

DOCUMENT RESUME

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[Clothing Maintenance Allowance Paid to Enlisted Military Personnel]. PPCD-77-35; B-133177. March 7, 1977. 5 pp.

Report to Secretary, Department of Defense; by H. L. Krieger, Director, Federal Personnel and Compensation Div.

Issue Area: Personnel Management and Compensation: Compensation (305).

Contact: Federal Personnel and Compensation Div.

Budget Function: National Defense: Department of Defense - Military (except procurement & contracts) (051); General Government: Central Personnel Management (805).

Organization Concerned: Department of the Navy; Department of the Army; Department of the Air Force.

Congressional Relevance: House Committee on Armed Services; Senate Committee on Armed Services.

Authority: Career Compensation Act of 1949; Executive Order 10113.

The clothing maintenance allowance paid to enlisted military personnel was surveyed, and the method of setting allowance rates based on time in service was evaluated. Findings/Conclusions: Several aspects of the clothing maintenance allowance have remained unchanged since the early 1950s. There are three types of clothing allowances: (1) the initial issue of military clothing provided to each enlisted member; (2) cash clothing maintenance allowances paid to each enlisted member with 6 or more months of service; and (3) extra clothing allowances paid when the wearing of different uniform clothing is required. The reason for two allowances is that during the first 36 months of service the clothes are new and will not require replacement during the initial enlistment. Recommendations: The Department of Defense should: evaluate the need for both the basic and standard maintenance allowances and methods of paying the allowance; and provide closer monitoring of the clothing allowance system. (RRS)

00658



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

FEDERAL PERSONNEL AND
COMPENSATION DIVISION

B-133177
FPCD-77-35

MAR 7 1977

The Honorable
The Secretary of Defense

Dear Mr. Secretary:

We have completed our survey of the clothing maintenance allowance paid to enlisted military personnel (Code 963051). We evaluated the method of setting allowance rates based on time in service.

In 1976, the Department of Defense (DOD) completed a review of the useful life or wearout rates of initial issue military clothing. As a result of this review, separate clothing maintenance allowances were computed for males and females in each service, and items not uniquely military were deleted from the allowance. These revisions are expected to reduce clothing expenditures by approximately \$48 million in fiscal year 1977. The old and new allowance rates are in appendix I.

Our analysis indicated that several aspects of the clothing maintenance allowance have remained unchanged since the early 1950's. We believe the Department of Defense should (1) evaluate the need for both the basic and standard maintenance allowances and methods of paying the allowance, and (2) provide closer monitoring of the clothing allowance system.

The Career Compensation Act of 1949 authorized the President to prescribe the quantity and kind of clothing (or a cash allowance in lieu thereof) which would be furnished annually to enlisted personnel of the uniformed services. The President, in Executive Order No. 10113, February 24, 1950, delegated this authority to the Secretary of Defense who assigned the Assistant Secretary of Defense (Comptroller) the responsibility for preparing regulations for a clothing monetary allowance system, and for recommending appropriate allowances.

There are three types of clothing allowances:

- (1) Initial clothing allowance - the initial issue of military clothing provided each enlisted member.

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- (2) Cash clothing maintenance allowances - paid to each enlisted member with 6 or more months of service in lieu of periodically furnishing new clothing issues.
- (3) Extra clothing allowances - paid when enlisted personnel are assigned to a tour of duty which requires the wearing of individual uniform clothing different from the uniforms customarily required.

The clothing maintenance allowance is separated into a basic maintenance allowance paid from the 7th through the 36th month of service, and a standard maintenance allowance paid after 36 months of service.

NEED FOR BOTH BASIC AND STANDARD
MAINTENANCE ALLOWANCES AND METHODS
OF PAYING SHOULD BE REVIEWED

The Department of Defense review did not evaluate the rationale for separating the clothing maintenance allowance into a basic maintenance allowance and a standard maintenance allowance.

Office of the Assistant Secretary of Defense (Comptroller) officials were unable to provide us with documentation on the development of the two allowances which occurred in the early 1950's. As a result, we were unable to review the data used to justify the two different allowances.

Department of Defense officials informed us, however, that the reason for two allowances was that during the first 36 months of service the clothes are new and some will not require replacement during the member's initial enlistment. Therefore, the basic allowance is only 70 percent of the standard allowance.

But, we observed that the 36 month changeover point is no longer representative of the initial enlistment period of the majority of enlisted members. In fiscal year 1977, over 60 percent of the estimated first term enlistments will be for periods of 4 years or more.

The monthly allowance rates are, in essence, the amortization of the replacement cost of each clothing item over its useful life. Since the useful life of the initial issue clothing items varies from 4 months to 10 years, some enlisted personnel receive an allowance for clothing items which will not require replacement during their active duty service. For example, an Army enlisted man serving a 3 year enlistment receives a total of \$7.88 during his enlistment for replacement of an overcoat which will not wear out for 10 years. We believe DOD should evaluate other methods of paying the allowance to insure that the enlisted member receives an annual allowance only for the items of clothing he will actually have to replace during a particular year of service. That is, members in their fourth year of service would receive an allowance for all clothing items which are expected to require replacement during the fourth year of service.

The current method of paying the allowance provides some enlisted members more funds than will be necessary to replace worn out clothing during their active duty service. We believe the allowance should be only a reimbursement for necessary expenses.

NEED FOR CLOSER MONITORING BY DOD

In 1950, the Secretary of Defense assigned the responsibility for preparing clothing allowance regulations and recommending appropriate rates to the Assistant Secretary of Defense (Comptroller). Although Department of Defense officials said that they were technically required to insure that each service provides accurate useful life data, they informed us that they were primarily concerned that the services' allowance rates were within budget constraints. Officials responsible for monitoring the clothing allowance system said they were not familiar with the methods used by the services to calculate the allowances. Without thorough knowledge of the manner in which the services compute useful life and allowance rates, Department of Defense officials can not insure the accuracy or equity of the allowance rates. We believe the Office of the Assistant Secretary of Defense (Comptroller) should take a more active role in monitoring the clothing maintenance allowance, particularly in providing the services guidance in compiling accurate useful life and allowance rates.

Two areas warrant special attention:

- Department of Defense clothing allowance Directive 1338.5, and
- Procedures for calculating useful life rates.

Directive 1338.5 "Armed Forces Clothing Monetary Allowance Policies and Regulations," states that enlisted personnel will receive "... a cash maintenance allowance for repair and replacement of clothing initially furnished ... periodically under regulations prescribed by each Military Service." The word repair was not used to describe the purpose of the clothing maintenance allowance until after the President, in 1950, delegated authority to the Secretary of Defense. While a repair factor has not been included in the allowances, using the word repair in the directive could mislead enlisted members as to the purpose of the allowance. We believe Department of Defense directive 1338.5 should be revised to clearly state the purpose of the allowance.

As part of the Department of Defense review, each service was requested to submit useful life rates for each clothing item initially issued to its enlisted personnel. Only the Army and Navy complied with this request, each using a different computation method. The Army used replacement demand data obtained from the Defense Personnel Support Center. The Navy calculated useful life rates from simulated wear tests of Navy clothing. The two sets of data were then averaged or reconciled to obtain useful life rates for similar clothing items issued by each service.

We believe the Department of Defense should evaluate the feasibility of using a uniform method to calculate useful life rates. Like the Navy, the Army performs simulated wear tests on new clothing items, which could be used to estimate clothing life. A uniform approach to calculating useful life rates could simplify the procedure for applying these rates to similar clothing items issued by the Air Force and Marine Corps.

CONCLUSIONS AND RECOMMENDATIONS

We believe some management efficiencies and possibly some additional savings can be realized by further improving the clothing maintenance allowance system. We recommend that the Department of Defense evaluate the need for both the basic and

standard maintenance allowances and methods of paying allowances to provide closer alignment with actual replacement expenses. We also recommend that improvements be made in monitoring the clothing maintenance allowance system.

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As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Secretaries of the Army, Navy, and Air Force; the Director, Office of Management and Budget; and the Chairmen, House and Senate Committees on Armed Services, Appropriations, and Government Operations.

Sincerely yours,

H. L. Krieger
H. L. Krieger
Director

MONTHLY CLOTHING MAINTENANCE ALLOWANCE

<u>Branch of Service</u>	<u>Basic Maintenance Allowance</u>		<u>Standard Maintenance Allowance</u>	
	<u>FY 1976</u>	<u>FY 1977</u>	<u>FY 1976</u>	<u>FY 1977</u>
<u>Male</u>				
Army	\$6.30	\$4.50	\$9.00	\$6.60
Navy	6.30	5.10	9.00	7.20
Air Force	6.30	5.10	9.00	7.20
Marine Corps	6.30	4.80	9.00	6.90
<u>Female</u>				
Army	\$7.20	\$6.30	\$10.20	\$8.70
Navy	7.20	4.20	10.20	6.30
Air Force	7.20	5.10	10.20	7.20
Marine Corps	7.20	6.60	10.20	9.60