United States General Accounting Office

GAO

Report to the Chairman and Ranking Minority Member, Subcommittee on Military Personnel, Committee on Armed Services, House of Representatives

May 2001

MILITARY PERSONNEL

Higher Allowances Should Increase Use of Civilian Housing, but Not Retention

GAO-01-684

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Accountability * Integrity * Reliability

United States General Accounting Office
Washington, DC 20548

May 31, 2001

The Honorable John M. McHugh
Chairman
The Honorable Martin T. Meehan
Ranking Minority Member
Subcommittee on Military Personnel
Committee on Armed Services
House of Representatives

Reported inadequate military housing and the need to improve the quality of life for military personnel have been prominent topics over the past several years. The Department of Defense (DOD) has heavily invested in its people and has thus been looking for ways to retain them by improving their quality of life. As part of its compensation package, DOD provides its military members with either an allowance to help defray the cost of civilian (private sector) housing or free military housing. The Department's policy is for its military members to rely on the private sector first for housing, but those who receive a housing allowance may pay out of pocket up to $200 or more each month. Last year, the Secretary of Defense announced an initiative to increase the housing allowance for military members to reduce their additional costs to zero by 2005.

In response to your request for information about the effect of the increased housing allowance on servicemembers, we analyzed the results of the broad-based 1999 Survey of Active Duty Personnel. We assisted in the design of this survey and previously testified to the Subcommittee on the preliminary results.[1] On the basis of our analysis of the final survey data and other reports, we determined (1) how increasing the housing allowance will satisfy the preferences of servicemembers, and (2) how satisfaction with housing and allowances relates to servicemembers' intent to stay in the military.

[1] *Military Personnel: Preliminary Results of DOD's 1999 Survey of Active Duty Members* (GAO/T-NSIAD-00-110, Mar. 8, 2000).

Results in Brief

Since servicemembers tend to prefer civilian housing, increasing the housing allowance to eliminate additional costs to them should help the Department satisfy servicemembers' preferences. Of those that receive an allowance or live in military housing, about 72 percent said they would prefer civilian housing if the costs were the same, but only about two-thirds now live in civilian housing. Thus, if military members' housing preferences were satisfied, thousands of additional personnel would be in civilian housing instead of military housing. The primary reason servicemembers live in military housing is the economic benefit; the housing and utilities are free, so they avoid additional costs associated with living in civilian housing. Other perceived benefits, like security and family support available to those living in military housing, run a distant second to the economic benefit. As DOD increases the housing allowance over the next 5 years, the overall demand for civilian housing should increase, while the demand for military housing should decline. As a result, DOD should be in a better position to implement its stated policy of relying on the private sector first for housing.

DOD cannot expect a substantial increase in retention to result solely from increasing housing allowances. Together, housing and housing allowances were cited by less than 1 percent of those surveyed as reasons for leaving the military, trailing far behind the top reasons like basic pay, amount of personal/family time, and quality of leadership. The survey data show that some concerns about inadequate housing are warranted, but allegations of widespread problems may be overstated. Overall, of those living in military housing, more were satisfied (45 percent) than dissatisfied (36 percent). About one-third of personnel living in military housing were dissatisfied with the space, privacy, or quality of their residence. Of those living in civilian housing, a high proportion were satisfied with the homes they chose. However, 57 percent were dissatisfied with their housing allowance. This dissatisfaction with the allowance is consistent with the high dissatisfaction reported on all compensation-related survey items.

DOD reviewed a draft of this report and partially concurred with our findings. The Department did not raise any questions or concerns about our conclusion that higher housing allowances should increase the demand for civilian housing by military personnel. But, DOD indicated it believed that improvements to housing allowances are effectively pay increases and would have a positive effect on retention. While we agree that increasing compensation may have a positive effect on the overall level of retention and stated so in our report, DOD does not have a problem with overall retention. Instead, DOD's retention problems are focused in certain occupations, career levels, and grades. As we have

reported earlier, we continue to emphasize that such specific retention problems should be addressed with more targeted retention incentives rather than across-the-board increases.

Background

Amid reports of low military morale, Congress has sought reliable information to assess the proposals proffered by DOD to improve the quality of life for military members, such as the proposal to increase housing allowances for military personnel. In 1999, we worked with DOD to design the Survey of Active Duty Personnel to gather military members' views on wide range of issues, including their views on military housing and allowances. The Department administered the survey in the fall of 1999 to a stratified random sample of over 66,000 military personnel and received responses from 51 percent.

In addition, Rand reported on the housing options available for military families in a 1999 study. [2] The report analyzes military families' preference for types of housing, and the specific factors that influence their choices. Rand based its findings on responses to a survey designed to collect information on how military members selected housing as well as information about how military members might respond to changes in housing policies.

DOD will spend more than $10 billion in fiscal 2001 to provide housing for military members and their families, either by paying a cash allowance for servicemembers to live in private sector housing or by assigning families to government-owned or –leased housing. The Department's policy is for its military members to rely on the private sector first for housing. Military members who live off base in civilian housing are entitled to the basic allowance for housing. This allowance is intended to provide servicemembers equitable housing compensation based on pay grade, number of dependents, and the local median monthly cost of housing. Housing costs include current market rent, average utilities, and renter's insurance. Currently, military members are expected to pay 15 percent of the housing costs themselves. (Table 1 shows the average out-of-pocket expenses, by pay grade.) DOD plans to reduce the out-of-pocket expense to zero by 2005 for those servicemembers who live in civilian housing.

[2] *An Evaluation of Housing Options for Military Families* (MR-1020-OSD, 1999). Rand surveyed military personnel, using a cluster sample of 4,400 military members at 12 bases across the country.

Table 1: National Median Out-of-Pocket Costs for Civilian Housing for Married Personnel, for Selected Pay Grades, Per Month

Enlisted		Officers	
E1-E3	$116	O-1	$137
E-4	123	O-2	153
E-5	135	O-3	179
E-6	153	O-4	201
E-7	163	O-5	216
E-8	173	O-6	218
E-9	185		

Note: These costs reflect the 15 percent out-of-pocket expense for civilian housing applicable in 2001.

Source: GAO generated from DOD-provided data.

Personnel who live in government-provided housing forfeit their housing allowance but pay nothing out of pocket for housing or utilities. However, DOD reports that many of its government-owned houses are in poor condition. The Department estimates that it would take 30 years and $16 billion to upgrade or replace existing inadequate family housing. To improve military housing faster and more economically than could be achieved if only traditional military construction appropriations were used, the Congress enacted legislation at DOD's request authorizing a program termed the Military Housing Privatization Initiative, to allow private sector financing, ownership, operation, and maintenance of military housing. Under the initiative, DOD can provide direct loans, loan guarantees, and other incentives to encourage private developers to construct and operate housing either on or off military installations.[3]

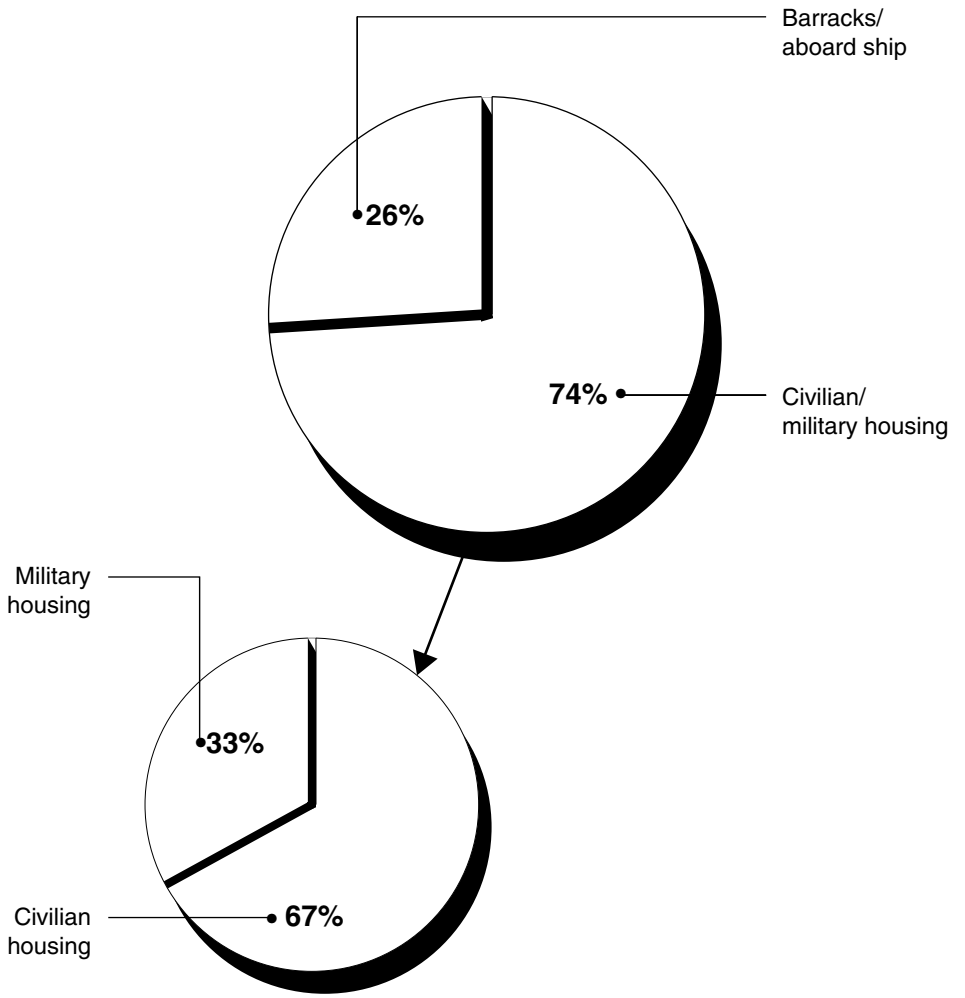
About 919,000 personnel (74 percent of the active duty force) live in military family housing or receive an allowance for civilian housing. The remaining 329,000 personnel (26 percent) live in barracks (dormitories or bachelor quarters) or aboard ships.[4] For the rest of the analyses, we will focus specifically on those that live in civilian or military housing and exclude those in barracks or aboard ships. Figure 1 shows the proportion

[3] 10 U.S.C. 2871 et seq.

[4] The data used in this report comes from DOD's 1999 Survey of Active Duty Personnel. It has been weighted to represent the total population in the military services with 6 months or more of service as of May 1999.

of military personnel that live in civilian or military housing and the proportion that live in barracks or aboard ships.

Figure 1: Where Military Personnel Live

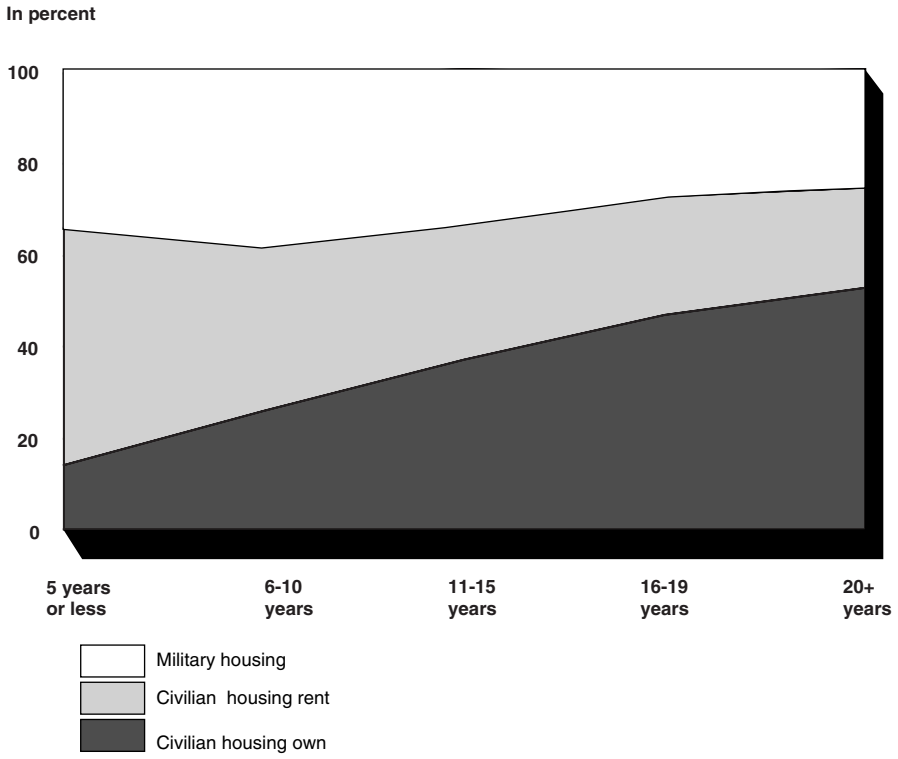


Source: Responses to the 1999 Survey of Active Duty Personnel.

Of those living in civilian or military family housing, about 619,000 personnel (67 percent) live in civilian housing, while about 300,000 personnel (33 percent) live in military housing. Officers are more likely to live in civilian housing than enlisted personnel. Also, personnel are more likely to live in civilian housing as they gain seniority. By the time personnel have 20 years or more service, 75 percent live in civilian housing. Figure 2 shows the type of housing in which servicemembers live,

by years of service.

Figure 2: Housing Options Chosen by Servicemembers, by Years of Service



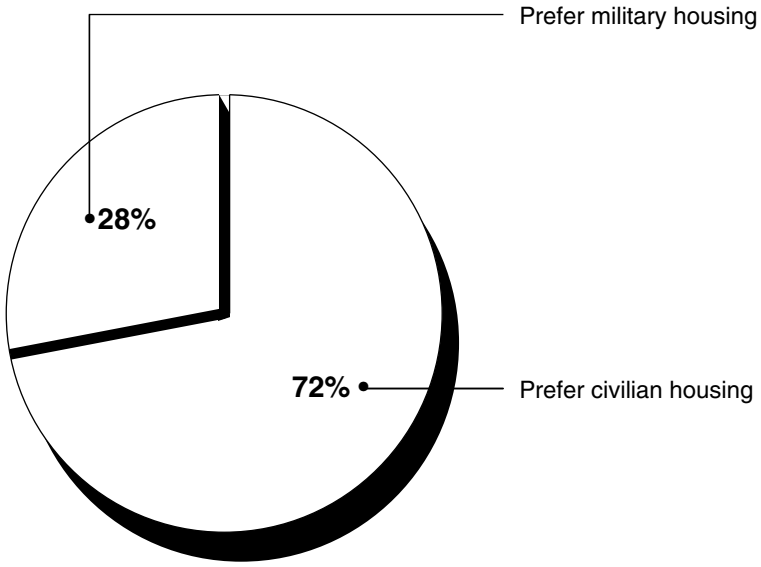
Source: Responses to the 1999 Survey of Active Duty Personnel.

Home ownership also increases dramatically with years of service, while renting decreases. For military personnel with 5 years of service or less, 14 percent own their home. By 20 years or more of service, the proportion increases to 53 percent. In total, about 277,000 personnel (30 percent) owned a home when the survey was administered in the fall of 1999. It is important to note that while the housing allowance is calculated based on the rental market, military members may apply their allowance toward purchasing a home, potentially gaining equity and enjoying the tax advantages of home ownership. However, the frequent moves required by military service may make home ownership difficult or impractical.

Housing Allowance Increase Will Better Satisfy Preference for Civilian Housing

According to DOD's 1999 Survey of Active Duty Personnel, 72 percent of military personnel would prefer civilian housing if costs were equal (see fig. 3). Similarly, Rand reported that servicemembers prefer civilian housing if cost was not a factor, and concluded that DOD should consider decreasing military housing and encouraging military members to live off base. In making this conclusion, Rand recognized the inherent link between housing allowances and military housing; that is, increasing the housing allowance should lessen the need for military housing.

Figure 3: Preference for Civilian and Military Housing, if Costs Were Equal



Source: Responses to the 1999 Survey of Active Duty Personnel.

Mismatches between where people would prefer to live and where they actually live were significant. Not everyone who prefers civilian housing is living in civilian housing, and vice versa. Overall, the number of personnel in civilian housing would increase by about 45,000 if the preferences of all personnel were satisfied, and the number in military housing would decrease by a like amount. This is because about 176,000 personnel that prefer civilian housing now live in military housing. And about 130,000 of those that prefer military housing now live in civilian housing. It must be noted that the availability of housing varies location by location, so it would likely never be possible to satisfy all servicemembers' preferences. According to DOD officials, civilian housing is often unavailable in sufficient numbers in remote locations; conversely, some bases have relatively little military housing.

Department officials anticipate that increasing the housing allowance will decrease demand for military housing. At least part of this conclusion is based on Rand's 1999 report, which noted that only 18 to 20 percent of the military members surveyed preferred military housing, regardless of cost and waiting time. Using Rand's estimate, the core requirement for those preferring military housing would be more than 120,000 less than the number now living there. Department officials also believe that the housing allowance increase will ultimately change the composition of the population in military housing. Rand's analysis indicated that demographic characteristics are the main factor in the demand for military housing. Those who prefer military housing include lower income personnel (especially junior enlisted personnel), those with spouses that do not work outside the home, and those with a greater number of children. Military members with larger families are entitled to a larger residence in military housing than they would likely be able to afford on the civilian market (civilian housing allowances increase by pay grade).

Some installations have long waiting lists for military housing, which would seem to evidence a strong demand for military housing. Department officials warned us that the lists can be misleading because many personnel on them do not take military housing when offered because they have already found suitable civilian housing while waiting. In addition, DOD recognizes concerns among service leaders that housing military personnel off installations in civilian housing would weaken the sense of military community. According to Rand, however, the demand for military housing seems largely dependent on it being economical; servicemembers simply want to avoid the additional costs associated with civilian housing. More than 60 percent reported that they lived in military housing for economic reasons. The economic benefit dominated all other factors, including security, proximity to work, availability, better schools, and having military neighbors. Military members in focus group discussions "scoffed" at the notion that being in military housing helped them to do a better job.

No Clear Link Between Housing and Retention

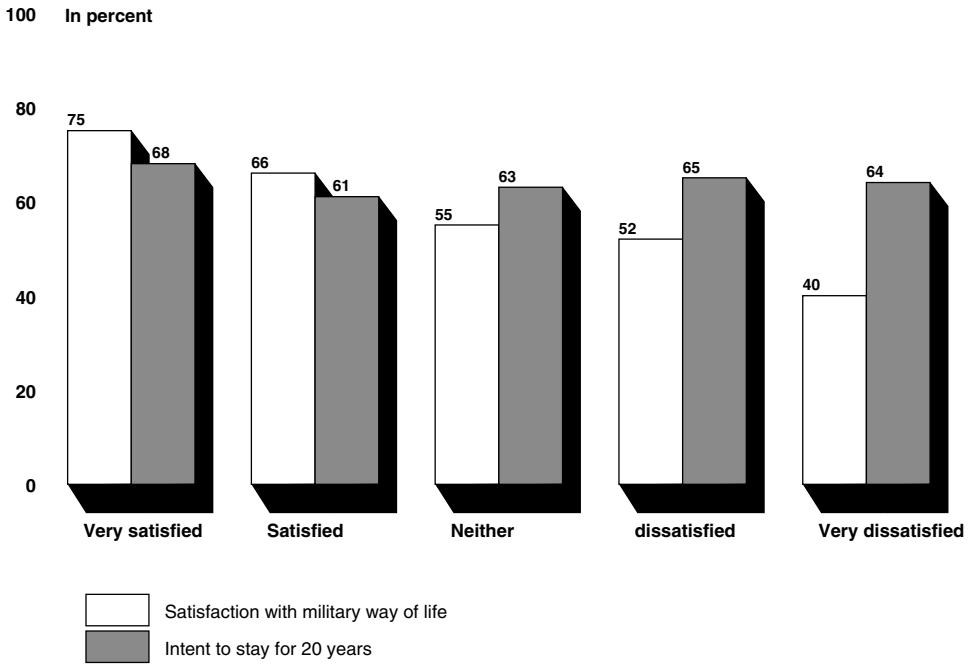
DOD should not expect a substantial increase in personnel retention solely from its initiative to increase the housing allowance. Although increased dissatisfaction with military housing and allowances is linked with dissatisfaction with the military way of life, the proportion of military personnel that indicated an intent to stay in the military for a 20-year career does not change as dissatisfaction increases (see figs. 4 and 5). This is not unexpected, since we previously testified that the retention decision is complicated, highly personal, and usually a function of many factors

including the prospects for other employment. Because pay is the top factor cited in retention decisions—both to stay and to leave, DOD may accrue some benefit from increasing the housing allowance because the military member's paycheck will increase by the amount of the allowance.

Figure 4: Satisfaction with Military Housing and Its Relationship to Satisfaction with the Military Way of Life and Intent to Stay in the Military for 20 Years

Source: Responses to the 1999 Survey of Active Duty Personnel.

Figure 5: Satisfaction with Housing Allowances and Its Relationship to Satisfaction with the Military Way of Life and Intent to Stay in the Military for 20 Years



Source: Responses to the 1999 Survey of Active Duty Personnel.

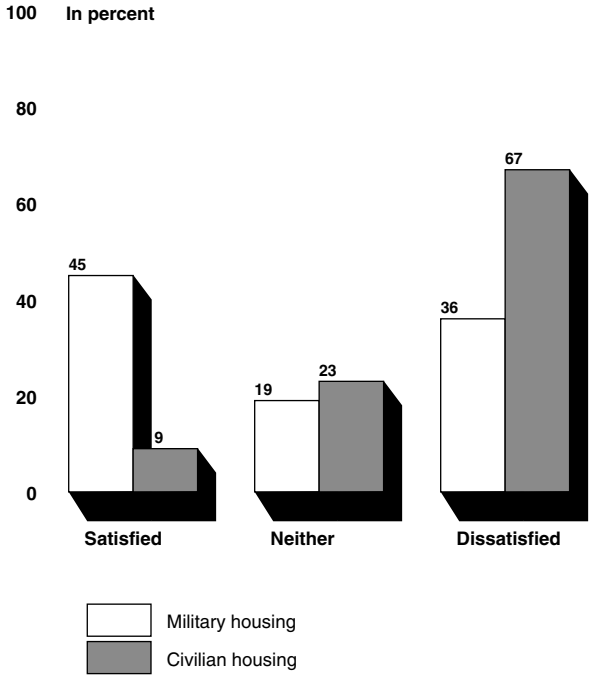
Responses to another survey question lend additional support to the conclusion that housing and housing allowances do not seem to drive the retention decision for many personnel. Survey respondents were asked to choose among 37 aspects of military life to identify the top issues causing them to leave, or think about leaving, the military. Military housing was cited as the top reason by only .2 percent, while housing allowances were cited by .5 percent—together, less than 1 percent of the active duty force. The top reasons included basic pay (27 percent), amount of personal/family time (9 percent), quality of leadership (8 percent), and deployments (7 percent).

Satisfaction with Military Housing

Concerns about the quality of military housing are warranted but seem overstated as a factor in retaining personnel, based on the survey data. Overall, more personnel who live in military housing were satisfied than dissatisfied. Of those living in military housing, about 45 percent were satisfied, while 36 percent were dissatisfied (see fig. 6). The perception of military housing appears to be worse than the reality experienced by those living in military housing. Those personnel living in civilian housing at the

time the survey was administered that chose to rate military housing had much less satisfaction (9 percent) with it than those living in military housing (45 percent).

Figure 6: Satisfaction with Military Housing, Based on Where Personnel Live



Note: Percentages may not add due to rounding.

Source: Responses to the 1999 Survey of Active Duty Personnel.

On the basis of our analysis of specific attributes of military housing, personnel living in military housing were more satisfied than dissatisfied with all of the measured characteristics. The greatest dissatisfaction was with the space, privacy, and quality-related characteristics of their housing, as shown in figure 7.

Figure 7: Satisfaction with Specific Characteristics of Military Housing

Note: Percentages may not add due to rounding.

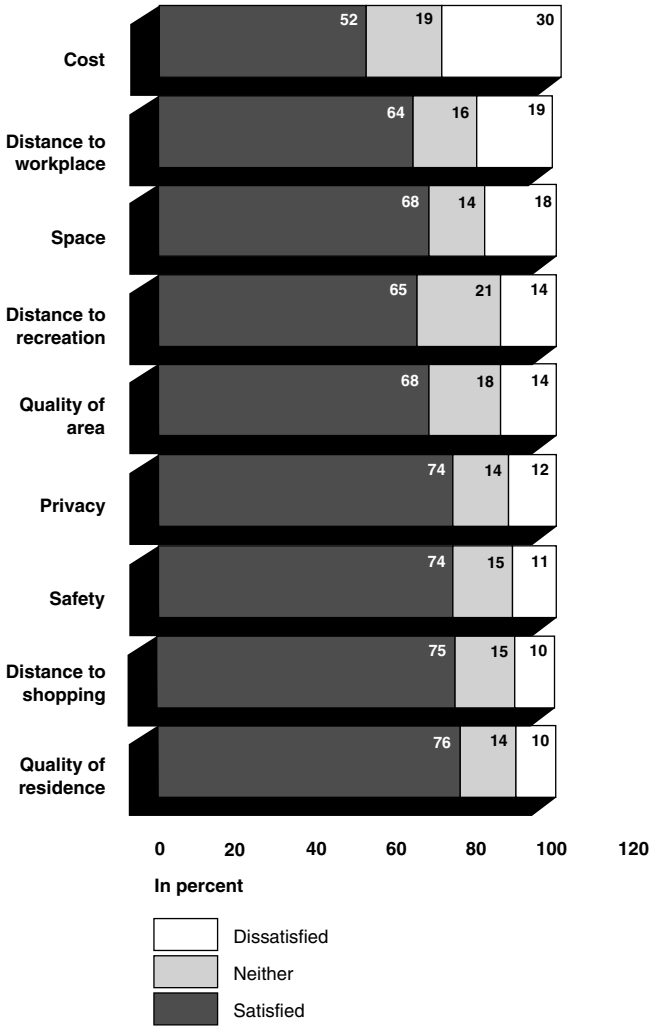
Source: Responses to the 1999 Survey of Active Duty Personnel.

Satisfaction with Civilian Housing

Servicemembers were generally satisfied with specific aspects of the civilian residence they chose but were dissatisfied with their housing allowance, the distance from their homes to work, and their living space (see fig. 8). Only about 26 percent of those receiving housing allowances were satisfied, while 57 percent were dissatisfied. This is partly because personnel must pay additional costs to live in civilian housing. However, a relatively high proportion of servicemembers were dissatisfied with other

pay-related survey items, for example, basic pay (59 percent dissatisfied), reenlistment and continuation pay (65 percent), and retirement pay (57 percent).

Figure 8: Satisfaction with Specific Characteristics of Civilian Housing



Note: Percentages may not add due to rounding.

Source: Responses to the 1999 Survey of Active Duty Personnel.

Agency Comments and Our Evaluation

We provided a draft of this report to the Department of Defense for comment. The Department partially concurred with our report. DOD's comments are presented in their entirety in Appendix II. DOD did not raise any questions or concerns about our conclusion that higher housing allowances should increase the demand for civilian housing by military personnel. The Department, however, indicated it did "not concur that improvements to housing allowances, which are effectively pay increases, would not have a positive effect on retention." That statement, however, mis-characterizes what we actually said. We stated that "DOD should not expect a substantial increase in personnel retention solely from its initiative to increase the housing allowance." While we agree that increasing compensation may have a positive effect on the overall level of retention and stated so in our report, DOD does not have a problem with overall retention. Instead, DOD's retention problems are focused in certain occupations, career levels, and grades.[5] We have reported before that such specific retention problems should be addressed with more targeted retention incentives aimed at particular segments of the force that are experiencing retention shortfalls.[6] Housing allowances, and other across-the-board increases, do little to address specific retention problems.

DOD also raised a concern about the use of the data from DOD's 1999 Survey of Active Duty Personnel, indicating that individual responses to survey questions are highly subjective and that information from one survey administered almost two years ago was not sufficient evidence. While we agree that survey responses are subjective, that is the strength of survey data—it provides the views of actual servicemembers rather than those of policymakers. DOD's Survey of Active Duty Personnel was a well-designed omnibus survey sent to a large sample that was projectable to military personnel across DOD. These survey results provide the most recent and most reliable data available to the Department on the views of military personnel across the services.

DOD stated that improvements to housing allowances are essentially pay increases and would therefore have a positive effect on retention. DOD stated that important characteristics that influence the relationship

[5] *Military Personnel: Systematic Analysis Needed to Monitor Retention in Key Careers and Occupations* (GAO/NSIAD-00-60, March 8, 2000).

[6] *Military Retirement: Proposed Changes Warrant Careful Analysis* (GAO/T-NSIAD-99-94, February 24, 1999).

between housing allowances and retention were not analyzed. However, DOD did not identify what those characteristics were. Nevertheless, to recheck our conclusion that satisfaction with the housing allowance has only a marginal impact on retention, we used a statistical technique called partial correlation analysis to screen out the effects of variables known to be related to retention, such as years of service and overall satisfaction. This analysis showed that once the effects of years of service and overall satisfaction were accounted for, satisfaction with the housing allowance contributed virtually nothing to our ability to predict career intent—accounting for only about two-tenths of 1 percent of the total variance.

To bolster its argument that increased housing allowances lead to higher retention rates, DOD cited an analysis based on an Army economic model. This model predicted that an increase of 10 percent in the housing allowance would result in an increase of approximately 1.6 percentage points in the Army's fiscal year 2000 first-term reenlistment rate of 51.3 percent. However, this example actually illustrates a key underlying point—that housing allowances, like other across-the-board benefit increases, are very expensive and not very useful for addressing specific retention shortfalls. First of all, the Army does not have a problem retaining first-term personnel. DOD recently reported that the Army exceeded its fiscal year 2000 goal for first-term reenlistments by 7 percent.[7] Second, even if the Army were concerned about first-term reenlistment, increasing housing allowances would be a poor choice as an incentive since more than three-quarters of the Army's first-termers live in military housing and therefore do not receive a housing allowance. Consequently, very little of the incentive would actually reach the target group and much of it would likely go to those who are already inclined to remain in the military. Lastly, DOD's example indicates that a 10 percent increase in the housing allowance would yield only a 3 percent increase in overall retention within that target group. This again points to the lack of cost-effectiveness of treating pockets of problems with incentives that apply to the entire force.

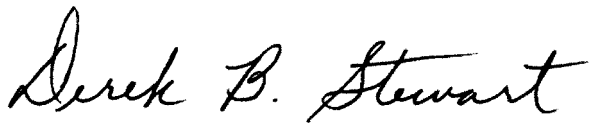
Nothing we have said in this report should be taken as meaning that military housing and housing allowances should not be improved. Rather, we are saying that these decisions should be based on their own merits,

[7] *Government Performance and Results Act (GPRA)—FY 2000 Performance Report* Office of the Secretary of Defense, Program Analysis and Evaluation, March 16, 2001).

not on the expectation that such actions will address DOD's retention problems in specific specialties or year groups.

We are sending copies of this report to appropriate congressional committees; the Honorable Donald H. Rumsfeld, Secretary of Defense; and the Honorable Charles L. Cragin, Acting Under Secretary of Defense, Personnel and Readiness. Copies will also be made available to other interested parties upon request.

If you or your staff have any questions about this report, please contact me at 202-512-5559. A list of additional contacts and staff acknowledgments is in appendix III.



Derek B. Stewart
Director
Defense Capabilities and Management

Appendix I: Scope and Methodology

Reliable assessments of military climate are essential for congressional policymakers as they consider the quality-of-life proposals offered by the Department of Defense (DOD). To provide such data, we worked with the Department to design the 1999 Survey of Active Duty Personnel. It was mailed in the fall of 1999 to a stratified, random sample of over 66,000 military personnel. DOD provided the final survey data to us in late 2000. Technical details about the survey are provided below.

To determine how increasing the housing allowance would satisfy the preference of servicemembers, we analyzed the results of the survey, focusing our analyses on the stated preference reported by servicemembers living in military and civilian housing. We compared our results to those reported in a DOD-sponsored report by Rand and discussed the results with officials from the Office of Secretary of Defense.

To assess how satisfaction with housing and allowances relates to servicemembers' intent to stay in the military, we used the survey data to examine the relationships between satisfaction and retention. Specifically, we performed cross-tabulations between satisfaction with housing and allowances and overall satisfaction with military life and intent to stay in the military. We examined these relationships by service, pay grade, and years of service. To better understand the reasons for servicemembers' housing choices and preferences, we analyzed the results of the active duty survey as well as Rand's results.

We performed our work between October 2000 and May 2001 in accordance with generally accepted government auditing standards.

Development of DOD's Active Duty Survey

The active duty survey is a recurring survey that DOD last administered in 1992. When the Department learned that the Subcommittee on Military Personnel had asked us to administer a separate survey to military personnel, the Acting Assistant Secretary of Defense (Force Management Policy) offered to allow us to include questions on the survey DOD was already planning to conduct. We worked with DOD staff to refine the survey instrument and address additional content areas. The survey was pretested and refined at Navy bases around Jacksonville, Florida; Pope Air Force Base, Fayetteville, North Carolina; and the U.S. Marine base at Quantico, Virginia. Time constraints prevented additional pretesting with Army and Coast Guard personnel beyond that performed by DOD on an earlier version of the survey.

Sample Construction

The sample of 66,040 military members was drawn from a May 1999 population of 1,419,269 active duty DOD and U.S. Coast Guard personnel who were below the rank of admiral or general and had at least 6 months of service. The sample was stratified on five variables: service; pay grade; gender; location; that is, inside or outside the continental United States; and marital status. DOD survey experts used response rates from prior surveys to adjust the sample for groups with differing expected rates of survey completion. Also, the sample was designed to provide varying levels of precision for numerous subgroups (e.g., + 3 percentage points for each service or pay grade group and + 5 percentage points for senior officers in the Army).

Survey Administration

As of January 2000, DOD had received 37,119 surveys between the start of the survey administration and the end of the fielding period. Some surveys were eliminated because they (1) had been returned blank, (2) were duplicates from the same individual, or (3) came from respondents who had left active duty before the fielding period ended. DOD computed a weighted response rate of 51 percent. The Department used a contractor to administer the survey. We did not test the contractor's procedures or validate the data provided to us. We did review DOD's and its contractor's quality control procedures for a similar large survey.

Weighting Responses

Data were weighted to reflect the population of interest. The weights reflected (a) the probability of selection for that servicemember, (b) a nonresponse adjustment to minimize bias arising from differential response rates among demographic subgroups, and (c) a post-stratification factor for September 1999—the month in which the questionnaire was first distributed.

DOD assumed that nonrespondents would have answered like respondents—an often-used assumption in survey methodologies. There is some risk of nonresponse bias, but it would take elaborate and time-consuming work to test for this bias. In recent years, both military and civilian surveys have experienced decreased response rates. Although weighting can adjust for the differing sampling rates and response rates within the sampling cells, weighting cannot adjust for possible differences between those who do and those who do not respond to a survey. However, it should be recognized that the active duty survey is the only source of DOD-wide information for many issues, and it is far more reliable than anecdotal information or information generated by smaller, nonrepresentative samples.

Appendix II: Comments From the Department of Defense

OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, DC 20301-4000

FORCE MANAGEMENT
POLICY

29 MAY 2001

Mr. Derek B. Stewart
Director, Defense Capabilities
and Management
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Stewart:

This is the Department of Defense response to the General Accounting Office (GAO) draft report, "MILITARY PERSONNEL: 'Higher Allowances Should Increase Use of Civilian Housing, But Not Retention,' dated April 27, 2001 (GAO Code 350001/OSD Case 3080)." The Department does not concur with the draft report.

We concur that housing does not rank high as a retention factor on the DoD 1999 Survey of Active Duty Members. However, we do not concur that improvements to housing allowances, which are effectively pay increases, would not have a positive effect on retention.

- The relationship between housing allowances and retention is complex and important characteristics that influence this relationship were not analyzed.
- Individual responses to survey questions are highly subjective. Information gleaned from one survey, administered almost two years ago, does not provide sufficient evidence to reach the conclusion that higher housing allowances will not lead to higher retention.
- The reduction in out-of-pocket expense from 19.8% in 1999 to 0% in 2005, not known by survey respondents, will have a significant impact on retention.

Specifically, GAO's conclusion that there is no relationship between housing allowances and retention ignores the strong, empirically documented effect of military pay on retention. In fact, the GAO admits, on p.7 of its report, that "Because pay is the top factor cited in retention decisions -- both to stay and to leave, DoD may accrue some benefit from increasing the housing allowance because the military member's paycheck will increase by the amount of the allowance." We believe that when members are rating the importance of pay on a survey, they are really rating their net income. Additionally, because housing allowances are tax-free, we believe that the retention effect of an increase in the housing allowance would be even greater than an identical pay raise. Finally,

based on the Army's model on the annualized cost of leaving, and assuming an elasticity on retention of 1.4, an increase of 10 percent in the housing allowance would result in an increase of approximately 1.6 percentage points in the Army's FY 2000 first-term reenlistment rate of 51.3 percent.

If you require additional information, please contact Dr. Saul Pleeter at (703) 695-9371. The Department appreciates the opportunity to comment on the draft report. Thank you for your interest in this matter.

Sincerely,

ELLIOTT L. BLOXOM
Captain, USN
Acting Deputy Assistant Secretary of Defense,
(Military Personnel Policy)

Appendix III: Contacts and Staff Acknowledgments

GAO Contacts

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Acknowledgments

In addition to those named above, Kristy Williams, Jack Edwards, Aisha Mahmood, Gary Phillips, Margaret Skiba, and Matthew Ullengren made important contributions to this report.

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- Web site: http://www.gao.gov/fraudnet/fraudnet.htm
- E-mail: fraudnet@gao.gov
- 1-800-424-5454 (automated answering system)