SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

JUN 09 2016

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
DEPUTY CHIEF MANAGEMENT OFFICER
CHIEF OF THE NATIONAL GUARD BUREAU
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
DIRECTOR, OPERATIONAL TEST AND EVALUATION
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER
ASSISTANT SECRETARY OF DEFENSE FOR LEGISLATIVE AFFAIRS
ASSISTANT TO THE SECRETARY OF DEFENSE FOR PUBLIC AFFAIRS
DIRECTOR OF NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: The Next Two Links to the Force of the Future

Today we have the finest fighting force our world has ever known. To maintain this advantage and enhance the warfighting and operational excellence of our force, we must recruit and retain the very best talent our country has to offer, amid changes in generations, technologies, and labor markets.

On November 18, 2015, I announced the first set of Force of the Future initiatives, designed to increase the Department's permeability to new people and new ideas—among them, expanding the corporate fellows programs to increase the number of Service members with experience in the commercial sector, launching the Defense Digital Service to increase information technology innovation in the Department by leveraging private sector expertise, and establishing the Office of People Analytics to harness the Department's big data capabilities in better managing our talent. On January 29, 2016, I announced a second set of Force of the Future initiatives aimed at improving retention of our military Service members through enhanced family support, including establishing a uniform standard for paid maternity leave of 12 weeks, seeking authority from Congress to expand paternity and adoption leave, improving the availability of child care services and mothers' rooms on military installations, and piloting TRICARE programs to enhance family planning flexibility.

Concurrently, the Department has modernized its military retirement system, opened all military career fields to women, and proposed seminal reforms to the Goldwater-Nichols Act—all with a view to enhancing warfighting readiness and joint operational effectiveness.

OSD007128-16/CMD009109-16

We can and must do more to ensure that our military continues to be as ready to meet the challenges of the future as it is to meet the challenges of today. For this reason, I am pleased to announce the next two links in our Force of the Future initiative—one focused on making common sense improvements to the Defense Officer Personnel Management Act (DOPMA) system and the other on developing our more than 700,000-strong DoD civilian workforce—in tandem, reflecting our staunch commitment to the principle of "one team-one fight".

The "up-or-out" system now embodied in DOPMA was first introduced almost a hundred years ago to ensure the continual renewal of our officer corps with fresh blood and new ideas. This system continues to serve its purpose today, and we continue to benefit from the leadership and innovation that it brings to the ranks of our military. As I have said in the context of our Goldwater-Nichols review, however, no organization is perfect, and any system can be improved. In the case of DOPMA, there are situations where applying a "one-size-fits-all" approach to military personnel management works to our detriment. In some cases, DOPMA proves too rigid—providing little incentive for officers to focus or specialize, even when so doing would enhance military readiness. Our challenge is to bring new flexibility to the system without undermining the valuable purposes that it continues to serve.

To this end, I am asking Congress for authority to grant the military Services flexibility in certain aspects of the military personnel management system that would:

- Enable experts and specialists in critical, high-demand skills to join the military at a mid-career level, in the same manner currently authorized for medical officers.
- Enable the Secretaries of the Military Departments to approve requests by military officers to be temporarily excluded from consideration by a promotion board so they may undertake activities to deepen their expertise without adverse impact on career advancement.
- Incentivize the best military performers by authorizing the Secretaries of the Military Departments to adjust the lineal numbers of officers selected for promotion by a statutory board, so as to promote officers of particular merit first.
- Authorize the Secretaries of the Military Departments, with the approval of the Secretary of Defense, to waive select DOPMA requirements with respect to a critical career field.

I have also approved the following additional military personnel initiatives:

- Modernization of U.S. Military Entrance Processing Command (MEPCOM).
- Expansion of Joint Advertising, Market Research and Studies (JAMRS) micro-targeting to create a recruiting database.

The DoD civilian workforce also requires our attention as we look to the future. The global enterprise that is the Department of Defense does everything from delivering babies to delivering bombs on target. We work on every continent, on and under every ocean, in space, and in cyberspace. None of this would be possible without our capable and dedicated civilian workforce. Our national security has long been enhanced by the partnership between our military and civilian workforces and the unique capabilities that each workforce brings to the table.

Our civilian workforce initiatives are designed to extend this advantage and leverage the call of our Department's unique mission to encourage and incentivize public service, streamlining the path to DoD employment for the most talented men and women our country has to offer. In many respects, these initiatives propose programs in parallel to those available to our military personnel, further harnessing DoD civilians as force multipliers.

With a view to honing the capabilities of our civilian force, I am asking Congress for the authority to:

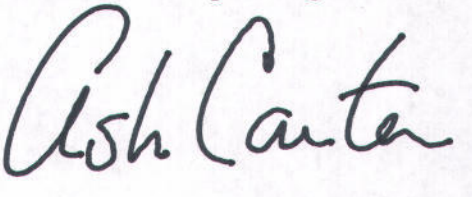
- Enable the Department to recruit and hire "on-the-spot" the best and brightest on-campus talent by authorizing the direct hire of students and recent graduates into the civilian workforce.
- Establish a two-way exchange program through which DoD and the private-sector can temporarily exchange employees.
- Increase the cap on payments under the Voluntary Separation Incentive Pay (VSIP) program.
- Provide 6 weeks of paid parental leave for DoD civilian employees in connection with the birth or adoption of a child.

I have also approved the following civilian personnel initiatives:

- Growing the number of Highly Qualified Experts (HQEs) and broadening the criteria applicable to HQE hiring.
- Increasing the use of career-broadening rotational programs.
- Increasing the use of DoD's Science, Mathematics, and Research for Transformation (SMART) Defense Scholarships to attract individuals to mission-critical science, technology, engineering, and mathematics (STEM) occupations.
- Allowing DoD civilian employees to work part-time for the first year after the birth or adoption of a child, or subsequent to beginning service as a foster parent, "phasing in" their return to full-time employment.
- Expanding the use of the Student Training and Academic Recruitment (STAR) program.
- Better leveraging civilian employee training funds by establishing annual objectives for funding the training and development of the civilian workforce.
- Establishing a working group to identify actionable program, policy, and process changes to eliminate or minimize barriers to employee mobility between DoD components.

Given the importance of these initiatives, together with our previously announced Force of the Future initiatives, the Deputy Secretary of Defense and the Vice Chairman of the Joint Chiefs of Staff will meet periodically with the Services and DoD civilian leadership to ensure effective implementation. The unpredictable landscape in which we operate requires us to continually revisit, improve, and evolve our personnel management processes to ensure we optimize and retain our best talent; as such, I remain committed to pursuing additional reforms going forward.

Attachment:
Fact Sheet



# Fact Sheet: The Next Two Links to the Force of the Future

## Approved Military Personnel Initiatives:

**Enhance Lateral Entry Authority.**

- Would enable experts and specialists in critical skills (e.g., cyber, scientific and technical fields, other "high-skill, difficult-to-fill" positions), to join the military at a mid-career level, in the same manner currently authorized only for medical officers.
- Under regulations prescribed by the Secretary of Defense, the Secretaries of the Military Departments would be authorized (but not required) to expand lateral entry opportunities by extending to other specialties the constructive service credit presently available only for medical officers.
- Military Departments would have a greater degree of flexibility in recruiting experts in a diversity of specialties who would otherwise be unlikely to access into the military if required to enter at the most junior officer grade.
- This proposal requires legislation.

**Voluntary "Opt Out" of Promotion Cycle.**

- The Secretary of a Military Department would be authorized to approve an officer's request to be temporarily excluded from consideration by a promotion board to allow them to undertake activities to deepen expertise or pursue enrichment opportunities, without adverse impact on career advancement.
- Officers who have not followed traditional career paths—for any number of reasons—would not be adversely affected by being required to meet a promotion board before meeting all of DOPMA's promotion requirements.
- This initiative would boost officer management flexibilities and enhance force retention objectives, without undermining the valuable purposes that DOPMA continues to serve. The Department would benefit from the retention of high-quality officers and the infusion of the new skills and ideas they would glean from the opportunity to broaden or deepen their experience, making us more capable of thinking outside of the "five-sided box".
- This proposal requires legislation.

**Permit Adjustment of Lineal Numbers.**

- Would incentivize the best military performers by authorizing (but not requiring) the Secretaries of the Military Departments to establish policies for adjusting the lineal numbers of officers selected for promotion, based upon an individual officer's superior performance, instead of promoting in an order of seniority that is pre-determined by the date on which the officer was initially commissioned.
- Letting the military services adjust lineal numbers based on superior performance is a key part of good talent management.
- This proposal requires legislation.

**Provide Flexibility for Critical Career Fields.**

- Would authorize the Secretary of a Military Department to establish programs to build the capability and capacity of military personnel in critical career fields.

- When proposed by the Secretary of a Military Department and approved by the Secretary of Defense, select Defense Officer Personnel Management Act (DOPMA) requirements for, or constraints on, officer promotion and management, could be waived with respect to a critical career field.
- A program developed under this authority could include measures to enhance recruitment, retention, training, and other career-building measures for military personnel in the designated career field.
- This initiative would afford each of the Services new flexibility to promote and manage its officers in a way that is tailored to the Service's unique capability requirements and particular personnel needs, without undermining the valuable purposes that DOPMA continues to serve.
- A workforce that is ready to meet the challenges of the future is an invaluable asset to the Department. This proposal would enable us to invest in that future by giving the Services the authority to respond to emergent demands for capability—demands we may not be able to anticipate today—and to act quickly to generate that capability.
- This proposal requires legislation.

**Modernize U.S. Military Entrance Processing Command (MEPCOM).**

- This Force of the Future initiative will transition MEPCOM to a modern, digital, standards-based data collection, screening, and exchange architecture. It will develop and facilitate MEPCOM interface with, and access to, applicant electronic medical records and ensure that all accessions and recruiting forms are accessible online and integrated with Service pay and personnel systems, allowing for a substantive exchange of information between the Services and MEPCOM from the point of accession forward. It will bring the military testing program into the modern age.
- Today, our military recruiting and accession business processes and systems rely on a patchwork of outdated technology solutions, manual functions, and fixed geographic locations for processing. This results in an inefficient and often frustrating operating environment for the Military Departments, recruits, and their influencers (like parents, clergy, and coaches), who use the system.
- Force-wide, enlistment alone requires processing 70 to 80 million pieces of paper every year—a slow, duplicative, and expensive process. Troops talk about having to fill out the same packets of paperwork over and over again—not a good sign for a new applicant who has responded to the recruiting message that we are the most technologically advanced military. First and foremost, this initiative will mean "no more paper forms".
- In addition, over the past 35 years, the Department has done little to modernize the processes and screening tests used to select and classify military applicants for enlistment into military training courses and jobs. MEPCOM modernization will adopt expanded computerized testing, and add personality and interest measures to the enlistment screening process.
- This initiative does not require legislation.

**Expand Joint Advertising, Market Research and Studies (JAMRS)/Defense Manpower Data Center Micro-targeting to Create a Recruiting Database.**

- The Department must not only ensure that it is meeting recruiting objectives today, but that it will continue to meet those objectives into the future.

- We will create a more robust recruiting database patterned after the existing JAMRS database. This expanded database will be provided to all Services for use in officer and enlisted recruiting, and we will also explore the merits of expanding the database for use in civilian recruiting.
- The database will leverage predictive analytics and micro-targeting strategies, presenting an opportunity that the Services have not fully leveraged before now: to tackle challenging recruiting essentials like talent and diversity—not just recruiting numbers.
- Being able to identify the relevant recruiting market data, and to use it in simpler and faster ways, will improve recruiter engagement across a larger population with a higher propensity for military service, better optimizing recruiter time and effort to reach out to and engage with America's talented youth.
- As the Secretary of Defense has said, "we can't keep fishing in the same old ponds; instead, we have to fish in more ponds, new ponds, and ponds we haven't been to in a long time—we have to draw talent from our country's entire pool of population for our all-volunteer force."
- This initiative does not require legislation.

**Approved Civilian Workforce Initiatives:**

**Enable Direct Hiring of Students and Recent Graduates.**

- Would enable the Department to recruit and hire "on-the-spot" the best and brightest on-campus talent by authorizing the direct hire of students and recent graduates into the civilian workforce.
- This initiative would establish Department-wide authority for non-competitive student appointment in the civil service and would facilitate on-campus recruiting.
- Right now, if a DoD recruiter meets an undergraduate student, a graduate student, or a recent graduate who is perfect for a particular job, the recruiter must direct the candidate to the USAJOBS website. For the job-seeker, this begins the process of creating an online resume, uploading transcripts and other documents, responding to supplemental questions, waiting for the application to be processed, and much more—a process that takes at least 90 days, under the best of circumstances.
- In today's highly competitive job market, students and recent graduates cannot afford to wait many months for DoD to make a job offer. By the time a DoD offer is extended, top talent has accepted an offer in the private sector and already reported to work.
- This authority has the potential to be a "game changer" for DoD.
- This proposal requires legislation.

**Establish a Public-Private Talent Exchange.**

- Would authorize the creation of a two-way exchange program through which DoD and some of America's best and most innovative private companies could temporarily exchange employees—pioneering a new vehicle for sharing new ideas and "state of the art" practices between government and industry.
- This new, DoD-specific authority would authorize the Secretary of Defense to prescribe regulations allowing for the temporary assignment of DoD employees to a private-sector organization, or for the assignment of a private-sector employee to the DoD, for a minimum period of 3 months, and for as long as 4 years.

- We believe that many leading companies and their employees would be attracted by the ability to contribute to the mission and purpose of the Department of Defense. We envision the exchange of information and perspectives as a two-way street—that as we learn from the private sector, the private sector can also learn from DoD.
- Implementation regulations will establish processes to safeguard compliance with government ethics laws and rules, address funding mechanisms, and provide guidance on issues associated with potential billet and mission gaps created by temporary employee absences from the workplace while participating in an exchange.
- This proposal requires legislation.

**Expand Use of Voluntary Separation Incentive Pay (VSIP).**

- Would raise the cap on VSIP from $25,000 to $40,000, establishing VSIP as an important force shaping incentive to compensate employees who elect to depart early from employment with DoD.
- The maximum amount of VSIP that may be paid to a civilian employee has not changed since DoD was first authorized to provide such incentives in 1993. Meanwhile, the buying power of a dollar has decreased dramatically. While $25K was considered an appropriate amount to induce employees to voluntarily separate in 1993, it cannot possibly provide the same incentive in current dollars.
- DoD currently has a separate statutory authority for VSIP; however, if Congress provides the legislative authority for an increase, we anticipate it may apply to the whole of government.
- This proposal requires legislation.

**Provide 6 Weeks of Paid Parental Leave for DoD Civilian Employees.**

- Would provide 6 weeks of paid parental leave in connection with the birth or adoption of a child, to be used within 12 months of the birth or adoption placement.
- Presently, civilian employees are not authorized any period of paid parental leave.
- This proposal requires legislation.

**Leverage Authority to Employ Highly Qualified Experts (HQEs).**

- This initiative will build critical capabilities within the Department by growing the number of HQEs to meet changing requirements for specialized skills and broadening the criteria applicable to HQE hiring to enhance access to expert talent.
- Today, we have about 90 HQEs onboard across DoD—including talented and innovative people like the director of the Defense Digital Service, the head of DoD's Strategic Capabilities Office, and the Air Force Chief Scientist.
- DoD is well below the maximum number of HQEs authorized. Having access to such expertise is a force-multiplier; we will benefit from using this authority more often
- The DoD Components will identify mission areas in which increased expertise is needed, with a view to increasing the number of HQEs by 10% annually over the Future Years Defense Program (FYDP), with regular reevaluation to ensure that the targets are achievable and in the best interest of the Department.
- The Department will expand the definition of HQE and the criteria applicable to HQE hiring to enhance flexibility.
- This initiative does not require legislation.

**Leverage Career Broadening Rotational Programs.**

- We will utilize existing rotational programs (such as the White House Leadership Development Program and the Defense Senior Leader Development Program) to increase the number and quality of career-broadening experiences available to civilian employees.
- We plan to manage the program through a centralized coordinator in the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD(P&R)), and establish an objective to increase the number of rotational opportunities by 10% annually over the FYDP, with regular reevaluation to ensure that the targets are achievable and in the best interests of the Department.
- This initiative does not require legislation.

**Increase the use of Science, Mathematics, and Research for Transformation (SMART) Defense Scholarships.**

- Increasing the use of the SMART Defense Scholarship Program will attract talent in Mission Critical Science, Technology, Engineering, and Mathematics (STEM) occupations.
- Enrollment will be increased gradually, by 10% annually over the FYDP, to ensure that the Department is able to place and fully utilize scholarship graduates in a STEM/Mission Critical Occupation position in the DoD workforce. Regular reevaluation will ensure that targets are achievable and in the best interests of the Department.
- This initiative does not require legislation.

**Allow Optional Parental Phased Return Through Part-Time Work after the Birth or Adoption of a Child.**

- Allowing DoD civilian employees to work part-time for the first year after the birth or adoption of a child, or subsequent to beginning service as a foster parent, allows them to "phase in" their return to full-time employment.
- Options for flexible work schedules or telework will remain available.
- Approval decisions in individual cases will be made by the affected DoD Component, after taking into consideration any capability/mission gap or readiness concern.
- This initiative does not require legislation.

**Expand the use of the Student Training and Academic Recruitment (STAR) Program.**

- We will expand the use of the STAR program from its current four locations to additional college/university campuses and coordinate program expansion with the use of direct hire authority for students and recent graduates, if authorized by Congress.
- Through peer-to-peer interaction, students who are employed part-time by DoD through the STAR Program market DoD's many employment and scholarship opportunities to other students. DoD Components participating in STAR are encouraged to hire full-time students majoring in academic disciplines matching DoD's mission critical skill needs.
- STAR student recruiters may be offered full-time DoD employment on graduation.
- Expansion of the program will be reassessed on an annual basis, to ensure that the program is serving its intended purpose.
- This initiative does not require legislation.

**Better Leverage Civilian Employee Training Funds.**

- In consultation with each DoD Component, we will establish annual objectives for funding the training and development of the civilian workforce.
- The Components will be required to report to OUSD(P&R) annually on spending for civilian employee training and development.
- This initiative does not require legislation.

**Remove Barriers to Mobility Between Civilian Jobs in Different DoD Components.**

- We will establish a working group to identify actionable program, policy, and process changes to eliminate or minimize barriers to employee mobility between DoD Components.
- The objective is to use existing DoD authorities to streamline onboarding requirements and reduce the time, effort, and duplication of recordkeeping required for employees to transfer between DoD Components.
- This initiative does not require legislation.