

GAO

United States General Accounting Office

Report to Congressional Committees

March 1996

DOD TRAINING

Opportunities Exist to Reduce the Training Infrastructure



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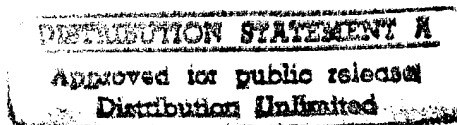
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National Security and
International Affairs Division

B-270976

March 29, 1996

Congressional Committees



One source of funds to pay for the Department of Defense's (DOD) acceleration of its modernization efforts is to reduce infrastructure. This report summarizes the status of DOD's efforts to reduce its formal training infrastructure—a small but important part of the total infrastructure. More specifically, our objectives were to determine the (1) size of the active forces' formal training infrastructure and (2) actions planned, completed, or ongoing to reduce and/or streamline the training infrastructure.

We conducted this review under our basic legislative responsibilities. We are addressing this report to the committees of jurisdiction because it identifies problems and calls for corrective action that the agency has indicated an unwillingness to take. We are suggesting that Congress may wish to take the necessary action to ensure that the agency addresses the problems we have identified.

The scope and methodology of our review are shown in appendix I.

Background

DOD defines its training infrastructure to include billeting, mess facilities, classrooms, equipment, software packages, and instructors used to provide, facilitate, or support training of the military forces. There are essentially three types of training: unit training, civilian, and formal training and education for military personnel. Unit training consists of military mission-type training performed at the unit level under the control of the unit commander. Civilian personnel training consists of various training courses offered to civilian personnel to enhance their job functions. This type of training does not have a formal training structure and, therefore, does not have a definable training infrastructure. The third type of training—formal education and training of military personnel—has a definable training infrastructure and is managed by the services' training commands. Our review focused on the third type of training.

DOD has the following six categories of formal training and education programs for military personnel.

- Recruit training: includes introductory physical conditioning and basic military indoctrination and training.

- One-station unit training: an Army program that combines recruit and specialized skill training into a single course.
- Officer acquisition training: includes all types of education and training leading to a commission in one of the services.
- Specialized skill training: provides officer and enlisted personnel with initial job qualification skills or new or higher levels of skill in their current military specialty or functional area.
- Flight training: provides the flying skills needed by pilots, navigators, and naval flight officers. It does not include formal advanced flight training, which is provided by the services' advanced flight training organizations.
- Professional development education: includes educational courses conducted at the higher-level service schools or at civilian institutions to broaden the outlook and knowledge of senior military personnel or to impart knowledge in advanced academic disciplines.

Results in Brief

The cost of providing formal military training and education to individuals increased significantly between fiscal years 1987 and 1995. During this period, the training cost per student increased from \$53,194 to \$72,546. After considering the effects of inflation, the cost per student increased about \$4,200. This cost differential, when multiplied by the fiscal year 1995 training workload, shows that since fiscal year 1987, training costs have increased about \$745 million more than normal inflation, even though the training workload has decreased. Officials told us that the primary reason that training had become more expensive was the increased use of government civilian and private-sector instructors and facilities rather than military instructors.

DOD and the services have completed several actions to reduce the training infrastructure, and even more actions will be implemented over the next several years. The actions are intended to (1) reduce the number of locations where a particular course is taught, (2) increase interservice training, and (3) increase the use of private-sector instructors and facilities. However, an overall plan to guide and measure the progress of reducing the training infrastructure is lacking. Additionally, actions by the Base Realignment and Closure (BRAC) Commission to close and realign bases where training is conducted are also expected to reduce the training infrastructure.

The lack of a management information system with reliable cost data within the various training categories makes it difficult for DOD to (1) evaluate the overall effectiveness of alternate methods of providing

training and (2) assess whether actions taken to reduce costs are achieving the expected results. The need for reliable data and a system for evaluating it has become even more critical because excess training infrastructure identified in the future will be difficult to eliminate in the absence of a BRAC-like process.

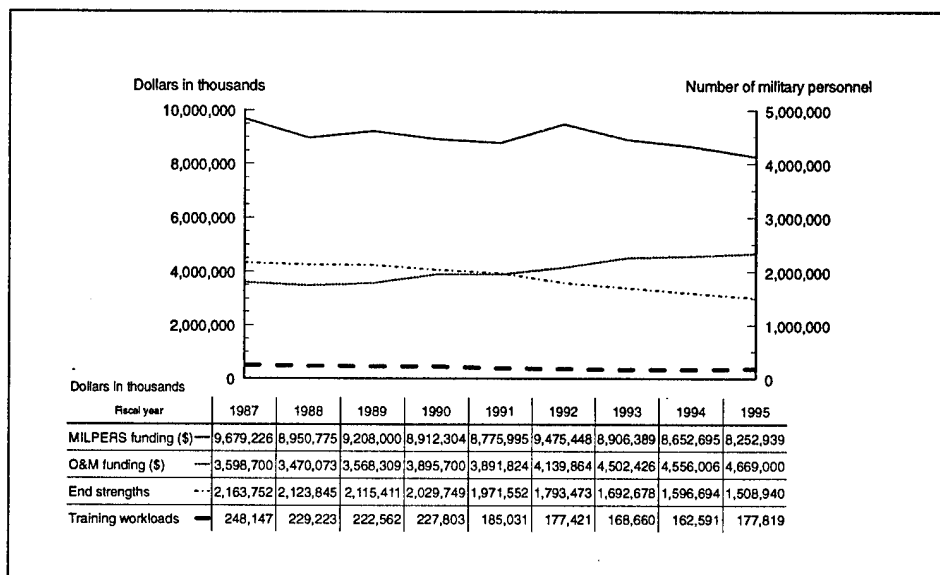
Changes in DOD's End Strength and Training Budget

Analysis of DOD's end strengths, training workloads, and overall training budgets between fiscal years 1987 and 1995 showed that end strengths and training workloads have decreased at much greater rates than the training budget. Between fiscal years 1987 and 1995, the number of Army, Navy, Marine Corps, and Air Force active duty personnel decreased from about 2.2 million to about 1.5 million—a reduction of about 30 percent.

During the same period, the training workloads for formal training and education programs decreased from about 248,000 to about 178,000—a reduction of about 28 percent. However, military personnel funding, which is used to pay military students, instructors, and training support and management personnel, decreased by only about 15 percent, and operation and maintenance (O&M) funding, which is used to pay DOD civilian and contractor instructors and to operate, maintain, and support training facilities and equipment, increased about 30 percent.

Figure 1 shows trends in military end strengths, training workloads, and funding between fiscal years 1987 and 1995. Training workload and funding information is broken out by the six formal training and education categories in appendix II.

Figure 1: Trends in Active Duty Military End Strengths, Training Workloads, and Training Funds—Fiscal Years 1987-95



Source: Defense Manpower Data Center.

As shown above, the decreases in military end strengths and training workloads are fairly consistent over the period. However, the funding trends—especially the increase in O&M funds—are at variance with the downward trends for military end strengths and the training workloads.

On a per student training year basis, the fiscal year 1987 cost per student is \$53,194 and for fiscal year 1995 is \$72,546. When the fiscal year 1987 rate is inflated to fiscal year 1995 dollars, the fiscal year 1987 per student cost is \$68,354, or about \$4,192 less than the actual cost in fiscal year 1995. This cost differential, when multiplied by the fiscal year 1995 training workload, shows that since fiscal year 1987, training costs have increased about \$745 million more than normal inflation even though the training workload has decreased.

Officials told us that the increase in O&M training funding was due primarily to the increased use of contractor personnel to teach the courses that were previously taught by the military services and paid for with military personnel appropriations funds. Other reasons included (1) increased use of private-sector facilities, (2) civilian personnel pay increases, (3) increased costs of operating training bases and facilities, and (4) temporary-duty allowances or permanent change of station costs for

students and training personnel. Officials attributed the smaller reduction in military personnel funding mainly to increases in military pay and allowances for students and military personnel supporting formal training and education activities.

Cost data was not available that would allow us to determine the extent to which each of the above reasons affected costs. Without this type of information, it was not possible to determine whether decisions affecting the current or planned method of providing training are the correct decisions or whether some alternative means of providing the same training would be more cost effective.

Actions to Decrease the Training Infrastructure

Actions already implemented or planned for implementation by the services, DOD, and the BRAC over the next several years are expected to further reduce and streamline the training infrastructure for military personnel by

- reducing the number of locations at which a service teaches a particular course;
- increasing interservice training for similar curricula;
- increasing the number of private sector instructors, courses, and training facilities; and
- closing or realigning bases at which formal training is now provided.

According to DOD officials, many of the actions to reduce and streamline the training infrastructure are still ongoing and the effect of these actions will not be known until after fiscal year 1996. Consequently, we could not quantify either the expected reduced infrastructure or the savings.

Adding to the difficulties of evaluating DOD's planned and ongoing actions is the lack of a plan to guide and measure progress in terms of how much reduction is needed, how will the reductions be achieved, what will they cost, and when will they be accomplished.

Changes in the Number of Formal Training Locations

The number of locations at which training is provided decreased from 265 to 172 from fiscal years 1987 to 1995, as shown in table 1.

Table 1: Training Locations by Category, Fiscal Years 1987 and 1995

Training program	Training locations									
	Army		Navy		Marine Corps		Air Force		Total	
	FY87	FY95	FY87	FY95	FY87	FY95	FY87	FY95	FY87	FY95
Recruit training	7	4	3	1	2	2	1	1	13	8
One-station unit training	6	5	0	0	0	0	0	0	6	5
Officer acquisition	3	3	3	3	1	1	2	2	9	9
Flight training	1	1	7	5	0	0	9	10	17	16
Specialized skill training	30	21	30	28	7	7	9	10	76	66
Professional development	6	5	3	3	17	6	118	54	144	68

^aThe total training locations refer to the number of sites at which the course is taught, not the number of individual installations or bases. Thus, recruit training and officer acquisition could be taught at the same installation or base. In such a case, each course would be counted separately.

As shown in the table, the number of formal training locations has decreased rather significantly, with professional education being the area where the largest decreases occurred. In certain cases, the reductions were achieved by redefining the courses and consolidating the training locations. For example, the Marine Corps decreased the number of its professional education courses from 17 to 6 by redefining and renaming the courses and reducing the number of training locations.

Increases in Interservice Training

Since 1972, the services have participated in a voluntary process conducted by the Interservice Training Review Organization (ITRO) to identify opportunities to consolidate and/or collocate existing initial skills training. Between 1972 and 1992, ITRO focused primarily on individual courses rather than all courses in a functional training area—families of similar types of tasks and training courses. DOD estimated that ITRO's recommended consolidations and collocations of training courses have resulted in approximately \$300 million in savings.

In 1993, in response to a Commission on Roles and Mission recommendation, the Chairman of the Joint Chiefs of Staff directed ITRO to conduct a thorough review of all initial and follow-on technical training to identify additional areas for consolidation and/or collocation. ITRO's Military Training Structure Review, which was completed in 1995, identified opportunities to reduce the number of training locations for 10 functional areas from 35 to 18, involving 101 courses as shown in table 2.

Table 2: Military Training Structure Review Course Consolidations and Collocations

Functional area	Number of courses in area	Number of locations		Projected implementation year
		Prior to review	After review	
Air crew	10	3	2	1997
Calibration	13	4	1	1996
Civil construction engineering	37	8	6	1996
Food service	6	4	2	1995
Helicopter maintenance	2	2	1	1994
Law enforcement	21	2	1	1994
Motor vehicle operator	5	3	1	1996
Supply/logistics	2	2	1	1998
Water survival	1	2	1	1996
Welder	4	5	2	1995

Based on DOD projections, most of the recommended course consolidations and collocations will not be implemented until fiscal year 1996 or later. DOD estimates that full implementation of the recommendations for the functional areas would result in a one-time savings of about \$2.4 million and annual recurring savings of about \$680,000. According to Marine Corps officials, when all the training consolidations are completed, about 77 percent of all Marine Corps formal school training will be conducted at other service locations.

In addition to these reductions in training locations, ITRO projects additional savings will be achieved based on its recommendations for the communications functional area. Although the number of training locations will remain the same, ITRO projects that its proposed location changes will achieve a one-time savings of approximately \$2 million and annual recurring savings of about \$6.6 million. Data, however, was not available to enable us to confirm those projections.

Use of Private-Sector Instructors and Facilities

To date, DOD officials noted that the Navy has been the most active user of private-sector instructors, replacing about 700 of its military instructors with contractor personnel and exploring opportunities to further privatize additional courses and instructor positions. The Navy's goal is to replace an additional 2,000 military instructors with private-sector instructors.

DOD and service officials told us that the services, on a very limited basis, contract with community colleges and universities to provide training to their personnel. However, DOD officials said that they could not quantify the extent to which the services use private-sector instructors and facilities. Additionally, DOD and service officials have expressed concerns about contractor-provided training in a civilian environment, particularly for newly enlisted personnel. The service officials believe they need to maintain a military environment for new personnel. The officials said that the services are more receptive to contractor-provided training for follow-on training and professional development education because by the time the military personnel are ready for these advanced courses, they have been acclimated to the military environment.

The officials also expressed concerns about the lack of flexibility in using contractor personnel, noting that factors such as deployments and changes to training requirements frequently require changes to training schedules. If contractor personnel are providing the training, changes of this type result in contract adjustments, which often translate into more money. Service officials pointed out, however, that contractor-provided training is advantageous when the required training equipment is expensive, the training course is offered infrequently, and the number of attendees is relatively small.

DOD, as part of a recommendation by the 1995 Commission on Roles and Missions, is looking for additional opportunities to privatize training functions. To provide technical assistance in this process, DOD contracted with the Logistics Management Institute. At the time we completed our review in January 1996, the effort had not been completed. Consequently, we could not quantify the additional opportunities for privatization or the savings that such actions would produce.

BRAC Impacts on DOD Training Infrastructure

Since 1987, BRAC has recommended base closures and mission realignments that, when fully implemented, will reduce the number of locations where the services provide formal training for military personnel. As shown in table 3, the Commission has recommended

25 mission realignments and 17 installation closures that impact where the services provide formal military training.

Table 3: Impacts of the BRAC Commission Recommendations on the DOD Training Infrastructure

	BRAC realignments					BRAC closures				
	1988	1991	1993	1995	Total	1988	1991	1993	1995	Total
Army	9	3	2	1	15	0	3	0	2	5
Air Force	4	2	1	0	7	2	2	0	1	5
Navy	0	1	1	1	3	0	2	5	0	7
Marine Corps	0	0	0	0	0	0	0	0	0	0

Despite the BRAC actions, DOD senior officials recognized that excess infrastructure would remain even after completion of the 1995 BRAC round. The Chairman of the Joint Chiefs of Staff, on March 1, 1995, testified before the BRAC Commission that excess capacity would remain after the 1995 BRAC. He cited the need for future base closure authority and said that opportunities remain regarding cross-servicing, particularly in the area of joint-use bases and training facilities.¹

Our examination of the 1995 BRAC recommendations identified several Army training related installations with relatively low military value that were not proposed for closure because of the up-front closure costs, despite projecting savings in the long term. The Navy's analysis indicated that its primary pilot and advanced helicopter training requirements were 19 to 42 percent below peak historic levels. However, BRAC 1995 did little to change this situation because only one Navy air training facility was slated for realignment, none for closure. Further, the services could not agree on an alternative for consolidating rotary wing training at one central location. As a result, they were left with capacity for rotary-wing training that was more than twice the ramp space needed.

According to service training officials, if downsizing continues, it will be more difficult to eliminate any excess training capacity that is identified now that the BRAC process is over.

Recommendations

We recommend that the Secretary of Defense direct the DOD Comptroller, as part of the Department's efforts to improve its finance and accounting

¹The 1995 BRAC was the last round of base closure reviews authorized under the 1990 legislation that authorized a special commission to review proposed closures and realignments.

systems, to provide for the centralized accumulation and tracking of information on institutional training costs. As a minimum, such information should capture and report the costs in each category in terms of military and civilian instructors, student stipends, facilities, contractor-provided services, and base O&M for the training facilities. This information would allow decisionmakers to evaluate the cost of each alternative when deciding the best method for providing training in each category.

We also recommend that the Secretary of Defense develop a long-range plan to guide and measure the services' efforts to reduce the training infrastructure. The plan should identify (1) how much the training infrastructure should be reduced, (2) how the reductions will be achieved, (3) what it will cost to achieve the reductions, and (4) when the reductions will be accomplished. We further recommend that the Secretary of Defense develop a plan that identifies how DOD will deal with excess installations and facilities that are being funded by the training account after the BRAC process is completed.

Agency Comments and Our Evaluation

DOD did not agree with our recommendations. It said that the recommendation to improve its finance and accounting system to accumulate and track cost data on institutional training would incur additional unnecessary costs, be incompatible with existing financial data systems, and would require rule-of-thumb allocations of facilities and training resources.

We agree that the accumulation of such cost data may be incompatible with DOD's existing systems; however, as it goes forward with its efforts to improve the existing systems, DOD should make adjustments to accumulate training cost data. Without such data, DOD cannot determine whether the current method of providing training is the most cost effective or whether an alternative method would be more cost effective. DOD also did not agree with our recommendation for developing a long-range plan that would set out how much the training infrastructure should be reduced, how the reductions will be achieved, what it will cost to achieve the reductions, and when the reductions will be accomplished. DOD officials said that they already assess the services' plans for accomplishing their training requirements as part of the annual budget process and Future Years Defense Program. They said that the report assumes that further infrastructure reductions can be made and that the report does not adequately consider the reduction initiatives already accomplished or in

process. The officials said that they were not convinced that further reductions are possible and were unsure how to go about setting long-term reduction objectives. The officials also said that the report does not recognize factors that could increase the need for training resources even though there has been a reduction in military end strength and accessions.

DOD is correct that we believe further training infrastructure reductions are possible. As our report notes, DOD continues to seek opportunities for reductions and DOD officials have testified that further reductions are possible. With regard to a possible need for additional training resources, even with a reduction in end strength and accessions, our analysis of the Future Years Defense Program shows that training costs remain fairly constant with a slight decrease during the program period. We do not agree with DOD's position regarding establishing long-term infrastructure reduction objectives. In our opinion, unless DOD establishes objectives that set forth how much the infrastructure should be reduced, how the reductions will be accomplished, what it will cost, and when it will be accomplished, it will not know when it has reached the optimal infrastructure size. Reviewing and assessing training requirements on an annual basis as part of the budget process will not accomplish these objectives.

Regarding our recommendation that a plan be developed that shows how DOD will deal with excess training installations after the BRAC process is completed, DOD said that the report provides little data and no examples to support this recommendation.

DOD is correct that our report does not identify excess installations or facilities. It was not our intent to single out specific facilities as being excess to the training needs. The intent of the recommendation was to develop a process that DOD could use when it identifies excess training installations and facilities. Throughout our review, a common concern expressed by training officials responsible for managing and providing the training was that after the BRAC process is completed, there would still be excess training facilities and installations. The officials said that it will become extremely difficult to dispose of the unneeded facilities in the absence of a BRAC-like process. The complete text of DOD's comments are in appendix III.

Matters for Congressional Consideration

Because DOD has indicated that it will not take action to correct the problems we have identified, and the problems are significant, Congress may wish to ensure that DOD address the identified problems.

We are sending copies of this report to the Secretary of Defense and the Secretaries of the Army, the Navy, and the Air Force; the Director of the Office of Management and Budget; the Chairmen and Ranking Minority Members of the House and Senate Committees on Appropriations, Senate Committee on Armed Services, and House Committee on National Security; and other interested congressional committees. Copies will also be made available to others upon request.

Please contact me on (202) 512-5140 if you have any questions concerning this report. Major contributors to this report are listed in appendix IV.



Mark E. Gebicke
Director, Military Operations
and Capabilities Issues

List of Congressional Committees

Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate

Ranking Minority Member
Subcommittee on Defense
Committee on Appropriations
United States Senate

Chairman, Subcommittee on Readiness
Committee on Armed Services
United States Senate

Ranking Minority Member
Subcommittee on Readiness
Committee on Armed Services
United States Senate

Chairman, Committee on the Budget
House of Representatives

Ranking Minority Member
Committee on the Budget
House of Representatives

Chairman, Subcommittee on Military Readiness
Committee on National Security
House of Representatives

Ranking Minority Member
Subcommittee on Military Readiness
Committee on National Security
House of Representatives

Chairman, Subcommittee on National Security
Committee on Appropriations
House of Representatives

**Ranking Minority Member
Subcommittee on National Security
Committee on Appropriations
House of Representatives**

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Abbreviations

BRAC	Base Realignment and Closure Commission
DMDC	Defense Manpower Data Center
DOD	Department of Defense
ITRO	Interservice Training Review Organization
O&M	operation and maintenance

Scope and Methodology

To determine the size of the Department of Defense (DOD) training infrastructure in fiscal year 1995 and what changes have occurred to it since fiscal year 1987, we interviewed and obtained documentation from personnel in the Office of the Under Secretary of Defense and the training commands of the four services. In addition, we obtained and analyzed information from the Defense Manpower Data Center (DMDC) on military end strengths, student entrants into the six formal training and education categories, and funding through the operation and maintenance (O&M) and the military personnel appropriations. To identify specific changes in the number of locations where formal training and education were provided, we compared the breakouts of the training facilities shown in DMDC's Military Manpower Training Reports for fiscal years 1987 and 1995.

To identify actions taken since fiscal year 1987 to reduce the training infrastructure, we interviewed DOD and the services' training command officials and analyzed information on course offerings, locations, and attendance for fiscal years 1987 and 1995. We also obtained and analyzed internal studies performed to identify opportunities to consolidate and collocate training facilities and courses. Additionally, we held discussions with responsible officials to determine what future plans and initiatives DOD has to further the privatization of military training. Along these same lines, we assessed the impact of the Base Realignment and Closures' (BRAC) recommendations on the DOD training infrastructure by comparing the Commission's recommended closures and realignments to the list of installations where formal training and education were being provided in fiscal year 1987. We also held discussions with service officials to identify the specific actions and training reorganizations taken by the services to comply with BRAC recommendations.

We performed our review at the

- Office of the Joint Chiefs of Staff, Joint Exercise and Training Division, Washington, D.C.;
- Office of the Under Secretary of Defense, Personnel and Readiness, Washington, D.C.;
- Headquarters, Air Education and Training Command, Randolph Air Force Base, Texas;
- Headquarters, U.S. Army Training and Doctrine Command, Fort Monroe, Virginia;
- Office of the Chief of Naval Education and Training, Naval Air Station, Pensacola, Florida; and

-
- Marine Corps Combat Development Command, Training and Education Division, Marine Corps Base, Quantico, Virginia.

We performed our review from July 1995 to February 1996 in accordance with generally accepted government auditing standards.

Training Workloads and Funding for Formal Education and Training Programs, Fiscal Years 1987 and 1995

Dollars in millions

Category	Training workloads			Military personnel ^a			O&M ^b		
				Funding					
	1987	1995	Percent change	1987	1995	Percent change	1987	1995	Percent change
Recruit training	52,930	33,178	(37.3)	\$1,505.6	\$1,084.4	(28.0)	\$26.4	\$20.6	(22.0)
One-station unit training	13,478	8,966	(33.5)	525.5	214.4	(59.2)	28.3	15.5	(45.5)
Officer acquisition	17,563	16,149	(8)	373.5	418.5	12.1	113.5	155.5	37.0
Specialized skill ^c training	147,944	103,234	(30.2)	4,349.8	3,446.0	(20.8)	610.8	753.5	23.4
Flight training	7,613	4,645	(39)	971.4	670.6	(31.0)	653.5	849.2	30.0
Professional development ^c	8,619	11,647	26	818.5	1,449.7	77.1	187.9	223.8	19.1
Costs not directly allocated to individual training categories									
Direct support				256.7	162.2	(36.8)	560.8	362.0	(35.4)
Base training support				802.0	731.0	(8.9)	1,337.4	2,230.5	66.8
Training management support				76.4	76.1	(0.4)	80.1	59.0	(26.3)

^aIncludes the pay of students as well as military instructors.^bIncludes the pay of instructors who are civilian service employees.

^cFor specialized skill and professional development training, the student workload figures are somewhat understated in 1987 because they do not include all Air Force programs now reported in 1995. In addition, some reported data has been realigned to different reporting categories since 1987; that is, the Air Training Command Noncommissioned Officer Academy student production was reported as specialized skill training in 1987 but is now reported under professional development.

Comments From the Department of Defense



PERSONNEL AND
READINESS

UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000



100 29 100

Mr. Mark E. Gebicke
Director, Military Operations and Capabilities Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Gebicke:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "DOD TRAINING: Opportunities Exist to Reduce the Training Infrastructure" (GAO Code 703109/OSD Case 1087). The Department generally nonconcurs with the draft as presented. Since the report does not provide statistics, historical data, or computations by Service, the Department is unable to provide thorough comments concerning the technical accuracy of the GAO report. Some technical comments have been provided directly to the GAO staff.

The Department appreciates the opportunity to comment on the draft report. The DoD detailed comments to the report recommendations are provided in the enclosure.

Sincerely,

Edwin Dorn

Enclosure:
As stated



GAO DRAFT REPORT, DATED MARCH 7, 1996
(GAO CODE 703109) OSD CASE 1087

"DOD TRAINING: OPPORTUNITIES EXIST TO REDUCE
THE TRAINING INFRASTRUCTURE"

DEPARTMENT OF DEFENSE COMMENTS ON
THE GAO RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of Defense direct the DoD Comptroller, as part of the Department's efforts to restructure the finance and accounting system, to develop an information system to track the institutional training costs. As a minimum, the information system should capture and report the costs in each category in terms of military and civilian instructors, student stipends, facilities, contractor-provided services, and base operation and maintenance for the training facilities. This information would allow decision makers to evaluate the cost of each alternative when deciding the best method for providing training in each category. (p. 14/GAO Draft Report)

Now on pp. 9-10.

DOD RESPONSE: Nonconcur. The GAO recommendation to capture costs by the training categories would be counterproductive to ongoing efforts within the Department to restructure, standardize, and consolidate DoD financial accounting systems and would produce little, if any, benefits to training managers. The Department's unit cost initiative, which attempted to establish a system similar to that proposed in this recommendation, proved to be unsuccessful.

The cost breakdown structure proposed by the GAO would (1) incur additional unnecessary costs, (2) require rule-of-thumb allocations of facilities and training manpower, and (3) be incompatible with the existing financial data systems used to manage training resources. In addition, the cost data breakdown proposed by the GAO would not be consistent with the categories of training presented in Operation and Maintenance (O&M) budget justification documents. It is important to note that the existing budget presentation categories were revised as a result of an Operation and Maintenance restructure review conducted by the Department in concert with the members of the congressional staff who oversee the training appropriations. The new budget training categories recently became effective in FY94. It would not be prudent for the Department to develop a cost accounting system based on a cost breakdown structure resulting from a GAO review of such limited scope.

RECOMMENDATION 2: The GAO recommended that the Secretary of Defense develop a long-range plan to guide and measure the Services' efforts to reduce the training infrastructure. The plan should identify (1) how much the training infrastructure should be reduced, (2) how the reductions will be achieved, (3) what it will cost to achieve the reductions, and (4) when the reductions will be accomplished. (p. 14/GAO Draft Report)

Now on p. 10.

DOD RESPONSE: Nonconcur. The GAO draft report did not recognize or review the existing plans for each Service to reduce training infrastructure as contained in the Five Year Defense Program (FYDP). In addition, there is a lack of understanding of the results of the Bottom-Up Review of infrastructure, the emphasis placed on further reductions in the Defense Planning Guidance, and the subsequent programmatic plans developed by the Services.

The GAO draft report proposes that the DoD establish for each Service a top-down directed "target" to reduce training further. The Department does not endorse this approach, but rather has taken a deliberate approach to support the development of specific initiatives, such as embedded training and privatization of training, based on proven precedents and cost/benefit analysis.

One of the major deficiencies in the draft GAO report is the lack of analytical justification for the recommendation to take further infrastructure reductions which go beyond existing plans. While the report refers to reductions taken by the Services, it fails to recognize fully the infrastructure-reduction initiatives already underway, which are designed to consolidate training facilities and carry out planned staff and instructor reductions. The draft report is premature in light of seeing the end results of existing initiatives and fails to understand the significant management challenges involved with Service efforts to implement planned consolidations and reductions in the training base while maintaining critical readiness levels.

In addition, the GAO must consider the full range of factors when reviewing infrastructure needs. The draft report recognizes reductions in active component end strength and the attendant drop in accessions, but it does not fully recognize other factors which do not reduce or may even increase the need for training resources. For example, the Services must (1) continue to train the same number of occupational specialties, (2) recognize reserve component training requirements, (3) meet new joint training needs, (4) support the increased emphasis on professional development and leadership training, and (5) account for the ever increasing training needs for more technological skills. Training requirements have not declined across the board, as the report tends to conclude.

Finally, a review of historical and planned budget data leads to conclusions that contradict the GAO report. Funding of training activities within the Services has not increased in terms of constant dollars. In most cases, just the opposite has occurred -- funding has significantly decreased -- at a rate exceeding the workload reduction over the same period.

RECOMMENDATION 3: The GAO recommended that the Secretary of Defense develop a plan that identifies how the Department will deal with the excess installations and facilities that are being funded by the training account after the Base Realignment and Closure (BRAC) process is completed.

DOD RESPONSE: Nonconcur. The GAO provided little to no data to support this recommendation and did not identify any "excess" installations or facilities in the draft report. The Services have not funded or programmed excess training capacity. In fact, the implementation of BRAC, with the closure of training activities, is challenging the capability of the Services to create needed training capacity at the remaining training installations.

The draft report stated that the GAO examination of the 1995 BRAC recommendations identified several training-related installations with low military value which were not proposed for closure. The GAO does not present the facts or data that lead to the conclusion that the Services have been resourced at a level to maintain "excess" training capacity of low military value.

The Services establish training "capacity" through a combination of resources that involve facilities, manpower, and funding for support and services. Facilities may include various types, such as barracks, classrooms, training ranges, etc. Manpower includes the correct assignment of instructors, training developers, training managers, etc. Funding can pay for food, utilities, training equipment, etc. The Services have no incentive to create or budget for "excess" capacity.

Training requirements drive the need for capacity. Funding and resources are allocated to create the proper training capability at a given time. Facilities should not necessarily be planned or resourced to be used at maximum capacity all the time. Rather, the Services must be prepared to reallocate training resources to respond to mobilization needs, increased joint training requirements, and the like. The GAO is suggesting that further plans be made to consolidate and close more installations, yet the draft report is void of specific examples. The recommendation as stated is not supported by the facts or data presented in the draft report.

Major Contributors to This Report

**National Security and
International Affairs
Division, Washington,
D.C.**

Sharon A. Cekala
Robert J. Lane
Robert L. Self
W. Bennett Quade
Irene A. Robertson

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