

GAO Highlights

Highlights of [GAO-14-294](#), a report to congressional committees

Why GAO Did This Study

The Army considers its modular force transformation, which began in 2004, to be its most extensive restructuring since World War II. The Army expanded the number of deployable units and incorporated advanced equipment and specialized personnel, but removed a maneuver battalion from its brigades. Throughout the transformation, GAO reported, testified, and made recommendations on associated challenges the Army faced. In 2013, the Army stated it had completed its transformation and submitted its last required report to Congress on its modular progress. It also announced plans to restore a maneuver battalion to most brigades.

Congress mandated that GAO report annually on the Army's modular force. For this report, GAO (1) evaluates whether the Army addressed the legislative requirements in its modular force report and (2) provides an overview of any challenges that the Army faced in its modular force transformation and describes how the Army is addressing these challenges as it implements further changes in its force structure. GAO analyzed the Army's report against the legislative requirements, reviewed key Army reports, and spoke to Army officials.

What GAO Recommends

GAO is not making new recommendations, but this analysis provides additional support for past recommendations to develop realistic cost estimates and to create a comprehensive assessment plan to measure achievement of desired benefits. In oral comments on a draft of this report, the Army concurred with the report.

View [GAO-14-294](#). For more information, contact John H. Pendleton at (404) 679-1816 or pendletonj@gao.gov.

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ARMY MODULAR FORCE STRUCTURE

Annual Report Generally Met Requirements, but Challenges in Estimating Costs and Assessing Capability Remain

What GAO Found

The Army's annual report on its modular force either fully or partially addressed all of the requirements mandated by law. GAO's analysis showed that of the 14 legislative requirements, the report fully addressed 9 and partially addressed 5. The requirements that were fully addressed included an assessment of the modular force capabilities and the status of doctrine for the modular force, among others. Some of the requirements that were partially addressed included information related to risks and mitigation strategies associated with shortfalls; scheduling for repairing, recapitalizing, and replacing equipment; and itemizing information by active-duty and reserve components. The 2013 report provided more thorough information to congressional decision makers on the Army's progress in its modular force transformation than previous reports.

GAO's body of work since 2005 on the Army's modular restructuring found that the Army faced challenges in creating a results-oriented plan, developing realistic cost estimates, and planning comprehensive assessments. GAO made 20 recommendations from 2005 through 2008 to help address these challenges; the Army generally agreed with 18 of the recommendations but so far has implemented only 3. As the Army plans to restructure its modular force it has made some progress in creating a results-oriented plan, but more work remains in developing realistic cost estimates and planning comprehensive assessments.

- *Creating a results-oriented plan.* As the Army plans further changes to its modular force design, it has taken initial steps to create a results-oriented plan by developing a timeline with associated tasks and milestones. When the Army began its modular force transformation it did not create a plan with clear milestones to guide its efforts to fully staff and equip the modular force. By incorporating lessons identified in GAO's prior work as it makes further changes, the Army has established a baseline against which to measure performance and may provide decision makers the ability to mitigate any potential problems that may arise.
- *Developing realistic cost estimates.* From 2005 through 2013, the Army did not create realistic cost estimates or provide a reliable accounting of past spending or future funding needs for implementing its modular force transformation. As the Army plans further changes to its modular force design, it has not developed cost estimates for military construction, personnel relocation, or training for the reorganized units. GAO continues to believe that realistic cost estimates would better position the Army to weigh competing priorities in a fiscally constrained environment and provide Congress with the information needed to evaluate funding requests.
- *Planning comprehensive assessments.* Since 2004, the Army has made many changes to its modular design based on limited assessments, but it has not completed a comprehensive assessment plan to measure the extent that its modular force transformation is meeting performance goals. As the Army continues to make changes to its modular design, the Army plans to conduct assessments but has not identified outcome-oriented metrics to measure progress. If the Army created a comprehensive assessment plan, it could help decision makers identify capability gaps and mitigate risks.