

GAO

Report to the Chairman, Subcommittee
on Military Personnel and
Compensation, Committee on Armed
Services, House of Representatives

February 1990

ARMY RESERVE COMPONENTS

Opportunities to Improve Management of the Full-Time Support Program



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**National Security and
International Affairs Division**

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February 8, 1990

The Honorable Beverly B. Byron
Chairman, Subcommittee on Military Personnel
and Compensation
Committee on Armed Services
House of Representatives

Dear Madam Chairman:

This report responds to your request that we examine the Army's full-time support program, which provides personnel to the Army National Guard and the Army Reserve to assist in various activities related to achieving unit readiness.

As you requested, we plan no further distribution of this report until 15 days after its issue date. At that time, we will send copies to the Chairmen of the House and Senate Committees on Armed Services and on Appropriations; the Director, Office of Management and Budget; and the Secretaries of Defense and the Army. Copies will also be made available to other interested parties upon request.

This report was prepared under the direction of Richard Davis, Director, Army Issues, who may be reached on (202) 275-4141 if you or your staff have any questions. Other major contributors are listed in appendix III.

Sincerely yours,

Frank C. Conahan
Assistant Comptroller General

Executive Summary

Purpose

Within the Department of Defense (DOD), each military service has a full-time support program that provides personnel to reserve components to assist with the administering, recruiting, maintaining, and training essential to achieving unit readiness. Service-wide programs include about 170,000 personnel. The Army's program accounts for almost half, with over 82,000 personnel, and costs about \$3 billion annually. The Chairman of the Subcommittee on Military Personnel and Compensation, House Committee on Armed Services, requested that GAO determine whether the Army (1) exercises adequate management over its full-time support program, (2) adequately justifies its estimated personnel requirements, and (3) makes efficient and effective use of existing personnel.

Background

The Army's total force policy in the mid-1970s placed greater emphasis on the use of the reserve components and, in turn, on the expansion of the full-time support force. Because the Army was experiencing some civilian manpower reductions, the Congress directed the Army to conduct a test program using Active Guard/Reserve personnel in the full-time support force. Currently, the Army's support personnel consist mostly of Active Guard/Reserve members, who belong to reserve units and are on full-time duty for 180 days or more; and military technicians, civilian employees who must maintain membership in a reserve unit as a condition of their employment.

DOD provides general guidance on full-time support programs, leaving specific guidance on implementation to the military services. Within the Army, program responsibilities are spread among 10 organizations, including the Offices of the Deputy Chief of Staff for Personnel and the Deputy Chief of Staff for Operations and Plans. The Director of the Army National Guard and the Chief of the Army Reserve manage day-to-day program activities within their respective reserve components.

Results in Brief

During the 1980s, the Army's full-time support program grew substantially without adequate oversight and direction. The Army's objective during that time was to get as much support as possible. The Army is currently looking closely at its program and initiating several changes to help improve it. While these initiatives are a step in the right direction, they do not address all the areas that need corrective action. GAO found that

- no one Army organization oversees and manages full-time support as a totally integrated program;
- the Army has not applied adequate monitoring mechanisms to its program, but it has taken steps to place the program under the Army's internal control system;
- full-time support personnel requirements are not adequately justified; and
- the Army lacks guidance that defines the roles for full-time support personnel categories and procedures to ensure that these positions are filled with the most cost-effective mix of personnel.

Principal Findings

Program Needs Greater Management Attention

The Army's full-time support program lacks the centralized management that would provide general oversight and policy direction to achieve an efficient and effective program. No one Army office oversees and manages full-time support as a totally integrated program, and inadequate management attention has contributed to several program weaknesses. The Army has not established adequate internal controls to monitor its full-time support program. Specifically, we found that (1) the Army has not conducted any regular program effectiveness evaluations; (2) validation team reviews, although limited, have identified misuse of personnel; and (3) until recently, the Army exempted the program from the Federal Managers' Financial Integrity Act reporting requirements. This fact may explain why no material weaknesses were reported in the Secretary's Annual Statement of Assurance for fiscal years 1986, 1987, and 1988.

Program monitoring mechanisms could be used to provide management with the information it needs to make informed decisions and to implement changes to improve program efficiency and effectiveness. The Army recognizes the need for greater management attention and is considering changes in several areas to improve it.

Requirements Lack Sound Justification

The Army's requirement for 120,000 full-time support personnel lacks sound justification. The Army's requirements for individual units are established in a staffing guide without any work load or similar analyses. Army officials generally acknowledge that these requirements are

not established with any degree of accuracy and therefore are uncertain.

In an attempt to establish more accurate requirements, the Army established a task force to revise its staffing guide for units and to develop an initial staffing guide for headquarters organizations. However, even with the proposed revisions, requirements for units will continue to be established without work load or similar analyses. Therefore, Army organizations question the way the guide is being revised and some of the full-time support positions proposed for inclusion. The use of work load analyses to determine full-time support position requirements for units seems appropriate because these positions are for peacetime operations and, therefore, are susceptible to work load measurement.

The Army Does Not Adequately Determine the Most Cost-Effective Mix of Full-Time Support Personnel

The Army has used primarily Active Guard/Reserve personnel to expand the full-time support force. Congressional committees and the Department of Defense have directed the military services, when filling these positions, to establish the most cost-effective mix of personnel. The Army normally chooses between Active Guard/Reserve personnel and military technicians because either personnel category, according to Department of Defense officials, can be used to fill most military-essential positions. The Army, however, has not developed guidance that clearly differentiates the roles of Active Guard/Reserve personnel and military technicians or procedures to ensure that these positions are filled with the most cost-effective mix of personnel. GAO found that most studies comparing the cost of these two personnel categories show that military technicians are, overall, less costly.

The Army's ability to employ military technicians is constrained by a limit on the amount of funds available for civilian pay, and in the past, the military services have experienced civilian manpower reductions.

Recommendations to the Secretary of the Army

GAO recommends that the Secretary of the Army take the following actions:

- Assign authority and responsibility for overseeing and directing the Army's full-time support program to one Army organization.
- Develop measurable program objectives and implement adequate program monitoring mechanisms.
- If technically and economically feasible, use work load analyses to determine full-time support requirements for units.

- Develop clear guidance that specifically differentiates among the roles for Active Guard/Reserve, military technician, active component, and civilian employees and stipulates when full-time support personnel should be used.
- Develop procedures, as required by Directive 1205.18, that will help the Army National Guard and Army Reserve establish the most cost-effective mix of personnel.
- Identify management deficiencies in the full-time support program as a material weakness in the Secretary's next Annual Assurance Statement.

Matters for Congressional Consideration

In view of the growing importance and increased cost of the Army's full-time support program, the Congress may wish to consider deferring requests for additional personnel authorizations above current levels until it is assured that adequate action has been taken to improve the program. Exceptions to such a deferral might be considered when the Army seeks to add new missions to the reserve components.

Agency Comments

The Department of Defense generally agreed with GAO's audit findings and recommendations and said that it planned corrective actions, including assigning responsibility for oversight and direction for the full-time support program to one Army organization. The Department of Defense did not agree that the full-time support program should be identified as a material weakness in the Secretary of the Army's next Annual Assurance Statement, stating that the problems GAO identified had not significantly weakened safeguards against the mismanagement of funds. GAO believes that the full-time support program and the personnel who make up the program are a significant resource that should be managed efficiently and effectively. Identifying the problem as a material weakness would help to focus the attention of top management on this issue.

Also, the Department did not agree with GAO's suggestion that the Congress consider deferring requests for additional personnel authorizations above current levels. It stated a concern about its ability to properly resource new force structure or reserve units that receive new missions. GAO's suggestion recognizes that it may be desirable to make exceptions to a deferral policy in the instances cited by the Department.

Contents

Executive Summary		2
Chapter 1		8
Introduction	FTS in the Army Reserve Components	8
	Cost and Growth of the Army's Program	9
	Program Responsibility in the Army	11
	Objectives, Scope, and Methodology	12
Chapter 2		15
FTS Program Needs Greater Management Attention	Program Lacks Overall Management Direction	15
	Program Monitoring Mechanisms Have Not Been Adequately Implemented	18
	Conclusions	22
	Recommendations	23
	Agency Comments and Our Evaluation	23
Chapter 3		26
FTS Personnel Requirements Lack Sound Justification	The Army's Need for FTS Personnel Is Well Established	26
	Determining Personnel Requirements	26
	Current Personnel Requirements Are Uncertain	27
	A Work Load Analysis System Could Be Used to Establish FTS Requirements	30
	Conclusions	31
	Recommendation to the Secretary of the Army	32
	Matters for Congressional Consideration	32
	Agency Comments and Our Evaluation	32
Chapter 4		33
The Army Does Not Adequately Determine the Most Cost-Effective Mix of FTS Personnel	Military-Essentiality Should Be the Primary Consideration in Making Personnel Decisions	33
	Cost Should Be a Consideration in Making Personnel Decisions	34
	The Army Has Filled Positions Mostly With AGR Personnel	35
	Most Studies Show That Technicians Are Less Costly Than AGR Personnel	36
	Some AGR Positions Might Effectively Be Filled by Less Costly Technicians	38
	The Army Has Not Effectively Integrated Active Component Personnel Into the FTS Program	39

Contents

Conclusions	40
Recommendations	40
Agency Comments and Our Evaluation	41

Appendixes

Appendix I: List of Organizations Visited by GAO	44
Appendix II: Comments From the Department of Defense	45
Appendix III: Major Contributors to This Report	64

Figures

Figure 1.1: Total Growth in the Army's Full-Time Support Program	10
Figure 1.2: Growth of Full-Time Support, by Personnel Category, in the Army's Reserve Components	11

Abbreviations

AGR	Active Guard/Reserve
DOD	Department of Defense
FORSCOM	U.S. Army Forces Command
FTS	full-time support
GAO	General Accounting Office
DCSOPS	Deputy Chief of Staff for Operations and Plans
TDA	Table of Distribution and Allowances
TOE	Table of Organization and Equipment
TRADOC	U.S. Army Training and Doctrine Command

Introduction

Each military service has a full-time support (FTS) program that provides personnel to assist its reserve components. The Army currently has the largest program, with over 82,000 FTS personnel at an annual cost of about \$3 billion. FTS personnel are currently assigned to management and administrative positions throughout the Department of Defense (DOD), the Department of the Army, and reserve component headquarters. They are also assigned to administrative, training, supply, and maintenance positions in individual units. The Army views these personnel as "force multipliers" in that they accomplish the day-to-day organizational and administrative tasks required to make the limited training time of drilling reservists more productive. FTS in the Army has taken on added importance during the 1980s because of the increased reliance placed on its reserve components under the total force policy.

FTS in the Army Reserve Components

The concept of FTS personnel has existed in the Army since early in this century. Civilian "caretakers" employed around 1916 to help maintain horses and supplies were the first type. After World War II, when the Army added modern combat and support equipment to the reserve components, caretakers became known as "technicians." Along with the modern equipment came an increased demand for supplies, training, and administration, and more military technicians were hired for these functions. These technicians were full-time civilian employees who were also members of the reserve unit. The adoption of the Army's total force policy in the early 1970s, which placed greater reliance on the reserve components, also resulted in the need to expand the FTS force. Under the total force policy, reservists, rather than draftees, will be the initial and primary source of personnel to augment the active forces in military emergencies. According to the Reserve Forces Policy Board, the total force policy means that the "reserve components are to be equal partners, on and off the battlefield, and must be as ready as their active counterparts." The Army's objective is to enhance reserve component readiness and mobilization through the FTS program.

In the late 1970s, the military was experiencing some civilian manpower reductions. As a result, the House Committee on Appropriations proposed that the Army conduct a test program to evaluate the use of Active Guard/Reserve (AGR) personnel versus military technicians. The Army's initial implementation of the test program was accomplished by allowing military technicians to voluntarily convert to the AGR position. Beginning in 1981, these conversions were supplemented by the addition of more AGR positions. The FTS force consists of the following categories:

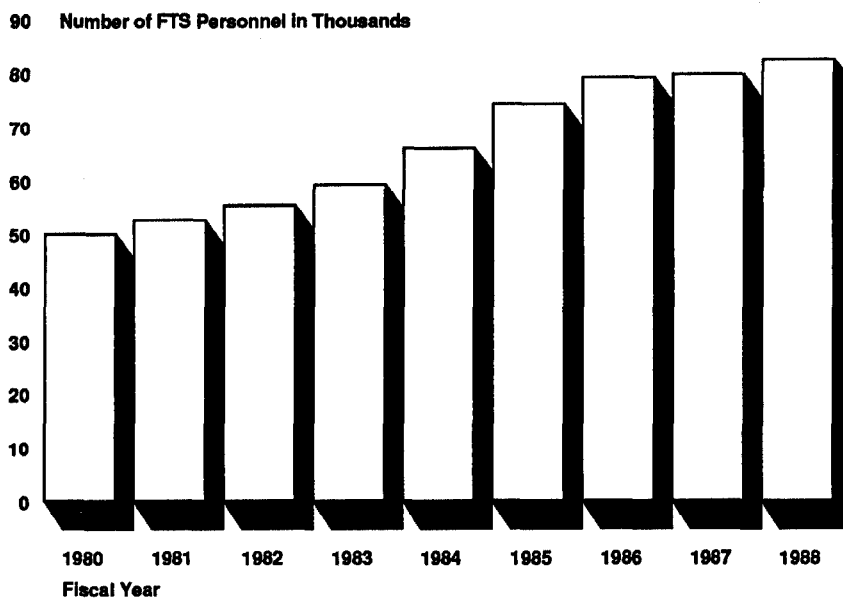
- Active Guard/Reserve personnel: Guard or Reserve members on full-time duty for 180 days or more. They receive the same pay and benefits as active duty military personnel and are required to meet the same military standards.
- Military technicians: Federal civilian employees who are generally required, as a condition of employment, to maintain military membership in a National Guard or Reserve unit.
- Active component personnel: Military personnel on active duty who directly support the reserve components.
- Department of the Army civilians: Federal civilian employees who support the reserve components but have no military obligation.

The basic function of FTS personnel is to assist the reserve components with the day-to-day administering, recruiting, maintaining, and training required to support peacetime operations and to ensure a successful mobilization, if needed. This allows drilling reservists to spend the maximum amount of time in training.

Cost and Growth of the Army's Program

According to information provided by DOD budget officials, the Army's FTS program cost about \$3 billion in fiscal year 1988. AGR personnel account for 54 percent of the program's cost; military technicians and other civilians account for 39 percent; and active component soldiers account for the remaining 7 percent. In fiscal year 1988, the Army had about 82,000 FTS personnel, up from 50,000 in fiscal year 1980, as shown in figure 1.1.

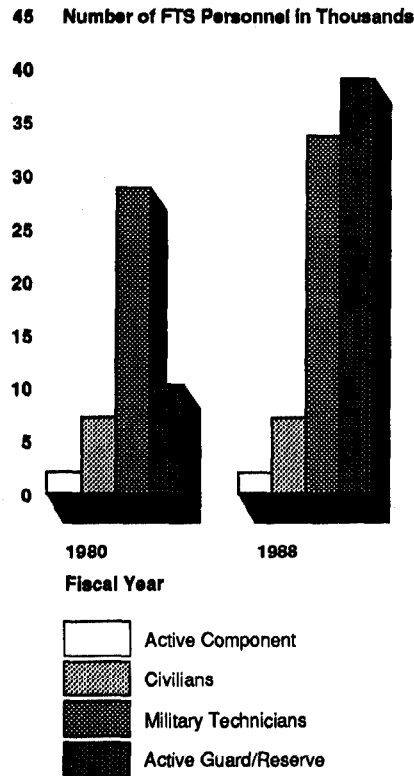
Figure 1.1: Total Growth in the Army's Full-Time Support Program



The Army National Guard has about two-thirds of the total number of FTS personnel. In fiscal year 1988, the Guard had about 55,000 full-time personnel, and the Army Reserve had about 27,000. These numbers represent 12.1 percent of the Army National Guard's selected reserve end strength and 8.8 percent of the Army Reserve's. Even though the Army has the largest number of FTS personnel of all the military services (82,000 of the total 170,000 personnel), it has the smallest percentage in relation to its selected reserve end strength. For example, in fiscal year 1988, FTS as a percentage of the selected reserve end strength for the Naval Reserve was about 22 percent, for the Air Force Reserve about 19 percent, and for the Air National Guard about 29 percent.

AGR personnel accounted for the vast majority of the growth in the Army's FTS program during the 1980s, as seen in figure 1.2. Specifically, AGRs accounted for about 28,800 of the 32,600 personnel increase—88 percent—in the Army's FTS program between fiscal years 1980 and 1988.

Figure 1.2: Growth of Full-Time Support, by Personnel Category, in the Army's Reserve Components



Beginning in fiscal year 1983, the Congress began to respond to concerns about the cost of AGR personnel in comparison to military technicians and complaints from the military technicians that their positions might eventually be phased out. The DOD Appropriation Act each year restricts conversions of technician positions to AGR positions in units to ensure that the number of technicians remains above established minimum strength levels.

Program Responsibility in the Army

The Assistant Secretary of Defense for Reserve Affairs has overall responsibility for reserve matters and provides general direction for the services' full-time support programs through DOD Directive 1205.18. Specific decisions about program implementation, however, are left to the Secretaries of the military departments.

The Army's FTS program responsibilities, as defined in Army Regulation 135-2, are spread among the following officials—the Secretary of the Army; the Chief of Staff, U.S. Army; the Deputy Chief of Staff for Personnel; the Deputy Chief of Staff for Operations and Plans (DCSOPS); the Chief of the National Guard Bureau; the Chief of the Army Reserve; the Commanding Generals of the major U.S. Army Reserve commands; the Commanding General, U.S. Army Training and Doctrine Command (TRADOC); the Surgeon General; and the Chief of Engineers. The Director of the Army National Guard and the Chief of the Army Reserve manage day-to-day program activities within their respective reserve components.

Objectives, Scope, and Methodology

This assignment was done at the request of the Chairman of the Subcommittee on Military Personnel and Compensation, House Committee on Armed Services. Our objectives were to determine whether the Army (1) exercises adequate management over the full-time support program, (2) adequately justifies its estimated FTS personnel requirements, and (3) makes efficient and effective use of existing FTS personnel.

As requested, our review was limited to the Army's FTS program because it was the largest program. The review concentrated on AGR personnel and military technicians because they make up the majority of the Army's FTS force.

To obtain overall program and policy information, we reviewed applicable laws, regulations, congressional hearings, and previous GAO studies on the subject.¹ To gain further understanding of program management and implementation, we interviewed officials from the Office of the Assistant Secretary of Defense for Reserve Affairs and numerous Army officials. For the Department of the Army, these included the Assistant Secretary of the Army for Manpower and Reserve Affairs, the Deputy Chief of Staff for Personnel, and the Deputy Chief of Staff for Operations and Plans. For the National Guard Bureau, these included officials from its Manpower Division such as the Director of the Manpower Division, the Chief of the Requirements and Documentation Branch, the Chief of the Evaluation and Utilization Branch, and the Chief of the Validation Branch. For the Army Reserve, these included

¹Reserve Components: Opportunities to Improve National Guard and Reserve Policies and Programs (GAO/NSIAD-89-27, Nov. 17, 1988); Problems in Implementing the Army's Reserve Components Full-Time Manning Program (GAO/NSIAD-85-95, June 4, 1985); and Information on Military Technician Conversions to Full-Time Active Duty Guard and Reserve (GAO/FPCD-82-57, Sept. 8, 1982).

officials primarily from the Office of the Chief of the Army Reserve. At the major U.S. Army command level, we held discussions with officials from U.S. Army Forces Command (FORSCOM), including the Directorate of Operations, Directorate of Resource Management, Directorate of Personnel, and the Office of the Chief of the Validation Branch. We also visited the Headquarters, U.S. Army Recruiting Command, to discuss full-time support personnel's involvement in recruiting activities.

We visited Army reserve component organizations in five states—Alabama, California, Maryland, New Jersey, and Pennsylvania—to gather program information and to obtain views on (1) the listing of full-time positions in the FTS Staffing Guide (this guide is used to determine FTS requirements for individual units), (2) the use of FTS personnel on a daily basis, and (3) the mix of different personnel categories in the same unit. Specifically, we visited the headquarters for three of the Army's five Continental U.S. Armies—the 1st, 2nd, and 6th—and five major U.S. Army Reserve Commands (the Army Reserve) and State Area National Guard Commands. We also visited numerous Army National Guard and Army Reserve units to gather data and hold discussions with company commanders, senior noncommissioned officers, and drilling reservists. Appendix I lists, by state, the Army National Guard and Army Reserve units that we visited.

To determine whether FTS personnel requirements were based on sound justification, we evaluated the approach and methodology used by the DCSOPS task force in revising the FTS Staffing Guide. The guide provides guidance on the number and kinds of FTS personnel needed to perform certain functions in an organization. Since the revised guide was not scheduled for completion until October 1989, we could not evaluate the overall changes made by the task force. However, we reviewed suggested changes to the guide made by officials from various Army organizations—TRADOC, the National Guard Bureau, the Office of the Chief of the Army Reserve, and FORSCOM—and discussed with them the soundness of the task force's approach. We also held discussions with officials from the U.S. Army's Manpower Requirements and Documentation Agency regarding the feasibility of basing FTS requirements on work load analyses using the Manpower Staffing Standards System. The Army uses this system to establish organizational staffing requirements. It bases requirements for positions on the number of hours required to accomplish specific work.

To determine whether the Army was making the most efficient and effective use of FTS personnel, we evaluated two factors. First, we

sought to determine whether the Army had procedures to help the reserve components determine the most cost-effective mix of FTS personnel. In considering the most cost-effective mix, we did not establish the cost differences between AGRs and military technicians but, instead, relied on previous DOD and GAO studies that specifically addressed this issue. Second, we reviewed the monitoring mechanisms the Army used to evaluate and control the FTS program's effectiveness. A large part of this work focused on the adequacy of the Army's internal control system for the FTS program and the adequacy of the evaluation efforts by the reserve components' validation teams. We also conducted our own evaluation, using existing FORSCOM records, to determine whether major U.S. Army Reserve commands were adhering to established limits on FTS personnel at those organizations.

We performed our review between August 1988 and June 1989 in accordance with generally accepted government auditing standards.

FTS Program Needs Greater Management Attention

The Army's FTS program lacks the centralized management that would provide general oversight and policy direction to achieve an efficient and effective program. No one Army office oversees and manages FTS as a totally integrated program. Instead, FTS program responsibilities are spread among many different Army organizations. Program weaknesses—such as insufficient program monitoring mechanisms—result from inadequate management attention.

Program Lacks Overall Management Direction

The Army's FTS program lacks the overall management direction necessary for it to function as an integrated whole. We reported on this problem previously; however, there has been little progress in achieving a coordinated program with clear management direction.

Previously Reported Concerns About Program Management

The FTS program was the subject of three GAO reports and congressional hearings during the 1980s. The Senate Committee on Armed Services has pointed out and we have reported that the Army needs to provide more adequate program management and guidance to help ensure an efficient and effective program.

In our June 1985 report, we noted that program management and administration in the Army's FTS program had been marked by a lack of clear direction and guidance. We pointed out that the lack of program direction was a major factor in problems with the requirements determination process and personnel policies. This lack of direction, we found, had affected both program costs and effectiveness. For example, we found that personnel policies had resulted in over-graded personnel (individuals assigned to positions that were authorized lower grades/ranks than those held by the occupants of the positions) and double-slotting (the assignment of two persons to the same position in a unit). Field unit commanders and program participants told us that they felt overwhelmed by what they considered vague and often contradictory instructions from the Department of the Army, the National Guard Bureau, and FORSCOM regarding FTS personnel policies and procedures.

Second Continental Army officials told us the following:

"The major problem area which must be fixed before the FTS program can be fully successful and before its success can be adequately measured is the elimination of the fragmentation of program management at FORSCOM and HQDA [Headquarters, Department of the Army].... The fragmentation at OCAR [Office of the Chief, Army Reserve] and HQDA is even worse. The CONUSA [Continental U.S. Army] frequently

receives conflicting guidance from various higher headquarters staff, or receives taskings which are not coordinated between staff sections.”

The Congress has also expressed concerns about DOD’s overall management of FTS programs. It is concerned about the adequacy of the personnel requirements determination process, the use of personnel to maximize readiness, and the lack of overall policy guidance for managing programs. For example, the Senate Committee on Armed Services, in its report on the 1988 and 1989 Defense Authorization Act, expressed concern about the growth of FTS programs and indicated the need for further oversight to ensure that these personnel are applied to readiness needs. The report suggested that the Office of the Secretary of Defense evaluate the mix of AGRs and technicians and establish a uniform policy for their management and use among the various components. The Office of the Secretary of Defense has contracted with the Rand Corporation to study the mix issue. According to DOD, this study will form the basis for developing a new DOD instruction that will address the entire full-time support mix issue.

The U.S. Army Reserve, in response to our 1985 report as well as to congressional concerns, developed a plan—the Command Support Center Concept—whereby AGRs would be placed in units and technicians in headquarters and support organizations. However, the House Committee on Appropriations has stopped the U.S. Army Reserve from implementing the plan because the Army could not assure the Committee that military technicians would not be adversely affected.

Program Management Is Spread Among Multiple Organizations

The Assistant Secretary of Defense for Reserve Affairs, through DOD Directive 1205.18, provides general direction to the military services on the management and use of FTS personnel. The Secretaries of the military services, however, are responsible for managing their own programs. In the Army, the management structure involves 10 organizations with varying degrees of responsibility.

The Assistant Secretary developed DOD Directive 1205.18, effective September 20, 1988, primarily in response to the Senate Committee on Armed Services’ direction that DOD provide greater oversight and direction for FTS in the reserve components. The Directive states that FTS personnel are authorized to assist in organizing, administering, recruiting, retaining, instructing, and training the reserve components. The Directive also states that it is DOD’s policy that FTS resources provide the

most cost-effective form of manpower consistent with readiness requirements. The Directive leaves it to the Secretaries of the military services to develop procedures that implement the policies it describes for the management and employment of FTS personnel. To date, the Army has not developed such procedures.

Army Regulation 135-2 is the Army's primary guidance for FTS program management. The Army made two major revisions to the regulation, effective April 28, 1989: (1) the regulation now covers all four FTS personnel categories, whereas it previously covered only AGR and active component personnel; and (2) the FTS program is now subject to the Army's internal control system, whereas it previously was exempt. The revised regulation remains general in nature with regard to the specific roles of the four FTS personnel categories.

Army Regulation 135-2 lists 10 organizations having various FTS program responsibilities; however, no one Army organization has been clearly designated as having oversight and management responsibility for FTS as a totally integrated program. DCSOPS, which is the organization responsible for Army Regulation 135-2, has more responsibility for the FTS program than any of the other nine Army organizations. For example, DCSOPS is responsible for developing and publishing guidance for identifying requirements, developing policy on the distribution of resources, and regularly evaluating the effectiveness of the program. Nonetheless, neither DCSOPS nor any other Army organization has been specifically assigned responsibility for managing FTS on an integrated basis. For example, both the Chief of the National Guard Bureau and the Chief of the Army Reserve directly advise the Chief of Staff of the Army on FTS program matters regarding their respective reserve components.

According to officials from the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs, the need to improve FTS program management is recognized by the Army. While no decisions have been made, the Army is considering two actions to improve program management: establishing an FTS office within the Office of the Secretary of the Army to provide general oversight and policy direction for the FTS program and assigning responsibility through the FTS regulation to one Army organization (possibly DCSOPS) for the day-to-day program management of FTS.

Program Monitoring Mechanisms Have Not Been Adequately Implemented

The Army has not adequately used the array of program monitoring mechanisms—program effectiveness evaluations, validation team reviews, and internal control system reporting—to manage its FTS program. Specifically, we found that (1) the Army had not conducted any program effectiveness evaluations; (2) reviews by the reserve component validation teams were varied and limited; and (3) the FTS program, until recently, was exempt from the Army's internal control system.

The Army Is Not Performing Required Program Evaluations

Army Regulation 135-2 requires DCSOPS to regularly evaluate FTS program effectiveness, in coordination with the National Guard Bureau, the Office of the Chief of the Army Reserve, and major Army commands. In 1985, DCSOPS proposed the implementation of program evaluations that would have required semiannual reports by the National Guard, the Army Reserve, and FORSCOM covering the progress and problems associated with the program. According to a DCSOPS official, the program evaluations were never implemented due to inadequate management attention.

In our view, it would have been difficult for the Army to conduct sound program effectiveness evaluations because the Army has not developed measurable objectives for the program. Army Regulation 135-2 states that the Army's objective for the FTS program is to improve reserve component readiness and mobilization planning by providing full-time personnel to reserve component units and organizations. Army officials have testified before the Congress on numerous occasions regarding the need for FTS personnel to improve reserve component readiness. The Army, however, has not developed any system to measure (1) the extent to which reserve component readiness has been increased as a result of the program or (2) the benefits associated with adding additional resources to the program.

Army officials said that it is difficult to directly relate increases in readiness to increases in FTS personnel because many variables in addition to personnel—such as equipment and training—can affect readiness. Army officials, at one time, considered contracting for a study to show how the program affects readiness but decided against such a study because they believed that it would be costly and would not produce useful results.

During our review, we discussed with the Assistant Secretary of the Army for Manpower and Reserve Affairs and DCSOPS officials the feasibility of units' tracking increases in available training time as a result of

adding FTS personnel. Part of the program's objective is to use these resources to do routine day-to-day tasks, thereby freeing up training time for reservists on the weekends. These officials agreed that it would be feasible to track increases in FTS personnel and training time and thought that such tracking would provide a good measure of program effectiveness.

Validation Reviews Identify Misuse of FTS Personnel

The Army National Guard and the Army Reserve both have two FTS validation teams—one for headquarters organizations and one for troop units. Although the methodologies applied by the teams have been varied, the teams have identified inefficient and ineffective use of FTS personnel. The Army Reserve validation teams, in particular, found multiple instances in which FTS personnel were being misused. We also found that the number of Army Reserve personnel assigned to U.S. Army headquarters organizations exceeded the limits set by the Department of the Army for these organizations.

National Guard Bureau's Validation Efforts

National Guard Bureau officials from the Manpower Division told us that they follow Army Regulations 570-4 and 570-5 in conducting validation reviews. On the basis of these regulations, the National Guard Bureau validation teams ensure that FTS positions for troop program units meet minimum-essential needs. Any requests for additional personnel must be individually justified and approved. In some cases, validation team officials visit the unit to evaluate the information provided in the request. Furthermore, Manpower Division officials stated that FTS positions for headquarters organizations are established by the validation team based on work load analyses using the Manpower Staffing Standards System.

Manpower Division officials also told us that they conduct evaluations of the use of FTS personnel once they are assigned to positions. According to these officials, the evaluations are made to determine whether FTS personnel are performing in accordance with applicable laws and regulations and whether they carry full-time work loads. Manpower Division officials, however, stated that they had not documented or reported on their evaluation results and agreed with our observations on the need to do so.

Army Reserve Validation Efforts

The Army Reserve validation teams primarily evaluate the use of FTS personnel after the individuals have been assigned to positions. The validation team for headquarters organizations has developed a detailed approach to evaluating the use of FTS personnel against applicable laws

and regulations and to determining whether FTS personnel are fully utilized. The validation team for troop program units, on the other hand, basically evaluates whether FTS personnel have full-time work loads.

The Army Reserve validation team responsible for headquarters organizations reports to the Office of the Chief of the Army Reserve. It evaluated 576 FTS positions at 14 organizations between March 1987 (when the team was organized) and September 1988. Among the headquarters organizations evaluated were the U.S. Army Recruiting Command and the Second and Sixth Continental U.S. Armies. We reviewed the validation team's reports, which showed that for the 576 positions it evaluated, 430 positions (about 75 percent) were valid, 99 positions (17 percent) were valid contingent upon further review, 37 positions (6 percent) were invalid, and 10 positions (2 percent) were excess to needs.

According to the validation team's chief, some positions identified as "valid contingent upon further review" were expected to become invalid after review. The team chief said that invalid positions included positions requiring active component work and positions in which FTS military personnel did work that could have been done by civilian personnel. For example, the validation team found three situations in which AGR personnel were performing active component work at the U.S. Army Recruiting Command. According to the validation team's chief, Army Regulation 140-30 prohibits using reserve component FTS personnel in support of the active component. The validation team's chief estimated that over \$1.5 million could be saved by eliminating the 47 invalid and excess positions identified. The Army Reserve validation team responsible for troop program units reports to FORSCOM. It performed on-site reviews at 44 units, or about 1 percent of all units, between March 1987 and April 1988. The chief of the validation team told us that the methodology applied by the team to validate positions had been developed by the team itself and that the Army had not provided any guidance on how to do validation reviews. The validation team found situations in which FTS personnel had been assigned to positions with less-than-full work loads and to positions not authorized to be filled by FTS personnel.

The validation team chief told us, however, that the team's findings had rarely been discussed with the units evaluated and that, as a result, little corrective action had been taken. The chief also said that the validation efforts lacked adequate management attention and that no system

existed for reporting and taking action on validation findings. Furthermore, the team chief told us that validation efforts at the troop program units had stopped for 10 months (from March 1988 to January 1989) primarily due to the lack of travel funds.

We reviewed the validation team's reports for most of the 44 units they visited (some reports could not be found). The following are some examples of the team's findings:

- FTS maintenance personnel assigned to two units were not needed because the units lacked the mission-essential equipment they were to maintain.
- One unit clerk's only assignment was to administer the unit's payroll. The validation team report stated that the majority of the time the clerk was idle.
- Two maintenance personnel in a unit collocated with an area maintenance support activity did not have full work loads, and as a result, both personnel were assigned clerk functions and were frequently sent to other units to provide assistance in preparing for key inspections.
- An automotive maintenance individual was detailed from a transportation company to the battalion's headquarters; however, the individual remains on the company records because the battalion staffing model did not provide for an automotive maintenance technician position.

U.S. Army Headquarters Personnel Exceeded Limits for FTS Personnel

Department of the Army guidance limits the number of FTS personnel at major U.S. Army Reserve commands and division headquarters to 10 percent of the organizations' total FTS authorizations. The 10-percent limit ties into the objective of the FTS program, which is to increase unit training time by assigning full-time personnel directly to individual units, rather than to headquarters positions.

According to a FORSCOM Directorate of Operations official, the 10-percent limit has not been adequately enforced in the past, but FORSCOM's validation team now checks the 10-percent limit during its review. In our review of FORSCOM documents, we found that the 47 major U.S. Army Reserve commands and division headquarters together had 2,906, or 16.3 percent, of the 17,860 FTS authorizations for those organizations and their subordinate units. Specifically, we found that

- 39 (83 percent) of the 47 major U.S. Army Reserve commands and divisions had not complied with the 10-percent limit, while 8 (17 percent) had complied;

- 7 of the 47 major U.S. Army Reserve commands and divisions had more than 50 percent of the organizations' total FTS authorizations assigned to them; and
- 1 engineering headquarters command had 100 percent of its FTS authorizations assigned to it.

The FTS Program Is Now Subject to the Army's Internal Control System

The Army's internal control system requires all organizations to review internal controls annually to verify that they are in place and working. Army Regulation 11-2, governing the internal control system, requires an annual statement of assurance that adequate internal controls exist to help prevent fraud, waste, mismanagement, and misappropriation in compliance with the Federal Managers' Financial Integrity Act of 1982.¹ The annual statement of assurance must report material internal control weaknesses discovered in the current period, with planned corrective action and a status report on previously reported unresolved material weaknesses. Army Regulation 11-2 also requires that if audit organizations have reported deficiencies associated with a program or the program has been subjected to congressional hearings, the organization responsible for the program should consider it as potentially having material weaknesses in internal controls.

We found that the Army had exempted the FTS program from the internal control system until April 1989. This exemption may explain why no material FTS program weaknesses were reported in the Secretary of the Army's Annual Statements of Assurance for fiscal years 1986, 1987, and 1988, even though these problems had been the subject of previous GAO reports and congressional hearings. Army officials could not explain why the program had been exempt from internal controls. While the regulation now contains internal control provisions, it does not yet contain the necessary checklists for conducting internal control reviews. The regulation states that checklists are being developed and will be published at a later date.

Conclusions

No single Army organization is responsible for overall FTS management, and as a result, the program is not functioning as an integrated whole. In our view, the lack of overall management direction and program evaluation has contributed to many of the deficiencies we discuss in this chapter, such as (1) the lack of measurable program objectives, (2) the

¹The act requires heads of agencies to make annual examinations of their internal controls and issue annual reports on their systems and plans to correct identified weaknesses.

inappropriate use of FTS personnel, and (3) inadequate attention to previously reported management weaknesses. By focusing management responsibility for policy direction and general oversight, the Army could better ensure consistent personnel policies and practices and program evaluations. In addition, by appointing one Army organization to oversee the entire FTS program, the Army might be able to overcome the management fragmentation problem that has continued to hamper unit commanders who receive contradictory instructions from the various Army organizations having FTS program responsibilities. We believe that the actions being considered by the Army to establish an FTS office, for example, could improve program management.

Until the Army provides needed program direction and evaluation, however, it cannot assure DOD and the Congress that it has an efficient and effective FTS program. Despite our identification of management problems in prior reports and congressional concerns about program management, the Army did not report these deficiencies as a material weakness in the Secretary of the Army's Annual Assurance Statements. Because significant management problems still exist, we believe that reporting FTS program deficiencies as a material weakness would help to ensure top management's attention.

Recommendations

We recommend that the Secretary of the Army take the following actions:

- Assign authority and responsibility for overseeing and directing the Army's full-time support program to one Army organization.
- Develop measurable program objectives and implement adequate program monitoring mechanisms.
- Identify FTS management deficiencies in the full-time support program as a material weakness in the Secretary's next Annual Assurance Statement.

Agency Comments and Our Evaluation

DOD agreed with our first two recommendations. It stated that the Secretary of the Army had assigned responsibility for oversight and direction for the FTS program to the Assistant Secretary for Manpower and Reserve Affairs. Also, DOD stated that the Assistant Secretary had directed the establishment of a Full-Time Support Program Integration Office within DCSOPS to coordinate FTS program management. The Secretary of the Army will develop measurable FTS objectives and monitoring mechanisms to ensure that the objectives are being pursued.

DOD did not agree with our recommendation that the Secretary of the Army identify the FTS program as a material weakness in the next Annual Assurance Statement. DOD stated that (1) in management's judgment the problems we identified had not significantly impaired fulfillment of the full-time support mission or significantly weakened safeguards against fraud, waste, or mismanagement of funds and (2) the Army had already initiated actions to correct FTS management deficiencies. According to DOD Directive 5010.38, a military service's system of internal controls should provide reasonable assurance not only that resources are safeguarded against waste and misappropriation but also that programs are efficiently and effectively carried out in accordance with applicable management policies. Moreover, the Directive's definition of a material internal control weakness is not limited to mission impairment and mismanagement of funds, as implied by DOD's comment. The definition also includes mismanagement of "other resources."

Clearly, the FTS program and the personnel who make up the program are significant resources to be managed efficiently and effectively. The significance of FTS resources is acknowledged by DOD's comment that the FTS program is so critically important that DOD devotes a large percentage of the Reserve fiscal resources to FTS personnel. We found, however, that the Army has consistently mismanaged these resources; existing internal controls have not been effective in ensuring an efficient and effective program. For example, (1) personnel policies have adversely affected program costs; (2) program evaluations have not been conducted; (3) an effective monitoring system has not been established; (4) FTS personnel have been misused; and (5) little corrective action has been taken on the basis of validation team reviews. Further, problems reported previously by GAO and the Congress still remain—for example, the inadequacy of the personnel requirements determination process and the lack of a uniform policy for the use of the various types of FTS personnel. All of these problems stem from inadequate management attention. Accordingly, we do not agree with DOD's position that existing management attention and corrective actions that have been initiated by the Army negate identifying the FTS management problem as a material weakness. We believe that it is important to focus the attention of top management on the progress of corrective actions being pursued and their ultimate resolution. Army Regulation 11-2 recognizes the importance of reporting problems that are judged to be material, even though corrective action has been initiated. The regulation states that reporting these problems allows higher levels of management to (1) evaluate the adequacy of corrective actions taken or planned, (2) make any needed changes, and (3) monitor the corrective actions until they are completed.

Identifying FTS management problems as a material weakness would help to ensure top management's attention.

DOD generally agreed with our findings but raised several concerns. It said that our draft report had not recognized actions taken by the Secretary of Defense in response to the suggestion by the Senate Committee on Armed Services' report on the 1988 and 1989 Defense Authorization Act that the Department evaluate the mix of full-time support within the services and establish a uniform policy for their management. The report has been changed to recognize the action DOD has initiated in this area subsequent to the completion of our fieldwork.

In commenting on the lack of a system for measuring the extent to which reserve component readiness has been increased as a result of the FTS program, DOD said that field surveys of key staff and unit commanders had indicated that increased full-time support had improved unit readiness. Also, it said that, while a proposal to conduct empirical research on direct correlations between full-time support and unit readiness had proven to be cost prohibitive, statistics on general readiness appeared to show a correlation.

DOD did not agree with a statement in our draft report that the National Guard had not attempted to determine whether FTS personnel were performing in accordance with regulations or were carrying full-time work loads. On the basis of discussions with National Guard officials, we have changed the report to recognize the Guard's efforts to check the validity of positions.

Finally, DOD stated that our finding that Army Reserve higher headquarters had not complied with the Army's 10-percent limit of full-time support personnel indicated a documentation problem rather than a deliberate violation of policy. According to DOD, there is an occasional commingling of headquarters support with unit support on higher headquarters' manning documents, which masks the FTS numbers at each level of organization. DOD said that the documentation problem was being addressed by the full-time support task force. Also, it said that a task force review of actual assignments at headquarters units we visited had shown a 5.8-percent level of full-time support. We did not verify the results of this review.

FTS Personnel Requirements Lack Sound Justification

The Army's need for FTS personnel is indisputable; however, the number it needs is uncertain. The Army's requirements for individual units are set forth in the FTS Staffing Guide and are established without any work load or similar analyses. A limited number of the Army's FTS personnel requirements for headquarters organizations are based on work load analyses, using the Army's Manpower Staffing Standards System. We found indications that more accurate FTS personnel requirements for individual units could be established if they were based on work load analyses.

The Army's Need for FTS Personnel Is Well Established

Full-time personnel were first added to National Guard units around the turn of the century. Recent studies by DOD, the Congress, and GAO have supported the continued need for FTS personnel in the Army's reserve components. For example, in our November 1988 report, we noted that a critical factor in maintaining reserve capability was having an effective group of full-time personnel to assist in training and administration.

The Army's goal has been that FTS personnel should represent 14 percent of its selected reserve end strength. Army officials stated, however, that there is no specific justification for the 14-percent goal.

Determining Personnel Requirements

The Army uses two models to describe an organization's personnel structure—the Tables of Distribution and Allowances (TDA) and the Tables of Organization and Equipment (TOE). TDAs describe non-deployable organizations staffed by both military and civilian personnel and, generally, cover organizations above division level. TDA organizations are referred to as "headquarters and support organizations." TOEs describe deployable organizations staffed by military personnel and cover organizations at division level and below. TOE organizations are referred to as "troop program units."

The active Army establishes requirements for TDA organizations by using its Manpower Staffing Standards System. Using this system, the Army bases requirements on the number of work hours required to accomplish specific work, generally measured at more than one site and statistically analyzed. However, TOE positions are not work load-driven because they relate to wartime fighting positions. TRADOC determines, in a generic sense, the types and numbers of soldiers and equipment that a unit needs to accomplish its wartime mission.

The Army's reserve components have followed an approach similar to that of the active Army in establishing FTS personnel requirements. Determination of requirements for Reserve and Guard TDA units has been based, to a limited extent, on work load analyses. For example, the Army National Guard has established its FTS personnel requirements in TDA organizations using work load analyses, while the Army Reserve has just recently begun to use work load analyses to establish TDA personnel requirements. FTS positions for Reserve and Guard TOE units are for peacetime operations (whereas TOE positions in the active Army are war-time fighting positions) and continue to be established in the FTS Staffing Guide, which is based largely on professional judgment. The staffing guide provides guidance on the numbers and kinds of personnel required to perform a group of specific functions in common organizations. Together, the individual TDA positions and TOE unit positions identified in the FTS Staffing Guide represent the Army reserve components' FTS personnel requirements.

Current Personnel Requirements Are Uncertain

The Army's current FTS personnel requirements call for about 38,000 additional personnel, which would add over \$1 billion more annually to the program's cost. According to Army officials, there is no specific time by which the additional personnel are to be obtained. Department of the Army officials told us that these requirements had not been established with any degree of accuracy. In an attempt to establish more accurate requirements, the Army established an FTS task force within DCSOPS. By August 1988, the task force was supposed to (1) revise the FTS Staffing Guide for troop program units, (2) review all Army National Guard and Army Reserve units and headquarters and support organizations to determine the appropriate FTS staffing levels, and (3) establish criteria for AGR requirements at headquarters and support organizations. Changes to the mandate, however, have delayed completion of the project.

Positions Are Not Based on Work Load Analyses

The task force, in revising the staffing guide, set out to develop one guide for TOE unit positions for use by both the Army National Guard and the Army Reserve. Staffing guides were initially developed by FORSCOM for the Army Reserve and by the National Guard Bureau for the National Guard. There were significant differences between the two guides in their treatment of the same type of units, both in numbers and types of full-time positions suggested. In order to resolve these differences, DCSOPS developed a single staffing guide that was issued in September 1984, applicable to both Army National Guard and Army

Reserve units. Nevertheless, the Army National Guard and the Army Reserve continued to maintain and use their own staffing guides.

The task force began its effort by reviewing the staffing guides from the Guard and the Reserve. Then, on the basis of historical data and professional judgment, the task force identified FTS positions that it believed any unit should have, given a particular Standard Requirements Code. The Army uses this code to group like units with the same basic missions. The revised FTS Staffing Guide consists of hundreds of standard requirements codes. For example, standard requirements code 55067H applies to light-medium truck companies, and there are a total of 26 light-medium truck companies—23 in the Army National Guard and 3 in the Army Reserve. The revised staffing guide lists six FTS positions—truckmaster, supply sergeant, unit clerk, wheeled vehicle maintenance technician, light wheeled vehicle mechanic, and equipment maintenance clerk—for units with standard requirements code 55067H. The task force sent the revised staffing guide to various Army organizations for review and comment twice because, among other reasons, it did not believe that the reviewing organizations had performed adequate reviews the first time.

TRADOC, FORSCOM, the National Guard Bureau, and the Office of the Chief of the Army Reserve were among the major organizations that reviewed the revised guide. According to officials in these organizations, while it was a step in the right direction, the greatest shortcoming of the guide was the lack of work load analyses in establishing FTS personnel requirements.

For example, TRADOC officials told the task force that they disagreed with the process the task force had used to develop the staffing guide because it was driven “top-down” and based on “best guess”; it was not developed “bottom-up” using work load analyses. Even though officials from TRADOC headquarters would not officially comment on the staffing guide, they instructed the task force to contact TRADOC’s proponent schools directly for their comments.

We discussed the review of the guide with one of TRADOC’s proponent schools—the U.S. Army Transportation School. Transportation School officials told us that the only rational way to establish FTS positions for the reserve components was to use work load data. They also told us that, in their opinion, FTS positions listed in the revised guide represented the maximum number of full-time personnel that a unit required for wartime purposes and that actual personnel needs should be

adjusted downward based on deployment date, the number of people in a unit, amount of equipment, and proximity of units to other units (some units are collocated and could share facilities and personnel).

Transportation School officials also pointed out that the revised guide had not taken into account differences in unit size. In one situation, 11 heavy truck companies (4 Army National Guard and 7 Army Reserve) had the same standard requirements code, and the guide for that code called for 6 FTS personnel. Six of the units each had an authorized end strength of about 60 reservists, while the other five units each had an authorized end strength of about 140 reservists. While it is unlikely that the units with 60 reservists would need the same number of FTS personnel as the units with 140 reservists, Transportation School officials said that there were no established criteria that could be applied against the guide to determine final FTS personnel needs within those units.

The fact that no established criteria exist to be applied to the guide was also pointed out during our visit to the 121st U.S. Army Reserve Command. Command officials told us that, since there were no established criteria, they had to state FTS personnel requirements exactly as identified in the guide.

FORSCOM was the only reviewing organization that provided the task force with detailed written comments on the revised guide. FORSCOM officials said that, in their opinion, the guide contained an excessive number of full-time positions and leaned toward turning the reserve components into active component forces. These views are evident in some of the following excerpts from FORSCOM's written comments concerning the guide.

"HQDA [Headquarters, Department of the Army] staffing guides do not identify which positions are minimum essential.... Minimum essential positions are base operations type functions (administration, supply, operations and training, and maintenance) which are required for all units, regardless of SRC [standard requirements code].... Recommend HQDA staffing guides be designated with minimum essential positions. This would assist in answering HQDA staff and Congressional questions on AGR 'bare bone' requirements versus 'nice to have' requirements."

[Text omitted.]

"HQDA staffing guides contain excessive number of key staff positions (S-1/S-2/S-3/S-4), making these staffing guides officer heavy.... HQDA staffing guides contain

unit armorers (E-4). In peacetime environment, it is questionable if there is sufficient work load to justify this duty position full-time.... HQDA staffing guides contains [sic] some Chaplain positions. Full-time Chaplain does not meet AGR program objectives in AR [Army Regulation] 135-2 or AR 140-30. These positions should be deleted from staffing guides.... HQDA staffing guides contain excessive number of maintenance and supply positions. In some cases, two or three of same type duty position is [sic] authorized in one staffing guide."

FORSCOM, in addition to providing comments about individual positions, stated the following:

"Objective of AGR program is to improve RC [reserve component] readiness and mobilization/deployment planning and preparation—not to take over complete responsibility for certain unit functions. Task Force should relook staffing guides to ensure they do not contain excessive full-time staffing for unit functions.... Total full-time requirements for many HQDA staffing guides appears [sic] excessive compared to FORSCOM staffing guides. AGR program was not instituted to provide level of full-time staffing that allow [sic] RC units to operate as if they are AC [active component] unit (i.e. peacetime 40 hour work week). MTOE/TDA RC units are expected to accomplish their mission responsibilities through 48 Unit Training Assemblies and 14 days of Annual Training—not through full-time staffing. Task Force needs to relook staffing guides with objective to provide level of full-time staffing that will accomplish program objectives in AR 135-2 and AR 140-30."

A Work Load Analysis System Could Be Used to Establish FTS Requirements

The Commanding General of TRADOC stated in a December 1987 memorandum that the Army would not have a credible manpower justification program until it linked personnel requirements, including requirements for FTS personnel, to its Manpower Staffing Standards System. The Commanding General, in reaffirming TRADOC's commitment to the original goals of the system, stated that, although ignored, the rationale behind the original creation of the Manpower Staffing Standards System had not changed. The Commanding General stated that, to be competitive, the Army must demonstrate to the Office of the Secretary of Defense and the Congress a credible, marketable manpower program. The Commanding General also stated that the Army must show, during the budgeting process for personnel requirements, its commitment to and belief in the Manpower Staffing Standards System. In responding to the memorandum, the Department of the Army agreed that ultimately it must make a major commitment to change the methods used by commanders to make resource decisions. It also stated that the Manpower Staffing Standards System had proven its accuracy in determining correct resource levels.

As discussed previously, FTS positions for Reserve and Guard TOE units are for peacetime operations and, therefore, are much like TDA positions in terms of their susceptibility to work load measurement. Accordingly, we discussed the feasibility of using a system like the Manpower Staffing Standards System to establish TOE unit requirements for the reserve components with officials from the Army's U.S. Manpower Requirements and Documentation Agency, which is responsible for the development of manpower requirements. According to these officials, a generic FTS staffing guide could be developed using work load analyses. Furthermore, the officials stated that a formula could then be developed using various criteria—unit size, deployment date, percentage of equipment fill, unit location, and collocation—that could be applied to the generic guide to come up with the final requirements for any given unit. The officials believed that FTS personnel requirements could be established very accurately in this way. While officials from the U.S. Army Manpower Requirements and Documentation Agency could not tell us how long it would take to complete such a project or its cost, they were sure that it could be done reasonably quickly and inexpensively.

Conclusions

The Army has attempted to establish more accurate FTS personnel requirements. However, many TOE unit positions are not based on work load or similar analyses. Reviewers of the revised FTS Staffing Guide have said that they are not able to evaluate the guide but believe that some requirements are overstated. To establish a more credible FTS manpower justification program, the Army should determine TOE unit position requirements for full-time support personnel based on work load analyses.

Since the Army already has a system—the Manpower Staffing Standards System—to establish personnel requirements using work load analyses, we believe that a system of this type warrants consideration for use by the reserve components in establishing FTS positions for TOE units. A generic model might be developed for TOE units based on the standard requirements code, and individual unit differences could be factored into the model to establish final FTS requirements.

Recommendation to the Secretary of the Army

We recommend that, if technically and economically feasible, the Secretary of the Army use work load analyses to determine FTS personnel requirements for TOE units.

Matters for Congressional Consideration

In view of the growing importance and increased cost of the Army's FTS program, the Congress may wish to consider deferring requests for additional personnel authorizations above current levels until it is assured that adequate action has been taken to improve the program. Exceptions to such deferral might be considered when the Army seeks to add new missions to the reserve components.

Agency Comments and Our Evaluation

DOD agreed that the use of work load analyses is necessary to determine FTS personnel requirements and stated that such analyses will be adopted by the Army's task force on full-time support. According to DOD, the implementation of work load analyses will require additional manpower resources that could be available by fiscal year 1992. DOD also pointed out that established FTS requirements represent essential requirements in an unconstrained world and that the Army must (1) prioritize requirements in accordance with realistic budget constraints and maintain minimum support levels for lower priority units and higher levels for higher priority units and (2) develop a methodology to determine which category of full-time support best fits each requirement.

DOD did not agree with our suggestion that the Congress consider deferring requests for additional personnel authorizations above current levels. It commented that most of the growth in the FTS program was related to the addition of new force structure or new missions and that it did not want to lose ground in properly resourcing reserve units to perform their missions. Our suggestion recognizes that it may be desirable to make exceptions to a deferral policy when the Army seeks to add new missions to the reserve components.

The Army Does Not Adequately Determine the Most Cost-Effective Mix of FTS Personnel

The Army has used primarily AGR personnel to expand its FTS force, even though military technicians might have been more cost-effective. Congressional committees and DOD have directed the military services, when filling FTS positions, to establish the most cost-effective mix of personnel. The Army normally can choose between AGR personnel and military technicians because either personnel category, according to DOD officials, can be used to fill military-essential positions. The Army, however, has not developed guidance that clearly differentiates the roles of AGRs, technicians, active component personnel, or civilian employees or procedures for comparing costs to ensure that these positions are filled with the most cost-effective mix of personnel. The Army has filled these positions primarily with AGR personnel, even though most studies show that military technicians are less costly. According to DOD, significant increases in the number of technicians were not feasible because of constraints on funds available for civilian pay.

Military-Essentiality Should Be the Primary Consideration in Making Personnel Decisions

Of primary importance in a decision to use military or civilian personnel in a position, according to DOD and Army officials, is determining whether the functions to be performed in that position are strictly military. DOD policy states that a military person should be used if a function is determined to be military-essential;¹ otherwise, a civilian should be used to fill the position. DOD cites two reasons underlying its policy to use civilian personnel whenever possible. First, DOD's policy is to maintain the smallest standing military force possible and still satisfy mission objectives. Second, this personnel policy reflects DOD's belief that civilians generally cost less than military personnel. As a result, DOD policy and guidance to the military services stress military-essentiality as the principal consideration in determining personnel mix.

According to DOD officials, the majority of FTS positions require military personnel because they are wartime-deployable positions (the positions require that the individuals go to war with the unit). Officials from the Office of the Assistant Secretary of Defense for Reserve Affairs told us that they believe that when an FTS position requires a military person, it can be filled by either an AGR soldier or a military technician. Even though technicians are federal civilian employees, they are also, in most cases, required to belong to the reserves. As a result, military technicians mobilize and deploy with the unit to which they belong and, as such, are considered military assets.

¹A military person is required for reasons of law or for other reasons such as to maximize combat readiness, training, or security.

Cost Should Be a Consideration in Making Personnel Decisions

Both congressional committees and DOD have directed the military services to ensure that FTS resources provide the most cost-effective form of manpower consistent with readiness requirements. Since DOD believes that a position requiring a military person can be filled by either an AGR or a military technician, in most cases, cost should be the determining factor deciding which personnel category to use.

Congressional committees have provided direction to DOD regarding personnel costs. For example, in its input to the DOD fiscal year appropriations, the House Committee on Appropriations stated that growth in the FTS personnel required for National Guard and Reserve units should be provided by the least costly form of manpower consistent with readiness requirements. Furthermore, section 115(b)(5), title 10, of the U.S. Code requires the Secretary of Defense to use the least costly form of personnel consistent with military requirements when establishing overall defense personnel requirements.

DOD Directive 1205.18, dated September 20, 1988, requires the Secretaries of the military services to determine the personnel mix—AGRs, military technicians, active component personnel, and civilian employees—that provides the most cost-effective FTS program consistent with readiness requirements. The Directive also places responsibility with the Secretaries of the military services to develop the procedures to determine the most cost-effective FTS personnel mix.

The Army has developed neither the guidance that clearly differentiates the roles of AGR personnel and military technicians nor the procedures for comparing costs to ensure the most cost-effective mix of personnel to fill FTS positions. The Army's practice has been to indiscriminately place AGR personnel in deployable units and technicians in headquarters and support organizations. Officials from the Office of the Assistant Secretary of Defense for Reserve Affairs said that they had not given the FTS program adequate management attention, and therefore, although they had placed the requirement on the services, they had not provided the necessary direction and assistance to the Army and other military services to develop the guidance for the use of FTS personnel.

The Army Has Filled Positions Mostly With AGR Personnel

AGR personnel have dominated the growth in the Army's FTS program during the 1980s. AGR personnel accounted for 88 percent of the total growth in FTS personnel for the Army reserve components from fiscal year 1980 through fiscal year 1988. During this period, AGR personnel increased from 10,243 to 39,000, or 281 percent. Military technicians, on the other hand, increased from 28,758 to 33,654, or by only 17 percent.

Long-range plans show that the Army Reserve will continue to emphasize AGR personnel growth. The Army National Guard plans equal growth in AGR personnel and military technicians. The Army National Guard's plans call for FTS personnel increases of 3,320 positions by the end of fiscal year 1994—1,650 (49.7 percent) AGR personnel and 1,670 (50.3 percent) technicians. The Army Reserve's plans call for FTS personnel increases of 4,436 by the end of fiscal year 1996—3,136 (70.7 percent) AGR personnel and 1,300 (29.3 percent) technicians. According to the Chief of the Army Reserve's posture statement for fiscal year 1989, additional growth in FTS is essential if the Army is to continue to assign missions and force structure to the reserve components at required levels of mobilization readiness. AGR personnel were cited in the posture statement as the key to improvements in Army Reserve readiness due to their availability for special assignments, schooling, and extended work hours. The Chief of the Army Reserve also cited a shortage of over 8,000 AGR positions needed to adequately support existing units' readiness.

The Army's Rationale for Using AGR Personnel

The Army's original decision on which type of personnel—AGR or military technician—to use in the FTS program was made in the late 1970s. At that time, the House Committee on Appropriations was concerned about the readiness of the reserve components, and as a result, it directed the Army National Guard and Army Reserve to increase FTS. The military, however, was experiencing civilian manpower reductions. The House Committee, therefore, proposed that the services test and consider the use of AGR personnel.

The first AGRs were provided by allowing technicians to convert to AGR status, and in the first 2 years, about 7,500 did so. As part of the test, DOD contracted for a study (the results of which are summarized later) to compare the cost of converting all technician positions to AGR positions. A 1976 report by the Defense Manpower Commission concluded that replacing technicians with AGR personnel could save more than \$270 million annually. This determination led to the interest in using

AGR personnel in the FTS program; however, the cost methodology used in the analysis was criticized because indirect costs were excluded.

DOD reported to the Congress in 1980 that an all-AGR force would not be cost-effective and that military technicians should be retained as part of FTS. However, it stated that increasing the number of technicians would not be feasible unless the policy of constraining the number of federal civilian employees was changed. DOD reported, therefore, that the necessary FTS increases could be achieved only by increasing the numbers of AGRs or active component personnel. According to officials from the Office of the Assistant Secretary of Defense for Reserve Affairs, the consensus was that more FTS was needed, and at the time, AGRs were the available source. Therefore, the Army's manpower planning was dominated by obtaining AGR personnel, with little or no consideration of cost-effectiveness in filling FTS positions. As a result, technician strength has grown slightly, and AGR strength has grown dramatically.

Army officials cite several reasons for using AGR personnel rather than military technicians: (1) AGRs are not unionized; (2) AGRs have greater work-hour flexibility; (3) AGRs offer easier and more reliable deployability; and (4) AGRs offer improved readiness. A 1983 congressional study showed, however, that these benefits may not always be realized. For example, the study reported that unions were not a problem. Also, little concern was expressed regarding the normal workweek of technicians—no specific instances were cited in which technicians' workweeks had adversely affected the units' missions. In addition, although most unit officials believed that the additional manpower gained through adding AGRs was very beneficial in terms of its impact on readiness and unit capabilities, they felt that the same benefits could have been achieved with additional military technicians. Many of the same comments about AGRs, technicians, and union organizations were heard during a 1988 congressional study.

Most Studies Show That Technicians Are Less Costly Than AGR Personnel

DOD's policy of filling positions that do not require military personnel with civilians reflects, among other things, its belief that civilians generally cost less than military personnel. When the cost of technicians is considered, however, the cost issue becomes somewhat clouded. This is primarily due to the requirement for technicians to belong to the reserves: technicians receive both civilian and military pay and benefits. DOD officials told us that they believe that the relative cost of AGRs and technicians changes from time to time. We found, however, that most studies comparing the costs of AGR personnel and military technicians

have shown that technicians are, overall, less costly. In addition to the lower cost of technicians, indications are that these personnel categories are about equally as effective in performing the work.

A 1980 DOD report (DOD's contracted study as part of the test for converting technicians to AGRs) showed that the cost of converting all military technician positions to AGR positions was insignificant—about \$20 million annually DOD-wide. However, the cost among the services varied widely, with the Army incurring the greatest cost for conversion at about \$62.5 million annually. On the other hand, the Air Force would have saved \$42.9 million annually by the conversion due to the high proportion of wage grade technicians they employ. The report concluded that an all-AGR force would not be cost-effective; nor would it increase unit readiness any more than a military technician force.

In our June 1985 report, we agreed with the Army's cost-benefit analysis, which had been submitted to the House Committee on Appropriations in March 1984. The Army had concluded that the direct cost differences between AGRs and technicians were insignificant but that life-cycle costs² for AGRs were approximately 16 percent more than they were for technicians. We noted that this difference represented a significant cost for an all-AGR force and that in order for it to be considered a cost-effective approach, the Army had to ensure that AGR personnel acquired military skills and experience comparable to those of their active Army counterparts.

Most recently, a 1988 report by DOD's Sixth Quadrennial Commission on Military Compensation showed, among other things, that AGRs generally cost more than military technicians. This type of technician is normally found in the units—where the Army wants an all-AGR force. The report concludes, however, that the relative cost savings of using one form of FTS personnel rather than another will only occur at the margins, and as a result, military requirements and effectiveness should be the primary considerations in force mix decisions.

²Life-cycle costs for AGRs include base pay, government contribution for social security coverage, subsistence and housing allowances, support costs (medical and commissary privileges), and retirement accruals. Life-cycle costs for technicians include the pay and allowances they receive as military members of reserve component units and base pay and other pay and benefits (overtime pay, health benefits, government retirement contributions, life insurance, and workman's compensation) they receive as federal civilian employees.

Some AGR Positions Might Effectively Be Filled by Less Costly Technicians

AGR personnel serve in unit positions and throughout reserve component headquarters and DOD. However, there are situations at both unit and headquarters levels in which AGR personnel are in positions that might be effectively filled by less costly military technicians, if funds are available for civilian pay. Specifically, we found that military technicians could replace AGR personnel in unit clerk and other administrative positions. Also, technicians are currently used as substitutes in deployable units when AGR and active component personnel are not available.

Military Technicians Could Replace AGR Personnel in Administrative Positions

FORSCOM, in December 1987, circulated a proposal among its five Continental U.S. Armies suggesting the replacement of AGR unit clerks with military technicians. The Second and Sixth Continental U.S. Armies agreed with the proposal because some of their units had independently made the change and found that technicians were effective and, in some cases, more suitable to performing certain functions, such as pay and administrative duties. FORSCOM officials told us, however, that the plan had never been implemented due to a lack of management attention and priority. FORSCOM, at our request, computed its requirements for AGR unit clerk positions and told us that, as of January 1989, it had over 1,300 requirements for unit clerk or related positions. FORSCOM officials also said that it had authorization to fill about one-half, or 657, of these requirements with AGR personnel.

During our visit to the 121st U.S. Army Reserve Command, a manpower official identified 169 AGR positions (out of 583 total AGR positions) that could be filled by technicians because the positions did not require military expertise. The Deputy Chiefs of Staff for Resource Management at both the Second and Sixth Continental U.S. Armies told us that, although they believed that such conversions would be cost-effective, decreased funding for civilian pay in the Operations and Maintenance Reserve Appropriations (for technicians) would limit their ability to convert AGR positions to military technician positions.

Technicians Currently Substitute for AGR Personnel in Some FTS Unit Positions

The Army believes that it is preferable to use AGR personnel in deployable units for a number of reasons. However, because of the annual DOD Appropriation Act's restriction on the conversion of technician slots to AGR slots or the unavailability of AGR personnel, technicians are often used instead of AGR personnel. Currently, many military technicians serve as authorized substitutes in positions designated for AGR personnel.

We reviewed 41 AGR positions assigned to the 348th Engineering Group—a unit that will deploy—and found that 6 positions had been filled by military technicians. According to a Manpower and Force Management official at the 121st U.S. Army Reserve Command (the command that oversees the 348th Engineering Group), many positions in the Engineering Group, including the six filled by technicians, were administrative in nature and, in his opinion, did not require AGRs. The manpower official said that some of the positions were for unit clerks but that other administrative positions included positions for legal clerks, personnel managers, and materiel officers. The U.S. Army Reserve Command officials knew of no reason, other than possibly the shortage of operations and maintenance funds, that these positions could not be filled by military technicians.

Officials from the Sixth Continental U.S. Army headquarters shared a similar viewpoint to that of officials from the 121st U.S. Army Reserve Command. Officials from the Sixth Continental U.S. Army headquarters identified 10 types of headquarters positions and 6 types of troop program unit positions that, in their opinion, could be effectively converted from AGR slots to military technician slots. For example, the 10 headquarters positions were occupied by 1 AGR and 9 active component soldiers and included positions for protocol officer, administrative specialist, personnel specialist, and engineer.

The Army Has Not Effectively Integrated Active Component Personnel Into the FTS Program

Various Army studies have shown that active component personnel in support of the reserve components have not been effectively integrated into the FTS program. For example, a February 1987 National Guard Bureau information paper, based on input from 53 states and territories, stated that active component soldiers' support to Guard units was ineffective. The program was considered a failure because active component soldiers were assigned to units located in remote areas far from active component support. As a result, soldiers were being (1) subjected to financial hardship by their assignments, (2) sent to communities in which they did not easily adapt, and (3) assigned to organizations of which they had little knowledge. The Army reduced active component support for its units from 750 to 138 personnel and was planning further reductions.

The Army's Office of the Deputy Chief of Staff for Personnel issued a March 1987 information report stating the Army's objections to the Senate Committee on Armed Services' proposal to reduce the number of AGR personnel and replace them with active component soldiers. The

Army opposed any proposal to replace AGR personnel with active component soldiers because, among other reasons, of the difficulties that active component soldiers experience when assigned out of the mainstream of the active Army establishment and support facilities.

The Army Reserve validation team responsible for reviewing troop program unit activities found that some positions occupied by active component personnel did not require active component experience. For example, the validation team reported that 45 percent of the active component soldiers whom they interviewed from March 1987 through 1988 (the total number of soldiers interviewed was not identified) said that the positions they occupied did not, in their opinion, require active component expertise.

Conclusions

The Army has not clearly defined the functional roles for the four FTS personnel categories or developed adequate procedures to help ensure the most cost-effective mix of FTS personnel consistent with military needs. It appears that FTS positions, such as unit administration, personnel, supply, and payroll positions, may not require high levels of military expertise or schooling and might be adequately filled by less costly military technicians. It should be recognized, however, that the Army's ability to add or convert positions to military technician positions is constrained by a limit on funds available for civilian pay and, in the past, by civilian manpower reductions. We recognize, on the other hand, that some positions—for training and certain operational positions—may require higher degrees of military expertise and that it may be preferable, even though possibly more costly, to use AGR personnel. In addition, it appears that the Army may not be realizing the benefits it expects in using active component personnel in the FTS program. In our opinion, sound staffing decisions cannot be made until the Army clearly defines the roles of the various FTS personnel categories and develops the procedures necessary to help ensure a cost-effective FTS program.

Recommendations

We recommend that the Secretary of the Army take the following actions:

- Develop clear guidance that specifically differentiates among the roles for AGR, military technician, active component, and civilian employees and stipulates when these full-time support personnel should be used.

- Develop procedures, as required by DOD Directive 1205.18, that will help the Army National Guard and the Army Reserve establish the most cost-effective mix of FTS personnel.

Agency Comments and Our Evaluation

DOD agreed with our recommendations. It stated that the RAND study—a 2-year effort—will provide the basis for DOD guidance on the roles and use of the various categories of FTS personnel. DOD expects to publish this guidance in 1992. Concerning the most cost-effective mix of the various categories of full-time support personnel, DOD said that the Army will establish procedures through its regulations to ensure that cost is considered when establishing the full-time support mix.

DOD generally agreed with our findings but expressed several concerns. It said that neither DOD policy nor, in its opinion, the Army leadership preferred AGR positions over military technicians but that our draft report language gave that impression. Although Army officials have cited a number of advantages associated with the use of AGR personnel, we agree that neither DOD nor Army policy states a preference, and we have changed the report's wording to clarify this matter. Also, DOD said that its position that civilians generally cost less than military personnel applies to actual civilian employees, not dual-status military technicians; military technicians are military personnel. We agree and do not believe that our report implies otherwise. Our discussion of the relative cost of AGRs and military technicians is within the context of DOD's responsibility to ensure the most cost-effective mix of full-time support personnel.

DOD said that it supported the findings of the Sixth Quadrennial Review of Military Compensation on cost comparisons between AGR and military technician personnel and concluded that cost savings in the short term were unlikely to result from full-time support force mix decisions. Although cost differences in the short run may be marginal, as noted in our 1985 report, the life-cycle costs for AGRs were considerably more than they were for technicians. Further, DOD said that actual cost comparisons are best made on a position-by-position basis, and therefore, a blanket policy to favor one category of full-time personnel over another based on perceived cost savings at the macro level would not be prudent. We agree that the potential for cost savings can best be determined at the individual position level. We have changed the report's wording to clarify this point.

DOD commented that our finding that some AGR positions might effectively be filled by less costly technicians was inconsistent with other

Chapter 4
The Army Does Not Adequately Determine
the Most Cost-Effective Mix of FTS Personnel

factors discussed in the report. DOD stated that other factors such as organizationally separating technicians from AGRs must also be considered in deciding which category of full-time support personnel to use. We agree that all factors must be considered, but we do not believe that our draft report reflected an inconsistency. Our work was not intended to infer that decisions necessarily could have been made to use technicians instead of AGRs. Rather, its purpose was to demonstrate that (1) some types of AGR-held positions could be performed effectively by military technicians and (2) depending on the availability of funds for civilian pay, cost savings might be possible.

List of Organizations Visited by GAO

Alabama

Headquarters, 121st U.S. Army Reserve Command
 Headquarters, State Area Command, Alabama National Guard
 Headquarters, Troop Command, Army National Guard
 348th Engineer Group
 926th Engineer Battalion

California

Headquarters, Sixth Continental U.S. Army
 6th Recruiting Brigade
 820th Engineer Battalion
 13th Engineer Battalion

Georgia

Headquarters, U.S. Army Forces Command
 Headquarters, Second Continental U.S. Army

Illinois

Headquarters, U.S. Army Recruiting Command

Maryland

Headquarters, First Continental U.S. Army
 Headquarters, 115th Infantry Battalion
 629th Military Intelligence Battalion

New Jersey

Headquarters, 78th Division (Training)
 462nd Transportation Battalion
 1175th Transportation Unit
 920th Transportation Company
 851st Transportation Company
 459th Transportation Detachment
 Equipment Concentration Site #27

Pennsylvania

Headquarters, State Area Command, Pennsylvania National Guard
 213th Area Support Group
 154th Transportation Battalion
 131st Transportation Company
 131st Transportation Company, Detachment 1
 121st Transportation Company
 121st Transportation Company, Detachment 1
 228th Transportation Detachment
 Combined Support Maintenance Shop
 Organizational Maintenance Shop #15

Comments From the Department of Defense

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

RESERVE AFFAIRS

November 29, 1989

Mr. Frank C. Conahan
 Assistant Comptroller General
 National Security and International
 Affairs Division
 United States General Accounting Office
 Washington D.C. 20548

Dear Mr. Conahan:

This is the DoD response to the draft GAO Report titled, "ARMY RESERVE COMPONENTS: Management Problems and Inadequate Requirements Justification Hamper Full-Time Support Programs," October 12, 1989 (GAO Code 393302/OSD Case 8147).

The Department generally concurs with the findings and recommendations contained in the report, except with regard to the report comments on cost savings. The GAO appears to misunderstand the DoD policy regarding the filling of positions with the least costly form of manpower. The DoD position that civilian employees are generally less costly than military and that civilian manpower should be used whenever military requirements do not dictate otherwise, is in reference to actual civilian employees and not to the dual status military technicians who serve in the Reserve components. The Department policy for the fill of Reserve full-time support positions is to use the most cost effective form of manpower, consistent with readiness and other military requirements, and that all positions not having a justified military function shall be filled by non-dual status civilian employees.

It is important to keep in mind that the Army National Guard and the U.S. Army Reserve have different histories, missions and management structures. The GAO report tends to address the Army reserve components in a generic sense and it does not always make it clear that a particular problem relates more fully to one of the two Army Reserve Components.

The full-time support program is key to the maintenance and improvement of Reserve unit readiness. This program is so critically important that DoD devotes a large percentage of the Reserve fiscal resources to these manpower assets. It follows that management of the program is a primary DoD concern. The Department strives to ensure that the limited full-time resources are placed where they can do the most good. DoD is particularly

Appendix II
Comments From the Department of Defense

2

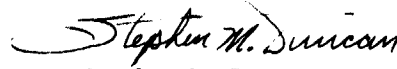
concerned about the management of the program in the Army components, where the full-time support resources fall so short of their documented requirements.

Much of the report corroborates problems identified earlier by the Department. Several corrective actions have already been initiated. Foremost of these ongoing actions is a study, now being conducted by the RAND Corporation, which will assist the DoD in publishing more detailed guidance to the Service Components on the utilization of full-time resources. It will provide detailed guidance as a follow-on to the DoD Directive on full-time support and it is expected to greatly assist the management of the program.

In the meantime, the Department continues to rely heavily on the Reserve Components. As the Reserve forces assume more responsibility, the need for full-time support personnel will become even greater. At this time, most program growth is related to new force structure or new missions. The DoD does not have sufficient resources to close the requirements gap, but it is important that DoD not lose ground. The Department cannot, therefore, subscribe to the GAO recommendation that all full-time support growth be held hostage to the evolution of policy guidance. The DoD is working expeditiously to develop more detailed and stringent guidance, as are the Services. The Department will closely monitor the Army corrective actions which are taken as a result of this report and will continue to seek better management procedures for this program.

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

Sincerely,



Stephen M. Duncan

Enclosure
As stated

Appendix II
Comments From the Department of Defense

GAO Draft Report - Dated October 12, 1989
(GAO Code 393302) OSD Case 8147
"Army Reserve Components: Management Problems and Inadequate
Requirements Justification Hamper Full-Time Support Programs"

Department of Defense Comments

FINDINGS

FINDING A: Background: Full-Time Support In The Army Reserve Components. The GAO observed that the concept of full-time support personnel has existed in the Army since early in this century. The GAO noted that civilian "caretakers" employed around 1916 to help maintain horses and supplies were the first support types. The GAO explained that, after World War II, when the Army added modern combat and support equipment to the Reserve components, caretakers became known as technicians. The GAO noted that, along with modern equipment came an increased demand for supplies, training, and administration--and more military technicians were hired for these functions. The GAO pointed out that these technicians were full-time civilian employees, who were also members of the Reserve unit. According to the GAO, the adoption of the Army total force policy in the early 1970s, which placed greater reliance on the Reserve components, also resulted in the need to expand the full-time support force. The GAO observed that, under the total force policy, Reservists, rather than draftees, will be the initial and primary source of personnel to augment the Active Forces in military emergencies. The GAO referenced the Reserve Forces Policy Board statement that the total force policy means that the "Reserve components are to be equal partners, on and off the battlefield, and must be as ready as their active counterparts." The GAO reported that the Army objective is to enhance Reserve component readiness and mobilization through the Full-Time Support Program. (pp.2-3, pp. 11-13/ GAO Draft Report)

DoD COMMENT: Concur

FINDING B: Cost And Growth Of The Army Full-Time Support Program. The GAO observed that the Army Full-Time Support Program cost about \$3 billion in FY 1988. The GAO broke down the cost in the components as follows:

- the Army Guard/Reserve personnel account for 54 percent of the program's cost;
- the military technicians and other civilians account for 39 percent; and

Enclosure

Now on pp. 2, 8-9.

- the active component soldiers account for the remaining 7 percent.

The GAO found that in FY 1988, the Army had about 82,000 full-time support personnel--up from 50,000 in FY 1980. The GAO explained that the Army National Guard has about two-thirds of the total number of full-time support personnel, while the Army Reserve has about 27,000. The GAO noted that these numbers represent 12.1 percent of the Army National Guard selected Reserve end strength and 8.8 percent of the Army Reserve. The GAO emphasized that, even though the Army has the largest number of full-time support personnel of all the Military Services (82,000 of the total 170,000 personnel), it has the smallest percentage in relation to its selected Reserve end strength. The GAO learned that for FY 1988, the full-time support personnel-- as a percentage of the selected reserve end strength for the Naval Reserve--was about 22 percent; for the Air Force about 19 percent; for the Air National Guard about 29 percent. (pp. 2-3, pp.13-15/GAO Draft Report)

DoD COMMENT: Concur.

FINDING C: Program Responsibility In The Army. The GAO explained that the Assistant Secretary of Defense for Reserve Affairs has overall responsibility for Reserve matters and provides general direction for the Services full-time support programs through DoD Directive 1205.18. The GAO noted, however, that specific decisions about program implementation are left to the Secretaries of the Military Departments.

The GAO observed that the Army Full-Time Support Program responsibilities, as defined by Army Regulation 135-2, are spread among the several officials--(1) the Secretary of the Army; the Chief of Staff, U.S. Army, (2) the Deputy Chief of Staff for Personnel, (3) the Deputy Chief of Staff for Operations and Plans (4) the Chief of National Guard Bureau; the Chief of the Army Reserve, (5) the Commanding General, U.S. Army Training and Doctrine Command, (6) the Army Surgeon General, and (7) the Army Chief of Engineers. The GAO pointed out that the Director of the Army National Guard and the Chief of the Army Reserve manage day-to-day program activities within their respective Reserve components. (pp. 2-3, p. 15/GAO Draft Report)

DoD COMMENT: Concur.

FINDING D: Full-Time Support Program Lacks Overall Management Direction. The GAO reported that the Army Full-Time Support Program lacks the overall management direction necessary to function as an integrated whole. It was noted that, during the 1980s, this issue has been the subject of several GAO reports and congressional hearings. The GAO found, however, that there has

Now on pp. 2, 9-11.

Now on pp. 3, 11-12.

been little progress in achieving a coordinated program with clear management direction. In a June 1985 GAO report (OSD Case 6714)¹, the GAO pointed out that lack of program direction was a major factor in problems with the requirements determination process and personnel policies and affected both program costs and effectiveness. The Senate Committee on Armed Services, in its report on the 1988 and 1989 Defense Authorization Act stated that the Secretary of Defense needed to evaluate the mix of the Active Guard/Reserve and technicians and establish a uniform policy for their management and use among the various components. The GAO found that, to date the Secretary of Defense has not acted on the Congressional suggestions for the Full-Time Support Program and the Army Reserve has not implemented the Army Guard/Reserve placement plan due to congressional opposition. The GAO further noted that the Senate Committee on Armed Services, in its report on the 1988 and 1989 Defense Authorization Act, expressed concern about the growth of Full-Time Support programs and indicated the need for further oversight to ensure that full-time support personnel are actually applied to readiness needs.

The GAO found that the Full-Time Support management structure involves ten organizations with varying degrees of responsibility. The GAO observed that Army Regulation 135-2 lists ten organizations having various Full-Time Support Program responsibilities; however, no one Army organization is clearly designated as having oversight and management responsibility for the Full-Time Support as a totally integrated program. The GAO found that the Army is considering two actions to improve program management, as follows:

- establishing a Full-Time Support Office within the Office of the Secretary of the Army to provide general oversight and policy direction for the program; and
- assigning responsibility through the Full-Time Support regulation to an Army organization for daily program management. (pp. 3-4, pp. 19-21/GAO Draft Report)

DoD COMMENT: Partially Concur. It is not accurate to state that the Secretary of Defense has not acted on the Senate Armed Services Committee suggestions that the Department evaluate the mix of full-time support within the Services and establish a uniform policy for their management. The DoD has contracted with RAND Corporation to study the mix issue. This is a direct precursor for development of a new DoD instruction which will address the entire full-time support mix management issue. Additionally, the

¹ GAO/NSIAD-85-95, "Problems in Implementing the Army's Reserve Components Full-Time Manning Program," Dated June 4, 1985 (OSD Case 6714)

See comment 1.

Now on pp 3, 15-17.

Department has developed a new reporting format which will assist in management by allowing a clearer tracking of where the various categories of full-time support are being utilized.

Within the Army, responsibility for oversight and direction for the full-time support program has now been established in the Office of the Assistant Secretary of the Army (Manpower and Reserve Affairs). That office convened a Task Force to address management issues and subsequently directed the establishment of a Full-Time Support Program Integration Office within the Office of the Deputy Chief of Staff for Operations and Plans to coordinate Full-Time Support Program management. As a result of the Full-Time Support Task Force efforts, a revised Army regulation 135-2 was published to define responsibilities for program management.

FINDING E: Program Monitoring Mechanisms Have Not Been Adequately Implemented. The GAO found that Army Regulation 135-2 is not being implemented--as it was proposed in 1985 by the Deputy Chief of Staff of Operations. The GAO indicated that implementing the program effectiveness evaluations would have been difficult for the Army since measurable objectives for the program have not been developed. The GAO pointed out that, even though the Army has testified on the need for full-time support personnel to improve Reserve component readiness, the Army has not developed any system to measure (1) the extent to which reserve component readiness has been increased as a result of the program or (2) the benefits associated with adding additional resources to the program.

The GAO discussed the tracking of increases in readiness to increases in Full-Time Support personnel with officials from the Office of the Assistant Secretary of the Army for Manpower and Reserve Affairs and Office of the Army Deputy Chief of Staff of Operations. The GAO concluded that it is feasible to track increases in Full-Time Support personnel and training time and that such tracking would provide a measure of program effectiveness.

The GAO found that the Army National Guard and the Army Reserve Full-Time Support evaluation teams use different methodologies in their work. The GAO noted, however, that the teams have identified inefficient and ineffective use of full-time support personnel. According to the GAO, the Army Reserve and the National Guard validation team have identified multiple instances in which Full-Time Support personnel were being misused. The GAO also noted that the number of full-time support personnel assigned to U.S. Army headquarters organizations exceeded the limits set by the Department of the Army for the organizations.

The GAO observed that the National Guard Bureau follows Army Regulations 570-4 and 570-5 in conducting validation reviews to

ensure that full-time support positions for troop program units meet minimum essential needs. The GAO found that, once full-time support personnel are assigned, no check is made to determine whether full-time support personnel are performing in accordance with applicable laws and regulations--or whether the full-time support personnel carry a full-time workload. The GAO reported Army Manpower Division officials agreed that the use of full-time support personnel should occur as part of the evaluation process.

See comment 2.

The GAO found that the Army Reserve validation team findings are rarely discussed with the units evaluated and, as a result, little corrective action has been taken. The GAO also pointed out that the Army validation efforts lack adequate management attention and no system exists for reporting and taking action on validation findings.

The GAO observed that the Department of Army guidance limits the number of full-time support personnel at major U.S. Army Reserve commands and division headquarters to 10 percent. The GAO found, however, that 39 of the 47 major U.S. Army Reserve commands and divisions had not complied with the 10 percent limit. In addition, the GAO determined that seven of the 47 U.S. Army Reserve commands and divisions had more than 50 percent of the total Full-Time Support authorizations assigned to them and one engineering command had 100 percent of its Full-Time Support authorizations assigned.

The GAO also found that, until April 1989, Army Regulation 135-2, which covers the Full-Time Support Program, was exempt from the internal control system. The GAO concluded that this exemption may explain why no material Full-Time Support Program weaknesses were reported in the Secretary of the Army's annual Statements of Assurance for FY 1986 through FY 1988--even though problems were identified in previous GAO reports and congressional hearings. (p. 4, pp. 28-30/GAO Draft Report)

Now on pp. 3, 18-21.

DoD COMMENT: Partially Concur. Readiness reporting data is only one of several indicators which must be employed to determine Reserve Component unit readiness. C-ratings alone do not indicate a units readiness. Nevertheless, since 1985, the Army has seen a substantial increase in unit C-ratings. Field surveys of key staff and unit commanders overwhelmingly agree that increased full-time support has improved unit readiness. The 1985 GAO report found that increased Active Guard/Reserve support improved unit readiness. Active component Inspectors General reported that unit operations are more efficient since the Active Guard/Reserve program has been instituted. While a proposal to conduct independent empirical research on direct correlations has proven to be cost prohibitive, statistics on general readiness, such as "C" ratings, appears to show a correlation between full-time support and improved readiness.

The DoD does not agree that the National Guard makes no attempt to determine whether full-time support personnel are performing in accordance with regulations or are carrying a full time workload. The Army National Guard has trained validation teams and evaluation teams that go to the field and verify compliance. The National Guard Bureau continually checks the validity of positions. Follow-up action is taken on all evaluations, to include reallocation of positions which are determined to be invalid or which full-time support personnel are not performing at maximum workload.

The GAO finding that Army Reserve higher headquarters have not complied with the Army established 10 percent limit on full-time support assets in headquarters, is actually a documentation aberration rather than a deliberate violation of policy. Full-time support personnel are sometimes carried, as an administrative convenience, on higher headquarters manning documents with only a notional entry stating "duty with" a specific subunit. This occasional co-mingling of headquarters support with unit support masks the numbers at each level of organization. This documentation problem is, however, being addressed by the Full-Time Support Task Force. A review completed by the Task Force, depicting actual assignments, found 5.8 percent of full-time support actually working in the Army Reserve headquarters units referred to. The Army Reserve is aware that full-time support personnel must be assigned to, and mobilize with, the units they support and is taking action to properly align documentation.

The May 1989 revision of Army Regulation 135-2 has now brought the Full-Time Support Program under the Internal Control System. Internal Controls checklists will be published in Department of the Army Circular 11-89-1 for use by respective supervising headquarters.

FINDING F: The Army's Need For Full-Time Support Personnel Is Well Established. The GAO observed that full-time personnel were first added to the National Guard units around the turn of the century. The GAO cited recent studies by the DoD, the Congress, and the GAO--which have supported the continued need for full-time support personnel in the Army Reserve components. For example, in the November 1988 GAO Report (OSD Case 7628)² the GAO noted that a critical factor in maintaining reserve capability is having an effective group of full-time personnel to assist in training and administration.

² GAO/NSIAD-89-27, RESERVE COMPONENTS: Opportunities to Improve National Guard and Reserve Policies and Programs," Dated November 17, 1988 (OSD Case 7628)

The GAO explained that the Army's goal has been that full-time support personnel should represent 14 percent of its selected reserve end strength. According to the GAO, Army officials stated that there is no specific justification for the 14-percent goal. (pp. 5-6, p. 32/GAO Draft Report)

DoD COMMENT: Concur. There is no valid justification for the 14 percent figure for full-time support levels. This has not been a Department goal, but rather an objective mentioned in congressional reports. The DoD goal is to establish full-time support levels consistent with identified requirements.

FINDING G: Determining Personnel Requirements. The GAO observed that the Army uses two models to describe an organization's personnel structure--the Table of Distribution and Allowances and the Table of Organization and Equipment. The GAO explained that the Table of Distribution and Allowances describe non-deployable organizations staffed by both military and civilian personnel and, generally, cover organizations above the division level. The GAO noted that the Table of Distribution and Allowances organizations also refers to headquarters and support organizations. The GAO described the Table of Organization and Equipment organizations as deployable organizations staffed by military personnel and cover organizations at division level and below. The GAO noted that Table of Organization and Equipment organizations are also referred to as troop program units. According to the GAO, the active Army establishes requirements for Table of Distributions and Allowances organizations by using its Manpower Staffing Standards System. The GAO learned that, using this system, the Army bases requirements on the number of work hours required to accomplish specific work, generally measured at more than one site and statistically analyzed. The GAO found that Table of Organization and Equipment Positions are not work load driven because they relate to wartime fighting positions. The GAO noted that the Army Training and Doctrine Command determines, in a generic sense, the types and numbers of soldiers and equipment that a unit needs to accomplish its mission.

According to the GAO, the Army's Reserve components have followed an approach similar to the active Army in establishing full-time support personnel requirements. The GAO reported that a determination of requirements for Reserve and Guard Table of Distribution and Allowances units has been based, to a limited extent, load analyses. The GAO found that full-time support positions for Reserve and Guard Table of Organization and Equipment units are for peacetime operations (whereas Table of Organization and Equipment positions in the active Army are wartime fighting positions), and continue to be established in the Full-time Support Staffing Guide, which is based largely on professional judgement. According to the GAO, the staffing guide provides guidance on the numbers and kinds of personnel required to perform a group of specific functions in common organizations.

Now on p. 26.

The GAO concluded that, together, the individual Table of Distribution and Allowance positions and the Table of Organization and Equipment unit positions identified in the Full-Time Support Staffing Guide represent the Army reserve components' full-time support personnel requirements. (pp. 5-6, pp. 33-34/GAO Draft Report)

DoD COMMENT: Concur.

FINDING H: Current Personnel Requirements are Uncertain.

The GAO found that the requirements for an additional 38,000 full-time support personnel have not been established with any degree of accuracy. The GAO explained that, to establish more accurate requirements, the Army organized a task force charged with the following:

- revise the Full-Time Support Staffing Guide for troop program units;
- review all Army National Guard and Army Reserve units and headquarters and support organizations to determine the appropriate full-time support staffing levels; and
- establish criteria for Army Guard/Reserve requirements at headquarters and support organizations.

The GAO indicated that the completion of the task force project has been deferred from August to October 1989.

In discussing the revised guide with Training and Doctrine Command officials, the GAO learned that the revised staffing guide is based on historical data and professional judgement rather than work analyses. The GAO indicated that further discussions with Army Training and Doctrine Command school officials from the Army Transportation School revealed that full-time support positions listed in the revised guide represent the maximum number of full-time personnel that a unit requires for wartime preparation purposes. The GAO pointed out that several other variables must also be considered such as unit size in establishing the full-time support staffing guides for peacetime purposes. (p. 5, pp. 34-38/GAO Draft Report)

DoD COMMENT: Partially Concur. Full-Time Support requirements have been established for the Army. To question the degree of accuracy is premature at this point. The DoD is satisfied with the initial effort expended by the Army to establish a methodology for Full-Time Support requirements determination. The initial undertaking by the Army will, however, require further refinement to include incorporation of a workload analysis process.

Now on pp. 3-4, 26-27.

Now on pp. 3-4, 27.

The Army has totally revised unit staffing standards for utilization of Full-Time Support personnel. These standards have been established as a zero based requirement, utilizing surveys to determine Table of Distribution and Allowance (TDA) unit requirements. The Army Manpower Requirements Criteria system, manpower surveys, staffing guides, technical estimates, statistical standards and staffing ratios are used for Table of Organization and Equipment (TOE) type units. All methods are approved engineered or non-engineered standards.

Established manpower requirements represent the essential requirements needed to fulfill mission responsibilities in an unconstrained world. What remains to be done is to prioritize these requirements so as to fit the whole into realistic budget constraints and maintain a minimum support level to lower priority units and appropriately higher levels for higher priority units and to develop a methodology to determine which category of full-time support best fits each requirement.

FINDING I: A Work Load Analysis System Could Be Used To Establish Full-Time Support Requirements. The GAO noted that the Commanding General of the Army's Training and Doctrine Command stated in a December 1987 memorandum that the Army would not have a credible manpower justification program until it linked personnel requirements, including requirements for full-time support personnel, to its Manpower Staffing Standards System. The GAO pointed out that the Commanding General, in reaffirming the Command commitment to the original goals of the system, stated that, although ignored, the rationale behind the original creation of the Manpower Staffing Standards System has not changed. According to the GAO, the Commanding General stated that to be competitive, the Army must demonstrate to the Office of the Secretary of Defense and the Congress a credible, marketable manpower program. The GAO also cited that Commanding General's statement that, during the budgeting process for personnel requirements, the Army must show its commitment to and belief in the Manpower Staffing Standards System.

The GAO concluded that, since the Army already has a system to establish personnel requirements using work load analyses-- the Manpower Staffing Standards System--that a system of this type warrants consideration for use by the Reserve components in establishing full-time support positions for Table of Organization and Equipment units, based on the Standard Requirements Code, and individual unit differences could be factored into the model to establish final full-time support requirements.
(pp. 38-39/GAO Draft Report)

DoD COMMENTS: Concur. DoD agrees that Full-Time Support requirements assessment must be based on the best available techniques. Approved manpower staffing standards are appropriate for full-time support assessment and the use of workload analysis is clearly required as the process matures.

Now on pp. 30-31.

FINDING J: Military Essentiality Should Be The Primary Consideration In Making Personnel Decisions. The GAO observed that, according to DoD and Army officials, of primary importance in a decision to use military or civilian personnel in a position is the determination of whether the functions to be performed in that position are strictly military. According to the GAO, the DoD policy states that a military person should be used if a function is determined to be military essential--otherwise, a civilian should be used to fill the position. The GAO stated that the DoD cites two reasons underlying the use of civilian personnel whenever possible, as follows:

- the DoD policy to maintain the smallest standing military force possible and still satisfy mission objectives; and
- the DoD assumption that civilians generally cost less than military personnel.

The GAO noted that the majority of the full-time support positions are currently filled with military personnel since they are wartime deployable positions. The GAO pointed out, however, that officials from the Office of the Assistant Secretary of Defense for Reserve Affairs maintain that full-time support positions can be filled with either Army Guard/Reserve soldiers or military technicians--who are Federal civilian employees, and in most cases, belong to the Reserves. (pp. 42-43/GAO Draft Report)

DoD COMMENT: Concur. The DoD policy is that civilian personnel should be used when filling a position unless the required function has a strict need for fill with a military asset. In the context of this report, it is important to understand that a military technician is considered a military asset due to his dual status as both a full-time employee and a reserve military member.

FINDING K: Cost Should Be The Secondary Consideration In Making Personnel Decisions. The GAO observed that both the Congress and the DoD have directed the Military Services to ensure that the full-time support program resources provide the most cost-effective form of manpower consistent with readiness requirements. The GAO pointed out that, since the DoD maintains that a position requiring a military person can be filled by either an Army Guard/Reserve or a military technician, in most cases, cost should be the determining factor deciding which specific personnel category to use.

According to the GAO, the Congress has provided direction to the DoD regarding personnel costs. The GAO cited House of Representatives Report 97-943 (1982), which stated the growth in the full-time support personnel required for National Guard and Reserve units should be provided by the least costly form of manpower consistent with readiness requirements.

Now on p. 33.

The GAO observed that since the DoD believes that a full-time support position can be filled by either an Army Guard/Reserve or a military technician, cost should be the determining factor deciding which personnel category to use. According to the GAO, this position is supported by congressional guidance and DoD Directive 1205.18. The GAO pointed out that the Army has not developed the guidance or procedures to ensure that indiscriminate placement of Army Guard/Reserve personnel and military technicians does not occur. (pp. 43-44/GAO Draft Report)

DoD COMMENT: Concur. The primary factors that determine which category of Full-Time Support to use in filling a given billet should include military essentiality and cost. The type of organization in which the billet resides and the specific functions of the incumbent also become an influencing factor. The DoD is not opposed to the Army contention that military technicians and Army civilian employees are generally best assigned to support administrative, maintenance and logistical positions in management headquarters and maintenance facilities, while Active Guard/Reserve members are best assigned to unit positions requiring the uniqueness of active military personnel.

In its 1985 report on the problems in implementing the Army's Full-Time Manning program, the GAO reported that a mixed force of Active Guard/Reserve and military technicians created management problems. They recommended converting to an all Active Guard/Reserve force in deployable units and reassigning military technicians to non-deployable support activities. Subsequent to the 1985 GAO report, the DoD requested that Congress authorize the conversion of technician positions so that the GAO recommendations could be implemented. Congress has not yet provided the necessary authority.

The dynamics of the various Congressionally established floors and ceilings on military technician numbers and ceilings and grade limitations on Active Guard/Reserve members frustrates many management initiatives that have been proposed and makes it difficult to manage the program within the consideration guidelines proposed in this report.

FINDING I: The Army Prefers To Fill Positions With Army Guard/Reserve Personnel. The GAO observed that, during the 1980s, the Army Guard/Reserve growth have dominated the growth in the Army Full-Time Support Program. The GAO found that Army Guard/Reserve personnel accounted for 88 percent of the total growth in the Army full-time support personnel for the Army Reserve components from FY 1980 through FY 1988. The GAO pointed out that the Army Guard/Reserve personnel increased from 10,243 to 39,000 (or 281 percent) during that period. As a point of comparison, the GAO noted that, during the same period, military technicians increased from 28,758 to 33,654--or only by 17 percent.

Now on p. 34.

See comment 3.

The GAO indicated that long range plans show that the Army Reserve will continue to emphasize Army Guard/Reserve personnel growth, while the Army National Guard plans equal growth in Army Guard/Reserve personnel and military technicians. The GAO further found that, while most unit officials believe that the additional manpower gained through adding Army Guard/Reserve was very beneficial in terms of its impact on readiness and unit capabilities, they nonetheless felt the same benefits could have been achieved at a lower cost with additional military technicians. (p. 6, pp. 44-47/GAO Draft Report)

Now on pp. 4 and 33.

DoD COMMENT: Partially Concur. It is not DoD policy to prefer Active Guard/Reserve positions over military technician positions. However, a review of the facts presented by the GAO could lead to that impression. Resourcing considerations, earlier limitations on DoD civilian employees, and the management difficulties (discussed in the DoD response to finding K) have set up this dichotomy, which now must be overcome.

FINDING M: Studies Show That Technicians Are Less Costly Than Army Guard/Reserve Personnel. The GAO observed that the DoD policy of filling positions that do not require military personnel with civilians reflects its position that civilians generally cost less than military personnel. The GAO pointed out, however, that when the cost of technicians is considered, the cost issues becomes somewhat clouded. The GAO attributed its questioning of technician costs to the requirement for technicians to belong to the Reserves--thus technicians receive both civilian and military pay benefits. According to the GAO, DoD officials advised that the relative cost of Army Guard/Reserve personnel and technicians changes from time to time. The GAO found that most studies comparing the costs of Army Guard/Reserve personnel and military technicians have shown technicians are normally less costly. The GAO concluded indications are that the technicians are equally effective in performing the work.

According to a June 1985 GAO report (OSD Case 6714), the GAO agreed with the Army March 1984 cost-benefit analysis--which was submitted to the House Appropriations Committee in March 1984. The GAO explained that the Army analysis concluded that the direct cost differential between Army Guard/Reserve and technicians was insignificant; however, the analysis noted that life-cycle costs for the Army Guard/Reserve was 16 percent higher. The GAO found that more recent Army reports show the cost differences to be minimal and, as a result, military requirements and effectiveness should be the primary considerations in force mix decisions. (p. 6, p. 49-51/GAO Draft Report)

Now on pp. 4, 36-37.

DoD COMMENTS: Nonconcur. The DoD position that civilians generally cost less than military is related to actual civilian employees, not to dual status military technicians. The DoD policy is to use civilians in positions not requiring military personnel

- but, in this context, military technicians are military personnel.

The Department supports the findings of the 6th Quadrennial Review of Military Compensation on cost comparisons between Active Guard/Reserve and military technician personnel. Relative cost savings from using one form of Full-Time Support rather than another, will occur only at the margins as the result of program growth or realignment; thus cost savings in the short term are very unlikely to result from any Full-Time Support force mix decisions.

Further, it is the DoD position that actual cost comparisons are best made at the billet level. Each position has unique factors, which make one type of manpower asset cheaper than the other. For example, in one type of unit, a member has a greater opportunity to advance in his military grade at a faster rate than would a member in another type of unit. This impacts on life-cycle costs. Also, civilian salaries for military technicians vary by geographical area. Factors such as these must be correlated with the operational military requirements before a viable decision on position fill can be made. Hence some degree of flexibility is essential. A blanket policy to favor one category of full-time asset over another, based on perceived cost savings at the macro level, would not be prudent.

FINDING N: Some Army Guard/Reserve Positions Might Effectively Be Filled By Less Costly Technicians. The GAO observed that Army Guard/Reserve personnel serve in unit positions, as well as throughout Reserve component headquarters and the DoD. The GAO acknowledged, however, that there are situations at both unit and headquarters levels where Army Guard/Reserve personnel are in positions that might be effectively filled by less costly military technicians, depending on the availability of funds for civilian pay. The GAO found that military technicians can replace Army Guard/Reserve personnel in unit clerk and other administrative positions and act as substitutes in deployable units when Army Guard/Reserve active component personnel are not available. According to the GAO, Army officials prefer to use the Army Guard/Reserve personnel in deployable units. The GAO concluded that due to the legislation prohibiting the conversion of technician slots to Army Guard/Reserve slots or the unavailability of Army Guard/Reserve personnel, technicians are often used instead of Army Guard/Reserve personnel. (p.6, pp. 49-51/GAO Draft Report)

DoD COMMENT: Partially concur. While the DoD supports the use of the least costly form of manpower consistent with requirements, the findings in this section are somewhat inconsistent. As pointed out earlier in the report, cost is only one consideration in making fill decisions. Other factors such as the earlier GAO recommendation that military technicians be organization-

Now on pp. 4, 38-39.

ally separated from Active Guard/Reserve members, and the 6th Quadrennial Review of Military Compensation findings that cost savings only occur at the margins, must be taken into consideration before fill decisions are made purely on the basis of cost. Additionally, relief from certain Congressional restrictions must be forthcoming before existing technician positions are moved or replaced by Active Guard/Reserve positions.

FINDING O: Army Has Not Effectively Integrated Active Component Personnel Into The Full-Time Support Program. The GAO observed that various Army studies have shown that active component personnel in support of the Reserve components have not been effectively integrated into the full-time support program. The GAO cited a February 1987 National Guard Bureau information paper, which stated that active component soldiers support to Guard units was ineffective. According to the GAO, the program was considered a failure because active component soldiers were assigned to units located in remote areas, far from active component support. The GAO pointed out that the result of these assignments was that soldiers were being (1) placed in financial hardship by their assignment, (2) sent to communities in which they did not easily adapt, and (3) assigned to organizations of which they had little knowledge. The GAO found that the Army reduced active component support for its units from 750 to 138 personnel and was planning further reductions.

According to the GAO, in a March 1987 Army paper, the Office of the Deputy Chief of Staff for Personnel opposed a Senate Armed Services Committee proposal to reduce the number of Army Guard/Reserve personnel and replace them with active component soldiers. The GAO explained that the opposition was based on the difficulties the active component soldier experiences when assigned out of the mainstream of the active Army establishment and support facilities. (p. 6, pp. 51-52/GAO Draft Report)

DoD COMMENT: Concur.

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Now on pp. 39-40.

RECOMMENDATIONS

RECOMMENDATION 1: The GAO recommended that the Secretary of the Army assign authority and responsibility to one Army organization to oversee and direct the Army Full-Time Support Program.

DoD COMMENT: Concur. The recommendation is moot, however. On March 30, 1989, the Secretary of the Army has already assigned responsibility for oversight of the full-time support program to the Office of the Deputy Chief of Staff for Operations.

RECOMMENDATION 2: The GAO recommended that the Secretary of the Army develop measurable Full-Time Support program objectives and ensure the implementation of adequate program monitoring mechanisms.

DoD COMMENT: Concur. The Secretary of the Army will develop measurable full-time support objectives and develop monitoring mechanisms to ensure that the objectives are being pursued. Objectives will be developed by 3d quarter 1990 and monitoring mechanisms will be in place at that time.

RECOMMENDATION 3: The GAO recommended that the Secretary of the Army identify full-time support management deficiencies as a material weakness in the Secretary's next Annual Assurance Statement.

DoD COMMENT: Nonconcur. The Army has considered inclusion of this program as a material weakness in its Annual Assurance Statement. However, management judgement in accordance with DoD Directive 5010.38 (Internal Management Control Program), is that the Full-Time Support management deficiencies do not constitute specific instances of noncompliance with the Financial Integrity Act. The GAO concerns revolve around program direction, measurable objectives and clarity of requirements. The specific problems identified in this report do not significantly impair fulfillment of mission, constitute a violation of statutory or regulatory requirements, or significantly weaken safeguards against fraud, waste or mismanagement of funds. Reasonable assurance has been established that, existing management attention and corrective actions which have already been taken, negates any requirement that the Full-Time Support Program management processes be identified as a material weakness.

RECOMMENDATION 4: The GAO recommended that the Secretary of the Army use work load analyses to determine full-time support personnel requirements for Tables of Organization and Equipment units if technically and economically feasible.

DoD COMMENT: Concur. Workload analysis processes will be adopted by the Army Task Force on full-time support. Implementation will

take time since additional manpower resources will be required to implement this new process. Additional manpower requests to perform this function will be requested in the next budget cycle and may be available by FY 1992.

RECOMMENDATION 5: The GAO recommended that the Secretary of the Army develop clear guidance that specifically (1) differentiates the roles for Army Guard/Reserve, military technician, active component, and civilian employees, and (2) stipulates when these full-time support personnel should be used.

DoD COMMENT: Concur. The initial guidance in this area is being prepared by the DoD as a follow-on to a RAND study now in progress. This study is a two year effort and should be completed by 1991. Once the DoD guidance has been published (in the 1992 time frame), the Army will be required to publish implementing instructions. This action should be complete by no later than the end of 1992.

RECOMMENDATION 6: The GAO recommended that the Secretary of the Army develop procedures, as required by DoD Directive 1205.18, that will help the Army National Guard and the Army Reserve establish the most cost-effective mix of full-time support personnel.

DoD COMMENTS: Concur. Army regulations will be revised to put procedures in place that will ensure that cost becomes a consideration in establishing the full-time support mix, which should be completed by late 1990. Additionally, the DoD guidance referred to in the DoD response to recommendation 5 will further refine this process.

MATTER FOR CONGRESSIONAL CONSIDERATION

SUGGESTION: The GAO suggested that the Congress consider deferring requests for additional personnel authorizations above current levels until it is assured that adequate action has been taken to improve the Full-Time Support program.

DoD COMMENTS: Nonconcur. The DoD places a heavy reliance on its Reserve Components. With this responsibility comes a requirement to properly resource the Reserve Units to perform their missions. At this time, most program growth is related to new force structure or new missions. While the resources are not available to close the gap with requirements in the Army Reserve Components, the DoD certainly does not want to lose ground as missions and force structure changes are implemented. A moratorium on full-time support program growth would be detrimental to the program, further exacerbating the management difficulties.

The following are GAO's comments on the Department of Defense's letter dated November 29, 1989.

GAO Comments

1. We changed the report to recognize DOD's initiatives in this area subsequent to the completion of our fieldwork.
2. We changed the report to recognize the National Guard's efforts to check the validity of positions.
3. We changed the report to clarify that neither DOD nor Army policy states a preference for AGR personnel.

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