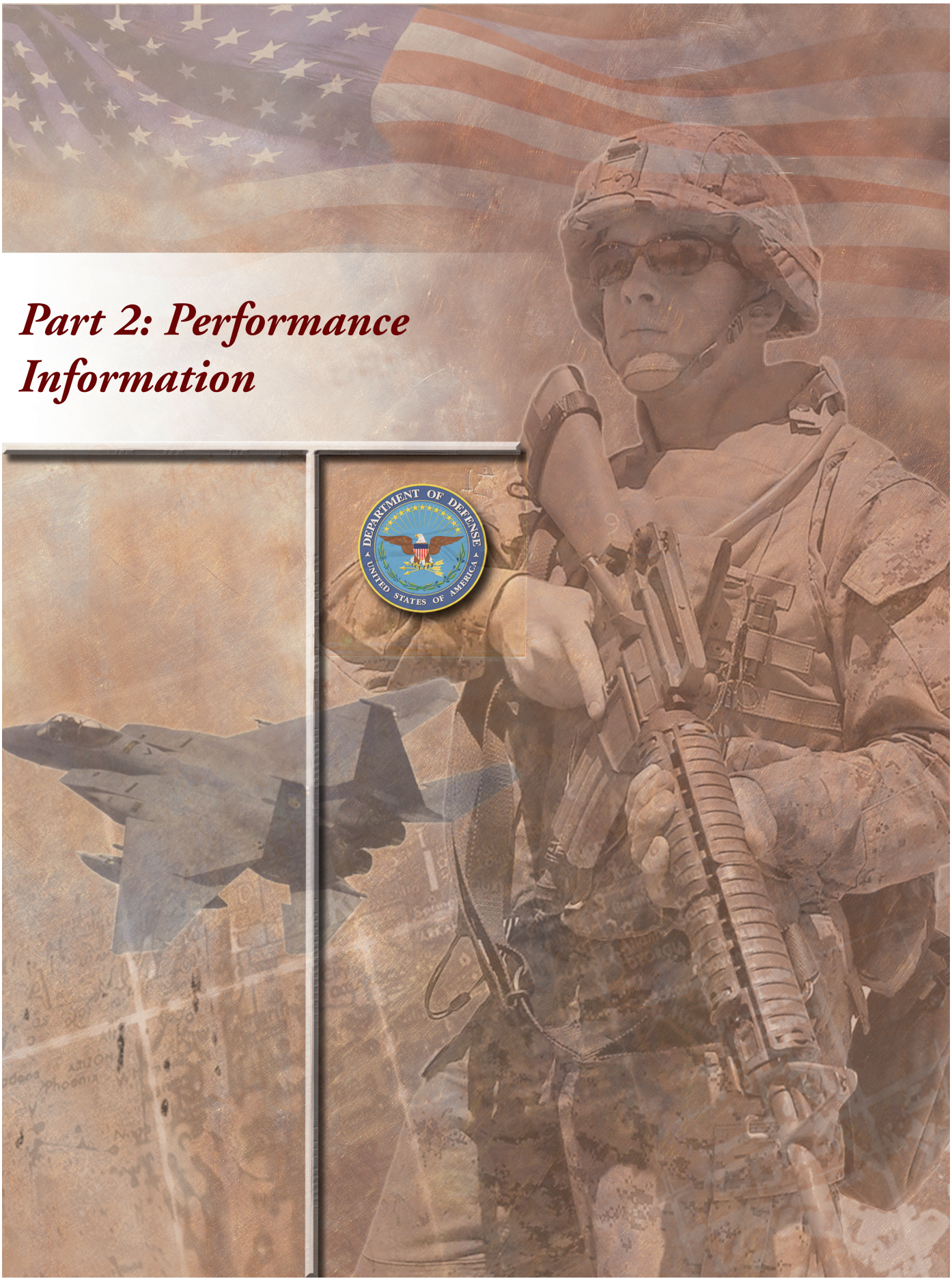
Part 2: Performance Information



Performance Information

This part of the report contains the annual program performance information required by the Government Performance and Results Act of 1993.

Overview

Part 1 of this report, Management's Discussion and Analysis, describes in detail the Department's strategic planning process and its methods for measuring performance. This part of the report explains each of the DoD's 71 metrics, summarizes the results for FY 2005, and presents for comparison prior year data in charts and tables as appropriate. In a few cases, FY 2004 results are presented because they are the latest available. Due to the volume of information, a full discussion of each metric, including the validation and verification procedures, can be found at http://www.dod.mil/comptroller/par.

Data Quality, Accuracy, and Reliability

The DoD is committed to providing clear and reliable data to those who use it for managing, decision making, and for oversight of the DoD programs. The Department also ensures, to the greatest extent possible, that the data are quantifiable and verifiable by putting in place internal management controls and by being responsive to the insights provided by the Department's Office of Inspector General, the U.S. Government Accountability Office, and others. Performance data for most quantifiable measures are generated as a by-product of the DoD's routine operations. Survey satisfaction data is produced from statistically valid surveys. Accuracy measures come from validated automated systems and are periodically reviewed and analyzed for accuracy. New metrics or metrics under development will be subject to the same data quality requirements once the metric is established.

In many cases, the data for FY 2005 are as of third quarter or incomplete due to lengthy reporting cycles. As a result, results are projected using partial year data. Incomplete data and projected results are noted for each metric as applicable. The FY 2006 Performance and Accountability Report will note any significant deviations from projected and actual results.

Performance Goals and Results

This section is organized by the four strategic goals as identified by risk area. Under each strategic goal are four performance goals, which are supported by one or more performance measures with targets. Each performance goal is explained and followed by a discussion of the performance measures and targets used to assess results.

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

Performance Goal 1.1 - Ensure Sustainable Military Tempo and Maintain Workforce Satisfaction

Metric 1.1.1: PERSTEMPO Across Occupational Groups					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
The percentage of an occupational group that surpasses the PERSTEMPO day constraints	Services began tracking PERSTEMPO as directed by Congress	Published Interim Personnel Tempo Policy Guidance	• Validated and verified Service data • Considered global joint rotational policy	• Began tracking frequency and duration of PERSTEMPO trends • Work continued on metric development	• Metrics developed • Initial performance results to be posted to Departmental website during the first quarter FY 2006

[A] FY 2005 data are estimated as of the fourth quarter.

Metric Description

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

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

Performance Results for FY 2005

A contractor helped define and refine key performance indicators. Evaluation of the metrics using "live" data will be conducted into FY 2006. The Department completed development of the metric during second quarter FY 2005. Work continued throughout the remainder of the fiscal year to determine the best way to accumulate

the data from the PERSTEMPO database and how best to display the information on the information delivery system website. DoD expects the data displays to be posted to the website during the first quarter FY 2006 for Departmental approval.

Metric 1.1.2: PERSTEMPO Standards Met					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
The percentage of Active and Reserve components (by Service) that has exceeded PERSTEMPO constraints.	Congressionally-directed PERSTEMPO reporting began	Published Interim Personnel Tempo Policy Guidance	• Validated and verified data • Considered global joint rotational policy	• Began tracking frequency and duration of PERSTEMPO trends • Work continued on metric development	• Developed metrics • Initial performance results to be posted to Departmental website during the first quarter FY 2006
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

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

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

Performance Results for FY 2005

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

Metric 1.1.3: Quality of Life Social Compact Improvement Index					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Trend data to monitor improvements in leading Quality of Life (QoL) indicators	No historical data; new metric		Developed framework for QoL index	Meet or exceed standard for eight functional areas/Four met or exceeded standards, two met or exceeded standards for some DoD components, one did not meet standards, and one metric is still under development [B]	Meet or exceed standard for eight functional areas[C] / Data not yet available

[A] FY 2005 data are not available until end of FY 2005. This is a new metric and it is a lagging indicator - 2005 actual data will not be available until the end of the fiscal year.
[B] Detailed FY 2004 actual and target data for each of the 21 programs that comprise the eight functional areas are provided at (website address).
[C] Detailed FY 2005 target data for each of the 21 programs that comprise the eight functional areas are provided at (website address).

Metric Description

The Quality of Life (QoL) Social Compact Improvement Index is one indicator in a three-pronged approach that combines a Community QoL Per Capita Cost (Metric 1.3.2) and Commitment to Military Life Index (Metric 1.1.4) to measure the health of QoL programs and services supporting military members and families. The Social Compact, a living document that outlines a 20-year strategy, requires continual review and revision to keep pace with the changing needs of the transforming military. While the Social Compact includes long-term, mid-term and short-term strategies, the index will focus on the short term. Current deployment and high operation tempo necessitate robust QoL support for troops and families. In an effort to mitigate force management risk in attracting and maintaining a quality workforce, the Department must transform QoL to keep pace with the American standard of living, changing demographics (two-thirds of military families live off the installation), and expectations of military members and their families.

The index links to the QoL programs and services included in the modernized Social Compact that recognize the reciprocal partnership that exists between DoD, the Service member, and his or her family. The index tracks improvement in QoL to ensure the Department underwrites support to families. The current index is comprised of eight major program areas, e.g., housing assignments, educational assistance, child care, etc. Functional areas and metrics will be added or eliminated as data mature and priorities change. Data will be cross-referenced with the Community QoL Per Capita Cost Metric and Commitment to Military Life Index to ensure QoL programs are provided to meet the unique needs of military members and their families.

Performance Results for FY 2005

This is the first full cycle of performance reporting for this metric since conversion from an activity to a metric. The data for the Social Compact index will not be available until the end of the fiscal year.

Metric 1.1.4: Commitment to Military Life Index					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Trend data to monitor results in key commitment areas that are predictors of retention and satisfaction	No historical data; new metric		• Reviewed corporate commitment literature • Developed commitment factors reflecting military environment and culture • Conducted focus groups to validate and expand commitment factors	• Fielded survey • Developed final commitment index for military service • Fielded commitment index in May 2004 survey of Guard and Reserve members • Commitment index included in the August 2004 Active duty survey	• Analyzed data from May 2004 survey of Guard and Reserve members • Analyzed data from August 2004 Active duty survey • Established baseline commitment data and correlations • Ongoing development of research methodology to link commitment and re-enlistment decisions
[A] The FY 2005 data are final as of fourth quarter.					

Metric Description

The Commitment to Military Life Index is one indicator in a three-pronged approach that combines a Community QoL Per Capita Cost Metric and QoL Social Compact Improvement Index to measure the health of QoL programs and services supporting military members and families. It is a new indicator that will track the factors that influence and predict commitment to military service for both Active duty members and spouses. This index is modeled after an approach used in corporate America to measure employee commitment. This performance measure responds to the National Security Presidential Directive–2 (February 2001), "Improving Quality of Life," and guidance from the Secretary of Defense to track QoL improvements and give priority to the implementation of QoL initiatives. Current deployment and high personnel tempo necessitate robust QoL support for troops and families. In an effort to mitigate force management risk and enhance workforce satisfaction, the Department must transform QoL to meet the needs of the changing demographics and expectations of military members and their families.

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

The value of the index is to demonstrate the different fluctuations and factors of commitment over time. The commitment indexes contained in the Defense Manpower Data Center's Reserve Component Survey (May 2004) and Active Duty Survey (August 2004) provided initial baseline data for the commitment index. Frequent short surveys to a statistically valid DoD military population will be used to pulse the commitment of military members and spouses. The index will gain meaning as the factors influencing commitment are tracked at different points in time. The survey instrument will be reviewed and updated as needed and data will be cross-referenced with the QoL Social Compact Improvement Index and Community QoL Per Capita Cost Metric.

Ongoing Research

The DoD developed and validated metrics for tracking member commitment, and is in the process of doing the same for spousal commitment. Tracking commitment as a component of retention is important, but not sufficient to create informed interventions; the DoD needs to understand the underlying causes of commitment for members and spouses. This includes understanding the disruptions, policies, and practices which buffer negative events or foster positive ones, and determining how they affect the retention decision processes for Service members and their families. The DoD needs to validate the impact of commitment on decisions to re-enlist. Ongoing research must track, over time, how commitment develops and changes. It also must be connected to actual decisions to stay or leave the Service to verify the predictive validity of commitment. Ongoing research must also focus on the family so that DoD can learn how different events affect levels of commitment, and how re-enlistment decisions are negotiated. For example, baseline data collected from the May 2004 Reserve Status of Forces survey and the August 2004 Active duty survey showed that Active duty members who were married with children had the highest levels of commitment.

Performance Results for FY 2005

The DoD established preliminary baseline commitment data for Active duty, National Guard, and Reserve members and developed the spousal commitment index, which will be fielded during Fall 2005 in the Defense Manpower Data Center Survey of Military Spouses.

Metric 1.1.5: Saitsfaction with Access					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Satisfaction with access	81.8%	80.8%	83.0%	>84%/81.8%	>84%/81.2%

[A] The FY 2005 data are estimated as of the third quarter.

Metric Description

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

The percentage of respondents (weighted by appropriate sampling weights) that answer "Good," "Very Good," or "Excellent" on a scale from "Poor" to "Excellent" is computed. The survey is fielded monthly. Reports are produced quarterly. Although information is available by Military Service branch, only an aggregate Military Health System score is shown above.

Performance Results for FY 2005

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

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

For those locations where there have been problems with access, the DoD is using additional contract physicians to make more appointments available to returning Reservists. Based on the increased capacity at these MTFs, satisfaction with access should improve.

Metric 1.1.6: Overall Satisfaction With Appointment					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Satisfaction with appointment	88.5%	87.1%	88.4%	≥ 90%/87.6%	≥ 89%/87.8%

[A] The FY 2005 data are estimated as of the third quarter.

Metric Description

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

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

Performance Results for FY 2005

FY 2005 performance results were mixed across the Services. Two of the Services are just slightly below the goal for the year, and the other Service struggled during the first two quarters of FY 2005. During the third quarter, all three Services are at or above the goal of 89 percent satisfaction. This trend is expected to continue and the performance target should be achieved.

Metric 1.1.7: Satisfaction with Military Health Plan

Metric	FY 2001 Actual[A]	FY 2002 Actual[B]	FY 2003 Actual	FY 2004 Target[C]/Actual[D]	FY 2005 Target[E]/Actual[F]
Percentage satisfied with military health plan	44.6%	46.5%	51.2%	≥ 56%/ 53%	≥ 57%/53%

[A] Surveys fielded in January, April, and July 2001.
[B] Surveys fielded in October 2001 and January, April, and July 2002.
[C] The FY 2004 initial goal was the same as the FY 2003 goal; however, after progress tracking during FY 2003, it was determined that the FY 2004 goal needed to be reset to a yearly goal that will match the Defense Health Program Performance plan for FY 2004. Accordingly, the goal changed from = civilian average to =56%, which represents closing the gap between the military health plan and civilian plans in 3 years. All future goals will be updated on an annual basis.
[D] FY 2004 is now complete and the actual performance represents a weighted average for the entire year, not the highest score during the year.
[E] The FY 2005 target has been adjusted to reflect the Defense Health Program Annual Performance plan goal (58% to 57%) and a change in the civilian benchmark (59% to 58%).
[F] The FY 2005 data are estimated as of second quarter.

Metric Description

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

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

Performance Results for FY 2005

FY 2005 began with the initial rollout of the new Health Support Services Contracts and associated changes in claims processing and network development. Some problems occurred during this transition and beneficiaries voiced their displeasure when completing the survey. For example, claims processing dropped from approximately 99.9 percent of claims properly processed within 30 days, to a low of 80 percent (during a single month) for one of the claims processors. Additionally, a number of providers decided to leave the network

when the rollout of new contracts occurred. With claims processing improving, and provider networks expanded to previous levels, satisfaction with plan results should improve for the rest of the year. For the first 2 months of this fiscal year, the metric is one percent above last year's performance at the same time.

Performance Goal 1.2 - Maintain a Quality Workforce

Metric 1.2.1: Active Component Enlisted Retention Goal

Service	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual[A]	FY 2004 Target/Actual[A]	FY 2005 Target/Actual[A,B]
Army					
Initial	20,000	19,433	21,838	23,000/24,465	21,080/20,721
Mid-career	23,727	23,074	19,509	20,292/20,407	18,433/18,669
Career	21,255	15,700	12,804	12,808/13,574	10,436/13,730
Navy					
Initial	56.9%	58.7%	61.8%	56%/54.1%	53%/57.1%
Mid-career	68.2%	74.5%	76.7%	70%/70.2%	69%/66.2%
Career	85.0%	87.4%	87.9%	85%/86.9%	85%/85.6%
Marine Corps					
First term	6,144	6,050	6,001	5,990/6,011	4,462/5,888
Subsequent	5,900	7,258	5,815	5,628/7,729	3,809/5,520
Air Force					
First Term	56.1%	72.1%	60.5%	55%/63%	55%/47%
Mid-career	68.9%	78.3%	72.9%	75%/70%	75%/52%
Career	90.2%	94.6%	95.2%	95%/97%	95%/95%

[A] The Services are allowed (due to the National Emergency) to operate with the strength required to prosecute the global war on terror. Because of Operation Iraqi Freedom and Operation Enduring Freedom, the Services decided to operate at a higher level than they had planned at the beginning of the year. To get to this higher strength, they increased the retention goals. The Services use retention and recruiting as two levers they can adjust to hit the desired end strength. So, if recruiting is falling short, they increase retention goals. Similarly, if retention is falling short, they may choose to increase recruiting goals. In this case, they chose to adjust retention goals to operate at desired operational strength.
[B] FY 2005 data are final as of third quarter.

Definitions by years of service:
Army: Mid-career: 7 to 10; career: 10 to 20
Navy: Mid-career: 6 to 10; career 10 to 14
Air Force: Mid-career: 6 to 10; career 10 to 14

Metric Description

The Services determine their annual retention goals with latitude in how they establish their categories, goals within each category, and methods for tracking attainment of those goals. For that reason, three metrics are used: (1) number of people retained (used by the Army and Marine Corps), (2) percentage of eligible people retained (used by the Navy), and (3) average career length (used by the Air Force). The annual goals for these metric are dynamic and can change during the year of execution.

Performance Results for FY 2005

The Services are on course for a strong finish in FY 2005. Army reenlisted 63,507 soldiers toward a year-to-date target of 59,087 (107 percent). Army is on track to meet its annual goal. Air Force retention is sound, albeit below historical achievement as it seeks to reduce strength through voluntary separations in surplus skills. Like Army, Air Force is reducing stress by realigning military positions to war on terrorism needs (e.g., one in eight Air Force recruits this year will be trained as security forces). Navy has had strong reenlistment performance, and its attrition rates are at or near 15-year lows. Marine Corps continues to surpass its retention goals.

Metric 1.2.2: Active Component End Strength Meets or Exceeds the Fiscal Year Authorization But No More Than 2% Over the Fiscal Year Authorization (At the End of Each Quarter)

Service	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Authorized/Actual	FY 2005 Authorized/Actual[A]
Army	480,801 (+0.2%)	486,542 (+1.4%)	499,301 (+4.0%)	482,400/499,543 (+3.6%)	502,400/489,971 (-2.5%)
Navy	377,810 (+1.4%)	383,108 (+1.9%)	382,235 (+1.7%)	373,800/373,197 (-0.2%)	365,900/363,858 (-0.6%)
Marine Corps	172,934 (+0.2%)	173,733 (+0.7%)	177,779 (+1.6%)	175,000/177,480 (+1.4%)	178,000/178,231 (+0.1%)
Air Force	353,571 (-1.0%)	368,251 (+2.6%)	375,062 (+4.4%)	359,300/376,616 (+4.8%)	359,700/358,705 (-0.3%)

[A] FY 2005 data are final as of the third quarter.

Metric Description

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

Performance Results for FY 2005

The Nation continued to operate in a state of National Emergency by Reason of Certain Terrorist Threats in FY 2005. Consequently, the end strength requirements were waived. In addition, the Army and Marine Corps were granted authorized end strength increases during FY 2005. The Army's authorization was increased by 20,000; while the Marine Corps was increased by 3,000. The Marine Corps reached its new authorization by

the end of the third quarter; while the Army struggled and lost ground as the year progressed. While Army had a successful retention program, it had a challenging recruiting year and probably will miss its authorized strength for the fiscal year. Air Force ended FY 2004 almost five percent above its fiscal year authorization and set about reducing strength levels and shaping the force in FY 2005. Air Force is a little below its authorized strength in the third quarter but will have no trouble meeting the FY 2005 year-end requirement. Navy had a 7,900 reduction in authorized strength from FY 2004 to FY 2005; its force-shaping plans enabled Navy to reduce strength gradually. Although the Navy ended the third quarter slightly below its authorized strength, it will meet its authorization at the end of the fiscal year.

Metric 1.2.3: Reserve Component Selected Reserve End Strength Within 2% of the Fiscal Year Authorization (at the End of Each Quarter)

Reserve Component	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Authorized/Actual	FY 2005 Authorized/Actual[B]
Army National Guard	351, 829 (+0.4%)	351,078 (+0.3%)	351,089[A] (+0.3%)	350,000/342,918 (-2.0%)	350,000/330,312 (-5.6%)
Army Reserve	205,628 (+0.2%)	206,682 (+0.8%)	211,890 (+3.4%)	205,000/204,131 (-0.4%)	205,000/192,267 (-6.2%)
Navy Reserve	87,913 (-1.1%)	87,958 (+1.1%)	88,156 (+0.4%)	85,900/82,558 (-3.9%)	83,400/77,484 (-7.1%)
Marine Corps Reserve	39,810 (+0.6%)	39,905 (+0.9%)	41,046 (+3.8%)	39,600/39,644 (+0.1%)	39,600/40,318 (+1.8%)
Air National Guard	108,485 (+0.4%)	112,071a (+3.4%)	108,137 (+1.4%)	107,030/106,822 (-0.2%)	106,800/105,964 (-0.8%)
Air Force Reserve	74,869 (+0.7%)	76,632 (+2.6%)	74,754 (-1.1%)	75,800/75,322 (-0.6%)	76,100/75,499 (-0.8%)
Coast Guard Reserve	7,976 (-0.3%)	7,816 (-2.3%)	7,720 (-14.2%)	10,000/8,011 (-19.9%)	10,000/8,146 (-18.5%)

[A] Selected actual results for prior years were found to be in error and were updated in FY 2005.
[B] FY 2005 data are final as of the third quarter.

Metric Description

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

Performance Results for FY 2005

The President waived the end strength limitations during this time of national emergency. The Secretary has directed DoD components to attempt to meet the two percent criterion, though exceptions are authorized based on the operational situation. At the end of the third quarter, four DoD components are outside the prescribed two percent criterion as evaluated against the end of year authorization. Army National Guard, Army Reserve, Navy Reserve, and Coast Guard Reserve are under their authorizations. The primary reason for the shortfall in the two Army Reserve components is a shortfall in recruiting. The shortfall in the Navy Reserve is due primarily to budgeted and programmed Navy Reserve downsizing. This equated to a 2,500 reduction in FY 2005, and a planned reduction of about 10,000 for FY 2006. In addition, the Coast Guard Reserve shortfall is exaggerated because of certain strength accounting rules, which count 897 Reserve members in the Active Coast Guard strength. Additionally, the Coast Guard Reserve budgeted for an end strength of 9,000 instead of the Congressionally-authorized 10,000, which makes its end strength achievement appear even lower. Finally, the Coast Guard Reserve is part of the new Department of Homeland Security, not the DoD. Based on budgeted manpower ramps, the current end strength status may approximate year-end data.

Metric 1.2.4: Critical Skill Recruit Needs					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Percentage of accession mission met for all skills	No historical data; new metric			≥95% fill for all skills/3 of the 63 designated skills (5%) filled less than 95%	≥95% fill for all skills/22 of the 67 designated skills (33%) filled less than 95%
Accession missions for each skill are set by the Services based upon required manning levels in the current and future force and expected losses in training. Data was not collected for this metric prior to FY 2004. [A] FY 2005 data are final as of the third quarter.					

Metric Description

The Department is now implementing a "critical skill recruit needs" metric whereby Services will identify annually the 10 percent of their skills that are most critical for recruitment focus in the coming year. At this time, the metric is applied only to Active duty enlisted recruits. "Critical skill recruit needs" consist of a certain type of recruiting emphasis (e.g., enlistment bonuses, college funds, incentives to recruiters) and meet one or more of the following criteria:

- Crucial to combat readiness,
- Undermanned in the force,
- Unfilled class seats,
- High volume required,
- High entrance standards, and
- Undesirable duty.

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

The Department's overall readiness rating system, the Status of Resources and Training System, uses the following criteria for evaluating unit readiness with respect to skill match. The categories and percentages depict whether unit personnel have the skills to fit the unit's missions.

C1	Fully Mission Capable	85% or above
C2	Mostly Mission Capable	75% to 84%
C3	Major Parts Mission Capable	65% to 74%
C4	Some Parts Mission Capable	64% and below

Performance Results for FY 2005

At the end of the third quarter, 22 of 67 designated skills were filled to less than 95 percent. The challenging recruiting environment experienced thus far in FY 2005 is beginning to affect the depth of the critical skills shortage. In particular, the Army reports notable declines in a significant majority of critical skills. This more challenging recruiting environment may prove that targets, established in a favorable timeframe, are very ambitious. The DoD projects further decline for fourth quarter results.

Metric 1.2.5: Selected Reserve Component Enlisted Attrition Ceiling

Selected Reserve Component	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Army National Guard	20.0[B]	20.6[B]	18.1[B]	18.0/18.6[B]	19.5[B]/15.6
Army Reserve	27.4	24.6	22.1	28.6/22.6	28.6/17.2
Navy Reserve	27.6	26.5	26.5	36.0/28.2	36.0/23.9
Marine Corps Reserve	26.4	26.0	21.4	30.0/26.3	30.0/16.0
Air National Guard	9.6	7.3	12.7	12.0/11.5	12.0/7.8
Air Force Reserve	13.4	8.7	17.0	18.0/13.6	18.0/11.1

[A] FY 2005 data are final as of the third quarter.
[B] The ceiling for Army Reserve National Guard enlisted attrition has been corrected to reflect enlisted attrition only, vice the previously documented total (officer + enlisted) DoD component attrition ceiling.

Note: All numbers are percentages representing total losses divided by average strength.

Metric Description

The DoD uses attrition rather than retention rates to assess retention trends in the Reserve components. Attrition is computed by dividing total losses from the selected Reserve of a specific DoD component for a fiscal year by the average personnel strength of that component's selected Reserve for that year. This metric is preferable to retention rates because only a small portion of the Reserve component population is eligible for reenlistment during any given year. In addition to monitoring attrition, the DoD established annual attrition targets for Reserve component personnel. These targets, which took effect in FY 2000, represent the maximum number of losses deemed acceptable in a given fiscal year by establishing a ceiling for personnel departures. The attrition goal is actually a ceiling, which is not to be exceeded.

Performance Results for FY 2005

The Presidential Declaration of National Emergency by Reason of Certain Terrorist Threats and accompanying Executive Order, giving the Military Departments the authority to implement "stop loss" programs, remains in effect as the global war on terrorism and operations in Afghanistan and Iraq continue. The only Military Department that continues to use a "stop loss" program is the Army. Depending on the number of members mobilized, this influences attrition rates, since mobilized Army Reserve component members are subject to "stop loss" for the duration of their mobilization, plus a transition period of 90 days after demobilization. Through the end of the third quarter FY 2005, Reserve component enlisted attrition remained within acceptable limits. There is nothing remarkable or unexpected in attrition figures for FY 2005 to date. However, continued vigilance is prudent, especially considering the large number of forces supporting the ongoing contingency operations and the ongoing Army "stop loss" program.

Metric 1.2.6: Manning Level of Critical Skills					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
The percentage of skills that are deemed critical for retention relative to a DoD-wide benchmark.	No historical data; new metric		• Started to define critical skills • Services developed list of critical skills	• Established common definition for critical skill • Tested data collection	Began tracking the metric during the second quarter FY 2005.
[A] FY 2005 data are final as of the third quarter.					

Metric Description

The DoD is developing a way to measure its effectiveness at retaining the military skills most critical to its mission. To be designated as "critical," a skill must meet two tests: (1) it must be short of its targeted manning and (2) it must be critical to the Service's mission. As a first step, the Department established a common definition and metric to monitor critical skills across the Services. The next step is to test both data collection methods and the effectiveness of the metric in monitoring manning levels.

The Department defines a critical skill as a shortage skill (objective), plus a mission-critical skill (subjective). A shortage skill is either assigned less than authorized (quantitative) and or average grade experience is substantially different from desired experience (qualitative). These shortages are actual, projected, or have a past trend of historical shortages. A mission-critical skill meets at least one of the following criteria:

- Technical skills requiring notably above average training or replacement costs,
- Skills that are in high demand in the civilian sector,
- Skills that present recruiting challenging,
- Skills crucial to combat readiness, or
- A low-density high demand skill.

The metric monitors each Service's ability to retain members in its top10 critical skills for retention. If the Service retains 95 percent or more of its desired goal for a particular skill, it is considered "Green." If the

Service retains 86 percent to 94 percent of its goal for a particular skill, it is considered "Yellow." If it retains 85 percent or less of its goal for a particular skill, it is considered "Red." The Service's overall rating will be no higher than its lowest rated designated critical skill.

Performance Results for FY 2005

Each Service began reporting its most critical skills for retention in second quarter FY 2005. To allow visibility into the full array of issues presenting retention challenges (e.g., skills in high demand in the civilian sector), the DoD chose not to focus on a single criterion, but rather investigate a variety of potential issues. The DoD began using the metric during the second quarter; therefore year-end data is not available. The DoD will track this metric as a performance measure in FY 2006.

Metric 1.2.7: Active Component Enlisted Recruiting Quality

Category	FY 2001 Actual[A]	FY 2002 Actual[A]	FY 2003 Actual[A]	FY 2004 Target/ Actual	FY 2005 Target/ Actual[B]
Percentage of recruits holding high school diplomas (education tier 1)	93	94	95	≥ 90/95	≥ 90/94
Percentage of recruits in AFQT categories I–IIIA	66	70	72	≥ 60/73	≥ 60/72
Percentage of recruits in AFQT category IV	1	0.7	0.2	≤ 4/0.3	≤ 4/1.0

[A] Official High School Diploma Graduates performance excludes 4,000 participants in the Army's GED+ pilot program, therefore the actual numbers were adjusted to reflect this factor.
[B] FY 2005 data are final as of the third quarter.

Metric Description.

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

AFQT Test Categories and Corresponding Percentile Score Ranges

AFQT Category	Percentile Score Range
I	93-99
II	65-92
IIIA	50-64
IIIB	31-49
IV	10-30
V	1-9

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

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

Performance Results for FY 2005

All Active components, except Army, met or exceeded their third quarter recruiting quality goals. The Army is within one percent of the education tier 1 goal of 90 percent. Current Army drop in this metric during third quarter may indicate risk for FY 2005 outcome.

Metric 1.2.8: Reserve Component Enlisted Recruiting Quality

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[C]
Percentage of recruits holding high school diplomas (education tier 1)	89	89	87	≥ 90/87[A]	≥ 90/87
Percentage of recruits in AFQT categories I–IIIA	64	66	66	≥ 60/66[B]	≥ 60/65
Percentage of recruits in AFQT category IV	1	1.1	1.5	≤ 4/2.0	≤ 4/2.0

[A] Excludes Air National Guard; see discussion in Performance Results paragraph.
[B] Excludes Air National Guard; see discussion in Performance Results paragraph.
[C] FY 2005 data are final as of the third quarter.

Metric Description

Quality benchmarks for recruiting were established in 1992 based on a study conducted jointly by the DoD and the National Academy of Sciences. The study produced a model linking recruit quality and recruiting resources to the job performance of enlistees. As its minimum acceptable quality thresholds, the Department has adopted the following recruiting quality targets derived from the model: 90 percent in education tier 1 (primarily high school graduates), 60 percent in Armed Forces Qualification Test (AFQT) categories I–IIIA, and not more than 4 percent in AFQT category IV. Adhering to these benchmarks reduces personnel and training costs, while ensuring the force meets high performance standards.

AFQT Test Categories and Corresponding Percentile Score Ranges	
AFQT Category	Percentile Score Range
I	93-99
II	65-92
IIIA	50-64
IIIB	31-49
IV	10-30
V	1-9

Performance Results for FY 2005

All of the Reserve components except for the Army National Guard met or exceeded the category I-IIIA goal and the tier 1/high school diploma goal for enlisted recruit quality through the third quarter. However, there has been a slight decrease in quality throughout the year as the recruiting force continues to face significant challenges. There is increased emphasis on the non-prior service market as the number of individuals separating from Active duty service has declined (due in part to increased emphasis on retention in the regular forces) and fewer of those who are separating are affiliating with the Reserve components. Some of the data is drawn from data systems that are incomplete or known to contain errors. The Air National Guard continues to experience difficulties in reporting recruit quality data, but reports that a solution is near. Historically it has far exceeded the DoD benchmarks. The Army National Guard continues to struggle to meet the Department's quality benchmarks, and the Army National Guard recruit quality will likely continue to remain below the DoD benchmark.

Metric 1.2.9: Active Component Enlisted Recruiting Quantity					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target[A]/Actual[B]
Number of enlisted Active Component accessions	196,355	196,472	184,879	181,360/182,631	169,587/103,006

[A] FY 2005 target has changed since last report because of changes in requirements and recruiting behavior.
[B] FY 2005 data are final as of the third quarter.

Metric Description

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

Performance Results for FY 2005

All Active components, with the exception of the Army, are on track for meeting their goals. Army is showing signs of improvement, recruiting 507 more than its goal for June. However, Army's year-end goal is at risk.

Metric 1.2.10: Reserve Component Enlisted Recruiting Quantity					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[B]
Number of enlisted Reserve component accessions	141,023	147,129	133,075	126,410[A]/118,177	93,196/77,375

[A] Army Reserve and National Guard and Navy Reserve have adjusted their FY 2004 targets downward because trends changed during FY 2003. Therefore, the DoD-wide target decreased from the 139,523 previously reported to 126,410.
[B] FY 2005 data are final as of the third quarter.

Metric Description

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

Performance Results for FY 2005

Two of the six Reserve components achieved their recruiting objectives through the third quarter – the Marine Corps Reserve and the Air Force Reserve. The Army National Guard and Army Reserve fell short of their objectives and will likely not achieve their total year recruiting objectives. Recruiting challenges remain for all Reserve components. Enhanced recruiting and retention incentives are helping, and attrition is generally lower than programmed throughout the Reserve components. Through June 30, the Reserve components, taken together, are achieving just 83 percent of their recruiting objectives.

Metric 1.2.11: Retain Balanced Mix of Non-Commissioned Officer Grade/Experience					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Number of skills/experience deficiencies in top 10 enlisted occupational groups	No historical data; new metric		Services established a promotion-timing benchmark for 10 most critical enlisted occupational specialties	• Completed study of Service retention metrics • Began policy revisions to establish a tie between grade and experience	• Contracted a study to operationalize policy changes and align enlisted grade and experience pyramids • Developed metric • Completed the revision of directive on promotion timing.

[A] FY 2005 data are final as of the third quarter.

Metric Description

This metric will measure alignment, within certain occupational skill/groups, between by-grade requirements and the supply of experience emerging from promotion and retention programs, as well as promotion bottlenecks that operate against retention. The metric will monitor the top 10 enlisted occupational skills/groups that fall outside Service-defined promotion boundaries, time-in-service, time-in-grade, and/or promotion points. Annual goals are dynamic and can adjust from year to year. The goal for this metric is to avoid skill/experience deficiencies. This information is used to evaluate the DoD's experience/skill mix and to determine where emphasis should be placed in development, promotion, and retention programs.

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

Performance Results for FY 2005

In September, the revision of the DoD directive requiring the Services to establish baselines, goals, and metrics to determine promotion timing for enlisted grades in FY 2006 was approved; publication was pending as of the fourth quarter. The Department also has contracted the Center for Naval Analyses to make recommendations on how to (1) employ the new policy, (2) project the average experience at promotion 1-3 years in the future, and (3) provide the Services a methodology to establish the benchmarks and metrics. During FY 2006, the Services will establish a long-term baseline/goal to determine the promotion timing benchmark to help focus retention programs and evaluate outcomes. Promotion data is available now; however, the Services need to determine benchmarks for the occupations, such as time-in-service, time-in-grade at pin-on, or promotion points.

Performance Goals 1.3 - Maintain Reasonable Force Costs

Metric 1.3.1: Civilian Force Costs					
Civilian force costs (Current Year $000)	FY 2001 Actual[B]	FY 2002 Actual[C]	FY 2003 Actual[E]	FY 2004 Actual	FY 2005 Projected[F]
Total [A]	42,258,733	44,867,328	47,227,585	50,326,400	51,971,521
Basic pay	31,887,999	33,376,576	34,947,575	37,046,481	38,765,799
Premium pay [D]	1,985,502	—	—	—	—
Overtime pay	—	1,173,810	1,215,873	1,503,543	936,046
Holiday pay	—	53,772	46,787	66,610	62,161
Other pay	—	1,119,919	1,105,238	1,150,070	1,141,362
Benefit pay	8,066,742	8,822,937	9,501,778	10,276,114	10,895,709
Separation pay	318,490	320,049	410,333	283,582	170,444

[A] Totals may not add due to rounding error.
[B] FY 2001 data are from the DoD component summary of President's Budget FY 2003.
[C] FY 2002 data are from FY 2004 President's Budget.
[D] Premium pay includes overtime pay, holiday pay, and other pay. It was reported only as an aggregate number in FY 2001.
[E] FY 2003 through FY 2005 data are from FY 2005 President's Budget.
[F] FY 2005 data are projected based on FY2005 President's Budget, and includes actual results as of the second quarter.

Metric Description

In the past, civilian force costs reflected costs reported annually to the Office of Personnel Management (OPM). OPM's data were not timely, so in FY 2004, the DoD began using data from the President's Budget that provided a better source of past and present workforce cost. Consequently, premium pay costs after FY 2002 are presented with more specificity in the overtime, holiday, and other pay categories.

Although this metric provides only a broad overview of civilian compensation costs, it may become a baseline for evaluating National Security Personnel System costs. However, it is not an effective measure of the success of any individual personnel program or benefit. For example, additional benefit costs do not indicate successful use of recruitment or retention incentives. Increased recruitment bonus or retention allowance payment amounts would only reflect usage, not the change in recruitment or retention based on payment of the incentive.

The metric monitors trends in the following pay categories:

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

Performance Results for FY 2005

In FY 2005, civilian force cost continues a relatively slight upward trend. In constant dollar terms, the FY 2005 civilian payroll costs increased 1.7 percent from FY 2004 payroll costs. Simultaneously, the size of the workforce increased 1.2 percent, or 4,228 employees.

Metric 1.3.2: Community Quality of Life Per Capita Metric					
Community Quality of Life Per Capita Cost Metric (Current $)	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual[A]	FY 2005 Target/Actual (Budget)[B]
Army	$1,125	$1,180	$1,539	$1,559/$1,628	$1,581/(-$37)
Navy	$1,121	$1,269	$1,391	$1,409/$1,365	$1,429/(-$214)
Marine Corps	$812	$940	$1,018	$1,031/$1,103	$1,045/(+$47)
Air Force	$1,507	$1,580	$1,642	$1,663/$1,884	$1,687/(+$239)

[A] FY 2004 includes emergency supplemental funding.
[B] FY 2005 data are budget estimates in the FY 2006 President's Budget. Actual funding will not be available until the FY 2007 President's Budget is approved.

Metric Description

Quality of Life (QoL) Per Capita is one metric in a three-pronged approach that combines a QoL Social Compact Improvement Index and Commitment to Military Life Index to measure the health of QoL programs and services supporting military members and families. The QoL per capita metric responds to the National Security Presidential Directive, "Improving Quality of Life," and supports the Secretary's guidance that the Department track QoL improvements and give priority to the implementation of QoL initiatives. Current deployment and high personnel tempo necessitate robust QoL support for troops and families to ensure there is adequate support to ameliorate the stress associated with the military lifestyle, and to engender commitment to military service. The QoL per capita metric will monitor trends in the Department's QoL funding investment per active duty member over time. DoD will track individual Service progress towards sustaining or improving funding for critical QoL support.

The metric will calculate per capita cost using financial data submitted annually by the Services and annual Active duty end strength data. The majority of funding to support Service QoL activities is identified in specific budget and program exhibits submitted to the Office of the Secretary of Defense on an annual basis. The metric will correlate Active duty end strength with Service direct operation and maintenance funding for the following programs: morale; welfare and recreation; childcare; family centers; voluntary education and tuition assistance; and youth programs.

Performance Results for FY 2005

FY 2005 performance reflects preliminary data based on budget estimates in the FY 2006 President's Budget. Final performance results for FY 2005 will not be available until the FY 2007 President's Budget is approved.

The FY 2006 budget estimate reveals a decline in per capita funding for Army and Navy QoL programs. The DoD notes that these reductions are due to improved management practices, and will monitor these programs for potential impact on the support provided to troops and their families.

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

Metric 1.3.3: Cost of Basic Training					
Cost Indicator (Constant FY 2005 dollars)	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual[A]
Cost of basic training per enlisted recruit	$7,615.4	$8,491.9	$8,915.4	$11,359.9	$10,158.3

[A] FY 2005 data are estimated as of the third quarter.

Metric Description

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

Performance Results for FY 2005

Basic training costs rose from $1,660.8 million in FY 2001 to $1,990 million in FY 2005, a total increase of 19.8 percent. However, the Army's costs are projected to decrease significantly this year. The mobilization and deployment of large numbers of Army Reserve and National Guard soldiers for Operations Enduring Freedom and Iraqi Freedom required expansion of the training base and its infrastructure in FY 2004, including the construction of training barracks in Afghanistan and Iraq for operations. The removal of this expense drops the Army's projected costs to a more reasonable $811.2 million, a decrease of approximately 30 percent from the $1,147.9 million expended in FY 2004. At the same time, the number of recruits entering the system increased by 4.3 percent from 77,804 to 81,116.

Metric 1.3.4: Cost Per Enlisted Recruit - Active Component					
Cost Indicator (Constant FY 2005 dollars)	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual[B]
Cost per Recruit[A]	$12,202	$13,620	$14,361	$14,675	$14,750

[A] Methodology and data updated from the FY 2003 Performance and Accountability report.
[B] FY 2004 data are final as of the fourth quarter.

Metric Description

The metric is a performance indicator designed to analyze costs and trends over time, not set specific annual performance targets. Each year, the DoD enlists about 200,000 new recruits for the Active components. These new Service members provide entry-level manning necessary to meet manning and readiness needs. The cost of recruiting is calculated by dividing a Service's total number of accessions into the total expenditures for enlisted recruiting. These resources are made up of recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (vehicles, equipment, computers, supplies, and applicant's transportation, food and lodging, etc.), and other appropriations resources within the recruiting Command/Service (i.e., other procurement and research, development, test, and evaluation funding).

Performance Results for FY 2004

Cost per enlisted recruit is a macro-level performance indicator used to analyze Service programs. Recruiting costs are driven by a host of external variables, such as the state of the economy, unemployment, youth propensity to serve, the posture of the delayed-entry program, etc. After steady growth through FY 2002, this measure has stabilized in budgets at the FY 2003 level through FY 2004, and into the FY 2005 budget. However, with steep recruiting mission requirements for the Army in FYs 2004 and beyond, coupled with a strengthening economy, the DoD expects to see growth in this measure through supplemental appropriations and in-year reprogramming in FY 2005.

Metric 1.3.5: Cost Per Enlisted Recruit - Reserve Component				
Cost Indicator (Constant FY 2005 dollars)	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004[B] Actual
Cost per Recruit – Reserve	$7,065[A]	$6,636[A]	$7,773[A]	$11,369

[A] Methodology and data updated from the FY 2003 Performance and Accountability Report.
[B] FY 2004 data are final as of the fourth quarter.

Metric Description

The metric provides an indicator to analyze costs and trends over time, not to set annual targets for performance. Each year, the DoD enlists about 200,000 new recruits for the Active components and

approximately130,000 for the Reserve components. These new Service members provide the entry-level manning necessary to meet manning and readiness needs. The cost of recruiting is calculated by dividing a Service's total number of accessions into the total expenditures for enlisted recruiting. These resources are made up of recruiting personnel compensation, enlistment bonuses, college funds, advertising, communications, recruiting support (vehicles, equipment, computers, supplies and applicant's transportation, food, and lodging, etc.), and other appropriations resources within the recruiting Command/Service (i.e., other procurement and research, development, test, and evaluation funding).

Performance Results for FY 2004

The pressures of the global war on terrorism and the necessary focus of recruiting efforts on the non-prior service market have driven up sharply costs associated with Reserve recruiting. For example, from FY 2003 to FY 2004, funds dedicated to total Reserve recruiting increased as follows: college programs – $11 million; enlistment bonuses – $49 million; advertising – $59 million; and, recruiter support – $18 million. With continuing challenges and increased bonus authorities, recruiting costs will likely continue to climb.

Metric 1.3.6: Medical Cost Per Enrollee Per Month

Metric (Current $000)	FY 2000 Actual	FY 2001 Actual	FY 2002 Actual[B]	FY 2003 Actual[C]	FY 2004 Target/Actual[C]	FY 2005 Target/ Actual[D, E]
Medical cost per enrollee per month	No historical data; new metric[A]		$174	$192	$219/$206	$229/$222
Percentage change			N/A (first year data reported)	10.2%	≤ 14% / 7.3%	≤ 11%/ 11.4%

[A] Data used to calculate this metric were not available in FYs 1999 or 2000. Additionally, since the metric is based on rolling 12-month expenses from the Military Treatment Facilities, FY 2002 was first year when data could be reported.
[B] FY 2002 data have been updated to reflect additional purchased care claims and reallocation of pharmacy expenses in the calculation.
[C] The data for FYs 2003/2004 has been updated as of July 2005. The data is updated to reflect the most recent purchased care claims that have been adjudicated, a process that takes 3 years. The metric is expressed as a percentage; however, dollar amounts are shown for informational purposes.
[D] FY 2005 data are estimated as of the second quarter.
[E] FY 2005 actual data is for a 6-month period. $222 (FY 2005) is compared to $199.67 (similar period FY 2004) resulting in the actual percentage of 11.4%.

Metric Description

This metric looks at how well the Military Health System manages the care for those individuals who have chosen to enroll in a health maintenance organization-type of benefit. It is designed to capture aspects of three major management issues: (1) how efficiently the Military Treatment Facilities (MTF) provides care; (2) how efficiently the MTF manages the demand of its enrollees; and (3) how well the MTF determines which care should be produced inside the facility versus that purchased from a managed care support contractor. This aggregate measure helps to monitor how well the Military Health System is managing the care for TRICARE Prime enrollees. It looks at all Prime enrollees, whether at the MTF or with the health support services contractors. The overall measure can be broken into multiple components that allow for review of utilization factors for both direct care and purchased care, and unit cost information for direct care and purchased care. By reviewing this information, MTFs are able to determine the cost of providing care at the

MTF, and how many times the enrollees are receiving care. While the top-level measure is used to track overall performance, the detailed measures allow for review and management at the local level.

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

Performance Results for FY 2005

Due to delays in claims processing and medical records coding, this measure is delayed longer than other performance measures for reporting. Through the second quarter, the system is slightly above its annual goal (11.4 percent vs. ≤ 11 percent). Yet, because of changes that occurred in claims processing this year, it is expected that the most recent months are overstated, and performance is actually below the goal. In addition, current reporting through the second quarter is based largely on projected to completion data that will improve over time. The overall metric goal of equal to or less than 11 percent is based on the average premium increase in private sector plans for calendar year 2005.

Metric 1.3.7: Military Personnel Costs—Enlisted Pay Gap

Metric	FY 2001 Actual	FY 2002 Actual[B]	FY 2003 Actual	FY 2004 Target/Actual[B]	FY 2005 Target/Actual[C]
Percentage of enlisted pay gap closed [A]	23%	48%	61%	71%/73%	79%/88%
Percentage of remaining gap closed (annually)	N/A	31%	25%	33%	27%/54%

[A] Relative to FY 2000 baseline.
[B] Actual results for FY 2002 and FY 2004 changed from prior reports because the baseline for civilian wages was updated due to the availability of more recent data.
[C] FY 2005 data are final as of the fourth quarter.

Metric Description

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

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

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

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

Performance Results for FY 2005

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

Metric 1.3.8: TRICARE Prime Outpatient Market Share

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/ Actual[A]	FY 2005 Target/Actual[B]
TRICARE Prime outpatient market share (MTF enrolled)	84.4%	81.0%	75.1%	78%/71%	No longer reported

[A] This was a new measure for FY 2004. For FY 2004, the target is based on business plans received from Military Treatment Facilities and is contained in the Defense Health Program performance plan. Changes to the performance plan goals will result in changes to the goals for this metric.

[B] After further review of this modified measure, the value of reporting was found to be limited, and therefore this measure is being removed.

Metric Description

Outpatient encounters represent the majority of contacts between the Military Health System and its beneficiaries. This metric looks at how much of the care is delivered in the direct system rather than being purchased. Since there is a large fixed manpower cost related to the medical readiness mission, it is vital that resources are used efficiently and effectively.

Although medical care can be purchased at numerous locations throughout the United States and overseas, this measure focuses on enrollees in the United States because purchased care data are not available in

sufficient detail for overseas activities. Due to the extensive medical capabilities of the hospitals compared with ambulatory clinics, the market-share percentage will vary by Military Treatment Facilities and Military Service. Over the past couple of years, the downsizing of small hospitals into ambulatory care clinics has affected the clinical capabilities of these facilities, and market share has decreased. This reduction is expected to continue for several years until the direct-care system stabilizes.

Market-share percentages for the Services are shown based on direct-care workload compared to total purchased-care plus direct-care workload for TRICARE Prime enrollees. This metric will be based on relative value units to compare more accurately the relative complexity of care instead of just a visit count. To compensate for factors that cannot be controlled under current program rules, the metric was changed in FY 2004 to focus just on the Military Treatment Facilities' TRICARE Prime enrollees. Rules under the TRICARE Prime enrollee program provide more oversight for the facility in managing the overall health and utilization of this population.

Performance Results for FY 2005

Based on results from business plan execution for the first 2 years, the value of the measure is uncertain. In the future, when business plans become more stable, the measure may be reviewed again, but for the time being, this measure has been closed.

Metric 1.3.9: Primary Care Provider Productivity

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target[A]/Actual[B]
Relative value units per primary care provider per day	13.6	13.8	14.0	≥ 14.5/14.1	≥ 14.3/14.6

[A] FY 2005 target was reset to a yearly goal that would match the Defense Health Program performance plan for FY 2005. All future years goals will be updated on an annual basis.
[B] FY 2005 data are estimated as of the third quarter.

Metric Description

To run a premier health maintenance organization (HMO), the critical focus area is primary care. The primary care provider frequently represents the first medical interaction between the beneficiary and the HMO. In this role, the primary care provider is responsible for the majority of the preventive care to keep beneficiaries healthy and away from more costly specialty care. While the HMO has a goal to reduce the overall number of encounters per beneficiary, an additional goal is to ensure that the dollars spent on medical care are used efficiently.

The targets for this metric represent stretch goals that were instituted to move the organization forward, but were not achieved in FY 2003 or FY 2004. This metric looks at the complexity of care and the number of patients seen by the primary care providers each day, with a goal of increasing the complexity, number, or both, of patients seen each day by the provider. To measure the complexity of care, and not just the count of visits, the relative value unit is used. Developed by the Centers for Medicare and Medicaid Services, this measure

approximates the physician resources used during a visit. (For example, a returning visit by a patient with a simple problem might be 0.17 units, whereas arthroscopic surgery of the knee might be 16.00 units.) Due to the nature of this data reporting, the metric results will lag the actual performance by one quarter.

Performance Results for FY 2005

Prior to the beginning of the fiscal year, the performance target was adjusted to make the goal more realistic for annual performance, and to match the Defense Health Program performance plan for FY 2005. Instead of an increase of 1 relative value unit per primary care provider per day, the goal was adjusted to a .2 increase, a target that was viewed as more achievable by the Services. Based partially on that change, and an emphasis on provider productivity, two of the three Services showed immediate improvements as the fiscal year began. As of the third quarter, the last Service is also showing signs of improvement that will likely help it to achieve its goal. Assuming that performance levels remain steady, or continues to improve, the overall Military Health System will meet its goal for the year.

Metric 1.3.10: Total Costs for Contractor Support					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Trend data showing the percentage increase or decrease in costs associated with contract support	No historical data; new metric		Army assigned pilot program to contractor manpower and costs	Worked towards overcoming legal hurdles and developing processes to implement pilot program within Army	• Army began to determine DoD-wide applicability • Implemented pilot program within the Army
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

The contractor workforce is comprised of non-federally appointed individuals who form the third component of the Department's workforce, along with military members and civilian employees. Contractor costs will grow as the DoD continues its efforts to balance personnel investments by outsourcing non-core functions, allowing it to return military manpower slots to the kinds of operational tasks that only can be performed by a trained soldier, sailor, or Marine.

The purpose of the contract support cost indicator is to provide visibility into the total funding burden that contracted personnel render across the entire Department. To do this, the DoD must find ways to capture data about the contracted work performed, the associated costs, and the unit supported. This information is needed to satisfy fiscal accountability standards, as well to determine where contractor investments overlap, allowing DoD to propose alternative solutions, as needed.

Unfortunately, existing financial and procurement systems do not capture contractor workforce data such as direct labor hours, direct labor dollars, and the unit supported. The DoD is developing a systemic method to capture this data across the DoD; the final cost indicator will allow the Department to monitor the trends in contract investments in direct labor dollars for all Military Services.

In summer 2002, the Department approved an Army pilot program to capture contractor manpower and costs. The Army is testing a Contractor Manpower Reporting Application, documenting lessons learned, and developing a proposal for DoD-wide (Service-only) use. The Army pilot program and final proposal for DoD-wide applicability are scheduled for completion in September 2007; DoD-wide implementation is expected by 2008. Services may begin reporting total contracting support cost data in 2009.

Performance Results for FY 2005

The Secretary of the Army issued implementation guidance to include reporting requirements into applicable contracts. Contracting offices are implementing standardized contract workforce data as a line item in new Army contracts and the industry is populating the website for data collection. The Army plans to garner lessons learned and, based upon results, the Army staff will conduct a cross-Service working group to develop the DoD implementation instructions and negotiate legal and policy requirements.

Performance Goals 1.4 - Shape the Force of the Future

Metric 1.4.1: Active Component/Reserve Component Force Mix					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Benchmark of the proper balance between Active and Reserve component forces	No historical data; new metric		• Services determined spaces to be rebalanced • Services began rebalancing (rebalanced 22,486 spaces)	Services rebalanced 18,366 spaces	Services rebalanced 28,905 spaces
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

A December 2002 study of the proper mix of Active component/Reserve component forces concluded that the DoD could enhance capability overall military by rebalancing both components' force mix and mission assignments. The Secretary of Defense directed the Services to review their force structure and, where required, rebalance their forces to ease stress on the Guard and Reserve.

The Secretary provided the Services with two force structure planning objectives. They were: (1) rebalance forces to eliminate the involuntary mobilization of Reservists during the first 15 days of a rapid response operation, and (2) limit the involuntary mobilization of Reservists to no more than 1 year out of any 6-year period.

Ongoing Research

A study of the stress on the Reserve component forces examined all specialties mobilized for current military operations and comparing the data against previous operations and recent Presidential Reserve Call-ups

(Bosnia, Kosovo, and Southwest Asia). The study measured stress using three factors: (1) frequency of call-ups; (2) duration of call-ups; and (3) percentage of inventory used (i.e., how much of the force capability was employed). The results of this study helped inform the Services as to where rebalancing was needed.

The Department began tracking rebalancing actions in FY 2003. As the environment changes, the Services will review their force structure and, where applicable, take additional rebalancing actions. Although rebalancing is an iterative and continuous process, the rebalancing actions required to compensate for the transition from the Cold War to the global war on terrorism are scheduled to be completed by September 2010.

Performance Results for 2005

The DoD estimates that 28,905 spaces will be rebalanced in 2005 (pending end of year results from the Services). The Services have each reviewed their force structure and have submitted plans for rebalancing. The number and type of spaces rebalanced varies by Service. Current Service plans call for rebalancing to continue through FY 2010.

Metric 1.4.2: Civilian Human Resources Strategic Plan

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Percentage of Civilian Human Resources Strategic Plan tasks completed	No historical data; new metric	90% (26 of 29 tasks completed)	98% (40 of 41 tasks completed) (includes three FY 2002 carryover tasks)	80%/90% (54 of 60 tasks completed) (includes one FY 2003 carryover task)	80%/60% (20 tasks scheduled) (includes one FY 2004 rescheduled task)

[A] FY 2005 data are final as of the third quarter.

Metric Description

Good human capital management is one of the key tenets of the Department's transformation initiative. The DoD Civilian Human Resources Strategic Plan is the roadmap that provides direction and outlines the standards for achieving those transformational results. This plan links to agency mission and goals that cascade throughout the Department; progress is measured quarterly.

The DoD uses as a measure the number of tasks scheduled to the number completed on a quarterly and annual basis. A successful rating requires completing 80 percent of scheduled tasks annually. To provide more qualitative information about the overall effect of annual activities, the DoD is replacing task-dependent output measures with task-dependent outcome measures.

Performance Results for FY 2005

As of the third quarter, 12 of the 20 activities were completed. The Department expects to complete the remaining eight activities in the fourth quarter. The Civilian Human Resources Strategic Plan is being revised for FY 2006. The focus will be on analysis of DoD components' performance against specific metrics and standards than the current activity-based strategic plan.

Metric 1.4.3: Civilian Recruiting Cycle Time					
End-State Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY2005[A]**
Trend data to monitor the number of days appropriated fund positions are vacant.	No historical data; new metric		• Draft Performance Measures • Benchmark with Fortune 500	• Issue reporting requirements for measure • Integrate Office of Personnel Management reporting requirements into the DoD reporting requirements.	• Collected and validated data • Began to characterize results • Metrics will be applied to the data in the fourth quarter
[A] FY 2005 data are final as of the third quarter.					

Metric Description

This measure provides a standard metric and data collection method for evaluating the efficiency of civilian recruiting cycle time across the Department. It is linked to the Strategic Management of Human Capital initiative of the President's Management Agenda and benchmarked to the "time to fill" metric used by Fortune 500 companies. Once data is collected, the Department will be able to determine the average number of days from the date the position became vacant to the effective date of the placement action.

In 2004, the Office of Personnel Management (OPM) imposed a new requirement to report on its 45-day hiring model. The OPM model tracks the number of working days from the date the vacancy announcement closed to the date the job offer was made. Since the OPM 45-day hiring requirement is a subset of the DoD "Time to Fill Metric," the DoD plans to combine the DoD and OPM requirements into a single reporting requirement.

Performance Results for FY 2005

As of the third quarter, 71 percent of the Requests for Personnel Action were completed within 90 days from the initiation date to the effective date. Additionally, 12 percent were completed within 120 days, while the remaining 17 percent were completed 120-plus days.

Metric 1.4.4: Identify Future Critical Skills					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Outcome goals that establish standards for emerging critical skills	No historical data; new metric		• Established common definitions of critical fill needs • Considered alternative metric development	• Agreed to common definition of critical skills • Identified most critical needs for recruitment and retention	Services reported metrics on skills most critical to recruiting and retention
[A] FY 2005 data are final as of the fourth quarter.					

Metric Description

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

Ongoing Research

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

Performance Results for FY 2005

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

Metric 1.4.5: Implement New Reserve Component Management Paradigm					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
A new baseline for managing Reserve component forces	No historical data; new metric		• Established goals such as promoting volunteerism and reachback capabilities • Employed five initiatives geared to support creating a seamless flow between Active and Reserve components	• Introduced legislative proposals • Introduced linguist program	• Certain legislative proposals approved in National Defense Authorization Act • Continued to identify potential quantitative and/or qualitative metrics for implementation • Initiated / expanded various pilot programs

[A] FY 2005 data are final as of the third quarter.

Metric Description

A December 2002 review of the use of Reserve component forces proposed a concept of "continuum of service" that would allow a Reservist who normally trains 38 days per year to volunteer to move to full-time service for a period of time or some increased level of service between full-time and his or her normal Reserve component commitment, without abandoning civilian life. Similarly, an Active duty Service member could request transfer into the Reserve component for a period of time, or some status in between, without jeopardizing his or her full-time career and opportunity for promotion. Military retirees with hard-to-find skills could return on a flexible basis and create opportunities for others with specialized skills to serve. Some of the review's recommended initiatives will require legislative, policy, or regulatory changes and may take several years to implement.

The DoD's efforts are geared to support (1) creating a seamless flow between Active and Reserve components forces, (2) encouraging volunteerism and establishing new affiliation programs, (3) simplifying rules for accessing, employing, and separating Reserve component personnel, (4) increasing flexibility of the Reserve component compensation system, and (5) enhancing combined Active and Reserve component career development.

The DoD has not settled on a means of measuring the success of this new concept. Possible ways to measure this metric are (1) establishing specific measures for each approved and initiated program, (2) compiling results of each specific program evaluation into a single comprehensive measure, and (3) percentage of legislative proposals approved. Efforts to determine valid, useful performance measures will continue as the DoD moves forward with these multiple initiatives.

Performance Results for FY 2005

Numerous efforts have been either newly initiated or expanded from last year. The direct accession/lateral entry program has been evaluated via a report to Congress and is being considered for expansion in certain areas; the civilian employment information effort has been implemented, to include gathering information and population of a database in accordance with specific quantitative goals.

Regarding legislation, about 80 percent of proposed legislative changes have been approved and incorporated into the FY 2005 National Defense Authorization Act, including:

- Elimination of the "180-day" rule; creation of the "operational support" accounting category,
- Enhanced bonuses for language skills, and
- Changed "purpose" of the Reserve components.

Metric 1.4.6: Meeting Civilian Critical Fill Goals					
Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY2005[A]
Number of critical positions encumbered as compared to number of critical positions authorized equals percentage	No historical data; new metric		• Reviewed previously identified DoD critical positions, by core mission and critical support occupations • Issued reporting requirements	Analyzed data at the DoD and component level	Explore automated alternatives for collection of authorized data

[A] FY 2005 data are final as of the third quarter.

Metric Description

This measure monitors the fill rate of critical positions by core mission occupations and critical support occupations. Core mission occupations, supported by critical support occupations, are an indicator of the Department's ability to accomplish its mission over the long term. Fill rate is an integral part of human capital management. As early as 1999, the U.S. Government Accountability Office asked the DoD to list core mission and critical support occupations. The DoD subsequently surveyed the Military Departments and Defense Agencies and identified 13 core mission occupations and 23 critical support occupations. The DoD is working with the Defense Manpower Data Center to develop a system to account accurately for manpower data.

Performance Results for FY 2005

Based on the metrics implemented in the third quarter of FY 2005, the overall fill rate for core mission occupations was 108.8 percent and critical support occupations was 108.1 percent. Next year, the DoD will refine this metric.

Metric 1.4.7: Military Human Resources Strategic Plan					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/ Actual	FY 2005 Target/Actual[B]
Percentage of scheduled tasks completed	No historical data; new metric	1	7	8/8 (80%/100%)[A]	9/5 (56%)

[A] In 2002, 25 funded or in-house studies were programmed to be completed by the end of FY 2005. However, in 2003, this metric was changed to be consistent with the Civilian Human Resource Strategic Plan metric. Beginning with FY 2004, the measure is the percentage of tasks (funded or in-house) scheduled for completion that the DoD completed during the fiscal year.
[B] FY 2005 data are final as of the third quarter.

Metric Description

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

The Military Human Resources Strategic Plan has six main goals:

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

Each goal has subordinate objectives and actions. As studies of new ideas or proposals are completed, one of four actions is taken (1) the idea is abandoned (typically, because it is ineffective or inefficient), (2) legislation is requested to implement the idea, (3) the idea is implemented and applicable metrics established, or (4) the idea scheduled for further study.

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

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

Performance Results for FY 2005

By the end of the third quarter, the DoD had completed five of nine scheduled studies and plans to complete all nine by the end of the year. The completed studies (1) developed a critical skills metric for retention, (2) evaluated the utility and availability of non-monetary incentives to support retention efforts, (3) evaluated an indefinite reenlistment option, and (4) developed policies and programs to facilitate the seamless transfer of members from the Active to the Reserve component and vice-versa.

Metric 1.4.8: Optimal Officer Career Patterns					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
Percentage of officers on optimal career path for retention	No historical data; new metric		• Phase I of RAND study complete • Started Phase II	Published Phase I report	Complete Phase II draft report
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

The Military Personnel Human Resources Strategic Plan requires Military Personnel Policy to "conduct studies on officer career and promotion management that will extend time in job and service tenure." The DoD commissioned a study to assess management and policy implications of potential changes in officer career management. Legislative action will be required to implement such changes. RAND is conducting a study to develop alternative management processes, plans, and policies that consider:

- The cap on officer career lengths,
- The feasibility and advisability of longer assignments,
- The effects of different grade and position tenures on retention or performance,
- Past officer assignment length patterns,
- Patterns of promotion and career tenure,
- Existing system dynamics military manpower models to reflect selected changes to current officer management,
- The implications of selected changes to policy for officers' career paths, and
- The need for different or additional compensation and incentives to support any changes in existing personnel practices.

Phase I addressed General and Flag Officer careers; Phase II is addressing careers of officers in the grade of colonel and below. After Phase II is complete, the DoD will develop an implementation plan with appropriate metrics that may depend on legislative and policy changes.

The Phase I report was published in January 2004. The Phase II study began at the end of FY 2003; the final report, "Future Officer Force Modeling and Analysis," was expected by the end FY 2005. As appropriate, policy or legislative changes will be compiled in FYs 2006 and 2007, and metrics developed in FY 2007. The timeline has slipped because the scope of the project was increased to include Air Force and Marine communities, in addition to Army and Navy communities. The scope was expanded to investigate the effects of competency-based management on career patterns.

Performance Results for FY 2005

Two Phase II communities have been modeled in FY 2005: (1) Air Force Space and Missile and (2) Marine Corps officers. Progress reports were completed in January and May 2005. The Phase II draft report is scheduled for completion in early FY 2006.

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

Performance Goal 2.1 – Maintain Force Readiness (Are Our Forces Currently Ready?)

Metric 2.1.1: Adaptive Planning					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Percentage of deliberate and crisis plans networked as "living plans" in a collaborative joint command and control environment	No historical data; new metric		Tested prototype of adaptive planning tool	Approved adaptive planning concept and matured operational prototype	• Adaptive planning used on select plans in Contingency Planning Guidance • Adaptive planning used to develop three deliberate warplans • Roadmap written, staffed and approved for implementation • Initiation phase started • Volume 1 of guidance rewritten and distributed for planner level staffing with Adaptive Planning concept incorporated

[A] FY 2005 data are estimated as of the fourth quarter.

Metric Description

As a result of a Combatant Commander's conference, the Secretary of Defense directed the Chairman of the Joint Chiefs of Staff to develop a new system to replace existing deliberate and crisis planning methods. The goal is to produce plans that are more timely, adaptive, and responsive to the current security environment, providing relevant options to the President and Secretary of Defense. The long-term goal is to have a networked capability to produce plans on demand via the Global Information Grid by 2008.

Adaptive planning will be implemented in three phases. The initiation phase (now through FY 2006) will deploy new tools and exercise portions of the adaptive planning construct on select priority plans. The implementation phase (FYs 2006 - 2008) will produce electronic plans for all contingencies in a collaborative joint command and control environment. The integration phase (beyond FY 2008) will produce and continually update "living" plans in a collaborative environment.

The Chairman established an implementation working group to provide direction to adaptive planning activities, actions, and procedures. The DoD continues to test and refine the web-based Collaborative Force Analysis, Sustainment and Transportation tool to build campaign plans. This tool provides a portal-accessible family of 30-plus web-enabled applications in an operational planning environment. Additional tools also are under consideration. Adaptive Planning efforts continue to be synchronized with numerous other Department transformational initiatives.

Performance Results for FY 2005

The DoD prepared an Adaptive Planning Roadmap.

Metric 2.1.2: Analytic Baselines					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Number and quality of analytic baselines used to support the Quadrennial Defense Review and other major Department studies	No historical data; new metric		Developed two future baselines	Developed two current and two future baselines	Developed/updated two current and three future-year analytic baselines
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

The Secretary of Defense directed that the DoD create a foundation for strategic analyses that relied on common scenarios and data. These analytic baselines are intended to help provide senior staff with responsive and analytically sound insights to help them make decisions on joint warfighting issues and policy. They accomplish this by establishing common starting points (scenarios and data) for the Department's major studies: the current-year analytic baselines accelerate the deliberate planning process and are based on existing Combatant Commander war planning efforts and concepts of operation; future-year analytic baselines are used in analyses of alternatives and major studies such as the Mobility Capabilities Study. Department-wide studies such as Operational Availability FY05 are often used to develop the analytic baselines. The Joint Staff is currently conducting Operational Availability 2006 in support of the 2005 Quadrennial Defense Review.

Performance Results for FY 2005

As of the third quarter, two Combatant Commands developed and released current-year analytic baselines and the Office of Program Analysis and Evaluation provided two updated and one new future-year analytic baseline.

Metric 2.1.3: Operational Lessons Learned					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Percentage of lessons-learned captured, analyzed, and implemented to improve joint warfighting capabilities.	No historical data; new metric	Chairman of the Joint Chiefs of Staff, released lessons learned development concept to U.S. Joint Forces Command	Secretary of Defense released the DoD Training Transformation Implementation Plan	Approved enhanced Joint Lessons Learned Program Study	Completed Block 1 projected outcomes
[A] FY 2005 data are final as of the fourth quarter.					

Metric Description

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

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

Performance Results for FY 2005

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

Metric 2.1.4: DoD Readiness Reporting System Implementation				
End-state Metric (New Baseline)	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
A new DoD-wide readiness reporting system	No historical data; new metric	Awarded development contract	• Reached initial operating capability • Conducted technical capability review • Provided an operational version	• Expanded force management query capabilities with nascent business intelligence applications • Expanded scope of resource data • Joint Task Force assessment application reached initial operating capability • Published Serial 1 and 2 guidance governing identification of data sources, reporting processes, and transition from legacy reporting systems

[A] FY 2005 data are final as of the fourth quarter.

Metric Description

The 2001 Quadrennial Defense Review directed the DoD to change fundamentally the way force readiness issues are measured, reported, and resolved. The DoD Directive 7730.65, "DoD Readiness Reporting

System," launched a series of important changes to policy and procedures to develop and field a new readiness reporting and assessment system. When mature, this system will provide a capabilities-based, adaptive, near-real-time readiness reporting system for all military units. Readiness will be assessed from the perspective of the Combatant Commanders. This is important because Combatant Commanders describe their roles and responsibilities in terms of mission essential tasks and assigned missions or core tasks first, and then assess their ability to conduct these tasks. The system concept has been validated with a proof of concept demonstration; a development team is now in the process of designing and fielding an enhanced version of the Department's decades-old Status of Resources and Training System, called the Enhanced Status of Resources and Training System. The Under Secretary of Defense (Personnel and Readiness) is managing a comprehensive research effort being conducted by two primary contractors. The system achieved initial operational capability by the end of FY 2004; full operational capability is expected by the end of 2007.

Performance Results for FY 2005

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

Performance Goal 2.2 - Ensure Superior Capabilities Exist to Succeed (Are Our Forces Postured to Succeed?)

Metric 2.2.1: Global Force Management					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
Real-time operational availability and risk assessment to guide decisions on how to source joint force capabilities	No historical data; new metric		Developed Global Force Management construct	• Established Force Management Functional Capabilities Board • Tested prototype process to source FY 2005-2006 commitment	• Executed five Boards • Global Force Management process codified in guidance • Integrate capabilities based methodology with automated tools • Started conducting Capabilities Based Assessment to determine automated tools requirements needed to support • Started developing Global Force Management data prototype to define business rules and demonstrate force structure data accessible and visible in a net-centric environment

[A] FY 2005 data are final as of the fourth quarter.

Metric Description

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

Several ongoing initiatives support of Global Force Management. The Joint Staff is leading the data initiative to standardize and web-enable Service and Combatant Command force structure data, as a key enabler to reliable, visible, and responsive global force availability information. This initiative is expected to achieve initial operational capability by FY 2006. The U.S. Joint Forces Command is the primary joint force provider and thus the single voice to source Combatant Command requirements. To assist, the Joint Staff is leading a capabilities-based assessment to define the capabilities needed for global visibility as primary joint force provider. A final initiative is the codification of the Global Force Management Board to establish the roles, missions, and functions of this board that will support the process.

Performance Results for FY 2005

The Secretary of Defense approved the processes in the Global Force Management guidance in May. The DoD also executed five Global Force Management Boards, which are Joint Staff-led study teams that support the Global Force Management process.

Metric 2.2.2: Theater Security Cooperation					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Annual assessment of how theater security cooperation plans are contributing to the DoD strategic goals	No historical data; new metric		• Initial security cooperation guidance developed and approved • Combatant Commands and Services developed strategies	• FY 2005 plans completed • FY 2004 strategies successfully completed	• Review Security Cooperation Guidance with new global war on terrorism focus • Combatant Command/Service plans completed

[A] FY 2005 data are final as of the third quarter.

Metric Description

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

The DoD is researching appropriate assessment metrics to determine effectiveness of the security cooperation program, and evaluating the capabilities required for security cooperation. This analysis will shape an associated Joint Operating Concept. Initial metrics are slated for completion during FY 2005, in time to be used to develop the FY 2006 plans.

Performance Results for FY 2005

In FY 2005, the Security Cooperation Guidance was rewritten to focus on global war on terrorism themes oriented around the National Defense Strategy framework (assure, dissuade, deter, defeat). Under this schema, 18 objectives are organized to encompass all the DoD efforts with foreign military organizations. The FY 2004 assessment inputs from Combatant Commands served to inform the latest draft of the Security Cooperation Guidance and will inform the upcoming FY 2005 assessments. While all Combatant Commands, Services, and selected Defense Agencies must produce Security Cooperation Strategies and Plans, only Geographic Combatant Commands were required to submit assessments for FY 2005.

Performance Goal 2.3 – Align Forces Consistent with Strategic Priorities (Are Our Forces Employed Consistently With Our Strategic Priorities?)

Metric 2.3.1: Joint Concepts					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Number of concepts approved to link strategic guidance to warfighting capabilities	No historical data; new metric		Joint Operations Concepts construct approved	Joint Chiefs of Staff endorsed two of four Joint Operating Concepts; attributes of five functional concepts approved	• Last two of four Joint Operating Concepts endorsed; Secretary of Defense approved all four • Joint Chiefs of Staff approved Capstone Concept for Joint Operations

[A] FY 2005 data are final as of the fourth quarter.

Metric Description

Joint concepts provide the operational context for the transformation of the armed forces by bridging the gap between strategic guidance and the DoD's resourcing strategy for capabilities. The Joint Operations Concepts family consists of a Capstone Concept for Joint Operations, Joint Operating Concepts, Joint Functional Concepts, and Joint Integrating Concepts.

The Capstone is the overarching concept that guides the development of future joint capabilities and leads force development and employment, primarily by providing a broad description of how the future joint force will operate across the range of military operations. It applies to operations around the globe conducted unilaterally or in conjunction with multinational military partners and other government and non-government agencies. It envisions military operations conducted within a national strategy that incorporates all instruments of national power. The three joint concepts are interwoven and describe how a Joint Force Commander, 8 – 20 years in the future, is expected to manage various aspects of a Command.

The Joint Operations Concept prescribes operations within a military campaign, linking end states, objectives, and effects. It identifies the broad capabilities considered essential for implementing the concept, including Major Combat Operations, Homeland Security, Strategic Deterrence, and Stability Operations.

A Joint Functional Concept prescribes performance of a broad military function across the full range of military operations. It identifies the capabilities required to support joint force operations and the attributes needed to compare capability alternatives and measure achievement, including Force Application, Force Protection, Focused Logistics, Force Management, Battlespace Awareness, Command and Control, Joint Training, and Net-Centric.

A Joint Integrating Concept prescribes performance of a specific operation or function derived from an operating or functional concept. These are narrowly scoped to identify, describe, and apply specific capabilities, decomposing them into the fundamental tasks, conditions, and standards required to conduct a capabilities-based assessment, and include Global Strike; Joint Logistics Distribution; Joint Command and Control; Seabasing; Integrated Air and Missile Defense; Joint Undersea Superiority; Joint Forcible Entry Operations.

Performance Results for FY 2005

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

Metric 2.3.2: Enhanced Planning Process					
End-state Metric (New Analytic Baseline)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
An annual assessment of issues and alternatives for providing the Department's highest priority joint capabilities.	No historical data; new metric			• Enhanced Planning Process chartered by Secretary of Defense • Resource guidance captures results	The Enhanced Planning Process was not conducted during FY 2005
[A] FY 2005 data are final as of the fourth quarter.					

Metric Description

For the first time in FY 2004, major planning and resource issues presented for decision to the Secretary of Defense were formulated and assessed via the Enhanced Planning Process, an enhanced collaborative joint planning process. By considering needs and costs simultaneously, the process enabled cost-effective programmatic options for achieving the Department's strategic policy objectives. The process underpins the framework of an executable Joint Programming Guidance, which provides the shared planning and resource assumptions used in the annual updates to the Defense program and budget.

Performance Results for FY 2005

An analytic baseline is being developed in concert with the Chairman of the Joint Chiefs of Staff and the Under Secretary of Defense (Policy). This baseline will establish common planning assumptions to be used in warfighting models, acquisition analysis, and other shared analysis tools.

The Enhanced Planning Process was not conducted during FY 2005.

Performance Goal 2.4 – Transition Forces Rapidly to Meet New Threats (Do We Have the Right Forces Available?)

Metric 2.4.1: Operational Availability					
End-state Metric (New Baseline)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Integrated data and management systems that can be used to assess percentage of force ready for specific joint tasks	No historical data; new metric			• Tested prototype process for Global Force Management system • Approved adaptive planning concept and prototype • Developed two current and two future analytic baselines	• Began Global Force Management prototype development • Updated all warfight analytical baselines and built baseline security posture baseline • Used baselines in the DoD capability assessments (e.g., mobility capabilities study, and aerial refueling)
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

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

To meet these new missions, and to hedge against an uncertain future, the DoD is developing a broader portfolio of capabilities, and realigning forces using a building-block approach to match those capability portfolios with mission goals. Among the most important are:

- Global Force Management. This initiative will provide a database and management system that can be used to monitor U.S. force postures worldwide. It will account for ongoing operations and constantly changing unit availability, and will allow the DoD to allocate the right force for specific missions, at the right place and time.
- Adaptive Planning. The DoD's goal is to produce war and contingency plans that are more timely, adaptive, and responsive to the current security environment, thus providing relevant options to the President and Secretary of Defense. The Department plans to have a networked capability to produce plans on demand via the Global Information Grid by 2008.
- Analytic Baselines. To guide analysis for both the near- and far-term, the DoD is creating a set of common scenarios and data. These analytic baselines will underpin strategic assessments, and guide decisions on joint warfighting issues and policy.

Performance Results for FY 2005

The Strategic Planning Guidance directed the Chairman of the Joint Chiefs of Staff to develop a joint hierarchical way to organize force structure data for integration across Service lines. The Global Force Management data initiative defines how the DoD will electronically document force structure in a hierarchical way and make data transparent and easily accessible to users in a net-centric environment. This initiative will transform the Department by solving the data accuracy and standardization issues and is based on the premise that everything relates to force structure. The DoD completed three analytical baselines and created a security posture baseline. These documents were used in assessments of DoD's mobility and aerial refueling capabilities.

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

Performance Goal 3.1 - Improve the Readiness and Quality of Key Facilities

Metric 3.1.1: Base Realignment and Closure (BRAC) in FY 2005					
End-state Metric (New Baseline)	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
A new DoD facility footprint	BRAC cited as a key element of the DoD transformation	Legislative authority for BRAC established	• 2005 BRAC authorized by the Secretary of Defense • Management structure and seven joint cross-service groups established	• Final selection criteria established • Data collection and certification begun	• Presented final recommendations to independent Commission and Congress (May 2005) • Commission provides its recommendation to President • Congress reviews BRAC recommendations

[A] FY 2005 data are estimated as of the fourth quarter.

Metric Description

To shift defense planning from the "threat-based" model that had dominated thinking in the past to a "capabilities-based" model for the future, the DoD persuaded Congress to grant authority in the FY 2002 National Defense Authorization Act for another Base Realignment and Closure (BRAC) process in 2005.

The BRAC 2005 guidance outlined the expectations and importance of reshaping the DoD's infrastructure to better support future force structure. It established two senior-level groups to manage and oversee the process, provided for the analysis of common business-oriented functions separate from Service-unique functions, and required specific functional recommendations to undergo joint analysis within 150 days.

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

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

Performance Results for FY 2005

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

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

Metric 3.1.2: Eliminate Inadequate Family Housing by 2007

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003[C] Actual	FY 2004[C] Target/Actual	FY 2005[B, D] Projected
Number of inadequate family housing units	170,314	143,608	140,641	93,294/117,615	67,079
Percentage of total family housing units[A]	59	53	51	48	41

[A] Targets are not established for the percentage of total family housing units.
[B] Targets are based on Service military construction and family housing budget estimates for FY 2006.
[C] Actual results are updated based on subsequent budget changes and progress in planned military construction projects, demolitions, and divestitures. Results generally are final after two budget cycles.
[D] FY 2005 data are estimated as of the fourth quarter.

Metric Description

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

Performance Results for FY 2005

Through the end of the third quarter, approximately 22,000 inadequate units have been eliminated through privatization. Final results for FY 2005 will not be available until the President's Budget for FY 2007 is submitted to Congress in February 2006.

Metric 3.1.3: Fund to a 67-year Recapitalization Rate					
Metrics	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004[A] Actual	FY 2005 Actual[E]
Facilities Recapitalization Metric (years)	192	101	149[C]	136[D]	104
Facilities Sustainment Model (percent)	70%[B]	89%[B]	93%	94%	95%

[A] Three Defense Agencies (Defense Logistics Agency, DoD Education Activity, and TRICARE Medical Activity) included beginning in FY 2004, but excluded in previous years.
[B] Estimated (the Facilities Sustainment Model was first fielded in FY 2003).
[C] The FY 2003 data are as of the FY 2003 President's Budget.
[D] The FY 2004 data are as of the FY 2004 President's Budget.
[E] The FY 2005 data are as of the FY 2005 President's Budget.

Metric Description

The facilities recapitalization metric measures the rate at which an inventory of facilities is being recapitalized. The term "recapitalization" means to restore or modernize facilities. Recapitalization may (or may not) involve total replacement of individual facilities; recapitalization often occurs incrementally over time without a complete replacement.

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

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

The recapitalization rate is compared to service life benchmarks for various types of facilities. For example, the expected service life of a pier is 75 years, and the expected service life of a dental clinic is 50 years (provided the facilities are fully sustained during that time). The average of all the expected service life benchmarks, weighted by the value of the facilities represented by each benchmark, is 67 years. Weighting is required to normalize the expected service life. For example, without weighting, 50 years is the expected service life of a hypothetical inventory consisting of administrative buildings (75-year expected service life) and fences (25-year expected service life). But fences are insignificant compared to administrative buildings—the DoD has $22 billion worth of administrative buildings, but only $3 billion worth of fences and related structures—and should not have equal weight. The expected service life of this hypothetical inventory of buildings and fences when weighted by plant replacement value is 68 years, not 50 years.

For evaluating planned performance, both metrics are converted to dollars (annual funding requirements) and compared to funded programs. The sustainment rate can be measured through execution; the recapitalization rate, which is primarily—but not exclusively—a function of multi-year military construction appropriations, is not tracked for execution on an annual basis.

These metrics do not capture "actual" expenditures as the term "actual" is normally understood. For recapitalization, there is no reporting process for determining the "actual" (i.e., executed) recapitalization rate in a given year, and there is little reason to do so. Appropriations for military construction projects—which make up the bulk of the recapitalization investment—are good for 5 years and are typically executed over more than 1 year. Additionally, Congressional adds, rescissions, reprogramming, and late project adjustments all alter the "actual" recapitalization rate. There is no system yet to capture these changes at the DoD level, and an annual rate of execution for military construction appropriations has little meaning.

For sustainment, a system is in place to capture the "actual" sustainment expenditure at the DoD component level. That system has been refined since its inception in FY 2003, and the results have been made increasingly reliable. Currently, a process is being implemented that will enable the Department to distinguish between sustainment for facilities included in the budgeted DoD sustainment requirement and those that are not. This essential distinction has been blurred by the war on terrorism and global repositioning which have skewed execution results. The new process will allow for sustainment of facilities not captured in the sustainment requirement to be accounted for independently of sustainment for facilities that are captured in the requirement.

Performance Results for FY 2005

Achieving a 104-year recapitalization rate and a 95 percent sustainment rate show improvement from the FY 2004 levels of a 136-year recapitalization rate and 94 percent for sustainment. In addition to the overall improvement in performance results in FY 2005, efforts to improve the fidelity and accuracy of the tools and metrics also continued. For example, the unit costs for sustainment, with specific emphasis on utilities systems, were updated and refined using the best information available. In addition, an initiative to develop a more robust model to upgrade the existing metric for facilities recapitalization was completed. When implemented, the upgraded model will provide a more precise expected service life for each Defense component, as opposed to the "one-size-fits-all" metric of 67 years. Efforts were also initiated to improve the accuracy of the model by capturing the net effect of adding and eliminating capacity. Additionally, actions were initiated to expand the facilities metrics to areas not currently included such as family housing, test and evaluation, and industrial facilities.

While the tools and metrics are being refined continuously, there are still concerns that continuing to fall short of the targets of a 67-year recapitalization rate and full sustainment results in less than a full service life and reduced utility and performance of the Department's facilities. As a result of not achieving a 67-year recapitalization rate, for example, obsolescence in the facilities inventories increases. The cumulative and compounding effect of these shortfalls is measured by the number of deteriorated, obsolete, or otherwise inadequate facilities. The Department's goal for sustainment remains full sustainment each year; a five percent

shortfall in programmed sustainment in FY 2005 cannot be offset with five percent overage in FY 2006. Furthermore, the goal for recapitalization remains 67 years on average, even though past performance already has reduced the service life of the facilities inventory. The direct effect of inadequate funding for sustainment and recapitalization is reflected in an accelerated recapitalization rate that is required to restore readiness to adequate levels by 2010.

Metric 3.1.4: Restore Readiness of Key Facilities by 2010					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Percentage of the DoD facilities restored to a high state of military readiness	No historical data; new metric		Chartered effort to standardize facility records and improve Installations Readiness Report summaries	• Implemented revised condition reporting process • Began Installations Readiness Report re-engineering • Conducted a special study to determine whether the FY 2010 goal is still viable	• Initiated independent verification and validation study of new condition ratings • Incorporated "Q" ratings into the new Office of Management and Budget-directed federal real property requirements • Continued Installations Readiness Report re-engineering with creation of multi-component integration panel

[A] FY 2005 data are final as of the fourth quarter.

Metric Description

This goal is to restore the readiness of existing facilities to at least C-2, on average, by the end of 2010 (C-2 is the DoD's readiness rating defined as "some facility deficiencies with limited impact on capability to perform missions"). In FY 2004, the Department initiated a two-pronged approach to refine the methodology for evaluating and reporting the condition of the facilities inventory, which continued in FY 2005. First, evaluation of the condition of facilities has been improved by adoption of the "Q" rating, a standardized indicator of restoration and modernization requirements associated with an individual facility record in the inventory. These ratings will allow consistent programmatic analysis of funding needs directly from the real property inventory. In addition, the "Q" rating is consistent with new federal-wide reporting requirements issued in FY 2005 by the Office of Management and Budget and the Federal Real Property Council. Second, assessment of the impact of facility condition on unit readiness is being enhanced through integration of facilities directly into the larger Defense Readiness Reporting System, in which facilities will be considered as resources, just as personnel and equipment are currently viewed.

Defense components are now implementing the revised condition reporting methodology ("Q" ratings) for their facilities portfolios (consisting of more than 500,000 individual facility records). The rate of completion is not equal across all Defense components, however, at the end of FY 2006 the Department should have complete ratings for all seven of the largest Defense components. As part of this process, an independent verification and validation of the "Q" ratings project was launched in FY 2005 and will be complete in FY 2006.

Performance Results for FY 2005

During FY 2005, the Department:

- Completed condition ratings ("Q" ratings) for a large portion of the facilities inventory including Army, Air Force, Defense Logistics Agency, and the DoD Education Activity,
- Initiated a study to validate and verify the new condition rating ("Q" rating) across the DoD,
- Developed definitions for mission dependency index ratings consistent with Federal Real Property Council guidance, and
- Established a multi-component/multi-functional working group to oversee the integration of facilities into the Defense Readiness Reporting System. This group has developed a viable working concept and is crossing traditional "stovepipe" organizations.

Performance Goal 3.2 - Manage Overhead and Indirect Costs

Metric 3.2.1: Reduce Percentage of DoD Budget Spent on Infrastructure					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005[A] Projected
Percentage of DoD budget spent on infrastructure	46	44	42	41/42	42

[A] This is a lagged indicator. Projections based on the FY 2006 President's Budget Future Years Defense Program.

Metric Description

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

Performance Results for FY 2004

The DoD allocated approximately 42 percent of total obligational authority to infrastructure activities in FY 2004, about the same as the preceding year. The Department continues to maintain its allocation of resources to forces fighting the global war on terrorism and meeting other operational requirements. Infrastructure requirements have decreased due to reform initiatives, including savings from previous base realignment and

closure rounds, strategic and competitive sourcing initiatives, and privatization and reengineering efforts. The DoD expects infrastructure expenditures to continue to decrease as a share of the Defense budget in FY 2005 and FY 2006.

Metric 3.2.2: Link Defense Resources to Key Performance Goals					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Common resource data lexicon	No historical data; new metric			Developed draft data framework and common business rules	Establish a more flexible lexicon that supports various types of reporting and analysis
[A] The FY 2005 data are estimated as of the fourth quarter					

Metric Description

In FY 2003, the DoD opened a program office to combine or align program and budget databases that previously had been managed separately. In FY 2006, DoD will complete a review of almost 4,000 areas within the Department's program and budget data structure to ensure that the common resource management database:

- More directly aligns with Congressional and other external reporting requirements,
- Better supports internal business and policy decisions by allowing an overlay of issue taxonomies that support strategy development and reviews, and
- More easily manages data structures and improves the DoD's ability to validate data.

Performance Results for FY 2005

Preliminary findings show that today's new strategic approach is merging and blurring the traditional lines between "tooth" (deployable operational units) and "tail" (non-deploying units and central support). When the study is complete, the DoD will have a more flexible analysis interface with defense data, allowing it to build alternative ways of mapping the programming data structure and making it easier to crosswalk performance results to resource investments. In FY 2005, the DoD continued to develop standard definitions and business rules through several sub-initiatives to expand efforts to define categories and sub-categories within the framework.

Performance Goal 3.3 - Realign Support to the Warfighter

Metric 3.3.1: Reduce Customer Wait Time (Days)					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Customer wait time (in days)	18	16	19	15/23	15/21
[A] FY 2005 data are final as of the third quarter.					

Metric Description

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

Performance Results for FY 2005

Through the third quarter, the DoD experienced an average customer wait time of 21 days. The DoD did not meet its FY 2004 goal of 15 days because of the increase in demand for critical items and delays in closing out transactions due primarily to Operation Iraqi Freedom. The DoD does not expect to achieve significant reduction in customer wait time until the conclusion of Operation Iraqi Freedom.

Metric 3.3.2: Reduce Major Defense Acquisition Program Annual Rate of Acquisition Cost Growth

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Target/Actual[B]
Percentage/annual growth in acquisition costs	+13.9[A]	+6.4	+5.0	0%/+3.5%	0% cost growth/to be determined

[A] The December Selected Acquisition Report, which reflects the President's Budget, is used for calculating acquisition cost growth. There were no December 2000 reports, because a Future Years Defense Program was not included in the FY 2002 President's Budget submit. Thus, the FY 2001 actual reflects acquisition cost growth for a 2-year period (FY 2000 and FY 2001)
[B] Results for FY 2005 will be available with the release of the December 2005 Selected Acquisition Reports in April 2006.

Metric Description

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

Performance Results for FY 2005

FY 2005 results will not be available until the release of the December 2005 Selected Acquisition Reports in

April 2006.

Metric 3.3.3: Reduce Major Defense Acquisition Program Acquisition Cycle Time					
Metric (months)	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Acquisition cycle time in months (for new starts from FY 1992 through FY 2001)	102	103	102	<99/101	<99/to be determined
Acquisition cycle time in months (for new starts after FY 2001)	N/A	N/A	76	<66/80	<66/to be determined
[A] Results for FY 2005 will be available with the release of the December 2005 Selected Acquisition Reports in April 2006.					

Metric Description

Acquisition cycle time is the elapsed time, in months, from program initiation—when the Department makes a commitment to develop and produce a weapon system—until the system attains initial operational capability. This metric measures the average cycle time across all major Defense acquisition programs. During the 1960s, a typical Defense acquisition took 7 years (84 months) to complete. By 1996, a similar acquisition required 11 years (132 months) from program start to initial operational capability. To reverse this trend, the Department established an objective to reduce the average acquisition cycle time for programs started since 1992 to less than 99 months, a reduction of 25 percent. The DoD achieved that initial objective through rapid acquisition with demonstrated technology, time-phased requirements and evolutionary development, and integrated test and evaluation. To continue that improvement, the Department will seek to reduce the average cycle time to less than 66 months by introducing improvements to development and production schedules similar to those it initiated for managing system performance and cost. Rapid development and fielding of weapon systems—leveraging new technologies faster—will enable U.S. forces to stay ahead of potential adversaries.

Performance Results for FY 2005

FY 2005 results will not be available until the release of the December 2005 Selected Acquisition Reports in April of 2006.

Metric 3.3.4: Reduce Major Defense Acquisition Program Operating and Support Cost Growth					
Metric	FY 2001	FY 2002	FY 2003[A]	FY 2004 Target/Actual	FY 2005 Target/Actual[A]
Percentage of annual operating and support cost growth	No historical data; new metric		Established metric baseline from which to measure growth	0%/+2.3%	0%/Not available
[A] Results for FY 2005 will be available with the release of the December 2005 Selected Acquisition Reports in April 2006.					

Metric Description

This metric measures the amount that operating and support costs grow from year to year. It is computed by taking the difference between the total operating and support cost estimates reported in the current year's

Selected Acquisition Report against the previous year's report, then dividing by the total operating and support cost estimates reported in the previous year's report, expressed as a percentage. A dollar-weighted average is calculated for the common programs. Estimated operating and support cost growth can occur for various reasons, including technical or programmatic changes, changes in the support strategy/concept, or overly optimistic cost estimates. The objective is no (zero percent) operating and support cost growth. Managerial responses are expected to include both specific cost-control initiatives and process changes.

Performance Results for FY 2005

FY 2005 results will not be available until the release of the December 2005 Selected Acquisition Reports in April 2006.

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

Metric 3.4.1: Support Acquisition Excellence Goals					
Metric (Excellence Goal)	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
Acquisition Excellence with Integrity	Progress demonstrated via the following DoD scorecard metrics: major Defense acquisition program cycle time, acquisition cost growth, and operations and sustainment cost growth				Conduct quarterly capabilities-based reviews and continue evolutionary acquisition and spiral development efforts to push systems to the warfighter faster
Logistics: Integrated and Efficient	Progress demonstrated via the following DoD scorecard metric: Customer Wait Time				Continue FY 2004 initiatives and develop budget to support performance-based logistics
Systems Integration and Engineering for Mission Success	No historical data for FY 2001-2002; established goal but did not measure data for FY 2003			• Established senior-level forum • Established systems engineering framework and formal plan • Developed three continuous learning courses	• Continue efforts to lead development of systems views of integrated architectures and integrated plans and/or roadmaps • Foster interoperability, jointness, and coalition capabilities • Improve the systems engineering environment • Provide effective systems engineering policies, practices, and tools
Technology Dominance	No historical data for FY 2001-2002. Progress FY 2003 to present demonstrated via the following DoD scorecard metrics: Balanced and Focused Science and Technology and Status of Defense Technology Objectives				• Defense Technology Objectives results will be assessed in Technology Area Review and Assessment reviews during FY 2006 • The balance between funding levels in the three activities is sufficiently close to the DoD goals

Metric 3.4.1: Support Acquisition Excellence Goals					
Metric (Excellence Goal)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Resources Rationalized	No historical data for FY 2001-2002. Progress FY 2003 to present demonstrated via the following DoD scorecard metric: Base Realignment and Closure 2005				• Presented final recommendations to independent Commission and Congress (May 2005) • Commission provides its recommendation to President • Congress reviews BRAC recommendations
Industrial Base Strengthened	No historical data for FY 2001-2002. In FY 2003, increased competition by relieving contractors from covering government shortfalls in research and development			• IIdentified industrial base issues in battle space awareness and command and control • Published roadmap for transforming the industrial base	• Evaluated industrial sufficiency for key capabilities • Accessed emerging suppliers for innovative solutions • Established organizational cross-feed mechanisms for major industrial base assessment
Motivated, Agile Workforce	No historical data for FY 2001-2002. In FY 2003, supported Civilian Acquisition Workforce Personnel Demonstration (AcqDemo) Project			Created a transition plan to move from AcqDemo to best practices and the National Security Personnel System	• Released draft National Security Personnel System to Federal Register for comment • Began transition of AcqDemo participants into the system
[A] The FY 2005 data are estimated as of the third quarter.					

Metric Description

The focus of the Department in the area of acquisition, technology and logistics has changed from one of "reform" to "excellence." "Excellence" stresses making the current system function better, and then institutionalizing the improved process. The Under Secretary of Defense (Acquisition, Technology, and Logistics) faces many challenges in identifying, retailoring, and institutionalizing the system's strengths to perform better.

Performance Results for FY 2005

- Acquisition Excellence with Integrity. The long-term objective is to shorten the system acquisition cycle by using evolutionary acquisition and spiral development, maximizing the use of mature and commercial technology, and expanding the use of technology demonstrations. At the same time, the DoD is working to increase the accuracy and credibility of cost estimates and thus fund all major Defense acquisition programs at the cost analysis improvement group estimate, if appropriate.

- Logistics: Integrated and Efficient. The Department is striving for integrated and efficient logistics and will adopt initiatives that reduce logistics handoffs and ensure reliable delivery of products and services; develop weapon-system support strategies based on performance-based logistics; design logistics requirements using high-reliability systems; reduce the deployable logistics footprint of operational and support forces; and reduce logistics costs of operations.

- Systems Integration and Engineering for Mission Success. The DoD needs to employ integrated architectures, plans, and roadmaps, and establish a clear mission context for Defense Acquisition Board reviews. It is important to continue to foster interoperability, enhancements to joint and coalition capabilities, and improve the systems engineering environment. The Department needs to sustain a professional systems engineering workforce, and give them the policies and analytic tools they need to assess system readiness. The DoD must continue to conduct high-standard operational tests and evaluations and reduce lifecycle costs.

- Technology Dominance. To dominate in future conflicts, the DoD must have technologically superior military systems. To achieve this dominance, the Department will employ activities such as fully leveraging Advanced Concept Technology Demonstrations, closely linking high pay-off science and technology efforts to enhance joint warfighting capabilities and align with strategic defense initiatives. Further, the Department needs to establish a new science and technology career field to better focus human capital resources.

- Resources Rationalized. The Department met its milestones for the fiscal year by providing the Congress with a revised Force Structure Plan in March 2005, analyzing more than 1,000 closure and realignment scenarios, and providing the Secretary with 222 final closure and realignment recommendations, which he approved and submitted to the Commission and Congress on May 13, 2005.

- Industrial Base Strengthened. One of the DoD's enduring goals is to ensure a Defense industrial base that is focused on and capable of supporting 21st century warfighting. To do this, it is establishing cross-feed mechanisms for major industrial base assessments, evaluating industrial sufficiency for key capabilities, developing industrial policy that creates and retains surge capacity for essential materials, and accessing emerging suppliers for innovative solutions.

- Motivated, Agile Workforce. The DoD continued efforts to create a flexible personnel system and began transitioning to the National Security Personnel System.

Metric 3.4.2: Improve the Transparency of Component Submissions for Alignment of Program Review to Strategic Trades					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY2005[A]
A DoD-wide transactional data collection process	No historical data; new metric		Established initial database integration criteria	Established single collection point for operation and maintenance data	Database integration is ongoing to achieve objective by FY 2007
Streamlined Planning, Programming, Budgeting and Execution process			Streamlined and combined the program and budget review. Instituted streamlined process for developing the FY 2005 budget	Continue with streamlining effort to place more emphasis on planning and less on resourcing decisions Created a Framework to allow greater visibility of program and resource data	Continue building the Framework to allow greater visibility of program and resource data Created a lab environment to validate the framework and data structure rationalization

[A] The FY 2005 data are estimated as of the fourth quarter.

Metric Description

Improving the transparency of DoD component submissions will help align resource plans and provide senior-level decision makers with the insight they need to make better-informed decisions. Transparency fosters an agreement of facts, which provides a consistent baseline that serves as a common point of departure for making resource trades.

To achieve a consistent baseline, the DoD must first streamline the flow of data. Each data element should be collected once by a single authoritative source collection system and reused as needed. The agreement of all parties on the accuracy and validity of the number (and of the authority of the source that provided it) would facilitate the DoD's ability to reuse data collected once to support multiple decisions.

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

To determine the accuracy of resource data, the DoD will rely on fiscal and budgetary controls, combined with assessments of whether the data comply with strategic guidance. Where possible, the DoD established business rules to ensure existing data structures are used appropriately. The DoD also will validate data by having analysts and subject-matter experts monitor particular groups of resources or programs. Refining the submission of programming and budgeting data are tasks in progress with the Services, Defense Agencies, and the DoD Comptroller. Streamlining the data flow to eliminate dual submissions between budget and programming systems will reduce workload and improve data quality. Requirements will be standardized and reduced. Programming data requirements have been reduced from 139 in FY 2000 to 39 distinct formats in the FY 2003 cycle. This degree of reduction needs to be achieved in other areas as allowed for by legal and external agency reporting requirements.

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

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

Connections to the lower-level, DoD component-maintained source data would provide further transparency as issues arise. The end-state solution should provide the ability for analysts supporting a decision maker to find data at a finer level of detail maintained by the DoD components.

Criteria that measure the improvement of transparency might include:

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

The DoD Business Management Modernization Program has set a target of full deployment of the systems supporting this metric by 2010. A unified information architecture will be implemented by FY 2008.

Performance Results for FY 2005

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

Metric 3.4.3: Increase Visibility of Trade Space					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
Ability to define and cost trades within and across capabilities areas while balancing investment and risk across the entire defense program.	No historical data; new metric		Conducted Joint Defense Capabilities Study	• Published Strategic Planning Guidance • Initiated Enhanced Planning process • Issued Joint Programming Guidance using initial analytical findings	• Initiated several capability area reviews • Approved use of joint capability areas taxonomy

[A] FY 2005 data are estimated as of the fourth quarter.

Metric Description

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

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

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

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

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

Performance Results for FY 2005

Efforts to institute a capabilities-based planning process have further improved the Department's ability to shape the overall defense program. Rather than examining systems on an individual basis only, the DoD has launched a number of "capability area reviews" that lay out and examine programs in related areas, and has produced initial drafts of capability "road-maps" in those areas.

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

Metric 3.4.4: Provide Explicit Guidance for Program and Budget Development					
End-state Metric (New Baseline)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Revised planning, programming, and budgeting decision process	No historical data; new metric		Conducted the DoD-wide study of joint Defense capabilities	• Combined the program/budget review process • Implemented new joint perspective in planning and program guidance • Added execution reviews to formal process	Reevaluate resource allocation and execution procedures

[A] The FY 2005 data are estimated as of the fourth quarter.

Metric Description

Section 113 of Title 10, U.S. Code, requires the Secretary of Defense to give the heads of the Military Departments and Defense Agencies the resource levels projected to be available for the period of time for which national security objectives and policies and military missions established as priorities under the Defense strategy are to be effective. In March 2003, the Secretary of Defense chartered a broad review of the Department's planning and resource decision process. A study team, chaired by the former Under Secretary of Defense, explored ways to make the existing defense decision process less cumbersome, more responsive, and more helpful to the Secretary's attempt to focus on managing and enhancing joint capabilities.

The Joint Defense Capabilities Study, completed in November 2003, recommended focusing the Secretary's annual planning and programming guidance on high-level strategic issues, and framing resource alternatives as capabilities rather than programs. The study also recommended that actual results become a formal part of the overall assessment process. Accordingly, the DoD Planning, Programming, and Budgeting System (PPBS) added a final "Execution" phase to the overall process – to become the PPB—"E"—S. The DoD has enhanced its planning process to focus on issues that are strategic and joint and address core military capabilities.

Performance Results for FY 2005

The Department is reevaluating its resource allocation and execution procedures in the ongoing Quadrennial Defense Review.

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

Performance Goal 4.1 - Define and Develop Transformational Capabilities

Metric 4.1.1: Deny Enemy Advantages and Exploit Weaknesses					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY2005[A]**
Explicit strategic outcomes and effectiveness measures for the DoD counterintelligence activities	No historical data; new metric	The Secretary of Defense established the Defense Counterintelligence Field Activity	The Secretary established an Under Secretary of Defense (Intelligence)	• Addressed shortfall in DoD counterintelligence policy • Developed, managed and executed the DoD polygraph program in support of Joint Task Force Guantanamo Bay • Initiated study to identify shortfalls in counterintelligence support for Pentagon • Developed standards for horizontal integration activities used to shape the DoD planning guidance • Established an Intelligence Campaign Plan concept and timeline for implementation.	• Write new policy instructions • Satisfied the Joint Task Force Guantanamo Bay Commander's FY 2004 polygraph support requirement • Completed counterintelligence plan and associated resource requirements • Included Intelligence Campaign Planning into the priority DoD Unified Command Plan for designated contingency plans • One Intelligence Campaign completed and approved; three drafted. All four Intelligence Campaigns plans underway based on spiral development concept and using approved and draft guidance. Targeting packages issued and operational activity underway in all four campaigns.

[A] FY 2005 data are final as of the fourth quarter.

Metric Description

Denying enemy advantages and exploiting weaknesses is at the core of the work by the Under Secretary of Defense (Intelligence). The long-term goal is to establish strategic outcomes and efficiency measures to help gauge the effectiveness of intelligence activities, and training and associated program structures. Many domestic, international, and organizational variables contribute to the success of the overall program, so the task of developing enduring outcome goals and measures involves a significant amount of developmental research and analysis. The DoD counterintelligence community will conduct aggressive activities to contribute to the intelligence requirements of military operations and national security. Further, the Department requires current and comprehensive policies to guide its counterintelligence community. The ongoing counterintelligence efforts included the identification of 22 directives, instructions, regulations, and manuals that need to be revised, rewritten, or cancelled.

Four fundamental areas contribute to the success of any counterintelligence program: (1) ensuring that the Defense intelligence security, strategy, policy, and processes are aligned for maximum effectiveness and efficiency, (2) ensuring the horizontal integration of Defense intelligence activities, i.e., communication among and within Agencies promotes increased information sharing, (3) aligning counterintelligence plans and architectures with the goal of improved military operations and overall national security, and (4) supporting the warfighter in the most efficient and effective manner possible.

Performance Results for FY 2005

Work continued on 20 issuances identified for revision. The DoD published the Intelligence, Surveillance, and Reconnaissance Roadmap, which cuts across the Defense intelligence community and synchronizes a large number of platforms and capabilities that require integration. The roadmap identifies integration phases in which programmatic efforts are intended to first align (2003 – 2010), then enable (2005 – 2012) and finally integrate (2007 – 2015) Defense intelligence, surveillance, and reconnaissance capabilities.

The DoD worked across intelligence community to support U.S. Central Command in improving intelligence, surveillance, and reconnaissance support to the Command's efforts.

The DoD developed, managed, and executed the polygraph program in support of the Joint Task Force Guantanamo Bay. Polygraph examinations are now given to translators and personnel before they arrive at Guantanamo Bay. The Defense Counterintelligence Field Activity is leading a multi-agency working group that is developing the plan and resource requirements for the integrated multi-agency program designed to fill the void in counterintellligence support to the DoD Agencies and activities, to include the Pentagon. This plan is almost complete.

The recent creation of the Strategic Counterintelligence Detachment concept currently in Iraq (and possible future Detachments in other theaters) has directly resulted in the denial of enemy advantages and the exploitation of enemy weaknesses. It is foreseeable that the Strategic Counterintelligence Detachment will further develop into a capability which will be employed against an array of adversaries.

Metric 4.1.2: Make Information Available on a Network that People Depend On and Trust					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
• Number of systems that support the Internet Protocol Version 6 (IPv6) • Number of systems that meet information assurance standards	No historical data; new metric			Begun transition of selected systems and weapons to IPv6	• Implemented IPv6 in limited lab/test networks • Information assurance standards remain in development
[A] FY 2005 data are final as of the third quarter.					

Metric Description

Moving information securely, quickly, and accurately is vital for combat commanders. The DoD's ability to build a worldwide information net, populate it with information needed by military commanders, and then use

the network for command and control has been limited by the amount of information that can flow through the network and be processed at any given time. In response, the DoD has set the goal of building a Global Information Grid to:

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

The Director, Strategic Resource Planning for the Assistant Secretary of Defense for Networks and Information Integration is working with the Deputy Chief Information Officer and a contractor to develop outcome and output metrics to measure progress toward achieving the strategic planning goals of DoD's Information Technology Plan.

Performance Results for FY 2005

Efforts to establish the grid continued through FY 2005, with significant progress gained in forming the DoD-wide policies for infrastructure, core enterprise services, and data standards. The DoD established Internet Protocol Version 6 (IPv6) as the common end-to-end network protocol to achieve net-centric war fighting requirements, with the goal of complete transition by calendar year 2008. (IPv6 is a standard used to communicate via the Internet.) The DoD will begin pilot implementation of IPv6 on networks that carry operations traffic in FY 2006. Additionally, the Defense Information Systems Agency programmed conversion from circuit-based to Internet Protocol operational capability for all teleport sites. The DoD also will establish a Department-wide software assurance tiger team to develop a holistic strategy to reduce software assurance risk and develop a software assurance strategy for use on major acquisition programs and across the Department.

4.1.3: Monitor the Status of Defense Technology Objectives

Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/Actual[F]
Percentage of Defense technology objectives evaluated as progressing satisfactorily toward goals[A]	96	97	96	≥ 70/94	≥ 70/N/A[E]
Objectives evaluated in biannual review[B]	180	149[C]	163[C]	180	0
Total number of objectives[B,C,D]	326	401	386	404	404

[A] "Progressing satisfactorily" includes objectives rated as "green" or "yellow."
[B] The number of objectives evaluated and the total number of objectives are provided for information only; no targets are established.
[C] The numbers for objectives evaluated in FY 2002 and FY 2003 were transposed in the FY 2003 Performance and Accountability Report.
[D] The total number of objectives is the sum of all objectives contained in the Joint Warfighting Science and Technology Plan and the Defense Technology Area Plan, dated February of the calendar year prior to the fiscal year the reviews are conducted.
[E] The DoD implemented a new comprehensive review process that evaluates all objectives biennially. The next assessment will be in FY 2007 for FY 2005 and FY 2006 objectives.
[F] FY 2005 data are final as of the fourth quarter.

Metric Description

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

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

Performance Results for FY 2005

The Department implemented a new comprehensive review process that evaluates all Defense technology objectives biennially. The FY 2005 and FY 2006 objectives will be assessed during FY 2007.

Metric 4.1.4: Populate the Network with New, Dynamic Sources of Information to Defeat the Enemy					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Percentage of DoD information available via net-centric solutions	No historical data; new metric			• Published net-centric checklist • Began portfolio management	Codified the DoD Net-Centric Data Strategy
[A] FY 2005 data are estimated as of the third quarter.					

Metric Description

Military commanders use information of all kinds, not only intelligence data, to "see" the battle space and outwit and overcome adversaries. The net-centric enterprise architecture will allow commanders to engage the network at anytime from anywhere using a military version of the Internet search engine, without needing cumbersome base support. Data will be posted and ready for download and analysis as soon as it arrives, anywhere on the network. The Chief Information Officer's strategy is to ensure data are visible, available, and usable when needed and where needed to accelerate decision making. This metric will be completed no later than FY 2008, by which point all DoD data will be compliant with Internet Protocol Version 6 (IPv6) standards.

Performance Results for FY 2005

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

Performance Goal 4.2 - Define Skills and Competencies for the Future

Metric 4.2.1: Attract, Recruit, Retain, and Reward High Quality People from Government, Industry, and Academia					
End-state Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY2005[A]
• Create a Defense Civilian Intelligence Personnel System • Develop policies and programs to attract, recruit, retain, and reward high-quality people	No historical data; new metric			• Designation of Office of the Under Secretary for Defense (Intelligence) as Defense Civilian Intelligence Personnel System organization and submission of 11 system subchapters for implementation • Develop and draft policies to implement the Defense Civilian Intelligence Personnel System and regulations to utilize the legislative flexibilities	• The Under Secretary submitted 11 subchapters; six were approved for interim use (subchapters will be revised to be consistent with National Security Personnel System regulations) • Successfully advocated and approved an increase in foreign language proficiency pay • Established a senior-level panel to review a 10 percent sample of the new executive and senior level performance plans
[A] FY 2005 data are final as of the fourth quarter.					

Metric Description

To accomplish its ambitious goals, the Defense intelligence community needs the best people available. The community needs to recruit people with broad and varied experiences who are agile problem solvers and can operate in an environment that changes as the threat changes. Legislation such as the National Security Personnel System provides the DoD with hiring flexibility. A key first step and an ongoing effort is the development of an overarching directive establishing a common human resources system for the DoD intelligence community.

Performance Results for FY 2005

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

Metric 4.2.2: Strategic Transformation Appraisal					
Metric	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Assessment of "gaps" or adjustments needed to remain on track	No historical data; new metric		Published first transformational planning guidance	Completed first strategic transformation appraisal	Completed second strategic transformation appraisal
[A] FY 2005 data are final as of the fourth quarter.					

Metric Description

The Department's overall transformation roadmaps address activities, processes, resources, and incentives to foster and promote innovation and transformational activities, including concept-based experimentation processes, education and training programs, and the use of operational prototypes. Each Service also prepares an individual roadmap, which is updated annually; Defense Agencies submit their annual roadmap updates to the U.S. Joint Forces Command, which develops a consolidated "joint" roadmap. Each year, the Office of Force Transformation evaluates the progress and plans reported in the individual and joint roadmaps and produces an assessment of "gaps" or adjustments indicated for future action. These roadmaps point to a shared future vision and provide actionable language for implementation. They complement the program and budget process, ensuring coherence between resource allocation decisions and future concept development and experimentation and provide a baseline for managing transformational change within the force. Additionally, they articulate the Service and Defense Agency strategies for implementing and managing transformation risks.

Performance Results for FY 2005

The Office of Force Transformation completed its second full-scale strategic transformation appraisal in November 2004 that emphasized the planned development by the Services and Defense Agencies of directed energy, information warfare techniques and concepts, joint battle management, non-lethal technology, and rapid access to space. The appraisal also highlighted the dilemma of balancing near-term concerns generated by operations in Iraq against long-term science and technology needs. Beginning in FY 2007, this unclassified report (with classified annexes) will be submitted each November to the Secretary of Defense.Performance Goal 4.3 - Develop More Effective Organizations.

Performance Goal 4.3 - Develop More Effective Organizations

Metric 4.3.1: Enhance Homeland Defense and Consequence Managementl					
End-state Metric (New Baseline)	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005[A]
Strategy and an associated resource and technology roadmap	No historical data; new metric		• Established an Assistant Secretary for Homeland Defense • Established U.S. Northern Command	• Began developing first homeland defense strategy • Developed initial resource and technology roadmaps	• Finalized homeland defense strategy during the first quarter • Promulgated homeland defense implementation guidance during the third quarter • Published Policy Memorandum 5 regarding use of the strategy in BRAC 2005 considerations during the first quarter • Published the National Response Plan during the first quarter • The DoD, Department of Homeland Security, and U.S. Coast Guard memorandum of understanding - U.S. Coast Guard support to DoD maritime homeland defense operations during first quarter • Standing Rules for the Use of Force during third quarter FY 2005 • Established 11 new Weapons of Mass Destruction – Civil Support Teams and initiated training and certification during first quarter FY 2005 • Established with Departments of Homeland Security and Justice a standardized process to transfer technology, equipment, and expertise to federal, state, and local responders

[A] FY 2005 data are estimated as of the fourth quarter.

Metric Description

The DoD's highest priority is protecting the U.S. homeland from attack; the Department must be able to succeed at the full range of tasks associated with an active defense-in-depth, including military missions in the forward regions, approaches to the United States, the U.S. homeland, and the global commons. Specifically, the Department must be able to:

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

To meet the challenges of the post-9/11 threat environment, the Secretary of Defense directed the development of the first comprehensive, Defense-wide strategy for homeland defense and civil support. This new strategy relies on an integrated threat assessment to define the DoD's strategic goals, key objectives, and core capabilities for homeland defense and civil support. The strategy describes associated force structure, technology, and resource implications. The completed strategy articulates a number of actions for immediate implementation to transform the DoD's capabilities for homeland defense and civil support in each of the core capability areas, including providing maximum threat awareness; interdiction and defeat of threats at safe distance; mission assurance; improved interagency and international capabilities; and managing the consequences of a chemical, biological, radiological, nuclear, or explosive incident.

Performance Results for FY 2005

Several actions were taken to support implementation of the Strategy for Homeland Defense and Civil Support, published in June, along with implementation guidance that directs specific actions to support accomplishment of the strategic goals and objectives.

Metric 4.3.2: Establish a Standing Joint Force Headquarters					
End-state Metric (New baseline)	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
The ability to rapidly execute transformational command and control functions for joint force operations	Development of Standing Joint Force Headquarters directed in 2001 Quadrennial Defense Review	Concept released	• Experiments conducted • Implementation guidelines developed	Headquarters established and staffed at Geographic Combatant Commands (except U.S. Central Command)	• Headquarters in Geographic Combatant Commands complete initial training • Regional Combatant Command Standing Joint Force Headquarters participated in Joint Training Exercise • U.S. Joint Forces Command established a headquarters to be employed by Geographic Combatant Commands when required
[A] FY 2005 data are estimated as of the fourth quarter.					

Metric Description

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

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

Performance Results for FY 2005

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

Metric 4.3.3: Transform DoD Training					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Target/Actual	FY 2005 Target/ Actual[A]
Percentage of military officers in critical positions certified as joint-trained or educated	No historical data; new metric.			50% / 54.2%	52.5% / 53.8%
[A] FY 2005 data are final as of the second quarter.					

Metric Description

Training Transformation (T2) is designed to provide dynamic, capabilities-based training in support of national security requirements across the full spectrum of service, joint, interagency, intergovernmental, and multinational operations. Starting in FY 2004, DoD began transitioning from activity-based to outcome-based measures.

One of the leading indicators of training transformation is the overall percentage of the force that has received joint training or joint education. A higher percentage correlates to increased performance in jobs that require knowledge of joint matters that relate to national military strategy, strategic and contingency planning, and command and control of combat operations under a Combatant Commander. Although the entire force is not measurable at this time, the DoD is measuring the critical positions filled by officers at Combatant Commander staffs.

To be joint-trained, an officer must complete a joint duty assignment, a joint billet that is 2-3 year position in a multi-Service or multinational Command or activity involved in the integrated employment or support of the land, sea, and air forces of at least two of the three Military Departments. An officer is considered to have received joint education if he or she graduates from a course certified as Joint Professional Military Education Phase 2 (Joint and Combined Warfighting School, National War College, or the Industrial College of the Armed Forces).

T2 measures will constantly evolve through a process of spiral-development and will consider the overall outputs and desired outcomes of the Joint Knowledge Development and Distribution Capability, Joint

National Training Capability, and transformation as a whole. The DoD expects to have a complete set of outcome-based measures and assessments across the areas of quantity, quality, and responsiveness for both individual and collective training by the end of FY 2006.

Performance Results for FY 2005

The Joint Assessment and Enabling Capability continued the shift to outcome-based measures in FY 2005 and is on track to complete its first block assessment of T2 by the end of the year. Transition will be complete by the end of FY 2006, with measures encompassing the areas of quantity, quality, and responsiveness for both individual and collective training. However, the spiral development of T2 measures is an ongoing process as program objectives constantly evolve in response to current and future mission requirements.

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

Performance Goal 4.4 - Drive Innovative Joint Operations

Metric 4.4.1: Experiment with New Warfare Concepts					
End-state Metric	**FY 2001**	**FY 2002**	**FY 2003**	**FY 2004**	**FY 2005[A]**
Percentage of goals met	No historical data; new metric	Developed guidance	Revised guidance	• Conducted four major experimentation exercises • Submitted joint experimentation plan for approval • Fielded Standing Joint Force Headquarters prototypes	• Conducted four major experimentation events • Began FY 2006-2013 Joint Concept Development and Experimentation Campaign Plan • Began Joint Experimentation Work Plan • Initiated Joint Experimentation Knowledge portal

[A] FY 2005 data are estimated as of the fourth quarter

Metric Description

The goal of the Department's experimentation program is to convert rapidly innovative warfighting concepts to prototypes to fielded capabilities. Accordingly, the April 2003 transformation planning guidance directed the development of the Joint Concept Development and Experimentation Campaign Plan to describe the role of joint experimentation as a major generator of transformational change.
The plan follows two paths:

- The Joint Concept Development Program explores innovative concepts for improving future joint warfighting. These concepts result from an iterative experimentation program that relies on frequent, small-scale sets of experiments conducted in a joint wargaming environment. Once concepts prove viable through continuous refinement and experimentation, they are transferred to the prototype team.
- The Joint Prototype Program improves current warfighting capabilities and matures new capabilities through continuous experimentation in which are part of Combatant Command joint exercise programs. The plan will identify capabilities proposals for rapid prototyping and provide actionable recommendations for future resource investments based on experimentation results.

Performance Results for FY 2005

U.S. Joint Forces Command is revising the 2006-2013 Joint Concept Development and Experimentation Campaign Plan to capture joint experimentation guidance from the Unified Command Plan and the Chairman of the Joint Chiefs of Staff. The Command also is developing a work plan to ensure concepts are programmed adequately into efforts over the next 2 years. Joint efforts for FY 2005 included a national security workshop, campaigning planning from the strategic to operational levels, unified quest, and joint urban warrior. Results from these events have helped inform many of the current concepts as well as generate new ideas for additional concepts.

Metric 4.4.2: Maintain Balanced and Focused Science and Technology					
Metric	FY 2001 Actual	FY 2002 Actual	FY 2003 Actual	FY 2004 Actual	FY 2005 Actual
	Percentage of Science and Technology budget				
Basic research	16%	14.8%	14%	12.8%	12.6%
Applied research	42.7%	42%	38%	35.9%	36.8%
Advanced technology development	41.3%	43.2%	48%	51.3%	50.6%

Metric Description

The DoD science and technology program consists of research and development investments in Basic Research, Applied Research, and Advanced Technology Development. This metric is designed to ensure a balanced and focused investment by funding Basic Research, Applied Research, and Advanced Technology Development to 15 percent, 35 percent, and 50 percent respectively, of the total annual science and technology budget.

Performance Results for FY 2005

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

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