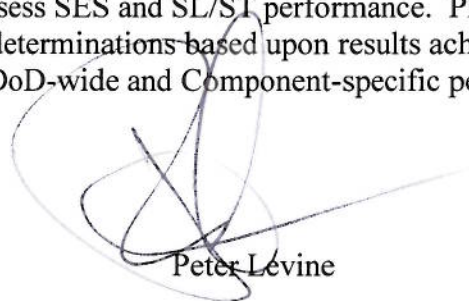DEC 2 2 2015

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
UNDER SECRETARIES OF DEFENSE
COMMANDERS OF THE COMBATANT COMMANDS
DIRECTOR, COST ASSESSMENT AND PROGRAM EVALUATION
DIRECTOR, OPERATIONAL AND TEST EVALUATION
GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE
INSPECTOR GENERAL OF THE DEPARTMENT OF DEFENSE
ASSISTANT SECRETARIES OF DEFENSE
DEPARTMENT OF DEFENSE CHIEF INFORMATION OFFICER
ASSISTANTS TO THE SECRETARY OF DEFENSE
DIRECTOR, ADMINISTRATION AND MANAGEMENT
DIRECTOR, NET ASSESSMENT
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF DOD FIELD ACTIVITIES

SUBJECT: FY 2015 Department of Defense Organizational Assessment Report

The attached assessment has been prepared pursuant to sections 4311-4315 of Title 5, United States Code and Office of Personnel Management, implementing regulations and guidance. This guidance requires that performance evaluations for DoD Senior Executive Service (SES) members and Senior Level Scientific and Technical (SL/ST) professionals be based on both individual and organizational performance. This memorandum and the attached Organizational Assessment comply by providing an assessment of organizational performance through Third Quarter, FY 2015.

DoD's FY 2015 performance goals, as reflected in the President's Budget, are the basis for DoD-wide organizational performance. DoD Component performance results also inform individual SES and SL/ST performance evaluations. Rating officials and members of Performance Review Boards (PRBs) should use the attached organizational assessment results, along with other relevant performance reports, to assess SES and SL/ST performance. PRBs should make pay-for-performance decisions and award determinations based upon results achieved that demonstrate success and improvement in both DoD-wide and Component-specific performance.

Peter Levine

Attachment:
As stated

Organizational Assessment
Department of Defense
December 2015

Table of Contents

Table of Figures

Overview

The Department of Defense (DoD) Organizational Assessment (OA) reports on DoD-wide performance results and is used to evaluate performance of Senior Executive Service (SES) and Senior Level/Scientific and Technical (SL/ST) professionals, pursuant to sections 4311-4315 of Title 5, of the United States Code and Office of Personnel Management implementing guidance. Accordingly, Senior Executives are evaluated on both individual and organizational performance.

Performance results through the third quarter of FY 2015, published in this report, will be used for senior executive performance review boards along with other DoD-wide and component-specific strategic goals and performance results published in documents such as, but not limited to:

- The 2014 Quadrennial Defense Review, National Military Strategy, National Security Strategy, National Intelligence Strategy, and Defense Planning Guidance

- Organizational plans such as, but not limited to, Principal Staff Assistant (PSA) strategic plans, Defense Agency and Field Activity (DAFA) Strategic Plans, Theater Campaign Plans, and Service Campaign Plans

- Functional plans such as, but not limited to those related to management reform of the DoD enterprise

- Budget documents containing performance plans, measures, and targets

This FY 2015 OA report aligns the [DoD Fiscal Year 2015-2018 Agency Strategic Plan's (ASP)](#) strategic goals and strategic objectives, approved on July 28, 2015 with performance measures from the [2014/5 Annual Performance Plan published in the Performance Improvement chapter of the 2015 Budget Overview Book](#). This FY 2015 OA report contains 42 performance measures with 12 are identified as annual measures in comparison to the FY 2014 OA report that contained 69 performance measures with 19 identified as annual measures. Several measures were discontinued due to refinements to strategic direction, while other measures were refined and reclassified, preventing their inclusion in this unclassified report.

Summary of Results

The FY 2015 OA evaluates strategic objective progress based on third quarter performance measure results. Details are in Appendix A.

ASP 1.0 Strategic Goals	ASP 1.0 Strategic Objectives	FY14 -15 APP Update Performance Measures
Strategic Goal 1 Defeat our Adversaries, Deter War, and Defend the Nation	SO 1.2 – Maintain a sufficient missile defense capability to protect the U.S. and establish partnerships with our friends and allies to support their efforts to provide defense from missile attacks.	🟢
	SO 1.3 – Enhance the effectiveness of the Department's support to civil authorities.	⬜⬜⬜⬜
Strategic Goal 2 Sustain a Ready Force to Meet Mission Needs	SO 2.1 – Rebalance the Joint Force for a broad spectrum of conflict.	🔴🟢🟢
	SO 2.2 – Deliver, position, and sustain forces from any point of origin to any point of employment.	🟢🔴🟢🟢🔴🟢
Strategic Goal 3 Strengthen and Enhance the Health and Effectiveness of the Total Workforce	SO 3.1 – Service members separating from Active Duty are prepared for the transition to civilian life.	🟢🟢🔴🟢🟢
	SO 3.2 – Foster and encourage workforce initiatives that ensure employees are trained, engaged, and benefitting from a quality work life.	⬜⬜⬜⬜⬜
	SO 3.3 – Ensure that we maintain a highly-skilled military and civilian workforce shaped for today's and tomorrow's needs.	🟢⬜🟢
Strategic Goal 4 Achieve Dominant Capabilities through Innovation and Technical Excellence	SO 4.1 – Preserve investments to maintain our decisive technological superiority.	🟢
	SO 4.3 – Improve acquisition processes from requirements definition to execution phase and through lifecycle enhancements, to acquire and sustain military-unique and commercial items.	🔴🟢🟢🟢⬜
Strategic Goal 5 Reform and Reshape the Defense Institution	SO 5.1 – Achieve efficiencies and effectiveness to redirect resources to direct support of combat, combat support, and combat service support elements of the DoD.	🔴⬜
	SO 5.2 – Improve financial processes, controls, and information via audit readiness.	🔴🟢🔴🔴🟢🟢
	SO 5.3 – Establish an enterprise framework for valuation and accountability of results, outcomes, cost, and risk.	⬜

🟢 Met/Exceeded FY15 Q3 Target   🔴 Did Not Meet FY15 Q3 Target   ⬜ Annual Target   ★ Agency Priority Goal (APG) Performance Measure
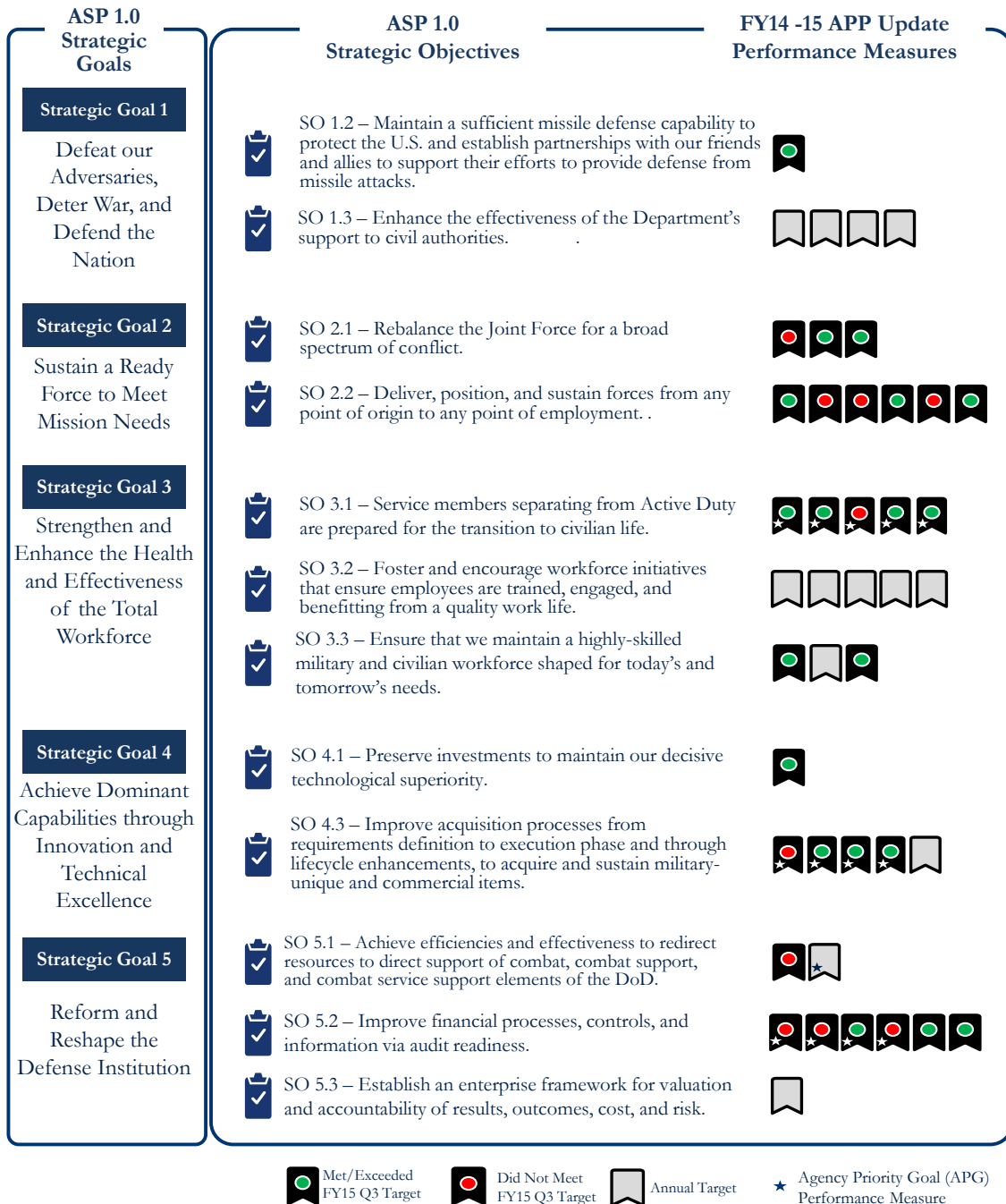
Figure 1 - Summary of Third Quarter, FY 2015 Results and alignment with FY 2015-2018 Agency Strategic Plan, Version 1.0

Defense leaders are responsible for creating performance measures in the APP. These performance measures encompass activities related to both the Department's warfighting mission and business operations to create a holistic performance plan and budget submission. While goal leader responsibility has been assigned to functional Principal Staff Assistants for reporting purposes, these goals and measures are used to inform the "Results Driven" critical element contained in respective Senior Executive performance agreements. This enables executives to focus on measurable outcomes from the Department's Strategic Plan. Figure 2 is a high level depiction of how performance measure results drive a senior executive's performance evaluation.

Figure 2 - Alignment of Organizational Goals to Senior Executive Performance Evaluations

At the end of the third quarter, 65.5 percent of the quarterly performance measures were on track to meet the annual goals, while 34.5 percent did not meet third quarter targets and are considered "at risk" of not achieving their annual targets.

Successes

The Department has been successful in meeting most of the priority measures for third quarter, FY15, including those related to acquisition reform and providing high quality care to wounded warriors. The Department has maintained its commitment to taking care of its people and has made considerable improvements in processing wounded warriors in a timely and effective manner.

Processing Wounded Warriors through IDES

Our Nation continues to be committed to the care and support of those who keep our country free and strong. Providing top-quality physical and psychological care to wounded warriors and assisting with the transition to veteran status is a Department priority. In FY15, the Department continued its work with the U.S. Department of Veterans Affairs (VA) to accelerate the transition of Wounded, Ill, and Injured (WII) Service members into Veteran status by reducing the disability evaluation processing time.

The Integrated Disability Evaluation System (IDES) is used to determine if Service members coping with wounds that may prevent them from performing their duties are able to continue serving. IDES is a joint process established by the VA and DoD that includes a single set of medical examinations and disability ratings. The goal is to close the gap between separation from active duty and receipt of VA benefits and compensation.

U.S. and British athletes compete in the 100-meter sprint at the 2015 Department of Defense Warrior Games on Marine Corps Base Quantico, Va., June 23, 2015.

Photo by Lance Cpl. Terry W. Miller Jr.

In the area of information technology enhancements, DoD is acquiring a DoD Disability Evaluation System Information Technology (IT) solution, with a targeted Initial Operating Capability in late FY16 or early FY17. This system(s) will leverage existing IT capabilities where appropriate, and include new capabilities to support end-to-end case management, tracking, reporting, and electronic IDES case file transfer.

Despite numerous cross-agency challenges, the Department was able to meet its IDES goal. One indicator used to assess the efficiency and effectiveness of the IDES system is the percentage of Service members who meet DoD's core IDES time and Service member satisfaction goals. In the third quarter of FY15, 87 percent of Service members being processed through IDES met time and satisfaction goals. The Department is on track to achieve the fourth quarter goal of 80 percent.

Reform the DoD Acquisition Process

In the Better Buying Power (BBP) initiative announced in September 2010, and re-emphasized in the November 2012 memorandum introducing BBP 2.0, the Under Secretary of Defense for Acquisition, Technology and Logistics (USD(AT&L)) directed the acquisition professionals in DoD to deliver better value to the taxpayer and warfighter by improving the way DoD does business. Next to supporting the Armed Forces at war, this was the President's and Secretary of Defense's highest priority for DoD's acquisition professionals. USD(AT&L) pointed out their continuing responsibility to procure the critical goods and services U.S. Armed Forces need in the years ahead without having ever-increasing budgets to pay for them. DoD's BBP initiatives focus attention on achieving affordable programs, controlling costs throughout the product lifecycle, incentivizing productivity and innovation in industry and government, eliminating unproductive processes and bureaucracy, promoting effective competition, improving tradecraft in acquisition of services, and improving the professionalism of the total acquisition workforce. On April 9, 2015, USD(AT&L) announced in an implementation directive the next step in the BBP continuum – BBP 3.0 Achieving Dominant Capabilities through Technical Excellence and Innovation. BBP 3.0 places a stronger emphasis on innovation, technical excellence, and quality of products.

DoD Components have incorporated BBP concepts into their acquisition programs, resulting in sound programs where requirements and resources are matched at program initiation.

Improvement Areas

The Department did not meet 34.5 percent of its third quarter targets for performance goals, indicating they are at risk for not achieving annual performance goals. There are improvement opportunities related to achieving audit-ready financial statements, competitive contracting and improving energy performance.

Achieving Audit-Ready Financial Statements

The National Defense Authorization Act of 2010 mandated that the Department have audit-ready financial statements by 2017; accordingly, the Department made this requirement a priority goal. Achieving audit readiness means that the Department has strengthened internal controls and improved financial practices, processes, and systems so there is reasonable confidence the information can withstand review by an independent auditor.

Fiscal Year 2015 was a pivotal year for the Department. Each Military Department began an Independent Public Accountant (IPA) audit of its General Fund Schedule of Budgetary Activity (SBA) FY15 appropriations. Additionally, most of the material other Defense organizations went under SBA examination or completed mock audits of their current year budgetary activities. Going under IPA audit or examination is an essential part of the DoD strategy to achieve full audit readiness and is consistent with the feedback received from the Government Accountability Office, the DoD Office of the Inspector General, and some members of Congress. While the Department is in the process of prioritizing the corrective action plans to address the audit findings, it will continue to focus on preparing the remaining financial statements for audit.

U.S. sailors and Marines man the rails as they pull into their first port call of their summer deployment on the amphibious dock landing ship USS Ashland in Bunbury, Australia, June 29, 2015. The Ashland is patrolling in the U.S. 7th Fleet area of operations.

Photo by U.S. Navy Petty Officer 2nd Class David Co

The Department is currently focused on four principle financial statements: Statement of Budgetary Resources, Balance Sheet, Statement of Net Cost, and Statement of Changes in Net Positon. To support auditability of the Balance Sheet, the Department established audit readiness of Mission Critical Assets as a priority. The Mission Critical Assets audit readiness strategy focuses on financial statement assertions for Valuation, Presentation and Disclosure, and Rights and Obligations. Resolving existence and completeness issues is an essential first step to valuing assets and reporting them on the Balance Sheet. The Department did not meet the Mission Critical Assets target goal due

to outstanding policy issues in establishing an appropriate valuation baseline. The Department is working with the Federal Accounting Standards Advisory Board to establish a valuation baseline. Fund Balance with Treasury (FBWT), a material line item on the Balance Sheet, is another indicator as to whether the Department's full financial statements will be audit ready by FY17. The Department did not meet the FBWT target due to audit findings related to one Military Service. Statement of Budgetary Resources (SBR) is also an indicator of whether the Department's full financial statements will be audit ready by FY17. The Department did not meet the SBR target due to audit findings related to one Military Service's Contract Pay process and the revocation of the U.S. Marine Corps' FY12 SBA opinion.

For the purposes of the above indicators, audit readiness is defined as an individual reporting entity's management audit readiness assertions for FBWT, Existence and Completeness of Mission Critical Assets, Valuation of Mission Critical Assets, and SBR to enable more meaningful and achievable goals when establishing FY16 goals. The Department is committed to resolving the audit findings and achieving and sustaining audit-ready financial statements.
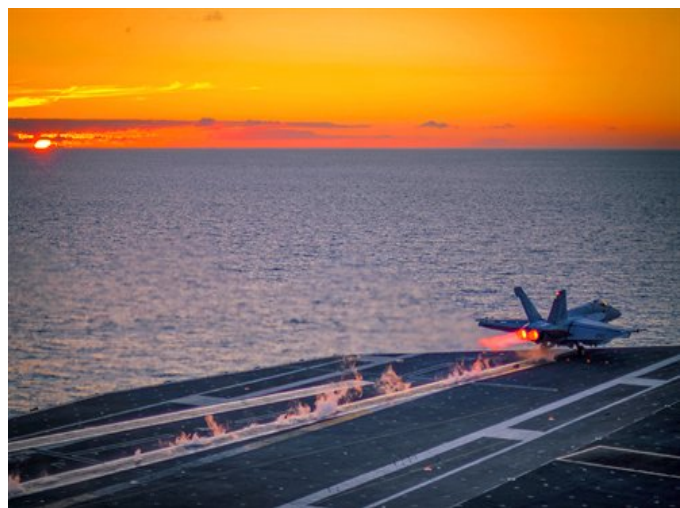
Energy

Improving facility energy performance at DoD installations will lower energy costs, improve energy security, improve mission effectiveness and reduce reliance on fossil fuels. Efficiencies will be achieved by reducing the demand for traditional energy. Legislation mandates a three percent annual reduction in facilities energy intensity as measured in British Thermal Units per gross square foot (BTU/GSF). The Department has pursued a facility energy investment strategy designed to reduce the energy costs and improve the energy security of our bases.

A Navy F/A-18E Super Hornet launches at sunset from the flight deck of the aircraft carrier USS Ronald Reagan in the Pacific Ocean off the coast of Southern California, July 10, 2015. The aircraft is assigned to Strike Fighter Squadron 137

Photo by Petty Officer 2nd Class Chase C. Lacombe

Despite falling short of the FY14 intensity reduction goal of 27 percent, the Department reduced its energy intensity by 17.6 percent from the FY03 baseline and improved by 0.4 percent from FY13. While the Department continues to invest in cost-effective energy efficiency and conservation measures to improve goal progress, there will be challenges in future reductions. Facility energy metrics are reported on an annual basis.

Contract Obligations that are Competitively Awarded

USD(AT&L) pointed out their continuing responsibility to procure the critical goods and services U.S. Armed Forces need in the years ahead without having ever-increasing budgets to pay for them.

One of the roadmaps to fulfill this goal is promoting real competition. While the Department did not achieve the quarterly targets, the USD(AT&L) continues to emphasize the importance of maximizing opportunities for competitive contracting though the Business Senior Integration Group (B-SIG). Most recently at the B-SIG, USD(AT&L) had the Service Acquisition Executives present progress to date. The Services attributed difficulties with achieving their goals to high value sole source foreign military sales and "Bridge" contracts having a significant impact on the FY15 competition rates. Additionally, they indicated that contracts for major non-competitive shipbuilding and aviation programs driven by historical strategic decisions made years ago will continue to impact competition for the long term. The Services are conducting engagements at the Component and Command levels with the "Requirements", "Acquisition" and "Contracting" communities.

USD(AT&L) is undertaking additional analysis of prior fiscal years (i.e., FY11 to FY14) in conjunction with analysis of competition rates for cost reimbursable and fixed price contract types to gain more insight into the competition baseline and trends. Looking ahead to the next fiscal year, USD(AT&L) will emphasize the Services should transition from targeted goals based primarily on the percentage increase over actuals, to a forecast model that projects competition opportunities a year in advance and accounts for anomalies, such as the purchase of a nuclear powered aircraft carrier. Defense Procurement Acquisition Policy (DPAP), with Component input, will examine differing circumstances and projected competitive opportunities to enable more meaningful and achievable goals when establishing FY16 goals.

Conclusion

The Department is committed to managing towards specific, measurable goals derived from a defined mission, using performance data to continually improve operations. The Department has maintained its commitment to veterans transitioning into the civilian workforce, and commitment to pursuing improvement opportunities related to acquisition reform and financial audit readiness.

Appendix A: Third Quarter, FY 2015 Performance Results Summary

The following tables outline the Department's strategic goals, strategic objectives, and results for FY15 performance measures.

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
DoD STRATEGIC GOAL #1: DEFEAT OUR ADVERSARIES, DETER WAR, AND DEFEND THE NATION				
		FY 2014 Results	**FY 2015 Q3 Goals**	**FY 2015 Q3 Results**
SO 1.2: Maintain a sufficient missile defense capability to protect the U.S. and establish partnerships with our friends and allies to support their efforts to provide defense from missile attacks.				
1.5.2-1F3: Cumulative number of Standard Missile - Model 3 (SM-3) Interceptors (all variants) delivered (USD(AT&L))	1.5.2-1F3: By FY 2017, the DoD will have delivered 257 SM-3 Interceptors (all variants) to counter aerial threats.	Target: 176 Actual: 181	Target: 203	■ 209
SO 1.3: Enhance the effectiveness of the Department's support to civil authorities.				
3.2.1-1F2B: Cumulative number of Homeland Response Forces (HRFs) trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours (USD(P))	3.2.1-1F2B: The DoD will have and maintain ten National Guard HRFs trained, equipped, evaluated, and validated at a reduced response time of 6-12 hours to a very significant or catastrophic event.	Annual Target: 10 Actual: N/A	Annual Target: 10	N/A
3.2.2-1F2B: Cumulative number of Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages (CERFPs) trained, equipped, evaluated, and validated at a response time of 6-12 hours (USD(P))	3.2.2-1F2B: The DoD will have and maintain 17 National Guard CERFPs trained, equipped, evaluated, and validated at a response time of 6-12 hours in order to backfill existing CERFPs that will convert to HRFs.	Annual Target: 17 Actual: N/A	Annual Target: 17	N/A
3.2.3-1FB: Number of Defense CBRN Response Forces (DCRFs) trained, equipped, evaluated, and certified at a response time of 24-48 hours (USD(P))	3.2.3-1FB: The DoD will have and maintain one DCRF trained, equipped, evaluated, and certified at a response time of 24-48 hours.	Annual Target: 1 Actual: N/A	Annual Target: 1	N/A
3.2.4-1F2B: Number of Command and Control (C2) CBRN Response Elements (C2CREs) trained, equipped and evaluated, as well as certified or validated as applicable at a response time of 96 hours (USD(P))	3.2.4-1F2B: The DoD will have and maintain two C2CREs trained, equipped and evaluated as well as certified or validated as applicable at a response time of 96 hours.	Annual Target: 2 Actual: N/A	Annual Target: 2	N/A

STRATEGIC GOAL 2: SUSTAIN A READY FORCE TO MEET MISSION NEEDS

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 2.1: Rebalance the Joint Force for a broad spectrum of conflict.				
1.2.3-1F2C: Percentage of general purpose force (GPF) deployed to support COCOM security force assistance (SFA) requirements that have received focused SFA training. (USD(P&R))	1.2.3-1F2C: Annually, 95% of GPF units/teams deployed to support COCOM SFA requirements will have received focused SFA training.	Target: 95% Actual: 91.2%	95%	🟥 79%
4.2.1-2P: Percent variance in Active component end strength (USD(P&R))	4.2.1-2P: For each fiscal year, the DoD Active component end strength will not vary by more than three percent from the SECDEF/NDAA-prescribed end strength for that fiscal year.	Target: +/-3% Actual: -0.83%	3%	🟩 -0.34%
4.2.2-2P: Percent variance in Reserve Component (RC) end strength (USD(P&R))	4.2.2-2P: For each fiscal year, the DoD RC end strength will not vary by more than three percent from the SECDEF/NDAA- prescribed end strength for that fiscal year.	Target: +/-3% Actual: -1.10%	3%	🟩 -1.00%
SO 2.2: Deliver, position, and sustain forces from any point of origin to any point of employment.				
4.1.2-2M: Percentage of Armed Forces who meet Individual Medical Readiness (IMR) requirements (USD(P&R))	4.1.2-2M: By FY 2015, 85% of the Armed Forces will have an IMR that indicates readiness for deployment	Target: 83% Actual: 86%	84%	🟩 87%
5.4.1-2L: Army Customer Wait Time (USD(AT&L))	5.4.1-2L: The DoD will maintain the Army's average customer wait time at or below 15 days.	Target: 15 Actual: 14.9	15	🟥 16.3
5.4.2-2L: Navy Customer Wait Time (USD(AT&L))	5.4.2-2L: The DoD will maintain the Navy's average customer wait time at or below 15 days.	Target: 15 Actual: 15.7	15	🟥 17.3
5.4.3-2L: Air Force Customer Wait Time (USD(AT&L))	5.4.3-2L: The DoD will maintain the Air Force's average customer wait time at or below 7.5 days.	Target: 7.5 Actual: 5.7	7.5	🟩 6.7
5.4.4-2L: Percentage of excess on-hand secondary item inventory (USD(AT&L))	5.4.4-2L: By FY 2016, the DoD will reduce and maintain the percentage of excess on-hand secondary inventory to 16 percent of total on-hand secondary inventory.	Target: 15% Actual: 15%	15%	🟥 17.3%
5.4.6-2L: Percentage of excess on-order secondary item inventory (USD(AT&L))	5.4.5-2L: By FY 2016, the DoD will reduce and maintain the percentage of secondary item excess on-order inventory to four percent of total on order secondary item inventory.	Target: 6% Actual: 4.4%	5.0%	🟩 4.4%

STRATEGIC GOAL 3: STRENGTHEN AND ENHANCE THE HEALTH AND EFFECTIVENESS OF THE TOTAL WORKFORCE

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 3.1: Service members separating from Active Duty are prepared for the transition to civilian life. *** = Agency Priority Goal Indicator**				
*4.1.3-2M: Percent of Service members who meet DoD core Integrated Disability Evaluation System (IDES) process time and satisfaction goals (USD(P&R))	4.1.3-2M: By end of FY2015, 80% of Service members meet DoD core IDES process time and satisfaction goals.	Target: 80% Actual: 79%	80%	🟩 87%
*4.1.4-2M: Percent of wounded, ill and injured (WII) Service members who are enrolled in a Service recovery coordination program and have an established and active recovery plan administered by a DoD trained Recovery Care Coordinator (RCC) and shared with the VA to aid in successful transition (USD(P&R))	4.1.4-2M: For FY 2015, continue to maintain 100% of WII Service members enrolled in a Service recovery coordination program and have an established and active recovery care plan administered by a DoD trained RCC and shared with the VA to aid in successful transition.	Target: 100% Actual: 100%	100%	🟩 100%
*4.1.5-2M: Percent of wounded, ill and injured (WII) Service members who are assigned to a DoD trained RCC within 30 days of being enrolled in a Wounded Warrior Program (USD(P&R))	4.1.5-2M: For FY2015, 100% of WII Service members will be assigned to a DoD trained RCC at a ratio not to exceed one RCC per 40 WII Service members.	Target: 100% Actual: 100%	100%	🟥 95%
*5.6.1-2T5: Percent of eligible Service members who separated and attended (a) pre-separation counseling; (b) Department of Labor Employment workshop; and (c) Veterans Affairs Benefits briefings prior to their separation, as required by 10 U.S.C. CH58, 1142 & 1144 and Public Law 112-56 (VOW Act) (USD (P&R))	*5.6.1-2T5: 85% of eligible Service members who separated and attended (a) pre-separation counseling, (b) Department of Labor Employment workshop, and (c) Veterans Affairs Benefits briefings prior to their separation, as required by 10 U.S.C. CH 58, 1142 & 1144 and Public Law 112-56 (VOW Act).	Target: 85% Actual: 63.3%	85%	🟩 94%
*5.6.2-2T5: Percent of eligible Service members who separated and met Career Readiness Standards (CRS) prior to their separation (USD(P&R))	5.6.2-2T5: 85% of eligible Service members who separated met CRS prior to their separation.	Target: 85% Actual: 34.2%	85%	🟩 87%
SO 3.2: Foster and encourage workforce initiatives that ensure employees are trained, engaged, and benefitting from a quality work life.				
4.3.1-2R: Percent of worldwide government-owned Family Housing inventory at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.1-2R: The DoD will maintain at least 90 percent of worldwide government owned Family Housing inventory at good or fair (Q1-Q2) condition.	Target: 84% Actual: N/A	Annual Target: 90%	N/A
4.3.2-2R: Percent of the worldwide inventory for government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition (USD(AT&L))	4.3.2-2R: The DoD will maintain at least 90 percent of the worldwide government-owned permanent party unaccompanied housing at good or fair (Q1-Q2) condition.	Target: 87% Actual: N/A	Annual Target: 90%	N/A

STRATEGIC GOAL 3: STRENGTHEN AND ENHANCE THE HEALTH AND EFFECTIVENESS OF THE TOTAL WORKFORCE

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 3.2: Foster and encourage workforce initiatives that ensure employees are trained, engaged, and benefitting from a quality work life.				
4.3.3-2R: Cumulative percent of Department of Defense Education Activity (DoDEA) schools that meet good or fair (Q1 or Q2) standards (USD(P&R))	4.3.3-2R: By the close of FY 2018, 100% of DoDEA schools will meet the Office of the Secretary of Defense acceptable standard of good or fair (Q1 or Q2) standards.	Target: 45% Actual: 47%	Annual Target: 51%	N/A
4.3.4-2R: Cumulative number of military spouses who have obtained employment through the Military Spouse Employment Partnership (MSEP) (USD(P&R))	4.3.4-2R: By FY 2017, a cumulative of 100,000 military spouses will have obtained employment through MSEP.	Target: 40,000 Actual: 65,000	Annual Target: 60,000	N/A
5.1.1-2A: Average facilities sustainment rate (USD(AT&L))	5.1.1-2A: In FY 2014, the DoD will fund facilities sustainment at a minimum of 90% of the Facilities Sustainment Model requirement.	Target: 80% Actual: N/A	Annual Target: 80%	N/A
SO 3.3: Ensure that we maintain a highly-skilled military and civilian workforce shaped for today's and tomorrow's needs.				
4.2.8-2P: Number of days for all external civilian hiring actions (end-to-end timeline) (USD(P&R))	4.2.8-2P: Beginning in FY 2013, the Department will improve and maintain its timeline for all external (direct hire authority, expedited hire authority, and delegated examining) civilian hiring actions to 80 days or less.	Target: 80 Actual: 89	80%	■ 78.1%
4.4.1-2T: Percent of acquisition positions filled with personnel meeting Levels II and III certification requirements (USD(AT&L))	4.4.1-2T: The DoD will increase the percent of positions filled with personnel meeting Levels II and III certification requirements from the previous fiscal year.	Target: 77.3% Actual: 80.6%	Annual Target: 80.6%	N/A
4.4.2-2T: Percentage of students entering the Defense Language Institute Foreign Language Center (DLIFLC) basic course that achieve the 2/2/1+ Defense Language Proficiency Test (DLPT) standard in reading, listening, and speaking modalities as measured on the Interagency Language Roundtable performance scale (USD(P&R))	4.4.2-2T: By FY 2017 66% of students entering the DLIFLC basic course will achieve a 2/2/1+ score on the DLPT in the reading, listening, and speaking modalities.	Target: 62% Actual: 71%	64%	■ 69.60%

STRATEGIC GOAL 4: ACHIEVE DOMINANT CAPABILITIES THORUGH INNOVATION AND TECHNICAL EXCELLENCE

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 4.1: Preserve investments to maintain our decisive technological superiority.				
3.5.1-2D: Percent of completing demonstration programs transitioning each year (USD(AT&L))	3.5.1-2D: Beginning in FY 2014, the DoD will transition 40% of completing demonstration programs per year.	Target: 40% Actual: 82%	40%	■ 60%
SO 4.3: Improve acquisition processes from requirements definition to execution phase and through lifecycle enhancements, to acquire and sustain military-unique and commercial items. *** = Agency Priority Goal Indicator**				
*5.3.1-2E: Percentage of contract obligations that are competitively awarded (USD(AT&L))	5.3.1-2E: The DoD will continue to increase, by one percent annually, the amount of contract obligations that are competitively awarded.	Target: 58% Actual: 58.7%	56%	■ 52.4%
*5.3.2-2E: Median percentage cycle time deviation from the previous year for active Major Defense Acquisition Programs (MDAPs) starting in FY 2002 and after (USD(AT&L))	5.3.2-2E: Beginning in FY 2014, the median percentage deviation will not increase by more than 2% from the previous year for active MDAPs starting in FY 2002 and after.	Target: </=2% Actual: 0%	</=2%	■ 0%
*5.3.4-2E: Number of MDAP breaches (equal to or greater than 15 percent of current Acquisition Program Baseline (APB) unit cost or equal or greater than 30 percent of original APB unit cost) for reasons other than approved changes in quantity (USD(AT&L))	5.3.4-2E: The DoD will not have any MDAP breaches (significant cost overruns) for reasons other than approved changes in quantity	Target: 0 Actual: 1	0	■ 0
*5.3.5-2E: Average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs starting in FY 2002 and after (USD(AT&L))	5.3.5-2E: The average rate of acquisition cost growth from the previous year for Major Defense Acquisition Programs starting in FY 2002 and after will not exceed 3%	Target: </=3% Actual: 0.21%	</=3%	■ -0.3%
5.3.6-2E: Percentage of Small Business prime contract obligation goal met annually (USD(AT&L))	5.3.6-2E: Beginning in FY 2012, the DoD will meet 100% of its Small Business prime contract obligation goal.	Target: 100% Actual: 100%	Annual Target: 100%	N/A

DoD STRATEGIC GOAL #5: REFORM AND RESHAPE THE DEFENSE INSTITUTION

Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 5.1: Achieve efficiencies and effectiveness to redirect resources to direct support of combat, combat support, and combat service support elements of the DoD. *** = Agency Priority Goal Indicator**				
4.1.1-2M: Average percent variance in Defense Health Program (DHP) annual cost per equivalent life increase compared to average civilian sector increase (USD(P&R))	4.1.1-2M: Beginning in FY 2007, the DoD will maintain an average DHP medical cost per equivalent life increase at or below the average healthcare premium increase in the civilian sector.	Target: </=0 Actual: -1.50%	0.0%	🟥 5.10%
*5.1.2-2A: Cumulative average percent reduction in building energy intensity (USD(AT&L))	5.1.2-2A: By FY 2015, DoD will reduce average building energy intensity by 30% from the FY 2003 baseline of 117,334 British Thermal Units (BTUs) per gross square foot.	Target: 27% Actual: 17.6 %	Annual Target: 30%	N/A
SO 5.2: Improve financial processes, controls, and information via audit readiness. *** = Agency Priority Goal Indicator**				
*5.5.1-2U: Percent of DoD's General Funds, Fund Balance with Treasury (FBwT), validated as audit-ready (USD(C/CFO))	5.5.1-2U: By FY 2015, 47% of DoD's General Funds, FBwT will be validated as audit ready.	Target: 99% Actual: 31%	40%	🟥 7%
*5.5.2-2U: FY 2014: Percent of Statement of Budgetary Resources (SBR) "Obligations Incurred" line item validated as audit ready. FY 2015: Percent of SBR "Outlays" line item validated as audit ready. (USD(C/CFO))	5.5.2-2U: By FY 2015, 99 percent of DoD's General Fund, Schedule of Budgetary Activity (SBA) for material components will be validated as audit ready and by FY 2015, 100 percent of DoD's General Fund, SBA for material components will be validated as audit ready.	Target: 82% Actual: 90%	78%	🟥 64%
*5.5.3-2U1: Percent of DoD mission- critical assets (real property, military equipment, general equipment, operating materials and supplies, and inventory balances) validated as audit-ready for existence and completeness (USD(C/CFO))	5.5.3-2U: By FY 2015, 83% of DoD's mission critical assets will be validated as audit-ready for existence and completeness.	Target: 65% Actual: 65%	75%	🟩 76%
*5.5.4-2U1: Percent of DoD mission- critical assets (real property, military equipment, general equipment, operating materials and supplies, and inventory balances) validated as audit-ready for valuation(USD(C/CFO))	5.5.4-2U: By FY 2015, 18% of DoD's mission critical assets will be validated as audit-ready for valuation.	New Measure for FY15	8%	🟥 4%
5.5.5-2U: Percentage of Defense Travel non-compliant vouchers corrected/reconciled (USD(P&R))	5.5.4-2U: For each quarter of FY2014, DoD will correct 60% of the errors identified by the Compliance Tool in the quarter of which errors are 180-270 days old.	Target: 60% Actual: 67%	60%	🟩 76%

DoD STRATEGIC GOAL #5: REFORM AND RESHAPE THE DEFENSE INSTITUTION				
Key Performance Measures	Long-Term Performance Goals	Annual Performance Goals/Results		
		FY 2014 Results	FY 2015 Q3 Goals	FY 2015 Q3 Results
SO 5.2: Improve financial processes, controls, and information via audit readiness.				
5.5.6-2U: Percentage of Defense Travel dollars recovered (USD(P&R))	5.5.5-2U: For each quarter of FY2014, DoD will recover 40% of the dollars identified by the Compliance Tool in the quarter of which errors are 180-270 days old.	Target: 40% Actual: 67%	40%	■ 76%
SO 5.3: Establish an enterprise framework for valuation and accountability or results, outcomes, cost, and risk				
4.2.5-2P: Percentage of purchases from the private sector, under which services are performed for or on behalf of the Department, that include the requirement to report direct labor hours and associated costs via the Army-based Enterprise-wide Contractor Manpower Reporting Application (ECMRA) (USD(P&R))	4.2.5-2P: By FY2018, 95% of each DoD component's purchases for services will include language requiring the reporting of direct labor hours and associated costs in ECMRA for the purpose of preparing the Inventory of Contracts for Services submission, subsequent review, and informing the Programing, Planning, Budgeting process and Total Force shaping decisions.	Target: 30% Actual: 30%	Annual Target: 50%	N/A

Appendix B: Acronyms and Definitions

Acronym / Abbreviation	Definition
APB	Acquisition Program Baseline
APP	Annual Performance Plan
APR	Annual Performance Report
ASP	Agency Strategic Plan
ATO	Authority to Operate
BMD	Ballistic Missile Defense
BBP	Better Buying Power
BPR	Business Process Reengineering
B-SIG	Business Senior Integration Group
BTU/GSF	British Thermal Unit per Gross Square Foot
CBRN	Chemical, Biological , Radiological, Nuclear
CCRI	Command Cyber Readiness Inspection
CERFP	Chemical, Biological, Radiological, Nuclear and High-Yield Explosives Enhanced Response Force Packages
CONUS	Continental United States
CPI	Continuous Process Improvement
CS/IA	Cyber Security / Information Assurance
C2CRE	Command and Control (C2) CBRN Response Elements
DBS	Defense Business System
DCRF	Defense CBRN Response Force
DHP	Defense Health Program
DIB	Defense Industrial Base
DIRI	Defense Institution Reform Initiative
DISA	Defense Information Systems Agency
DLIFLC	Defense Language Institute Foreign Language Center
DoD	Department of Defense
DoD CIO	Department of Defense Chief Information Officer
DoDEA	Department of Defense Education Activity
DPAP	Defense Procurement Acquisition Policy
ECRMA	Enterprise-wide Contractor Manpower Reporting Application
FPD	Force Protection Detachment
GPF	General Purpose Force
HRF	Homeland Response Forces
HT-JCOE	Human Intelligence (HUMINT) Training Joint Center of Excellence
HUMINT	Human Intelligence
IATO	Interim Authority to Operate
IATT	Interim Authority to Test
IDES	Integrated Disability Evaluation System
IMR	Individual Medical Readiness
IPA	Independent Public Accountant
ISR	Intelligence, Surveillance, and Reconnaissance
IT	Information Technology
FBWT	Fund Balance With Treasury
FY	Fiscal Year
MAIS	Major Automated Information System
MDAP	Major Defense Acquisition Program
MSEP	Military Spouse Employment Partnership
MSO	Military Source Operations
NC3	Nuclear Command, Control, and Communications

Acronym / Abbreviation	Definition
NDAA	National Defense Authorization Act
NIPRNET	Non-secure Internet Protocol Router Network
NSS	National Security Systems
OA	Organizational Assessment
ODCMO	Office of the Deputy Chief Management Officer
PB	President's Budget
PKI	Public Key Infrastructure
SBA	Schedule of Budgetary Activity
SBR	Statement of Budgetary Resources
SECDEF	Secretary of Defense
SES	Senior Executive Service
SFA	Security Force Assistance
SIPRNET	Secure Internet Protocol Router Network
SL/ST	Senior Level / Scientific and Technical Professional
USC	United States Code
USD (AT&L)	Under Secretary of Defense for Acquisition, Technology, and Logistics
USD (C/CFO)	Under Secretary of Defense, Comptroller / Chief Financial Officer
USD (I)	Under Secretary of Defense for Intelligence
USD (P)	Under Secretary of Defense for Policy
USD (P&R)	Under Secretary of Defense for Personnel and Readiness
VA	Veteran's Affairs
WII	Wounded, Ill and Injured