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February 1999

# DEFENSE INFRASTRUCTURE

## Funding Risks in Services' 1999 Central Training Programs



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**National Security and  
International Affairs Division**

B-281814

February 24, 1999

The Honorable John R. Kasich  
Chairman, Committee on the Budget  
House of Representatives

Dear Mr. Chairman:

In a June 1998 report on the Department of Defense's (DOD) formal training and education programs, referred to as central training, we stated that our preliminary analysis of DOD's fiscal year 1999 Future Years Defense Program (FYDP) identified significant reductions from the fiscal year 1998 FYDP in the funds programmed for central training.<sup>1</sup> Because central training is the third largest of eight DOD infrastructure categories, and DOD is looking, in part, to infrastructure savings and efficiencies to buy modern weapons, you requested that we examine the significant differences in the two central training programs.<sup>2</sup> Specifically, you requested that we identify the (1) training categories and military services with the most significant funding changes from the 1998 to the 1999 FYDP, (2) bases for the changes, and (3) potential impact of the changes on the services' future training budgets. We included the entire fiscal year 1999-2003 period in our analysis.

Central training programs include individual training activities that provide training for active military personnel, reserve component personnel, and DOD civilians. Central training is different from unit mission training. Unit mission training is undertaken by operational units to maintain the units' required readiness in their primary combat, combat support, or combat service support missions. Central training is the training of individual military members in formal courses.

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**Results in Brief**

Our analysis shows that total funding for central training was projected to be \$8.4 billion less in the 1999 FYDP than the 1998 FYDP.<sup>3</sup> Army funding changes account for \$7.2 billion of this reduction. The categories with the

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<sup>1</sup>Defense Infrastructure: Central Training Funding Projected to Remain Stable During 1997-2003 (GAO/NSIAD-98-168, June 30, 1998).

<sup>2</sup>DOD defines infrastructure as activities that provide support services to mission programs and primarily operate from fixed locations. The other infrastructure categories are installation support; acquisition infrastructure; central logistics; central medical; central personnel; central command, control, and communications; and force management.

<sup>3</sup>Unless otherwise stated, the dollar values shown in this report are in constant 1999 dollars and on a fiscal year basis.

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most significant changes in each of the services were the Army's training of new personnel; the Army's, the Navy's, and the Air Force's professional and skill training, aviation and flight training, and installation support; and the Navy's command managed training. We describe these and all of the other central training categories in appendix I.

The majority of the \$8.4-billion decrease was due to changes in the Army's central training program. According to Army officials, \$4 billion of the decrease in Army funding was to correct for an error in the 1998 FYDP that overstated the cost of enlistees' student salaries. Another \$1.1 billion of the decrease related to the realignment of Army aviation procurement out of central training. The remaining \$3.3 billion primarily came from projected savings from (1) the Army, the Navy, and the Air Force reducing the number of personnel projected to be trained; (2) all of the military services contracting some installation support functions with lower cost providers; and (3) the Army and the Navy implementing training initiatives that utilize technology and other cost savings measures. Additionally, some of the \$3.3 billion came from cuts by the Army and the Navy in funding levels for installation support and underfunding by the Army of some of its training programs.

The Army, the Navy, and the Air Force may not be able to accomplish their central training programs at the funding levels in the 1999 FYDP. Service training officials told us that some training categories are underfunded and may require higher funding levels in future FYDPs for the following reasons. First, the services are experiencing lower-than-expected retention rates for enlisted personnel, which most likely will require increased accessions and additional funds for new personnel and skill training. Second, the services projected savings in installation support and funded real property maintenance at minimum maintenance levels. If the programmed savings do not materialize, the services will need additional funds to maintain the current low levels of maintenance or add to the existing backlog of real property maintenance. Third, the Army did not fully fund training initiatives, such as the Army's human relations training in new recruit training, but it plans to fully fund these initiatives in the future. Fourth, the Army already had to request supplemental funding for fiscal year 1999 for the Army Reserve professional development training programs because it found that programmed reductions adversely affected the programs. The Army plans to increase funding for this program in the future. Fifth, the Army's actual aviation training workloads are higher than those used to develop the 1999 FYDP. These additional training workloads may require additional training funds. Finally, the Army and the Navy programmed

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savings from training initiatives that use technology to reduce training costs. Since these initiatives have not been fully implemented, there is risk that the savings may not materialize to the level programmed. If the services are not able to accomplish their central training programs at the funding levels in the 1999 FYDP, DOD may have to provide additional funds for this infrastructure category, which could contribute to a transfer of procurement funds that would have been used to pay for weapons modernization.

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## Background

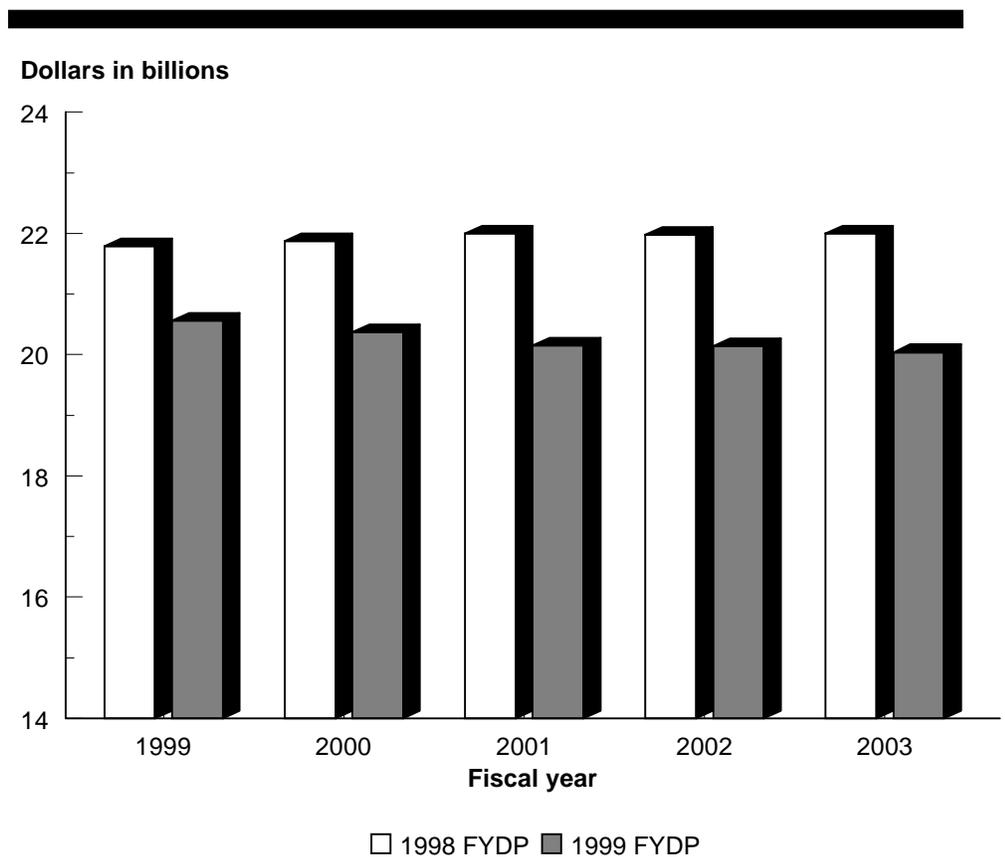
DOD stated in its May 1997 Report of the Quadrennial Defense Review (QDR) that a steady increase in investment in modern equipment to an annual level of \$60 billion is required to fulfill the defense strategy. To achieve modernization goals, DOD plans to reduce the cost of its infrastructure, which includes central training. A focus of the QDR was to build a solid financial foundation for a modernization program that could reliably support future war-fighting capabilities. The key to that foundation was to stop the chronic diversion of procurement funds to pay for underestimated operating costs, unrealized savings, and new program demands by properly projecting and funding DOD's operating and support activities. To address the problem of the migration of these procurement funds to other activities, the QDR redirected resources to modernization through program adjustments that streamline infrastructure as well as reduce force structure and revise modernization plans. For example, the QDR proposed reducing active military personnel by 61,700 and reserve component personnel by 54,000. These QDR actions and initiatives were reflected in the fiscal year 1999 FYDP and caused some of the net decrease in central training funding.

The services consider a number of factors in formulating their central training requirements. Factors include projected authorized end strength, losses in each occupational specialty/category by grade and years in grade, accessions, promotions, and reenlistments. Therefore, a change in end strength levels may not lead to a proportional change in training requirements. For example, lower-than-expected retention rates may necessitate increased training requirements even though personnel levels are lower. The services compile "training workload" to determine resources (people, funds, material, and facilities) required to conduct training. Training workload measures the output of the services' central training programs.

## Army Funding Changes Account for Largest Share of Projected Decrease

DOD's 1998 FYDP projected a 1-percent increase in funding for central training between 1999 and 2003, while the 1999 FYDP projected a 2.5-percent decrease in funding for the same period. The total decrease in funding between the two FYDPs was \$8.4 billion. Figure 1 compares the annual funding levels for the two FYDPs.

Figure 1: Comparison of the 1998 and 1999 FYDPs' Funding for Central Training in Billions of Fiscal Year 1999 Dollars

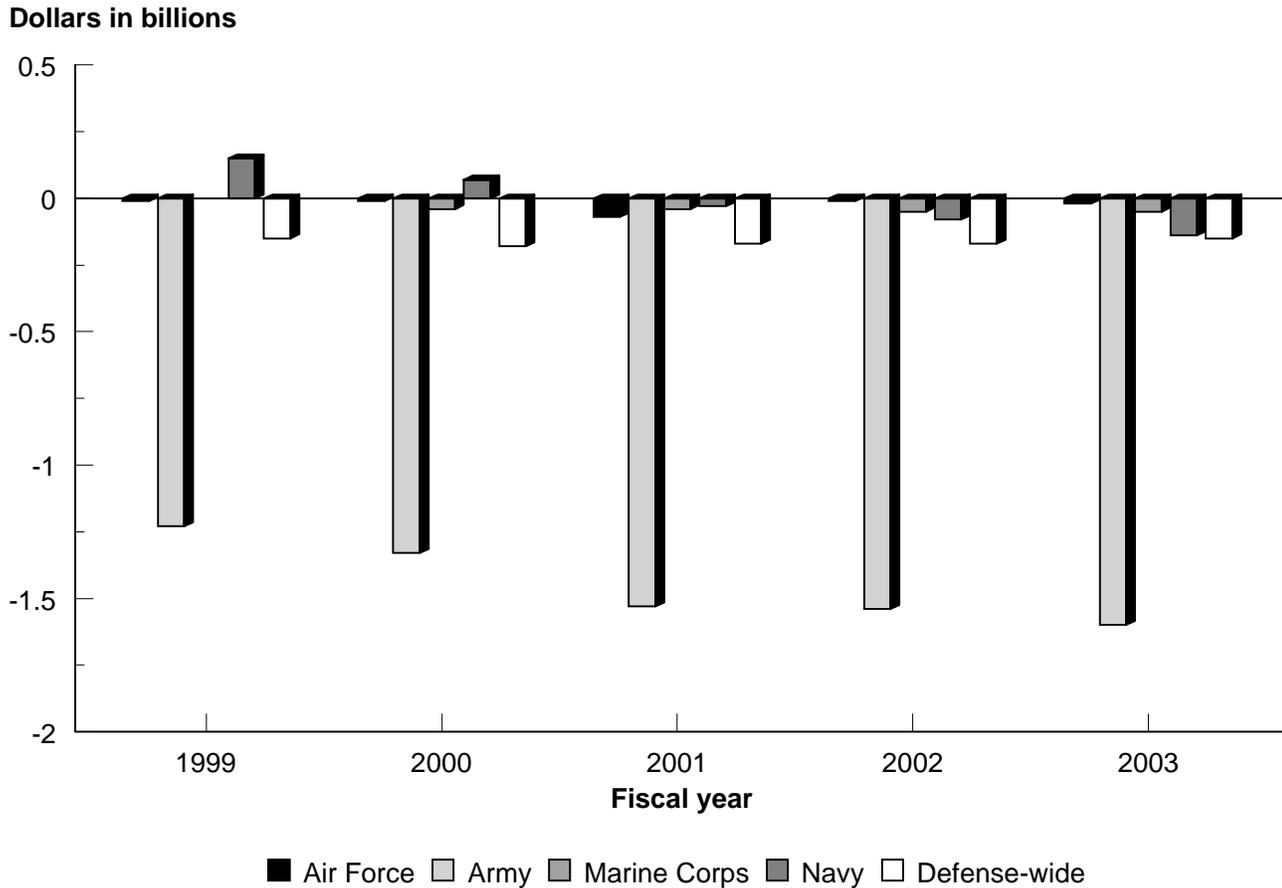


Source: Our analysis of DOD FYDP data.

Army funding changes account for \$7.2 billion (86 percent) of this projected decline. The Air Force projected slightly lower funding levels in the 1999 FYDP. Although Navy funding in the 1999 FYDP shows an increase for 1999 and 2000, it too fell below projected 1998 FYDP levels in 2001 through 2003. Annual funding for the Marine Corps, which accounted for

less than 9 percent of central training funding in 1999, was projected to decrease by less than 3 percent annually in the 1999 FYDP from the levels projected in the 1998 FYDP. Defense-wide training, which fell each year of the 1999 FYDP, accounted for less than 6 percent of central training funding in 1999. Figure 2 shows the funding changes by component between the 1998 and 1999 FYDPs.

**Figure 2: Changes in Annual Central Training Funding by Component Between the 1998 and 1999 FYDPs (in billions of fiscal year 1999 dollars)**



Source: Our analysis of DOD FYDP data.

## Army Budget Is Smaller Primarily Due to Errors in 1998 FYDP

The 1998 FYDP projected that Army central training funding would remain relatively stable over the 1999-2003 period, while the 1999 FYDP projected a decline of \$7.2 billion over the same period. The most significant reductions in the Army's budget were in four categories—training of new personnel, professional and skill training, aviation and flight training, and installation support for training. Most of the reductions were made to correct errors in the 1998 FYDP. Other contributing factors were personnel reductions as a result of the QDR, programmed reductions for planned efficiencies, shifts in programs from central training to other parts of the budget, and reduced funding for installation support and professional development training. Table 1 lists the amounts programmed for the four categories that changed the most between the two FYDPs.

**Table 1: Comparison of Funding for Selected Army Training Categories in the 1998 and 1999 FYDPs**

In millions of fiscal year 1999 dollars

Training category	FYDP	Fiscal year					Total
		1999	2000	2001	2002	2003	
Training of new personnel	1998	\$1,390	\$1,410	\$1,448	\$1,480	\$1,465	<b>\$7,194</b>
	1999	654	620	605	618	614	<b>3,112</b>
	Change	-736	-790	-843	-862	-851	<b>-4,081</b>
Professional and skill training	1998	2,718	2,709	2,706	2,742	2,756	<b>13,631</b>
	1999	2,572	2,476	2,461	2,457	2,458	<b>12,425</b>
	Change	-146	-233	-245	-285	-297	<b>-1,206</b>
Aviation and flight training	1998	561	594	622	640	597	<b>3,015</b>
	1999	423	401	405	412	414	<b>2,056</b>
	Change	-138	-193	-218	-228	-182	<b>-959</b>
Installation support for training	1998	1,493	1,424	1,399	1,385	1,419	<b>7,120</b>
	1999	1,422	1,407	1,289	1,323	1,244	<b>6,684</b>
	Change	-71	-17	-110	-62	-175	<b>-435</b>
Total Army central training <sup>a</sup>	1998	\$7,305	\$7,243	\$7,304	\$7,342	\$7,345	<b>\$36,540</b>
	1999	\$6,080	\$5,909	\$5,776	\$5,805	\$5,746	<b>\$29,316</b>
	Change	\$-1,225	\$-1,335	\$-1,528	\$-1,537	\$-1,599	<b>\$-7,223</b>

Note: Category totals may not add due to rounding.

<sup>a</sup>Includes funding for all nine training categories.

Source: Our analysis of 1998 and 1999 FYDPs.

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## Training of New Personnel

Funding for the training of new personnel in the 1999 FYDP was projected to be about \$4.1 billion less in total than projected in the 1998 FYDP. Most of the decrease (\$4 billion) was to correct an error in the Army's allocation of military salaries. During the development of the 1999 program, Army personnel found that they had been overestimating the salaries of enlisted trainees that were allocated to new personnel training and underestimating salary costs in other programs. An Army official stated that the error had no impact on the Army's budget requests for military personnel salaries and benefits. Moreover, there were funding reductions due to programmed personnel cuts from the QDR. According to Army training officials, instructors and training support staff will be reduced as a result of consolidating training functions and increased contractor support.

According to Army training officials, the Army did not fully fund several training initiatives in the 1999 FYDP such as improvements in the Army's human relations training. Because these are high priorities for the Army, the Army officials expect that these initiatives will be fully funded in the 2000 FYDP, probably at the expense of other major commands.

Further, Army training officials stated that the funding levels in the 1999 FYDP do not fully support a projected increased workload. The Army projected that workload for the training of new personnel would increase because of increased attrition and a 1-week extension of recruit and One-Station Unit Training. As a result, the Army's Training and Doctrine Command has already requested additional funds for the 1999 budget year and the Army will likely have to increase the funding levels for this training category in the 2000 FYDP.

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## Professional and Skill Training

The 1999 FYDP programmed \$1.2 billion less in total for this category than the 1998 FYDP. Several factors contributed to the lower projected funding. Programmed personnel reductions (a result of the QDR) contributed to a decrease in Army Reserve funding. In addition, as part of the implementation of the Total Army School System program,<sup>4</sup> the Army Reserve reviewed its professional development training programs and cut its budget for students, instructors, and overhead. However, according to Army training officials, the Army Reserve underestimated its training

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<sup>4</sup>The Army consolidated its training structure for both its active and reserve components into a Total Army School System.

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requirements, and as a result, requested and received a \$48-million increase in the fiscal year 1999 appropriations that offset the shortfall programmed in the 1999 FYDP. Army training officials stated that funding for Reserve professional and skill training in the 2000 FYDP will be increased.

Changes in and programmed savings from the Army's Distance Learning Program also contributed to lower programmed funding for professional and skill training.<sup>5</sup> In 1998, funding for the management of this program was moved from the central training infrastructure to another infrastructure category. In addition, funding was reduced beginning in 1999 to reflect both training load decreases and projected savings through the Army's ongoing investment in distance learning technology. These savings are to accrue as classroom training time is shortened and student travel and per diem costs are reduced. Army training officials informed us that the Army continues to fully implement its Distance Learning Program, so the service can achieve the savings planned from the program, but substantial savings are not projected to begin until 2004 because of the lengthy implementation process.

The decline in Army funding would have appeared even greater if the Army had not received additional funding for its professional and skill training programs from Defense-wide central training activities. The Defense Reform Initiative<sup>6</sup> directed the transfer of the National Defense University operation and maintenance funding from the Defense-wide accounts to the Army. This increased Army funding by \$111 million in 1999.

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## Aviation and Flight Training

Total funding for aviation and flight training was projected to be about \$1 billion lower in the 1999 FYDP than in the 1998 FYDP. This occurred primarily because planned procurement funding in the Army's undergraduate pilot training program was transferred to programs that are not included in central training. Army training and budget officials stated that the funding will be allocated to line units based on Army priorities, although training programs will still receive equipment that is excess to the line units' needs.

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<sup>5</sup>Distance learning is structured training that can take place almost anywhere and anytime without the physical presence of an instructor.

<sup>6</sup>Announced in November 1997, the Defense Reform Initiative requires DOD to adopt those business practices that American industry has successfully used to become leaner and more flexible in order to remain competitive.

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According to Army training officials, the Army is experiencing high attrition rates for Apache helicopter pilots because of an increased pace of operations and more requirements for Apache battalions outside of the United States than inside the United States. As a result, the aviation and flight training workload will be even higher than projected in the 1999 budget to meet the increased demand for training new pilots. Increased workload may result in increased funding requirements for this training category in the 2000 FYDP. In an effort to increase pilot retention and reduce flight training requirements, the Army recently received approval for Apache pilot retention bonuses.

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## Installation Support for Training

Funding for installation support for training was projected to be about \$435 million less in total in the 1999 FYDP than in the 1998 FYDP. The projected reduction is primarily due to planned efficiencies from DOD's reinvention initiatives. The efficiencies are projected to result from such efforts as the outsourcing and privatization of installation support functions, lower lease costs, the elimination of less energy-efficient structures, and the upgrade of existing utilities. The Army has assumed some risk by making these projections because it does not know whether the savings can be achieved.

The Army is also assuming risk by delaying some real property maintenance to free up additional funds for modernization and readiness. Army training officials stated that the Army knowingly underfunded some training installation support programs, adding to the existing maintenance backlog. For example, the Army reduced funding for its barracks conversion program. The training officials noted that several commanders have stated that the real property maintenance shortfall is adversely affecting morale.

## Changes in Navy Funding Primarily Due to Surge in New Recruits, Personnel Reductions, Planned Savings From Training Initiatives, Deferred Maintenance, and Higher Flying-Hour Costs

Although both the 1998 and 1999 FYDPs projected a net decrease in Navy central training funding, there were some substantial changes within several training categories in the 1999 FYDP. The most significant changes between the two FYDPs were in four categories—professional and skill training, aviation and flight training, command managed training, and installation support for training. These changes were primarily due to personnel reductions, planned savings from training initiatives, deferred real property maintenance, planned savings from changes in the procurement profile for trainer aircraft, higher flying-hour costs, and planned savings from competitive sourcing and regionalization initiatives. Table 2 lists the amounts programmed for the four categories that changed the most between the two FYDPs.

**Table 2: Comparison of Funding for Selected Navy Training Categories in the 1998 and 1999 FYDPs**

In millions of fiscal year 1999 dollars

Training category	FYDP	Fiscal year					Total
		1999	2000	2001	2002	2003	
Professional and skill training	1998	\$1,743	\$1,771	\$1,750	\$1,727	\$1,705	<b>\$8,696</b>
	1999	1,779	1,783	1,686	1,653	1,659	<b>8,561</b>
	Change	36	12	-63	-74	-46	<b>-135</b>
Aviation and flight training	1998	985	1,053	1,061	1,042	964	<b>5,105</b>
	1999	1,041	1,089	1,011	982	854	<b>4,977</b>
	Change	56	35	-50	-60	-109	<b>-128</b>
Command managed training	1998	1,265	1,239	1,256	1,251	1,248	<b>6,258</b>
	1999	1,313	1,305	1,308	1,301	1,298	<b>6,525</b>
	Change	48	66	52	50	51	<b>267</b>
Installation support for training	1998	693	751	684	697	675	<b>3,499</b>
	1999	680	683	692	672	619	<b>3,345</b>
	Change	-13	-68	8	-25	-56	<b>-154</b>
Total Navy central training funding <sup>a</sup>	1998	\$5,413	\$5,543	\$5,475	\$5,436	\$5,309	<b>\$27,175</b>
	1999	\$5,567	\$5,617	\$5,443	\$5,352	\$5,173	<b>\$27,152</b>
	Change	\$155	\$74	\$-32	\$-84	\$-135	<b>\$-23</b>

Note: Category totals may not add due to rounding.

<sup>a</sup>Includes funding for all nine training categories.

Source: Our analysis of 1998 and 1999 FYDPs.

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## Professional and Skill Training

Projected total funding for professional and skill training shows a decrease of \$135 million from the 1998 FYDP to the 1999 FYDP, with increases in the earlier years and decreases beginning in 2001. Beginning in 1999, the Navy has programmed savings due to QDR-directed personnel reductions and various initiatives. One such initiative, the Training Technology Initiative, plans to upgrade classrooms and produce interactive software to enhance instruction and reduce the overall cost and time of training. Until the initiatives are implemented, it is difficult to determine if and how much savings will accrue from the initiatives. The Navy projected reduced workload levels between 2001 and 2003 for professional and skill training as a result of force structure reductions and military personnel reductions identified in the QDR. The Navy is also reducing the numbers of professors and academic support personnel at the Naval Postgraduate School in conjunction with the reduced student levels.

In September 1998, the Chief of Naval Operations testified before the Senate Committee on Armed Services that the Navy is experiencing shortfalls in its recruiting and retention rates. If enlisted retention rates continue to fall below the Navy's goals, additional recruits will be required, resulting in higher than projected surges in training. As in 1997 and 1998, the Navy may look to real property maintenance as a source of funds to pay for this additional training workload.

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## Aviation and Flight Training

Total funding levels for aviation and flight training were projected to be lower by \$128 million in the 1999 FYDP than in the 1998 FYDP primarily due to changes in the procurement profile of the T-45 trainer aircraft. According to the Navy, Congress added three T-45 aircraft to the 1998 procurement plan and changed the acquisition program to a multiyear procurement contract, which added three aircraft per year through 2002. The number of aircraft planned for procurement in fiscal year 2003 dropped from six to four. Planned procurement funding in 2001 and 2002 is projected to be lower in the 1999 FYDP, even though the number of aircraft increased, because of projected savings from the multiyear procurement contract. Funding is projected to drop further in 2003 because of the procurement contract savings and the reduction in the number of aircraft to be purchased that year. The grounding of the T-2 trainer aircraft from April to November 1997 because of flight control problems caused a decrease in workload and associated funding for 1997 and 1998, but workload and funding were projected to increase for 1999 to make up some of the shortfall in pilot production in the previous 2 years.

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**Command Managed Training**

Total funding for command managed training was projected to be \$267 million higher in the 1999 FYDP than in the 1998 FYDP. The higher funding projections were due to the increasing cost of flying aircraft. Actual flying-hour costs experienced in 1997 were higher than those projected in the 1998 FYDP. The funding levels were adjusted upwards in the 1999 FYDP to reflect these higher estimates.

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**Installation Support for Training**

Total funding levels for installation support for training were projected to be lower by \$154 million in the 1999 FYDP than in the 1998 FYDP primarily due to projected savings from Navy-wide competition sourcing and regionalization initiatives, the shifting of some funds for installation support activities from the training mission to the Naval Facilities Engineering Command, and the use of some installation support funds for skill training programs, a higher Navy priority. The Chief of Naval Education and Training is currently in the process of developing a regionalized base operating support organization and conducting a competitive sourcing analysis. Since these initiatives have not been fully implemented, there is risk that the savings may not materialize to the level programmed.

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**Air Force Funding Changes Primarily Due to Projected Lower Attrition, Increases in Pilot Production, and Increases in Real Property Maintenance and Cost of Studies**

Although both the 1998 and 1999 FYDPS projected an overall increase in Air Force central training funding over the 1999-2003 period and both projected about the same annual funding levels, there were significant funding shifts among three categories—professional and skill training, aviation and flight training, and installation support for training. The funding changes were primarily due to projected lower attrition, increases in pilot production, and increases in real property maintenance funds and the cost of outsourcing/privatizing studies. Table 3 lists the amounts programmed for the three categories that changed the most between the two FYDPS.

**Table 3: Comparison of Funding for Selected Air Force Training Categories in the 1998 and 1999 FYDPs**

In millions of fiscal year 1999 dollars

Training category	FYDP	Fiscal year					Total
		1999	2000	2001	2002	2003	
Professional and skill training	1998	\$1,528	\$1,465	\$1,499	\$1,474	\$1,478	<b>\$7,444</b>
	1999	1,483	1,385	1,382	1,361	1,361	<b>6,972</b>
	Change	-45	-80	-117	-113	-117	<b>-472</b>
Aviation and flight training	1998	968	994	1,016	1,036	1,124	<b>5,139</b>
	1999	1,017	1,034	1,033	1,108	1,202	<b>5,394</b>
	Change	49	40	17	71	78	<b>255</b>
Installation support for training	1998	786	797	833	850	866	<b>4,132</b>
	1999	828	830	879	905	939	<b>4,381</b>
	Change	43	33	46	55	73	<b>250</b>
Total Air Force central training funding <sup>a</sup>	1998	\$5,942	\$5,948	\$6,087	\$6,051	\$6,192	<b>\$30,221</b>
	1999	\$5,933	\$5,934	\$6,014	\$6,046	\$6,172	<b>\$30,099</b>
	Change	-\$9	-\$14	-\$73	-\$6	-\$20	<b>-\$122</b>

Note: Category totals may not add due to rounding.

<sup>a</sup>Includes funding for all nine training categories.

Source: Our analysis of 1998 and 1999 FYDPs.

## Professional and Skill Training

Total funding for professional and skill training was projected to be \$472 million lower in the 1999 FYDP than in the 1998 FYDP. The Air Force programmed lower funding because it estimated lower attrition rates. The Air Force testified before the Senate Committee on Armed Services in September 1998 that overall retention is a serious concern and that the retention of mid-level noncommissioned officers is of special concern because they are experienced and provide an important leadership base critical to force readiness. The Air Force has developed new programs to lower attrition, but these programs have not yet been approved and implemented, introducing risk into its central training program. If retention rates do not improve, the Air Force will need to increase accessions, which leads to higher costs for recruit, initial skills, and professional development training. For example, attrition rates increased more than the Air Force projected in 1998, requiring additional funding for recruit and professional and skill training. Air Force training officials stated that because 1999 recruit and professional and skill training programs are also underfunded due to lower than projected retention

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rates, the training officials requested additional funding for these programs and shifted funds from other training areas, such as installation support, to these programs.

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## Aviation and Flight Training

Total funding for aviation and flight training in the 1999 FYDP was projected to be \$255 million more than that projected in the 1998 FYDP. The increases were for additional pilot production to alleviate the pilot shortage resulting from lower than expected retention rates. The Air Force expects pilot retention problems to continue for the foreseeable future.

The Air Force plans to increase the number of pilots trained annually until it reaches a maximum training rate of 1,100 active duty pilots in fiscal year 2000, based on capacity constraints such as the number of training aircraft, runways, and instructor pilots. According to Air Force training officials, this rate of 1,100 pilots will not be sufficient to alleviate the Air Force's pilot shortage. Because of the overall shortage, the Air Force intends to forego filling some staff positions that the service says require rated pilots so that it can fill all operational, training, and joint positions.

According to Air Force training officials, programmed funds in fiscal years 1998 and 1999 were lower than required to fund the planned increase in pilot production. The shortfalls in 1998 and 1999 were funded from transfers from other training activities, such as installation support. According to the officials, the 2000 FYDP, as currently planned, will have higher funding levels for this training category to fully fund the undergraduate pilot training program.

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## Installation Support for Training

Funding for installation support in the 1999 FYDP was projected to be \$250 million more than that programmed in the 1998 FYDP. According to Air Force training officials, the Air Force increased programmed funds for real property maintenance at Air Education and Training Command bases, which funds maintenance and repair at minimum levels—only necessary repairs will be completed, no preventative maintenance will be done. According to the officials, the increase brings these bases up to the same level of maintenance as other Air Force Commands.

Funding was also increased to pay for studies to determine if installation support functions should be performed under contract with commercial sources (outsource) or in-house using government facilities and personnel. The Air Force plans to begin studies for outsourcing base support

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functions for several bases over the 2000-2003 period. However, the Air Force programmed expected savings from these efforts using an almost 40-year old Air Force model. Even with the programmed savings, the one-time costs of the studies result in a net increase in funding for this training category over the 1999 FYDP period. If the savings do not materialize, and the Air Force wants to maintain installations at the level they programmed, the Air Force will need to look elsewhere for this funding. Air Force training officials believe that if additional funding is needed, it will come from reductions in its weapon system modernization programs.

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## Conclusions

Funding for central training in the 1999 FYDP was projected to be considerably lower than that projected in the 1998 FYDP primarily because of the adjustments by the Army for previous errors. Other factors contributing to the programmed reductions were projected personnel reductions as a result of the QDR, optimistic personnel retention rates, projected savings from competitive sourcing of installation support activities and technological advances in training, and lower installation support funding. The services are accepting risk in their central training programs with this lowered funding level. If retention rates do not improve, savings and efficiencies are not fully realized, and real property maintenance can no longer be delayed, there will be little or no reduction in central training infrastructure and DOD will likely will require an increase in funds. Therefore, DOD will not be able to shift funds from this infrastructure category to modernization.

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## Agency Comments

In written comments on a draft of this report, DOD concurred with the report. DOD provided some technical comments, which we incorporated in the report where appropriate. DOD's comments are reprinted in their entirety in appendix II.

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## Scope and Methodology

To compare the funding levels for central training, we analyzed funding data from the 1998 and 1999 FYDPS for 1999-2003. We did not test DOD's management controls of the FYDP data. We adjusted the nominal dollars to constant 1999 dollars using 1999 DOD Comptroller inflation indexes. To identify trends in workload data, we used data contained in the Army's, the Navy's, and the Marine Corps' annual Operation and Maintenance Justification of Estimates budget books submitted to Congress for fiscal years 1998 and 1999. Because the Air Force was unable to provide

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workload data for several training categories from the fiscal year 1999 Justification of Estimates book, we obtained the Air Force's fiscal year 1998 and 1999 workload submissions for the annual DOD Military Manpower Training Report. The training programs analyzed were those that DOD categorized as central training infrastructure and Defense-wide support training mission. Essentially, we accepted DOD's allocation of central training infrastructure programs to the training categories. We assigned Defense-wide support training mission programs, including health personnel training, that were not already categorized as central training infrastructure to the most appropriate training categories. These Defense-wide support training mission programs accounted for less than 8 percent of the total value of central training in 1999. In cases where DOD recategorized program elements, we made adjustments to both the 1998 and 1999 data to ensure that all programs were placed in the same training categories to make accurate comparisons between the two FYDPS.

To determine the causes for the changes in annual funding and workload trends for central training categories between the two FYDPS and the impact of the changes on future central training funding levels, we interviewed officials in the Office of the Secretary of Defense and in the Army, the Navy, the Marine Corps, and the Air Force headquarters training divisions. Additionally, we examined numerous DOD documents, including annual Military Manpower Training Reports, the Report of the Quadrennial Defense Review, the Defense Reform Initiative Report, and service budgets. We also reviewed reports that pertained to military training that had been issued by us and by other organizations. In addition, we provided each of the services with copies of our data analyses and questions about the changes between the two FYDPS. We have included their responses throughout the report, as appropriate.

Our work was conducted from July 1998 to February 1999 in accordance with generally accepted government auditing standards.

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We are providing copies of this report to appropriate congressional committees; the Secretaries of Defense, the Air Force, the Army, and the Navy; the Commandant of the Marine Corps; and the Director, Office of Management and Budget. We will also provide copies to other interested parties upon request.

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If you have any questions concerning this report, please call Robert Pelletier on (202) 512-4032. Major contributors to this report are Edna Thea Falk and Gaines R. Hensley.

Sincerely yours,

A handwritten signature in black ink that reads "Henry L. Hinton, Jr." The signature is written in a cursive style with a prominent "H" and a long, sweeping tail on the "Jr.".

Henry L. Hinton, Jr.  
Assistant Comptroller General

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# Central Training Categories

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Central training consists of programs that furnish funding, equipment, and personnel to provide nonunit, or central training of defense personnel. Central training activities provide for the training of new personnel, multiple types of skill and proficiency training, management of the central training systems, and support of central training installations.

**Administrative Support:** includes management headquarters and visual information activities that support central training activities.

**Installation Support:** includes base operations and support, real property maintenance activities, and base communications for central training infrastructure.

**Command Managed Training Programs:** include nonunit training activities managed by the operational commands. These activities include transition training into new weapon systems, supplemental flying to maintain pilot proficiency, graduate flight training in operational aircraft, and specialized mission flight training.

**General Central Training Activities:** include general support to the training establishment and training developments. These resources provide training aids for troop schools and training centers.

**Health Personnel Training:** includes the education and training of health personnel at military and civilian training institutions, health professional scholarship programs, University of the Health Sciences, and other health personnel acquisition programs. Although the Department of Defense categorizes these programs as central medical infrastructure, we included them in central training because the Department considers health personnel training a segment of its central training mission.

**Training of New Personnel:** includes recruit or accession training and One-Station Unit Training.

**Officer Training and Academies:** include reserve officer training corps, other college commissioning programs, officer training schools, and the service academies.

**Aviation and Flight Training:** includes flight screening, undergraduate pilot training, navigator training, North Atlantic Treaty Organization pilot training, and procurement of new training aircraft.

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**Appendix I**  
**Central Training Categories**

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**Professional and Skill Training:** includes academic and professional military education programs as well as multiple types of skill training. This category includes the Department's civilian training, education and development, language training, undergraduate space training, acquisition training, general skill training, and other professional education.

# Comments From the Department of Defense



PERSONNEL AND  
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FEB 1999

Mr. Richard Davis  
Director, National Security Analysis  
National Security and International Affairs Division  
U.S. General Accounting Office  
Washington, DC 20548

Dear Mr. Davis:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report "DEFENSE INFRASTRUCTURE: Funding Risks in Services' 1999 Central Training Programs," dated January 11, 1999 (GAO Code 701145, OSD Case 1733). The Department concurs with the draft report as presented.

The Department appreciates the evaluation team's inclusion of our previously provided informal comments and this opportunity to provide further comments on the draft report.

Sincerely,

  
for Rudy de Leon



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