range of authoritative data assets spanning core human resource functions such as personnel records, personnel assignments, and manpower requirements. These “authoritative” data sets are updated each month with data reaching back to 2020. In the future, additional data sets will allow us to expand our time horizon to past years, enabling analysts and decision-makers to focus primarily on actual decision making vice exhausting time to make data usable. Additionally, these modernizations will lead to better quality performance modeling and advanced analytics including predictive capabilities.

OPERATIONAL READINESS

MyNavy HR continues to focus our energy on ensuring the Fleet is properly manned, with the right Sailors, in the right place, at the right time, with the right training. All of our efforts to attract, develop, and manage our Sailors ensure we build a Navy that can fight and win in long term strategic competition and maintain our Advantage at Sea.

End Strength

Navy requests funding to sustain our active duty end strength, fund special and incentive pays, increase operational manning, invest in the education of our Sailors, and modernize the Navy to fight and win in long-term strategic competition. Successfully mitigating for the pandemic, we concluded FY20 with 346,520 Sailors, or 6,020 above authorized end strength, positioning us well to achieve the FY21 authorized end strength of 347,800.

Fleet Readiness and Increasing Fleet Manning

The number of Sailors on operational sea duty is at the highest level since 2014, and we project this trend into FY22 and beyond. More than 137,000 Sailors have been at sea since May 2020, with a high of 137,588 Sailors manning 275 operational units at the start of FY21, an increase of 5,000 Sailors compared to a low point in October 2015. One of the most significant effects on Fleet manning was the fielding of the MNA platform for enlisted detailing, which added transparency, functionality, and a user-friendly interface for Sailors. It also serves as the core for a larger detailing marketplace that encompasses multiple career management functions, including incentive management, reenlistment decisions, skills identification, and career planning.

To improve unit readiness and lethality, we increased Sailors onboard our operational platforms. For example, a guided missile destroyer (DDG), the Navy's most numerous ship class, averaged 25 more Sailors on board in FY20 compared to FY12. To ensure the Fleet is efficiently manned as requirements increase, MyNavy HR has adopted the Performance-to-Plan (P2P) framework. P2P identifies areas for improvement, which will provide the highest return on investment, to effectively communicate to leadership identified barriers and strategies for their removal and to foster collaboration across the various stakeholders within the enterprise.

CONCLUSION

To secure our advantage at sea, we will attract, develop, and manage our Sailors and leaders to build a Navy that will fight and win in long-term strategic competition. Through our optimization of talent management, MyNavy HR will achieve talent acquisition excellence, provide Sailor-centric initiatives, and reshape the Navy into a leader of diversity, equity, and inclusion. By modernizing the Sailor experience and exemplifying the Culture of Excellence, we will provide exceptional service to our Sailors and families, and we are actively engaging, elevating, and inspiring all personnel to be their best by leveraging our diversity of talent and people. Finally, we will continue to transform the MyNavy HR enterprise to improve analytics, rapidly adopt new tools and processes, provide transparency, and maintain healthy climates and cultures. Through these endeavors, we will fight and win with the strength of our greatest asset, our people. I look forward to working with you to support our Sailors who will win any fight and be ready for any challenges in the future. On behalf of the men and women of the United States Navy, thank you for your unwavering support.