



MILITARY PERSONNEL

DOD Needs More Effective Controls to Better Assess the Progress of the Selective Reenlistment Bonus Program

Highlights of [GAO-04-86](#), a report to the Subcommittee on Defense, Committee on Appropriations, House of Representatives

Why GAO Did This Study

The Department of Defense (DOD) uses the Selective Reenlistment Bonus (SRB) program to reenlist military personnel in critical specialties. In fiscal years 1997-2003, the program budget rose 138 percent, from \$308 million to \$734 million (see fig.). In fiscal year 2003, the House Appropriations Committee directed the Secretary of Defense to reassess program efficiency and report on five concerns: (1) how effective the program is in correcting retention shortfalls in critical occupations, (2) how replacement guidance will ensure targeting critical specialties that impact readiness, (3) how DOD will match program execution with appropriated funding, (4) how well the services' processes for administering the program work, and (5) advantages and disadvantages of paying bonuses in lump sum payments. The committee also directed GAO to review and assess DOD's report.

What GAO Recommends

GAO recommends that the Secretary of Defense direct the Undersecretary of Defense for Personnel and Readiness to (1) retain the requirement for an annual review of the SRB program and (2) develop a consistent set of methodologically sound procedures and metrics for reviewing the effectiveness and efficiency of all aspects of each service's SRB program administration. DOD agreed with the recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-04-86.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Derek Stewart at (202) 512-5559 or stewartd@gao.gov.

What GAO Found

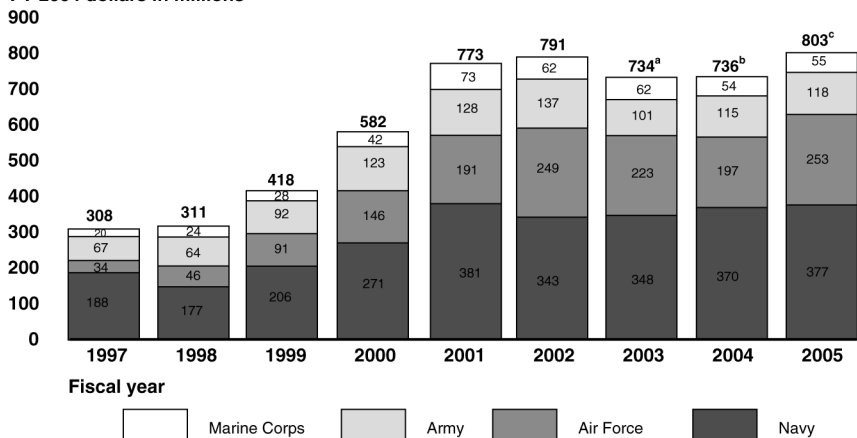
Despite congressional concerns about the SRB program, DOD's May 2003 report stated that the program is managed carefully, bonuses are offered sparingly, and the services need flexibility in administering the program. However, DOD's responses did not thoroughly address four of the five SRB program concerns contained in the mandate. As a result, Congress does not have sufficient information to determine if the program is being managed effectively or efficiently. For example,

- DOD has not issued replacement program guidance and did not allow us to review the guidance that has been drafted. DOD's report focused primarily on criteria for designating occupations as critical, but the report did not address an important change—the potential elimination of the requirement for conducting annual program reviews. In response to our 2002 report, DOD stated that this requirement would be eliminated from future program guidance. DOD recently told us that the new guidance will require periodic reviews, but neither the frequency nor the details of how these reviews would be conducted was explained.
- DOD conducted a limited evaluation to address the congressional concern about how well the services are administering their programs. The response consisted largely of program descriptions provided by the services. Among other things, DOD did not use a consistent set of procedures and metrics to evaluate each of the services' programs. Consequently, it is difficult to identify best practices, or to gain other insights into ways in which the effectiveness and efficiency of the services' programs could be improved.

DOD thoroughly addressed the congressional concern pertaining to the advantages and disadvantages of paying SRBs as lump sums.

SRB Program Budget Growth, Fiscal Years 1997-2005

FY 2004 dollars in millions



Source: GAO analysis of DOD data.

^aIn-year (or current) estimate. ^bFiscal year 2004 budget request. ^cFiscal year 2005 budget estimate.