



September 2015

MILITARY COMPENSATION

DOD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel

Why GAO Did This Study

PCS involves moving military personnel to new locations and is a key tool used by the military services to fill assignments both in the United States and overseas. In fiscal year 2014, DOD obligated \$4.3 billion for approximately 650,000 servicemember PCS moves.

Senate Report 113-176 included a provision for GAO to report on aspects of the PCS program. This report evaluates the extent to which (1) PCS per-move costs have changed since 2001, (2) military personnel are meeting time-on-station requirements, and (3) OSD's September 2014 study on increasing time-on-station addressed the elements in Senate Report 112-196 and used approaches consistent with generally accepted research standards.

GAO analyzed PCS cost and move data for fiscal years 2001 through 2014 using fiscal year 2014 dollars; obtained and analyzed available time-on-station data; reviewed OSD's September 2014 report to Congress on increasing time-on-station; and interviewed OSD and service officials.

What GAO Recommends

GAO recommends that DOD, in coordination with the services, take actions to report complete and consistent PCS budget data; conduct periodic evaluations of the PCS program; and address limitations on the availability of data on exceptions and waivers for PCS moves that occur prior to reaching minimum time-on-station lengths. DOD generally agreed with the recommendations.

View [GAO-15-713](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov.

MILITARY COMPENSATION

DOD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel

What GAO Found

The Department of Defense (DOD) has experienced an overall increase in Permanent Change of Station (PCS) per-move costs since 2001. GAO's analysis of DOD budget data shows that average PCS per-move costs, after accounting for inflation, increased by 28 percent from fiscal years 2001 to 2014. However, GAO's review of the services' annual budget materials found that the services have not reported complete and consistent PCS data, thereby limiting the extent to which DOD can identify and evaluate changes occurring within the PCS program. For example, the services did not completely or consistently report budget data on non-temporary storage costs, temporary lodging expenses, or tour extension payments. Program changes and factors outside the program can affect PCS costs. The specific factors driving the growth in per-move costs are unclear, however, because DOD does not periodically evaluate whether the PCS program is efficiently supporting requirements to relocate personnel. DOD therefore is not in a position to identify and evaluate changes that may be occurring over time in PCS per-move costs, or to take steps to manage and control cost growth.

DOD does not have information for determining whether personnel are meeting time-on-station requirements. DOD guidance specifies time-on-station lengths for U.S. and overseas locations and also allows for personnel to move prior to reaching these lengths if they qualify for an exception or obtain a waiver. However, DOD does not have complete or consistent data on the reasons why PCS moves occur prior to reaching specified lengths, because the services (1) do not maintain required data on their usage of exceptions and (2) do not have a requirement to maintain data on their usage of waivers. Moreover, availability of service data on time-on-station lengths is limited and varies by service. For example, each service has different years of available data. In addition, one service provided time-on-station data for officers and enlisted personnel separately, and these data covered different time periods.

In its September 2014 report to Congress on increasing time-on-station, the Office of the Secretary of Defense (OSD) addressed the elements that were specifically identified in congressional direction. OSD also used approaches consistent with generally accepted research standards in preparing its report. Nonetheless, OSD could have included additional information, such as more explicitly discussing constraints and information about the model used to develop cost savings estimates, and thereby improved the utility of the report for decision makers. The report stated that DOD plans to take actions aimed at extending servicemembers' time-on-station, which OSD believes could reduce PCS costs. However, without more complete and consistent data on both PCS costs and the use of exceptions and waivers, DOD does not have the information it needs for evaluating whether the implementation of its planned actions will be effective in extending time-on-station lengths and reducing PCS costs.

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Abbreviations

DOD	The Department of Defense
OSD	The Office of the Secretary of Defense
PCS	Permanent Change of Station

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September 9, 2015

The Honorable John McCain
Chairman
The Honorable Jack Reed
Ranking Member
Committee on Armed Services
United States Senate

The Honorable Mac Thornberry
Chairman
The Honorable Adam Smith
Ranking Member
Committee on Armed Services
House of Representatives

Permanent Change of Station (PCS) involves moving military personnel to new locations and is a key tool used by the military services to fill assignments both in the continental United States and overseas. When making a PCS move, servicemembers are provided with allowances to cover moving expenses for themselves and their dependents. In fiscal year 2014, the Department of Defense (DOD) obligated \$4.3 billion, representing 3.7 percent of its military personnel budget, for approximately 650,000 servicemember PCS moves.¹

With the long-term fiscal challenges facing the U.S. government and the potential for reductions in the defense budget due to sequestration,² it will be important for DOD to ensure that its compensation programs, including

¹ These figures reflect obligations reported in DOD's budget materials. Many servicemember PCS moves also involve the cost of moving dependents. For example, in fiscal year 2014 almost 300,000 dependents traveled as part of a PCS move.

² DOD faces a continued environment of constrained budgetary resources until at least 2023 under current law. The Budget Control Act of 2011, Pub. L. No. 112-25 (2011), established spending caps and an accompanying sequestration procedure through 2021, but the Bipartisan Budget Act of 2013 extended the budget caps and sequestration through 2023. As a result of funding reductions from the Budget Control Act, the Bipartisan Budget Act of 2013, and related actions, DOD estimates that reductions in planned defense spending from fiscal years 2012 through 2021 will exceed \$1 trillion. DOD, *Estimated Impacts of Sequestration-Level Funding* (Apr. 3, 2014).

PCS, are operating as effectively and efficiently as possible. In Senate Report 112-196 accompanying a proposed bill for the Department of Defense Appropriations Act, 2013, the Senate Appropriations Committee directed DOD to provide a report laying out a plan for increasing tour lengths (also referred to as time-on-station, which is the time between PCS moves) as a way to reduce PCS moves and costs, among other things.³ In September 2014, the Office of the Secretary of Defense (OSD) reported the results of its study to Congress and concluded that extending time-on-station on a voluntary basis would be preferable to instituting across-the-board increases.⁴

A Senate Armed Services Committee report accompanying a proposed bill for the National Defense Authorization Act for Fiscal Year 2015 included a provision for GAO to report on aspects of the PCS program, including PCS costs, moves, and tour rotation.⁵ This report evaluates the extent to which (1) PCS per-move costs have changed since fiscal year 2001, and the factors that caused any changes; (2) military personnel are meeting time-on-station requirements by either reaching minimum time-on-station lengths or receiving exceptions and waivers to make a PCS move earlier than planned; and (3) OSD's September 2014 study on increasing time-on-station addressed the elements identified in Senate Report 112-196 and used approaches consistent with generally accepted research standards.

For our first objective, we obtained and analyzed data on PCS moves and costs for fiscal years 2001 to 2014 from annual budget justification materials published by the Office of the Under Secretary of Defense (Comptroller) and the military services. We normalized PCS costs to fiscal year 2014 constant dollars using deflators published in DOD's National Defense Budget Estimates for fiscal year 2014.⁶ We assessed the

³ Senate Report 112-196, at 17-18 (2012). The terms "tour length" or "tour rotation" are sometimes used to refer to time-on-station for overseas PCS moves. In this report, we use "time-on-station" to refer to the time between any PCS moves, whether to or from an overseas location or within the continental United States.

⁴ Department of Defense, *Report to Congress on a Plan for the Department of Defense to Increase the Length of PCS Tours* (Washington, D.C.: Sept. 30, 2014).

⁵ Senate Report 113-176, at 116 (2014).

⁶ Department of Defense, *National Defense Budget Estimates for Fiscal Year 2014* (May 2013).

reliability of data on PCS moves and costs data by reviewing these data for consistency across fiscal years and among the four services, and discussing these data with officials at the Office of the Under Secretary of Defense (Comptroller) and each of the services' budget offices. As a result of our assessment and these discussions, we determined that DOD-wide summary data on PCS moves and costs were sufficiently reliable for our purpose of reporting on the changes in PCS costs over time. We also obtained more detailed PCS cost data from service budget documents. We identified limitations in these detailed data for fiscal years 2001 through 2009. Specifically, we were unable to analyze detailed data on specific types of costs (such as commercial air travel and household goods shipments) by traveler type (such as officers and enlisted personnel) because these data were generated using methods that the services subsequently revised and because DOD's process for recording obligations changed in fiscal year 2009 to require that obligations be recorded at the time PCS orders were issued, rather than at the time PCS moves occurred. These data issues are discussed further in the report. As a result, we focused our analysis of detailed PCS data on fiscal years 2010 through 2014, and we determined that these data were sufficiently reliable for the purposes of our analysis to report on trends for specific types of costs by traveler type. We assessed the information we collected against DOD guidance that prescribes a budget and accounting classification that is to be used for preparing budget estimates, including the budget justification materials we reviewed.⁷ We also discussed with military officials the factors that may have contributed to changes in PCS moves and costs over time, and we identified any efforts the department has made to evaluate those factors. We assessed these efforts against criteria that outline how organizations should use data to evaluate the success of their human capital approaches and use information to make decisions and monitor programs.⁸

For our second objective, we reviewed DOD and service guidance establishing time-on-station requirements. We obtained and analyzed available data from the military services on time-on-station lengths and

⁷ Department of Defense Financial Management Regulation 7000.14-R, Volume 2A, Chapter 2, *Military Personnel Appropriations* (Sept. 2014). (Hereinafter cited as DODFMR, vol. 2A, chpt. 2 (Sept. 2014))

⁸ GAO, *A Model of Strategic Human Capital Management*, [GAO-02-373SP](#) (Washington, D.C.: Mar. 15, 2002); *Standards for Internal Control in the Federal Government*, [GAO/AIMD-00-21.3.1](#) (Washington, D.C.: Nov., 1999).

associated waivers and exceptions. To assess the reliability of the data, we reviewed policies and procedures related to the databases in which the services keep the information, and we interviewed agency officials knowledgeable about these data. We found that available data on median time-on-station lengths were sufficiently reliable for the purposes of our analysis. However, because these data were inconsistent across the services, as discussed later in this report, we were generally not able to make direct comparisons among the services.

For our third objective, we analyzed OSD's September 2014 report and determined whether and how it incorporated each of the elements specified in Senate Report 112-196. We also compared the approaches used to plan, execute, and present the results of OSD's report to generally accepted research standards previously identified by GAO. These generally accepted research standards are categorized into three overarching areas—design, execution, and presentation—with specific components for each of the areas that allowed us to determine whether a standard was met. For this analysis, we also obtained and reviewed supporting documentation, including a draft study prepared by the RAND Corporation that OSD used to inform its report.⁹ We provide further details on our scope and methodology in appendix I.

We conducted this performance audit from September 2014 to September 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

Categories of PCS Moves

The PCS program enables the military services to move personnel to assignments at new locations, and it supports a wide range of national security requirements and institutional needs. PCS moves are distinct from deployments or temporary duty travel, and they are grouped into six

⁹ The RAND study used to inform OSD's report has not been published as of July 2015.

major categories (see table 1). DOD presents these six categories with associated cost information in its military personnel budget justification materials.

Table 1: Categories of Permanent Change of Station Moves

Accession Travel	Moving appointed, called, or recalled officers and enlisted personnel from home to their first permanent duty station or extended training school, among other things.
Separation Travel	Moving personnel upon release or separation from a service to home of record or point of entry into service, among other things.
Operational Travel	Moving personnel between duty stations within the continental United States, or between overseas locations when no transoceanic travel is involved, among other things.
Rotational Travel	Moving personnel between a duty station or extended training within the continental United States and an overseas location, or between overseas locations when transoceanic travel is involved, among other things. Excludes overseas travel involving either an accession or a separation.
Training Travel	Moving personnel for certain long-term training purposes. Excludes moves by graduates of service academies and similar schools, which are included in accession travel.
Organized Unit Travel	Moving personnel as part of a decision to move a military unit to a different location, such as during the Base Realignment and Closure process.

Source: GAO analysis of the DOD Financial Management Regulation. | GAO-15-713

Expenses Associated with PCS Moves

Upon receiving orders requiring a PCS move, a servicemember arranges the move, often with assistance from a local military transportation office. The servicemember is entitled to reimbursement for certain travel and transportation expenses associated with the move. These expenses are authorized under Chapter 8 of Title 37 of United States Code and are specified in DOD's Joint Travel Regulations.¹⁰ Allowable expenses include those related to, among other things, shipment of household goods (that is, items associated with the home and personal effects of servicemembers and dependents) and privately owned vehicles, commercial air travel, and temporary lodging. A list of allowable expenses is provided in table 6 in appendix III. Costs in excess of allowable expenses are borne by the servicemember.

¹⁰ See 37 U.S.C. § 451, et seq, and Department of Defense Joint Travel Regulations, Chapter 5 (Oct. 1, 2014).

Time-on-Station Requirements

Required time-on-station lengths—the minimum period of time between PCS moves, subject to certain exceptions—are specified in DOD and service guidance. For overseas assignments, DOD’s Joint Travel Regulations specifies time-on-station lengths that range from 12 to 36 months.¹¹ For assignments within the continental United States, time-on-station lengths are specified in service guidance and are generally either 36 months (Navy and Marine Corps) or 48 months (Army and Air Force), subject to certain exceptions.¹² Time-on-station length may be reduced if servicemembers qualify for an exception or obtain an approved waiver.¹³ As such, time-on-station requirements can be met in two ways: (1) a servicemember remains in a location for the specified minimum length of time, or (2) a servicemember qualifies for an exception or obtains an approved waiver to move prior to the specified minimum length of time. Time-on-station lengths may vary by specific rank or position. For example, the minimum time-on-station for Air Force lieutenants within the continental United States is 36 months, but it is 48 months for other officers. Also, Marine Corps officers assigned to certain acquisition-related positions have a minimum time-on-station of 36 months, and Army drill sergeants have a time-on-station of 24 months, with an option to extend to 36 months.

¹¹ Overseas time-on-station lengths may vary based on whether a family accompanies a servicemember and on the specific location. For example, the typical time-on-station length for locations outside of the continental United States, such as most locations in Australia, Canada, and Germany, is 36 months accompanied and 24 months unaccompanied. In some locations, such as Algeria, Botswana, and Israel, the length is 24 months accompanied and 12 months unaccompanied. Other locations, such as Afghanistan, American Samoa, and Tunisia, do not allow accompanied tours, and minimum time-on-station is 12 months.

¹² Army Regulation 614-200, *Assignments, Details, and Transfers: Enlisted Assignments and Utilization Management*, (Feb. 26, 2009, Rapid Action Revision Oct. 11, 2011); Army Regulation 614-100, *Assignments, Details, and Transfers: Officer Assignment Policies, Details, and Transfers*, (Jan. 10, 2006); Navy Military Personnel Manual 1306-106, *Time on Station and Retainability/Obligated Service* (Jan. 8, 2008); Air Force Instruction 36-2110, *Assignments* (Sept. 22, 2009); Marine Corps Order 1300.8, *Marine Corps Personnel Assignment Policy* (Sept. 18, 2014).

¹³ Exceptions typically include when servicemembers are reassigned as part of a promotion or training need, request a move to be co-located with a spouse who is also in the military, or are disqualified for duty as a result of loss of security clearance (see app. IV for a list of time-on-station exceptions). Waivers are approved on a case-by-case basis for situations not defined as exceptions. Servicemembers are also moved before reaching time-on-station length minimum for other reasons. For example, victims of sexual assault who file an unrestricted report can request a PCS move, which must be approved or disapproved within 72 hours.

OSD's Report to Congress on Extending Time-on-Station

In September 2014, OSD reported to Congress the results of a study on increasing time-on-station lengths as a potential approach to reducing PCS moves and costs. OSD's report, which was prepared in response to Senate Report 112-196, was based in part on research conducted by the RAND Corporation. To inform its report to Congress, OSD tasked RAND to study issues related to time-on-station. Among other things, RAND worked with the Defense Manpower Data Center to survey servicemembers on their perceptions of extending time-on-station lengths. In July 2014, RAND provided OSD a draft of its study findings. According to RAND officials, they plan to finalize their study and issue a final report in 2015, but as of July 2015 they had not done so.

OSD stated that it did not agree with increasing time-on-station lengths across the board and cited survey results showing that nearly 60 percent of servicemembers were unwilling to voluntarily extend their time-on-station.¹⁴ At the same time, according to OSD, a significant minority of servicemembers would favor extending their time-on-station under some circumstances. Because these preferences were highly individual, OSD concluded that it was practically impossible to identify the likely preferences of a servicemember without a direct inquiry.

In its report, OSD recommended a three-pronged plan aimed at reducing the incidence of PCS moves over time: (1) extend time-on-station lengths at selected locations and assess the results; (2) test an auction-based incentive program as a means to influence servicemembers to voluntarily extend their time-on-station;¹⁵ and (3) evaluate the use of non-monetary incentives, such as an opportunity to select the station for the next assignment following an extension. The OSD report did not state how or when this three-pronged plan would be implemented.

¹⁴ The RAND study that informed OSD's report relied in part on results from the Defense Manpower Data Center's Status of Forces Active Duty Survey of DOD servicemembers, and the OSD report cites these results.

¹⁵ This auction-based incentive program in effect would enable servicemembers to bid on the level of compensation they would accept in exchange for extending their time-on-station.

DOD Inspector General Report on PCS Efficiencies

In May 2014, the DOD Office of Inspector General reported on opportunities for cost savings and efficiencies in the PCS program.¹⁶ The report was conducted in response to a House report accompanying a proposed defense appropriations bill for fiscal year 2014.¹⁷ The Inspector General's report made seven recommendations for improved management practices in the non-temporary storage, household goods shipments, and air travel features of the PCS program. Service officials told us that the Department has begun implementing changes in response to the report, including altering policies for non-temporary storage to reduce the incidence of continued payments by DOD for storage units that had exceeded the entitlement period for retired and separated servicemembers.

Roles and Responsibilities for the PCS Program

Management and oversight of the PCS program is a responsibility shared among multiple offices, including the Under Secretary of Defense for Personnel and Readiness, the Under Secretary of Defense (Comptroller), and the military services, among others. The Under Secretary of Defense for Personnel and Readiness is the Secretary of Defense's senior policy advisor on recruitment, career development, and pay and benefits—including central management of the PCS program. Within the Office of the Under Secretary of Defense for Personnel and Readiness, the Defense Travel Management Office coordinates updates to the Joint Travel Regulations that establish travel and transportation guidance for the department. The Under Secretary of Defense (Comptroller) develops and oversees execution of the Department's annual budget, including military personnel appropriations and obligations for PCS costs. The Comptroller also publishes and maintains the DOD Financial Management Regulation, which establishes financial management requirements, systems, and functions for all DOD components—including the preparation of budget materials. According to DOD officials, PCS moves and costs are tracked within the services by offices responsible for financial management and budget, and service time-on-station policies are managed by offices responsible for personnel assignments and human resources.

¹⁶ DOD Inspector General, *Opportunities for Cost Savings and Efficiencies in the DOD Permanent Change of Station Program*, DODIG-2014-076 (Alexandria, VA: May 21, 2014).

¹⁷ H.Rep. No. 113-113.

PCS Per-Move Costs Have Increased Since 2001, and DOD Has Not Evaluated the Factors Contributing to This Increase

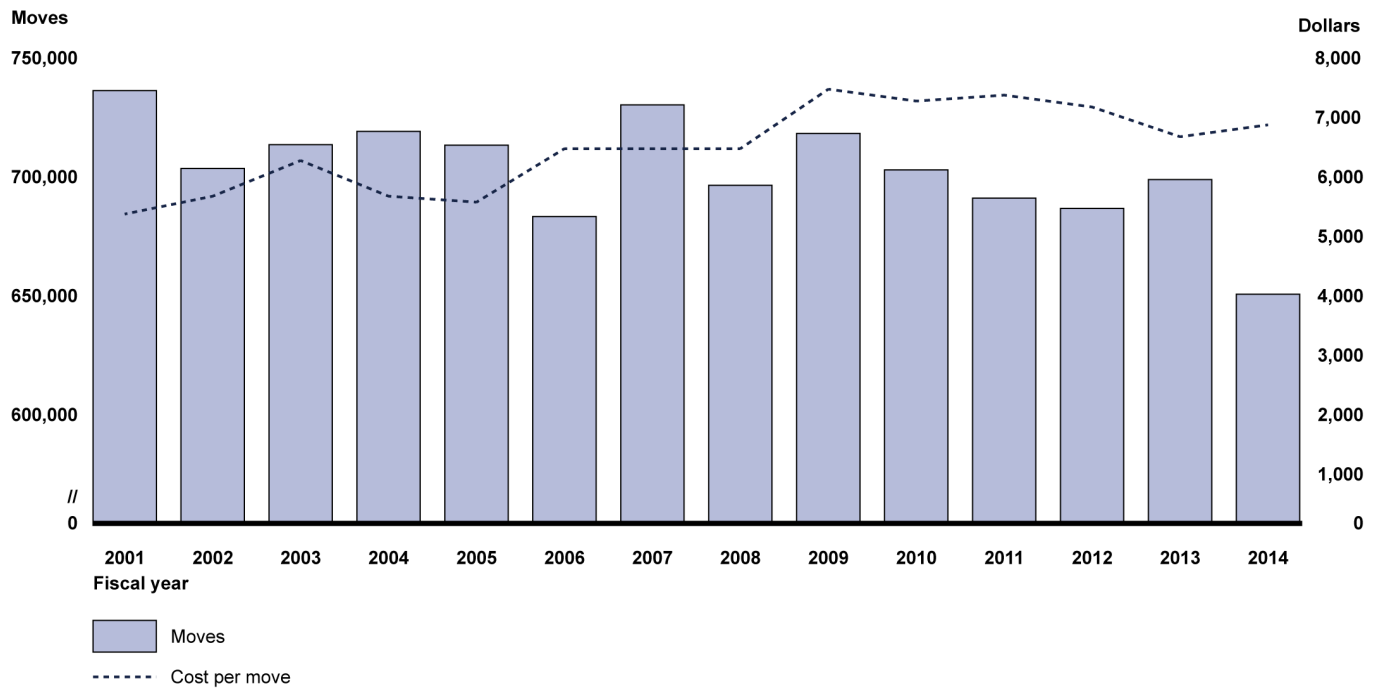
DOD has experienced an overall increase in PCS per-move costs since 2001, but it does not have complete, consistent data on the program and has not evaluated the specific factors contributing to per-move cost growth. Our analysis of DOD budget data shows that average PCS per-move costs, after accounting for inflation,¹⁸ increased by 28 percent from fiscal year 2001 to fiscal year 2014. The overall increase in per-move costs varied across the six PCS move categories and the four military services. In addition, detailed PCS data for fiscal years 2010 through 2014 show that PCS per-move costs were consistently higher for officers than for enlisted personnel, due to differences in certain cost categories. However, we found that the services have not reported complete, consistent PCS data, thereby limiting the extent to which DOD can identify and evaluate changes within the PCS program. Program changes and other factors affect PCS costs, but the specific factors driving the overall growth in per-move costs are unclear, and DOD does not know whether the PCS program is efficiently supporting requirements to assign personnel in new locations.

PCS Costs Increased While PCS Moves Declined from Fiscal Years 2001 to 2014

Our analysis of DOD budget documents shows that from 2001 to 2014 the department's total PCS costs increased by 13 percent, from \$3.8 billion to \$4.3 billion, while the number of PCS moves declined by 12 percent, from 731,967 to 646,387. As a result, per-move costs increased overall by 28 percent, from \$5,238 to \$6,727, during this period. Per-move costs generally increased through fiscal year 2009, peaking at \$7,308, and then generally decreased through fiscal year 2014 (see fig. 1). In fiscal year 2009 DOD began requiring the services to record obligations at the time PCS orders were issued, rather than at the time PCS moves occurred. As a result, the services' actual fiscal year 2009 obligations included a one-time increase of \$745.2 million.

¹⁸ All costs have been adjusted for inflation and are presented in fiscal year 2014 constant dollars. To convert costs to constant dollars, we used deflators listed in DOD's National Defense Budget Estimates for fiscal year 2014, published by the Office of the Under Secretary of Defense (Comptroller).

Figure 1: Permanent Change of Station Total Moves and Costs Per-Move (Fiscal Years 2001-2014)



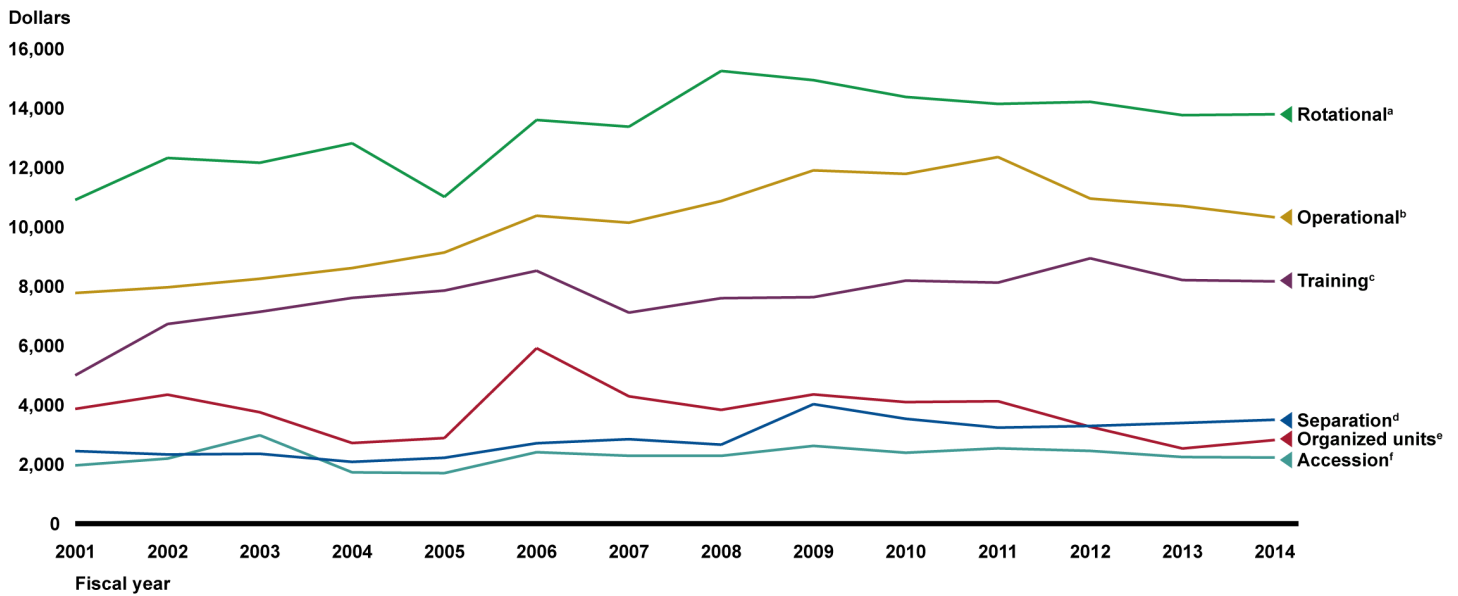
Source: GAO analysis of Department of Defense (DOD) data. | GAO-15-713

Note: Costs are reported in fiscal year 2014 constant dollars.

Per-Move Costs Varied across Move Categories

From fiscal year 2001 through 2014, per-move costs varied across the six PCS move categories (see fig. 2). The highest per-move cost was for rotational travel (\$13,336 on average), while the lowest per-move cost was for accession travel (\$2,289 on average). More detailed results of our overall analysis of PCS move categories are presented in appendix II.

Figure 2: Permanent Change of Station Per-Move Costs by Move Category (Fiscal Years 2001-2014)



Source: GAO analysis of Department of Defense (DOD) data. | GAO-15-713

Note: Costs are reported in fiscal year 2014 constant dollars.

^aRotational = Moving personnel between a duty station or extended training within the continental United States and an overseas location, or between overseas locations when transoceanic travel is involved, among other things. Excludes overseas travel involving either an accession or a separation.

^bOperational = Moving personnel between duty stations within the continental United States, or between overseas locations when no transoceanic travel is involved, among other things.

^cTraining = Moving personnel for certain long-term training purposes. Excludes moves by graduates of service academies and similar schools, which are included in accession travel.

^dSeparation = Moving personnel upon release or separation from a service to home of record or point of entry into service, among other things.

^eOrganized Units = Moving personnel as part of a decision to move a military unit to a different location, such as during the Base Realignment and Closure process.

^fAccession = Moving appointed, called, or recalled officers and enlisted personnel from home to their first permanent duty station or extended training school, among other things.

Accession and separation moves accounted for 58 percent of moves and 23 percent of PCS costs from fiscal year 2001 through fiscal year 2014. Service officials stated that they have limited ability to control the numbers of these types of moves, which are primarily driven by changes in end strengths, and therefore they viewed these moves as a non-discretionary expense. Similarly, they stated that training and organized unit moves are a non-discretionary expense because these are driven by training requirements, in the case of training moves, and by strategic decisions on force positioning, in the case of organized unit moves.

Operational and rotational moves accounted for 34 percent of moves and 64 percent of costs. Service officials stated that these moves are the primary categories over which the military services have discretionary control—that is, some operational and rotational moves can be delayed to a subsequent fiscal year if sufficient funds are not available. Both we and the RAND Corporation have previously reported that DOD’s overseas presence is the primary factor in rotational travel costs,¹⁹ and we have recently reported that DOD’s overseas military presence represents an area for potential cost savings.²⁰ For example, permanent overseas stationing—and associated rotational moves—may come at significantly higher costs than alternative approaches, such as deploying domestically stationed forces when needed. We recommended in 2012 that DOD conduct a comprehensive reassessment of its presence in Europe, including the costs of various alternatives.²¹ As of March 2015, DOD had partially addressed this recommendation by refining its posture-planning process to require specified cost information, such as rough order-of-magnitude costs for new posture initiatives.

Per-Move Costs Increased and Varied Across the Services

Per-move costs across the four services were higher in fiscal year 2014 than in fiscal year 2001, and average costs varied among them (see fig. 3). Per-move costs increased the most for the Marine Corps (42 percent), and the least for the Air Force (23 percent). However, the Air Force had the highest average per-move cost (\$8,548), and the Marine Corps had the lowest (\$4,679). Air Force officials told us that they had not conducted any analyses to investigate why Air Force PCS moves cost more than those at the other services, but they suggested that this difference could be explained by a difference in the proportion of officer and enlisted ranks completing PCS moves. Our analysis shows that for fiscal years 2010 through 2014, the Air Force moved relatively more officers than did the other services—officers accounted for 21 percent of the Air Force’s total PCS moves, as compared with 10 percent of the Marine Corps’ total PCS

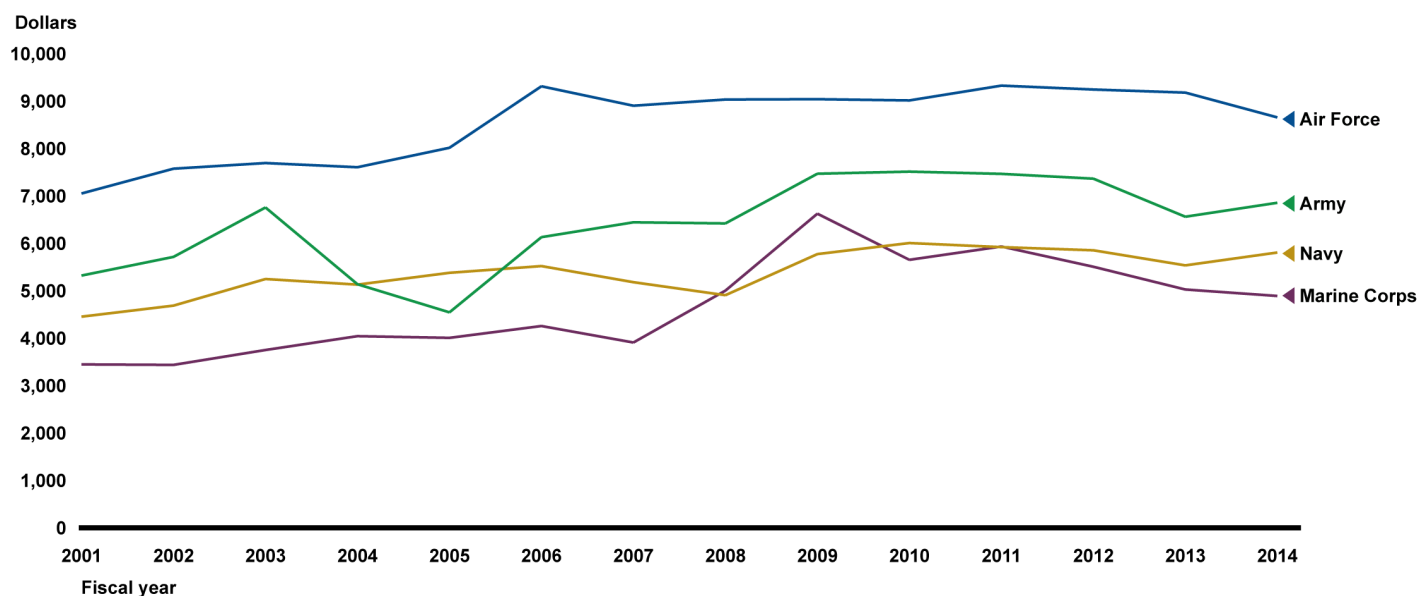
¹⁹ RAND, *Personnel Turbulence: The Policy Determinants of Permanent Change of Station Moves* (Washington, D.C.: 1998), GAO, *Military Personnel Reassignments: Services Are Exploring Opportunities to Reduce Relocation Costs*, [GAO/NSIAD-96-84](#) (Washington, D.C.: Feb. 16, 1996).

²⁰ GAO, *Force Structure: Improved Cost Information and Analysis Needed to Guide Overseas Military Posture Decisions*, [GAO-12-711](#) (Washington, D.C.: June 6, 2012).

²¹ [GAO-12-711](#).

moves—the Marine Corps being the service that had the lowest proportion of officer moves. However, the officials stated that they have not conducted analyses to determine the factors contributing to the differences in per-move costs that we identified.

Figure 3: Permanent Change of Station Per-Move Costs by Military Service (Fiscal Years 2001-2014)



Source: GAO analysis of Department of Defense (DOD) data. | GAO-15-713

Note: Costs are reported in fiscal year 2014 constant dollars.

PCS Costs Were Consistently Higher for Officers than for Enlisted Personnel Due to Differences in Certain Cost Categories

Our analysis of detailed cost data by service for fiscal years 2010 through 2014 shows that PCS costs were consistently higher for officers than for enlisted personnel across all the services. During this time period,²² average per-move costs were 134 percent higher for officers (\$12,983 for officers and \$5,553 for enlisted personnel). The results of our analysis of detailed PCS cost and move data are included in appendix III. This cost difference was generally due to higher allowances for officers in certain cost categories—that is, household goods shipments, travel expenses, and dislocation allowances.

²² We identified limitations in the services' detailed PCS budget data for fiscal years 2001 through 2009 (see app. 1 for further discussion of these limitations). Therefore, we focused our analysis on fiscal years 2010 through 2014.

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- **Household goods shipments**, including expenses associated with packing, transporting, storing, and unpacking home and personal items, were 85 percent higher for officers than for enlisted personnel. These expenses accounted for approximately 60 to 65 percent of the costs of a PCS move. The costs of these shipments are based on the weight of the goods shipped, and according to law and DOD regulation, higher ranking personnel are provided a higher weight allowance for household goods shipments.²³ For example, the household goods weight allowance for an officer in grade O-6 without dependents is 18,000 pounds, and for an enlisted servicemember in grade E-6 without dependents it is 8,000 pounds.
 - **Dislocation allowances**, payments made to partially reimburse servicemembers for miscellaneous expenses incurred in relocating,²⁴ were 49 percent higher for officers than for enlisted personnel. They accounted for 13 percent of costs for officer moves and 9 percent for enlisted servicemember moves.
 - **Travel expenses**, which include commercial airfare, reimbursements for travel on another type of transportation, and per diem expenses, were 29 percent higher for officers than for enlisted personnel. They accounted for 12 percent of costs for officer moves and 21 percent for enlisted servicemember moves.

Per-move costs from fiscal year 2010 through 2014 varied widely among the services, including among the same ranks or move categories. For example, the average per-move cost to transport or store privately owned vehicles was \$1,288 for an Army officer and \$3,165 for a Marine Corps officer. Dependent move costs also varied across ranks and services. The Marine Corps had the highest average cost for dependent moves—\$1,663 for dependents of officers and \$1,410 for dependents of enlisted personnel. The average costs for the same categories in the Air Force were \$535 and \$614, respectively. Marine Corps officials stated that, due to a service approach intended to improve the stability of military families, the Marine Corps has seen an increase in personnel completing PCS moves without their dependents so that military spouses can have

²³ 37 U.S.C. § 476(b) (1) (C) and DOD's Joint Travel Regulations, Chapter 5, Part A, Section 5b (Apr. 1, 2015).

²⁴ These allowances are specified in DOD's Joint Travel Regulations, are greater for higher ranking personnel, and increase in line with changes to basic pay raises each calendar year.

increased career stability and dependents can attend the same schools. According to the officials, while not completely accounting for the cost increases we observed, this policy change has increased PCS costs due to the need to fund two separate PCS moves—one for the servicemember and one for their dependents.

Certain per-move costs decreased significantly from fiscal years 2010 through 2014. For example, costs for Army officer moves decreased by 21 percent, and the cost of shipping or storing privately owned vehicles for Marines decreased by 40 percent for officers and 27 percent for enlisted personnel.

Services Do Not Report Complete and Consistent PCS Data

While aggregate totals for PCS moves and costs were available and could be compared across the services, we found that data for specific PCS cost categories are not reported to Congress completely or consistently. More specifically, when we compared the data reported to Congress in each of the services' budget justification materials from fiscal years 2010 to 2014, we found that the services did not report complete and consistent data for non-temporary storage costs, temporary lodging expenses, or tour extension incentive payments (see table 2).

Table 2: Reporting of Selected Cost Categories in Service Permanent Change of Station Budgets (Fiscal Years 2010-2014)

	Army		Navy		Marine Corps		Air Force	
	Costs	Moves	Costs	Moves	Costs	Moves	Costs	Moves
Non-Temporary Storage	●	○	●	○	●	●	●	○
Temporary Lodging Expenses	●	○	●	○	◐	◐	●	○
Tour Extension Incentive Payments	○	○	●	●	●	●	○	○

Source: GAO analysis of military service PCS budget documents. | GAO-15-713

Note: ● = data were reported, ○ = data were not reported, ◐ = data were not reported for all years.

For example, we found that only the Marine Corps reported both the costs and the number of moves associated with non-temporary storage and temporary lodging.²⁵ As a result, we could not determine the per-move costs of non-temporary storage and temporary lodging for the Army, the Navy, or the Air Force over the period of our review. We determined that

²⁵ The Marine Corps did not report the costs or number of moves associated with temporary lodging in fiscal years 2012 – 2014.

the Marine Corps' per-move cost for non-temporary storage increased from \$603 to \$1,486 (147 percent) for officers and from \$602 to \$1,337 (122 percent) for enlisted personnel from fiscal years 2010 to 2014. In the absence of data from the other services, it is difficult to determine whether the increase in the Marine Corps' per-move costs represents an outlier or reflects a departmentwide trend. Furthermore, in 2014 the Office of the DOD Inspector General reported on waste resulting from DOD's continuing to pay for retired and separated servicemembers' non-temporary storage units that had exceeded the entitlement period.²⁶ DOD and service officials stated that changes are currently being implemented to respond to the Inspector General report's findings and resolve the issue. Until this issue is resolved, the inconsistency of reporting for this cost category may limit DOD's ability to track whether these changes are having the intended effect of reducing costs for non-temporary storage.

In addition, the services do not consistently include some costs associated with PCS moves in their PCS budget. For example, we found that the Army and the Air Force included tour extension incentive payments as part of the special pays budget rather than the PCS budget when reporting these costs to Congress as part of their budget justification materials. The Navy and Marine Corps, on the other hand, included these payments in both the special pays and PCS budgets, with tour extension benefits related to transportation reported as part of the PCS budget.²⁷ These payments are made to servicemembers to incentivize delaying a PCS move returning the servicemembers from an overseas location, and as such have a direct impact on the PCS budget. Similarly, family separation allowance payments (payments provided to servicemembers making a move for PCS, temporary duty, or deployment without their dependents) are listed separately from PCS costs in the services' budget documents that we reviewed.

The Office of the Under Secretary of Defense (Comptroller) has established budgetary information as a priority area for DOD's Financial Improvement and Audit Readiness Plan. The Comptroller's memorandum

²⁶ DODIG-2014-076.

²⁷ Servicemembers meeting the eligibility requirements for a tour extension incentive may choose either (1) a monetary incentive in the form of a special pay or bonus; or (2) a period of rest and recuperative absence and round-trip transportation to the contiguous United States at government expense.

establishing these priorities states that, because budgetary information is used widely and regularly for management, DOD will place the highest priority on improving its budgetary information and processes.²⁸ Federal accounting standards similarly emphasize the need for managers to have relevant and reliable cost information to assist Congress and executives in making decisions about allocating federal resources, authorizing and modifying programs, and evaluating program performance. The standards also state that information on costs should be reported consistently, including standardizing terminology to improve communication among federal organizations and users of cost information.²⁹ DOD's Financial Management Regulation prescribes a budget and accounting classification that is to be used for preparing budget estimates, including the budget justification materials we reviewed.³⁰

Our analysis of detailed cost data reported in the services' budget materials for fiscal years 2010 through 2014 and DOD's guidance on the presentation of budget justification materials found that the services do not report complete and consistent PCS cost and move data in their budget materials because (1) DOD guidance does not always require them to do so, (2) some services are not following existing DOD guidance, and (3) some of the services are providing more detailed data than is required by DOD guidance. For example,

- DOD guidance specifies that no unit of measure (such as the number of moves) is to be reported for non-temporary storage, and most of the services do not report these data.
- DOD guidance specifies that both moves and costs should be reported for temporary lodging expenses. However, the Army, the Navy, and the Air Force are not reporting the required data on the number of moves associated with temporary lodging expenses.

²⁸ Under Secretary of Defense (Comptroller), *Priorities for Improving Financial Information and Processes for Achieving Audit Readiness* (Aug. 11, 2009).

²⁹ Federal Accounting Standards Advisory Board, *Statement of Federal Financial Accounting Standard No. 4: Managerial Cost Accounting Concepts and Standards for the Federal Government* (Washington, D.C.: July 31, 1995).

³⁰ DODFMR, vol. 2A, chpt. 2 (Sept. 2014).

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- DOD guidance specifies that tour extension payments be included in the special pays budget rather than the PCS budget, although these payments are also related to the PCS program. The Navy and the Marine Corps reported some costs for tour extensions in the special pays budget and other costs in the PCS budget.
 - The Marine Corps was the only service that reported move data for non-temporary storage, and this level of detail is not required by DOD guidance.

Because the services do not report complete and consistent data in their PCS budgets, the resulting information is often not comparable and prevents decisionmakers from having a comprehensive view of the costs associated with PCS. Furthermore, without complete and consistent data on PCS costs and moves, DOD's ability to analyze the factors that influence PCS costs, make informed decisions about the PCS program, and measure the impact of any changes made may be limited. For example, according to service officials, the services recently made changes to the policy of providing storage space for servicemembers completing an overseas PCS move in an effort to save costs, but without complete and consistent PCS cost data DOD will be unable to determine whether this policy change is having the intended effect.

Program Changes and Other Factors Affect PCS Costs, but the Specific Factors Driving Overall Per-Move Cost Growth Are Unclear

Changes to the PCS program can affect PCS costs, and multiple changes have been made to the PCS program. For example, changes were made to the DOD Personal Property System, which the United States Transportation Command uses to coordinate the shipment of household goods during a PCS move. The changes, which began in fiscal year 2009, included providing full value replacement and repair (rather than partial value) for damaged or lost household goods at no additional cost to the servicemember; on-line claims filing and direct claims settlement between servicemembers and transportation service providers; and a change from lowest cost to best value transportation services. Also, in 2008, the temporary lodging expense allowance was increased from \$180 per day to \$290 per day,³¹ and the maximum amount of time for which servicemembers and dependents could be authorized reimbursement for temporary lodging during a PCS move involving a major disaster or a

³¹ Pub. L. No. 110-417, § 603 (2008).

housing shortage caused by a sudden increase of servicemembers in a specific area was increased from 20 days to 60 days.³²

OSD and service officials also cited factors outside the PCS program affecting PCS costs, including end strength fluctuations, wartime operational tempo, and higher fuel costs. Across the services, officials consistently stated that the major influence on PCS costs was fluctuations in end strengths, leading to an increased number of moves to train new personnel and staff positions vacated by servicemembers leaving the military. OSD officials stated that wartime operational tempo associated with operations in Iraq and Afghanistan was a major reason for the increase in PCS moves and the associated PCS cost growth, due in part to moving personnel to locations in preparation for deployments.³³ OSD and service officials stated that PCS cost growth was also caused by increases in fuel costs that occurred since fiscal year 2001, given the large influence that fuel costs have on specific PCS costs such as air travel and cargo shipments.

DOD and the services are also implementing efficiency initiatives intended to reduce PCS costs. In response to the 2014 DOD Inspector General's Office report on the PCS program, DOD and the services have agreed to implement a number of changes intended to realize cost savings and improve efficiency. Specifically, DOD and the services committed to encouraging servicemembers to voluntarily reduce the weight of household goods shipments, reducing the entitlement period for non-temporary storage, evaluating the number of air travel routes operated by Air Mobility Command, and implementing a more cost-effective approach to ship and store household goods weighing less than 1,000 pounds. In addition, the Marine Corps has expanded its use of local or regional reassignments to replace PCS moves when feasible. According to Marine Corps officials, these approaches serve to reduce PCS moves by reassigning Marines within the same geographic area, removing the need for moves and associated costs. Marine Corps officials provided data indicating that this initiative reduced the total number of operational moves by 40 percent from fiscal years 2013 to

³² Pub. L. No. 110-181, § 603 (2008).

³³ For example, DOD officials told us that units preparing to deploy are staffed to higher levels during wartime than during peacetime, and this staffing requires moving more personnel to fill these units.

2014. The Marine Corps also expanded the use of incentives to encourage Marines to extend their overseas assignments. According to the Marine Corps, this initiative reduced the number of rotational moves by 10 percent from fiscal years 2013 to 2014.

Although PCS program changes, factors outside the PCS program, and individual efficiency initiatives can affect PCS costs, it is unknown what the collective impact of these factors has been on PCS per-move costs since fiscal year 2001. That is because DOD has not conducted an evaluation of the PCS program to determine whether it was efficiently supporting requirements for assigning personnel to new locations while reimbursing them for the costs of PCS moves. DOD officials did not know when the last evaluation of the PCS program had been conducted. Officials also stated that they believe they have limited ability to control the factors that contribute to increases in PCS costs because PCS budgets are often driven by requirements outside the PCS program, such as the number of personnel stationed overseas.

DOD guidance requires that the services analyze the anticipated increases or decreases in PCS costs resulting from any proposed changes to PCS assignment policies,³⁴ and GAO's work on strategic human capital management has found that high-performing organizations periodically reevaluate their human capital practices to ensure that resources are properly matched to the needs of the current environment.³⁵ Standards for Internal Control in the Federal Government state that an agency's internal controls should provide reasonable assurances that operations are effective and efficient, and that agencies should examine and use the information to make decisions and monitor programs.³⁶ Without periodic evaluations of the efficiency of the PCS program, DOD will not have an analytical basis for identifying changes in PCS per-move costs over time and the specific factors associated with such changes. It may also be difficult for DOD to identify opportunities

³⁴ DODI 1315.18, *Procedures for Military Personnel Assignments* (Jan. 12, 2005).

³⁵ [GAO-02-373SP](#). To develop this model, we reviewed sources, including lessons learned from public and private organizations that are viewed as leaders in strategic human capital management and managing for results, in addition to findings from academia, the Office of Personnel Management, the Merit Systems Protection Board, and the National Academy of Public Administration.

³⁶ [GAO/AIMD-00-21.3.1](#).

where efficiencies could be realized in the PCS program, without significantly impacting program performance or servicemember morale. This type of analysis could better position DOD to identify and take steps for managing and controlling PCS cost growth.

DOD Does Not Have Information for Determining Whether Personnel Are Meeting Time-on-Station Requirements

DOD does not have information for determining whether personnel are meeting time-on-station requirements. DOD guidance specifies time-on-station lengths for U.S. and overseas locations and also allows for personnel to move prior to reaching these lengths if they qualify for an exception or obtain a waiver. However, DOD does not have complete and consistent data on the reasons why PCS moves occur prior to reaching specified lengths, because the services (1) do not maintain required data on their usage of exceptions, and (2) do not have a requirement to maintain data on their usage of waivers. Moreover, service data on time-on-station lengths are limited.

DOD Does Not Have Complete and Consistent Data on the Reasons Why PCS Moves Occur before Personnel Reach Minimum Time-on-Station Lengths

DOD does not have complete and consistent data on the reasons PCS moves occur before personnel reach minimum time-on-station lengths. We found that the military services (1) do not maintain required data on their usage of exceptions and (2) do not have a requirement to maintain data on their usage of waivers.

DOD and service guidance allow servicemembers to move prior to reaching the minimum time-on-station length for a variety of reasons, and these early moves require servicemembers to either qualify for an exception or obtain an approved waiver. DOD guidance requires the military departments to maintain data on exceptions to help DOD determine the effectiveness of assignment policies.³⁷ DOD does not have a similar requirement for maintaining data on waivers. Waivers are granted on a case-by-case basis by senior officials³⁸ and, according to service officials, the approval of a waiver generally depends on whether moving a servicemember before the minimum time-on-station length is in the best interests of the service from the standpoint of operational

³⁷ Department of Defense Instruction 1315.18, *Procedures for Military Personnel Assignments* (Jan. 12, 2005), and Directive 1315.07, *Military Personnel Assignments* (Jan. 12, 2005).

³⁸ The Secretary of the Military Department concerned may delegate the level of granting a time-on-station waiver no lower than an officer ranked O-6 at the headquarters level.

necessity. OSD (Personnel and Readiness) officials told us that although the services are not required to maintain data on waivers, they expect the services to be able to provide these data, along with exception data, if requested. In addition, Standards for Internal Control in the Federal Government state that program managers need data to determine whether they are meeting their goals for accountability for effective and efficient use of resources. Additionally, these data should be identified and captured in a form and time frame that permits people to perform their duties efficiently.³⁹

We found, however, that the services are generally not maintaining complete and consistent data on exceptions or waivers. The Marine Corps could not provide us data on the number of moves that did not meet time-on-station length requirements, nor on the number of exceptions or waivers. While the Army, the Navy, and the Air Force could provide data on the number of moves that did not meet time-on-station length requirements, they could not provide data showing that these moves had an associated exception or waiver. DOD guidance specifies that the military departments are required to maintain not only data on the number of exceptions but also historical data that shall enable the military services and DOD to determine the effectiveness of assignment policies and the cost-effectiveness of statutory entitlements.⁴⁰ OSD (Personnel and Readiness) officials stated that while they expect the services to maintain data on exceptions and other data such as waivers for availability in case they are needed to support analyses, they have not requested or analyzed data from the services on exceptions or waivers.

According to service officials, they do not always maintain historical data on exceptions or waivers. Service officials stated that they assumed servicemembers moving before meeting the time-on-station length requirements qualified for an exception or obtained a waiver because this information is checked at the time moves are approved and servicemembers are not able to move without the necessary waiver or exception. According to service officials, individual personnel files should contain records on whether an early PCS move was approved through an exception or a waiver, but the information is not systematically captured in

³⁹ [GAO/AIMD-00-21.3.1](#).

⁴⁰ DODD 1315.07

databases that are used for time-on-station data.⁴¹ Service officials stated that other than the DOD requirement to maintain data on exceptions, they do not have internal requirements for this information, and therefore do not systematically capture these data in their personnel databases.

Without the services' maintaining complete and consistent data on exceptions and waivers, DOD is limited in its ability to determine the effectiveness of assignment policies as noted in DOD guidance, such as analyzing whether current assignment policies or other factors may be causing PCS moves to occur before personnel reach their minimum time-on-station lengths. In addition, DOD does not know how many moves occurring earlier than minimum time-on-station lengths are being approved using specific types of exceptions or waivers, and whether there are patterns in the use of exceptions or waivers for such moves. For example, information on the use of exceptions and waivers could help to identify personnel in particular locations or in specific military occupations who are experiencing shorter than average time-on-station, and could help determine whether management focus is needed to address issues underlying these trends. Such information could provide insight into how well personnel management policies, procedures, and internal controls are working.

Exception and waiver data are also important for evaluating potential policy changes, such as whether increasing minimum time-on-station lengths would lead to an actual increase in time between PCS moves and a reduction in PCS costs. As we observed earlier, for example, the Air Force in 2009 increased minimum time-on-station lengths for locations within the continental United States from 36 months to 48 months but did not see a corresponding increase in actual time-on-station lengths. Without exception and waiver data, it is difficult to determine why this change did not have a significant impact on actual time-on-station lengths.

Service Data on Time-on-Station Lengths Are Limited

The military services do not have a requirement to track time-on-station length for their personnel, and their personnel information systems could not readily generate time-on-station data. Consequently, the availability of

⁴¹ We did not assess the systems used to approve PCS moves or the individual servicemember move records.

time-on-station data varied across the services. For example, each service had different years of available data. In addition, one service provided time-on-station data for officers and enlisted personnel separately, and these data covered different time periods. Figure 4 depicts the extent to which the services were able to provide data related to time-on-station.

Figure 4: Availability of Time-on-Station Lengths, by Year and Service

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Air Force														
United States assignments	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Overseas assignments	X	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Navy														
United States assignments	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Overseas assignments	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Army														
United States assignments	X	X	X	X	X	○	○	○	✓	✓	✓	✓	✓	✓
Overseas assignments	X	X	X	X	X	○	○	○	○	○	○	○	○	○
Marine Corps														
United States assignments	X	X	X	X	X	X	X	✓	✓	✓	✓	✓	✓	✓
Overseas assignments	X	X	X	X	X	X	X	X	X	X	X	X	X	X

✓ Complete data
 ○ Partial data
 X Missing data

Source: GAO analysis of service data. | GAO-15-713

Note: Because the services could not readily generate time-on-station data from existing databases, GAO requested median and average values for time-on-station lengths. GAO asked the services to provide these values for 2001 to 2014, broken out for overseas locations and continental U.S. locations. The table shows the availability of median time-on-station values that each service was able to provide in response to GAO's request.

The Army was not able to provide data on enlisted servicemembers for 2006 through 2008 continental U.S. assignments, or data on the median time-on-station for enlisted servicemembers for 2006 through 2014 overseas assignments.

The data limitations affected our ability to determine the extent to which military personnel met time-on-station lengths specified in guidance.⁴² However, on the basis of available data, we were able to make the following observations with regard to each service:⁴³

- **Army time-on-station:** The Army data show that from 2009 through 2014 at least half of the enlisted and officer moves within the continental United States occurred before the time-on-station minimum, and officer personnel moves overseas generally occurred after the time-on-station minimum.
- **Navy time-on-station:** The Navy data show that from 2001 through 2014 at least half of enlisted personnel moves within the continental United States occurred after the time-on-station minimum, while at least half of the officer moves occurred before the minimum.
- **Air Force time-on-station:** Of the four services, only the Air Force made a major policy change to minimum time-on-station length—a 12-month increase, from 36 to 48 months, for locations in the continental United States—implemented in 2009. Our analysis, however, indicated that this policy change had only a minor effect on actual times between moves. Between fiscal years 2009 and 2014, median time-on-station increased from 50 months to 51 months for enlisted personnel. During the same time period, median time-on-station for officer personnel decreased from 43 months to 37 months.
- **Marine Corps time-on-station:** The Marine Corps data show that from 2008 through 2014 at least half of the enlisted moves within the

⁴² The services used existing databases to generate average and median time-on-station length and provide us their results. Based on our analysis of these results, we determined that the averages were consistently higher than the median, and after discussions with service officials, we decided to report the median of these results, rather than the average. In addition, the services generally were able to generate median values for time-on-station lengths for locations in the continental United States, but median values for overseas locations were not always available. See appendix V for further discussion of our data collection efforts.

⁴³ Data discussed in this section include time-on-station between operational and rotational moves and exclude the other four PCS move categories (accessions, training, unit, and separations). As noted earlier, operational and rotational moves accounted for 34 percent of total PCS moves and 64 percent of PCS costs from fiscal years 2001 through 2014. In addition, service officials said they have more discretion over these PCS move categories than they have for the other four categories.

continental United States occurred before the time-on-station length minimum.

For more detail on our analysis of the services' time-on-station data, see appendix V.

OSD's Report on Increasing Time-on-Station Addressed the Elements in Congressional Direction and Used Approaches Consistent with Generally Accepted Research Standards, but Could Have Contained Additional Information

In its September 2014 report on increasing time-on-station, OSD addressed the elements that were specifically identified in congressional direction. OSD also used approaches consistent with generally accepted research standards in preparing its report. Specifically, the report's design, execution, and presentation of results were consistent with the standards. Nevertheless, OSD could have included additional information—such as a description of the model and underlying assumptions used to identify cost savings associated with increasing time-on-station—that would have improved the utility of the report for decisionmakers.

OSD's Report Addressed the Four Elements in Congressional Direction, but Additional Details Would Have Made the Report More Informative for Decision-Makers

OSD's report addressed the four elements specified in Senate Report 112-196. These elements were as follows: (1) planning to increase tour length (time-on-station); (2) analyzing the impact of increasing tour length on families, quality of life, and job performance; (3) making recommendations to mitigate certain impacts from increasing tour length; and (4) identifying cost savings. Table 3 summarizes our assessment of the extent to which the OSD report addressed each element.

Table 3: Summary of GAO’s Assessment of the Office of the Secretary of Defense’s Time-on-Station Report in Response to Senate Report 112-196

Element in Senate Report	GAO’s Assessment ^a	Discussion of Element in OSD’s Report
1. A plan for the Department of Defense to increase tour length (time-on-station)	Addressed	OSD plans to work with the military services to: <ul style="list-style-type: none"> • extend time-on-station at selected installations • determine the feasibility of offering voluntary time-on-station extensions via a system that allows servicemembers to bid on incentive payments • investigate the degree to which non-monetary incentives, such as the opportunity to select the station for the next assignment, could be used to induce voluntary extensions
2. An analysis on the impact of increased time-on-station for families, quality of life, and job performance	Addressed	OSD’s report described results of a survey which suggested that: <ul style="list-style-type: none"> • perceived impacts on morale and personal/family relationships were generally more negative than positive • extending time-on-station across the board may have an adverse effect on the quality of life of a large fraction of the force • extending time-on-station across the board could negatively impact morale and job performance
3. Make recommendations for the services to implement if increased time-on-station leads to fewer promotion opportunities and PCS options for servicemembers and their families serving in hardship locations	Addressed	OSD’s report stated that the Department’s plan will give the services flexibility to manage any adverse effects from increasing time-on-station
4. Identify the cost savings associated with increasing time-on-station	Addressed	OSD’s report estimated potential savings that may be achieved by increasing time on station.

Source: GAO analysis of OSD’s Report to Congress on a Plan for the Department of Defense to Increase the Length of PCS Tours | GAO-15-713

^aUsing a scorecard methodology, we assigned a rating of “addressed” if the report engaged with all elements of the relevant congressional direction, even if specificity and details could be improved upon; we assigned a rating of “partially addressed” if the report did not include all of the elements of the congressional direction; and we assigned a rating of “did not address” if elements of congressional direction were not explicitly cited or discussed, or if any implicit references were either too vague or too general to be useful.

Although OSD’s report addressed the elements specified in Senate Report 112-196, the discussion for some of the elements in the report was limited, and OSD did not include additional details that, in our view, would have more fully informed congressional decision makers on the department’s plan. For example, the report did not explain why OSD chose the options for increasing time-on-station that it presented in the report.

Additionally, the report’s discussion did not provide details on potential cost savings that may be achieved. More specifically, the report did not

fully describe the model and underlying assumptions it used to identify cost savings associated with increasing time-on-station, or the methodological decisions made that may have affected the results generated by the model. OSD's report contained a footnote stating that the results of a model created by RAND estimate average annual savings in the range of \$25 million to \$30 million. The footnote stated that the assumptions leading to this estimate include increasing the length of overseas time-on-station by 1 year for 10 percent of the DOD population who would be relocating. However, the RAND study indicated that the model also predicted that these savings could rise to almost \$45 million annually if the time-on-station for 10 percent of the population who would be relocating within the continental United States also were increased by 1 year. The OSD report did not provide additional information about the model, such as a discussion about how the model derived the average-cost-per-move that it used to estimate savings. In our view, this additional information would have been helpful to fully inform congressional decision makers about OSD's plans to increase time-on-station.

OSD's Report Used Approaches Consistent with Generally Accepted Research Standards, but Aspects of the Design and Execution Could Have Been Improved

OSD's September 2014 report used approaches consistent with generally accepted research standards that we derived from our previous work, other research literature, and DOD guidance.⁴⁴ These generally accepted research standards are categorized into three overarching areas—design, execution, and presentation—with specific components for each of the areas that allowed us to determine whether a standard was met. Our assessment of OSD's report included examining the report as well as supporting and supplemental documentation, which included a preliminary report submitted to Congress in March 2014, a RAND study that OSD commissioned to help inform its report (OSD had a draft of the RAND study when it was developing its report to Congress), and contract documents related to the RAND study. We also interviewed officials from OSD and RAND who had knowledge of the study. We determined that the report's design, execution, and presentation of results were generally

⁴⁴ These standards were developed as part of a GAO review conducted in 2010. The standards were based on research literature and DOD guidance that identified frequently occurring, generally accepted research standards that are relevant for defense studies. We adapted these standards for our use in this report. See GAO, *Defense Transportation: Additional Information Is Needed for DOD's Mobility Capabilities and Requirements Study 2016 to Fully Address All of Its Study Objectives*, [GAO-11-82R](#) (Washington, D.C.: Dec. 8, 2010). The full listing of generally accepted research standards we used to evaluate the OSD report is included in appendix VI.

consistent with the research standards we identified, and, as a result, we believe that the report's key findings were reasonable.

We determined that the report and supporting documents used approaches consistent with the standard for a well-designed report in that the design and scope were clear and the assumptions were explicitly identified, as well as reasonable and consistent. For example, the assumptions that underpin the design were generally reasonable and consistent. Although the major constraints were generally identified and stated, some of the constraints could have been more explicitly discussed. For example, the report and supporting documents did not discuss constraints imposed by shortcomings presented when data were unavailable. RAND officials told us that unavailability of data from the military services, including information on exceptions and waivers, prevented them from completing in-depth analyses of the effect of increased tour lengths on factors such as career development. However, a discussion of these constraints and their impact on the scope of analysis was not included in the report or supporting documents.

We also determined that the OSD report and supporting documents used approaches consistent with the standard for a well-executed report in that the models used to support the analyses, the assumptions in the models, and the data used were appropriate for the defined purposes of the study. In addition, the OSD report notes limitations related to using models to predict changes resulting from new policies—such as the difficulty of forecasting the number of moves saved resulting from increasing time-on-station.

Although we determined that the OSD report and supporting documents used approaches consistent with the standard for a well-executed report, some aspects of the report could have been strengthened to better explain the full context of the study's results. For example, the report to Congress did not include information related to RAND's model and modeling methodology. In addition, the potential impact of data limitations related to the use of survey data could have been better explained. For example, the RAND study relied in part on results from the Defense Manpower Data Center's Status of Forces Active Duty Survey of DOD

servicemembers, and the OSD report cites these results.⁴⁵ Although we have typically observed the response rate to the Status of Forces Active Duty Survey to be low, neither RAND nor OSD included any discussion of the response rate, or of the potential affect it may have had on the survey results.

Finally, we also determined that the report and supporting documents used approaches consistent with the standard for a well-presented report in that the results were presented in a clear, timely, accurate, and concise manner and were relevant to Congress. For example, the analysis was well documented and the conclusions were logically derived from the analysis. Although some of the analyses and results were not present in the report to Congress, we determined that the analysis and results contained in the associated RAND study were sufficient to meet the standard.

Conclusions

Effective management of the PCS program is important to support DOD's ability to reassign military personnel to new locations, while reimbursing servicemembers for the allowable expenses of moving their households. In addition, efficient use of PCS budgetary resources, like other components of military compensation, is important given the federal government's continuing fiscal challenges. As DOD officials continue to manage potential budget reductions, including implementation of sequestration, the PCS program is likely to be a continued focus for finding efficiencies and cost savings. However, DOD does not have consistent and complete data on PCS costs and moves and, therefore, cannot publish this information in the services' budget justification materials and provide it to decisionmakers in Congress and DOD. Furthermore, DOD does not conduct periodic evaluations of the PCS program and is not in a position to identify and evaluate changes that may be occurring over time in PCS per-move costs and the factors driving such changes, nor is it in a position to take steps to manage and control cost growth. In addition, DOD does not have complete and consistent data on waivers and exceptions—information that is needed to determine the military services' performance in meeting time-on-station length

⁴⁵ The Status of Forces Active Duty Survey includes outcome, or "leading indicator," measures for active duty military personnel such as overall satisfaction, retention intention, and perceived readiness, as well as demographic items needed to classify individuals into various subpopulations.

requirements. OSD stated in its September 2014 report to Congress that it is planning to take actions aimed at extending servicemembers' time-on-station—actions that OSD believes could reduce PCS costs. However, in the absence of more complete and consistent data on both PCS costs and the use of exceptions and waivers, DOD does not have the information it needs for evaluating whether the implementation of its planned actions are effective in extending time-on-station lengths and reducing PCS costs.

Recommendations for Executive Action

To improve the availability of information needed for effective and efficient management of the PCS program, including program costs and time-on-station requirements, we recommend that the Secretary of Defense take the following four actions:

- Direct the Under Secretary of Defense (Comptroller), in coordination with the military services, to improve the completeness and consistency of PCS data in service budget materials. This action should include revising existing guidance on the reporting of non-temporary storage costs, and clarifying existing guidance on the presentation of other PCS data.
- Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to complete periodic evaluations of whether the PCS program is efficiently supporting DOD's requirements for assigning military personnel to new locations while reimbursing servicemembers for allowable expenses incurred during PCS moves. These periodic evaluations should identify changes in PCS per-move costs over time, factors driving such changes, and steps that could be taken to manage and control cost growth.
- Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to improve the completeness and consistency of data on exceptions used for PCS moves that occur prior to established time-on-station lengths. This action should include clarifying existing guidance with regard to how the services collect, maintain, and report data on exceptions for use in evaluating performance in meeting time-on-station requirements and addressing challenges related to the services' abilities to collect, maintain, and report exceptions data.

-
- Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to improve the completeness and consistency of data on waivers used for PCS moves that occur prior to established time-on-station lengths. This action should include establishing guidance for the military services to collect, maintain, and report data on waivers for use in evaluating performance in meeting time-on-station requirements and addressing challenges related to the services' abilities to collect, maintain, and report waiver data.

Agency Comments and Our Evaluation

We provided a draft of this report to DOD for review and comment. In its written comments, DOD concurred with three of our recommendations and partially concurred with one. DOD's comments are reprinted in appendix VII. DOD also provided technical comments that we considered and incorporated as appropriate.

In regard to our first recommendation—to improve the completeness and consistency of PCS data in service budget materials—DOD concurred, adding that the Office of the Secretary of Defense (Comptroller) will convene a working group with the military services to review and revise, as necessary, the current budgetary reporting requirements for the PCS program. This action could meet the intent of our recommendation if it results in more complete and consistent PCS budget data; however, DOD did not provide information on the timeline for convening the working group.

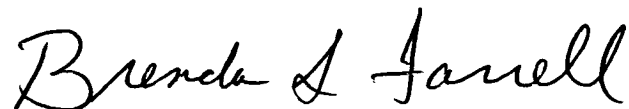
In regard to our second recommendation—to complete periodic evaluations of the efficiency of the PCS program—DOD partially concurred, noting that it agreed with the recommendation except for the use of the phrase “fully reimbursing servicemembers.” DOD suggested that we remove the word “fully” to reflect that some travel allowances, such as temporary lodging expense and temporary lodging allowance, are not intended to fully reimburse servicemembers, but are expressly intended to offset cost. Upon further consideration, we agree that both temporary lodging and dislocation allowances are defined in guidance as intended to partially offset costs incurred by servicemembers during a PCS move. As a result, we have removed the word “fully” from the recommendation. DOD's comments did not provide information on the timeline or specific actions it plans to take to implement our recommendation. We continue to believe that without periodic evaluations of the efficiency of the PCS program, DOD will not have an analytical basis for identifying changes in PCS per-move costs over time and the specific factors associated with such changes. It may also be difficult for

DOD to identify opportunities where efficiencies could be realized in the PCS program, without significantly impacting program performance or servicemember morale. Implementing our recommendation to complete periodic evaluations of the efficiency and effectiveness of the PCS program could better position DOD to identify and take steps for managing and controlling PCS cost growth.

In regard to our third and fourth recommendations—to improve the completeness and consistency of data on exceptions and waivers used for PCS moves that occur prior to established time-on-station lengths—DOD concurred. DOD’s comments did not provide information on the timeline or specific actions it plans to take to implement our recommendations.

We are sending copies of this report to the appropriate congressional committees; the Secretary of Defense; the Under Secretary of Defense for Personnel and Readiness; the Under Secretary of Defense (Comptroller); the Secretaries of the Air Force, the Army, and the Navy; and the Commandant of the Marine Corps. In addition, the report is available at no charge on the GAO website at <http://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-3604 or farrellb@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made key contributions to this report are listed in appendix VIII.



Brenda S. Farrell
Director
Defense Capabilities and Management

Appendix I: Scope and Methodology

To evaluate the extent to which Permanent Change of Station (PCS) costs have changed from fiscal years 2001 through 2014, and the factors that caused any changes, we obtained and analyzed relevant Department of Defense (DOD) and service budget materials containing information on PCS moves and costs. These budget materials report the services' actual obligations for PCS costs,¹ along with the associated number of servicemember moves. For our analysis, we divided the cost of PCS moves by the number of servicemembers who were moved in order to calculate the per-move costs.

We identified criteria in DOD guidance that prescribes a budget and accounting classification that is to be used for preparing budget estimates, including the budget materials we reviewed,² and federal accounting standards that emphasize the need for managers to have relevant and reliable cost information to assist Congress and executives in making decisions about allocating federal resources.³ We assessed the availability, reliability, and consistency of PCS cost and move data against those criteria. We met with officials at the Office of the Under Secretary of Defense (Comptroller) and the military services' budget offices to learn about how these data were generated, presented, and used. We also discussed with these officials the reliability and comparability of these data.

We normalized all costs to fiscal year 2014 constant dollars by using deflators published in the Fiscal Year 2014 DOD National Defense Budget Estimates by the Office of the Under Secretary of Defense (Comptroller). We discussed our approach with Comptroller officials, and we determined that this index was the most appropriate for the purposes of our analysis, as it accounts for the growth over time of both compensation costs and fuel costs, and the PCS program includes both of these types of costs. Specifically, compensation costs include per diem and dislocation allowances, and the cost of air travel and cargo shipments is primarily driven by fuel costs. The officials we spoke with added that

¹ These costs represent the amount that the services anticipate will be spent during the period of availability for these funds, which for military personnel appropriations is 6 years.

² DODFMR, vol. 2A, chpt. 1 (Sept. 2014).

³ Office of Management and Budget, *Statement of Federal Financial Accounting Standard No. 4: Managerial Cost Accounting Concepts and Standards for the Federal Government* (Washington, D.C.: July 31, 1995).

the services use this index to adjust for inflation when preparing PCS budget estimates to support the annual President's budget request to Congress.

We determined that summary PCS data for fiscal years 2001 through 2014 were reliable for the purposes of analyzing and comparing per-move costs for the six major types of PCS moves and across the services. However, we determined that detailed cost data published in the services' budget materials prior to fiscal year 2010 were not sufficiently reliable for the purposes of reporting trends in specific cost categories by officers and enlisted personnel, because these data were generated using methods that the services subsequently revised, and because DOD's process for recording obligations changed in fiscal year 2009 to require that obligations be recorded at the time PCS orders were issued, rather than at the time PCS moves occurred. We determined that the services' detailed data for fiscal years 2010 through 2014 were sufficiently reliable for the purposes of our analysis because (1) service officials confirmed that this level of data would be sufficiently reliable for the purposes of our analysis;⁴ (2) these data are the actual obligations reported by each of the services for PCS costs, which is what the services anticipate spending on PCS during the period of availability for the appropriation; and (3) we validated the totals of the services' detailed data against the summary data in the DOD-wide budget materials. We analyzed the detailed cost data for these years to identify trends across traveler type (that is, officers and enlisted personnel, and their dependents) and among specific cost categories (that is, household goods shipments and temporary lodging expenses). We were not able to calculate per-move costs for all the PCS cost categories because of the lack of data on servicemember moves for certain cost categories for certain services.

To identify the factors that caused any changes in PCS costs from fiscal years 2001 through 2014, we reviewed changes to relevant laws and applicable DOD guidance, including Chapter 8 of Title 37 of the United States Code⁵ and the DOD Joint Travel Regulations, and we identified any changes that would have affected PCS costs. We met with Office of

⁴ The Army did not confirm that these data were sufficiently reliable, but we have included Army data in our analysis because these are what were reported to decisionmakers to support the Army's PCS budget request.

⁵ See 37 U.S.C. § 474, et seq.

the Secretary of Defense (OSD) and service officials, and we asked them to identify any program or policy changes that would have affected PCS costs, as well as any external factors—such as decisions to change the number of overseas locations—that may have influenced PCS costs during this timeframe. We also reviewed the results of our analysis of PCS moves and costs, identified specific areas of relatively large increases or decreases over time, and discussed these changes with OSD and service officials to obtain additional context for the changes we identified.

To evaluate the extent to which military personnel are meeting time-on-station requirements by either reaching minimum time-on-station lengths or receiving exceptions and waivers to make a PCS move earlier than planned, we obtained and analyzed available data from the military services on time-on-station lengths and associated waivers and exceptions. We asked each of the services to provide the average and median time-on-station for officer and enlisted personnel for operational and rotational moves. We also asked for these data to be broken out by rank and job specialty, and for data on the number of moves that required waivers and exceptions. The services used existing databases—the Army’s Total Army Personnel Database, the Navy’s Enlisted Assignment Information System and Officer Assignment Information System, the Air Force’s Military Personnel Data System, and the Marine Corps’ Total Force Data Warehouse—to produce summary time-on-station data. To assess the reliability of the databases, we reviewed policies and procedures related to the respective databases, and we interviewed agency officials knowledgeable about these data. Data the services provided were not consistent, and we were generally not able to make direct comparisons among the services. However, we determined that the summary data were reliable for purposes of reporting on time-on-station for each of the services. We also interviewed pertinent officials within the Office of the Under Secretary for Personnel and Readiness and the military services to discuss time-on-station data and policies. We reviewed DOD and service guidance related to time-on-station lengths, exceptions, and waivers and evaluated current practices based on this guidance. We also reviewed historical changes to the guidance dating back to 2001 to identify adjustments that have been made to time-on-station lengths for assignments both overseas and in the United States.

To determine the extent to which OSD's September 2014 report on time-on-station addressed the elements identified in Senate Report 112-196, we used a scorecard methodology.⁶ We created a checklist of elements, and two analysts independently compared the elements with the OSD report to determine the extent to which the study met the congressional direction. This scorecard methodology assigns a rating of "addresses" if the report engaged with all elements of the relevant congressional direction, even if specificity and details could be improved upon; a rating of "partially addresses" if the report did not include all of the elements of the congressional direction; and a rating of "does not address" when elements of congressional direction were not explicitly cited or discussed, or when any implicit references were either too vague or too general to be useful. We also interviewed pertinent officials within OSD to discuss the report.

To guide our assessment of the OSD report, we identified generally accepted research standards for the design, execution, and presentation of findings that define a sound and complete study, and we used a scorecard methodology to determine the extent to which the report used approaches consistent with these standards. To define the set of standards, we reviewed and adapted generally accepted research standards from prior GAO work that reviewed DOD mobility requirements studies.⁷ The set of standards we defined were categorized into three overarching areas—design, execution, and presentation—with specific components for each of the areas that determined whether or not a standard was met (see appendix VI for a list of the standards we used). Our analysis of the report also considered the report's supporting documentation, which included a preliminary report submitted to Congress in March 2014, a RAND study that OSD contracted to help write its report (OSD had the study in draft form when creating its report), and contract documents related to the RAND study. Four specialists within GAO's Applied Research and Methods team with collective backgrounds in the areas of economics, statistical modeling, survey methods, and research methods then evaluated the OSD report and supporting documentation against the defined standards. Based on the

⁶ Senate Report 112-196, at 17-18 (2012).

⁷ GAO, *Defense Transportation: Additional Information Is Needed for DOD's Mobility Capabilities and Requirements Study 2016 to Fully Address All of Its Study Objectives*, [GAO-11-82R](#) (Washington, D.C.: Dec. 8, 2010).

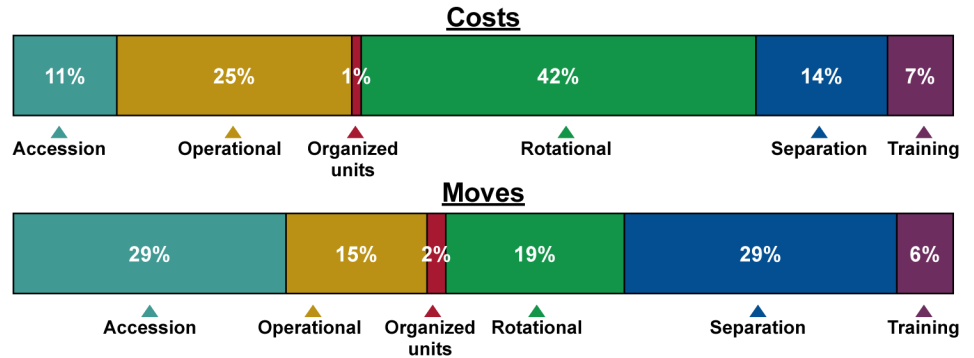
specialists' preliminary reviews, the GAO team followed up with requests for additional information and clarification from OSD and RAND. The specialists then discussed and reconciled any disagreements within their evaluations to determine the extent to which the report conformed to the three overarching areas and components of the areas. For reporting purposes, the specialists determined that qualitative assessment ratings, rather than numeric ratings for each individual standard, provided the best explanation of the nuances of the analysis and findings.

We conducted this performance audit from September 2014 to September 2015 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix II: Permanent Change of Station Moves and Costs for Move Categories

Our analysis of Permanent Change of Station (PCS) data for the six Department of Defense (DOD) move categories shows that from fiscal years 2001 through 2014 accession and separation moves constituted 58 percent of PCS moves and about 24 percent of PCS costs. At the same time, operational and rotational moves accounted for 34 percent of PCS moves and 66 percent of PCS costs. Training and organized unit travel together constituted 8 percent of moves and costs (see fig. 5.).

Figure 5: Distribution of Permanent Change of Station Costs and Moves by Move Category (Fiscal Years 2001-2014)



Source: GAO analysis of Department of Defense (DOD) data. | GAO-15-713

As stated above, annual PCS per-move costs for operational and rotational moves were higher, on average, than for accession and separation moves. For example, an accession move over this time period cost \$2,296 on average, and a rotational move cost \$13,238. Per-move costs for training and organized unit moves were lower than per-move costs for rotational and operational moves and higher than per-move costs for accession and separation moves (see table 4).

Table 4: Average Annual Permanent Change of Station Per-Move Costs by Move Category (Fiscal Years 2001-2014)

Move Category	Number of Moves	Cost of Moves	Cost Per Move
Accession Travel	203,153	\$466,441,000	\$2,296
Training Travel	40,275	\$307,541,000	\$7,636
Operational Travel	104,296	\$1,062,703,000	\$10,189
Rotational Travel	133,913	\$1,772,752,000	\$13,238
Separation Travel	201,603	\$581,736,000	\$2,886
Travel Of Organized Units	15,639	\$58,734,000	\$3,756
Other Costs ^a	-	\$63,106,000	-

Source: GAO analysis of DOD data. | GAO-15-713

Note: Costs are reported in fiscal year 2014 constant dollars.

^a The “Other Costs” category includes costs for categories such as non-temporary storage and temporary lodging expenses for which the services did not report a corresponding number of moves.

Service officials stated that rotational travel is the most costly type of move because it involves transoceanic travel, with personnel and cargo moving longer distances than for other types of moves. In contrast, accession moves—when personnel are moved to their first duty station—generally involve travel within the continental United States. Also, servicemembers making an accession move are lower ranked and typically younger, and therefore less likely to be accompanied by dependents, than are servicemembers making other types of moves. While servicemembers making separation moves are generally more senior and older than servicemembers making accession moves, DOD and service officials stated that the per-move costs for these moves are similar to those for accession moves because many servicemembers making a separation move choose to remain in the same geographic area as their final duty station, and thus these moves incur minimal costs. DOD officials stated that the post-9/11 build-up of the military forces and the subsequent drawdown in recent years led to a large number of accessions and separations, as servicemembers were recruited for and subsequently separated from the military.

Appendix III: Permanent Change of Station (PCS) Per-Move Costs in Specific Cost Categories

Our analysis of detailed Permanent Change of Station (PCS) data for fiscal years 2010 through 2014 shows differences in per-move costs for officers as compared with enlisted personnel in specific cost categories (see table 5). We calculated annual average costs by specific cost category (which are described in table 6) and determined the percentage change in the cost categories over this time period. We further separated these cost data for officers and enlisted personnel in each service. Detailed costs in certain categories were not available for some of the services, and we discuss these data limitations in this report. Also, as noted in this report, PCS per-move costs generally were decreasing during this time period.

Table 5: Average Per-Move Permanent Change of Station Costs and Percent Change in Specific Cost Categories by Military Service (Fiscal Years 2010-2014)

Category	Army		Navy		Marine Corps		Air Force	
	Avg. Cost	Change	Avg. Cost	Change	Avg. Cost	Change	Avg. Cost	Change
Officer								
Travel	\$2,001	-21%	\$1,364	-2%	\$1,540	26%	\$1,251	61%
Dependent Travel	\$1,286	-20%	\$1,373	-2%	\$1,663	-48%	\$535	20%
Household Goods Shipments	\$9,265	-20%	\$10,127	2%	\$7,502	-39%	\$9,783	-10%
Dislocation Allowance	\$2,580	-12%	\$2,379	-4%	\$2,553	4%	\$2,848	12%
Mobile Home Transport	\$658	-32%	\$175	-3%	N/A	0%	\$908	-3%
Privately Owned Vehicle	\$1,288	-22%	\$2,545	-76%	\$3,165	-40%	\$2,140	-100%
Non-Temporary Storage	N/A ^a	N/A ^a	N/A ^a	N/A ^a	\$1,051	147%	N/A ^a	N/A ^a
Temporary Lodging	N/A ^a	N/A ^a	N/A ^a	N/A ^a	\$1,807 ^b	N/A ^b	N/A ^a	N/A ^a
Total Officer Moves^c	\$14,343	-21%	\$12,721	-7%	\$10,775	-1%	\$14,093	-6%
Enlisted								
Travel	\$1,032	-8%	\$943	-1%	\$1,419	41%	\$1,394	92%
Dependent Travel	\$691	-4%	\$1,078	1%	\$1,410	-62%	\$614	1%
Household Goods Shipments	\$4,475	1%	\$5,109	0%	\$3,592	-82%	\$6,675	-19%
Dislocation Allowance	\$1,090	44%	\$1,903	-4%	\$1,995	21%	\$1,978	12%
Mobile Home Transport	\$365	-13%	N/A	N/A	N/A	N/A	\$651	-79%
Privately Owned Vehicle	\$689	-1%	\$3,134	26%	\$4,077	-27%	\$2,639	-100%
Non-Temporary Storage	N/A ^a	N/A ^a	N/A ^a	N/A ^a	\$776	122%	N/A ^a	N/A ^a
Temporary Lodging	N/A ^a	N/A ^a	N/A ^a	N/A ^a	\$1,807 ^b	N/A ^b	N/A ^a	N/A ^a
Total Enlisted Moves^c	\$5,855	-6%	\$4,405	-6%	\$4,182	-16%	\$7,772	-6%

Source: GAO analysis of DOD data and the Joint Travel Regulations | GAO-15-713.

Note: Costs are reported in fiscal year 2014 constant dollars.

**Appendix III: Permanent Change of Station
(PCS) Per-Move Costs in Specific Cost
Categories**

^a These figures could not be calculated because the Army, Navy, and Air Force did not report the number of moves associated with non-temporary storage and temporary lodging.

^b The Marine Corps did not report moves and costs for temporary lodging for fiscal years 2012 through 2014.

^c Totals were calculated using the total costs and moves the services reported for officers and enlisted personnel.

Table 6: Selected Allowable Expenses for a Permanent Change of Station Move

Allowable expense	Description
Travel	Includes travel on commercial air/bus/rail/ship; travel on government or military aircraft or ships; per-diem for duration of travel; monetary allowance in lieu of transportation for travel by personally owned conveyance.
Household Goods Shipments	The shipping, packing, crating, drayage, storage in transit, uncrating, and unpacking of items associated with the home and all personal effects belonging to a servicemember and dependents, including: a vehicle such as a motorcycle, moped, hang glider, golf cart or snowmobile; a boat; an ultralight vehicle/aircraft.
Dislocation Allowance	The purpose of dislocation allowance is to partially reimburse a servicemember for the expenses incurred in relocating the member's household not otherwise reimbursed through other expense categories, such as household goods shipments. The amount of dislocation allowance provided depends on the servicemember's rank and number of dependents, and in calendar year 2014 ranged from \$892 for a servicemember at the rank of E1 with no dependents to \$4,470 for a servicemember at the rank of O-10 with dependents.
Mobile Home Transport	Mobile home transport is used for PCS moves within the contiguous United States, within Alaska, or between the contiguous United States and Alaska. Mobile homes are defined to include house trailers, privately owned railcars converted for use as a residence, and boats used in place of a principal residence.
Privately Owned Vehicle	For moves within the contiguous United States, servicemembers and dependents may travel in up to two vehicles. In limited circumstances involving servicemembers with a large number of dependents, travel may involve more than two vehicles, and one vehicle may be shipped. For overseas moves, one vehicle may be shipped. When not authorized to be shipped, the vehicle may be stored.
Non-Temporary Storage	Non-temporary storage is long-term household goods storage in lieu of transportation. Includes necessary packing, crating, unpacking, uncrating, transportation to and from the storage location(s), storage, and other directly related necessary services necessary to place the household goods in the designated storage facility.
Temporary Lodging	Temporary lodging expense is an allowance intended to partially pay members for lodging and/or meal expenses incurred by a servicemember and/or dependent(s) while occupying temporary lodging in the contiguous United States as part of a PCS move.

Source: GAO review of DOD's Joint Travel Regulations | GAO-15-713

Appendix IV: Time-on-Station Exceptions Specified in Department of Defense Instruction 1315.18

Department of Defense Time-On-Station Exceptions

1. Servicemembers are reassigned to an overseas or sea tour
 2. Servicemembers in sea-intensive skills are assigned from shore to sea duty, are required to complete minimum of 2 years of time-on-station.
 3. Servicemembers are accessed, reassigned to a different duty station for initial skill training, or are separated.
 4. Servicemembers are reassigned to a different duty station for training or educational purposes.
 5. Moves resulting from major weapon-system change or unit conversion (for example, a change from one type of aircraft to another, such as F-4 to F-15, or infantry to mechanized infantry). This exception shall not cover moves associated with replacing a servicemember selected for a new weapon system or unit.
 6. Servicemembers are permitted the option to retrain into a new specialty and location in conjunction with reenlistment, in which case a 1-year minimum shall apply.
 7. Servicemembers are permitted the option to select another location in conjunction with an established program, to keep military couples together, in which case a 1-year minimum shall apply.
 8. Servicemembers are assigned to the Office of the Secretary of Defense, the Office of the Chairman of the Joint Chiefs of Staff, or a Defense Agency where the tenure is limited by statute or the provisions of this Instruction to a shorter tour.
 9. Servicemembers serving under DOD Directive 1100.9, Military Civilian Staffing of Management Positions in the Support Activities which prescribes different assignments for management positions in the support activities.
 10. Servicemembers are reassigned under Exceptional Family Member Programs or for humanitarian reasons^a
 11. Servicemembers are reassigned to a different duty station in preparation for a unit deployment/move.
 12. Servicemembers who are being considered for reassignment are in their first enlistment.
 13. Servicemembers in professional skills, such as doctors and lawyers, serving in assignments designated by the Secretary concerned for the purpose of validating professional credentials or for developing expertise in selected specialized skills before being assigned to independent duty without supervision.
 14. Servicemembers disqualified for duty as a result of loss of security clearance, professional certification, nuclear certification, or medical qualification to perform, and where it has been determined that no vacant position exists within the limits of the same geographic location in which the Servicemember may serve pending re-qualification or re-certification.
 15. Members reassigned as prisoners including assignments to and from confinement or reassigned for the purpose of standing trial.
 16. Members reassigned from patient status.
 17. Members curtailed for the purpose of traveling outside of the travel restriction for pregnancy of the member or spouse, or reassigned for the purpose of receiving adequate medical care, including curtailments of female members from unaccompanied tours because of the lack of adequate obstetric care.
 18. Members involved in incidents that cause serious adverse publicity or embarrassment for the United States Government, that may jeopardize the mission, or that indicate the member is a potential defector.
 19. Members or their dependents are threatened with bodily harm or death and circumstances are such that military and civilian authorities are unable to provide for their continued safety. Appropriate investigative agencies (such as the Air Force Office of Special Investigations or the Army Criminal Investigation Command) and judge advocate offices shall verify the threats and circumstances.
 20. Members complete or are eliminated from a training or education program.
 21. Members reassigned on low cost moves, as defined in enclosure 2 in DOD Instruction 1315.18
 22. The Secretary of Defense waives completion of a full tour of duty in a joint duty assignment, and the action would otherwise require a waiver of a time-on-station requirement.
 23. Members rendered as excess as a result of unit inactivation, base closure or consolidation, or organization or staffing changes.
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Source: Department of Defense Instruction 1315.18, Procedures for Military Personnel Assignments, (Jan. 12, 2005) | GAO-15-713

**Appendix IV: Time-on-Station Exceptions
Specified in Department of Defense Instruction
1315.18**

^a The Exceptional Family Member Program is for active duty servicemembers who have family members with special medical needs. When servicemembers are considered for assignment within the United States, consideration is given as to whether needed services, such as specialized pediatric care, are available through the military health system at the proposed location.

Appendix V: Time-on-Station Data and Trends for United States and Overseas Locations

This appendix discusses the availability of time-on-station data from the military services and our analysis of time-on-station trends, by service, for continental U.S. and overseas locations.

We requested time-on-station data from each of the services and assessed the reliability of the data received. The availability of time-on-station data varied across services and ranks. The trends for available data are summarized by service below. For ease of reporting, we refer to assignments outside of the continental United States as overseas assignments. For more information on our methodology, see appendix I.

The services provided us with data on the median and average time-on-station lengths. Based on our analysis of these data, we determined that the averages were consistently higher than the medians. We discussed our analysis with service officials and they told us this was likely due to certain servicemembers remaining in one location for extended periods of time.¹ Based on our analysis and conversations with service officials, we decided to report the median of these data, rather than the average. For purposes of consistency, we rounded all data to the nearest whole month.

Army Time-on-Station

The Army provided us data on the median time-on-station for officer personnel for assignments in the continental United States and overseas for fiscal years 2006 through 2014 and for fiscal years 2009 through 2014 for enlisted personnel. For overseas assignments, the Army was not able to separate out 12-, 24-, and 36-month tours for enlisted personnel, so we were not able to report on these data. For consistency, we reported data from fiscal years 2009 through 2014 when comparing enlisted and officer personnel, and by available year when discussing the personnel separately.

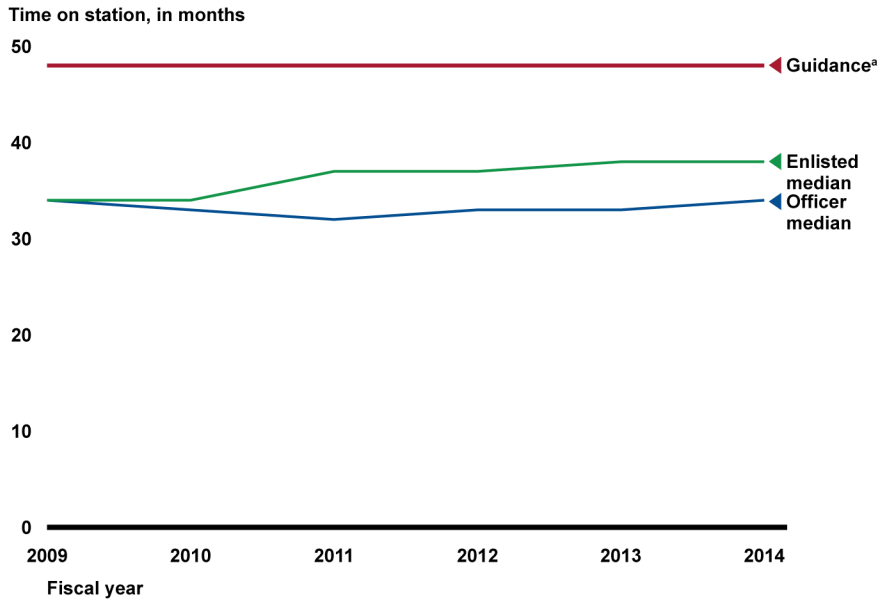
Data from the Army show that from fiscal years 2009 through 2014, at least half of the enlisted personnel moves within the continental United States occurred at or before 38 months.² For officers, the Army data show

¹ For example, Marine Corps officials told us that servicemembers in the Marine Corps Band are generally stationed at the same location for longer than 10 years, and servicemembers in the infantry may stay on station for longer than 10 years because their families remain in one location while the servicemember completes unaccompanied and other dependent-restricted tours and deployments.

² The Army reported that median time-on-station ranged from a low of 34 months in 2009 and 2010 to a high of 38 months in 2013 and 2014.

that at least half of the moves within the continental United States occurred at or before 34 months (see fig. 6).³

Figure 6: Median Time-on-Station Lengths for Army Personnel at Continental United States Locations (2009-2014)



Source: GAO analysis of Army data. | GAO-15-713

^a Army Regulation 614-200, *Assignments, Details, and Transfers: Enlisted Assignments and Utilization Management*, Feb. 26, 2009 (Rapid Action Revision: Oct. 11, 2011); Army Regulation 614-100, *Assignments, Details, and Transfers: Officer Assignment Policies, Details, and Transfers*, Jan. 10, 2006.

For overseas assignments, the Army reported that from fiscal years 2006 through 2014, at least half of the officer personnel time-on-station lengths met or exceeded the minimum. Specifically, Army data show that most officers on 12-month assignments moved at or after 13 months.⁴ For officers on 24-month tours, data show that at least half moved at or after

³ The Army reported that median time-on-station ranged from a low of 32 months in 2010 through 2013 to a high of 34 months in 2009.

⁴ The Army reported that median time-on-station ranged from a low of 13 months in 2006 and from 2009 through 2014 to a high of 14 months in 2007 and 2008.

25 months.⁵ At least half of officers on 36-month tours moved at or after 36 months.⁶

Navy Time-on-Station

The Navy provided us data on the median time-on-station for officer and enlisted personnel for assignments in the continental United States from fiscal years 2001 through 2014. The Navy was not able to provide data for overseas assignments.

Data obtained from the Navy show that from fiscal years 2001 through 2014, at least half of the enlisted personnel moves within the continental United States occurred at or after the 36-month minimum specified in guidance.⁷ For officers, at least half of the moves within the continental United States occurred at or before 33 months (see fig. 7).⁸

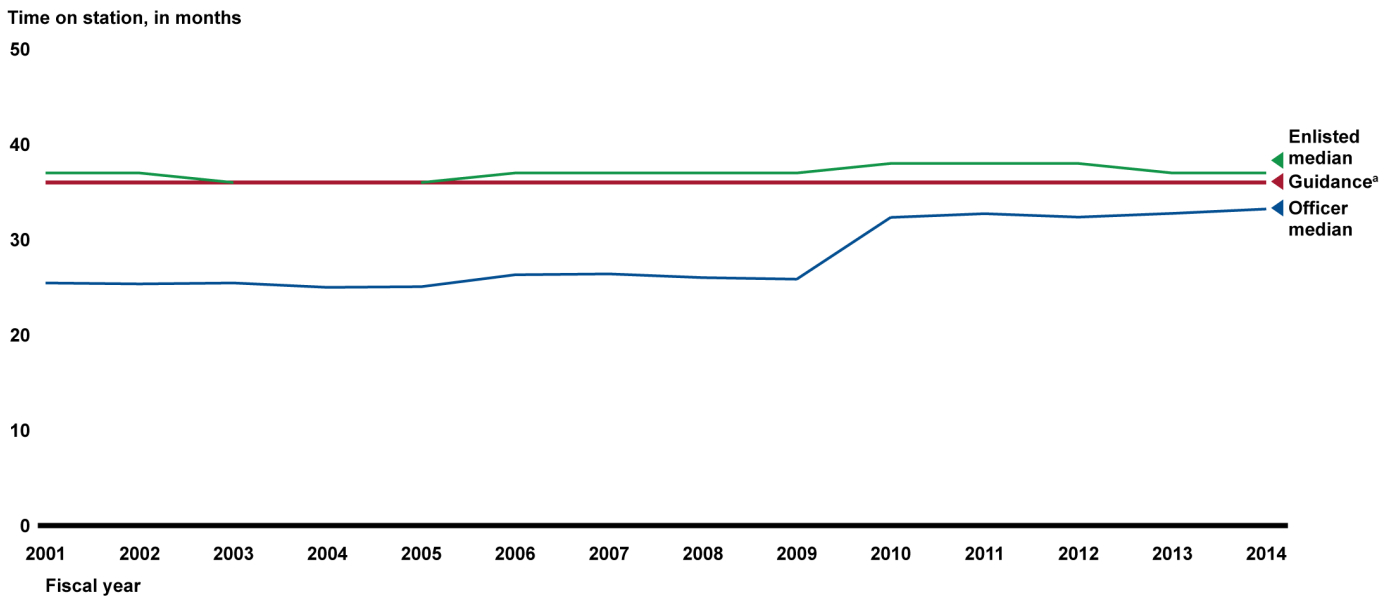
⁵ The Army reported that median time-on-station ranged from a low of 25 in 2006 through 2011 to a high of 26 in 2012 and 2013.

⁶ The Army reported that median time-on-station ranged from a low of 36 from 2011 through 2014 to a high of 38 in 2009.

⁷ Navy Military Personnel Manual 1306-106, *Time on Station and Retainability/Obligated Service* (Jan. 8, 2008). The Navy reported that median time-on-station ranged from a low of 36 months from 2003 through 2005 to a high of 38 months from 2010 through 2012.

⁸ The Navy reported that median time-on-station ranged from a low of 25 in 2004 to a high of 33 in 2014.

Figure 7: Median Time-on-Station Lengths for Navy Personnel at Continental United States Locations (2001-2014)



Source: GAO analysis of Navy data. | GAO-15-713

^a: Navy Military Personnel Manual 1306-106, *Time on Station and Retainability/Obligated Service*, Jan. 8, 2008.

Air Force Time-on-Station

The Air Force provided us data on the median time-on-station for officer and enlisted personnel for assignments both in the continental United States and overseas. They also provided us data on average time-on-station for officers based on their career fields.

Air Force data show that from fiscal years 2003 through 2014, at least half of the enlisted personnel moves within the continental United States occurred at or after 44 months.⁹ For officers, the Air Force data show that least half of the moves within the continental United States occurred at or after 35 months (see fig. 8).¹⁰ These data include moves that occurred prior to the Air Force's increasing its minimum time-on-station requirement from 36 months to 48 months in 2009.¹¹ Despite this policy

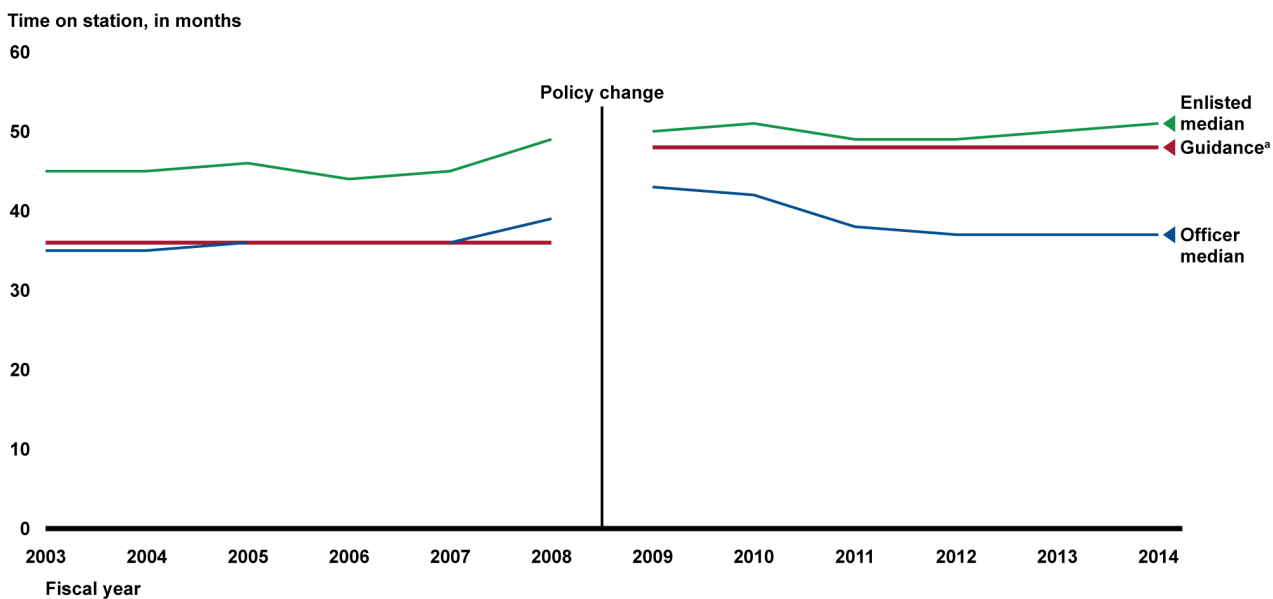
⁹ The Air Force reported that median time-on-station ranged from a low of 44 months in 2006 to a high of 51 months in 2010 and 2014.

¹⁰ The Air Force reported that median time-on-station ranged from a low of 35 in 2003 and 2004 to a high of 43 in 2009.

¹¹ Air Force Instruction 36-2110, *Assignments*, Sept. 22, 2009.

change, actual time-on-station did not significantly change. Between fiscal years 2009 and 2014, median time-on-station increased from 50 months to 51 months for enlisted personnel. During the same time period, median time-on-station for officer personnel decreased from 43 months to 37 months.

Figure 8: Median Time-on-Station Lengths for Air Force Personnel at Continental United States Locations (2003-2014)



Source: GAO analysis of Air Force data. | GAO-15-713

^a: Air Force Instruction 36-2110, *Assignments*, Sept. 22, 2009.

For overseas assignments, Air Force data show that from fiscal years 2003 through 2014 at least half of officers and half of enlisted personnel on 12-month assignments moved at or after 12 months.¹² For 24-month tours, at least half of officers moved at or after 24 months, and at least half of enlisted personnel moves occurred at or after 24 months.¹³ For 36-

¹² The Air Force reported that both enlisted and officer median were 12.0 months for each year.

¹³ For 24-month tours, the Air Force reported that median time-on-station for officer personnel ranged from a low of 24 months in 2003 to a high of 33 months in 2013. For enlisted personnel, the Air Force reported that median time-on-station was 24 months for all years.

month tours, at least half of officers moved at or after 36 months and at least half of enlisted moves occurred at or after 37 months.¹⁴

Air Force data also show that time-on-station varied among officer career fields. For example, from fiscal years 2009 through 2013, officers ranked O-1 through O-3 with a title of Logistics Commander moved the most frequently, while those with a specialty of Operations Management / Command and Center moved least frequently. Officers ranked O-4 through O-6 with a title of Aerospace Medicine moved the most frequently, while those with the Support Commander title moved least frequently. Air Force officials told us that that time-on-station varied among career fields because some career fields have fewer personnel, which may lead to more moves—and shorter time-on-station lengths—in order to keep positions filled.

Marine Corps Time-on-Station

The Marine Corps provided us data on the median time-on-station for officer and enlisted personnel for assignments in the continental United States for fiscal years 2008 through 2014. The Marine Corps could not provide data separated by time-on-station length for personnel serving in overseas assignments.

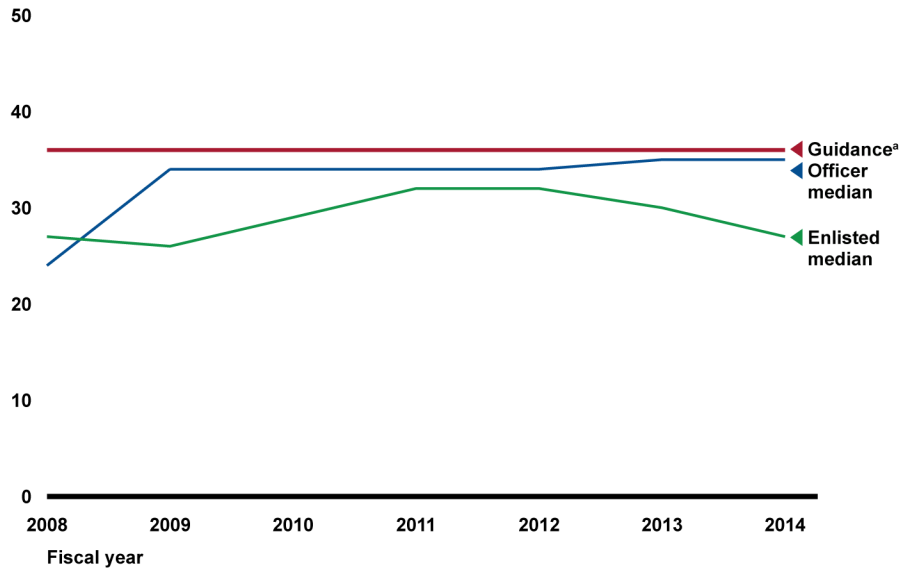
Data from the Marine Corps show that from fiscal years 2008 through 2014, at least half of the enlisted personnel moves within the continental United States occurred at or before 32 months.¹⁵ For officers, the Marine Corps data show that at least half of the moves within the continental United States occurred at or before 35 months (see fig. 9).¹⁶

¹⁴ For 36-month tours, the Air Force reported that the median time-on-station for officer personnel was 36 for all fiscal years. For enlisted personnel, the median ranged from a low of 37 in 2006 and 2007 to a high of 45 in 2004.

¹⁵ The Marine Corps reported that median time-on-station ranged from a low of 26 months in 2009 to a high of 32 months in 2011 and 2012.

¹⁶ The Marine Corps reported that median time-on-station ranged from a low of 24 months in 2008 to a high of 35 months in 2013 and 2014.

Figure 9: Median Time-on-Station Lengths for Marine Corps Personnel at Continental United States Locations (2008-2014)
Time on station, in months



Source: GAO analysis of Marine Corps data. | GAO-15-713

Note: From fiscal year 2008 to 2009, Marine Corps officers had a 42 percent increase in time-on-station length, from a median of 24 months to 34 months. According to a Marine Corps official, this increase was likely due to moving additional officers from supporting units to operational units to support operations in Iraq and Afghanistan. Following the shift in operational focus from Iraq to Afghanistan, the number of officer moves stabilized in fiscal year 2009.

^a: Marine Corps Order 1300.08, *Marine Corps Personnel Assignment Policy*, Sept. 18, 2014.

Appendix VI: GAO Generally Accepted Research Standards Checklist Used to Assess the Office of the Secretary of Defense's September 2014 Study

Research Standard and Associated Checklist

A. Design: Is the study is well designed?

Is the study's design clear?

Are the study's objectives clearly stated?

Is the study's scope clearly defined?

Are the assumptions explicitly identified?

Are the assumptions reasonable and consistent?

Are the assumptions varied to allow for sensitivity analyses?

Are major constraints identified and discussed?

Are the scenarios that were modeled reasonable ones to consider?

Do the scenarios represent a reasonably complete range of conditions?

B. Execution: Is the study well executed?

Is the study's methodology consistent with the study's objectives?

Are the study's objectives addressed?

Were the models used to support the analyses appropriate for their intended purpose?

Were the data used valid for the study's purposes?

Were the data used sufficiently reliable for the study's purposes?

Were any data limitations identified, and was the impact of the limitations adequately explained?

Were any modeling or simulation limitations identified, explained, and justified?

Have the models used in the study been described and documented adequately?

C. Presentation of results: Are the results timely, complete, accurate, concise, and relevant to the client and stakeholders?

Do the results of the modeling support the report findings?

Does the report present an assessment that is well documented?

Are the conclusions sound?

Are the study results presented in the report in a clear manner?

Source: These standards were developed as part of a GAO review conducted in 2010. The standards were based on research literature and Department of Defense guidance that identified frequently occurring, generally accepted research standards that are relevant for defense studies. We adapted these standards for our use in this report. See GAO, *Defense Transportation: Additional Information Is Needed for DOD's Mobility Capabilities and Requirements Study 2016 to Fully Address All of Its Study Objectives*, GAO-11-82R (Washington, D.C.: Dec. 8, 2010). | GAO-15-713

Appendix VII: Comments from the Department of Defense



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10 AUG 2015

Ms. Brenda S. Farrell
Director, Defense Capabilities and Management
United States Government Accountability Office
441 G Street, N.W.
Washington, DC 20548

Dear Ms. Farrell:

This is the Department of Defense (DoD) response to the GAO Draft Report, GAO-15-713, 'MILITARY COMPENSATION: DoD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel,' dated July 17, 2015 (GAO Code 351982).

Thank you for the opportunity to review and comment on the draft report. We recognize the importance of improving the availability of information needed for effective management of the PCS program.

The Department is providing official written comments for inclusion in the report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Juliet M. Beyler".

Juliet M. Beyler
Director, Officer and Enlisted Personnel
Management (Military Personnel Policy)

Cc:
Deputy Assistant Secretary of the Army (Financial Operations)
Deputy Assistant Secretary of the Army (Military Personnel and Quality of Life)
Deputy Assistant Secretary of the Navy (Financial Management and Comptroller)
Deputy Assistant Secretary of the Navy (Military Personnel Policy)
Deputy Assistant Secretary of the Air Force (Financial Management and Comptroller)
Deputy Assistant Secretary of the Air Force for Force Management Integration
Director, Military Personnel and Construction (Deputy Comptroller (Program/Budget))
Deputy Assistant Secretary of Defense for Transportation Policy
Director, Defense Travel Management Office
Director, Defense Manpower Data Center

GAO DRAFT REPORT DATED JULY 17, 2015
GAO-15-713 (GAO CODE 351982)

“MILITARY COMPENSATION: DOD NEEDS MORE COMPLETE AND
CONSISTENT DATA TO ASSESS THE COSTS AND POLICIES OF RELOCATING
PERSONNEL”

DEPARTMENT OF DEFENSE COMMENTS
TO THE GAO RECOMMENDATION

To improve the availability of information needed for effective and efficient management of the PCS program, including program costs and time-on-station requirements, the GAO recommend that the Secretary of Defense take the following four actions:

RECOMMENDATION 1: Direct the Under Secretary of Defense (Comptroller), in coordination with the military services, to improve the completeness and consistency of PCS data in service budget materials. This action should include revising existing guidance on the reporting of nontemporary storage costs, and clarifying existing guidance on the presentation of other PCS data.

DoD RESPONSE: Concur. The Office of the Secretary of Defense (Comptroller) will convene a working group with the military services to review and revise, as necessary, the current budgetary reporting requirements for the permanent change of station program.

RECOMMENDATION 2. Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to complete periodic evaluations of whether the PCS program is efficiently supporting DOD's requirements for assigning military personnel to new locations while fully reimbursing servicemembers for allowable expenses incurred during PCS moves. These periodic evaluations should identify changes in PCS per-move costs over time, factors driving such changes, and steps that could be taken to manage and control cost growth.

DoD RESPONSE: Partially concur. DoD agrees with this recommendation except with use of the phrase “fully reimbursing servicemembers.” Some travel allowances, such as temporary lodging expense and temporary lodging allowance, are not intended to “fully” reimburse service members, but are expressly intended to offset cost. DoD therefore recommends that the word “fully” be removed from the recommendation.

RECOMMENDATION 3. Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to improve the completeness and consistency of data on exceptions used for PCS moves that occur prior to established time-on-station lengths. This action should include clarifying existing guidance with regard to how the services collect, maintain, and report data on exceptions for use in evaluating performance in meeting time-on-station requirements and addressing challenges related to services' abilities to collect, maintain, and report exceptions data.

DoD RESPONSE: Concur.

RECOMMENDATION 4. Direct the Under Secretary of Defense for Personnel and Readiness, in coordination with the military services, to improve the completeness and consistency of data on waivers used for PCS moves that occur prior to established time-on-station lengths. This action should include establishing guidance for the military services to collect, maintain, and report data on waivers for use in evaluating performance in meeting time-on-station requirements and addressing challenges related to the services' abilities to collect, maintain, and report waiver data.

DoD RESPONSE: Concur.

Appendix VIII: GAO Contact and Staff Acknowledgments

GAO Contact

Brenda S. Farrell, (202) 512-3604 or farrellb@gao.gov

Staff Acknowledgments

In addition to the individual named above, key contributors to this report were Tom Gosling (Assistant Director); James Ashley; Timothy Carr; Farrah Graham; Foster Kerrison; Amie Lesser; Amanda Manning; Ruben Montes de Oca; Terry Richardson; Ben Sclafani; Michelle A. Vaughn; Cheryl Weissman; and Michael Willems.

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