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United States General Accounting Office  
Washington, DC 20548

July 26, 2001

The Honorable Robert Stump  
Chairman, Committee on Armed Services  
House of Representatives

The Honorable John M. McHugh  
Chairman, Subcommittee on Military Personnel  
Committee on Armed Services  
House of Representatives

Subject: Military Readiness: Preliminary Observations on the Army's Manning Initiative

In the recent past, Congress, the Department of Defense, and we have expressed concerns about the readiness of U.S. forces to perform combat missions. To ensure Army units' readiness to fulfill their missions, the Army Chief of Staff created an initiative in October 1999 to staff all active units at 100 percent with personnel at authorized grades and skills over fiscal years 2000-2003. In October 2000 you requested that we examine a number of issues associated with the readiness of Army divisions, including the manning initiative. After interim briefings with your staff, you requested that we provide our initial observations on (1) the extent to which the Army has achieved the manning initiative goals to date for enlisted personnel, (2) the impact the initiative has had on Army units, and (3) the effect of management decisions on the Army's ability to achieve the initiative's goals. We will issue a report later this year on the other readiness-related issues that you requested we review.

**RESULTS IN BRIEF**

As of May 2001, the Army had achieved its manning initiative goals for enlisted personnel to varying degrees, as shown in table 1.

Table 1: Army's Progress in Meeting Manning Initiative Goals (as of May 2001)

<b>Fiscal year</b>	<b>Goal</b>	<b>Progress</b>
2000	Staff 10 combat divisions and 2 combat armored cavalry regiments at 100 percent of the number of enlisted personnel authorized in the aggregate <sup>a</sup>	Achieved goal
2001 (second quarter)	Staff 10 combat divisions and 2 combat armored cavalry regiments at 100 percent of authorized enlisted personnel by the skills and grades needed	Nearly achieved goal
2001	Staff nondivisional, <sup>b</sup> early deploying combat support units at 100 percent of authorized enlisted personnel by skill and grade levels	Made progress but will not fully achieve goal until the end of fiscal year 2002

<sup>a</sup> The term "aggregate" refers to the total number of soldiers at any skill or grade level.

<sup>b</sup> For this report nondivisional units are all units other than the 10 combat divisions and 2 combat armored cavalry regiments. The early deploying units include aviation, engineering, military police, chemical decontamination, and transportation units that would deploy within the first 30 to 35 days to support the combat units during a major theater war.

Source: GAO analysis of Army Chief of Staff manning initiative.

The initiative has had a positive impact on the Army's combat divisions but has created some negative effects, at least in the short term, on many nondivisional units. On the positive side, some combat divisions that in the past were routinely staffed at less than authorized levels are now staffed in the aggregate at 100 percent. Also, division commanders said that training has improved and that with more soldiers in their occupational specialties, the units perform their missions more effectively. Readiness reports submitted by the divisions from October 1998 to June 2001 confirm that the initiative has improved "personnel readiness"; that is, the units have the required number of soldiers at grade and skill levels to accomplish their mission. On the negative side, because of the effort to staff the combat divisions and armored regiments at 100 percent, the staffing levels of some nondivisional units, including early deploying combat support units, decreased; Army officials said that over 40 percent of these units have reported lower states of readiness since the beginning of the initiative.

According to Army officials, some management decisions have affected and may continue to affect the Army's ability to achieve the goals for the manning initiative. First, the Army has chosen to budget for less than its authorized number of soldiers. Second, in some cases, the Army has allowed new recruits or soldiers who reenlist to move into occupational specialties other than those it needed to fill. Finally, the Army has allowed the number of soldiers unavailable for assignment to units, such as those who are in training, between assignments, or awaiting discharge, to increase to levels higher than in the past. According to Army officials, whether the Army will fully achieve and sustain its manning initiative goals will depend on its future management decisions on funding, recruiting, and retention.

## **BACKGROUND**

The manning initiative, which the Army Chief of Staff created on October 12, 1999, includes a plan to ensure that all Army units have 100 percent of their authorized staff, by grade and

skill levels,<sup>1</sup> by fiscal year 2003 and that those staffing levels are maintained. The manning initiative has three elements: (1) distributing soldiers by the grades and skills needed to staff the force, (2) recruiting soldiers to sustain the force, and (3) ensuring that the force structure matches congressionally authorized staff levels. Only the distribution element has measurable goals (see table 2). The intent of the initiative is to ensure that at all units have the personnel necessary to perform their assigned missions and to address staffing imbalances that had developed in past years. Such imbalances developed partly because priority for staffing was given to those divisions that would be called upon first to deploy to a major theater war, and divisions that were to deploy later<sup>2</sup> in a war were staffed at less than authorized levels.

Table 2: Implementation Schedule for the Army Chief of Staff's Manning Initiative Goals

<b>Fiscal year</b>	<b>Goal</b>	<b>Units</b>
2000	100 percent authorized enlisted personnel in the aggregate	10 active divisions 2 armored cavalry regiments
2001 (second quarter)	100 percent authorized enlisted personnel by skill and grade level	10 active divisions 2 armored cavalry regiment
2001	100 percent authorized enlisted personnel by skill and grade level	Nondivisional combat support units—early deploying units
2002	100 percent authorized enlisted personnel by skill and grade level	Nondivisional combat support units—all remaining units
2003	100 percent authorized enlisted personnel by skill and grade level	Institutional units, including support activities such as training, doctrine development, base operations, supply, and maintenance units

Source: U. S. Army.

The Chief of Staff provided additional parameters for the initiative. For example, to ensure that adequate readiness is maintained, units are not to have less than 70 percent of their authorized staff. He also described recruiting as his number one task and emphasized the importance of retention.

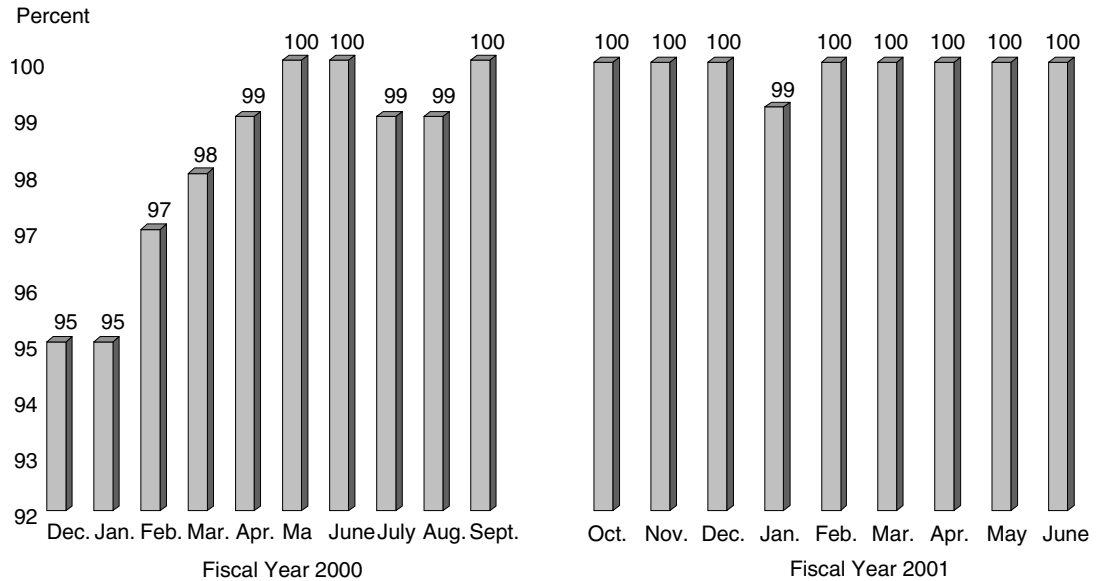
<sup>1</sup> Skill is related to a soldier's occupational specialty such as infantryman. Skills are grouped by grade levels as follows: skill level 1, E1-E4 (lowest graded enlisted personnel); skill level 2, E5-E6 (mid-level noncommissioned officers); and skill level 3, E7-E9 (senior noncommissioned officers).

<sup>2</sup> For purposes of this report, the later deploying combat divisions are the 1<sup>st</sup> Armored, 1<sup>st</sup> Infantry, 4<sup>th</sup> Infantry, 10<sup>th</sup> Infantry, and 25<sup>th</sup> Infantry divisions. Later deploying combat divisions are those divisions expected to deploy in the event of a second simultaneous or nearly simultaneous major theater war or as reinforcements for a theater war that is larger than expected.

**ARMY HAS ACHIEVED MANNING INITIATIVE GOALS TO VARYING DEGREES**

In fiscal year 2000, the Army achieved the manning initiative goal for enlisted personnel<sup>3</sup> as planned. That is, since May 2000, the reported aggregate staff levels for the 10 active divisions and 2 armored cavalry regiments have been at or nearly 100 percent and were at 100 percent as of June 2001. The Army anticipates that it will be able to maintain 100 percent enlisted staffing for these units. Figure 1 shows the staffing levels for these units since December 1999 through June 2001.

Figure 1: Aggregate Enlisted Staffing Levels for Army Divisions and Armored Cavalry Regiments (Dec. 1999 – June 2001)



Source: U.S. Army.

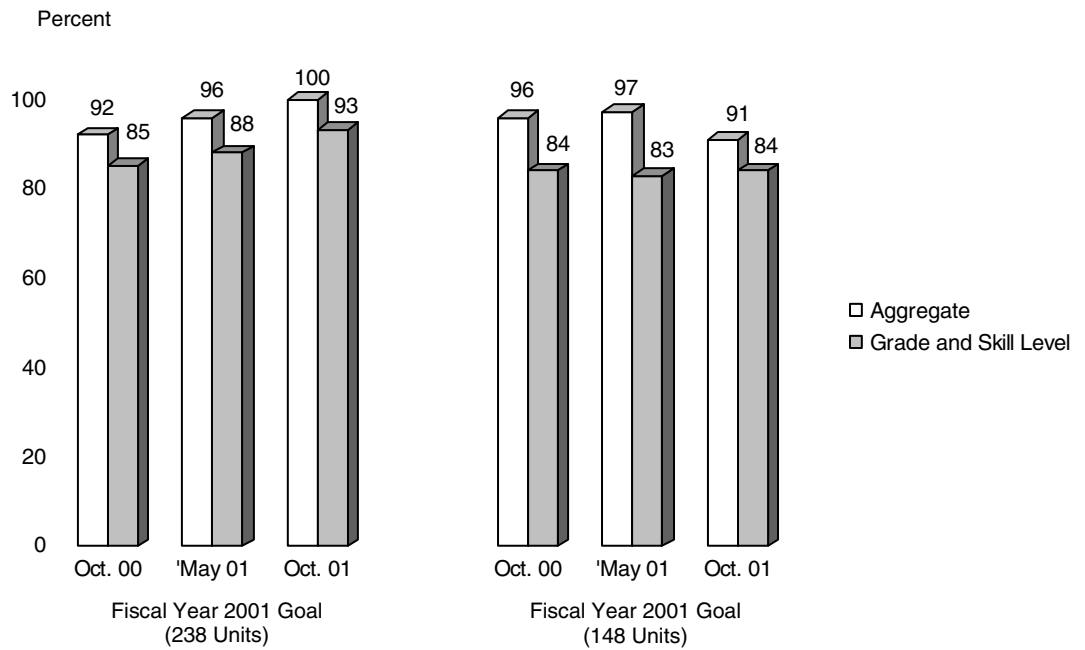
For its fiscal year 2001 goals, the Army nearly achieved one goal and made progress on the other (see figs. 2 and 3). The Army almost staffed the 10 Army divisions and 2 armored cavalry regiments by grade and skill level. Specifically, the Army achieved 93 percent of its required staffing, by grade and skill levels, in its divisions and armored regiments. Army officials projected that they could maintain that level of staffing until the end of fiscal year 2001 but also said that a 94-percent match might be the best the Army could achieve because positions such as cooks and fuel handlers have traditionally been difficult to fill at certain grade and skill levels. According to Army officials, changes in requirements for certain occupations, such as those requiring a higher level of technical skill, prevent the Army from attaining 100 percent of its goals by grade and skill levels.

For the second fiscal year 2001 goal, the Army will not staff all of its nondivisional, early deploying combat support units in the aggregate or by grade and skill levels at 100 percent.

<sup>3</sup>The Army dropped a goal initially established for officers shortly after the initiative was implemented. According to Army officials, the Army dropped officers from the initiative because it considered the shortages of officers not as critical as shortages of enlisted personnel and because the Army measures personnel readiness primarily in terms of its enlisted force. The Army plans to address officer shortages through other means.

According to Army officials, these units could not be staffed as intended by the initiative because doing so would reduce staffing for the remaining combat support and institutional units and create readiness problems. Thus, the Army plans to staff 238 of its 386 early deploying units at 100 percent of their authorized staff by the end of fiscal year 2001 and staff the remaining 148 units in fiscal year 2002. As of May 2001, the Army had achieved 96 percent of its staffing goal for the 238 units in the aggregate; it also achieved 88 percent of its goal to staff these units by skill and grade levels. The Army staffed the remaining 148 early deploying units at 97 percent in the aggregate and 83 percent by skill and grade levels. According to Army officials, by the end of fiscal year 2002, these units are expected to be filled at 100 percent. Figure 2 shows the percentage of staffing in the aggregate and by grade and skill level for nondivisional, early deploying combat support units for fiscal years 2001 and 2002.

Figure 2: Staffing Levels for Nondivisional, Early Deploying Combat Support Units for Fiscal Years 2001 and 2002 Goals



Note: October 01 are the Army's projected figures.

Source: U.S. Army.

**IMPACT OF INITIATIVE ON UNITS HAS BEEN BOTH POSITIVE AND NEGATIVE**

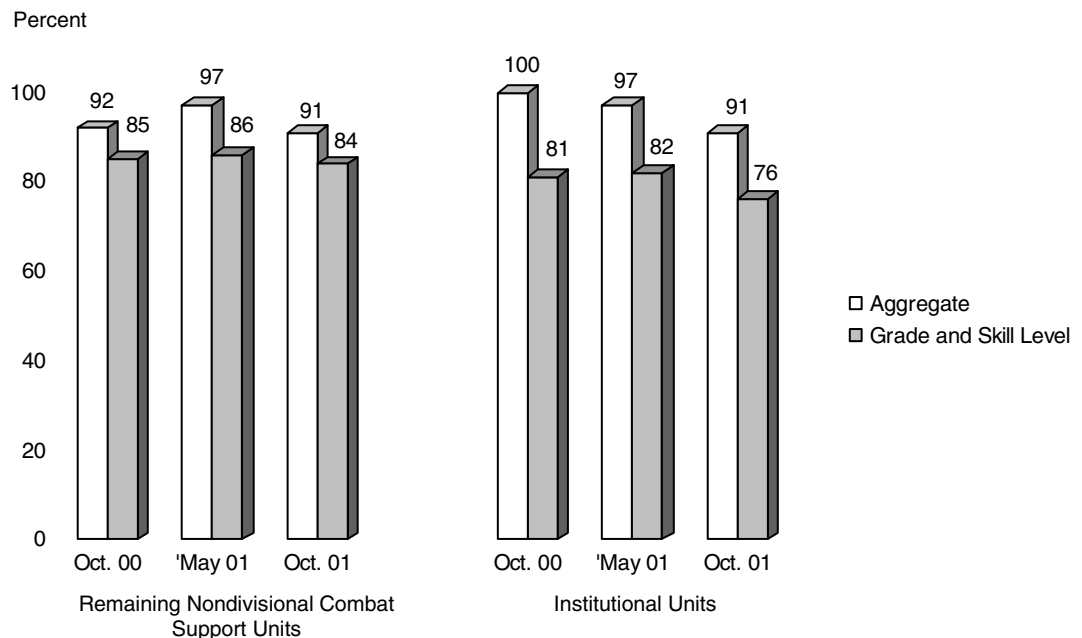
The impact of the manning initiative has been positive for divisions, but staff levels in nondivisional units were initially reduced. In 1998, we testified that five divisions had about 93 percent of their authorized staff, a number of shortages of personnel in the grade and skills required, and unfilled squads.<sup>4</sup> As of June 2001, however, these units are staffed at 100 percent in the aggregate and have fewer shortages by grade and skill levels. According to reported data and interviews with Army commanders, personnel readiness, that is, having the

<sup>4</sup> *Military Readiness: Observations on Personnel Readiness in Later Deploying Army Divisions* (GAO/T-NSIAD-98-126, Mar. 20, 1998).

required mix of soldiers at grade and skill levels to accomplish their mission, had improved for these units as a result of the manning initiative. Also, division commanders believe the initiative has improved their ability to train and has placed more soldiers in their occupational specialties, allowing the units to perform their missions more effectively.

As stated earlier, nondivisional combat support units are currently manned at less than their authorized levels, and according to Army officials over 40 percent of these units have reported lower states of readiness since the beginning of the initiative. As previously discussed, Army officials decided to staff some nondivisional, early deploying combat support units in fiscal year 2001. The goals for the remaining nondivisional combat support units and institutional units will not be in effect until fiscal years 2002 and 2003. As of May 2001, these units were staffed at 97 percent in the aggregate and 86 percent by grade and skill levels, and the institutional units were staffed at 97 percent in the aggregate and 82 percent by grade and skill levels (see fig. 3). The Army projected that enlisted staffing in the aggregate and grade and skill levels would decrease from the May 2001 level by October 2001.

Figure 3: Enlisted Staffing Levels for Remaining Nondivisional Units in Fiscal Year 2001



Note: October 01 are the Army's projected figures.

Source: U.S. Army.

**MANAGEMENT DECISIONS HAVE EFFECTED ARMY'S ABILITY TO ACHIEVE INITIATIVE GOALS**

According to Army officials, some decisions have affected and may continue to affect the Army's ability to achieve the goals of the manning initiative. For example:

- Since the late 1990s the Army has chosen not to budget for its authorized number of soldiers and used the funds to meet other needs. In fiscal year 2001, for instance, the Army budgeted for only 477,600 soldiers, even though Congress authorized 480,000 soldiers. The Army has moved funds from the military personnel account because it

could not fill its force to the authorized level through recruitment and could use the money elsewhere.

- To fill its force to the authorized level, the Army has, in some cases, allowed new recruits or soldiers who reenlist to move into occupational specialties other than those that it needed to fill. While the Army may maintain the aggregate level at 100 percent through this practice, it has left units without the right mix of grades and skills.
- The Army has allowed the number of soldiers that are unavailable for assignment to units, which include new recruits, soldiers attending training at Army schools, soldiers between assignments, and soldiers awaiting discharge, to increase to levels higher than in the past. Although the Army has estimated since the late 1990s that it would have only 63,000 soldiers in this category, the number has consistently averaged about 67,000. This leaves about 4,000 fewer soldiers available for assignment.

According to Army officials, whether the Army will fully achieve and sustain its manning initiative goals will depend on its future management decisions on funding, recruiting, and retention practices.

#### **AGENCY COMMENTS**

We provided a draft copy of this report to officials with the Office of the Deputy Under Secretary of Defense (Readiness) and the Office of the Army Deputy Chief of Staff (Personnel). We met with Army Personnel officials to discuss the draft and they provided technical comments which were incorporated where appropriate.

#### **SCOPE AND METHODOLOGY**

To assess the extent to which the Army has achieved the manning initiative goals to date, the impact the initiative has had and will have on units, and the affect of management decisions on the Army's ability to achieve the initiative's goals, we interviewed Army officials from the Department of Army, the Deputy Chief of Staff for Personnel, the Army Personnel Command, the Army Forces Command, and U.S. Army Forces Europe; and commanders and staff from the 1<sup>st</sup> Armored Division, 1<sup>st</sup> Infantry Division, 10<sup>th</sup> Mountain Division, 25<sup>th</sup> Infantry Division, 4<sup>th</sup> Infantry Division, and 1<sup>st</sup> Cavalry Division; commanders and staff from the 13<sup>th</sup> Corps Support Group and the 937<sup>th</sup> Engineer Support Group. We also obtained and examined relevant Army manning initiative policy documents and goals and compared them to the Army's reported implementation of the manning initiative. Additionally, we reviewed reported Army readiness data to identify any changes in readiness trends since the manning initiative began.

We conducted our review between April and July 2001 in accordance with generally accepted government auditing standards. We are continuing our review of the readiness of the Army's later deploying units. This report represents the preliminary results of our work related only to the manning initiative.

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We are sending copies of this report to appropriate congressional committees, the Secretaries of Defense and the Army, and the Director of the Office of Management and Budget. We will send copies to other interested parties upon request.

Please contact me on (757) 552-8111 if you or your staff have any questions about this report. Additional contacts and staff acknowledgments are listed in enclosure I.

A handwritten signature in black ink that reads "Neal P. Curtin". The signature is written in a cursive style with a large initial 'N' and a distinct 'P'.

Neal P. Curtin, Director  
Defense Capabilities and Management

Enclosure



**GAO Contacts and Staff Acknowledgments**

**GAO Contacts**

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**Staff Acknowledgments**

In addition to those named above, Donna Rogers, Nancy Ragsdale, Nadine Furr, Melissa McDowell, Connie Sawyer, Lauren Johnson and James Lewis made key contributions to this report.