The Honorable John McCain  
Chairman  
Committee on Armed Services  
United States Senate  
Washington, DC 20510

19 DEC 2016

Dear Mr. Chairman:

The enclosed implementation plan is provided in response to the requirement set forth in section 1053 of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016 regarding the phased-in termination of non-dual status military-technician positions. Additionally, this plan addresses the request set forth in Senate Report 114-49, accompanying the NDAA for FY 2016, that the Department provide a report setting forth the plan for converting certain dual status military technician positions to positions filled by individuals employed under section 3101 of title 5, United States Code.

The Department worked closely with the Military Departments, the National Guard Bureau, the Army Reserve, the Air Force Reserve, and states’ Adjutants General in developing these implementation plans. Thorough analysis concluded that 12.6 percent of the dual status technician population was administrative in nature, and when considering their impact on military essential duties, recommended a 4.8 percent conversion of dual status technicians to title 5 civilian positions. Coupled with past efforts to achieve the appropriate force mix, including previous conversions of dual status technicians, these additional conversions will result in 17.4 percent of all dual status technicians serving in a title 5 status; this percentage increases to 20.1 when non-dual status technicians are included. During our collaborative analysis, we determined that the conversion and classification of these positions to title 5 civilian positions is extremely complex because many Office of Personnel Management classification categories do not translate directly to military functions. We believe these classification challenges may have resulted in the Center for Naval Analyses overestimating the number of administrative positions eligible for conversion.

This report outlines the dual status military technician conversion plan, control and authority of the states’ Adjutants General, changes to technicians’ employment rights, and phased-in termination of non-dual status military technicians. The plan will be updated as necessary to implement the requirements of the NDAA for FY 2017.

Thank you for your continued support of the members of the National Guard and Reserve. A similar letter is being sent to the President of the Senate, the Speaker of the House, and the other congressional defense committees.

Sincerely,

[Signature]

Peter N. Noyce  
Performing the Duties of the Under Secretary of  
Defense for Personnel and Readiness

Enclosures:
As stated

cc:
The Honorable Jack Reed  
Ranking Member
The Honorable William M. “Mac” Thornberry  
Chairman  
Committee on Armed Services  
U.S. House of Representatives  
Washington, DC 20515  

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Peter Levine  
Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosures:  
As stated

cc:  
The Honorable Adam Smith  
Ranking Member
OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

The Honorable Joseph R. Biden, Jr.
President of the Senate
United States Senate
Washington, DC 20510

Dear Mr. President:

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[Signature]

Peter Levine
Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosures:
As stated
The Honorable Paul Ryan  
Speaker of the House  
U.S. House of Representatives  
H-209, The Capitol  
Washington, DC 20515

Dear Mr. Speaker:

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Peter Levine  
Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosures:  
As stated
The Honorable Harold Rogers  
Chairman  
Committee on Appropriations  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

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[Signature]

Peter Levine  
Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosures:  
As stated

cc:  
The Honorable Nita M. Lowey  
Ranking Member
The Honorable Thad Cochran
Chairman
Committee on Appropriations
United States Senate
Washington, DC 20510

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Sincerely,

Peter Levine
Performing the Duties of the Under Secretary of Defense for Personnel and Readiness

Enclosures:
As stated

cc:
The Honorable Barbara A. Mikulski
Vice Chairwoman
Introduction:

In this document, the Department sets forth a plan for implementing the conversion of certain dual status military technician (MilTech) positions to civilian positions as directed by section 1053, Management of Military Technicians, of the National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2016 (P.L. 114-92) and in response to a request for a report set forth in NDAA Senate report section 1046. The conversion plan detailed in this report will be updated during the conversion process to comport with changes enacted in the National Defense Authorization Act for Fiscal Year 2017. After rigorous analysis and deliberate review by Department action officers, National Guard Bureau, United States Army Reserve and Air Force Reserve staff, and subject matter experts, it was determined that a total of 3,493 dual status MilTechs identified as working in general administration, clerical, finance, and office service occupations will be converted to title 5, U.S.C., civilian positions. Explained further in the analysis section of this report, this determination was based upon a comprehensive review and in-depth breakdown of dual status MilTech positions, responsibilities, and duties assigned. Thorough analysis concluded that 12.6 percent of the dual status technician population was administrative in nature, and when considering their impact on military essential duties, recommended a 4.8 percent conversion of dual status technicians to title 5 civilian positions. Coupled with past efforts to achieve the appropriate force mix, including previous conversions of dual status technicians, these additional conversions will result in 17.4 percent of all dual status technicians serving in a title 5 status; this percentage increases to 20.1 when non-dual status technicians are included. Also, the Department is reviewing other considerations such as assumptions, analysis, opportunities, challenges, and the next steps to develop a conversion plan that addresses operational and readiness demands. It is important to note that this conversion process was informed and shaped by deliberate collaboration with stakeholders including all Department of Defense (DoD) Reserve Components with MilTech personnel, the September, 2013, Center for Naval Analyses (CNA) Military Technician report, and the efforts of the DoD-led MilTech Conversion Plan working group. Finally, this document also includes a report on the phased-in terminations of non-dual status MilTechs as directed by section 1053.

History:

Beginning with the Militia Act of 1903 (32 Stat. 775), also known as “The Efficiency in Militia Act of 1903” or simply as “the Dick Act,” Congress has enacted legislation codifying the circumstances under which the National Guard can be federalized and provided federal funds for the Guard’s equipping and training, including the employment of full-time employees with a unique dual military-civilian occupational status. Until 1968, these full-time military technicians were state employees – state appointed, administered, supervised, and disciplined – although their salaries were funded by the federal government. This specialized military-civilian employment system was refined and enhanced by passage of the National Guard Technician Act of 1968, in which Congress converted the existing full time National Guard military technician force from State to Federal employment status, effective January 1, 1969.
Dual Status:

Analysis:
In order to determine which certain dual status MilTech would be converted to Title 5 Civilian positions, a thorough review of National Guard and Reserve Component MilTech manpower databases, manning documents, and organizational position responsibilities was conducted. The National Guard Bureau, United States Army Reserve and United States Air Force Reserve assembled their community leaders and subject matters experts to ascertain dual status MilTechs that were identified as working in general administration, clerical, finance, and office service occupations that would be converted to title 5, U.S.C., civilian positions. Their analysis and methodology by component is as follows:

National Guard Bureau:

Information collection was accomplished by gathering data from across each of the National Guard’s 54 States, Territories, and District of Columbia through their respective Adjutants General (TAGs) in combination with analysis compiled by an established working group. The purpose of the data collection was to ascertain whether converting title 32 Dual Status Military Technicians (DSMT) to title 5 Civilians was accomplishable within the scope of the conversion. The scope of collection was twofold. The first component was an analysis of technician positions by job series to determine which job series could convert with least effects on unit readiness. The second component documented how converting title 32 to title 5 would affect readiness for each State through TAG impact statements.

The first component of the data collection was a quantitative analysis of all title 32 DSMT positions. This defined how many title 32 DSMTs could convert to title 5 given certain screening criteria without severe effects to unit readiness. The data included was collected from the Defense Civilian Personnel Data System (DCPDS) and evaluated using the following screening criteria to analyze positions by state in consultation with the Assistant Secretary of Defense for Manpower and Reserve Affairs, Chief of the National Guard Bureau, and the TAGs:

1. Does the position have an affiliated wartime requirement/is it military essential? Definition: Any position where the technician would perform their civilian work, their training duty, and be mobilized to active duty in the same unit is exempt from consideration for potential title 32 to title 5 conversion.

2. Is the position in the Federal Wage System? Definition: Any position where the technician position is classified as Wage Grade (WG) is exempt from consideration for potential title 32 to title 5 conversion.

3. Does the position meet the intent of the Technician Act of 1968 with respect to training personnel, and the maintenance and repair of equipment? Definition: Any position where the technician performs work in training personnel, and
maintaining/repairing equipment is exempt from consideration for potential title 32 to title 5 conversion.

4. Does the position require current military knowledge and skills or have unique working conditions that are not conducive to civilian employment? Definition: Any position where the DSMT requires current military knowledge and skills as outlined in Department of Defense Directive (DoDD) 1100.22 “Policy and Procedures for Determining Workforce Mix” is exempt from consideration for potential title 32 to title 5 conversion.

5. Is this position a key advisory role to the TAG to recommend military engagement options of the capabilities in the National Guard? Definition: Any position where the DSMT is a key advisor to the TAG (fulfilling the duties as outlined in DoDD 5105.83 National Guard Joint Force Headquarters State (NG JFHQs-State)) is exempt from consideration for potential title 32 to title 5 conversion.

6. Is the position outside the description of “general administration, clerical, finance, and office service occupations”? Definition: Any position where the DSMT does not perform a job function that is general administration, clerical, finance, and office service is exempt from consideration for potential title 32 to title 5 conversion.

The second part of the data collection was conducted using qualitative methods. TAGs were asked to provide narratives describing the impacts on converting title 32 DSMTs to title 5 civilians. They include specific examples of how readiness would be affected through illustrations of real world situations.

United States Army Reserve:

The U.S. Army Reserve’s (USAR) total civilian population consists of approximately 7,990 title 5, Military Technicians (MTs) and approximately 3,123 title 5, Department of Army Civilians (DAC). MTs share the same rights, Equal Employment Opportunity (EEO) protections, due process, union representation, etc., as any other title 5, DAC employee. There are three basic categories of MT positions: Dual Status Military Technician (DSMT), Non-Dual Status Technician (NDST), and Combat-Related Injury Non-Dual Status Technicians (CRI-NDST). The USAR does not have NDST positions (all of the MT positions are DSMTs).

The 2013 Center for Naval Analyses (CNA) Report on the Termination of Military Technician as a Distinct Personnel Management Category identified ~4,300 positions (administrative, general, clerical, etc.) as potentially meeting the criteria for conversion to a DAC. The assessment was based solely on the occupational series the employee was assigned, e.g. 03XX, and did not account for the work performed. Currently, ~50% of the USAR positions categorized as administrative are designated as 0301s because they perform a variety of functions, and cannot be aligned to a specific type of position. The following three position examples are in the 03XX series:
1. Staff Operations and Training Specialists (SOTS): Personnel in these positions organize, conduct, and administer training in preparation for testing and/or determining procedures. They instruct unit personnel in proper methods for handling, administering and safeguarding test materials. They review mobilization plans, directives issued by higher headquarters, and their implementation. They review mobilization plans prepared by subordinate units for compliance with plans and objectives, and assist and advise Commanders in mobilization planning.

2. Logistics Management Specialists (LMS): Personnel in these positions plan for and direct supply distribution and use of unit equipment including: weapons, weapons systems, tactical and support vehicles, and activities concerned with the receipt, storage and issue of supplies. They coordinate allocation of equipment to meet Annual Training requirements from Regional Support Command (RSC) and Equipment Concentration Site (ECS) assets.

3. Unit Administrators (UA)/UA Techs (UAs): Represent Commanders during the week and are multifunctional, i.e. program planning, mobilizations, logistics, training, inspections, exercises, human resources (HR), public liaison, pay, maintenance/repair of equipment, etc.

The USAR is continually aligning civilian positions to the correct program category – MT or DAC. These realignments enabled the USAR to make the necessary adjustments to the workforce in order to standardize the functions being performed by MTs and DACs. For example, the USAR has civilian Human Resource (HR) specialists assigned in two organizations: (1) U.S. Army Civilian Human Resources Agency (CHRA) Civilian Personnel Advisory Center (CPAC) that services the USAR at Ft McCoy, WI; (2) Headquarters, USARC in the Civilian Personnel Management Office as HR Specialists at Fort Bragg, NC. DACs in these positions are funded with Operations and Maintenance appropriations by the USAR. While the USAR funds each CHRA CPAC HR specialist, these employees are not MTs. Further, they are assigned to an active component generating force authorization document; specifically the Army's Civilian Human Resources Agency.

The USAR utilized title 10 USC, section 10216 as the framework for its functional assessment, and it provides that a DSMT is a Federal civilian employee who is assigned to a civilian position as a technician in the organizing, administering, instructing, or training of the Selected Reserve, or in the maintenance and repair of supplies or equipment issued to the Selected Reserve of the Armed Forces. The USAR used a multi-phased approach in arriving at the conversion population numbers that leveraged Congress’ intent to make good business decisions based on functions and not numbers, in order to standardize positions across the USAR, and enable readiness.

- Phase 1, Review Position Descriptions. This review identified three categories of conversions: (1) MT to DAC; (2) DAC to MT; and (3) No conversion. The positions initially identified for conversion to DAC included all financial positions, administrative
and clerical positions, and positions in special programs such as Safety, SHARP, Family Programs, and Victim Advocates.

- Phase 2, Standardization of Positions. The USAR also used this as an opportunity to standardize positions as MT or DAC, e.g., some positions were identified as DAC that should be MT and vice versa. In other instances, a mixture of DACs and MTs in some functional areas was identified, e.g., a mixture of DAC and MTs performing public affairs and program/management analyst functions.

- Phase 3, Senior Leader Input. The preliminary analysis was shared with USAR two-star Commanders and senior civilians for input, assessment, and feedback. The result included additional positions for conversion, such as project managers and pilots.

- Phase 4, Comparative Assessment. A comparative assessment of the USAR total civilian population and functions with those identified by the Army National Guard to achieve some consistency across the Army.

The USAR civilian population after conversion summary is as follows:

1. Currently, the total USAR civilian workforce consists of 11,113 USAR funded civilians:
   a. 3,123 (28%) title 5, DACs of the total population consisting of 1,574 civilians that are assigned to Office of the Chief of the Army Reserve (OCAR), US Army Reserve Command (USARC), 7th Mission Support Command (MSC), and 9th MSC; and 1,549 assigned to Army Materiel Command (AMC), Installation Management Command (IMCOM), Network Technology Command (NETCOM), and CPAC to provide support to the USAR.
   b. 7,990 (72%) title 5, MTs.

2. The USAR identified a total of 1,249 administrative positions as potential candidates for conversion from MT to DAC:
   a. 770 (69%) were already DACs.
   b. 341 (31%) were identified as Admin, Budget, etc. for conversion.
   c. An additional 138 non-administrative MT positions were identified for conversion (Safety, Security, Intelligence, SHARP, Pilots, and Flight Instructors).

3. After converting a total of 479 positions, the final composition of the USAR civilian workforce is:
   a. 3,602 (32%) title 5, DACs.
   b. 7,511 (68%) title 5, MTs. 3,378 MTs (45%) of these positions are equipment
mechanics, repairers, maintainers, etc. who are assigned to shop/maintenance facilities. Another 2,250 (~30%) of these positions were identified above as the SOTS (400), LMS (350), and UAs (1,500).

United States Air Force Reserve:

Section 1053 of the FY 2016 NDAA directed Office of the Secretary of Defense (OSD) to convert 20% of its Military Technicians (MilTech) to title 5 civilians and to eliminate all Non-Dual Status Technician (NDST) positions. The Air Force Reserve (AFR) uses NDST as a temporary status for DST who don’t meet mobility standards (i.e., medical). They can stay in this status for up to 12 months and are either returned to duty or terminated. The AFR does not use NDST authorization to hire permanent full time employees. The 2012 Center for Naval Analysis (CNA) “Report on the Termination of Military Technician as a Distinct Personnel Management Category” highlighted that 20% of DoD’s MilTech’s were in general admin and clerical positions, which could easily be converted. The report only referenced positions in the 0300, General Admin, Clerical & Office Services and 0500, Accounting & Budgeting civilian occupational series. However, the AFR also included the 0200 series, Human Resource Management, in the analysis, per direction from the OSD Working Group.

Following release of the FY 2016 NDAA, the Chief of Air Force Reserve met with OSD/Personnel and Readiness to discuss the conversion. It was agreed that certain positions would be excluded from consideration, to include mobility/readiness, critical skills, key leadership, and force development. During an initial data review, it was determined that many of the positions in these series were not administrative in nature, but fell in other categories, to include some that were even technical in nature. Therefore, the AFR excluded positions identified as critical skills (Pilots/Maintainers), key leadership (Commanders), and those used to develop a sufficient pool of senior leaders. In addition, we excluded positions that were mobility coded as valid Unit Type Code (UTC) requirements to meet wartime needs and support Combatant Commander wartime requirements.

To identify those positions that met the FY 2016 NDAA mandate, the AFR assembled a group of experts from personnel, manpower, finance, as well as multiple career field managers. The group identified 2,522 MilTech positions in the 0200/0300/0500 occupational series, finding 156 as purely administrative/clerical in nature, making them candidates for conversion. While this is well below the 20% desired by the NDAA, it points to the fact that the CNA report only looked at the series without taking a “deeper look” into the actual “purpose” of the positions and how they were being utilized by the services. Furthermore, the AFR prefers to convert these positions to title 5, allowing the incumbent to occupy the military position as a traditional reservist if the conversion does not require the member to retire or separate due to high-year-of-tenure rules for MilTechs and traditional reservist. The AFR’s full analysis of the 2,522 positions considered each position as leadership, force development, rated, UTC, Not Admin or Other.
While the AFR recognizes that the number of positions identified for conversion is well below the requested 20%, AFR believes the spirit/intent of the law to convert only admin/clerical positions was met and proper adjudication is provided for excluded positions.

Results:

Based upon the extensive research, coordination, and billet analysis, it was determined that the number of dual status MilTech positions to be converted to title 5 civilians was inaccurately calculated in the September 2013 CNA report; the number should have been much lower. This was determined by a collaborative, multi-level review that incorporated critical assessment from the operational level to the Adjutant General level. This review provided for the accurate identification of MilTech personnel who would be eligible for conversion. Because multiple Office of Personnel Management (OPM) classification categories do not directly translate to military functions, the original 2013 CNA report inadvertently miscalculated the conversion total. For example, the GS-0301 series classification is used to aggregate career fields that perform work which is “not elsewhere classifiable.” This generalized classification category contributed to a CNA miscalculation that 20 percent of dual status MilTech positions were “administrative.” Earlier this year, a thorough DoD review of these duty positions concluded that this number was inaccurate; the GS-0301 series included military duties such as air wing commander, food service specialist, training manager, battle simulation specialist, and civilian/military project officer, all of which are military essential in nature. The Department’s analysis determined that 9,209, or 12.6 percent of the 72,891 of the dual-status technicians were administrative positions. Of this 12.6 percent, 3,493 were deemed suitable for conversion from MilTech to title 5 civilian positions. The remainder were deemed military essential; their conversion would create unacceptable risk by not ensuring 24/7 availability of this position. For example, a budget analyst who manages all unit operational and maintenance expenditures ensures proper payment to and accounting for timely maintenance and fueling operations and services that are required for around the clock operations. In this case, when funding and payment is not possible it prevents the purchasing of fuels, which then becomes a critical obstacle so the airman can then refuel the aircraft so that the pilots and aircrew can fly their assigned mission. These duties are military essential due to the need for critical support and payment functions that facilitate 24/7 military operations, and without them, produce delays, inefficiencies and operational stops. The Department considers the remainder of the administrative positions as candidates for future Active Guard and Reserve conversions as will be delineated in a report that is expected to be required by the FY 2017 NDAA. The actual process for conversion within all components will follow the plan explicitly defined in current law.

Analysis Audit and Verification:

Upon completion of analysis and determination of findings, both “spot check” and reverse-analysis audits were conducted on selected units to verify findings. This no-notice review of an Air National Guard Wing with multiple squadrons, multiple aircraft and multiple missions was conducted to verify MilTech positions, paygrade, occupational series, tenure, and conversion criteria determination. In the interest of performing an expeditious, cost-effective review so that deliberate feedback could be obtained and quickly applied to the conversion and analysis
process, the report data was compared and reviewed against the Air National Guard Wing’s MilTech program. That review was conducted, and then verified by the Wing Commander whose best military assessment was that this data concluded that MilTech data and conversion inputs for these units were accurate. Further review of other units is planned upon conversion process progress.

**Opportunities:**

The dual status MilTech to title 5 civilian conversion plan presents potential opportunities for potential improvement as the transition process evolves. Opportunities include:

- **Personnel Management.** Conversion would reduce military personnel management categories along with any associated overhead and oversight requirements associated with the MilTech program.

- **Work Force Mix.** Determining work force mix requirements through a holistic review of personnel and work requirements would support the ultimate achievement of an optimal force mix that will best serve mission execution. A study of the work force mix, inclusive of MilTech, Full-Time and civilian support, would enable the MilTech program conversion process in service of enhanced overall capabilities for the Reserve Components (RC).

- **Office of Personnel Management (OPM) Job Classifications Review.** An OPM job classification review process would provide opportunities for improvement and alignment regarding personnel classifications and more accurately categorize position titles and categories. Options include expanding the number of OPM job classifications to include military career fields/classifications or creating a unique MilTech personnel system that continues to provide for National Security as well as removing the persistent confusion inherent in this hybrid program.

Additionally, the MilTech to title 5 civilian conversion plan presents other potential opportunities to address key national security capability areas. In areas of high demand/low capacity or significant growth, conversion plans can address new areas or shortfalls while applying personnel against needed capabilities. Opportunities include:

- **Aviation Capability (leverage military-industry relationship).** With the tremendous growth of aviation operations, coupled with projected DoD and commercial aviation industry pilot shortages, leveraging qualified aviation pilots and their valuable skill sets will remain an important challenge to address. Both ongoing MilTech program improvements and future MilTech program modernization provide viable options to focus today’s efforts on tackling their challenges. Such opportunities could include efforts to identify seasoned aviators who could serve both in a military capacity (fighter, transport, electronic warfare, etc.) while also serving in the commercial aviation industry, or vice versa. This will be further examined in FY-2017/2018 as part of both MilTech and Pilot program assessments and reviews.
- **Cyber Capability (leverage military-industry relationship).** Similarly, a host of opportunities exist for the RCs to leverage corporate cyber skills and knowledge pools. The RCs have identified this functional area as possessing significant strategic potential for future innovative MilTech applications. Likewise, a modernized MilTech program could provide unique growth, collaboration and talent sharing between Silicon Valley and the National Security community.

**Challenges:**

Conversion plan implementation will face some impediments and challenges. The following challenges that impact both personnel and mission are important to consider during the transition process. As the conversion is executed, awareness and attention to these issues will be key to the success of the conversion plan. Possible challenges include:

- **Readiness/Responsiveness.** A change in status from MilTech to civilian may produce challenges with personnel accessibility that would impact both readiness and responsiveness. For example, personnel under conversion could serve their civilian and reserve military duties at geographically different locations, and based upon organizational requirements, may not be available or have the ability to respond to “no-notice” or emergent tasking, resulting in decreased deployability. Additional challenges may result if civilians choose not to affiliate with reserve units, producing either a reserve unit personnel shortfall or increased costs due to efforts to recruit/replace personnel or fill the gaps.

- **Expertise.** Personnel who perform the same duties and critical mission tasks day after day, both as civilian and military personnel, accrue a level of seasoned proficiency and expertise that is vital to military operations. The inability to leverage this proficiency is likely to decrease work force resident expertise and vocation depth. This could result in decreased productivity and lesser work force effectiveness, while increasing time for task completion, required training, and associated (financial and opportunity) costs. In many career fields, including administrative areas, it is important for personnel to work in their career areas frequently to maintain currency and to keep pace with continuous policy changes and implementation.

- **Work Force Continuity.** Retaining a seasoned, relevant cadre of professionals with requisite knowledge to perform essential tasks is the key to mission success. Both recruiting and retaining a robust work force, especially when attractive private industry employment options are readily available, is extremely challenging. This can be achieved by producing viable, sustainable career development paths and promotion opportunities for those who excel in their areas of specialty. An environment that promotes skill compatibility, merit-based career opportunities, career development and training management, shared mission commitment, and personnel career paths that attract and retain valuable personnel, will support work force continuity and organizational goals.
- **Personnel Career Continuity.** When consolidating personnel management categories, it will be important to look at all factors that affect career continuity, compensation, retirement programs, benefits and services. Work force policy changes or conversions will need to address both actual and perceived decrements in these areas that could adversely affect career-minded personnel.

**Case Examples:**

Each dual status MilTech position is circumstantially unique and meets both federal and state requirements. Thus, when considering conversion eligibility, each position’s unique circumstance must be taken into account on a case-by-case basis. Two examples that highlight the complexity in converting dual status technicians are stated below. The members in both examples serve in compatible positions that are intrinsically linked. Conversions or de-linking of either position could have negative impacts for the member and the supported unit.

- A 32-year-old Army National Guard Staff Sergeant serves twice per week on average, as an H-60 helicopter crew at Ft Campbell, Kentucky. Meanwhile, he/she is employed at the same unit as a WG-12 sheet metal repair technician refurbishing critical helicopter components. During the conversion process, the Staff Sergeant decides to accept the conversion to a title 5 WG-12 civilian position, but chooses not to affiliate with an Army National Guard unit as a Selected Reserve Staff Sergeant. In this case, he/she will only be able to serve only in a civilian capacity, but may not perform any military duties. In this scenario, the individual’s availability will be reduced in accordance with civilian personnel standards on working hours; the flexibility and responsiveness associated with the individual’s prior status will be eliminated.

- A 28-year-old Army National Guard Sergeant First Class serves three times per week on average, as a medical corpsman at Ft Campbell, Kentucky. Meanwhile, he/she is also employed as a GS-7 medical records technician. During the conversion process, he/she decides to accept the title 5 GS-7 civilian position, and chooses to affiliate with an Army National Guard unit as a Selected Reserve Sergeant First Class. Although he/she will be able to serve in both a civilian and military capacity during his/her respective work periods, the service may not be in the same unit as was the case during his/her dual status MilTech assignments. This scenario will allow for both civilian and military service, but will effectively reduce the individual’s flexibility, availability, and responsiveness due to competing interests between the two different employers.

When a dual status MilTech is converted to a title 5 civilian, there is a significant risk of loss in responsiveness and availability to perform military duties. Even though robust coordination between civilian employers and military units can permit valuable participation in military activities, it lacks the streamlined, routine facilitation process of the civilian-military transition.
that is well practiced in the dual status MilTech program. Additionally, there are other significant factors that will need to be considered concerning hiring standards, retirement and benefits eligibility, employment retention and protection rights.

Conversion Overview

The following outline illustrates some necessary elements of a timely transition of dual status military technicians from title 32 to title 5. The conversion process will involve a variety of supporting efforts including human resources departments, Reserve Component-specific personnel departments, labor unions, legal departments, financial resource advisors, applicable benefit providers, and other supporting government agencies such as the Department of Veterans Affairs. The conversion plan will be executed in three phases as follows:

Phase 1 - DoD, Component and Activity Collaboration Effort

Billet-by-billet incumbent position analysis

Identity workforce and duty shortfalls

National Union involvement (NCR/PDI):

Pre-decisional involvement (PDI) - The MilTech Working Group leadership will share overarching plans regarding the conversion of technicians to title 5 with the national unions affected by the MilTech conversion. During PDI, management and the union may identify issues concerning proposed changes, and obtain input from unions without regard to whether subjects are negotiable under the Statute.

National Consultation Rights (NCR) - To fulfill the NCR requirement, DoD must provide the unions advance notice of substantive changes in conditions of employment affecting employees represented by the unions and an opportunity to comment. This includes the establishment or modification of policies, directives, and instructions affecting the working conditions of bargaining unit employees. Unions are given 30 days to respond to the notice. The Department must consider any comments/recommendations received and notify the responding union(s) of the Department's decision on the comments received during the NCR process.

Develop strategic communications involving the conversion process. The objective is to communicate the purpose of the conversion, the mechanics involved with the transition, along with the changes and unique circumstances that must be taken into account on a case-by-case basis. The Department will develop a strategic communication plan that addresses the process involved with the conversion of MilTech to title 5. Communications will include town hall meetings, face-to-face career counseling, briefings, webinars, newsletters, fact sheets, frequently asked questions, and processing desk guides for HR Practitioners. The communication will involve internal and external audiences, e.g. leadership, DoD employees, supervisors, managers and union representatives.
Phase 2 - Conversion Process

Local Labor organization obligation: There is no requirement to negotiate or reach agreement with the unions on the proposed changes as part of the national consultation process. However, bargaining at the level of exclusive recognition may be required prior to implementation once the NCR process has been completed.

Educate members on upcoming changes: Human Resources offices at the local level will provide members with career counseling and review career placement options in a more personalized manner. Human Resources offices will ensure dissemination of information and guidance via webinars in addition to one-on-one counseling sessions for employees impacted by the conversion. Components will discuss the different career opportunities under the Competitive service (title 5) such as, movement between the different agencies, promotions within the competitive service, and training for current and new career fields. Additionally, they will provide employees information regarding placement options in the competitive service and assist them with updating records and resumes.

Notify impacted incumbents: Upon receiving DoD approval to conduct conversion of MilTech from title 32 to title 5, Components will start communication efforts via townhall, staff calls, or all-hand meetings. Consequently, notification to impacted incumbents should be made in writing. The notification of impacted employees may be subject to local bargaining; therefore, a list of positions and impacted incumbents should be provided to local union representatives prior to employee notification.

Health Benefits Eligibility: Eligibility to enroll in the Federal Employee Health Benefits Program (FEHB) will be based on the type of appointment and the work schedule of the employee. MilTechs on permanent appointments converting to title 5 will be able to select health insurance benefits at the time of conversion.

Conversion Actions Processing (Movement of employee into title 5): Organizations will be responsible for establishing a timeline and the procedures on how personnel and recruitment actions already in the pipeline during the transition period will be processed. An assessment of the employees’ Federal service will be made to determine how the employee will be converted either by career-conditional or career tenure status. Examples: (1) If an employee has prior competitive service, they may be reinstatement eligible and will be reinstated either with a tenure status of career or career-conditional; (2) If an employee does not have prior competitive service and has performed satisfactorily in the excepted service for less than 6 months, they will be placed in status quo for 3 years and then will be converted to career tenure status; and 3) If an employee has performed satisfactorily in the excepted service position for 6 months or longer, they will be placed in status quo and within 6 months of the conversion date will be converted to career or career-conditional tenure status. Human Resources offices will notify managers of the cut-off date(s) for submission of final actions prior to conversion and provide the procedures to follow during the transition period. Components will be responsible to perform pre-conversion quality check reports and identify any issues that need to be corrected. Human Resources offices will be responsible to process appropriate conversion actions via the Defense Civilian Personnel Data System (DCPDS) and correct any errors identified during the conversion preview.
Subsequently, personnel offices will conduct a post-conversion quality check, identify errors, and process corrections, as needed.

**Security Clearance Designation:** The position security clearance is designated by using the OPM Position Designation Tool (PDT). If the MILTech converted from title 32 to title 5 has been investigated and cleared at or above the level needed for the title 5 position, that prior investigation will be reciprocally accepted under normal business rules. Conversely, if the title 5 position requires a higher level clearance or public trust assessment based on the new duties, then a new investigation will be required.

**Pay Setting:** Pay setting implications are not anticipated upon conversion from title 32 to title 5. MILTech serving in civilian capacity are being paid according to title 5 rules. Therefore, converting them permanently to title 5 should have no impact on pay.

**Position Descriptions:** A position description will be developed and classified for each civilian position. The position description will contain the work required to be performed and the supervisory relationships of the position. The correct classification of the position will be determined by application of OPM Position Classification Standards and Guides.

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**Phase 3 – Post-Conversion Review**

- Review future Force Mix analysis
- Review and update planning for FY 2017 NDAA implementation

Every consideration will be made to minimize adverse impact on the current dual status MilTech work force. This includes efforts to provide transition assistance, priority placement, career and retirement counseling, if appropriate, and information on benefits eligibility.

**Assumptions:**

To develop and organize the conversion plan, certain reasonable assumptions are made, as follows:

- In order to execute the conversion of dual status MilTechs to title 5 civilian employees, regulations and other associated governing documents may need to be changed and/or modified to reflect the transition.

- End strength and military operational and readiness requirements will remain at the same levels.

- All personnel category positions and work requirements are accurately identified and correct.
- The conversion plan will result in a seamless transfer of roles and responsibilities from dual status MilTech to title 5 civilians in order to ensure RC unit readiness and effectiveness.

- The National Guard, which has both a state and federal military role, will be able to maintain a balance between competing interests and priorities.

- OPM job classifications will need to be addressed in the future in order to ensure that job classification assigned to all MilTechs accurately reflect that individuals’ duties and functions.

- OPM position classifications will need to be reviewed to ensure they fully can account for the work performed, sensitivity and risk designations, and functions required, by each position.

Next Steps and Way Ahead:

Although the dual status MilTech Program provides cost-effective access to military skills through both civilian and military service, and is flexible enough to provide solutions to skill-set shortages that our full-time military programs do not afford, the program is in need of enduring reforms and long-term modernization. The next step is to convert the identified 3,493 MilTech positions as directed by the FY 2016 NDAA. An execution order will be communicated to the National Guard and the RCs to proceed with the planning and execution of the dual status MilTech to title 5 civilian conversion. Additionally, the MilTech Working Group has been reconvened to begin the analysis of the draft FY 2017 NDAA language. Specifically, the working group has begun discussions on how to further these efforts and a study was commissioned to research and analyze alternative mixes of MilTechs and Active Guard Reserve personnel in the RCs. This study has been funded and will be conducted by the Institute of Defense Analyses (IDA). The working group, IDA study, and other collaborative forums will be used to inform and shape FY 2017 NDAA deliverables such as determining the force mix ratio “required to best contribute to the readiness of the National Guard and Reserves.”

Non-Dual Status:

The Department would like to thank the Senate Armed Services Committee for the opportunity to highlight the Non-Dual Status Technician program. Several issues must be considered in planning a phased-in termination. These issues were considered by a working group, comprised of representatives of each of the components affected by the section 1053 conversion requirement, to determine the best path for implementation.

Non-dual Status Technicians have historically come into being through either a direct hiring action into the position, or through a transition from a dual-status position. In accordance with section 1053, each component will reduce the total number of authorized non-dual status technicians by one for each individual who retires, is separated from, or otherwise ceases service as a non-dual status technician. A total of 1,950 non-dual status military technicians have
already been converted to Title 5, U.S.C., civilians with 1,785 who will need to be converted to title 5 civilians. Also, no new non-dual status military technicians hiring actions will be initiated after December 31, 2016.

Responsibility for oversight of these actions will fall on the respective RC staffs. The timeline for the phased-in termination process will begin on January 1, 2017, and will continue until the maximum number of non-dual status technicians employable is zero. Each component will update the Department on its progress toward reducing the total number of non-dual status employees to zero, and as directed, no actions will occur to terminate current employees.

Control and Authority of the State Adjutants General:

The Department was asked to perform an analysis of a course of action that would place military technicians who have been converted to title 5, U.S.C., civilians under the control and authority of the State Adjutants General. In conjunction with the affected components, the Department provides the following discussion and recommendations.

Current law, section 709 of title 32, U.S.C., directs the Secretary concerned to designate the Adjutants General to employ and administer MilTechs. Also, the authority of the Adjutants General to make federal civilian appointments is restricted to employees hired under section 709. This necessarily restricts the Adjutants General from employing, administering, or appointing any personnel under the authority of title 5.

The Army National Guard and the Air National Guard currently have the authority to hire title 5 civilians, and this authority is being utilized. While these employees could be assigned to the States, they would remain under the authority of the associated Military Department and not under the authority of the Adjutants General.

Employment Rights:

The Department was asked to perform an analysis of the employment rights that will now be granted to dual status technicians who are converted to persons employed under section 3101 of title 5, U.S.C. In conjunction with the affected components, the Department provides the following discussion and recommendations.

Common to all RCs, members who transition from dual status technician to title 5 civilian will see five differences. First, military membership will not be required as a condition of employment for the civilian position. Second, if civilians elect to remain in the RC, they will qualify for military career-field retention bonuses and military Selected Reserve Incentive Pay. Currently, these payments are not authorized for dual status technicians per individual component regulations. The third difference common across all components is a difference in the applicability of Special Provision Disability Retirement under title 5, U.S.C., section 8337(h)(1). As a dual status technician, a disability that precludes further military service necessarily precludes service as a technician. This situation allows the member to receive a disability retirement under the above statute. Under title 5, a civilian employee who is not required to be a member of a reserve component, is considered disabled only if the employee is
found unable to perform the duties and responsibilities of his/her position due to a disease or injury. Fourth, mandatory military retirement dates may be extended for dual status technicians as per individual component regulations. If a dual status technician has a military retirement extension and is then converted to a title 5 civilian position, the extension would become invalid and would lead to an immediate military retirement or military separation action. And, fifth, the age for retirement to receive an unreduced annuity would increase. Dual status technicians have a mandatory separation age of 60 in accordance with section 10216(f) of title 10, U.S.C., and this assumes they have received an extension of the mandatory military retirement date. After conversion, the employee would fall under the OPM requirement of at least 10 years of service and at least age 62 at separation for an unreduced retirement annuity. Also, converted employees will be eligible for Veteran’s Preference rights for hiring and reduction in force actions, and allow for Merit System Protection Board appeal rights. Finally, converted employees will gain the ability to earn overtime pay, which is currently restricted for dual status MilTechs under section 709(h) of title 32, U.S.C.

The Department is concerned that non-standardized rights and benefits for employees within the same unit will create additional administrative burdens for management, as well as negative affects on unit cohesion and morale. A more comprehensive solution that includes the entire population of employees would be the proposed choice.