

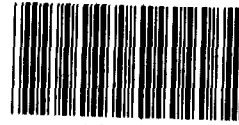
GAO

Report to the Chairman, Subcommittee on  
Manpower and Personnel, Committee on  
Armed Services, U.S. Senate

November 1992

OFFICER  
COMMISSIONING  
PROGRAMS

More Oversight and  
Coordination Needed



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United States  
General Accounting Office  
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National Security and  
International Affairs Division

B-247696

November 6, 1992

The Honorable John Glenn  
Chairman, Subcommittee on Manpower  
and Personnel  
Committee on Armed Services  
United States Senate

Dear Senator Glenn:

This report reviews the three primary officer commissioning programs in each service—the academies, the Reserve Officers' Training Corps, and the Officer Candidate Schools. Our objectives were to identify and determine (1) the total cost of producing officers by service and by commissioning program, (2) the quality of officers produced by these programs, (3) the effectiveness of the management and oversight of officer production, and (4) areas where cost could be reduced. This report extends the service academy work we testified on before you on April 4, 1990, to the other two main commissioning programs.

Unless you publicly announce its contents earlier, we plan no further distribution of this report until 15 days from its date of issue. At that time, we will send copies to other interested congressional committees and Members of Congress, the Secretaries of Defense, the Army, the Air Force, and the Navy. We will also make copies available to other interested parties on request.

If you or your staff have any questions concerning this report, I can be reached on (202) 275-3990. The major contributors to this report are listed in appendix VII.

Sincerely Yours,

Paul L. Jones  
Director, Defense Force Management Issues

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# Executive Summary

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## Purpose

The military services operate several programs that provide them with an annual influx of newly commissioned officers. In fiscal year 1990, the Department of Defense (DOD) spent more than \$1.5 billion to train nearly 19,000 new officers. This report reviews the three primary officer commissioning programs in each service—the academies, the Reserve Officers' Training Corps (ROTC), and the Officer Candidate Schools (OCS). In the Air Force, this type of program is called Officer Training School (OTS). GAO assessed the cost of producing an officer, the quality of officers produced by the various commissioning sources, the effectiveness of management oversight of officer production, and the immediate opportunities to cut costs.

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## Results in Brief

The cost of producing officers varies significantly among the three types of commissioning programs.

- The academies are the most expensive source of new officers, ranging from about \$197,000 to \$299,000 per graduate.
- The cost per graduate from the ROTC programs ranges from \$60,000 to \$70,000 for those receiving scholarships, and averages \$40,000 for those who do not.
- The basic OCS programs are the least expensive source, ranging between \$17,000 and \$27,000 per graduate, although some specialized OCS programs (such as the Navy's enlisted commissioning program for civil engineering) cost up to \$133,000 per graduate.

Each commissioning program is required to follow its service's core curriculum. However, the services are not systematically assessing the effectiveness of their programs or the quality of the officers they produce. DOD and service data on retention and career progression, commonly used indicators of officer performance, show only small differences among the graduates of the various commissioning programs.

The services have taken a number of actions to deal with the over production of officers, such as assigning newly commissioned officers directly to the reserves, delaying active duty assignment, and assigning new officers to temporary duties that may result in more than \$230 million in avoidable costs. These costs are in addition to an estimated \$120 million it cost to train these officers.

Lack of coordinated management and oversight of the officer production system has hampered efforts to make officer production cost-effective. GAO

identified several cost-cutting measures, such as closing inefficient ROTC units and consolidating program management, that could be taken immediately.

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## Principal Findings

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### Costs of Producing Officers Vary Widely by Commissioning Source

GAO found that reporting criteria for officer production costs lacked uniformity among and within the commissioning programs; consequently, costs are incompletely reported and difficult to compare. The fiscal year 1990 data provided by the services indicates that the academies are the most expensive means of producing an officer, while OCS is generally the least costly. In total, the three production sources spent more than \$1.5 billion to produce approximately 15,000 officers for active duty and another 4,000 for reserve duty.

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### Indicators of Officer Quality Vary Little by Commissioning Source

Each service has a common core curriculum that each of its commissioning programs are required to follow. However, the services have not systematically assessed the degree of success each program has had in producing quality officers.

Although it is difficult to precisely assess officer quality, the services use statistics on retention and career progression as indicators of performance. Academy officers tend to remain on active duty somewhat longer than their ROTC and OCS counterparts, but some of this difference may be the result of different policies regarding service obligations. Officers tend to progress through the lower ranks at about the same pace, regardless of commissioning source. The historic dominance of academy graduates in attaining senior level ranks has been diminishing over the last two decades.

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### Service Actions to Deal With Officer Overproduction Are Likely to Result in Significant Avoidable Costs

Since 1986, the services have taken various actions to manage the excess of new officers being produced. Some of these actions are likely to result in significant avoidable costs. For example, the Army's decision to assign excess ROTC officers directly to the reserves, rather than releasing them or placing them in the reserves without additional training, has been projected to cost an estimated \$193 million in avoidable training costs through fiscal year 1993. Also, the Air Force's decision to delay active duty entry of excess officers could cost an additional \$25 million over a 20-year period.

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Another \$12 million will be needed to train pilot candidates in other career fields while waiting for flight training.

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### Management of Production System Hampered by Lack of Unified Approach and Oversight

DOD and the services lack coordinated management and oversight of the officer production system. DOD's involvement in the officer production system has focused primarily on defending commissioning program budgets, and has not extended to determining the number of new officers to be produced, either by the entire system or by its individual programs. DOD has not imposed standardized cost reporting on the system, nor does it monitor system costs. In the absence of coordinated, unified planning and oversight, the officer production system cannot determine the most cost-effective mix of production by source, nor can it readily apply efficiencies identified in one program to other programs.

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### Some Cost-Cutting Measures Can Be Taken Immediately

The services have introduced some limited cost-cutting measures to deal with the military's force reduction, but there is no mechanism for considering their application systemwide. GAO determined that some of these measures could be used more widely to produce additional savings.

In particular, the services could cut costs and still meet quality and production goals by closing inefficient ROTC units and increasing OCS production to make up the difference. The Army, for example, plans to maintain 54 ROTC units that have consistently fallen short of congressional criteria for efficient enrollment. In fiscal year 1990, these units contributed 555 officers to an overproduction of Army officers. A similar situation exists in the Air Force, which, according to an internal study that has not yet been acted upon, could save \$28 million to \$31 million annually by closing 62 inefficient ROTC units and increasing OTS enrollment. The Navy also has ROTC units that do not meet production criteria, while its OCS has not operated at or near full capacity.

The Navy's many special OCS programs present another savings opportunity. Several of these programs duplicate each other's efforts, and they are dispersed among many different managers. Under the current system, administrative costs associated with program oversight and administration were not identified and no one was tracking the total costs of all the programs combined.

Consolidation on a greater scale could cut costs and improve effectiveness in all the services. Two Air Force studies have recommended combining

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OTS and Headquarters Air Force ROTC under one commander, and it appears that the Army could make a similar consolidation. Likewise, the Navy's OCS and Aviation Officer Candidate School appear to be redundant and could be consolidated into one program. In all instances, greater economy and efficiency could be realized by combining the staffs.

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## Recommendations

To make the officer production system more cost-effective and responsive, especially in light of ongoing force reductions, GAO recommends that the Secretary of Defense direct the services to take the following actions.

- Develop and implement standard cost reporting for all three types of commissioning programs.
- Develop a system to periodically assess the effectiveness of the various commissioning programs at producing quality officers.
- Coordinate the planning and oversight among the commissioning programs in each service to create a unified, comprehensive management of the system that (1) determines the most cost-effective mix of production by its components and (2) develops ways to reduce costs while preserving quality.

GAO also recommends that the services consolidate the management of their officer commissioning programs and take other actions aimed at eliminating inefficiencies.

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## Agency Comments

For the most part, DOD either concurred or partially concurred with the findings of this report. DOD stated that since the spring of 1990, it has significantly expanded its oversight of service commissioning programs and it is committed to the excellence of all commissioning sources. DOD stated that the report does not fully address many of the initiatives undertaken by DOD and the services in the past 2 years. For example, DOD stated that (1) over 70 unproductive ROTC units have been closed, consolidated, or identified for closure in the past year, (2) it is developing a unit cost per output system to track training costs, (3) it has begun an effort to assess commissioning source effectiveness, and (4) it is considering various ways of eliminating inefficiencies and duplication. While recognizing these initiatives, however, GAO noted that many are not expected to be fully implemented until the end of fiscal year 1993.

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**Abbreviations**

AOCS	Aviation Officer Candidate School
ASD/FMP	Assistant Secretary of Defense for Force Management and Personnel
BOOST	Broadened Opportunity for Officer Selection and Training
CNET	Chief of Naval Education and Training
DOD	Department of Defense
ECP	Enlisted Commissioning Program
GAO	General Accounting Office
GPA	grade point average
IRR	Individual Ready Reserve
OCS	Officer Candidate School
OSD	Office of the Secretary of Defense
OTS	Officer Training School
ROTC	Reserve Officers' Training School
SAT	Scholastic Aptitude Test
USAFA	U.S. Air Force Academy
USMA	U.S. Military Academy
USNA	U.S. Naval Academy

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# Introduction

The military services operate three primary programs that provide them with an annual influx of newly commissioned officers—the academies, the Reserve Officers' Training Corps (ROTC), and Officer Candidate Schools (OCS).<sup>1</sup> We have examined two of the three primary commissioning programs in previous reports. This report examines the overall officer commissioning system in terms of the cost to produce new officers, indicators of the quality of officers produced by the various programs, and the management and oversight of the system.

## Officer Production System

The three main types of officer commissioning programs have provided nearly 80 percent of the officers on active duty as of September 30, 1991. (See app. I for the distribution of officers in each pay grade.) During fiscal year 1990, these programs produced 14,715 new officers for active duty, as well as 3,845 Army ROTC graduates who entered the reserves and 156 OCS graduates trained for the Army and the Air Force reserves. (See table 1.1.)

**Table 1.1: Officers Produced by Service and Source, Fiscal Year 1990**

Production source	Production by service				Total
	Army	Navy	Marine Corps	Air Force	
Academy	931	917	90	996	2,934
ROTC	7,785	1,575	304	2,335	11,999
OCS	578	1,557 <sup>a</sup>	1,020 <sup>b</sup>	628	3,783
<b>Total</b>	<b>9,294</b>	<b>4,049</b>	<b>1,414</b>	<b>3,959</b>	<b>18,716</b>

<sup>a</sup>This figure includes 128 officers commissioned through the Navy's basic enlisted commissioning program. (See app. V for a description of this program.)

<sup>b</sup>Includes 49 officers commissioned through the Marine Corps Enlisted Commissioning Education Program. (See app. V for a description of this program.)

The various officer commissioning programs differ in mission, training duration, and history, but all three generally require candidates to obtain a college degree before becoming officers. The programs either provide candidates with a college education or limit participation to college graduates.

<sup>1</sup>In the Air Force, this type of program is called Officer Training School. In this report, we will use the generic term OCS to refer to all officer commissioning programs less than 1 year in length.

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## Service Academies

Each military service, except the Marine Corps, has an academy to train officers for its own needs.<sup>2</sup> Each academy provides a 4-year undergraduate course of scholastic, military, and physical instruction at no cost to the students, who also receive pay.

Two of the academies have a long history. The oldest, the Military Academy at West Point, New York, was established in 1802. It was eventually followed by the establishment of the Naval Academy in Annapolis, Maryland, in the mid-1800s, and the establishment of the Air Force Academy near Colorado Springs, Colorado, in the 1950s.

All three academies are authorized under title 10 U.S.C. and their superintendents report directly to the Chief of Staff level (Vice Chief of Naval Operations for the Naval Academy), which gives the academies the same organizational standing as any other major command or program area. They operate as military hierarchies adapted to an academic environment and each institution conducts scholastic, military, and physical training programs.

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## ROTC

The ROTC program was established by the Land Grant Act of 1862, which required all colleges receiving grants of land from the federal government to offer military training. The National Defense Act of 1916 established the ROTC program to supplement the academies and to provide officers for the reserve forces. The Reserve Officers' Training Corps Vitalization Act of 1964 made the ROTC program voluntary for all colleges and universities.

Today, ROTC is the largest source of commissioned officers. More than 600 colleges and universities throughout the United States have ROTC programs. The regular collegiate education provided by these schools is supplemented by military, naval, or aerospace science courses provided by military personnel. This training can vary from 2 to 4 years and some ROTC participants receive scholarships for tuition and books. In addition, scholarship students receive a subsistence allowance of \$100 per month for up to 40 months and nonscholarship students receive the subsistence allowance for up to 20 months.

The Assistant Secretary of Defense (Force Management and Personnel) establishes the Department of Defense (DOD) policy and guidance for ROTC. The Secretaries of the Air Force, Army, and Navy are responsible for

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<sup>2</sup>Depending on the number of openings available, qualified Naval Academy graduates may choose to be commissioned in the Marine Corps.

overseeing their ROTC programs and for establishing service policy regarding ROTC. The Air Force program is managed by the Commandant, Air Force ROTC; the Army program by the Commander, U. S. Army ROTC Cadet Command; and the Navy program by the Chief of Naval Education and Training. Each service provides its ROTC units with a military curriculum, instructors, and summer training, while the colleges and universities provide facilities, utilities, and maintenance.

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## OCS

OCS originated during the period before the United States entered World War I. At that time, OCS provided military training to college students at their own expense. Later during mobilization, the Army established officer training camps and schools that provided carefully screened applicants with 3 months of intensive training. These officers, often referred to as "90-day wonders," far surpassed the abilities of the average new officer in any previous war. Since that time, OCS has expanded and contracted to match the needs of the military.

Today, OCS participants are generally college graduates. The Navy, Marine Corps, and Air Force offer direct entry for any selected college graduate, while the Army requires OCS candidates to complete basic training and advanced individual training before entry into OCS.

Each service, except the Army, has at least one subsidiary program that "feeds" officer candidates into OCS. Some specifically prepare enlisted personnel to become commissioned officers while others provide various means of meeting minority goals or attracting candidates for shortage specialty areas such as nuclear or engineering.

OCS is managed at various levels, depending on the service. The Army's OCS is managed by the Army Infantry School. The Air Force's Officer Training School (OTS) is managed by the Military Training Center (Lackland Air Force Base). The Navy OCS is under the command of the Naval Education and Training Center (Newport) and Navy's Aviation Officer Candidate School (AOCS) is under the Naval Aviation Schools Command. The Marine Corps' Combat Development Command manages its OCS program.

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## Determination of Officer Accession Levels

To determine the number of officers needed in any given year, each service considers beginning strength, losses, and lateral transfers compared to the congressionally mandated end strength. Long lead-time programs, such as the academies and ROTC, receive first consideration, and the more easily

expanded and contracted OCS program is used to provide the remainder. In general, to determine how many new officers are needed from each commissioning source, the service first subtracts the number expected to be produced by its academy, which tends to be fairly stable from year to year. It then subtracts the projected ROTC production—like the academy, essentially a stable quantity—from the remaining requirement. The remainder represents the number of new officers that OCS will be programmed to produce. Each service, however, maintains at least a minimum level of production in its OCS program.

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## Objectives, Scope, and Methodology

This report complements recent reviews of the military academies<sup>3</sup> and the ROTC<sup>4</sup> programs and provides an overview of the primary officer commissioning programs. Our specific objectives were to identify and determine

- the total cost of producing officers by service and by commissioning program,
- the quality of officers produced by the primary commissioning programs,
- the effectiveness of the management and oversight of officer production, and
- areas where cost could be reduced.

We reviewed guidance, regulations, and planning documents on the services' commissioning programs, interviewed service and program officials, and obtained data from DOD, the service headquarters, and those commands having oversight over the various programs. (See app. II for a complete list of sites visited.)

Because fiscal year 1990 cost data was the latest available, we used fiscal year 1990 production statistics to be consistent.

We performed our review between December 1990 and July 1992 in accordance with generally accepted government auditing standards.

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<sup>3</sup>DOD Service Academies: Improved Cost and Performance Monitoring Needed (GAO/NSIAD 91-79, July 16, 1991).

<sup>4</sup>Reserve Officers' Training Corps: Less Need for Officers Provides Opportunity for Significant Savings (GAO/NSIAD-91-102, May 6, 1991).

# Costs of Producing Officers Vary Widely by Commissioning Program

DOD spent more than \$1.5 billion in fiscal year 1990 to produce nearly 19,000 new officers.<sup>1</sup> The cost reporting criteria for officer commissioning programs lacked uniformity, making it difficult to compare commissioning programs and services. The cost data that was available was incomplete and we were not able to identify all the costs associated with officer production.

The data we reviewed indicated that it costs much more to produce officers at the academies than through the other commissioning programs. OCS officers generally cost the least to produce. From available fiscal year 1990 data, we computed a combined cost of at least \$754 million for the academies, \$623 million for ROTC, and \$127 million for OCS. The cost per graduate for officers produced in fiscal year 1990 ranged between \$197,000 and \$299,000 for the academies, \$40,000 and \$70,000 for ROTC, \$17,000 and \$27,000 for regular OCS, and \$36,000 to \$133,000 for the special OCS programs.

## Cost Data Is Incomplete and Difficult to Compare

Neither DOD nor the services have established guidance to ensure that cost reporting of the officer production system, as a whole, is uniform. The limited guidance that does exist varies from program to program and in no case covers all associated costs. As a result, cost data are not complete and it is difficult to compare the costs of the various commissioning programs.

Although the academies are required to report total program costs annually to DOD, neither the ROTC nor OCS programs are required to do so. We reported this deficiency earlier<sup>2</sup> and discussed its effect on the military's ability to manage costs. DOD agreed and began developing uniform cost reporting guidance for the academies and ROTC. The first cost report using this guidance for the academies was expected by the end of fiscal year 1992, however, the draft instruction has yet to be issued. In January 1992 DOD issued the new instruction requiring ROTC cost reports.

## Costs by Commissioning Program

At the academies, DOD pays the full cost of a 4-year college education, military and physical training, and pay, for the cadets and midshipmen. For ROTC candidates, DOD may pay part of their 4-year college costs in its

<sup>1</sup>These figures do not include officers or expenses for specialized programs producing health, legal and other professional personnel or officers trained through the Army National Guard State OCS and the Air National Guard Academy of Military Science.

<sup>2</sup>Service Academies (GAO/NSIAD 91-79, July 16, 1991) and Reserve Officers' Training Corps (GAO/NSIAD 91-102, May 6, 1991).



scholarship program, as well as the cost of military training. For the OCS programs, DOD pays for the candidates' military training and, in some special programs, either bonuses, tuition, or pay and allowances for certain candidates in college.

**Academy Costs**

In fiscal year 1990, the academies reported spending almost \$688 million to commission 2,934 new officers. However, their financial reports did not include all relevant costs and were inconsistent over time and across the academies. Unreported or understated costs represent some expenses incurred for faculty training, medical care, community support, and the preparatory school at the Air Force Academy. As a result, their reported operating costs understated their actual costs by about \$66 million. (See table 2.1.)

**Table 2.1: Academy Operating Costs for Fiscal Year 1990**

Dollars in millions				
<b>Costs</b>	<b>Army</b>	<b>Navy</b>	<b>Air Force</b>	<b>Total</b>
Reported	\$245	\$190	\$253	<b>\$688</b>
Underreported	33	8	25	<b>66</b>
<b>Total</b>	<b>\$278</b>	<b>\$198</b>	<b>\$278</b>	<b>\$754</b>

This underreporting of costs results from insufficient guidance at all levels. Since the mid-1970s when DOD directed the academies to annually provide detailed, uniform cost reports, they have reported their costs using a set of common categories. (See app. III for reported costs.) However, as we previously pointed out, neither DOD, the services, nor the academies have established guidance to ensure that this cost reporting is uniform. For example, the academies' cost accounting systems vary in the amount of detail they provide, and each academy has its own procedures for computing and reporting costs. Neither DOD nor the services have issued instructions on which costs to include or how to allocate them. Nor is there any guidance to ensure that costs accumulated using service-specific accounting systems will be consistently reported across a set of common categories. Consequently, managers and decisionmakers lack the information needed to make cost-effective decisions regarding resource allocations and to improve efficiency.

In addition to the operating costs shown in table 2.1, the academies incurred \$40.1 million of capital investment costs in fiscal year 1990, of which the Military Academy had \$10.5 million, the Naval Academy had

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**Chapter 2  
Costs of Producing Officers Vary Widely by  
Commissioning Program**

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\$18.8 million, and the Air Force Academy had \$10.8 million. The DOD Principal Deputy Comptroller, in a 1990 memorandum, directed that programs include part of such costs as depreciation in their computations of the cost per unit of output.

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**ROTC Costs**

According to the services, in fiscal year 1990, DOD spent about \$623.3 million for the services' ROTC programs to produce 11,999 new officers. However, ROTC costs, like the academies, are incomplete and inconsistent. Although ROTC commands are not required to report total program costs, they each have an independently developed cost system to compute a cost per graduate based on total program costs. The services use the cost per graduate in assessing unit viability.

Because the ROTC cost systems do not produce reports with detailed cost categories, we asked each of the services' ROTC commands to provide us total program costs by agreed upon cost categories. We then compared these costs to the respective ROTC cost systems, except for the Army, which was developing a new system. Each of the services had not included certain costs directly associated with their ROTC programs in their respective cost systems. We attempted to obtain estimates for the excluded costs and then compiled, by major cost category, the total ROTC 1990 program costs for each service as shown in table 2.2.

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**Commissioning Program**

**Table 2.2: Major Cost Categories for ROTC—Fiscal Year 1990**

Dollars in thousands			
<b>Cost categories</b>	<b>Army</b>	<b>Navy</b>	<b>Air Force</b>
Military pay	\$202,300	\$37,186	\$68,964
Civilian pay	20,125	2,853	1,481
Staff travel	5,286	1,464	1,241
Operating expenses	9,085	2,504	2,844
Automation	1,758	455 <sup>a</sup>	181
Advertising <sup>b</sup>	10,532	106 <sup>c</sup>	1,341
Scholarships <sup>d</sup>	61,542	49,927	30,354
Candidate expenses <sup>e</sup>	44,458	16,518	13,353
Special training <sup>f</sup>	3,185	59	0 <sup>g</sup>
Advanced training <sup>h</sup>	0	0	2,172
Support commands <sup>i</sup>	14,241	1,133	2,604
Preparatory school	0 <sup>j</sup>	13,809	0 <sup>j</sup>
Other	271 <sup>k</sup>	0	0
<b>Total</b>	<b>\$372,783</b>	<b>\$126,014</b>	<b>\$124,535</b>

<sup>a</sup>Partial operating costs only.

<sup>b</sup>Advertising dollars are budgeted and allocated by the services' recruiting commands to their ROTC commands.

<sup>c</sup>National advertising costs were unavailable.

<sup>d</sup>Scholarships include tuition, fees, and books costs.

<sup>e</sup>Candidate expenses include pay and allowances, uniforms, travel, and subsistence for unit and summer training.

<sup>f</sup>Special training is to enhance individual skills through tutoring or programs such as the Army's English as a Second Language and Enhanced Skills Program.

<sup>g</sup>Tutoring costs included in unit operating expenses.

<sup>h</sup>Advanced training is summer training in specific fields or private pilot license and flight screening.

<sup>i</sup>Support commands include expenses incurred in support of summer training and miscellaneous costs for ammunition, in the Army to provide vehicles, and in the Air Force for partial contract flight screening expenses.

<sup>j</sup>The Army and the Air Force do not have ROTC preparatory schools.

<sup>k</sup>School of Cadet Command to provide standardized training for unit staff and classroom and other instructors.

Some of the differences in table 2.2 are the result of differences in ROTC officer candidate enrollments, numbers of units, and overall staffing shown in table 2.3.

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**Table 2.3: ROTC Enrollment, Units, and Staffing for Fiscal Year 1990**

<b>Service</b>	<b>Enrollments</b>	<b>Units</b>	<b>Total staff</b>
Army	55,432	413	4,150
Navy <sup>a</sup>	10,250	66	775
Air Force	20,178	148	1,129
<b>Total</b>	<b>85,860</b>	<b>627</b>	<b>6,054</b>

<sup>a</sup>Includes the Marine Corps.

Other differences in table 2.2 are the costs the services excluded from their cost systems or calculated differently than another service.

In fiscal year 1991, the Army was still developing a new ROTC cost system to replace their old system. The new system would have included approximately \$45.2 million dollars more in costs than the old system. The major costs excluded were

- reserve pay, \$33.3 million;
- advanced camp incremental costs, \$4.6 million;
- automation, \$1.8 million;
- supplemental instruction programs, \$3.2 million; and
- Cadet Command Headquarters operating expenses, \$2.1 million.

However, the Army, in its new cost system, computes its military pay differently than the other two services' ROTC programs. The Army's computations are based on the number of officers and enlisted personnel it is authorized rather than actual military personnel assigned. Although data were not available to compute the effect of this difference, we believe that the Army military pay cost may be overstated.

The Navy did not include about \$15.5 million in its cost system. The major exclusions were the Broadened Opportunity for Officer Selection and Training (BOOST)<sup>3</sup> preparatory school for ROTC—\$13.8 million; Marine Corps support costs for summer training and scholarship selection boards—\$1.1 million; and miscellaneous or partial expenses for automation, civilian personnel, and operations—\$578,000. The Navy system also excluded national advertising costs for which the Navy Recruiting Command was unable to provide an estimated cost. Unlike the other two services, the Navy, officials informed us, does not require commands that provide summer training and other support to report these costs in the Navy ROTC cost system. Although the Marine Corps provided us

<sup>3</sup>See appendix V for a description of the BOOST program.

an estimated cost for supporting Navy ROTC summer training, a Navy ROTC official informed us that the command could not provide us such an estimate for support provided by other Navy commands to the Navy ROTC summer training program.

The Air Force, like the Navy, did not include the total cost of national advertising in its cost system. The Air Force Recruiting Command estimated this to be \$1.2 million.

Although we recommended a standardized cost-reporting system for ROTC in the 1970s and again in 1991, no such system has been adopted. As of September 1991, the services were still using independently developed systems that resulted in inconsistent and incomplete cost information for ROTC units. Under these circumstances, neither DOD nor the services can accurately assess the units' cost-effectiveness.

DOD agreed with our 1991 recommendations and issued a new instruction in January 1992 that required each service to annually report to the Office of the Secretary of Defense "accurate, consistent, and complete cost information" concerning their ROTC programs. However, the instruction appears to have some provisions that could allow inconsistency and inaccuracy in reported cost data.

- The instruction combines into one cost category the salaries for both active duty and reserve personnel used in ROTC. This appears not to address the fact that Congress appropriates and DOD budgets for these salaries separately (in a Military Pay Appropriation for active-duty personnel and in a Reserve Personnel Appropriation for reserves used on active duty in the ROTC programs) and would result in an inability to match budgets and appropriated resources with expenditures.
- Under operations and maintenance appropriations in the instruction, the category "Other (ROTC Support)" contains several costs (e.g., operating and maintaining vehicles, fuel, and professional development of staff) that should be presented separately to permit better oversight and management of these costs. The more the costs are summarized, the less effective management oversight will be.
- The instruction does not clearly indicate whether the category "Training Camp Overhead" includes expenses incurred by other commands in support of ROTC who are not directly responsible for ROTC. It may be possible that significant program costs would be overlooked.

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**OCS Costs**

For most OCS participants, the services pay only for the military training that is highly concentrated in 10 to 16 weeks. In fiscal year 1990, OCS and the special programs costs for the services totaled \$127 million, producing 3,783 new officers. (See app. V for a description of the individual programs.) However, we were told the services are not required to report total program costs to their respective headquarters.

According to agency personnel, the major commands in the Army and the Navy have cost-reporting systems in place to accumulate total costs; however, the Air Force and the Marine Corps have none. Even though the Navy had systems, we found the costs collected were inconsistent and incomplete. The Army's cost system has not been operational since 1985 due to computer software problems, but costs were still collected at the installation level. Because of the lack of uniform cost systems, we asked the services to provide us with fiscal year 1990 costs by mutually agreed on cost categories as shown in table 2.4.

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**Table 2.4: OCS/OTS Fiscal Year 1990**  
**Costs**

Dollars in thousands				
<b>Cost categories</b>	<b>Army</b>	<b>Navy</b>	<b>Air Force</b>	<b>Marine Corps</b>
<b>Direct costs</b>				
Staff	\$1,509	\$6,277	\$5,284	\$1,610
Non-personnel costs	44	115		254
Dining facilities		0 <sup>a</sup>		118
Flying costs				3
Ammunition	210	12	17	67
Equipment depreciation	197 <sup>b</sup>	0 <sup>c</sup>		0 <sup>d</sup>
Tactical vehicle costs	19			
Student costs	5,291	19,354	4,495	5,360
Operations and maintenance			1019	
<b>Subtotal</b>	<b>7,270</b>	<b>25,758</b>	<b>10,815</b>	<b>7,412</b>
<b>Indirect costs</b>				
Overhead staff	836 <sup>e</sup>	3,080	753	3,816
Base support	1,324	7,369	1,964	5,384
Medical support	327 <sup>b</sup>	1,820	1,354	129
Family housing	139	202	89	0 <sup>c</sup>
<b>Subtotal</b>	<b>2,626</b>	<b>12,471</b>	<b>4,160</b>	<b>9,329</b>
Prerequisite training costs <sup>f</sup>	5,025 <sup>b</sup>	647	2,188	0
<b>Total basic OCS</b>	<b>14,921</b>	<b>38,876</b>	<b>17,163</b>	<b>16,741</b>
<b>Incremental costs</b>				
Specialized programs	0	34,417	2,752	1,785
<b>Subtotal</b>	<b>0</b>	<b>34,417</b>	<b>2,752</b>	<b>1,785</b>
<b>Grand Total</b>	<b>\$14,921</b>	<b>\$73,293</b>	<b>\$19,915</b>	<b>\$18,526</b>

<sup>a</sup>Included in base support.

<sup>b</sup>Fiscal year 1990 dollars not available, fiscal year 1985 dollars inflated to fiscal year 1990 dollars.

<sup>c</sup>Not included.

<sup>d</sup>Not available.

<sup>e</sup>Overhead costs for the Training and Doctrine Command not included.

<sup>f</sup>Includes Army Basic Training required of all OCS candidates, Navy Officer Candidate Preparatory School, and the Air Force Flight Screening Program required of pilot candidates.

The OCS costs provided by the services for fiscal year 1990 were inconsistent and incomplete as shown in table 2.4. Like the other two commissioning sources, the OCS programs within and among the services neither consistently nor completely track total costs. Information was not available to determine whether each service included all the same costs for the OCS program. For example, the Navy has two different cost systems, one for OCS and one for its AOCS. The cost system for AOCS records such costs as medical and ammunition and is more comprehensive than the OCS system. However, neither system tracks student travel costs. In addition, none of the services includes recruiting costs or the costs of candidate selection boards, nor do they include the special programs. As a result of such inconsistencies, neither DOD nor the services can make cost-effective decisions regarding resource allocations or program operations.

With the exception of the Army, the services also have special programs for needed specialties, affirmative action, and opportunities for enlisted personnel to become commissioned officers. (See app. V for a description of these programs.) These individuals also attend OCS in their respective service after completing the special program requirements. Individuals enrolled in the Navy's Basic Enlisted Commissioning Program are the exception and do not attend OCS since they attend naval science courses along with ROTC candidates.

The costs of these programs—which may provide scholarships, pay and allowances, or bonuses while in college—were not tracked by the services as part of their OCS costs. The Navy, for example, spent an additional \$34 million on such programs in fiscal year 1990. (See table 2.4.) However, those costs only represent the direct costs of pay and allowances, bonuses, and travel; no overhead costs for administration of the programs are included. Even in their incomplete state, these costs amounted to much more than those of the other services' special OCS programs.

The Air Force's single special OCS program, the Airman's Education and Commissioning Program, prepares enlisted personnel for commissioning. This program has been restricted to specific scientific specialties, such as meteorology, computer science, and engineering, but beginning in fiscal year 1992, it emphasized medical specialties. During fiscal year 1990, this special OCS program enrolled 89 individuals at a cost of about \$2.8 million, which included tuition, fees, books, travel, and fees for the Graduate Record Examination in addition to pay and allowances. However, no overhead costs for program administration are included.



The Marine Corps also has a single special program, the Commissioning Education Program, to prepare enlisted personnel for OCS. During 1990, 66 candidates were enrolled in this program at a cost of \$1.8 million. This cost included pay and allowances, the 10-week preparatory school, and travel by the selection board, but no overhead costs for headquarters personnel administering the program. (Participants in this program pay their own tuition and fees.)

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## Academies Are the Most Expensive Commissioning Source

Total academy program costs in fiscal year 1990 were about 20 percent higher than ROTC costs (\$754 million versus \$623 million) to produce about four times fewer officers (2,934 versus 11,999) and about six times more than OCS costs (\$754 million versus \$127 million) to produce more than 20 percent fewer officers (2,934 versus 3,783). Total costs ranged from a low of \$198 million at the Naval Academy to a high of \$278 million at the Military and the Air Force academies. In comparison, ROTC's total costs ranged from about \$125 million in the Air Force to \$373 million in the Army and OCS' total program costs ranged from about \$15 million in the Army to \$73 million in the Navy. Based on cost and production data provided by the services, we computed a cost per graduate for fiscal year 1990 that identified the academies as being the most expensive. However, the cost per graduate for the OCS special programs rivaled or exceeded ROTC scholarship and nonscholarship costs per graduate, and in some cases, approached the cost per academy graduate.

Table 2.5 shows the costs for a service academy graduate to be about

- 3 to 5 times as much as a scholarship ROTC graduate,
- 5 to 7 times as much as a nonscholarship ROTC graduate,
- 7 to 11 times more than a basic OCS graduate, and
- 1.5 times more than the most costly special OCS program.

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**Table 2.5: Costs Per Graduate by Service, Component Source, and Special Programs for Fiscal Year 1990**

Dollars in thousands				
Commissioning sources and special programs	Army	Navy	Air Force	Marine Corps
Academies	\$299	\$197	\$279	<sup>a</sup>
ROTC scholarship	60	70	67	<sup>a</sup>
ROTC nonscholarship	40	40	40	<sup>a</sup>
Basic OCS	26	27	27	\$17
Airmen's Education and Commissioning Program			100	
Enlisted Commissioning Education Program				36
Aviation Reserve Officer Candidate		<sup>b</sup>		
Baccalaureate Degree Completion Program		80		
Civil Engineer Corps Collegiate Program		92		
Enlisted Commissioning Program - Basic		60 <sup>c</sup>		
Enlisted Commissioning Program - Civil Engineers		133 <sup>d</sup>		
Enlisted Commissioning Program - Nuclear		103		
Naval Aviation Cadet		72		
Nuclear Propulsion Officer Candidate		79		
Officer, Sea and Air Mariner Program		<sup>e</sup>		
Reserve Officer Candidate		<sup>f</sup>		

<sup>a</sup>Included in Navy costs.

<sup>b</sup>Costs included in basic OCS program.

<sup>c</sup>Includes only those costs directly associated with program; the other costs are included in ROTC.

<sup>d</sup>New program in which only two graduated but eight were enrolled during fiscal year 1990.

<sup>e</sup>Costs included in other Navy programs.

<sup>f</sup>Program deactivated.

ROTC graduates, on the other hand, cost about 1.5 to 2.5 times more than a basic OCS graduate. However, the ROTC cost per graduate was less than the cost per graduate for most OCS special programs.

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## DOD Initiatives to Standardize Cost Reporting

In 1989, DOD announced that a DOD-wide unit cost (cost per unit of output) resourcing system would be developed for a number of major functional areas to increase cost visibility and improve resource management. To improve reporting conditions in the interim, DOD distributed guidance on unit cost resourcing to establish a practical level of consistency and uniformity. DOD expects these efforts to also improve cost reporting for the officer production system as a part of the military training effort.

According to the interim guidance, under the unit cost concept every program should relate all costs it incurs to its output.<sup>4</sup> (In terms of military training, for example, the unit of output would be student graduates.) Like a business system, all the costs of the military entity—from base operations to training to capital costs—will be included in the budget and recorded by the accounting systems. The budget and costs reports are to distinguish between capital and operating costs.

DOD believes this unit cost approach encourages management to look at all costs, including overhead, in terms of output. The unit cost system is to be used as

- a management tool to improve operations and make decisions,
- a resource tool to evaluate and support budgets, and
- a productivity tool to evaluate performance and make improvements.

However, the unit cost resourcing system in its present form does not solve the services' cost reporting problems since it uses the financial systems already in place and merely converts costs generated by those systems into a standard format.

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## Conclusions

None of the officer commissioning programs operates a uniform, standardized cost reporting system that provides complete and accurate data comparable across programs and services. Also, none of the special OCS programs systematically compile discrete program costs. Moreover, organizations managing the various programs do not report costs to higher commands; at best, they report the cost per officer or other incomplete costs to their respective headquarters. Consequently, neither DOD nor the services know either the relative or absolute cost-effectiveness of their various production sources.

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<sup>4</sup>To ensure consistency in the cost per unit measurement system, the same measures of input and output will be used for similar functions performed in more than one service.

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DOD, following our previous recommendations, is developing standardized cost reporting systems for the academies and ROTC. However, in addition to the academies and ROTC, OCS lacks such systems and any requirement for comparable reports. Though DOD's introduction of a unit cost resourcing system is commendable, that effort alone will not ensure the accurate, complete, and standard reporting of officer production costs.

Anticipated force reductions will require fewer officers in the future. A reliable system of reporting costs could help the services make prudent decisions regarding officer production sources. The services need to know the total cost of each commissioning program reported by clearly defined, standard cost categories. Standard categories will provide the comparable data the services need to identify cost-effective management measures and determine how to most economically assign production requirements to the system components.

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## **Recommendation**

We recommend that the Secretary of Defense extend the development and implementation of a standardized cost reporting system to OCS, including all special programs.

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## **Agency Comments and Our Evaluation**

DOD partially agreed with our analyses of available cost data from the academies, ROTC, and OCS that depicted the current cost reporting systems as incomplete and lacking uniformity. DOD believes its current efforts, including the new ROTC cost reporting instruction, the proposed academy instruction, unit cost per output system, and consolidation of service financial systems, will be adequate to address our concerns.

The efforts underway by DOD may provide, when implemented, the basis for appropriate cost reporting. However, most of DOD's efforts to bring about cost standardization are still under development and not due to be fully implemented until the beginning of fiscal year 1994. Therefore, we cannot determine whether those actions will be effective until they are fully developed and implemented.

DOD stated that the Navy's BOOST program costs are fully accounted for under the Navy's training budget and would not be allocated to either of the two commissioning programs (the Naval Academy or ROTC) that it feeds into.

We disagree with DOD's position that the costs associated with BOOST not be considered an academy or ROTC cost. To provide better accounting, these costs should more appropriately be pro-rated between the academy and ROTC based on which program the graduates entered. Between 1985 and 1992, an average of about 7 percent of the BOOST graduates entered the Naval Academy.

DOD disagreed with our analyses of the ROTC cost reporting instruction identifying areas of concern where some costs may be summarized or omitted. We agree that the published instruction provides identification of military pay by appropriation through the required supporting documentation, but neither the total for military pay appropriation nor reserve pay appropriation is readily available. The total cost by type of appropriation has to be computed from the available detail data. We recognize that some summarization of expenses is desirable, but believe that the more expenses are summarized, the less visibility exists for those monitoring the program. As for "Other (ROTC Support)," the instruction includes the costs for operating and maintaining vehicles and aircraft. In fiscal year 1990, the cost to provide vehicles to Army ROTC units was approximately \$2.2 million. In the Air Force, ROTC's share of the contract cost paid by the Air Training Command to maintain aircraft and provide instructors for flight screening was almost \$1 million. Costs such as these would not be visible to program managers under the current instruction.

DOD also disagreed that expenses incurred by other commands in support of ROTC programs were being omitted from the ROTC resource reporting process due to ambiguity in its instruction. DOD commented that full-time activity in support of ROTC is adequately accounted for in its published instruction and that expenses incurred by the other commands not identified under the Training Camp Overhead category are incurred regardless of the collateral support provided to ROTC. We believe the Training Camp Overhead category should encompass those costs we have identified as "Support Commands," which included approximately \$18 million of expenses, \$16 million incurred on behalf of summer training, and \$2 million to provide vehicles during the year. The \$16 million represents additional expenses for the host installation that would not have occurred if the ROTC summer training had not been held. In the Army and in the Air Force, the supporting commands are required to report these expenses to the ROTC commands for inclusion in their cost-per-graduate calculations. Furthermore, DOD's newly published ROTC resource reporting instruction states in its general procedures under Operation and Maintenance (O&M) funds that expenses are to include

items provided on a nonreimbursable basis by another organizational unit. However, this procedural explanation is not included in the O&M appropriation definition for the Training Camp Overhead category on its cost reporting form, creating confusion as to what costs should be included.

We continue to believe that the definition for Training Camp Overhead should include the costs incurred by other commands in the respective services to support ROTC summer training as a legitimate pre-commissioning cost. We also believe this should be expanded to include costs paid from other appropriations, such as ammunition from procurement appropriations, or costs centrally paid by the respective services or parent commands to the ROTC command, such as food services for summer training or Air Force flight screening. These represent significant costs attributable to ROTC.

DOD agreed that the academies were the most expensive commissioning source but stated that our cost analysis does not include total public costs to produce officers through the other commissioning programs. We recognize that college and university tuition charges do not cover all their costs. However, total university costs are not relevant. Only the portion of their total costs that DOD would have to pay to support additional officer candidates is relevant in this comparison.

DOD agreed with our recommendation to extend the development and implementation of a standardized cost reporting system to the OCS programs, including all special programs. DOD believes the unit cost per output system will provide, when implemented, adequate cost tracking for training programs, including OCS. As previously stated, the efforts to bring about cost standardization are under development and are not anticipated to be fully implemented until the beginning of fiscal year 1994. Therefore, it remains to be seen if these changes bring about standardized cost reporting.

# Officer Quality Does Not Vary Significantly by Commissioning Program

The services have established certain requirements believed to be factors in producing quality officers in each of their primary commissioning programs. They include rigorous entrance standards, successful attainment of a college degree, and successful completion of a common core program of military education and training. However, the services have not established any means of routinely assessing the effectiveness of the military instruction provided by the various commissioning programs. Consequently, they cannot be certain that new officers have the necessary military knowledge and skills, nor can they assess the effectiveness of the various commissioning programs.

As we pointed out in our earlier review of the service academies, the services lack comprehensive measures of officer performance. Some commonly used indicators of effectiveness of officer commissioning programs include: length of service beyond minimum obligation, time between promotions, and attainment of general and admiral officer ranks. Our analysis of these officer retention and progression measures indicated that the various commissioning programs vary much less on these measures than they do on cost.

## All Commissioning Programs Attract High Quality Students

All potential officer candidates undergo a rigorous screening process before being admitted to a commissioning program. In 1990, almost all of the academy and ROTC candidates scored higher than the national average on the Scholastic Aptitude Test. Those applying for OCS are also required to pass a battery of aptitude tests. Candidates who meet these basic requirements then undergo screening of their academic records, test scores, extracurricular activities, and letters of recommendation from former employers and instructors. They are also required to pass a physical examination.

Since there were more qualified applicants than openings, those chosen in 1990 for the various programs were highly qualified. Those selected for the academies and ROTC 4-year scholarships averaged 1213 to 1286 on the Scholastic Aptitude Test (the national average was 900). Those admitted to the Class of 1994 at the Naval Academy, for example, averaged 1224, placing them in the top 10 percent nationally for verbal skills and in the top 5 percent for math. Moreover, for the academies and ROTC, at least 81 to 96 percent of those selected finished high school in the top 25 percent of their class, 79 to 89 percent won varsity athletic letters, 26 to 81 percent were class or student body officers, 56 to 79 percent were in the National Honor Society, and many were in dramatics or debating. Most 1990 OCS

candidates in the Navy, Marine Corps, and Air Force had grade point averages ranging from 2.7 to 3.1. (See app. IV for more information.)

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## **Most Commissioning Programs Require a College Degree**

The requirements for officer commissioning are different for each program. A baccalaureate degree is generally required before commissioning. For the academies and ROTC, participants receive a baccalaureate degree in the course of their commissioning programs. For OCS, participants are generally required to have already earned their degree. There are three exceptions to this general rule—the Army's OCS program, the Navy's Aviation Cadet program, and the Marine Corps' Meritorious Commissioning program. These programs require only 60 college semester credits or an equivalent of 2 years of college. However, graduates from these programs should complete their college degree in order to be competitive for promotion.

These three service commissioning programs limited to enlisted personnel differ in certain respects.

- The Army is the only service that requires OCS applicants to complete basic and advanced individual training before attending OCS. The Army no longer recruits college graduates with a guarantee of OCS training; they have to enlist and compete for entry into OCS after completing basic and advanced individual training.
- Naval Aviation Cadets are required to have a 2.5 grade point average or a minimum score of 1200 on the Scholastic Aptitude Test. Beginning in fiscal year 1992, this program was restricted to enlisted personnel only. This program differs from most commissioning programs in that participants are not commissioned upon completion of OCS, but must wait until they successfully complete flight training. If individuals fail to complete flight training, they revert to their enlisted rank to fulfill their military obligation.
- The Marine Corps Meritorious Commissioning Program does not accept applications. Instead, candidates for admission must be nominated by their commanders, have demonstrated exceptional leadership, and scored at least 1000 on the Scholastic Aptitude Test. Those selected complete one of the regular officer candidate courses to be commissioned. In 1990, 7 of 45 nominees were selected for this program.



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## Effectiveness of Military Instruction Is Not Systematically Assessed

The services are not systematically and routinely assessing the effectiveness of their core military instruction or the ability of each commissioning program to teach the required common military knowledge and skills a new officer needs. To ensure that all commissioning sources provide the military knowledge and skills officers need, each service has developed either a core curriculum or a set of goals and objectives to be taught in all programs. The core curricula include an orientation to military history and strategy, communication skills, leadership and management skills, military tasks, and knowledge peculiar to each service as well as customs, courtesies, and ceremonies related to the individual service.

Representatives from each commissioning program meet periodically to discuss and update, as needed, their service's respective core curriculum or goals and objectives to ensure that each program provides the required knowledge and skills. Army and Marine Corps managers meet annually and Air Force managers meet every 2 years. Navy managers meet "as required," and last revised their core curriculum in March 1989.

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## Sporadic Reviews of the Curricula Have Been Made

The services have conducted sporadic curriculum reviews and generally found that officer performance was similar, regardless of commissioning source.

A 1989 study performed by the Air Force Academy, acting for the Air Force Commissioning Education Committee,<sup>1</sup> solicited feedback from officers and their supervisors concerning attributes pertinent to the Air Force's commissioning education objectives. The survey noted that, generally, strengths and weaknesses were similar across all of its commissioning programs. Recently commissioned officers had more difficulty supervising others than they did following orders. The survey pointed out that its findings supported the results of a similar 1986-87 study of Air Force Academy graduates.

The Air Force OTS program conducted a similar survey in December 1988, focusing more on OTS training. Survey results indicated that the majority of OTS graduates were competent; however, the area of least competence cited by both new lieutenants and supervisors was employing formal disciplinary measures.

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<sup>1</sup>The Commissioning Education Committee discusses policies, approves the Commissioning Education Memorandum of Understanding, discusses professional military education phasing, coordinates program changes, and establishes the broad goals and direction.

In 1987, the Military Academy conducted a survey focusing on attributes of a second lieutenant or platoon leader in Army combat arms branches. The Academy modified a 1977 survey instrument and compared Academy graduates' performance with that of ROTC and OCS graduates. The survey identified several performance attributes in the graduates that the Academy needed to improve. However, the survey concluded that most of the strongest and weakest attributes were the same for all lieutenants regardless of commissioning source.

The Navy ROTC program has developed a feedback system and data base to monitor its graduates' performances in follow-on training schools. According to Navy ROTC officials, the feedback primarily provides them the number that have attrited from the various schools and the reasons why. However, these officials also told us that obtaining feedback from many schools is difficult and that the majority of the information obtained is from one school. They also said that the feedback collected has not been sufficient to identify major problems in the Navy ROTC curriculum.

In fiscal year 1990, the Navy OCS program did its first external evaluation of its graduates compared to graduates of the Naval Academy and ROTC in training schools and unit assignments. The survey found that OCS graduates had achieved learning standards about as well as their academy and ROTC peers and a small percentage of OCS graduates had significant academic problems needing further study. OCS subsequently revised and restructured its curriculum coupled with other actions. OCS officials credit these changes with reducing the training attrition rate by 25 percent during fiscal year 1990.

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**Core Curriculum Knowledge  
and Skill Proficiency of  
Officers Is Unknown**

In 1991, the Army became the only service to test graduates of all its commissioning programs on their mastery of the core curriculum. The Army tests each new officer at its 17 officer basic schools that provide technical training to newly commissioned officers. These tests are based on the core pre-commissioning curriculum but are not totally comprehensive or standardized because each of the officer basic schools developed its own test. Although the tests were designed to provide feedback to the commissioning sources, representatives from the Army commissioning sources concluded that the tests were inappropriate for evaluating their commissioning programs. Instead, they believe the tests only show an individual's knowledge decay between the time one completes the commissioning program and enters an officer basic course.

According to Air Force officials, for the first time, the Air Force ROTC Command administered an examination to test the proficiency of its 1992 graduating seniors and evaluate its instructional program. Results of the examination were not yet available; however, officials told us that they plan to continue such proficiency testing in future years making the tests more difficult as they gain experience.

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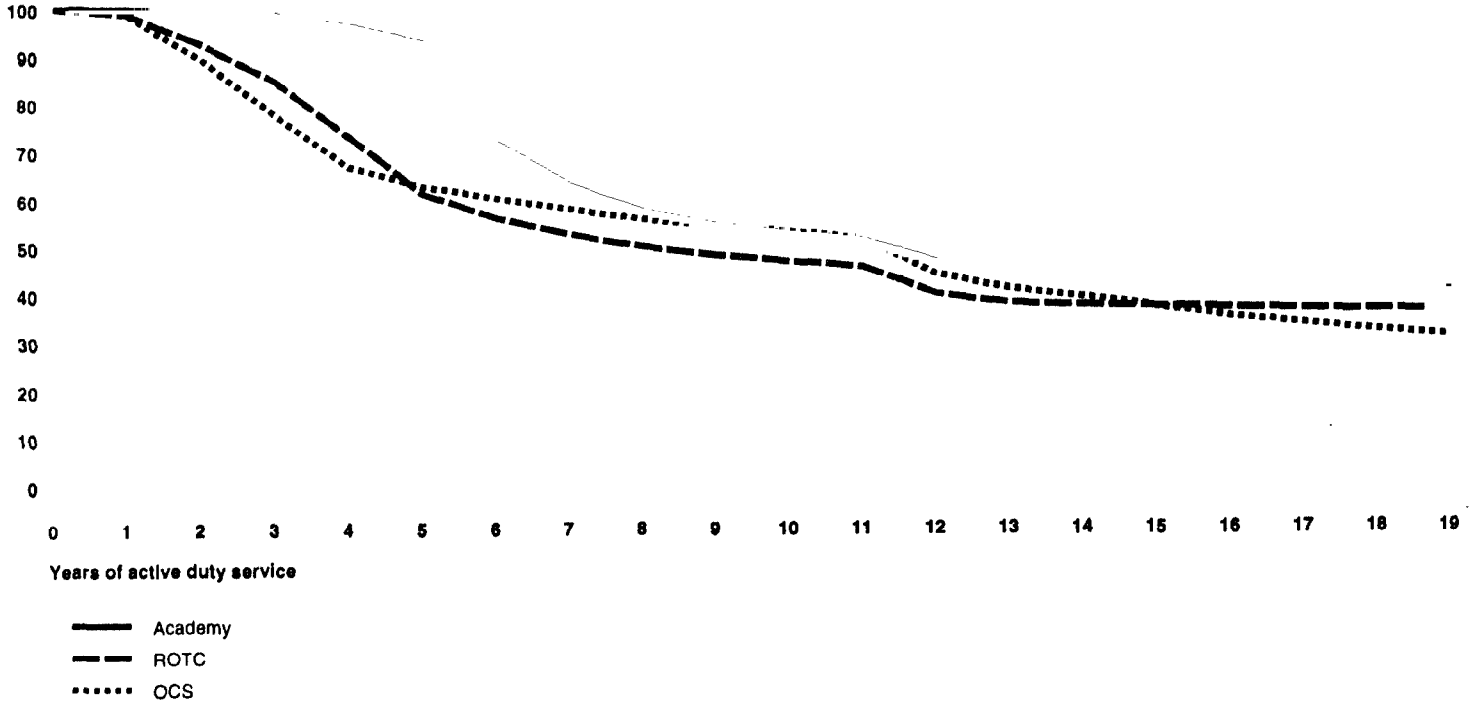
## **Retention of Officers Varies by Production Source**

One measure of the effectiveness of officer accession programs is the degree to which they motivate graduates to make the military a career. The longer an officer remains on active duty, the greater the return from the investment in that individual's education and training.

Figures 3.1 through 3.4 show the retention profiles for officers by commissioning source for each service. This data covers officers commissioned from fiscal years 1972 through 1990. The points in the graphs represent the percent of officers that remained on active duty after a given number of years of active duty service.

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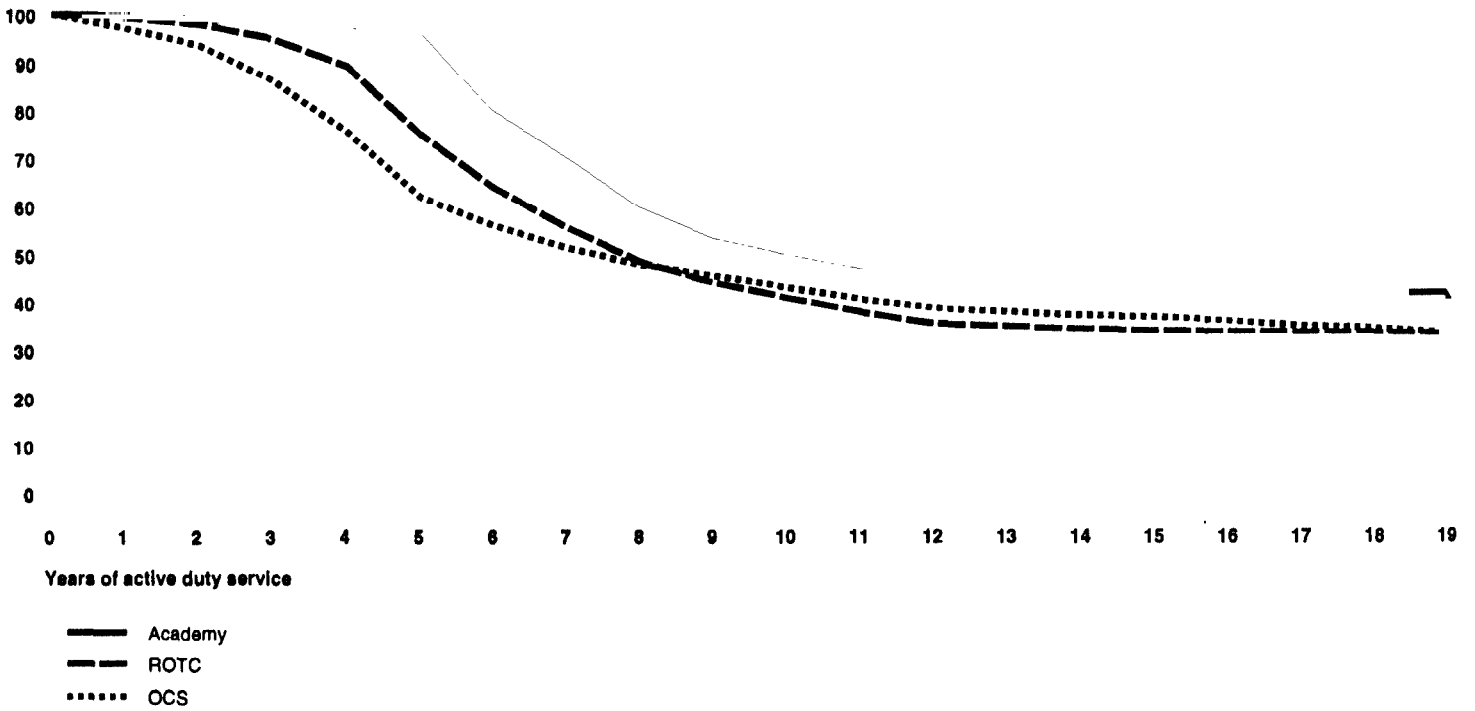
Figure 3.1: Army Officer Retention by Source of Commission



Source: Defense Manpower Data Center.

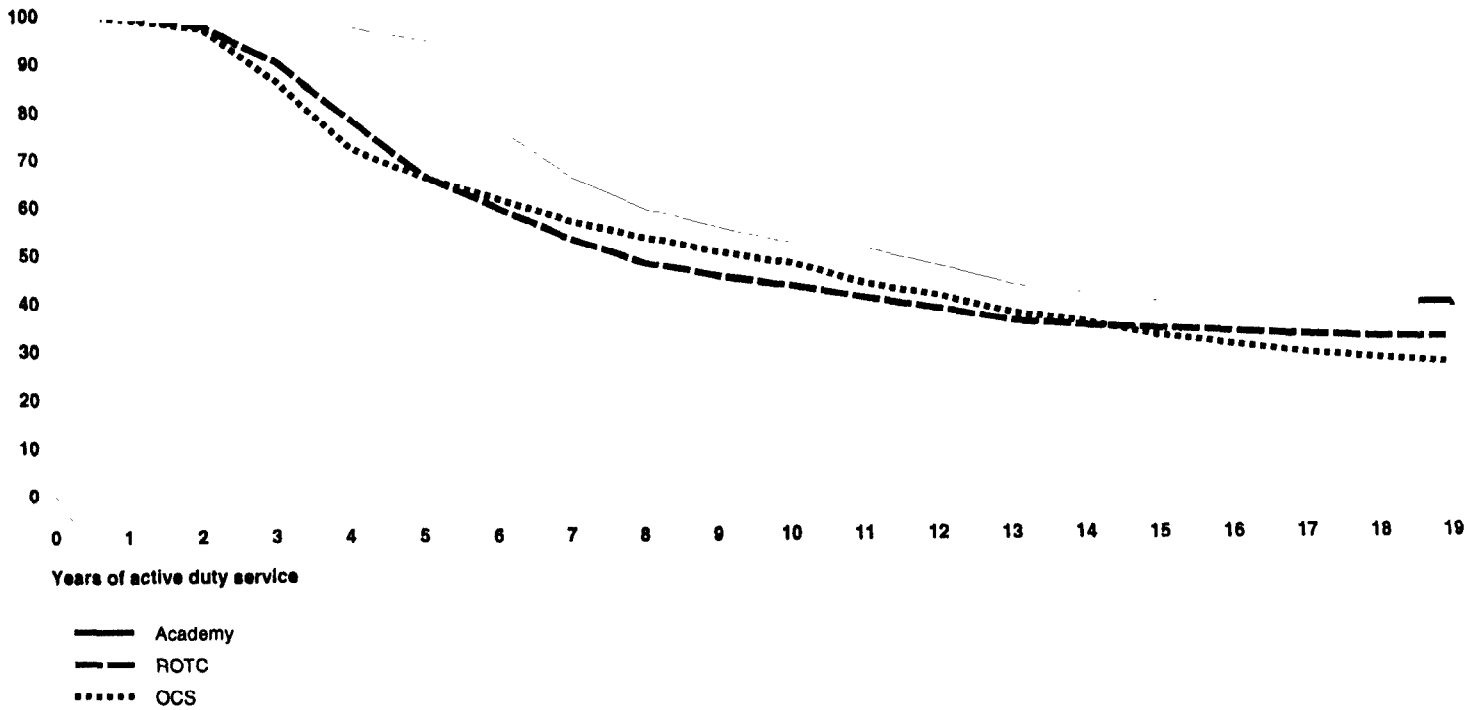
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**Figure 3.2: Navy Officer Retention by Source of Commission**



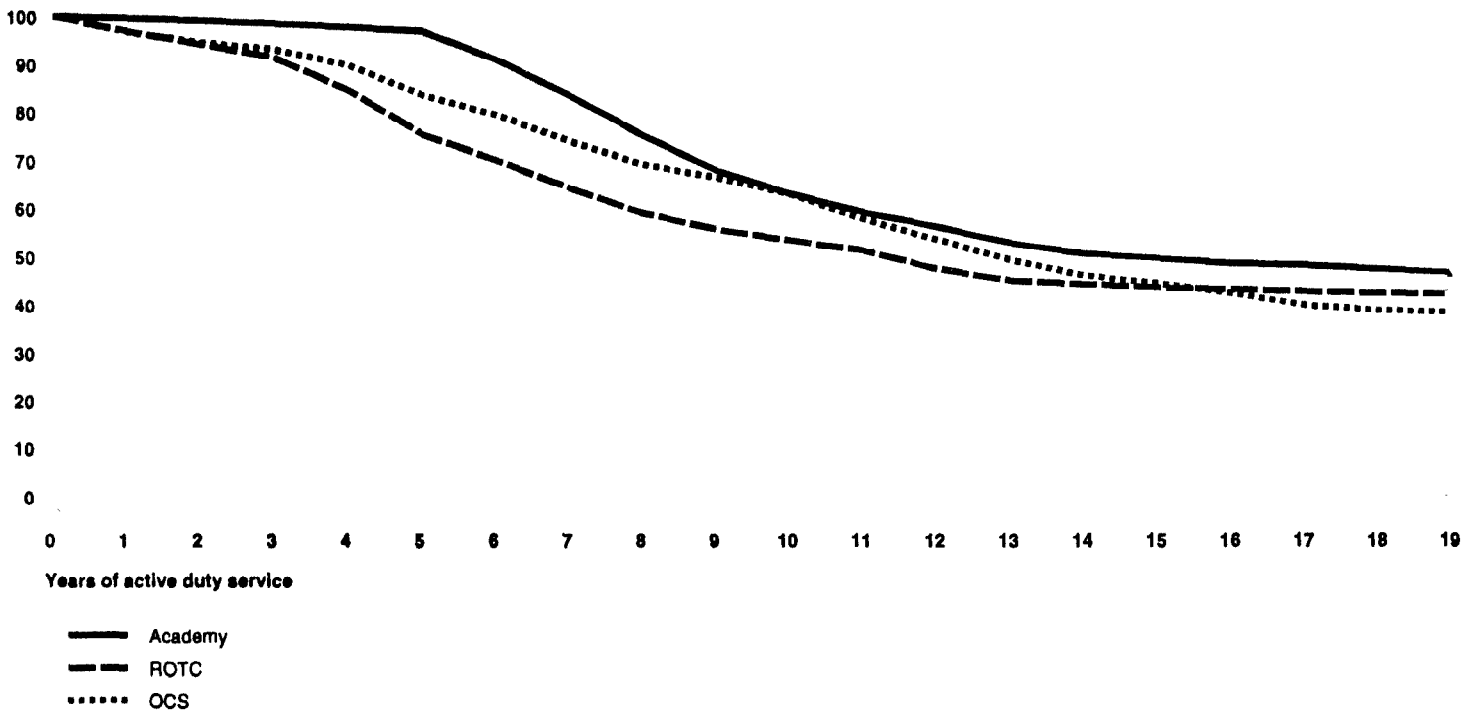
Source: Defense Manpower Data Center.

Figure 3.3: Marine Corps Officer Retention by Source of Commission



Source: Defense Manpower Data Center.

Figure 3.4: Air Force Officer Retention by Source of Commission



Source: Defense Manpower Data Center.

As the figures show, academy officers tend to remain on active duty somewhat longer than their ROTC and OCS counterparts. Although the differences are greatest in the 4- to 6-year range, it should be noted that the shapes of these curves are partially a function of service policies. That is, the active service obligation of academy graduates is longer than that incurred by ROTC and OCS officers, so the academy curves would be expected to remain flatter for a couple of years. Also, over the 19 years covered by this data, there have been periods, such as the post-Vietnam drawdown, when the services were actively trying to reduce the number of officers on active duty. One force reduction tool the services have used during such periods is to waive an officer's remaining obligation and allow early separation. However, such "early-out" programs have generally excluded academy graduates from eligibility. Such policies have the effect of artificially sustaining higher retention levels for academy officers not so

much because they are inclined to stay longer, but because they have been prohibited from leaving earlier.

**Career Progression  
Varies Little by  
Production Source**

Tracking career progression, or the average time between promotions, is another indicator of the quality of officers. An analyses of over 35,000 individual officer promotion dates showed differences from pay grades 01 to 04 to be insignificant. There was no consistent pattern indicating that the graduates from any of the programs fared better than the graduates of others.

**Progression Through the  
Lower Ranks**

Military officers tend to progress within the lower ranks at about the same pace regardless of commissioning source. Analyses of days elapsed between promotions for over 35,000 officers in pay grade 04 as of September 30, 1990, showed only minor differences. Tables 3.1 through 3.4 compare the differences by commissioning source within each service.

As indicated in table 3.1, Army officers from the three commissioning programs varied little in their progression through the lower ranks. The greatest variance was found in promotions from pay grades 03 to 04, where academy graduates on average were promoted 59 days earlier than ROTC graduates and 100 days earlier than OCS graduates.

**Table 3.1: Progression of Army Officers  
From Pay Grades 01 through 03**

Commissioning source	Average days in pay grade			Number of officers
	01	02	03	
Academy	728	754	2,686	2,300
ROTC	722	762	2,745	7,605
OCS	730	752	2,786	1,172

Table 3.2 shows that Navy officers progressed at basically the same rate regardless of the source of commission, with the overall variance being only 6 days from the time one entered active duty until grade 04 was achieved.



**Chapter 3  
Officer Quality Does Not Vary Significantly by  
Commissioning Program**

**Table 3.2: Progression of Navy Officers  
From Pay Grades 01 through 03**

Commissioning source	Average days in pay grade			Number of officers
	01	02	03	
Academy	726	768	2,035	1,897
ROTC	725	769	2,034	2,094
OCS	726	767	2,030	3,230

Table 3.3 shows that overall, OCS graduates of the Marine Corps fare slightly better than their academy and ROTC counterparts. This reversal is not unexpected since OCS is the primary producer of Marine Corps officers. For example, in 1990 OCS produced 72 percent of the Marine Corps' new officers.

**Table 3.3: Progression of Marine Corps  
Officers From Pay Grades 01 through 03**

Commissioning source	Average days in pay grade			Number of officers
	01	02	03	
Academy	721	1,043	2,466	232
ROTC	725	1,045	2,481	364
OCS	725	1,031	2,429	2,137

Compared to the other services, the Air Force showed the greatest variation in promotion timing among officers from the three commissioning sources. (See table 3.4.) ROTC officers were promoted slower to grade 02 than officers from the academy and OTS. Academy officers fared better in promotion to grade 04 than OCS officers, by about 47 days and better than ROTC officers by about 58 days.

**Table 3.4: Progression of Air Force  
Officers From Pay Grades 01 through 03**

Commissioning source	Average days in pay grade			Number of officers
	01	02	03	
Academy	730	737	2,575	2,465
ROTC	812	760	2,633	7,406
OTS	732	761	2,622	4,338

**Promotion to Senior Ranks**

Attainment of the senior ranks has also been regarded by the military as an indicator of officer quality, especially in light of its "up or out" policy, in which officers who are passed over for promotion twice are released from service. The policy provides more qualified officers at each rank than there

are positions at the next higher rank so that only the very best rise to the top.

Academy graduates have historically had greater success in attaining senior level ranks. Based on the Army's 1990 promotions to senior levels, the Army's academy graduates have had greater success. In 1990, a higher percentage of promotion eligible academy graduates received promotions to pay grades 04, 05, and 06 during the normal and accelerated cycles<sup>2</sup> than their ROTC and OCS counterparts. (See table 3.5.)

**Table 3.5: Percentage of Those Eligible for Promotion to Pay Grades 04, 05, and 06 Who Were Promoted in the Fiscal Year 1990 Normal and Accelerated Promotion Cycles by Source of Commission**

Source	Normal cycle			Accelerated cycle		
	04	05	06	04	05	06
Academy	67	52	25	15	12	3
ROTC	51	31	22	5	5	2
OCS	42	19	17	7	5	1

Historically, the preponderance of flag rank officers—generals and admirals in pay grades 07 to 010—over the years have been academy graduates. However, this dominance has decreased significantly since 1972. Table 3.6 shows, in 3-year intervals, the percentage of generals and admirals in pay grades 07 through 010 by source of commission. While about 43 percent of flag officers were academy graduates in 1972, this had decreased to about 33 percent in 1990.

**Table 3.6: Percentages of Generals and Admirals, by Commissioning Source, at 3-Year Intervals From Fiscal Years 1972 to 1990**

Source	1972	1975	1978	1981	1984	1987	1990
Academies	43	43	42	39	34	32	33
ROTC	5	7	14	19	26	40	41
OCS	5	4	5	7	7	13	15
Other <sup>a</sup>	27	25	21	17	14	12	11
Unknown <sup>b</sup>	20	20	18	18	19	2	0

<sup>a</sup>Other includes primarily direct appointment officers.

<sup>b</sup>Unknown are those for which a commissioning source was not available.

<sup>2</sup>Normal cycle refers to an officer's assigned competitive category based on time in grade. The accelerated cycle is for outstanding officers who have demonstrated performance and indicated potential superior to their peers.

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## The Reason for Differences Across Commissioning Programs Is Not Clear

As we pointed out in our 1991 report on the academies, retention and progression statistics are likely to have been affected by factors such as possession of a regular commission and allocation of combat-related specialties, which tended to favor academy graduates during most of the time period these statistics cover. In addition, personnel policies such as those that have excluded academy officers from participating in various "early-out" programs distort the comparison. As previously reported, the decrease in dominance at the general and admiral ranks is probably the result of the broadening of the officer commissioning base that began after the 1950s.

However, even if the differences could be attributed to higher quality graduates, the differences appear minor compared to the cost differences among the programs.

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## Conclusions

The contribution of particular commissioning programs to producing high quality officers cannot be ascertained because the services have not routinely assessed the quality of the officers produced by the various programs or the effectiveness of the military curricula provided by the programs. In terms of the traditional indicators of success (retention, career progression, and attainment of flag rank), academy officers have fared somewhat better than those from other sources. However, it is not clear whether this is due to the quality of the academy programs or other factors that have tended to favor academy graduates.

The Army's attempt to use examinations at each of its basic schools for officers is a good beginning, but these examinations are not standardized. Consequently, it cannot be certain that newly commissioned officers have learned what they need to know, nor can the relative effectiveness of the various commissioning programs be compared.

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## Recommendation

To assess the quality of newly commissioned officers, we recommend that the Secretary of Defense direct the services to develop a means to routinely evaluate the effectiveness of the various commissioning programs and the quality of the graduates they produce.

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## Agency Comments and Our Evaluation

DOD partially agreed that the effectiveness of military instruction is not being systematically assessed. However, recognizing the value of prior assessments, they agreed evaluative information may be useful on a more

systematic basis and are currently considering several options. We believe any additional evaluative measures would be helpful in assessing the skills taught.

DOD agreed that all commissioning programs attract high quality students. DOD also agreed that sporadic reviews have generally found that officer performance was similar regardless of commissioning source. DOD stated that it had begun an effort to assess commissioning source effectiveness through a survey of graduate performance.

DOD partially agreed that career progression varies little by source of commission and stated that our analysis implied that no degree of difference in career attainment could serve as justification for the cost differential between programs. We did not intend such an implication. We recognize that each commissioning source makes different contributions to the diversity of the officer corps. However, the differences in the quality indicators are small compared to the differences in the cost of the various programs. In our July 1991 report, we recommended that the services develop broader measures of performance to assess officers from the various sources of commission to enable DOD and the service officials to make more informed decisions about the appropriate mix of officers among the commissioning sources.

DOD partially agreed with our recommendation regarding assessment of the quality of newly commissioned officers and said a survey instrument is in the initial stages of development and a validation phase should begin by the end of July 1992. We believe any additional evaluative information will be helpful in assessing the quality of newly commissioned officers.

# Management of Officer Production System Is Not Cost-Effective

The reduction in threat resulting from the changing world situation has led to dramatic decreases in present and planned U.S. defense forces. As a result of the rapid drawdown, the services are producing an excess of new officers. The services have introduced some cost-cutting measures and management improvements to manage this excess, but the excess will continue for some time and may be costly to deal with. The projected cost of service actions to meet end strength limitations may exceed \$205 million through fiscal year 1993, in addition to about \$145 million in sunk costs stemming from the overproduction of officers.

The effects of the force reductions have been exacerbated by inadequate attention to cost-effective management of the officer production system. Although the Office of the Secretary of Defense (OSD) has overall responsibility for officer production, it has limited its oversight to defending the budget of the commissioning programs. Neither DOD nor the individual services have devised a comprehensive approach to officer production that would provide greater flexibility and reduce costs without reducing quality. In particular, there is no unified, coordinated determination of officer production requirements to ensure that each commissioning program is assigned an appropriate, cost-effective production goal. As a result, problems that we noted in earlier reviews of the academies and ROTC are affecting the whole officer production system, including OCS. For example, the system is incurring unnecessary expenses, programs are needlessly duplicated, and management improvements and cost reductions are not being identified or applied on a systemic basis.

## Impact of Force Reductions on Officer Production

In the last few years, unforeseen developments at home and abroad have led Congress and DOD to make substantial reductions in the size of U.S. forces—as much as 25 percent by 1995. Moreover, Congress has limited the total number of officers authorized since fiscal year 1987. As a result, the services, which had projected continued growth in the officer ranks, have found themselves with an excess of officers and the number of new officers being produced was suddenly greater than the military could absorb. For fiscal years 1987 through 1990, the services had produced 9,030 more new ROTC officers than they could bring on active duty (814 Air Force and 8,216 Army).<sup>1</sup> Given the 2- and 4-year production pipelines of ROTC and the academies, that excess will continue for some time.

<sup>1</sup>Reserve Officers' Training Corps (GAO/NSIAD-91-102, May 6, 1991).

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## Efforts to Deal With Excess of New Officers

Each of the services has taken various actions to manage the excess of new officers being produced, while trying to balance its long-term needs and the careers of current officers. To deal with the excess, avoid additional overproduction, and meet congressionally mandated officer end strengths, they have

- reduced the number of new officers entering the commissioning programs and closed some ROTC units,
- delayed active duty for some new ROTC officers,
- granted release from service obligations,
- assigned some new officers to reserve components,
- assigned some new officers to temporary duties, and
- assigned some new officers to other career fields before they are trained as pilots.

Some of these measures incur additional costs, while others do not. For example, releasing excess officers from their active duty obligation incurs no additional costs above those already incurred. Based on our estimates and those made by the services, the additional cost for actions taken through fiscal year 1993 could be \$205 million, \$193 million for Army training, and \$12 million for Air Force training while the services had incurred at least \$145 million in sunk costs training officers who are now in excess.<sup>2</sup>

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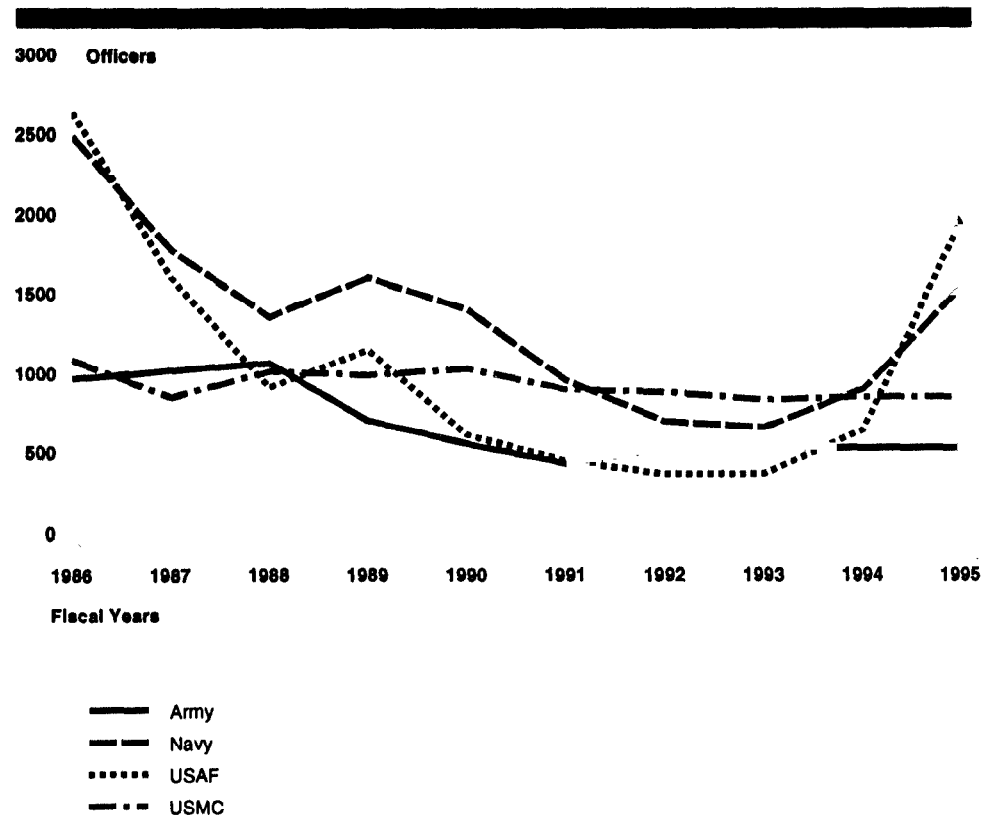
## Reducing OCS Production

One of the first actions the services took was to reduce the number of officers produced by their OCS programs. (See fig. 4.1.) In fiscal year 1990, the Army and the Air Force each reduced OCS to the minimum necessary to sustain the program without drastically changing the manner in which it conducted the training. The Navy also significantly reduced its OCS production through fiscal year 1993. The only OCS program not drastically reduced was that of the Marine Corps. Its OCS program produced 72 percent of the fiscal year 1990 Marine Corps officer accessions.

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<sup>2</sup>Sunk costs refer to unavoidable costs incurred in the past that cannot be changed no matter what action is taken. For example, the cost incurred in the past to train officers who now turn out to be excess over current needs is a sunk cost.

Figure 4.1: Actual and Planned OCS  
 Officer Production, Fiscal Years 1986  
 Through 1995



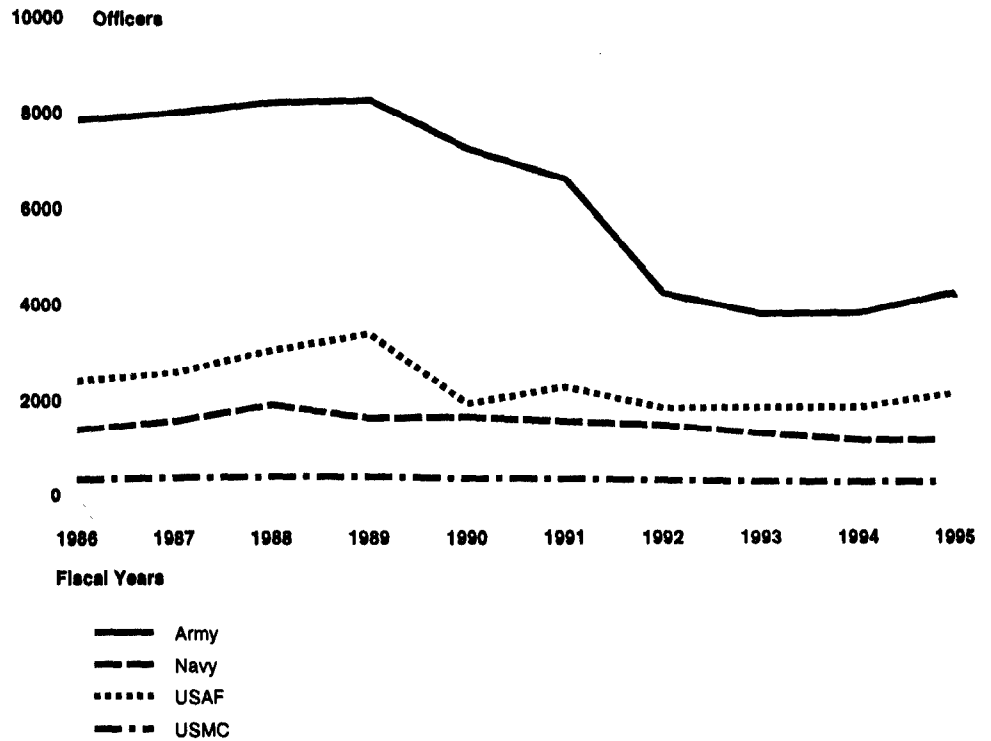
Officer production is the number of new officers entering a service's active duty or reserve component during a fiscal year.

Reducing ROTC Production  
 and Closing Inefficient Units

In October 1990, the Deputy Secretary of Defense directed that annual ROTC officer production be reduced 19 percent between fiscal years 1992 through 1996. In response, the services have cut their ROTC production. (See fig. 4.2.)

**Chapter 4  
Management of Officer Production System Is  
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**Figure 4.2: Actual and Planned ROTC Officer Production, Fiscal Years 1986 Through 1995**



Officer production is the number of new officers entering a service's active duty or reserve component during a fiscal year.

As officer reductions have continued, the services need fewer ROTC units. The Army began the closing process for 62 ROTC units in fiscal year 1990, and by October 1991, it had closed all the units. In fiscal year 1991, the Navy announced it would close 5 units by the end of fiscal year 1996 and consolidate 16 units into 8 by the end of fiscal year 1992.

As of August 27, 1991, the Air Force decided not to initiate formal ROTC unit closures, even though their own internal analyses have shown that closure is necessary to keep ROTC efficient. According to these studies, the Air Force could cut 40 or more ROTC units and still meet its officer production goals. However, Headquarters, Air Force, directed the ROTC Commandant to follow normal closure procedures and seek other efficiencies, such as consolidating units. This decision is expected to remain in effect throughout the force drawdown period.

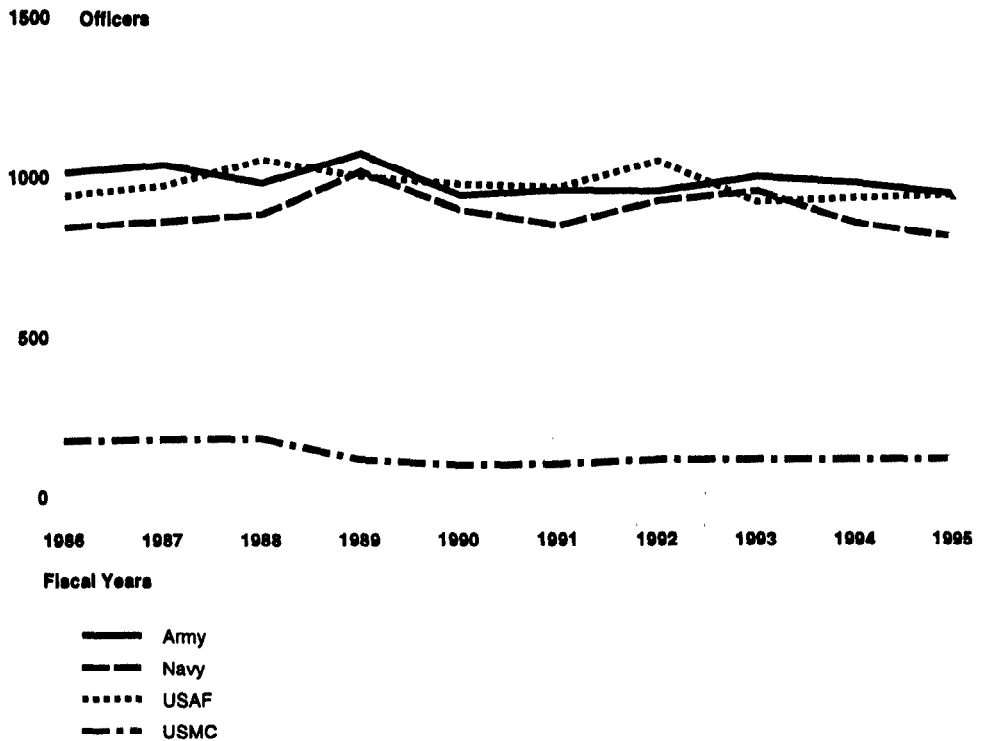


**Reducing Academy  
 Production**

Until recently, the services had not cut academy enrollments to deal with the overproduction. In October 1990, DOD directed that the number of students at each academy not exceed 4,000 by the end of fiscal year 1995. The Congress, in the National Defense Authorization Act for Fiscal Year 1991 (P.L. 101-510), limited each academy's incoming freshman class to 1,000 students, beginning with class year 1995, but later decided in the National Defense Authorization Act for Fiscal Years 1992-93 (P.L. 102-190), to limit each academy's total enrollment to 4,000, beginning with class year 1995.

The services have made some cuts in their planned academy production of officers. (See fig. 4.3.)

**Figure 4.3: Actual and Planned Academy Officer Production, Fiscal Years 1986 Through 1995**



Officer production is the number of new officers entering a service's active duty or reserve component during a fiscal year.

Public Law 102-190 also contained a provision directing us to determine the percentage of officers each academy provided to their respective

services during typical benchmark years and to use those percentages to determine academy class sizes that would maintain that proportionate input level. If the academies were limited to their historic proportionate input level, academy officer production would be significantly lower than the services are now projecting.<sup>3</sup>

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### **Delaying Active Duty of New ROTC Officers**

The Air Force and the Navy also delayed active duty for new ROTC officers during fiscal years 1989 through 1991. This decision, however, has resulted in added costs for the Air Force. To compensate involuntarily delayed officers for the disruption to their career plans, the Air Force gave them 1 month's credit for time in service for every 2 months of delayed entry. Thus, an individual whose entry to active duty is delayed 1 year will be credited with 6 months of time in the service, and thereby, would receive all time-in-service pay raises 6 months early. The Air Force has involuntarily delayed the active duty entry of 6,184 ROTC graduates through fiscal year 1991. Air Force officials estimate that the delayed entries could cost an additional \$25 million over the careers of these officers.

During fiscal years 1989 through 1991, the Navy allowed approximately 380 ROTC graduates to voluntarily delay their entry into active duty. Navy officials told us that because of the voluntary nature of these delays, the Navy did not offer any compensation and therefore, incurred no added costs. According to officials, the Navy intends to encourage more 1992 ROTC graduates to delay their active duty status.

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### **Offering Voluntary Releases From Service Obligations**

As another measure, the Air Force and the Army allowed some ROTC graduates to volunteer for release from their service obligation. During fiscal years 1987 through 1991, the Air Force released 1,158 scholarship and nonscholarship volunteers. The Air Force required scholarship recipients to pay back the cost of their scholarship tuition, fees, and books, but did not require nonscholarship volunteers to pay back anything. Air Force ROTC headquarters estimated that about \$44 million in sunk costs had been incurred to provide ROTC classroom, unit, and summer military training to these graduates.

In fiscal year 1990, the Army released 1,145 volunteers, all nonscholarship cadets. Nonetheless, the Army incurred similar sunk military training costs

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<sup>3</sup>Service Academies: Historical Proportion of New Officers During Benchmark Periods (GAO/NSIAD-92-90, Mar. 19, 1992).

as the Air Force. Army officials, however, were only able to provide us an estimated cost of \$2.3 million for cadet monthly and summer training subsistence payments for those who were released because its cost system did not provide complete costs and student data.

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### Assigning New Officers to Reserve Forces

In fiscal year 1987, the Air Force assigned 295 volunteer ROTC graduates to the Air National Guard and Air Force Reserves.<sup>4</sup> During fiscal years 1987 through 1990, the Army assigned 7,078 ROTC graduates to the Individual Ready Reserve (IRR).

Although this measure carried no additional costs for the Air Force, it could cost the Army approximately \$193 million to provide legislatively required officer basic training to excess officers placed in the IRR through fiscal year 1993. As we reported in May 1991, the training will cost the Army approximately \$66 million for the 4,150 excess officers it placed in the IRR in fiscal year 1990 and another \$127 million for the 8,300 excess officers that could be placed in the IRR through fiscal year 1993. We recommended in that report that the Secretary of Defense either waive the requirement to provide the additional training or involuntarily release the officers, but the Assistant Secretary of Defense for Reserve Affairs maintained that the training was needed so that the officers, if mobilized, could be brought to a state of readiness quickly. DOD turned the matter over to its General Counsel who has agreed that officer basic training is required. The Secretary of Defense still has the option of involuntarily releasing these individuals and avoiding additional costs. Army officials said there is little likelihood that these individuals will ever join a reserve unit or serve on active duty.

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### Assigning New Officers to Temporary Duties

Navy policy requires that new officers ordered to active duty be sent to specialty training. If training facilities cannot accommodate them, then they must be assigned temporary duty until training space becomes available. This policy, termed "ensign-stashing," is used to help manage the transition of new officers from the commissioning source to the training schools.

Although this practice enables the Navy to manage its training more easily and usefully employ its officer personnel, it does incur costs that, according to the Naval Audit Service, were substantial and avoidable. In a

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<sup>4</sup>This was the only year in which the Air Force assigned newly commissioned officers to any reserve component.

1990 report,<sup>5</sup> the Naval Audit Service concluded that the Navy could have saved \$18.4 million annually if the new officers had been temporarily placed on inactive duty. However, the Navy disagreed, contending that this policy creates useful employment of new officers, and that changing it could lower morale for new officers. The Navy has allowed new officers to volunteer for inactive duty until the training facility can accept them, thus delaying active duty until that time. The Navy estimated ensign stashing costs to be \$10.5 million in fiscal year 1989 and \$11.6 million in fiscal year 1990 rather than the \$18.4 million estimated by the Naval Audit Service. Based on the Naval Audit Service estimate, ensign stashing would have cost about \$73.6 million for fiscal years 1987 through 1990.

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### Temporarily Assigning Pilot Candidates to Other Fields

In fiscal year 1991, the Air Force designed a way to retain quality officers and satisfy their career desires despite manpower limits. Faced with an abundance of pilots and an excess of new officers desiring to be pilots, the Air Force decided to offer the new officers pilot training if they would first agree to work in another career field temporarily. The program could delay pilot training for approximately 910 fiscal year 1990-92 ROTC graduates and 700 new officers (from all commissioning sources) already on active duty and in fiscal year 1991-92 pilot training classes. While the ROTC graduates would be assigned to other career fields before pilot training, those active duty officers already in pilot training would be assigned, upon completion of the undergraduate or first phase of training, to other career fields for 24 to 36 months before returning to flight training. The Air Force expects all the officers accepting the offer to be in pilot training by fiscal year 1996. As of February 10, 1992, the Air Force estimated that the training in other career fields for 557 ROTC graduates (only those recategorized to other fields) and 500 new officers already on active duty could cost an additional \$12.3 million.

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### Management of Production System Is Hampered by Lack of Unified Approach and Oversight

Without coordinated, unified planning and oversight, the services cannot determine the most cost-effective mix of production by the system components, nor can DOD ensure that the system is operated cost-effectively. As a result, requirements for new officers have not been economically determined, officers have been produced in excess numbers and at a higher cost than necessary, several programs are redundant, and management improvements and cost reductions have not been identified or applied on a systemic level.

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<sup>5</sup>Ensign Stashing (Naval Audit Service report 001-C-91, Oct. 2, 1990).

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**Goals Are Not Systematically  
Determined to Ensure  
Cost-Effective Production**

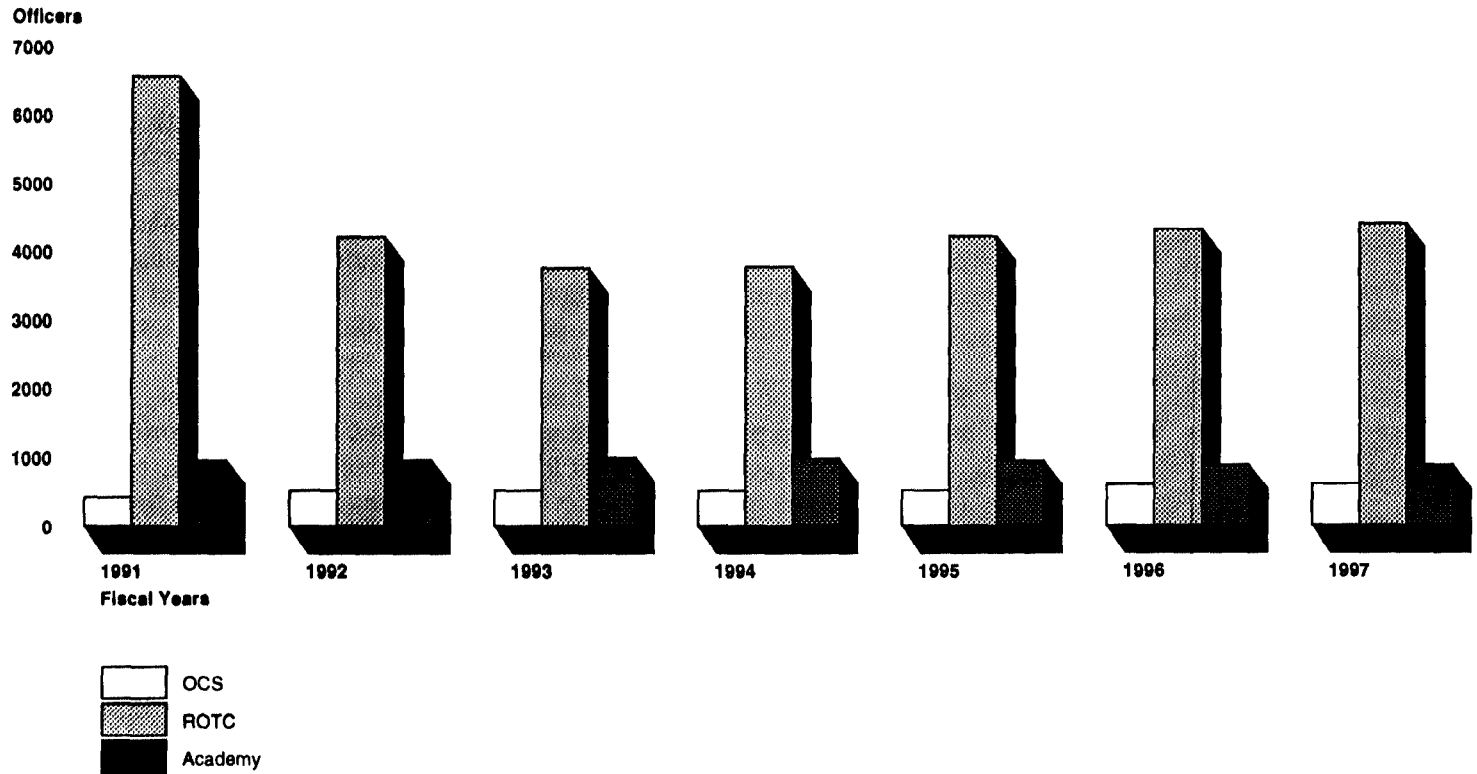
None of the services has a cost-effective process for determining how many new officers each of its sources will produce. This condition is due, in part, to the services' historical preference for obtaining new officers from the academies first, and then ROTC, with OCS providing the remainder.

None of the services has tried to determine the most cost-effective allocation of officer production goals among their primary sources. Each service, according to officials, determines its annual production goal for the entire system by subtracting the projected number of active officers, plus expected losses, from congressionally authorized force levels rather than systematically determining future need for new officers through manpower requirements systems.

Even though the services lack accurate cost data on the various commissioning programs, the services know that an academy produced officer costs several times what it costs to produce an officer through ROTC or OCS. Yet, the process for determining production goals does not seem to consider such information. Instead, according to service officials, first priority in the allocation of the annual production goal goes to the two most expensive commissioning programs—the academy and ROTC. OCS, generally the least expensive type of program, is assigned the production of whatever number remains or a minimum number to keep the OCS program in operation. These priorities are largely a function of the ease of increasing and decreasing OCS enrollment and the difficulty of closing ROTC units.

In effect, the services, except for the Marine Corps, are maximizing the production of the more expensive officer sources while minimizing the production of the least expensive source. Although substantial officer reductions were mandated, the services only reduced the OCS programs until fiscal year 1991. In contrast, the Marine Corps has over the years obtained the majority of its officers from OCS and plans to do so through fiscal year 1997. (See figs. 4.1, 4.2, 4.3 and 4.4.)

Figure 4.4: Actual and Planned Army Officer Production, Fiscal Years 1991 Through 1997



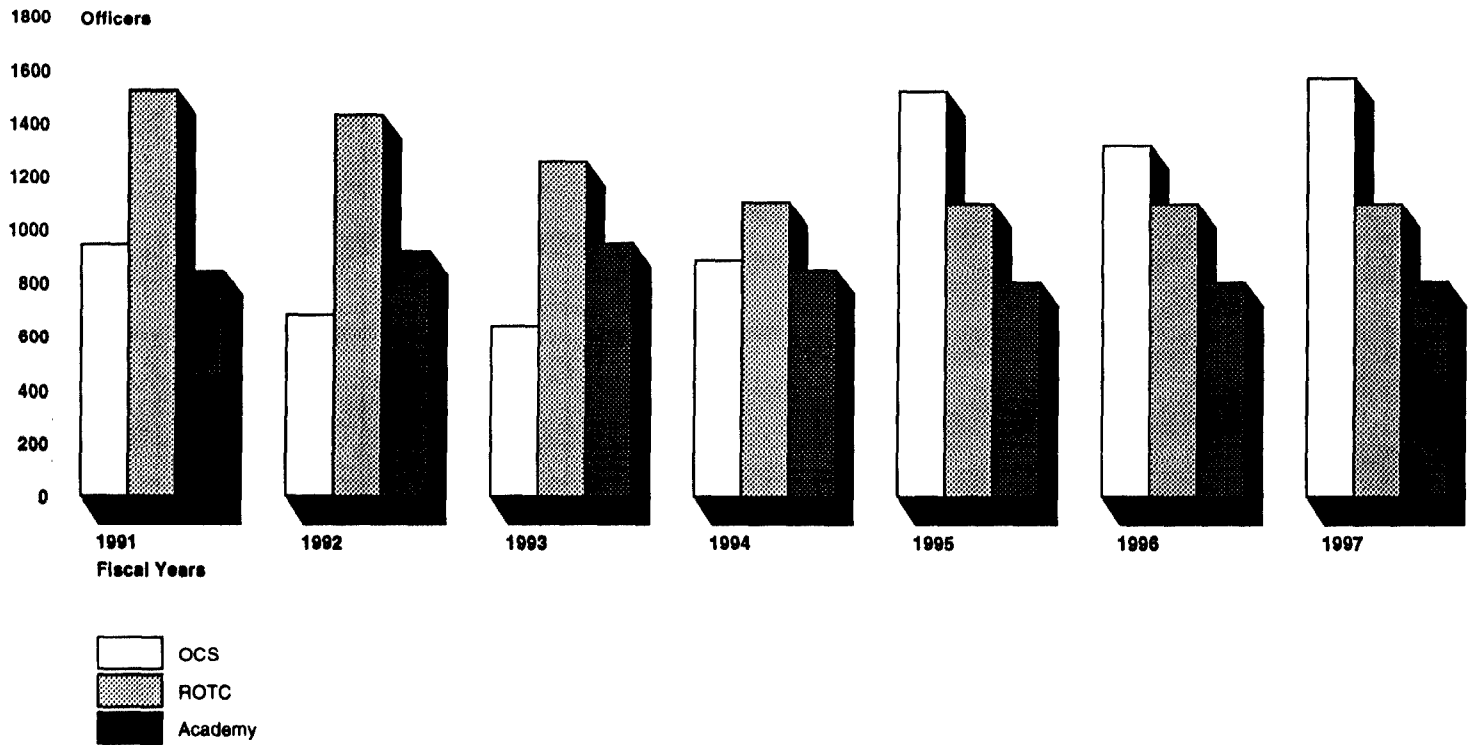
Officer production is the number of new officers entering the active duty or reserve component during a fiscal year.

Although figure 4.4 shows small increases in OCS production, those increases fall far short of OCS's capacities. While the Army's OCS program, according to officials, can produce 1,200 officers annually without overlapping classes, the Army only plans to produce a maximum of 600 OCS officers through fiscal year 1997.

Both the Navy and the Air Force plan to increase OCS production in the mid-1990s. The Navy plans to produce a maximum of 1,574 OCS officers even though it has the capacity to produce 4,400. (See fig. 4.5.) The Air Force plans to produce a maximum of 3,000 OCS officers even though its capacity ranges from 3,100 to 9,100 officer trainees. (See fig. 4.6.)

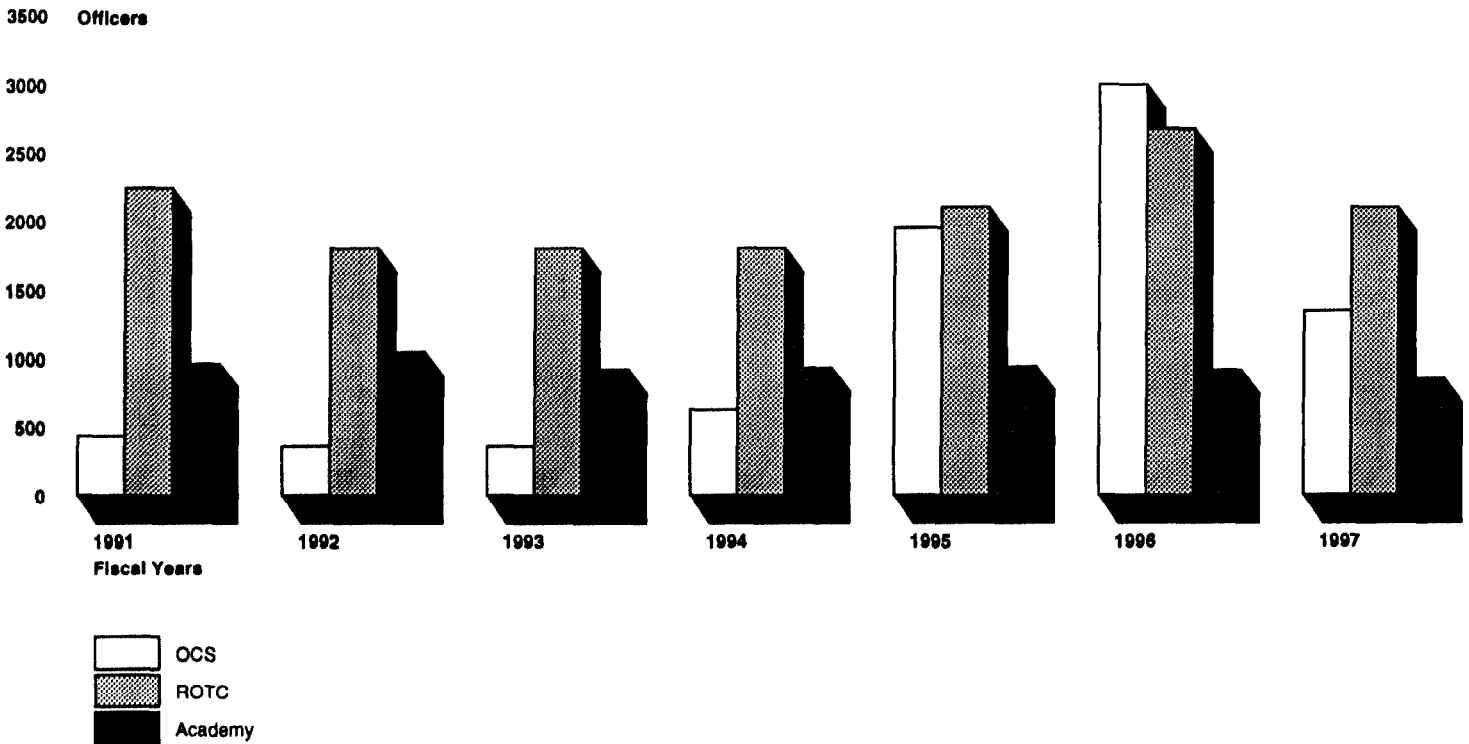
**Chapter 4**  
**Management of Officer Production System Is**  
**Not Cost-Effective**

**Figure 4.5: Actual and Planned Navy Officer Production, Fiscal Years 1991 Through 1997**



Officer production is the number of new officers entering the active duty or reserve component during a fiscal year.

**Figure 4.6: Actual and Planned Air Force Officer Production, Fiscal Years 1991 Through 1997**



Officer production is the number of new officers entering the active duty or reserve component during a fiscal year.

**OSD Exercises Limited  
 Management of the Officer  
 Production System**

OSD is responsible for providing guidance and oversight for officer commissioning programs. However, OSD officials told us that, until the April 1990 hearings on officer procurement programs before the Subcommittee on Manpower and Personnel, Senate Committee on Armed Services, and the study of officer procurement the Deputy Secretary of Defense requested in June 1990, OSD's oversight had been limited to defending the service officer commissioning programs' budgets.

In our May 1991 report, we recommended that DOD develop a comprehensive strategy for ROTC that would cost-effectively meet goals for new ROTC officers within a framework of all production sources. We concluded in a July 1991 report that the academies received inadequate oversight and we recommended that DOD establish a focal point for



monitoring the academies. In response, DOD appointed the Assistant Secretary of Defense for Force Management and Personnel (ASD/FMP) as that focal point.

At the time of our review, ASD/FMP did not have processes or procedures in place for ensuring that costs are accurately, completely, and uniformly compiled and reported, or that production goals for each commissioning program are determined on a cost-effectiveness basis. As discussed in chapter 2, ASD/FMP is developing uniform and standardized cost systems for the academies and ROTC programs. DOD is also developing a comprehensive strategy in relation to ROTC to address the appropriate contribution of all commissioning sources to total annual production. However, we do not believe the strategy will address determining all officer production goals on a cost-effective basis. ASD/FMP had not taken any action to ensure that such processes would also be developed for the various OCS programs.

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**Inefficient ROTC Units Are  
Creating Excess Officers and  
Unnecessary Costs**

Some ROTC units that have not met congressional enrollment guidelines have been closed. But, all three services are still operating some low production ROTC units while excessive numbers of new officers are still being produced. As we reported earlier, the Army continues to operate 54 ROTC extension centers that consistently fail to meet congressional enrollment guidelines. These units contributed 555 officers in fiscal year 1990, when the Army produced almost 5,300 more officers than it needed.

The Navy, as of January 1991, planned to close by fiscal year 1996 all but one of the Navy ROTC units that we had identified as unproductive in fiscal year 1990.

Furthermore, the Air Force continues to operate all its ROTC units even though its own study shows that closures would increase efficiency and reduce costs. In 1990, according to that study, the Air Force was maintaining enough ROTC units to produce 3,100 new officers per year, although it was planning to produce a total of only 4,500 new officers a year. Based on the historical ROTC production rate (47.5 percent of the new officers), Air Force ROTC needed to produce only 2,100 of the 3,100 new officers its units are capable of producing. That study showed that ROTC could close 62 units, increase OTS production to 1,400 (well within its capacity), and meet the 2,100 goal with an approximate annual savings of \$28 to \$31 million. However, as of February 1992, the Air Force had no formal plans to close any ROTC units even though the units are only

expected to produce about 1,800 new officers in fiscal year 1992 and 1,500 annually from fiscal years 1993 through 1997.

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**Several Navy Officer  
Production Programs Are  
Redundant**

In addition to its academy, ROTC, and OCS programs, the Navy operates eight specialized officer production programs. Many of these programs approach or exceed the cost per graduate of the Navy ROTC program. (See table 2.5.) Moreover, their fragmented management is duplicative and could be consolidated under one manager.

These special programs, except for the basic Enlisted Commissioning Program (ECP), duplicate the Navy's other production sources, and sometimes duplicate each other as well. For example, at least two of these programs (ECP-Nuclear and the Nuclear Propulsion Officer Candidate Program) seek candidates for nuclear propulsion engineering, yet Navy ROTC also specifically recruits such candidates. Likewise, two special programs producing civil engineering officers duplicate efforts by ROTC and the academy. Although the Navy ROTC program does not recruit candidates who commit to specific academic majors, ROTC scholarship processes use certain factors that screen for applicants with attributes associated with technical and engineering disciplines. Also, a special program designed to attract minority candidates duplicates efforts of ECP and parts of ROTC.

Because these programs are redundant, their administration represents a duplication of effort and potentially unnecessary costs. Most of these special programs have their own managers at Navy headquarters, and some have monitors in the field as well. However, there appears to be no justification for maintaining separate management of the individual special production programs, especially as the management of many other, larger production programs are already consolidated under the Chief of Naval Education and Training.<sup>6</sup>

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<sup>6</sup>The Chief of Naval Education and Training manages the Navy ROTC, AOCS, and OCS, the ECP, the Merchant Marine Reserve, the Officer Candidate Preparatory School, and the BOOST Course, as well as the Aviation Pre-Flight Indoctrination and Officer Indoctrination Schools for newly commissioned officers.

**Administration and Management of Some Officer Production Sources Lack Coordination and Are Duplicated**

Air Force OTS and ROTC program managers report to one commander via two separate channels, thereby duplicating administrative structures and personnel and complicating any efforts to coordinate production. Air Force ROTC is a separate, subordinate command reporting directly to the Commander of the Air Training Command at Randolph Air Force Base, while OTS is part of the Military Training Center at Lackland Air Force Base and reports through the Center's commander to the Air Training Command. Yet, the Air Training Command's Deputy Chief of Staff responsible for oversight of both ROTC and OTS was not directly in their chains-of-command.

This structure was addressed by two Air Force study groups, which recommended combining ROTC and OTS under one commander, who would report to the Air Training Command's appropriate Deputy Chief of Staff. Specifically, the groups recommended (1) creating an Officer Training Center at Lackland Air Force Base, Texas, under the direction of an Air Training Command Deputy Chief of Staff, (2) moving ROTC headquarters to Lackland, and (3) having ROTC and OTS commanders report to the Center's commander. According to Air Training Command officials, this proposed consolidation could save money and increase management efficiency by eliminating duplicate staff and streamlining the reporting chain. As of October 8, 1991, the Air Training Command had not acted on this proposed consolidation. However, the Air Force is considering the proposed consolidation as one of several options in a major organizational review to be completed in June 1993.

Similarly, the Army's ROTC is a subordinate major command reporting directly to the Commander of the Training and Doctrine Command, while its OCS program reports through a training center commander (the Commander at Fort Benning, Georgia) to the same Training and Doctrine Command Commander. As in the Air Force, the dual administration and separate channels creates unnecessary duplication and inefficiency.

In a similar fashion, the Navy OCS structure duplicates effort and makes coordination more difficult by maintaining separate OCS and AOCS programs and administration. The Navy's OCS program operates under the Naval Education and Training Center based in Newport, Rhode Island, while its AOCS program operates under the Naval Aviation Schools Command at the Naval Air Station in Pensacola, Florida. Although the AOCS and OCS programs are separately maintained and managed, they teach the same basic military knowledge and skills, with the exception of certain specialty courses. The total production capacity for both programs is

4,400 officers annually. Yet, the maximum future production through fiscal year 1997 for both is set at 1,574—about 36 percent of the total current capacity. We believe that AOCs and OCS officer production could be consolidated under one manager at one location with minimal disruption to the OCS program.

Centralized management at Newport, Rhode Island, would provide at least two advantages. First, it would provide housing for officer candidates without building new facilities or modifying other facilities because Newport has sufficient facilities for the anticipated numbers of candidates. Secondly, the vacated AOCs facilities in Pensacola could then be used to house and teach the additional newly commissioned officers attending the Aviation Pre-flight Indoctrination Course with Naval Academy and ROTC graduates.

Because the programs currently provide the same basic officer training, the specialty courses could be removed from the pre-commissioning training and be taught after commissioning in an indoctrination course, such as the Aviation Pre-flight Indoctrination Course attended by new academy and ROTC officers before going to flight training. Since the specialty courses are taught using specialized equipment, these courses would continue to be taught at their current location. That is, flight training candidates would attend an indoctrination course at the Naval Air Station, Pensacola, Florida, and the others would take the surface ship specialty courses at Newport, Rhode Island. This should avoid the cost of moving any special equipment and possibly constructing new or modifying facilities to house the equipment.

Finally, this consolidation would streamline administration of OCS officer production without affecting production goals or some increase in planned OCS goals. OCS's current capacity of 2,150 candidates could easily absorb the planned fiscal year 1997 production of 1,574 officers.

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## Conclusions

Military force reductions have resulted in overproduction of newly commissioned officers. The services have acted to manage these excesses on a short-term basis, but their measures have been largely piecemeal and costly, at least \$205 million in avoidable costs through fiscal year 1993. Moreover, neither DOD nor the individual services have devised a comprehensive approach to cost-effective management of the officer production system that would provide greater flexibility and reduce costs without reducing quality. Officer production requirements are not

coordinated to ensure that each component of the system is assigned an appropriate, cost-effective production goal. Consequently, DOD and the services are not implementing the most effective measures or managing the production system generally in the most cost-effective manner.

The officer production system is also incurring unnecessary expenses to manage the production of officers. In the Navy some production programs are needlessly duplicated and could be managed by one command. Some command and administrative structures in the Air Force and the Army can also be made more efficient. All the services continue to operate inefficient ROTC units.

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## Recommendations

To ensure that officer production sources operate cost-effectively, we recommend that the Secretary of Defense:

- Develop and implement a single comprehensive oversight strategy that includes all commissioning programs in all the services.
- Direct the service secretaries to develop and implement a single comprehensive plan encompassing all their respective commissioning programs that will be cost-effective and apply resources to meet each service's officer needs. These plans should address the most cost-effective manner for determining (1) types and quantities of officer skills needed, (2) total production and production by program, (3) total enrollments required by program, (4) officer candidate financial assistance to be provided by program, (5) numbers of units by program needed to provide military training, (6) unit staffing, (7) headquarters overhead staffing, and (8) other program elements deemed appropriate.

To eliminate inefficiencies and duplication, we recommend that the service secretaries

- close more low production ROTC units and reduce ROTC goals and increase OCS goals.

We also recommend that the Secretary of the Navy

- consolidate the Navy's OCS and AOCS into a single entity located at Newport, Rhode Island, and
- consolidate the Navy's ROTC, OCS, AOCS, and special commissioning programs under one manager.

In addition, we recommend that the secretaries of the Air Force and the Army each combine their OCS and ROTC headquarters at a single location within a major service command.

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## Agency Comments and Our Evaluation

DOD agreed that the officer force reductions exceeded the capability of the services to avoid short-term overproduction. DOD partially agreed with our selection of benchmark periods for assessing the historical proportion of officers coming from the academies made in an earlier report.<sup>7</sup> DOD stated that pre-World War II time frames most closely approximate forecasted force levels and during that time frame virtually all active duty officers came from the academies. DOD's official written comments on that earlier report, however, made no such comment and DOD could not provide reliable data on officer accession sources for periods before 1972.

DOD agreed with our identification of service efforts to deal with the excess of new officers. DOD emphasized that completion of Officer Basic Course training before assignment to IRR is a statutory requirement defended on the grounds that the result was a more deployable (though not fully deployable) officer, and the investment therefore was worthwhile. In light of the current world situation, we continue to believe that the Secretary of Defense should seek the authority to assign these officers to the inactive reserve without additional training or release these individuals from their service obligations and incur no further expenses. In our May 1991 report, Army officials identified these individuals as not likely to ever join reserve units or serve on active duty.

DOD partially agreed that the management of the officer production system is hampered by a lack of a unified approach and oversight. The DOD perspective is that all officers would ideally be produced by a full-time program, either the academies or ROTC. Realistically, when considering the numbers of high-ranking officers that are products of OCS and the small variances which exist in the retention and progression of officers, it is no longer prudent to continue operating the full-time programs at their previous high levels. We believe many high quality college graduates exist in the marketplace today which can be trained militarily at a much lower cost and without a loss of quality.

OSD agreed that it exercised limited management of the officer production system during part of the time covered by our review, but stated that

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<sup>7</sup>Service Academies: Historical Proportion of New Officers During Benchmark Periods (GAO/NSIAD-92-90, Mar. 19, 1992).

management and oversight have been expanded during the past 2 years. For example, a new instruction to standardize ROTC costs has been issued and a new instruction related to the academies is currently in draft form. Additionally, the OSD office has additional personnel and they are working on a means of providing more evaluative information on newly commissioned officers. We agree that DOD has significantly expanded its oversight of officer production.

DOD concurred with our finding that all three services are still operating some low production units while excessive numbers of new officers are still being produced. DOD stated that a factor in the decisions not to close some ROTC units has been strong opposition to such closures from Members of Congress.

DOD disagreed that the Navy special commissioning programs were redundant, stating that each program is designed to target specific populations. We believe the programs are redundant because they produce the same types of officers from two or more programs. Also, the goals for these special programs could be incorporated into academy, ROTC, and OCS recruitment efforts. As we indicated, the Navy acquires nuclear engineers through three programs, the ECP-Nuclear Option, the Nuclear Propulsion Officer Candidate Program, and ROTC. The Army and the Air Force have not created special programs for recruiting needed skills. They routinely acquire needed skills by recruiting students with specific attributes for entry into their primary commissioning programs. The Army and the Air Force have not indicated degradation in officer skills, reduced accessions for the enlisted ranks, or minority categories due to their recruiting practices of incorporating these goals in their primary commissioning programs.

The Navy ROTC program screens scholarship applicants with attributes associated with technical and engineering degrees while the Naval Academy offers scholarships in several degrees, which include civil engineering. In addition, due to the need for nurses, the Navy currently sets aside 100 ROTC scholarships annually for the recruitment of nurses. Logically, other scholarships could be set aside to help meet the specific needs of the service such as nuclear and engineering. As for OCS, the Navy could target the recruitment of individuals who already have the specific skills it needs. We maintain these special programs, except for basic ECP, which is specifically for advancement of enlisted personnel, are redundant. In light of mandated force reductions and reduced need for new officers, we believe these programs should be consolidated as special recruiting

goals of the primary commissioning programs under one manager at the Naval Education Command.

DOD partially agreed that the administration and management of some officer production sources lack coordination and are duplicated in the Navy. However, DOD stated that efforts are underway to examine possible changes to consolidate the basic programs and coordinate changes within the warfare specialty pipeline training. We believe that consolidation of OCS and AOCs will be more efficient and provides another opportunity to reduce overhead.

DOD agreed that there appears to be some lack of coordination and duplication of administration and management within the Air Force officer production sources. DOD stated that the Air Force is conducting a major organizational review and is considering certain consolidations in the training and education commands. The review is expected to be completed by June 1993.

DOD did not agree that the administration and management of some officer production sources in the Army lack coordination and are duplicated. At one time, the Army had multiple OCS programs and the OCS at Fort Benning was the infantry OCS and rightfully came under the Infantry Center. Over time, however, the Fort Benning OCS has become the OCS for all branches of the Army, and we believe it should be under a command responsible for other pre-commissioning training. We still maintain that the OCS reporting through the Infantry Center creates another level of command and results in inefficiencies. This is another opportunity to streamline the organizational structure during this period of downsizing the forces and combine the programs under one commander whose primary concern is to provide pre-commissioning training—not follow-on professional military education and training.

DOD agreed with our recommendation that a single oversight strategy be developed. DOD stated that it has expanded its oversight over the last 2 years and is continuing that effort.

DOD partially agreed with our recommendation that the Secretary of Defense direct the service secretaries to develop and implement a single comprehensive plan encompassing all commissioning programs that will be cost-effective and apply resources to meet the officer needs of each service. DOD noted the services currently have comprehensive plans in place that consider all the factors on a cost-effective basis. We were not



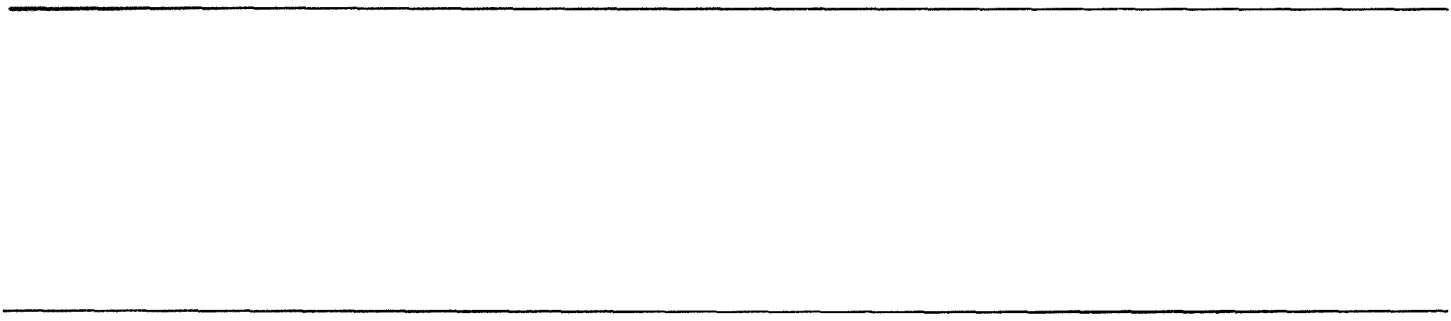
provided information showing that the services currently have a plan that includes all the factors noted and that is applied in a cost-effective manner. We were told that the services determine officer needs based on the mandated end strength, first accounting for the academy's production, then ROTC, and applying remaining needs to OCS.

DOD partially agreed with our recommendation to eliminate inefficient ROTC units and production goals while increasing OCS production goals. DOD agrees inefficient ROTC units are creating excess officers and unnecessary costs, and should not be retained. DOD stated that over 70 unproductive units have been closed, consolidated, or identified for closure over the past year. DOD believes increasing OCS goals is not appropriate until more stable force levels are attained. We do not believe the reduced force levels have to be achieved before closing inefficient ROTC units. We believe much of the production currently directed at the academies and ROTC could be redirected to the OCS programs without a loss of quality. Therefore, we maintain that inefficient ROTC units should continue to be closed and additional officer needs be produced through OCS. Increasing OCS production should also provide management the flexibility needed to avoid the future production of excess officers.

DOD partially agreed with our recommendation that the Navy combine its officer candidate schools and consolidate ROTC, OCS, and the special commissioning programs under one manager. We believe the programs should be under the management of the Chief of Naval Education and Training (CNET), however, they should be directly reporting to CNET, not indirectly through various other channels. For example, the AOCS, located at Pensacola, now reports through the Aviation Schools Command (Pensacola, Florida) to the Chief of Naval Air Training (Corpus Christi, Texas) back to CNET at Pensacola. We found management of the special programs except ECP to be decentralized at Navy headquarters. To determine the total number of participants, the number of 1990 graduates and participant pay grades, we were referred to the Navy Recruiting Command because personnel in the warfare specialty areas could not provide this kind of detail. Participants in many of these programs are only monitored by CNET when they attend OCS or AOCS. Consolidating the pre-commissioning programs will streamline the existing organizational structure and provide for more efficient management and oversight.

DOD did not agree with our recommendation that the Army and the Air Force pre-commissioning programs be consolidated under one commander because they felt the current command structures are

effective. However, as noted above, they agreed that the Air Force officer production system lacked coordination and was duplicated. As with the Air Force command structure, we believe the Army structure could be modified to bring all pre-commissioning training under one commander. Since the Army OCS is now a generic training program, the need for it to be under the Infantry Center no longer exists. We maintain that efficiencies can be gained through the consolidation of all pre-commissioning training programs under one commander. The product being produced is officers, therefore, it is not efficient to have a reporting structure that goes through multiple layers of overhead when such layers are primarily concerned with providing follow-on professional military education rather than officer pre-commissioning training.



# Percent of Total Officer Corps by Source and Pay Grade as of September 30, 1990

Pay grade	Academy	ROTC	OCS/OTS	Other <sup>a</sup>	Number of officers
01	21.3	47.3	18.1	13.3	27,333
02	18.3	50.0	19.2	12.5	37,358
03	12.5	38.4	27.4	21.6	106,294
04	13.4	36.2	22.4	28.0	53,156
05	13.9	37.0	26.4	22.7	32,172
06	14.5	34.2	25.0	26.3	13,761
07	29.5	41.8	18.9	9.8	519
08	32.6	40.1	18.1	9.2	359
09	35.1	43.0	18.4	3.5	114
010	61.1	25.0	11.1	2.8	36
<b>Total</b>	<b>14.7</b>	<b>40.1</b>	<b>24.1</b>	<b>21.1</b>	<b>271,102</b>

<sup>a</sup>Other includes direct appointment of personnel to medical, legal, and religious professional positions; warrant officers; and officers that could not be identified to a specific source.

# Sites Visited

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## Department of Defense

- OSD, Washington, D.C.
- Defense Manpower Data Center, Monterey, California

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## Army

- Headquarters, Washington, D.C.
- Total Army Personnel Center, Alexandria, Virginia
- Training and Doctrine Command and ROTC Cadet Command, Fort Monroe, Virginia
- Military Academy, West Point, New York
- Infantry School and OCS, Fort Benning, Georgia

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## Navy

- Office of the Chief of Naval Operations, Washington, D.C.
- Chief of Naval Education and Training, Naval Aviation Schools Command, and AOCS, Naval Air Station, Pensacola, Florida
- Navy Recruiting Command, Arlington, Virginia
- Naval Education and Training Center and OCS, Newport, Rhode Island
- Naval Academy, Annapolis, Maryland

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## Marine Corps

- Headquarters, Washington, D.C.
- Combat Development Command and OCS, Quantico, Virginia

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## Air Force

- Headquarters, Washington, D.C.
- Air Training Command and Military Personnel Center, Randolph Air Force Base, Texas
- Headquarters, Air Force ROTC, Maxwell Air Force Base, Alabama
- Air Force Academy, Colorado Springs, Colorado
- OTS, Lackland Air Force Base, Texas

# Academy Reported Costs for Fiscal Year 1990

Cost category	Military Academy	Naval Academy	Air Force Academy
1. Academics	\$45,100,624	\$39,259,213	\$46,570,317
2. Audiovisual support	3,567,106	727,071	3,718,140
3. Academic computers	3,125,271	3,297,306	3,762,526
4. Faculty training	5,131,337	0	1,514,626
5. Military training	14,855,604	24,000,775	27,184,442
6. Physical training	6,872,382	3,936,317	6,955,310
7. Library	2,162,633	2,406,405	1,825,453
<b>Total instructional</b>	<b>80,814,957</b>	<b>73,627,087</b>	<b>91,530,814</b>
8. Cadet mess	9,203,597	6,694,850	9,129,735
9. Student services	3,199,297	1,671,098	2,126,065
10. Registrar	4,622,361	2,905,609	3,221,483
11. Student pay	36,142,908	31,437,782	35,984,266
<b>Total student related</b>	<b>53,168,163</b>	<b>42,709,339</b>	<b>50,461,549</b>
12. Medical	10,917,923	13,089,671	20,655,714
13. Band	2,959,945	1,317,748	2,282,623
14. Printing and microfilm	972,819	0	1,687,801
15. Admin. data processing	3,873,675	0	3,632,412
16. Civilian personnel	2,007,755	1,066,497	1,976,009
17. Personnel administration	1,872,050	2,304,641	3,289,305
18. Special services	1,189,303	237,611	1,954,259
19. Other personnel admin.	4,331,326	922,511	2,731,014
20. Utility service	8,315,758	6,698,645	11,128,277
21. Custodial services	4,529,317	3,817,516	3,805,262
22. Fire protection	1,387,564	1,485,225	2,246,599
23. Maintenance and engineering	26,092,858	21,066,556	26,697,615
24. Communications	3,531,994	1,634,327	3,715,572
25. Transportation	7,504,021	1,900,768	3,343,197
26. Commissary	2,018,054	976,088	1,732,041
27. Supply and maintenance opns.	3,431,893	2,203,204	4,352,140
28. Logistics	2,505,275	0	557,423
29. Comptroller	3,957,200	2,317,556	4,088,561
30. Security police	4,644,236	3,663,186	2,100,683
31. Preparatory school	5,502,305	5,633,618	5,920,566
32. PCS travel - military	0	0	0
33. Military support unit	1,878,656	285,775	179,965
34. Museum	716,628	448,931	0
35. Public affairs	1,065,574	1,033,836	730,501
36. Command and staff	3,116,327	1,526,893	1,467,641
37. All other functions	0	0	604,418

(continued)

**Appendix III**  
**Academy Reported Costs for Fiscal Year 1990**

<b>Cost category</b>	<b>Military Academy</b>	<b>Naval Academy</b>	<b>Air Force Academy</b>
38. Stewart Army Subpost	2,570,630	0	0
<b>Total institutional support</b>	<b>110,893,086</b>	<b>73,630,803</b>	<b>110,879,598</b>
<b>Grand total</b>	<b>\$244,876,206</b>	<b>\$189,967,229</b>	<b>\$252,871,961</b>

# Fiscal Year 1990 Officer Cadet and Candidate Profiles

Category	Academy			ROTC <sup>a</sup>				OCS			
	USMA	USNA	USAFA	Army	Navy	Marine Corps	Air Force	Army	Navy	Marine Corps	Air Force
Applicants	12,759	12,476	12,672	8,924	17,244	1,366	13,452	380	3,030	2,278	2,697
Qualified	2,217	2,017	3,390	5,466	11,422	1,366	8,766	380	3,030	2,278	2,609
Selected	1,804	1,498	1,883	1,994	1,708	350	2,048	253	1,517	1,574	315
% Qualified selected	81%	74%	56%	36%	15%	26%	23%	67%	50%	69%	12%
Scholastic Aptitude Test (SAT)											
Minimum requirements <sup>b</sup>	<sup>c</sup>	950	1050	850	950	1000	1000			1000	
Average scores	1213	1224	1221	1256	1286	1222	1218			1123	
School honors/activities (%)											
Top 20% HS <sup>d</sup> ranking	86%	81%	93%		93%	93%	91%				
Top 25% HS ranking			96%	91%			94%				
National Honor Society	67%	57%	73%	65%	79%	60%	56%				
Class officer				71%	50%	45%	81%				
Class/student body president or vice president	27%	26%	27%	15%			56%				
Varsity athlete	90%	86%			78%	85%					
Varsity athlete letter	89%	80%	84%	79%							
Dramatics, public speaking, and debating	32%	68%	35%								
OCS college GPA <sup>e</sup> requirement											2.0
OCS candidate GPA								<sup>f</sup>	3.1	2.7	3.1

Note: The individual commissioning sources do not maintain the same profile statistics.

<sup>a</sup>Four year ROTC scholarship recipients only.

<sup>b</sup>Minimum requirements may be waived for special circumstances.

<sup>c</sup>USMA does not have a minimum SAT requirement.

<sup>d</sup>High school.

<sup>e</sup>Grade point average.

<sup>f</sup>Not available.



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# OCS, OTS, and ROTC Programs

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## Air Force

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### Airman Education and Commissioning Program

The Airman Education and Commissioning program is administered by the Air Force Institute of Technology, under Air University, at Wright-Patterson Air Force Base, Ohio. The Air Force Institute of Technology selects the educational institutions and the college majors of participants. Upon completion of the educational phase of the program, airmen are assigned to OTS for their military training. This program allows airmen on active duty to earn degrees in academic fields that meet Air Force requirements. Selected personnel attend a full-time course of study at civilian educational institutions and remain on active duty throughout the program. The educational phase usually lasts no longer than 36 consecutive months. In addition to pay and allowances, individuals receive tuition, fees, and a book allowance when authorized. According to an agency official, the program currently has a quota of 100 airmen at any one time.

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### Flight Screening Program

A 5-week screening program conducted by OTS to determine basic aptitude of selected pilot candidates to complete undergraduate pilot training. Individuals completing the Flight Screening Program flow into OTS as officer trainees.

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## OTS

A 12-week commissioning program with the mission to lead, train, motivate, evaluate, and commission as second lieutenants, candidates who attain Air Force officer standards. The program is designed to provide the essential military knowledge, skills, and values a new officer needs to perform effectively during the initial years of commissioned service. Both college graduates and enlisted airmen with college degrees are eligible to apply.

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## ROTC

### College Scholarship Program

Selected ROTC cadets are designated by a central board to receive tuition assistance, fees, laboratory expenses, and books in addition to a monthly subsistence allowance of \$100 up to 40 months. Two types of scholarships are awarded, one pays full college tuition and the second type is capped at \$8,000 per academic year. The Air Force ROTC mission is to recruit, educate, and commission officer candidates who meet Air Force standards

through a college campus program in response to Air Force requirements. The 4-year program is intended primarily for high school students interested in pursuing engineering or technical college degrees. Shorter term scholarships are also offered based on needs of the Air Force and individual merit, not financial need.

**Nonscholarship Program**

A program for college students not awarded scholarships but desiring a commission in the Air Force. The Air Force pays for uniforms and books required for ROTC courses. If selected to remain in the program during their junior and senior years, students receive a monthly subsistence allowance of \$100 per month plus a salary while attending summer field training.

**ROTC Airman Scholarship and Commissioning Program**

This program allows airmen on active duty to request voluntary separation to enter an Air Force ROTC program. Scholarships are available at the undergraduate level for a minimum of 2 years and a maximum of 4 academic years. Scholarship entitlement includes tuition assistance, fees, laboratory expenses, book allowances, and a monthly subsistence allowance of \$100 during the academic year. Selected airmen are discharged from active duty and enlisted in the Air Force Reserves, Obligated Reserve Section.

**ROTC Professional Officer Course Early Release Program**

Active duty airmen in this program are allowed to request voluntary separation to enter the ROTC program. They may attend any 4-year degree granting educational institution if it offers a 4-year Air Force ROTC program. Selected applicants must be able to complete all degree and commissioning requirements within 2 academic years. Personnel released to participate in this program must have financial resources adequate to pay college and living expenses and provide health protection during loss of Air Force benefits. Selected airmen are discharged from active duty and enlisted in the Air Force Reserves, Obligated Reserve Service.

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## Army

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### OCS

The objectives of the 14-week training course are to develop the leadership ability and professional skills of candidates to prepare them for appointment as second lieutenants in the U.S. Army, Army Reserve, or National Guard. Secondly, OCS serves as a basis for expansion of officer candidate training if mobilization occurs. To be eligible for OCS, candidates must have at least 60 semester hours of college credit. Under the prior college opportunity program, college graduates were recruited with a guarantee of attending OCS after basic training. Currently, college graduates are not guaranteed attendance at OCS. They must enlist in the Army, attend basic training and advanced individual training to be eligible to compete for OCS along with other enlisted personnel or warrant officers. Individuals not completing OCS fulfill their enlisted obligation.

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### ROTC

#### Scholarship Program

The Cadet Command Scholarship Board selects qualified high school and college applicants to receive college tuition assistance, book allowance, and a \$100 per month subsistence allowance up to 40 months. Tuition assistance consists of full payment up to \$7,500, or 80 percent, if tuition exceeds \$7,500. The Army's ROTC mission is to attract, motivate, and prepare selected students to serve as commissioned officers in the regular Army, Army National Guard, and the Army Reserve. Four-year scholarships are awarded to students who will be entering college as freshmen. Students already enrolled in college and Army enlisted personnel on active duty can be awarded 3- and 2-year scholarships. Students who attend the basic camp of the 2-year program may compete for a 2-year scholarship while at camp. Commissioned ROTC officers are obligated to serve 2 to 4 years in the active army and complete their 8-year contract in the Army reserves, or serve the remainder of their 8-year contract in the reserves after completing an officer basic course.

#### Nonscholarship Program

Nonscholarship cadets receive a subsistence allowance of \$100 per month on the day the cadet starts the advanced course and continue to receive the subsistence allowance, for up to 20 months, until they are commissioned or disenrolled. Like scholarship ROTC graduates, nonscholarship graduates are obligated to serve 2 to 4 years in the active army and complete their

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8-year contract in the Army reserves or complete an officer basic course and serve the remainder of the 8-year obligation in the reserves.

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### Early Commissioning Program

The Army's early commissioning program currently exists at six military junior colleges. Under this program, students could attend basic camp before attending college. Individuals would then take Military Science-3 during their freshman year and Military Science-4 during their sophomore year. At the end of their 2nd year, they would be commissioned. Individuals then have 36 months to finish college on their own. This program was previously available at 4-year colleges as well. However, since less need exists for officers in the reserves, this program has been discontinued at 4-year institutions.

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## Marine Corps

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### Bulldog

A 6-week summer training course provided to Naval Academy midshipmen and ROTC students who have selected the Marine Corps option. In addition, enlisted marines pursuing degrees under the Marine Corps Enlisted Commissioning Education Program attend the same 6-week course. Individuals attend the course during the summer between their junior and senior years of education.

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### Enlisted Commissioning Program

A program in which qualified enlisted Marines may apply for assignment to OCS and subsequent commissioning. To be eligible, individuals must possess a 4-year degree from a regionally accredited college or university at the time of application.

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### Marine Corps Enlisted Commissioning Education Program (Technical)

This program provides an opportunity for outstanding enlisted Marines on active duty to achieve careers as Marine Corps officers. Marines successfully completing the program receive a baccalaureate degree in the areas of science, engineering, or mathematics and a commission as a second lieutenant. Selectees receive full pay and allowances, promotion opportunities, and annual leave. Payment of tuition, books, and other academic fees are borne by the individual participant. Marines selected for this program are assigned to a 10-week preparatory school. Students attend 4-year institutions that have a Naval ROTC program. At Quantico,

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**Appendix V  
OCS, OTS, and ROTC Programs**

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they attend the Bulldog course offered to Naval Academy midshipmen and ROTC cadets.

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**Marine Corps Enlisted  
Commissioning Education  
Program (Non-Technical)**

Same type of program as the Marine Corps technical program, but provides the Marine Corps with individuals who have studied and received baccalaureate degrees in non-technical areas.

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**Meritorious Commissioning  
Program**

A program that allows commanding officers to nominate qualified enlisted Marines for assignment to OCS and subsequent commissioning in the Marine Corps Reserve. To be eligible, an individual must have earned an associate degree or 60 semester hours of college credit. Upon commissioning, the individual is expected to continue the pursuit of a baccalaureate degree to be competitive for augmentation and promotion.

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**Platoon Leaders Class**

An officer program for male college students attending accredited colleges or universities, who upon completion of all requirements, are commissioned as second lieutenants in the U.S. Marine Corps Reserves. For college freshmen and sophomores, Platoon Leaders Class consists of two 6-week summer training sessions at Quantico, Virginia. For juniors, it consists of one 10-week training session. Travel costs, meals, textbooks, and other items are furnished and participants receive pay at the E-5 level for the training period. In addition, individuals may apply to receive financial assistance of \$100 per month for a 9-month school year with a maximum of 27 months or \$2,700. After earning a baccalaureate degree, the individual is commissioned a second lieutenant.

The Platoon Leaders Class has two additional options, law and aviation. The law program postpones active duty until a law degree is obtained and one has been admitted to the bar. The aviation program gives participants the opportunity to graduate with a commission and real flying experience before military flight training begins. Flight screening and orientation is provided either through the Marine Corps Flight Orientation Program or the Flight Indoctrination Program.

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<b>Officer Candidate Class</b>	Officer Candidate Class is a 10-week pre-commissioning training course for male college seniors and graduates who desire to be Marine Corps officers. Participants in this program can also opt for air or law, the same as those in the Platoon Leaders Class.
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<b>Women Officer Candidates Program</b>	This program involves 10 weeks of training following the junior year or graduation. Those who complete the summer training session following their junior year are eligible for financial assistance in the form of a monthly stipend of \$100 during the senior year if eligible. During the summer training, the trainees receive E-5 pay.
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## Navy

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<b>Aviation OCS</b>	Aviation OCS is an officer training program that is aviation oriented and prepares candidates interested in serving as aviators, flight officers, intelligence officers, or aviation maintenance duty officers. The school is located in Pensacola, Florida, and is 14 weeks in duration. College graduates, both enlisted and civilian are eligible to apply.
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<b>Aviation Reserve Officer Candidate</b>	Individuals must be enrolled in an accredited college pursuing a baccalaureate degree and have completed at least 60 semester hours. Male candidates selected for the program enlist in the Naval Reserves and enter the first 7-week training session at AOCs after completing their junior year of college. A second 7-week session of AOCs training follows completion of the baccalaureate degree requirements. During the training periods, the candidates receive E-5 pay. Years of service longevity commences upon enlistment into the Aviation Reserve Officer Candidate program. Candidates may enlist up to 12 months before their initial training.
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<b>Baccalaureate Degree Completion Program</b>	An affirmative action initiative designed to provide financial incentive primarily for minority college students to complete baccalaureate degree requirements and receive reserve commissions. Selectees must be able to complete degree requirements within 24 months for non-technical majors and 36 months for technical majors. Individuals enlist in the Naval Reserves and receive full pay and allowances (except clothing) of an E-3 and accrue time in service. Meritorious promotions up to E-5 are authorized if the individual makes the Dean's list or refers another student
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who is subsequently selected for the program. Individuals are responsible for tuition, books, and other school related expenses. After earning a degree, individuals attend OCS or AOCS.

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**Civil Engineer Corps  
Collegiate Program**

A program for students or graduates of an engineering or architectural program. Preferred engineering programs are civil, mechanical, and electrical. Candidates may enroll in the program as early as their junior year of college. Civilian candidates have the option of enlisting in the Naval Reserves on active duty. Candidates selected, enlisted, and placed in an active duty status are entitled to full pay and allowances (with the exception of a clothing maintenance allowance). The entry pay grade is E-3 with possible advancement to E-4 or E-5. Once degree requirements are met, selected individuals attend OCS at Newport, Rhode Island.

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**Enlisted Commissioning  
Program-Basic**

An undergraduate education program that provides enlisted personnel an opportunity to complete a bachelor's degree and earn a commission. Students have 30 months to complete non-technical degree programs and 36 months for technical degrees. Selected individuals receive full pay and allowances at their enlisted pay grade and are eligible for advancement. Tuition, fees, and books are the responsibility of the student. Active duty personnel selected for Enlisted Commissioning Program attend the Naval Science Institute, 7 weeks before entering the program. Individuals then attend Naval ROTC host universities and complete Naval Science requirements during their junior and senior years, receiving a commission upon graduation.

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**Enlisted Commissioning  
Program-Nuclear**

An undergraduate program for active duty enlisted personnel (men only) of the regular and reserve components who are enrolled in or have completed Nuclear Power School. Pay and benefits are the same as the basic Enlisted Commissioning Program. However, individuals in the nuclear program must successfully complete OCS after graduation with their baccalaureate degree.

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**Enlisted Commissioning  
Program-Civil Engineering  
Corps**

An undergraduate program for active duty enlisted personnel in the Seabees to obtain an engineering or architectural degree and earn a commission in the Civil Engineering Corps. Students enrolled in this program attend OCS in Newport, Rhode Island.

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**Naval Aviation Cadet Program**

The Naval Aviation Cadet Program provides naval aviation training to qualified men and women with 2 or more years of approved college courses. Naval Aviation Cadets attend AOCs before flight training. They are commissioned as an officer after successful completion of all aviation training. Cadets are enlisted in the special grade of Aviation Cadet and entitled to 50 percent of the base pay of an officer in pay grade O-1 with allowances and benefits of an E-4. Individuals who agree in writing to extend beyond their initial obligated service are automatically screened for the College Degree Program. Those selected are afforded the opportunity of obtaining a baccalaureate degree before completing 10 years of commissioned service. While attending a civilian college, they receive full pay and allowances while tuition and other school expenses are paid by the individual.

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**Nuclear Propulsion Officer Candidate**

A program for male college students or graduates of an accredited college or university who have successfully completed 1 year of calculus and 1 year of physics. Candidates may be screened for the program as early as the beginning of their junior year. Civilian applicants attend a 1-day orientation in Washington, D.C. Selected candidates are enlisted and placed in an active duty status and are entitled to full pay and allowances (with the exception of a clothing maintenance allowance). The entry pay grade is normally E-3 with possible advancement to E-4 or E-5. After completing the college program, they attend OCS in Newport, Rhode Island.

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**Officer Candidates Preparatory School**

The purpose of Officer Candidate Preparatory School is to prepare candidates academically, militarily, and motivationally and to determine their overall qualifications for admission to OCS or AOCs. This 10-week course is designed primarily to assist minority college graduates in meeting the requirements needed to attend one of the officer candidate schools. According to Navy personnel, the Officer Candidates Preparatory School was deactivated in January 1991 when it moved from Newport, Rhode Island, to Pensacola, Florida.

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**OCS**

A 16-week officer training program that provides professional military education and Navy orientation to highly qualified applicants. OCS at Newport, Rhode Island, is the source of most of the Navy's nonaviation officers. College graduates, both enlisted and civilian are eligible to apply.



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**Officer, Sea, and Air Mariner Program**

The stated purpose of this program is to provide a source of manpower for the Selected Reserves in the grades of ensign through lieutenant, properly trained through extended initial training on active duty. Applicants must have a baccalaureate degree from a regionally accredited institution. Individuals selected for this program attend OCS or AOCS and then warfare specialty training. They are released from active duty after they attain warfare qualification or 2 years of commissioned active duty and complete their obligation through the Selected Reserves.

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**Reserve Officer Candidate**

College students can enlist up to 24 months before earning their baccalaureate degree and be placed in an inactive reserve status as an E-5. Enrolled students attend two summer training sessions at OCS, Newport, Rhode Island, an 8-week session after the junior year, and a 9-week session following receipt of a baccalaureate degree.

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**ROTC**

**BOOST**

An affirmative action program for active duty service members and civilian students seeking a college degree and commission, but whose academic background may not qualify them for immediate entry into a Navy commissioning program. The BOOST provides intensive academic instruction to prepare them for college level academics. Successful graduates of the 9-month program are guaranteed a scholarship or an appointment to the Naval Academy.

**Scholarship Program**

Selected ROTC cadets are designated by a selection board to receive full tuition assistance, costs of textbooks, and fees of an instructional nature in addition to a subsistence allowance of a \$100 per month for a maximum of 40 academic months. The Naval ROTC scholarship program was established to educate and train young men and women for service as a Naval or Marine Corps commissioned officer. The 4-year program is intended for highly qualified high school seniors entering college in the fall. In addition to 4 year scholarships, high school seniors may be selected to receive guarantees of 3-year scholarships beginning in their sophomore year. The Navy also offers 2-year scholarships to rising college juniors. Students entering the 2-year program that were not enrolled in all the naval science courses during their freshmen and sophomore years of college are required to attend the 7-week Naval Science Institute.

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**Nonscholarship Program**

This is a ROTC program for college students. The Navy pays for the uniforms and all books required for naval science courses taken by college program students. During the junior and senior years, they also receive \$100 per month for a maximum of 20 academic months.

# Comments From the Department of Defense



ASSISTANT SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301-4000

JUL 22 1992

FORCE MANAGEMENT  
AND PERSONNEL

Mr. Frank C. Conahan  
Assistant Comptroller General  
National Security and International Affairs Division  
U.S. General Accounting Office  
Washington, DC 20548

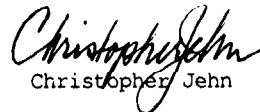
Dear Mr. Conahan:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report entitled, "OFFICER COMMISSIONING PROGRAMS: More Oversight and Coordination Needed" (GAO Code 391143/OSD Case 9069). The draft report restates the findings of several previous reviews of commissioning programs, but does not fully address many initiatives undertaken in the past 2 years by the DoD and the Services.

Since the Spring of 1990, the Department has significantly expanded its oversight of the Service officer commissioning programs. Among other actions, Reserve Officers Training Corps units have been closed, Service academy enrollments have been lowered, cost management has been improved, and inter-Service information flow has increased. The Department remains committed to excellence in academic, military, and professional development from each of the commissioning sources, and will continue to strive to identify and address areas where improvement is needed.

Detailed DoD comments on the draft report findings and recommendations are provided in the enclosure. The Department appreciates the opportunity to respond to the draft report.

Sincerely,

  
Christopher Jehn

Enclosure:  
As Stated

GAO DRAFT REPORT - DATED May 11, 1992  
(GAO CODE 391143) OSD CASE 9069

"OFFICER COMMISSIONING PROGRAMS: MORE OVERSIGHT AND  
COORDINATION NEEDED"

DEPARTMENT OF DEFENSE COMMENTS

\* \* \* \* \*

FINDINGS

- **FINDING A: Officer Production Programs and Accession Levels.**  
The GAO reported the three main types of officer commissioning programs have provided nearly 80 percent of the officers on active duty as of September 30, 1991. The GAO noted that, during FY 1990, the programs produced more than 15,000 new officers for active duty, as well as 3,845 Army Reserve Officers Training Corps graduates who entered the reserves, and 216 Officer Candidate School graduates trained for the Army and Air Force reserves. The GAO reported that the various officer commissioning programs differ in mission, training duration, and history, and all three generally require candidates to obtain a college degree before becoming officers. The GAO observed that the programs provide candidates with a college education or limit participation to college graduates.

The GAO reported that, to determine the number of officers needed in any given year, each Service considers beginning strength, losses, and lateral transfers compared to the congressionally mandated end strength. The GAO explained that long lead time programs like the academies and the Reserve Officers Training Corps receive first consideration and the more easily expanded and contracted Officers Candidate School program is used to provide the remainder. The GAO reported that, in general, a Service first subtracts the number expected to be produced by its academy, then subtracts the projected Reserve Officers Training Corps production, and the remainder represents the number of new officers that the Officer Candidate School will be programmed to produce. The GAO noted that each Service does maintain at least a minimum level of production in its Officer Candidate School program. (pp. 9-16/GAO Draft Report)

**DOD RESPONSE:** Concur.

Now on pp. 10-13.

- **FINDING B: Cost Data Are Incomplete and Difficult To Compare.**  
The GAO reported that neither the DoD nor the Services have established guidance to ensure cost reporting of the officer production system, as a whole, is uniform. The GAO found the limited guidance that does exist varies from program to program, and in no case covers all associated costs. The GAO noted, as a result, cost data are not complete, and it is difficult to compare the costs of various commissioning programs.

The GAO also found that, although the academies are required to report total program costs annually to the DoD, neither the Reserve Officers Training Corps nor the Officer Candidate School programs are required to do so. The GAO reported the DoD has begun to develop uniform cost reporting guidance for the academies and the Reserve Officers Training Corps. The GAO noted that the first cost report, using the guidance for the academies, is expected by the end of FY 1992. The GAO also reported that the DoD is drafting a new directive to require Reserve Officers Training Corps cost reports.

The GAO concluded that, since none of the officer commissioning programs operates a uniform, standardized cost reporting system that provides complete, accurate and comparable data, neither the DoD nor the Services know either the relative or absolute cost-effectiveness of their various production sources.  
(p. 18, p. 35/GAO Draft Report)

Now on pp. 14 and 25.

**DOD RESPONSE: Partially concur.** Progress in uniform cost standardization has been made through several means subsequent to the last GAO contact with the Office of the Assistant Secretary of Defense (Force Management and Personnel), in the fall of 1991. The DoD Instruction 1215.16 (Reserve Officers Training Corps Resources Report) was signed in January 1992, and standardizes comprehensive cost reporting for all Service Reserve Officers Training Corps programs. A similar instruction for Service academies is currently in coordination within the Department and with the Services. The DoD Comptroller is developing a unit cost per output system that will identify the cost of producing a graduate from training systems, to include officer commissioning programs. The training unit cost system is being developed under guidelines that will ensure a consistent approach among the Services in deriving a cost per graduate, and should be implemented by the end of FY 1993. In addition, the DoD is consolidating accounting systems for all the Services which will lead to more uniformity in accounting for costs.

- **FINDING C: Academy Costs.** The GAO reported that, at the academies, the DoD pays the full cost of a 4-year college education, military and physical training, and pay and allowances for the cadets and midshipmen. The GAO found that, in FY 1990, the academies reported spending almost \$688 million to commission 2,934 new officers. The GAO reported, however, that its financial reports did not include all relevant costs and were inconsistent over time and across the academies. The GAO explained that unreported or understated costs represented some expenses incurred for faculty training, medical care, community support, and the preparatory school at the Air Force Academy. The GAO concluded that the reported operating costs understated their actual costs by about \$66 million.

The GAO found that the underreporting of costs results from insufficient guidance at all levels. The GAO reported that each academy cost accounting system varies in the amount of detail it provides, and each academy has its own procedures for computing and reporting costs. The GAO found that neither the DoD nor the Services have issued instructions on which costs to include or how to allocate them, nor is there any guidance to ensure that costs accumulated using Service-specific accounting systems will be consistently reported across a set of common categories. The GAO concluded that, consequently, managers and decision makers lack the information needed to make cost-effective decisions regarding resource allocations and to improve efficiency. (pp. 18-20/GAO Draft Report)

**DOD RESPONSE: Partially concur.** The unit cost per output system and the consolidation of accounting systems will eliminate many of the inconsistencies in cost data among the Service academies. In April 1992, the DoD provided the Services with guidance on how to categorize training costs and allocate these costs to facilitate a consistent approach among the Services. The development of a cost per output system will standardize financial data across the Services. Finally, although more standardization of cost reporting is needed and is being obtained, legitimate differences in organizational structure, geographic costs of living, and age and condition of facilities will result in Service-specific cost differences. These differences should not, however, impair effective cost-based decision making.

- **FINDING D: Reserve Officers Training Corps Costs.** The GAO reported that, in FY 1990, the DoD spend about \$614.6 million for the Service Reserve Officers Training Corps programs to produce 11,999 new officers. The GAO found, however, that, like the academies, the Reserve Officers Training Corps costs are incomplete and inconsistent. The GAO explained that, although the

Now on pp. 15-16.

**Appendix VI**  
**Comments From the Department of Defense**

Reserve Officers Training Corps commands are not required to report total program costs, they each have an independently developed cost system to compute a cost per graduate based on total program costs.

In reviewing the Service Reserve Officers Training Corps cost systems, the GAO found that each Service had not included certain costs associated directly with their Reserve Officers Training Corps programs in their respective cost systems. The GAO reported that, in FY 1990, the Army was still developing a new Reserve Officers Training Corps cost system to replace the old systems. The GAO observed that the new system would include approximately \$45.2 million more in costs than the old system. The GAO noted that the major costs excluded were reserve pay, advanced camp incremental costs, automation, supplemental instruction programs, and cadet command headquarters operating expenses.

The GAO reported that in its new cost system, the Army computes its Military pay differently than the other two Service Reserve Officers Training Corps programs. The GAO noted that the Army computations are based on the number of officers and enlisted personnel it is authorized, rather than actual military personnel assigned. The GAO concluded that, although data were not available to compute the effect of the cited difference in computation, the Army military pay cost may be overstated.

The GAO found that the Navy did not include about \$14.9 million in its cost system, with the major exclusions being the Broadened Opportunity for Officer Selection and Training preparatory school, Marine Corps support costs for summer training and scholarship selection boards, and miscellaneous or partial expenses for automation, civilian personnel, and operation. The GAO reported that the Air Force, like the Navy did not include national advertising (estimated at 1.2 million) in its cost system.

The GAO found that, although it previously had recommended a standardized cost-reporting system for the Reserve Officers Training Corps (OSD Case 8580), no such system has been adopted. The GAO explained that, as of October 1991, the Services were still using independently developed systems, resulting in inconsistent and incomplete cost information for Reserve Officers Training Corps units. The GAO concluded that, under such circumstances, neither the DoD nor the Services can assess accurately unit cost-effectiveness. (pp. 21-24/GAO Draft Report)

Now on pp. 16-19.

**DOD RESPONSE:** Partially concur (Also see DoD response to Finding C.) The unit cost per output system will standardize the methodology for measuring the cost of producing training program graduates. The Navy's Broadened Opportunity for Officer Selection and Training program provides training for both Reserve Officers Training Corps and the Naval Academy. Program costs are fully accounted for under the Navy's training budget, and will be included as a part of unit costing; however, they will not be incorporated as an element in either commissioning program.

- **FINDING E: Reserve Officers Training Corps Costs: Revised Draft Instruction.** Although the DoD drafted revised regulations requiring that each Service report annually provide the Office of the Secretary of Defense "accurate, consistent, and complete cost information" concerning its Reserve Officers Training Programs, the GAO concluded the draft instruction appears to have some provisions that could allow inconsistency and inaccuracy in reported cost data, including the following:

- it combines into one cost category the salaries for both active duty and reserve personnel used in the Reserve Officers Training Corps and would result in an inability to match budgets and appropriated resources with expenditures;
- under operations and maintenance appropriations, the category "Other (ROTC Support)" contains several costs (e.g., operating and maintaining vehicles, fuel, and professional development of staff) that should be presented separately to permit better oversight and management of the costs; and
- it does not indicate clearly whether the category "Training Camp Overhead" includes expenses incurred by other commands in support of the Reserve Officers Training Corps, but not directly responsible for reserve officer training--consequently, significant program costs could be overlooked. (pp. 24-26/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. Applicable DoD Instruction 1215.16 was published in January 1992. The level of detail specified in the document is fully consistent with the Department requirement to identify costs associated with the Reserve Officers Training Corps. The summary report requests a combined amount of pay and allowances for both active and reserve personnel; however, the summary report is a total carried over from a detail report, Reserve Officers Training Corps Manpower Resources (DD Form 2610), which identifies the many years and pay and allowances for all personnel in the Military Personnel Appropriations category. The cost elements to be included in the category "Other" in the

Now on p. 19.



instruction are elaborated under the section titled, "Definitions". Finally, expenses incurred by other commands in support of Reserve Officers Training Corps not identified under the category "Training Camp Overhead" are primarily operating costs of those commands which are incurred regardless of the collateral support for the Reserve Officers Training Corps. Full-time activity in support of Reserve Officers Training Corps is adequately accounted for in the instruction.

- **FINDING F: Officer Candidate School Costs.** The GAO reported that in FY 1990, the Officer Candidate Schools and the special program costs for the Services totaled \$126 million and produced 3,889 officers. The GAO found, however, that the Services are not required to report total program costs to their respective headquarters. The GAO reported that, while the Army and Navy major commands have cost reporting systems in place to accumulate total costs, the Air Force and Marine Corps have none. The GAO observed that, while the Navy had systems, the costs collected were inconsistent and incomplete. The GAO also found that the Army cost system has not been operational since 1985, due to computer software problems, although costs were still collected at the installation level. The GAO reported that, in response to its request, the Services provided FY 1990 Officer Candidate School costs by mutually agreed upon cost categories and those costs were inconsistent and incomplete. The GAO found that the Officer Candidate School programs within and among the Services neither consistently nor completely track total costs. The GAO also reported that information was not available to determine whether each Service included the same costs for the Officer Candidate School program.

The GAO found that the Navy has two different cost systems, one for Officer Candidate School and another for Aviation Officer Candidate School, the latter being more comprehensive--although neither system tracks students travel costs. The GAO also reported that none of the Services includes recruiting costs or the cost of candidate sections boards, and neither do they include special programs. The GAO concluded that, as a result of such inconsistencies, neither the DoD nor the Services can make cost-effective decisions regarding resource allocations or program operations.

The GAO found that, with the exception of the Army, the Services also have special programs for needed specialties, affirmative actions, and opportunities for enlisted personnel to become commissioned officers. The GAO reported that those individuals also attended Officer Candidate School after completing the special program requirements--the exception being those enrolled

in the Navy Basic Enlisted Commissioning Program, who attend naval science courses along with Reserve Officers Training Corps candidates. The GAO found that the costs of these programs, which may provide scholarships, pay and allowances, or bonuses while in college, were not tracked by the Services as part of their Officer Candidate School costs. The GAO noted that, for example, in FY 1990, the Navy spent \$34 million on just the direct costs for such programs. The GAO found that, even without including the overhead costs for administration of the programs, the costs amounted to much more than those of the other Services special Officer Candidate School programs, which are fewer in number.

The GAO reported that, in FY 1990, the single Air Force special Officer Candidate School program, the Airmen's Education and Commissioning Program, enrolled 89 individuals at a cost of about \$2.8 million, including tuition, fees, books, travel, and fees for the Graduate Record Examination, in addition to pay and allowances, but not including overhead costs for program administration. The GAO also reported that the Marine Corps has a single special program, the Commissioning Education Program, where 66 candidates were enrolled during 1990 at a cost of 1.8 million, not including overhead costs for personnel administering the program. (pp. 26-31/GAO Draft Report)

**DOD RESPONSE:** Partially concur. Officer candidate programs differ in order to meet specific skill, manpower, and other military requirements among the Services. Among officer commissioning programs, the officer candidate schools will be the most appropriate for inclusion in the unit cost per output method as a means to standardize costs.

- **FINDING G: Academies Are the Most Expensive Commissioning Source.** The GAO reported that, in total, academy program costs in FY 1990 were (1) about 20 percent higher than Reserve Officers Training Corps costs, and produced about four times fewer officers (2,934 versus 11,999), and (2) six times more than Officer Candidate School costs, and produced about one-third fewer officers (2,934 versus 3,889). The GAO reported that, in FY 1990, the cost per graduate varied among the Services and the three programs, with the academies being the most expensive. The GAO found, however, that the incremental cost per graduate for the Officer Candidate School special programs rivaled or exceeded Reserve Officers Training Corps scholarship and nonscholarship cost per graduate--and, in some cases, approached the cost per academy graduate. The GAO found that a Service academy graduate costs about:

Now on pp. 20-23.

Now on pp. 23-24.

- 3 to 5 times as much as a scholarship Reserve Officers Training Corps graduate;
- 5 to 7 times as much as a nonscholarship Reserve Officers Training Corps graduate;
- 7 to 11 times more than a basic Officer Candidate School graduate; and
- 1.5 times more than the incremental costs for the special Officer Candidate School programs. (pp. 31-34/GAO Draft Report)

**DOD RESPONSE:** Concur. It should be noted that costs in the GAO presentation are confined to DoD actual outlays and estimates, and do not address total public costs to produce a qualified officer candidate.

- **FINDING H: DoD Initiatives to Standardized Cost Reporting.** The GAO reported that, in 1989, the DoD announced that a DoD-wide unit cost resourcing system would be developed for a number of major functional areas to increase cost visibility and improve resource management. The GAO explained that, in the interim, to improve reporting conditions, the DoD distributed guidance on unit cost resourcing to establish a practical level of consistency and uniformity. The GAO noted that under the unit cost concept, every program should relate all the costs it incurs to its output. The GAO reported that the unit cost approach encourages management to look at all costs, including overhead, in terms of output.

The GAO observed that the unit cost system is to be used as (1) a management tool to improve operations and make decisions, (2) a resource tool to evaluate and support budgets, and (3) a productivity tool to evaluate performance and make improvements. The GAO found, however, that the unit cost resourcing system in its present form does not solve the Services cost reporting problems, since it uses the financial systems already in place and merely converts costs generated by those systems into a standard format. The GAO concluded that, while the DoD introduction of a unit cost resourcing system is commendable, that effort will not ensure the accurate, complete and standard reporting of officer production costs. The GAO further concluded that, with force reductions ahead, a reliable system of reporting costs could help the Services make prudent decisions on officer production sources. The GAO noted that standard cost categories will provide the

Now on p. 25.

comparable data the Services need to identify cost-effective management measures and determine how to most economically assign production requirements to the system components. (pp. 34-36/GAO Draft Report)

**DOD RESPONSE:** Partially concur. While the unit cost system will not fully resolve all problems with cost determination in officer programs, it will meet important objectives in improved fiscal management of officer commissioning programs, particularly in conjunction with the additional instructions in Reserve Officers Training Corps and academy resource reporting. The development effort for unit cost includes: (1) identification of all cost elements; (2) methodology to allocate cost elements; and (3) measures to ensure consistent reporting of cost elements across DoD components. Development of additional cost measures beyond those cited would be counterproductive.

- **FINDING I: All Commissioning Programs Attract High Quality Students.** The GAO reported that all potential officer candidates undergo a rigorous screening process before being admitted to a commissioning program--and, in 1990, almost all of the academy and Reserve Officers Training Corps candidates scored higher than the national average on the Scholastic Aptitude Test. The GAO noted that those applying for Officer Candidate School are also required to pass a battery of aptitude tests. The GAO reported that candidates who meet the basic requirements then undergo screening of their academic records, test scores, extracurricular activities, and letters of recommendation from former employers and instructors, and are required to pass a physical examination. The GAO found that, since there were more qualified applicants than openings, those chosen in 1990 for the various programs were highly qualified. (pp. 38-39/GAO Draft Report)

Now on pp. 29-30.

**DOD RESPONSE:** Concur.

- **FINDING J: Most Commissioning Programs Require a College Degree.** The GAO reported that the requirements for officer commissioning are different for each program. The GAO noted that a baccalaureate degree is generally required before commissioning. The GAO reported that, for the academies and Reserve Officers Training Corps, participants receive a baccalaureate degree in the course of their commission programs; while, for Officer Candidate Schools, participants are generally required to have already earned a degree. The GAO pointed out that there are three exceptions to this general rule--the Army Officer Candidate School program, the Navy Aviation Cadet program, and the Marine Corps Meritorious Commissioning program, each requiring only 60

Now on p. 30.

college semester credits or an equivalent of 2 years of college. The GAO reported, however, the Services inform graduates from those programs that they should complete their college degree, since it will be necessary for promotions to pay grade 04. (pp. 39-40/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING K: Effectiveness of Military Instruction Is Not Assessed Systematically.** The GAO reported that the Services are not assessing systematically and routinely the effectiveness of their core military instruction or the ability of each commissioning program to teach the required common military knowledge and skills a new officer needs. The GAO explained that, to ensure that all commissioning sources provide the military knowledge and skills officers need, each Service has developed either a core curriculum or a set of goals and objectives to be taught in all programs. The GAO reported that representatives from each commissioning program meet periodically to discuss and update, as needed, their respective Service core curriculum or goals and objectives to ensure that each program provides the required knowledge and skills. The GAO noted that the Army and Marine Corps managers meet annually, the Air Force managers meet every 2 years, and Navy managers meet "as required" (and last revised their core curriculum in March 1989). (p. 41/GAO Draft Report)

Now on p. 31.

**DOD RESPONSE:** Partially concur. While core curriculum assessments, as acknowledged by the GAO, are routinely undertaken by the various commissioning program managers, such reviews are not wholly systematic, and additional cross-flow of evaluative information may be useful. The Department is considering several additional means for qualitative evaluation of commissioning sources, among which is a contract effort to design and administer a field survey of graduate performance. The numerous reviews and assessments of commissioning programs undertaken to date have proven useful and have resulted in significant changes in each of the programs.

- **FINDING L: Sporadic Review of the Curricula Have Been Made.** The GAO reported that the Services have conducted sporadic curriculum reviews and generally found that officer performance was similar, regardless of commissioning sources. The GAO noted that, in 1989, the Air Force Academy, acting for the Air Force Commissioning Education Committee, solicited feedback from officers and their supervisors concerning attributes pertinent to the Air Force commissioning education objectives and found that, generally, strengths and weaknesses were similar across all of its

**Appendix VI  
Comments From the Department of Defense**

commissioning programs. The GAO reported the survey indicated that recently commissioned officers had more difficulty supervising others than they did following orders, which also supported the results of a similar 1986-1987 study of Academy graduates. The GAO reported that a similar Air Force Officer Training School survey indicated that the majority of Officer Training School graduates were competent, although the area of least competence cited by both new lieutenants and supervisors was employing formal disciplinary measures.

The GAO reported that, in 1987, a Military Academy survey, which focused on attributes of a second lieutenant or platoon leader in Army combat arms branches, concluded that most of the strongest and weakest attributes were the same for all lieutenants regardless of commissioning sources.

The GAO reported that the Navy Reserve Officers Training Corps program had developed a feedback system and data base to monitor the performance of its graduates in follow-on training schools. The GAO noted that the feedback primarily provides the number that have attrited from the various schools and the reasons why. The GAO reported, however, that obtaining feedback from many schools is difficult and that the majority of the information obtained is from one school. The GAO noted that according to Navy officials, the feedback collected has not been sufficient to identify major problems in the Naval Reserve Officers Training Corps curriculum.

The GAO reported that, in FY 1990, the Navy Officer Candidate School program did its first external evaluation of its graduates compared to graduates of the Academy and the Reserve Officers Training Corps in training schools and unit assignments. The GAO noted that the survey found that Officer Candidate School graduates had achieved learning standards about as well as their academy and Reserve Officers Training Corps peers and a small percentage of Officer Candidate School graduates had significant academic problems. The GAO reported that the Officer Candidate School subsequently revised and restructured its curriculum coupled with other actions. The GAO observed that Officer Candidate School officials credit these changes with reducing the training attrition rate by 25 percent in FY 1990. (pp. 42-44/GAO Draft Report)

**DOD RESPONSE:** Concur.

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- **FINDING M: Core Curriculum Knowledge and Skill Proficiency of Officers Is Unknown.** The GAO reported that, in 1991, the Army became the only Service to test graduates of all its commissioning programs on their mastery of the core curriculum. The GAO noted the Army tests each new officer at its 16 officer basic schools that provide technical training to newly commissioned officers. The GAO explained that the tests are based on the core pre-commissioning curriculum, but are not totally comprehensive or standardized because each of the officer basic schools developed its own test. The GAO found that, while the tests were designed to provide feedback to the commissioning sources, representatives from the Army commissioning sources concluded that the tests were inappropriate for evaluating their commissioning programs.

The GAO reported that, for the first time, the Air Force Reserve Officers Training Corps Command plans to administer a mail-out examination to test the proficiency of its 1991 graduates and evaluate its instructional program. The GAO noted that officials indicated plans to continue such proficiency testing in future years and to make the tests more difficult as they gain experience.

The GAO concluded that the Army attempt to use examinations at each of its basic schools for officers is a good beginning. Because the examinations are not standardized, however, the Army cannot be certain that newly commissioned officers have learned what they need to know, nor can the relative effectiveness of the various commissioning programs be compared. (pp. 44-45 and p. 52/GAO Draft Report)

**DOD RESPONSE:** Concur. The Department has begun an effort to assess commissioning source effectiveness through a survey of graduate performance. This effort is in the initial stages of instrument development, and the validation phase is expected to begin by the end of July 1992.

- **FINDING N: Retention of Officers Varies by Production Sources.** The GAO reported that one measure of the effectiveness of officers accession programs is the degree to which they motivate graduates to make the military a career. The GAO observed that the longer an officer remains on active duty, the greater the return from the investment in education and training. The GAO found that, for officers commissioned from FY 1972 through FY 1990, academy officers tend to remain on active duty somewhat longer than their Reserve Officers Training Corps and Officers Candidate School counterparts, and the differences are greatest in the 4- to 6-year range. The GAO noted, however, the officer retention rates are partially a function of Service policies.

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**Appendix VI  
Comments From the Department of Defense**

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The GAO explained that the service obligation of academy graduates is longer than that incurred by Reserve Officers Training Corps and Officer Candidate School officers, so the academy retention rates would be expected to remain flatter for a couple of years. The GAO also observed that over the 19 years covered by the data, there have been periods, such as the post-Vietnam drawdown, when the Services were trying actively to reduce the number of officers on active duty. The GAO reported that excluding academy graduates from "early out" programs during such periods have the effect of artificially sustaining higher retention levels for academy officers--not so much because they are inclined to stay longer, but because they have been prohibited from leaving earlier. (pp. 45-46/GAO Draft Report)

**DOD RESPONSE:** Concur. Retention of personnel beyond initial obligation reflects many factors, among which are the demand for the individual's skills, the individual's satisfaction with military life, and the potential for future military employment. As continued military service may be viewed as return on commissioning program investment, it may be equally valid that such service is also a continued investment, in terms of higher grade pay, professional training, and additional education.

- **FINDING Q: Career Progression Varies Little by Production Source.** The GAO found that, in analyzing career progression of over 35,000 individual officer promotion dates from pay grades 01 to 04, the differences were almost nonexistent. The GAO concluded there was no consistent pattern indicating that the graduates from any of the programs fared better than the graduates of others. The GAO found that military officers tend to progress within the lower ranks at about the same pace regardless of commissioning source. The GAO noted that Army officers from the three commissioning programs varied little in their progression through the lower ranks, with the greatest variance found in promotions from pay grades 03 to 04--where academy graduates, on average, were promoted 59 days earlier than Reserve Officers Training Corps graduates and 100 days earlier than Officer Candidate School graduates. The GAO reported that Navy officers progressed at basically the same rate regardless of the source of commission, with the overall variance being only 6 days from the time of entering active duty until grade 04 was achieved. The GAO noted that, overall, Officer Candidate School graduates of the Marine Corps fared slightly better than their academy and Reserve Officers Training Corps counterparts. The GAO observed that such a reversal is not unexpected since Officer Candidate School is the primary producer of Marine Corps officers.



The GAO reported that, compared to the other Services, the Air Force showed the greatest variation in promotion timing, with Reserve Officers Training Corps officers being promoted much slower to grade 02 than officers from the academy and the Officer Training School. The GAO noted that, in promotion to grade 04, academy officers fared better than Officer Training School officers by about 47 days and better than Reserve Officers Training Corps officers by about 58 days.

The GAO reported that the attainment of the senior ranks also has been regarded by the military as an indicator of officer quality, especially in light of the "up or out" policy, in which officers who are passed over for promotion twice are released from service. The GAO observed that academy graduates have historically had greater success in attaining senior level ranks. The GAO reported that, based on the Army 1990 promotions to senior levels, academy graduates have had greater success. The GAO found that, in 1990, a higher percentage of promotion-eligible academy graduates received promotions to pay grades 04, 05, and 06 during the normal and accelerated cycles, than did their Reserve Officers Training Corps and Officer Candidate School counterparts. The GAO reported that, historically, the preponderance of flag rank officers--generals and admirals in pay grades 07 to 010--over the years have been academy graduates. The GAO noted, however, such dominance has decreased significantly since 1972 when about 81 percent of flag officers were academy graduates, compared with only about 37 percent in 1990. The GAO concluded that the decrease in academy dominance at the general and admiral ranks is probably the result of the broadening of the officer commissioning base that began after the 1950s. The GAO further concluded that, even if the differences could be attributed to higher quality of the graduates, the differences appear minor compared to the cost difference among the programs. (pp. 46-51/GAO Draft Report)

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**DOD RESPONSE:** Partially concur. The GAO implies that no career attainment may serve as justification for cost differential between programs. The Department disagrees with that implication, inasmuch as the GAO analysis discounts total public costs to produce any college graduate, and does not consider what the respective programs inculcate in their participants. With cost as the sole consideration for obtaining officers, there is no argument that would sustain full-time four year undergraduate programs. Each source makes multiple contributions that are necessary for an effective officer corps. The Department will continue to obtain commissioned officers based on qualifications, skills, and other military requirements.

- **FINDING P: Impact of Force Reduction on Officer Production.** The GAO reported that, in the last few years, unforeseen developments at home and abroad have led the Congress and the DoD to make substantial reductions in the size of U.S. forces--as much as 25 percent by 1995. The GAO noted that, in addition, the Congress has limited the total number of officers authorized since FY 1987. As a result, the Services--which had projected continued growth in the officer ranks have found themselves with an excess of officers--and the number of new officers being produced was suddenly greater than the military could absorb. The GAO reported that, for the period FY 1987 through FY 1990, the Services had produced 9,030 more new officers than they could bring on active duty (814 Air Force and 8,216 Army). The GAO observed that, given the two and four year production pipelines of the Reserve Officers Training Corps and the academies, that excess will continue for some time.

The GAO reported that, since FY 1986, each of the Services has taken various actions to manage the excess of new officers being produced, while trying to balance its long-term needs and the careers of current officers. The GAO explained that, to deal with the excess, avoid additional overproduction, and meet congressionally mandated officer end strengths, the Services have done the following:

- reduced the number of new officers entering the commissioning programs and closed some Reserve Officers Training Corps units,
- delayed active duty for some new Reserve Officers Training Corps officers,
- granted release from Service obligations,
- assigned some new officers to reserve components,
- assigned some new officers to temporary duties, and
- trained and assigned some new officers to other career fields for two years before they are trained as pilots.

The GAO estimated the additional costs that will be incurred by some of these measures through FY 1993 could be \$193 million for Army training. The GAO also noted that the Services provided estimates that they had incurred at least \$100 million in sunk costs training officers who are now in excess. (pp. 54-57/GAO Draft Report)

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**DOD RESPONSE:** Concur. The recent and continuing Defense reductions, when initially implemented, exceeded the capability of both the commissioning sources and the officer community managers to reduce programs in the short term to the ideal level. Over the remainder of the Defense drawdown, however, those levels will be attained in a deliberate and effective manner.

- **FINDING O: Reducing Officer Candidate School, Reserve Officers Training Corps and Academy Production.** The GAO found that one of the first actions the Services took was to reduce the number of officers produced by their Officer Candidate School programs. The GAO reported that, in FY 1990, the Army and Air Force reduced their Officer Candidate Schools to the minimum necessary to sustain the programs without drastically changing the manner in which the training is conducted. The GAO noted that the Navy also significantly reduced its Officer Candidate School production through FY 1992. The GAO further observed that the only Officer Candidate School program not drastically reduced was that of the Marine Corps. The GAO noted that the Marine Corps Officer Candidate School program produced 75 percent of the FY 1990 Marine Corps officer accessions.

The GAO reported that, in October 1990, the Deputy Secretary of Defense directed the annual Reserve Officers Training Corps officer production be reduced 19 percent by the end of FY 1996 to meet the congressional mandates. The GAO noted, in response, the Services have cut their Reserve Officers Training Corps production. The GAO explained that, as officer reductions have continued, the Services need fewer Reserve Officers Training Corps units. The GAO reported that the Army has closed units, the Navy has announced that it will close and consolidate units, and the Air Force has made no decision, although its studies indicate that it could cut up to 40 percent or more of its Reserve Officers Training Corps units and still meet its officer production goals.

The GAO reported that, until recently, the Services had not cut academy enrollments to deal with the over-production. The GAO found that, in October 1990, the DoD directed that the number of students at each academy not exceed 4,000 by the end of FY 1995. The GAO reported that the Congress, in the Defense Authorization Act for FY 1991 (P.L. 101-510), limited each academy incoming freshman class to 1,000 students, beginning with class year 1995, but later decided in the Defense Authorization Act for FY 1992-FY 1993 (P.L. 102-190), to limit each academy total enrollment to 4,000, beginning with class year 1995. The GAO reported that, in order to meet those requirements, the Services have made some cuts in their planned academy production of officers.

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The GAO further reported that Public Law 102-190 also contained a provision directing the GAO to determine the percentage of officers each academy provided to their respective Services during typical benchmark years and to use those percentages to determine academy class size that would maintain that proportionate input level. The GAO found that, if the academies were limited to their historic proportionate input level, academy officer production would be significantly lower than the Services are now projecting. (pp. 577-60/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The GAO selected different periods for each Service to approximate timeframes when historic force levels approximated those forecast for the post-Cold War drawdown. The periods selected were approximations, since pre-World War II timeframes most closely approximate forecasted strength levels. Actual officer source historic contributions from such periods would, if selected for the post-drawdown era result in a return to the pre-World War II practice of commissioning virtually all active duty officers from the academies.

- **FINDING R: Delaying Active Duty of New Reserve Officers Training Corps Officers.** The GAO reported that the Air Force and the Navy have delayed active duty for new Reserve Officers Training Corps officers during FY 1989 through FY 1991. The GAO noted that the decision has, however, resulted in added costs for the Air Force. The GAO explained that to compensate involuntarily delayed officers for the disruption to their career plans, the Air Force gave them one month credit for time in service for every two month of delayed entry, permitting an individual whose entry to active duty is delayed one year to be credited with six months of time in service, and thereby, receive all time-in-service pay raises six months early. The GAO reported that, through 1991, the Air Force has involuntarily delayed the active duty entry of 7,400 Reserve Officers Training Corps graduates. The GAO observed Air Force officials estimate that the delayed entries could cost an additional \$25 million over the careers of those officers.

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The GAO reported that, from FY 1989 through FY 1991, the Navy allowed 332 Reserve Officers Training Corps graduates to delay their entry into active duty. The GAO noted, however, that because of the voluntary nature of the delays, the Navy did not offer any compensations and, therefore, incurred no added costs. The GAO observed that the Navy intends to encourage more 1992 Reserve Officers Training Corps graduates to delay their active duty status. (p. 60/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING S: Offering Voluntary Releases from Service Obligations.** The GAO reported that the Air Force and the Army allowed some Reserve Officers Training Corps graduates to volunteer for release from their Service obligation. The GAO noted that, during FY 1987 through FY 1991, the Air Force released 845 scholarship and nonscholarship volunteers. The GAO noted that the Air Force required scholarship recipients to pay back the cost of their scholarship tuition, fees, and books, but did not require nonscholarship volunteers to pay back anything. The GAO reported that about \$44 million in sunk costs had been incurred to provide Reserve Officers Training Corps classrooms, units, and summer military training to these 845 graduates.

The GAO reported that, in FY 1990, the Army released 1,138 volunteers, all nonscholarship cadets, yet incurred sunk military training costs similar to the Air Force. The GAO noted, however, that Army officials were only able to provide an estimate cost of \$2.3 million for cadet monthly and summer training subsistence payments for those who were released, because the Army cost system was unable to provide complete cost and student data. (p. 61/GAO Draft Report)

**DOD RESPONSE:** Concur.

- **FINDING T: Assigning New Officers to Reserve Forces.** The GAO reported that, from FY 1987 through FY 1990, the Air Force and the Army sent some excess Reserve Officers Training Corps graduates to the Reserves. The GAO observed that, in FY 1987, the Air Force assigned 295 volunteer Reserve Officers Training Corps graduates to Air National Guard units. The GAO noted that during the same period, the Army assigned 7,078 Reserve Officers Training Corps graduates to the Individual Ready Reserve.

The GAO found that, although the measure taken carried no additional costs for the Air Force, it could cost the Army approximately \$193 million to provide regulatively required officer basic training to excess officers placed in the Individual Ready Reserve through FY 1993. The GAO reported the training will cost the Army \$66 million for the 4,150 excess officers it placed in the Individual Ready Reserve in FY 1990 and another \$127 million for the 8,300 excess officers that could be placed in the Individual Ready Reserve through FY 1993. The GAO noted that it had previously recommended that the Secretary of Defense either waiver the requirement to provide additional training or involuntarily release the officers. The GAO observed that the Assistant

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School program can produce 1,200 officers annually without overlapping classes, the Army only plans to produce a maximum of 650 Officer Candidate School officers through FY 1997. The GAO noted that while both the Navy and the Air Force plan to increase Officer Candidate School production in the mid-1990s (through FY 1997) the Navy plans to produce a maximum of 1,574 Officer Candidate School officers--even though it has the capacity to produce 4,200 and the Air Force plans to produce a maximum of 2,675 Officer Candidate School officers, even though it could produce 6,000. (pp. 64-67/GAO Draft Report)

**DOD RESPONSE:** Partially concur. Officer commissioning programs are based on requirements. The GAO equating of each of the officer commissioning programs ignores the DoD perspective that ideally, every officer would be produced via a full-time program. If the Services were unconstrained by budget considerations, each would prefer to select prospective officers from the qualified high school graduate applicant pool, the source of all military accessions. That is currently the case for academy and Reserve Officers Training Corps scholarship nominees, which enables full professional development, training, and education. Costs and facility limitations preclude that approach. The DoD agrees that within each of the officer commissioning programs, every effort should be made to improve cost efficiency. The Department will continue to emphasize quality, professionalism, and talent in the junior officer corps, while striving to maintain efficient cost management.

• **FINDING X: QSD Exercises Limited Management of the Officer Production System.** The GAO reported that the Office of the Secretary of Defense is responsible for providing guidance and oversight for officer commissioning programs. The GAO found, however, that--until the April 4, 1990 hearings before the Subcommittee on Manpower and Personnel, Senate Committee on Armed Services, and the study of officer procurement the Deputy Secretary of Defense requested in June 1990--the Office of the Secretary of Defense oversight had been limited to defending the Service officer commissioning program budgets.

The GAO observed that it had previously recommended that the DoD develop a comprehensive strategy for the Reserve Officers Training Corps that would cost-effectively meet goals for new officers from all sources. The GAO further observed that it also had concluded the academies received inadequate oversight and recommended the DoD establish a focal point for the academies to ensure that the problems were corrected. The GAO found that, at the time of the review, the DoD focal point, the Assistant Secretary of Defense (Force Management and Personnel), did not

**DOD RESPONSE:** Concur.

- **FINDING W: Management of Production System Is Hampered by Lack of United Approach and Oversight.** The GAO concluded that, without coordinated, unified planning and oversight, the Services cannot determine the most cost-effective mix of production by the system components, nor can the DoD ensure that the system is operated cost-effectively. The GAO found that, as a result of the lack of such a coordinated and verified effort, (1) requirements for new officers have not been economically determined, (2) officers have been produced in excess numbers and at a higher cost than necessary, (3) several programs are redundant, and (4) management improvements and cost reductions have not been identified or applied on a systemic level.

The GAO found that none of the Services has a cost-effective process for determining how many new officers each of its sources will produce. The GAO also found that none of the Services has tried to determine the most cost-effective allocation of officer production goals among their primary sources. The GAO observed that even though the Services lack accurate cost data on the various commissioning programs, they know that an academy produced officer costs several times what it cost to produce an officer through the Reserve Officers Training Corps or the Officer Candidate School. The GAO concluded, however, that the process for determining production goals does not seem to consider such information. The GAO pointed out that the Officer Candidate Schools (which are the least expensive) are assigned the production of whatever remains after allocation of production goals to the academies and the Reserve Officers Training Corps, or are given a minimum number to keep the program in operation. The GAO reported that those priorities are largely a function of the ease of increasing and decreasing Officer Candidate School enrollment and the difficulty of closing Reserve Officers Training Corps units.

The GAO concluded that the Services, in effect, are maximizing the production of the more expensive officer sources, while minimizing the production of the least expensive source. The GAO also found that although substantial officer reductions were mandated in 1987, the Services did not reduce the Officer Candidate School programs until FY 1991, and then only in the out-years.

The GAO reported that, while small increases in Officer Candidate School production are planned through FY 1997, those increases fall far short of the Officer Candidate Schools capacities. The GAO found, for example, that while the Army Officer Candidate

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Secretary of Defense (Reserve Affairs) maintained the training was needed so that the officers, if mobilized, could be brought to a state of readiness quickly. The GAO further noted that the matter has been turned over to the General Counsel for legal opinion before taking action. (pp. 61-62/GAO Draft Report)

**DOD RESPONSE:** Partially concur. Completion of Officer Basic Course training prior to assignment to the Individual Ready Reserve is a statutory requirement, not a DoD regulatory requirement. That has been verified by the DoD General Counsel. The practice of assigning those officers basic course training is defended on the grounds that the result was a more deployable (though not fully deployable) officer, and the investment was, therefore, worthwhile.

- **FINDING U: Assigning New Officers to Temporary Duties.** The GAO reported that Navy policy requires that new officers ordered to active duty be sent to specialty training or be assigned to temporary duty, if training facilities cannot accommodate them. The GAO found that, although the practice enables the Navy to manage its training more easily and to employ its officer personnel more usefully, it does incur costs that, according to the Naval Audit Services, were substantial and avoidable. The GAO observed that a 1990 Naval Audit Service report concluded that the Navy could have saved \$18.4 million in FY 1987 and \$10.5 million in FY 1989 if the new officers had been temporarily placed on inactive duty. The GAO noted, however, that the Navy disagreed, contending that this policy creates useful employment of new officers, and that changing could lower morale and create problems for new officers. The GAO reported that the Navy has allowed new officers to volunteer for inactive duty until the training facility can accept them, thus delaying active duty until that time. (pp. 62-63/GAO Draft Report)

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**DOD RESPONSE:** Concur.

- **FINDING V: Temporarily Assigning Pilot Candidates to Other Fields.** The GAO reported that, in FY 1991, the Air Force designed a way to retain quality officers and satisfy their career desires despite manpower limits. The GAO explained that, faced with an abundance of pilots and an excess of new officers desiring to be pilots, the Air Force decided to offer the new officers pilot training if they would first agree to work in another career field temporarily. The GAO noted that the program is to be completed by the end of FY 1996. (pp. 63-63/GAO Draft Report)

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have processes or procedures in place for ensuring that costs are accurately, completely, and uniformly compiled and reported, or that production goals for each commissioning program are determined on a cost-effectiveness basis. The GAO also found that the Assistant Secretary of Defense (Force Management and Personnel) has not taken any action to ensure that such processes also would be developed for the various Officer Candidate School programs. (pp. 67-68/GAO Draft Report)

**DOD RESPONSE:** Partially concur. During the time covered by this GAO review, the situation was as stated. In the past two years, however, the Assistant Secretary of Defense (Force Management and Personnel) has expanded oversight, issued substantial directive guidance, and increased participation in multi-Service forums dealing with officer accessions. The Department considers many variables other than just cost effectiveness alone in meeting the requirement for new officers. Such factors include professional capability, leadership skills, academic degree, and demographic factors, among others. The development of a comprehensive strategy for officer commissioning programs is a continuing process, which will become fully institutionalized as the current drawdown is completed.

- **FINDING Y: Inefficient Reserve Officers Training Corps Units Are Creating Excess Officers and Unnecessary Costs.** The GAO reported that while some Reserve Officers Training Corps units that have not met congressional enrollment guidelines have been closed, all three Services are still operating some low production units-- while excessive numbers of new officers are being produced. The GAO noted that the Army continues to operate 54 units that have consistently failed to meet congressional enrollment guidelines, and those units contributed 555 officers in FY 1990, when the Army produced almost 5,300 more officers than it needed.

The GAO further reported that the Air Force continues to operate all its Reserve Officers Training Corps units, even though its own study shows that closures would increase efficiency and reduce costs. The GAO explained that the study indicated that the Air Force was maintaining enough of those units to produce 3,100 new officers per year, although it was planning to produce a total of only 4,500 new officers a year. The GAO found that, based on the historical Reserve Officers Training Corps production rate (47.5 percent of new officers), the Air Force Reserve Officers Training Corps needed to produce only 2,100 of the 3,100 new officers its units are capable of producing. The GAO observed that the study concluded that 62 units could be closed, and the Officer Training School could increase production to 1,400 (well within its capacity), and meet the 2,100 goal with an

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annual savings of \$17 to \$21 million. The GAO found, however, as of October 15, 1991, the Air Force had no plans to close any Reserve Officers Training Corps units even though the units are only expected to produce about 1,800 new officers in FY 1992 and 1,500 annually from FY 1993 through FY 1997. (pp. 68-69/GAO Draft Report)

**DOD RESPONSE: Concur.** A factor in earlier decisions not to close Reserve Officers Training Corps units has been strong opposition to such closures from members of congress. (Copies of congressional correspondence objecting to unit closures have been provided to the GAO.)

- **FINDING 2: Several Navy Officer Production Programs Are Redundant.** The GAO reported that, in addition to its academy, the Reserve Officers Training Corps, and the Officer Candidate School programs, the Navy operates eight specialized officer production programs. The GAO found that many of those programs approach or exceed the cost per graduate of the Navy Reserve Officers Training Corps program. The GAO also found that their fragmented management is duplicative and could be consolidated under one manager.

The GAO reported that the special programs, except for the basic Enlisted Commissioning Program, duplicate the other Navy production sources, and sometimes duplicate each other as well. The GAO noted, for example, at least two of those programs (Enlisted Commissioning Program Nuclear Propulsion Officer Candidate Option and the Nuclear Propulsion Officer Candidate Program) seek candidates for nuclear propulsion engineering, yet the Navy Reserve Officers Training Corps also specifically recruits such candidates. The GAO also pointed out that two special programs producing civil engineering officers duplicate efforts by the Reserve Officers Training Corps and the Naval Academy. The GAO found that although the Navy Reserve Officers Training Corps program does not recruit candidates who commit to specific academic majors, the Reserve Officers Training Corps scholarship processes use certain factors to screen for applicants with attributes associated with technical and engineering disciplines. The GAO also observed that special programs designed to attract minority candidates duplicate efforts of the Enlisted Commissioning Program and parts of the Reserve Officers Training Corps.

The GAO concluded that, because the cited programs are redundant, their administration represents a duplication of effort and potentially unnecessary costs. The GAO reported that most of the special programs have their own managers at Navy headquarters, and some have monitors in the field as well. The GAO concluded

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that there appears to be no justification for maintaining separate management of the individual special production programs, especially as the management of many other, larger production programs are already consolidated under the Chief of Naval Education and Training. (pp. 69-70/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. The Department does not agree that the special commissioning programs constitute redundancy. Each program is designed to access specific populations, including high school, enlisted military, minorities, and college. The management functions are centrally performed by the Chief of Naval Education and Training. While different headquarters elements in the Navy track the programs as gaining (user) commands, and task these programs for production, that does not equate to management of the commissioning program. Although the Navy might be able to meet aggregate numerical commissioning goals through expansion of Reserve Officers Training Corps and termination of special programs, such an approach could result in degraded skills, reduced enlisted and minority accessions, and diminished upward mobility.

- **FINDING AA: Administration and Management of Some Officer Production Sources Lack Coordination and Are Duplicated--Air Force.** The GAO reported that the Air Force Officer Training School and Reserve Officers Training Corps program managers report to one commander via two separate channels, thereby duplicating administrative structures and personnel and complicating any efforts to coordinate production. The GAO explained that the Air Force Reserve Officers Training Corps is a separate, subordinate command reporting directly to the Commander of the Air Training Command at Randolph Air Force Base, Texas, while the Officer Training School is part of the Military Training Center at Lackland Air Force Base, Texas, and reports through the Center commander to the Air Training Command. The GAO noted that the Air Training Command Deputy Chief of Staff is responsible for oversight of both the Reserve Officers Training Corps and the Officer Training School, and was not directly in the chain-of-command.

The GAO reported that the described structure was addressed by two Air Force study groups, which recommended combining the programs under one commander, who would report to the appropriate Deputy Chief of Staff in the Air Training Command. The GAO explained that the groups recommended (1) creating an Officer Training Center at Lackland Air Force Base under the direction of an Air Training Command Deputy Chief of Staff, (2) moving the Reserve Officers Training Corps headquarters to Lackland, and (3) having Reserve Officers Training Corps and Officer Training

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School commanders report to the Center commander. The GAO reported that, according to Air Training Command officials, the proposed consolidation could save money and increase management efficiency by eliminating duplicate staff and streamlining the reporting chain. The GAO found, however, that as of October 8, 1991, the Air Training Commander had not acted on the proposed consolidation. (pp. 70-71/GAO Draft Report)

**DOD RESPONSE:** Concur. The Air Force is conducting a major organizational review and is considering certain consolidations in the training and education commands. The review will be completed by June 1993 .

- **FINDING BB: Administration and Management of Some Officer Production Sources Lack Coordination and Are Duplicated--Army.** The GAO reported that the Army Reserve Officers Training Corps is a subordinate major command reporting directly to the Commander of the Training and Doctrine Command, while its Officer Candidate School program reports through a training center commander (the Commander of the Infantry School at Fort Benning, Georgia) to the same Training and Doctrine Command Commander. The GAO concluded that, like the Air Force, the dual administration and separate channels creates unnecessary duplication and inefficiency. (pp. 71-72/GAO Draft Report)

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**DOD RESPONSE:** Nonconcur. The command structure for the Army Officer Candidate School is the result of the fact that Officer Candidate School is a school and, as such, is a tenant activity of the host Infantry Schools Command. That is equivalent to a Reserve Officers Training Corps unit at a large university, which reports through a regional commander to the Training and Doctrine Command. Parallel structures in the chain of command do not necessarily constitute inefficiency. Each organization performs distinctly different functions; however, their products--which are new officers--are produced according to standard criteria established by the overall functional commander, the Training and Doctrine Command.

- **FINDING CC: Administration and Management of Some Officer Production Sources Lack Coordination and Are Duplicated--Navy.** The GAO also found that the Navy Officer Candidate School structure duplicates effort and makes coordination more difficult by maintaining separate Officer Candidate School and Aviation Officer Candidate School programs and administrations. The GAO reported that the Navy Officer Candidate School program operates under the Naval Education and Training Center based in Newport, Rhode Island, while the Aviation Officer Candidate School program operates under the Naval Aviation School Command at the Naval Air

Station in Pensacola, Florida. The GAO found that, although the programs are separately maintained and managed, they teach the same basic military knowledge and skills, with the expectation of certain specialty courses. The GAO reported that, while the total production capacity for both programs is 4,250 officers annually, the maximum production through FY 1997 for both is set at 1,574--about 37 percent of the total current capacity. The GAO concluded that Aviation Officer Candidate School and Officer Candidate School production could be consolidated under one manager at one location with minimal disruption to the Officer Candidate School program.

The GAO also concluded that centralized management at Newport, Rhode Island, would provide at least two advantages. The GAO noted that such a change (1) would provide housing for officer candidates without building new facilities or modifying other facilities (because Newport has sufficient facilities for the anticipated numbers of candidates), and (2) would permit the vacated Aviation Officer Candidate School facilities in Pensacola to be used to house and teach the additional newly commissioned officers attending the Aviation Pre-flight Indoctrination Course with Naval Academy and Reserve Officers Training Corps graduates.

The GAO reported that because the programs currently provide the same basic officer training, the specialty courses could be removed from the pre-commissioning training and be taught after commissioning in an indoctrination course, such as the Aviation Pre-flight Indoctrination Course attended by new Academy and Reserve Officers Training Corps officers before going to flight training. The GAO explained that, since the specialty courses are taught using specialized equipment, the course would continue to be taught at their current locations--that is, flight training candidates would attend an indoctrination course at the Naval Air Station, Pensacola, and the others would take the surface ship specialty courses at Newport. The GAO noted that this should avoid the cost of moving any special equipment and possibly constructing new or modifying facilities to house the equipment. The GAO concluded that the consolidation would streamline administration of officer production, without affecting production goals or some future increase in planned Officer Candidate School goals. The GAO also concluded the current capacity of 2,150 candidates could easily absorb the planned FY 1997 production of 1,574 officers. (pp. 72-74/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Navy's Officer Candidate and Aviation Officer Candidate programs are both managed under the Chief of Naval Education and Training, who is examining possible changes to consolidate the basic program at officer

Now on pp. 57-58.

candidate schools, in coordination with changes to its warfare specialty pipeline training.

\* \* \* \* \*

**RECOMMENDATIONS**

- **RECOMMENDATION 1:** The GAO recommended that the Secretary of Defense extend the development and implementation of a standardized cost reporting system to Officer Candidate Schools, including all special programs. (p. 36/GAO Draft Report)

Now on p. 26.

**DOD Response:** Concur. The unit cost per output system will, when implemented, provide adequate cost tracking for training programs, including officer candidate schools. Implementation of the unit cost system is expected by the end of FY 1993.

- **RECOMMENDATION 2:** The GAO recommended that the Secretary of Defense, in order to assess the quality of newly commissioned officers, direct the Services to develop a means to routinely evaluate the effectiveness of the various commissioning programs and the quality of the graduates they produce. (pp. 52-53/GAO Draft Report)

Now on p. 41.

**DOD RESPONSE:** Partially concur. The Department has begun an effort to assess commissioning source effectiveness through a survey of graduate performance. This effort is in the initial stages of instrument development, and we expect to begin a validation phase by the end of July 1992. Further direction to the Services will be deferred until the survey, and possibly other assessments, are more fully developed. Also, the Services are currently using institutional research organizations and other existing means to evaluate commissioning programs.

- **RECOMMENDATION 3:** The GAO recommended that the Secretary of Defense, to ensure that officer production sources operate cost-effectively, develop and implement a single comprehensive oversight strategy that includes all commissioning programs in all the Services. (p. 75/GAO Draft Report)

Now on p. 59.

**DOD RESPONSE:** Concur. The Department has expanded oversight significantly in the past two years, and is incorporating many considerations, including cost effectiveness, into the long-range

strategy for commissioning programs. This is a continuing effort. (See also DoD Response to Finding K.)

- **RECOMMENDATION 4:** The GAO recommended that the Secretary of Defense, to ensure that officer production sources operate cost-effectively, direct the Service Secretaries to develop and implement a single comprehensive plan encompassing all their respective commissioning programs that will be cost-effective and apply resources to meet the officer needs of each Service. The GAO further recommended that the plans address the most cost-effective manner for determining (1) types and quantities of officer skills needed, (2) total production and production by programs, (3) total enrollments required by program, (4) officer candidate financial assistance to be provided by program, (5) numbers of units by program needed to provide military training, (6) unit staffing, (7) headquarters overhead staffing, and (8) other program elements deemed appropriate. (p. 75/GAO Draft Report)

**DOD RESPONSE:** Partially concur. All of the listed considerations, plus additional qualitative considerations and lead times required to respond to military requirements, are currently employed by the Services in planning officer accessions. The Department is working with the Services in stabilizing annual accessions plans, but does not agree that additional formal direction is required now. The Department will consider such direction, should the need arise in the future.

- **RECOMMENDATION 5:** The GAO recommended that, to eliminate inefficiencies and duplication, the Secretary of Defense direct the Service Secretaries to close more low production Reserve Officers Training Corps units and reduce Reserve Officers Training Corps goals, while increasing Officer Candidate School goals. (pp. 75-76/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Department agrees that unproductive Reserve Officers Training Corps units should not be retained. Over 70 such units have been closed, consolidated, or identified for closure in the past year, and additional closures are being planned as production declines over the course of the drawdown. Prior congressional resistance (see also DoD response to Finding Y) to unit closures has been a factor in this area. Officer candidate school production goals must, of necessity, remain flexible during periods of instability in officer manpower levels. Directing increased production from those sources before more stable force levels are attained is not appropriate.

Now on p. 59.

Now on p. 59.

Now on p. 59.

- **RECOMMENDATION 6:** The GAO recommended that the Secretary of Defense, to eliminate inefficiencies and duplication, direct the Secretary of the Navy to consolidate its Officer Candidate School and Aviation Officer Candidate School into a single entity located at Newport, Rhode Island. (pp. 75-76/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Navy is already considering consolidation of the basic officer candidate program, with tailored aviation related training, as well as other warfare related training, being assigned to the warfare specialty sponsors after commissioning. Additional directive guidance to the Navy is not needed at present, since the Navy review is ongoing. Results of the Navy review are expected by the end of July 1993.

Now on p. 59.

- **RECOMMENDATION 7:** The GAO recommended that the Secretary of Defense, to eliminate inefficiencies and duplication, direct the Secretary of the Navy to consolidate its Officer Candidate School, Aviation Officer Candidate School, and special commissioning programs under one manager. (pp. 75-76/GAO Draft Report)

**DOD RESPONSE:** Partially concur. The Navy already is considering removal of training elements that are warfare specialty related from basic officer candidate programs. Those programs are currently under the management of the Chief of Naval Education and Training who will retain sole management authority. (See also DoD Response to Recommendation 6.)

Now on p. 60.

- **RECOMMENDATION 8:** The GAO recommended that the Secretary of Defense, to eliminate inefficiencies and duplication, direct the Secretaries of the Air Force and the Army to combine their Officer Candidate School and Reserve Officers Training Corps headquarters at a single location under a Deputy Chief of Staff within a major Service command. (pp. 75-76/GAO Draft Report)

**DOD RESPONSE:** Nonconcur. Command structure within the Service officer commissioning programs is effective. In the case of the Army, training standards met through the Military Academy, the Officer Candidate School, the Reserve Officers Training Corps, and the state National Guard schools are determined and maintained by the Commanding General, Training and Doctrine Command at Fort Monroe, Virginia. Consolidation of those programs at a single location would not be effective. In the case of the Air Force, a major organizational review now underway contains several options involving consolidation of commissioning programs. The Air Force review should be completed by the end of FY 1992, with resulting actions initiated in FY 1993. The Department will await the outcome of that review prior to issuing additional direction. In both Services, it is currently the case that qualification standards for all commissioning programs are centrally managed by the Training and Doctrine Command (Army), and the Air Training Command (Air Force).



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# Major Contributors to This Report

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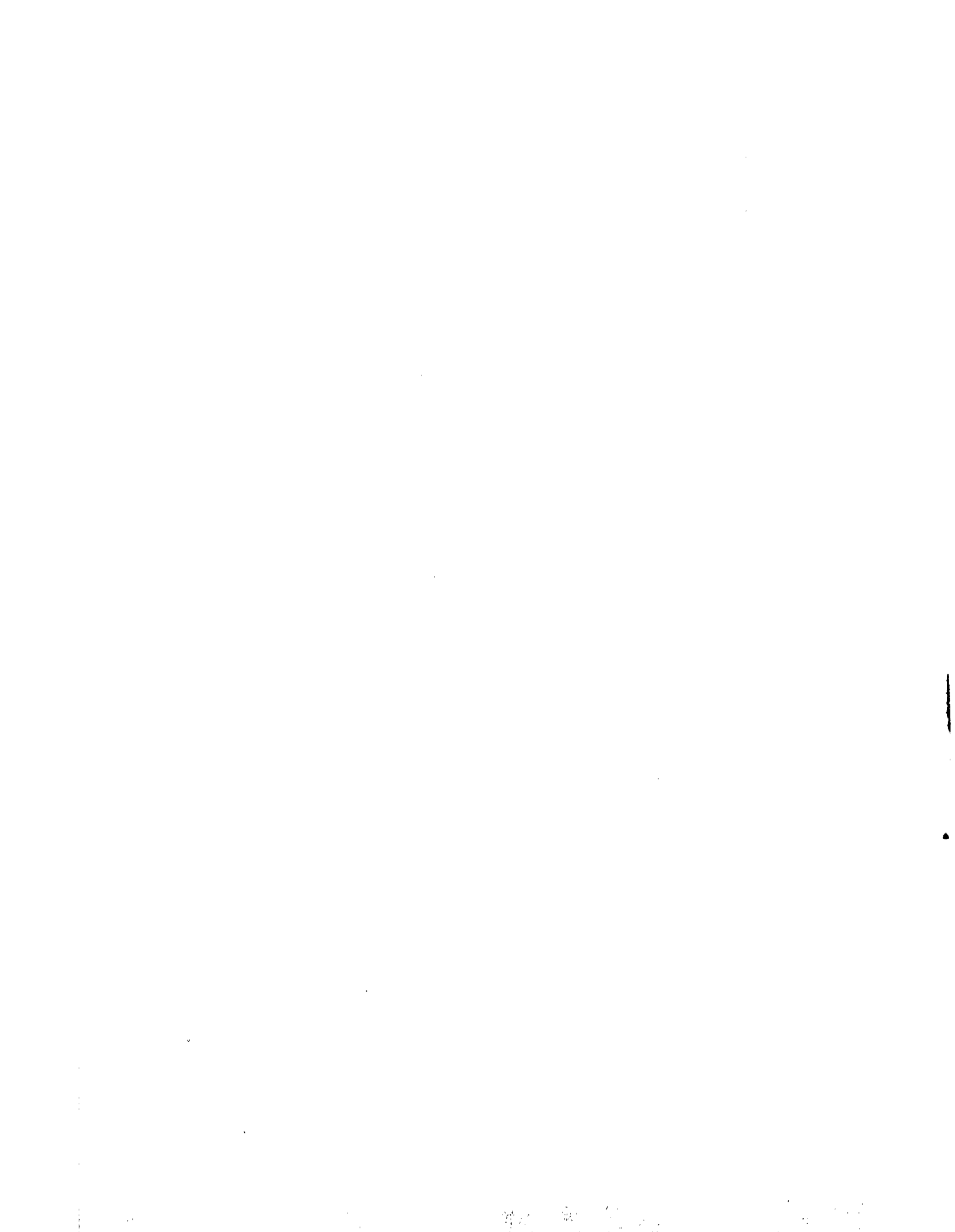
**National Security and  
International Affairs  
Division, Washington,  
D.C.**

**William E. Beusse, Assistant Director**

---

**Norfolk Regional Office**

**Dudley C. Roache Jr., Regional Management Representative  
Cora M. Bowman, Evaluator-in-Charge  
James E. Lewis, Evaluator  
Sally L. Coleman, Evaluator  
Henry Arzadon, Evaluator  
Lisa J. Kreisel, Evaluator**



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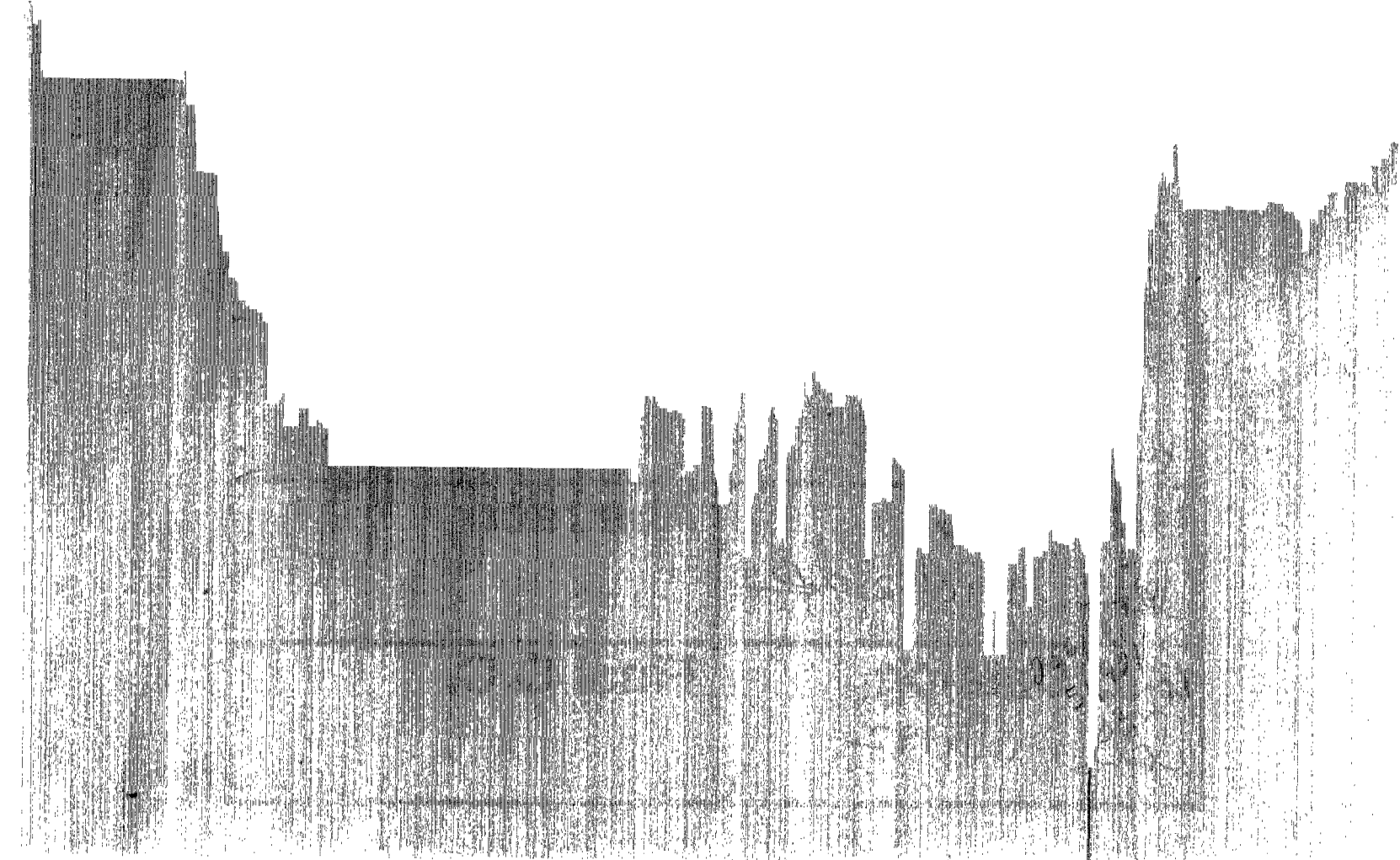
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