

GAO

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Services, House of Representatives

January 2007

MILITARY PERSONNEL

Strategic Plan Needed to Address Army's Emerging Officer Accession and Retention Challenges





Highlights of GAO-07-224, a report to the Committee on Armed Services, House of Representatives

Why GAO Did This Study

Accessing and retaining high-quality officers in the current environment of increasing deployments and armed conflict may be two of the all volunteer force's greatest challenges. The military services use three programs to access officer candidates: (1) military academies, (2) the Reserve Officers' Training Corps (ROTC), and (3) Officer Candidate Schools (OCS). In addition to accessing new officers, the services must retain enough experienced officers to meet current operational needs and the services' transformation initiatives.

GAO was asked to assess the extent to which the services are accessing and retaining the officers required to meet their needs. GAO also identified steps that the Department of Defense (DOD) and the services have taken and the impediments they face in increasing officers' foreign language proficiency. For this report, GAO examined actual accession and retention rates for officers in fiscal years (FYs) 2001, 2003, and 2005 as well as projections for later years. Also, GAO reviewed documents on foreign language training and plans.

What GAO Recommends

GAO recommends that the Army develop and implement a strategic plan to address its emerging officer accession and retention problems. DOD partially concurred with GAO's recommendation.

www.gao.gov/cgi-bin/getrpt?GAO-07-224.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Derek Stewart at (202) 512-5559 or stewartd@gao.gov.

MILITARY PERSONNEL

Strategic Plan Needed to Address Army's Emerging Officer Accession and Retention Challenges

What GAO Found

The services generally met most of their overall accession needs for newly commissioned officers, but the Army faces challenges accessing enough officers to meet its needs. The Marine Corps, Navy, and Air Force met their overall FYs 2001, 2003, and 2005 officer accession needs, but are experiencing challenges accessing specific groups, like flight officers and medical professionals. Moreover, the Army did not meet its needs for officers in FY 2001 and FY 2003 and expects to struggle with future accessions. To meet its officer accession needs, the Army's traditional approach has been to rely first on its ROTC and academy programs and then compensate for shortfalls in these programs by increasing its OCS accessions. Between FYs 2001 and 2005, the Army nearly doubled the number of OCS commissioned officers due to (1) academy and ROTC shortfalls, (2) decreased ROTC scholarships, and (3) a need to expand its officer corps. But OCS is expected to reach its capacity in FY 2007, and resource limitations such as housing and classroom space may prevent further expansion. In addition, the Army's three accession programs are decentralized and do not formally coordinate with one another, making it difficult for the Army, using its traditional approach, to effectively manage risks and allocate resources across programs in an integrated, strategic fashion. Without a strategic, integrated plan for determining overall annual accession goals, managing risks, and allocating resources, the Army's ability to meet its future mission requirements and to transform to more deployable, modular units is uncertain.

All of the services except the Army generally met their past overall officer retention needs. The Army, which continues to be heavily involved in combat operations in Iraq and Afghanistan, faces many retention challenges. For example, the Army is experiencing a shortfall of mid-level officers, such as majors, because it commissioned fewer officers 10 years ago due to a post-Cold War force reduction. It projects a shortage of 3,000 or more officers annually through FY 2013. While the Army is implementing and considering initiatives to improve officer retention, the initiatives are not integrated and will not affect officer retention until at least 2009 or are unfunded. As with its accession shortfalls, the Army does not have an integrated strategic plan to address its retention shortfalls. While the Army is most challenged in retaining officers, the Marine Corps, Navy, and Air Force generally met their retention needs in FYs 2001, 2003, and 2005; but each experienced challenges in occupational specialties such as medical officers.

DOD and the services are taking steps to enhance the foreign language proficiency of junior officers, but many impediments must be overcome to achieve the language objectives that DOD has laid out for junior officers. For example, academy and ROTC officer candidates already have demanding workloads and ROTC does not control curricula at host institutions. The services recognize these impediments and are drafting plans to implement DOD's foreign language objectives.

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Abbreviations

DOD	Department of Defense
DOPMA	Defense Officer Personnel Management Act
FY	fiscal year
GPRA	Government Performance and Results Act
OCS	Officer Candidate School
OTS	Officer Training School
OUSD (P&R)	Office of the Under Secretary of Defense for Personnel & Readiness
ROTC	Reserve Officers' Training Corps
USAFA	U.S. Air Force Academy
USMA	U.S. Military Academy
USNA	U.S. Naval Academy

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United States Government Accountability Office
Washington, DC 20548

January 19, 2007

The Honorable Ike Skelton
Chairman
The Honorable Duncan L. Hunter
Ranking Minority Member
Committee on Armed Services
House of Representatives

Ensuring the availability of sufficient numbers of trained, high-quality personnel in an environment of increasing deployments and armed conflict may prove to be one of the greatest personnel challenges faced by the U.S. military since the inception of the all volunteer force in 1973. Unlike the civilian sector, the military recruits, accesses, and trains all of its own leaders. Therefore, today's policy decisions and efforts on officer recruiting influence the future availability of officers. In addition, all of the services must retain sufficient numbers of experienced, skilled, and qualified officers to meet their current and future needs.

Before officers can be commissioned at the most junior level, candidates must complete training programs, some of which take up to 4 years. The military services use three types of programs that award commissions to officer candidates after they graduate from a program: (1) military academies, (2) Reserve Officers' Training Corps (ROTC), and (3) Officer Candidate School (OCS) for the Army, Navy, and Marine Corps or Officer Training School (OTS) for the Air Force.

- **Military academies:** The U.S. Military Academy (USMA), U.S. Naval Academy (USNA),¹ and U.S. Air Force Academy (USAFA) each run 4-year programs that provide successful candidates with bachelor's degrees and commissions as military officers. In addition to completing their academic courses, the approximately 12,000 officer candidates who attend the academies each year participate in rigorous military training activities and mandatory athletic activities. In return for their free education, the graduates must serve on active duty for 5 years after graduation.

¹USNA provides both Navy and Marine Corps officers.

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- ROTC: The services' ROTC units are located at civilian colleges and universities throughout the country, with some academic institutions offering ROTC from more than one service. Currently, Army ROTC is located at 273 academic institutions, Navy ROTC at 71, and Air Force ROTC at 144. Officer candidates enrolled in ROTC programs must meet all graduation requirements of their academic institutions and complete required military training to receive commissions as officers, usually after 4 years. All officers who received Army or Navy ROTC scholarships and all Air Force officers who graduated from ROTC must typically commit to 4 years of active duty military service after graduation, while Army and Navy officers who did not receive ROTC scholarships must serve 3 years on active duty.
 - OCS/OTS: These officer commissioning programs are designed to augment the services' other commissioning programs. Because these programs focus only on military training, they are short, ranging from 6 weeks (Marine Enlisted Commissioning Education Program) to 14 weeks (Army OCS). Many, but not all, graduates have prior undergraduate degrees and are obligated to serve a minimum of 2 years on active duty as officers. Compared to the other services, the Marine Corps makes more extensive use of its OCS commissioning program.

The general approach that the services use to meet their accession needs has been to first depend on the service academy and ROTC program. When these programs are unable to meet a service's needs for newly commissioned officers, the service turns to its OCS/OTS program to bridge the gap. Conversely, during periods of drawdown, all of the commissioning sources may cut back on their numbers of officer candidates, but the OCS/OTS program provides the most immediate means for achieving the downsizing. Unlike the academy and ROTC programs that take up to 4 years to produce an officer, the OCS/OTS program can quickly expand or retract. In addition, under Title 10, each service directly commissions officers with particular professional skills, like physicians, dentists, nurses, lawyers, and chaplains who do not need to attend the major commissioning programs.

Since its enactment in 1980, the Defense Officer Personnel Management Act (DOPMA)² as codified in Title 10 of the U.S. Code has provided the basis for the services' officer career management systems. The original

²Pub. L. No. 96-513 (1980), codified as amended in various sections of Title 10 of the U.S. Code.

objectives for DOPMA were to “maintain a high-quality, numerically sufficient officer corps, [that] provided career opportunities that would attract and retain the numbers of high-caliber officers needed, [and] provide reasonably consistent career opportunity among the services.”³ While DOPMA and other provisions of Title 10 outline requirements for managing the officer corps, the services’ manpower and reserve affairs offices use additional types of data—including historical continuation rates⁴ and projected changes in the services’ size and missions—to identify officer accession and retention needs. In addition, the services attempt to attract an officer corps that reflects the racial and ethnic composition of the United States. Finally, a new emphasis for officer training is the focus on foreign language and cultural skills. As outlined in the February 2006 *Quadrennial Defense Review Report* and other Department of Defense (DOD) guidance, the department aims to develop a broader linguistic capability and cultural understanding, which it identified as critical in prevailing in the Global War on Terrorism and meeting 21st century challenges.

Within the last decade, DOD has experienced both downsizing and increases in the size of the forces, including officers. During the 1990s, each service decreased its number of officers as the Cold War came to a close. However, post-September 11, 2001, operations in Iraq and Afghanistan and assignments to other homeland and global commitments have placed strains on the all volunteer force. In recognition of the demands placed on the Army and Marine Corps, which have provided the majority of forces for recent operations, Congress increased the authorized end strength of the Army by 30,000 since 2004 and the Marine Corps by more than 7,000 since 2002. While these services’ OCS programs offer a means for increasing the numbers of newly commissioned officers in a relatively short period to address a change in end strength, it takes years to grow experienced leaders, which presents a different officer career management challenge—officer retention.

We have issued a number of reports that provide policymakers with information for making informed decisions about the all volunteer force. For example, in September 2005, we reported on the demographics of

³H. R. No. 96-1462, at 6345 (1980).

⁴Continuation rates represent the number of officers who remained in the military for an entire fiscal year divided by the number of officers who were also present at the beginning of the year.

servicemembers in the active and reserve components; and in November 2005, we reported on challenges DOD faces in recruiting and retaining sufficient numbers of enlisted personnel.⁵ In response to your request, this report assesses the extent to which the services are (1) accessing the numbers and types of commissioned officers required to meet their needs, and (2) retaining the numbers and types of officers they need. We also identified steps that DOD and the services have taken and the impediments that they face as they attempt to increase foreign language proficiency among junior officers.

We limited the scope of our work to the four active duty DOD services: Army, Navy, Marine Corps, and Air Force. Also, we examined actual accession and continuation rates for fiscal years (FY) 2001, 2003, and 2005 as well as projections for FY 2006, the year when we began our work, and later years. FY 2001 data represented the situations present immediately before the terrorist events of September 11, 2001, and FY 2005 data represented the most recent fiscal year for which the services had complete data. FY 2003 data provided information on interim conditions and allowed us to examine the data for trends and other patterns. To accomplish our work, we reviewed reports, laws, and DOD-wide and service-specific officer management guidance—including DOPMA and other provision of Title 10 of the U.S. Code, defense authorization acts, the 2006 *Quadrennial Defense Review*, and policies and directives—to gain a comprehensive understanding of officer recruitment, commissioning, training, and retention. We obtained documents and met with officials from the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD [P&R]), the services' headquarters, personnel and manpower commands, service academies, ROTC commands, and OCS/OTS commands to obtain an integrated understanding of the three officer-related issues that we were asked to evaluate. We obtained and analyzed accessions and continuation data from DOD's Defense Manpower Data Center, but our assessment of the data's reliability identified incorrect information that was severe enough to prevent those

⁵GAO, *Military Personnel: Reporting Additional Servicemember Demographics Could Enhance Congressional Oversight*, GAO-05-952 (Washington, D.C.: Sept. 22, 2005); and GAO, *Military Personnel: DOD Needs Action Plan to Address Enlisted Personnel Recruitment and Retention Challenges*, GAO-06-134 (Washington, D.C.: Nov. 17, 2005).

data from being used for this report.⁶ As a result, we subsequently obtained accession and continuation information from the services. While we did not conduct independent analyses using the services' databases, our assessment of their data's reliability, including a review of relevant documentation, and a comparison of service-provided information to similar information from other sources and for other time periods. We determined that the service-provided data was sufficiently reliable for the purposes of this report. For our assessment of officer accessions, we examined information showing the numbers of officers commissioned from the services' officer programs during FYs 2001, 2003, and 2005 for trends and other patterns and compared the numbers of officers produced to the staffing needs of the services' occupational specialty areas. We found that the services determined their accession needs for each general category of specialty but did not develop a servicewide total accession goal for each year. Also, we reviewed internal service documents to identify potential causes and effects of staffing gaps. In our examination of officer retention, we performed similar analyses of quantitative continuation information and reviews of documents to identify patterns, gaps, and potential causes and effects. Our continuation analyses focused on four key points in officers' careers—years 3, 4, 5, and 10—that service-retention experts helped us to identify as when retention decisions are most likely to occur. Additionally, we met with a number of DOD officials, including representatives at the officer commissioning programs, and received a wide variety of reports and other documents to obtain an understanding of efforts to improve foreign language training. We then used the information to identify challenges the services face in providing additional training in their officer commissioning programs. We assessed the reliability of the data we used and determined that it was sufficiently reliable for the purposes of our report. We conducted our review from September 2005 through November 2006 in accordance with generally accepted government auditing standards. Appendix I contains more detail on our scope and methodology.

⁶Our assessment of the numbers of officers accessed from the various officer commissioning programs revealed major data reliability concerns for the information that we obtained from the Defense Manpower Data Center. The services subsequently supplied us with information that showed under- and overcounts for the numbers of officers commissioned into each service. At the extreme, the Center's results showed that the Marine Corps commissioned 17 officers in FY 2005; whereas the service indicated that it had actually commissioned 160. We, therefore, used only service-provided data in this report. We are developing a report that further documents these data problems and recommends corrective action.

Results in Brief

The services generally met most of their overall accession needs for newly commissioned officers, but the Army faces challenges accessing enough officers to meet its future needs. Each service must commission enough junior officers from its major commissioning programs (academies, ROTC, and OCS/OTS) each year to meet the requirements of current and future operations while striving to maintain an officer corps that reflects the racial and ethnic composition of the nation's population. The Army did not meet its need for newly commissioned officer in FY 2001 and 2003 because it did not commission enough officers in its basic branches, or specialty areas, such as infantry and signal officers. However, the Army did meet its needs in FY 2005. In contrast, the Marine Corps, Navy, and Air Force met their overall FYs 2001, 2003, and 2005 officer accession needs, but each experienced challenges accessing specific officer groups, for example, flight officers. The services have also struggled to access enough physicians, dentists, and nurses. In addition, the services have been challenged to access officers of racial and ethnic minorities, particularly African Americans and Hispanics. Moreover, the Army expects to struggle with future accessions. The Army's current approach is to first focus on its ROTC program and academy to meet its officer accession needs, and then compensate for accession shortfalls in these programs by increasing OCS accessions. However, the Army has not been accessing enough officers from ROTC and USMA. Army officials stated that to meet their current ROTC goal they need at least 31,000 participants in the program, but in FY 2006 they had 25,100 participants in the program. Fewer Army ROTC participants may reflect the decrease in Army-awarded scholarships to officer candidates in recent years, an outcome that Army officials attribute to budget constraints. Additionally, USMA's class of 2005 commissioned 912 graduates, short of the Army's goal of 950, while the class of 2006 commissioned 846 graduates, missing its goal of 900 graduates. Commissioning shortfalls at USMA and in the Army ROTC program, as well as the Army's need to expand its new officer corps, have required OCS to rapidly increase the number of officers it commissions. However, OCS is expected to reach its capacity in FY 2007, and resource limitations (such as housing, classroom space, and base infrastructure) may prevent its further expansion, limiting the viability of the Army's traditional approach of using OCS to compensate for shortfalls in the other officer accession programs. In addition, officer accession programs are decentralized and do not formally coordinate with one another, preventing the Army from effectively compensating for the shortfalls in some officer accession programs. For example, while Army personnel officials attempt to ensure that any commissioning shortfalls (program outputs) are covered through alternative commissioning sources such as OCS, the Army does not coordinate its recruiting efforts (the input to these

programs) to ensure that officer accession programs meet Army needs. The Government Performance and Results Act of 1993⁷ and the *Standards for Internal Control in the Federal Government*⁸ provide federal agencies with a results-oriented framework that includes developing a strategic plan that incorporates overall goals, risk analysis, and resource utilization. A strategic plan would give the Army greater visibility over its decentralized accession programs and improve its ability to address officer shortfalls. However, the Army has not developed a strategic plan to manage its shrinking accessions pipeline at a time when the force is expanding and its needs for commissioned officers are increasing. Without such a plan, the Army's ability to meet future mission requirements and achieve its transformation initiatives is uncertain.

All of the services except the Army generally met their past overall officer retention needs, but each service encountered retention challenges for certain specialties and ranks. The Army, which continues to be heavily involved in ongoing operations in Iraq and Afghanistan, faces multiple retention challenges, particularly among junior officers who graduated from its academy or received ROTC scholarships. For example, USMA's continuation rate in FY 2005 was 62 percent, which was 20 to 30 percentage points lower than the other service academies' continuation rates for the same fiscal year. Since officers who received ROTC scholarships are eligible to leave after 4 years of service and that group represents the largest number of officers commissioned into the Army, that career point had the lowest or next to the lowest continuation rate for Army officers in all 3 of the fiscal years that we examined. Furthermore, the Army is experiencing a shortfall of mid-level officers because it commissioned fewer officers 10 years ago due to a post-Cold War force reduction. While Army officials told us that the current levels of retention among junior officers are consistent with historical trends, the Army projections show that it will have a shortage of 3,000 or more officers annually through FY 2013 because of actions such as recent measures to expand the size of the Army. These shortages suggest that the Army might have to retain officers at higher than historical levels to address this shortfall. Moreover, the Army projects that it will have 83 percent of the majors that it needs in FY 2007, and likewise, projects that the positions for majors in 14 Army general specialty areas (termed branches by the

⁷Pub. L. No. 103-62 (1993).

⁸GAO, *Internal Control: Standards for Internal Control in the Federal Government*, GAO/AIMD-00-21.3.1 (Washington, D.C.: November 1999).

Army) will be filled at 85 percent or less—a level that the Army terms a critical shortfall. While the Army has identified steps to improve officer retention, these will have no immediate effect on retention. For example, the Army has offered new officers their choice of specialty area in exchange for longer service commitments, but this incentive does not affect officers who are able to separate. The Army has not formulated a strategic plan to address retention issues. However, based on its analysis of a survey of junior officers, which identified factors that might improve retention, the Army is considering a menu of incentives to increase retention of junior captains. Despite those analyses, the Army has not made a final decision on these incentives and, therefore, has not approved the approaches or strategies needed to meet its long-term objectives, an essential element in a strategic plan. While the Army is challenged in retaining officers, the Marine Corps, Navy, and Air Force generally met their retention needs in FYs 2001, 2003, and 2005; and they often had higher continuation rates from the academies and ROTC programs. Although the Navy and Air Force currently have additional flexibilities in filling positions due to their current downsizing efforts, all services faced retention challenges within certain officer branches or communities and ranks. Finally, while the services had high retention rates for African American and Hispanic officers, they did not do as well retaining women. For example, overall, the services had lower continuation rates among female officers when compared with male officers for the fiscal years and years of service studied.

DOD and the services are taking steps to enhance the foreign language proficiency of junior officers, but many impediments must be overcome to achieve the language objectives that DOD has laid out for junior officers. During the last 2 years, DOD has issued overall guidance to achieve greater linguistic capabilities and cultural understanding among officers in documents such as the 2005 *Defense Language Transformation Roadmap*. Two of DOD's broad objectives include developing a recruiting plan for attracting university students with foreign language skills and requiring that junior officers complete added language training by 2013. To address DOD's objectives, the Marine Corps developed a foreign language training plan, while the other services are still drafting their plans. In addition, the service academies, among other things, have requested additional funding and teaching positions to improve foreign language training. However, there are a number of impediments that could affect progress, including an already demanding academic workload for academy and ROTC officer candidates and the ROTC's inability to control curricula at the colleges and universities that host ROTC units. For example, each service academy requires its officer candidates to complete at least 137

semester credit hours over 4 years, in contrast to the approximately 120 credit hours required to graduate from many other colleges. Also, ROTC programs do not control the languages offered at the colleges where their officer candidates attend classes and thus cannot ensure that candidates are offered languages such as Arabic, Chinese, and Persian Farsi that DOD has deemed critical for national security. Service officials recognize these impediments and are in the process of developing their foreign language training plans.

We are recommending that the Secretary of Defense direct the Secretary of the Army to develop and implement a strategic plan to address current and projected Army officer accession and retention challenges. In its review of a draft of our report, DOD partially concurred with our recommendations. DOD's comments and our evaluation of them are discussed at the end of the letter.

Background

For over 30 years, the United States has relied on an all volunteer force to defend the nation at home and abroad. Before that, the nation relied on the draft to ensure that it had enough soldiers, sailors, Marines, and airmen in wartime. Since the September 11, 2001, terrorist attacks on the United States, DOD has launched three major operations requiring significant numbers of military servicemembers: Operation Noble Eagle, which covers military operations related to homeland security; Operation Enduring Freedom, which includes ongoing military operations in Afghanistan and certain other countries; and Operation Iraqi Freedom, which includes ongoing military operations in Iraq and the Persian Gulf area. These operations have greatly increased overseas deployments. Moreover, they are the first long-term major overseas combat missions since the advent of the all volunteer force in 1973.

To ensure that sufficient forces are available for the services to accomplish their missions, Congress authorizes an annual year-end authorized personnel level for each service component. To function effectively, the services must, among other things, access and retain officers at appropriate ranks and in the occupational specialties needed to enable its units to contribute to the services' missions. The services rely on monetary and nonmonetary incentives, where needed, to meet their accession and retention needs.

The careers of military officers are governed primarily by Title 10, which has incorporated the DOPMA legislation, giving the services the primary

authority to recruit, train, and retain officers. Title 10 specifies the active duty and reserve service obligations for officers who join the military:

- graduates of the service academies must serve a minimum of 5 years on active duty; and up to an additional 3 years on active duty or in the reserves;
- ROTC scholarship recipients must serve a minimum of 4 years on active duty and an additional 4 years on active duty or in the reserves; and
- other types of officers have varying service obligations (for example, pilots must serve 6 to 8 years on active duty, depending on the type of aircraft, and navigators and flight officers must serve 6 years on active duty).

Similarly, Title 10 authorizes the services to directly commission medical specialists and other professionals to meet their needs.

Services Generally Met Most Accession Needs for Newly Commissioned Officers Despite Some Challenges, but Army Faces Unique Problems with Future Accessions

The services generally met most their past needs for newly commissioned officers; but the Army faces some unique problems accessing enough officers to meet its needs and has not developed a strategic plan to address these challenges. The Marine Corps, Navy, and the Air Force generally met their needs for accessing newly commissioned officers in FYs 2001, 2003, and 2005. However, all services experienced problems recruiting enough medical professionals in FYs 2001, 2003, and 2005; and most had problems accessing racial and ethnic minorities to diversify their officer corps.

Services Generally Met Most Overall Accession Needs for Newly Commissioned Officers But Some Shortfalls Found for Each Service

Our analysis of documentary evidence confirmed⁹ the services' reports that their accession programs generally met their officer needs in selected recent years, but each experienced some shortfalls in certain ranks and specialties. The services do not develop overall yearly goals for the total number of commissioned officers needed. Instead, they adjust the enrollment in OCS/OTS throughout the year to meet higher or lower than expected demands for newly commissioned officers by the various occupational specialty groups of importance to the service. The Army and the Marine Corps are increasing their numbers of newly commissioned officers because of their growing end strengths, whereas the Navy and the Air Force are accessing fewer officers because they are reducing their end strengths.

The Army did not meet its overall accession needs for newly commissioned officers in FYs 2001 and 2003, though it met its needs in 2005. The Army has two distinct types of commissioned officers. Most officers are commissioned in its basic branches or specialty areas, such as infantry or signal, and are commissioned through major accession programs. The second type of officers are and those who are directly commissioned, such as medical professionals. In FY 2001, the Army needed 4,100 of these officers in its basic branches and instead it commissioned 3,791, in FY 2003 it needed 4,500 and instead commissioned 4,433. In FY 2005, it exceed it goal of commissioning 4,600 of and instead accessed 4,654 in it basic branches.

During those years it was increasing the number of commissioned officers entering the service (see table 1). Specifically, the Army commissioned 5,540 officers in FY 2001, 5,929 in FY 2003, and 6,045 in FY 2005. In each of the examined fiscal years, the Army's ROTC program accounted for around half of all newly commissioned officers, with nearly 1,000 of those officers being accessed annually into the Army despite not being awarded a scholarship. The Army increased total accessions from FY 2001 to FY 2005 by nearly doubling the number of officers commissioned through OCS.

⁹Our confirmations of the services' overall ability to meet their newly commissioned officer needs were based on our analyses of the data and other documents that the services provided to substantiate how well they had filled the positions designated for junior officers in the various occupational groups.

Table 1: Army Commissioned Officer Accessions in FYs 2001, 2003, and 2005, by Commissioning Program

Fiscal year accessed	Academy ^b	ROTC ^a		OCS	Direct/other ^c	Total
		Scholarship	Nonscholarship			
2001	930	2,017	938	752	903	5,540
2003	878	2,132	935	1,060	924	5,929
2005	954	2,069	998	1,352	672	6,045

Source: United States Army.

^aWhile Army ROTC provides officers to both the active and reserve components, the information listed here reflects only the officers commissioned into the active duty Army from ROTC.

^bThis category includes graduates from other service academies, such as the Merchant Marine and Coast Guard academies, who are commissioned into the Army.

^cThis category includes direct commissioned officers such as medical professionals, chaplains, and lawyers, as well as interservice transfers, returns to active duty, and officers whose accession sources are unknown.

Our independent review and analysis of data and other materials from the commissioning sources found that the Army does not recruit officers to fill a specific specialty, and instead, officers are placed in general specialty areas based on the needs of the Army. Some general specialty areas are more popular than others, and the Army attempts to match an officer candidate's preference to the needs of the Army. However, the service's needs prevail, and some officers may be placed in specialty areas outside of their preferences if shortfalls are present.

In contrast, the Marine Corps met its overall accession needs for newly commissioned officers for the examined fiscal years, while increasing the number of officers it commissioned in FY 2005 (see table 2). Increasing accessions by 241 from FY 2003 to FY 2005 represents about an 18 percent increase in the number of newly commissioned officers. Relative to the other services, the Marine Corps commissioned a larger percentage of its officers through programs other than the academy or ROTC program. For example, in FY 2005, 76 percent of the Marine Corps's newly commissioned officers came from OCS or other sources. However, the Marine Corps has also been increasing the number of officers commissioned from USNA. The Marine Corps does not have a separate ROTC program and instead, commissions officers through the Navy ROTC program.

Table 2: Marine Corps Officer Accessions in FYs 2001, 2003, and 2005, by Commissioning Program

Fiscal year accessed	Academy	ROTC			OCS ^a	Other ^b	Total
		Scholarship	Nonscholarship				
2001	168	166	21	499	495	1,349	
2003	178	187	10	240	705	1,320	
2005	213	148	12	460	728	1,561	

Source: United States Marine Corps.

^aOCS includes Marine Enlisted Commissioning Education Program and Officer Candidate Course.

^bThis category does not include direct commissioned officers in the Marine Corps, though it does include officers commissioned through the Marine Corps's Platoon Leader's Class, interservice transfers, returns to active duty, and officers whose accession sources are unknown. The Marine Corps does not directly commission officers; instead, it relies on the Navy to provide it with the types of professionals—such as chaplains, physicians, dentists, and nurses—who receive direct commissions.

Our independent review and analysis of data and other materials from the commissioning sources and Marine Corps headquarters identified some areas where the Marine Corps was challenged to access newly commissioned officers for some occupational specialties. While the Marine Corps officials stated that they were challenged in accessing enough naval flight officers because officer candidates were not familiar with the position (which involves assisting pilots with aircraft and weapons systems), the service still recruited the number it needed based upon our examination of the data.

The Navy also reported meeting its overall needs for commissioned officers during FYs 2001, 2003, and 2005. Since FY 2001, the total number of newly commissioned officers decreased from 4,784 to 3,506, a decline of nearly 27 percent (see table 3). A large portion of that decrease was accomplished by reducing the number of officers being commissioned through OCS, the program that can most easily and quickly be altered to reflect changing demands for producing commissioned officers.

Table 3: Navy Officer Accessions in FYs 2001, 2003, and 2005, by Commissioning Program

Fiscal year accessed	Academy	ROTC		OCS	Direct/other ^a	Total
		Scholarship	Nonscholarship			
2001	760	670	217	1,281	1,856	4,784
2003	812	841	73	1,018	1,295	4,039
2005	749	756	69	586	1,346	3,506

Source: United States Navy.

^aThis category includes direct commissioned officers such as medical professionals, interservice transfers, returns to active duty, and officers whose accession sources are unknown.

Despite generally meeting its overall accession needs for newly commissioned officers, the Navy experienced accession challenges in some specialty areas. Our independent review and analysis of data and other materials from the commissioning sources, Navy headquarters, and accession programs identified some areas where there were gaps between the numbers of newly commissioned officers needed and the numbers supplied to specialties by some of the commissioning programs. For example, USNA did not meet its quota for submarine officers in FY 2005, but other commissioning programs were able to compensate for the shortfall. Like the Marine Corps, the Navy faced a challenge in accessing enough naval flight officers, but the Navy met its overall need for newly commissioned officers by shifting the number of officers sent to that specialty by some commissioning sources. For example, Navy ROTC met its goal for naval flight officers in FY 2005 but not FY 2001 and FY 2003. The Navy’s OCS made up the difference in those years. According to Navy officials, some officers who may previously have gone into this specialty because of poor eyesight have their vision surgically corrected and instead become pilots.

Like the Marine Corps and the Navy, the Air Force generally met its overall officer accession needs for FYs 2001, 2003, and 2005. As with the Navy, the Air Force decreased the number of newly commissioned officers in FY 2005 (see table 4). Specifically, the Air Force commissioned over 1,000 fewer officers in FY 2005 than it did in FY 2003, and it is working toward a plan to have about 9,000 fewer officers servicewide by FY 2011. The recent decrease in the number of newly commissioned Air Force officers was largely accomplished by commissioning fewer officers from OTS. Overall, the Air Force relied on its ROTC scholarship program for most of its

officers and provided scholarships for the vast majority of the ROTC officer candidates.

Table 4: Air Force Officer Accessions in FYs 2001, 2003, and 2005, by Commissioning Program

Fiscal year accessed	Academy	ROTC		OTS	Direct/other ^a	Total
		Scholarship	Nonscholarship			
2001	890	^b	281	1,628	2,473	5,922
2003	996	2,211	159	1,593	1,150	6,109
2005	918	2,330	61	790	891	4,990

Source: United States Air Force.

^aThis category includes direct commissioned officers such as medical professionals, interservice transfers, returns to active duty, and officers whose accession sources are unknown.

^bAir Force officials stated that the original data provided to GAO for this year did not reflect the actual commission rates for ROTC and have asked that we not use this data.

Despite meeting its overall needs for newly commissioned officers, the Air Force encountered challenges in some specialties. Our analyses and discussions with Air Force accessions officials identified air battle manager as an area where the Air Force has been challenged. USAFA expected to provide the Air Force with 10 air battle managers in FY 2005, but instead, three USAFA graduates became air battle managers. The other seven positions were filled by Air Force ROTC.

All Services Had Problems Accessing Officers for Medical Occupations

All of the services have experienced problems accessing enough medical professionals, including physicians, medical students, dentists, and nurses. The Army, Navy (which supplies the Marine Corps), and Air Force provide direct commissions to medical professionals entering the service.

Physicians. All of the services had difficulties meeting their accession needs for physicians (see table 5) in at least 2 of the 3 fiscal years that we examined. The Army and the Navy achieved 91 or more percent of their goals in each year studied, while the Air Force achieved 47 to 65 percent of its goal during the same 3 years. For each year, the Air Force had a higher goal than the other two services but accessed fewer physicians.

Table 5: Physician Accession Goals and Actual Accessions for Selected Years, by Service

Fiscal year accessed	Army			Navy ^a			Air Force		
	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal
2001	391	376	96	391	395	101	547	313	57
2003	389	355	91	354	338	96	663	313	47
2005	419	416	99	317	295	93	429	280	65

Source: GAO analysis of data from services' medical personnel offices.

^aThe Navy provides medical personnel for both the Navy and Marine Corps.

Our review of the numbers of medical students participating in the services' Health Professions Scholarship Program showed that additional physician-accession problems may appear in future years (see table 6). The services set their goals for awarding the scholarships based on their needs for fully trained medical professionals in the future. A medical student who accepts a scholarship will be commissioned into a military service upon completion of graduate school. While each service awarded scholarships to a sufficient number of the medical students who began their 4-year training in FY 2003 and will be ready for an officer commission upon graduation in FY 2007, the Army and Navy did not achieve their goals for awarding scholarships in FY 2005, and they may not access enough physicians in FY 2009.

Table 6: Physician Scholarships Awarded Compared to Service Goals for Selected Years, by Service

Fiscal year training began	Army			Navy ^a			Air Force		
	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal
2001	270	271	100	300	300	100	226	247	109
2003	284	319	112	290	289	100	201	225	112
2005	307	237	77	291	162	56	191	224	117

Source: GAO analysis of data from services' medical personnel offices.

^aThe Navy provides medical personnel for both the Navy and Marine Corps.

Dentists. Similar to the situation with physicians, the services have been challenged to access enough dentists in recent years (see table 7). No service met its goals for recruiting dentists in FYs 2001, 2003, or 2005. Both the Army and the Air Force, however, accessed more dentists in FY 2005 than they had 2 years before, and the Air Force showed improvement in FY 2005 over their FY 2003 accessions.

Table 7: Dentist Accession Goals and Actual Accessions for Selected Years, by Service

Fiscal year accessed	Army			Navy ^a			Air Force		
	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal
2001	120	101	84	147	120	82	188	97	52
2003	107	98	92	145	103	71	184	123	67
2005	125	105	84	90	81	90	204	142	70

Source: GAO analysis of data from services' medical personnel offices.

^aThe Navy provides medical personnel for both the Navy and Marine Corps.

Nurses. All of the services have struggled to access enough nurses (see table 8). Although the Navy exceeded its goal for accessing nurses in 2001, no service achieved its goal for any other period. In FY 2005, the services accessed a total of 738 of the 975 nurses (about 76 percent) that they needed.

Table 8: Nurse Accession Goals and Actual Accessions for Selected Years, by Service

Fiscal year Accessed	Army			Navy ^a			Air Force		
	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal	Goal	Accessed	Percent of goal
2001	333	288	86	256	274	107	349	228	65
2003	373	323	87	235	218	93	366	265	72
2005	375	312	83	243	223	92	357	203	57

Source: GAO analysis of data from services' medical personnel offices.

^aThe Navy provides medical personnel for both the Navy and Marine Corps.

While some service officials have stated that medical professional recruiting is challenging because of concerns over overseas deployments, other service officials told us that it is also affected by the lack of income parity compared to the civilian sector. As part of the John Warner National Defense Authorization Act for Fiscal Year 2007, Congress approved an increase in the recruiting bonus for fully trained physicians and dentists, allowed the services to detail commissioned officers to attend medical school, extended the authority for undergraduate student loan repayment for medical professionals, increased the financial benefits student may receive as part of the Health Professions Scholarship Program, and required the services to report to Congress on this program and their success in meeting the scholarship program's goals.¹⁰ Another step that

¹⁰Pub. L. No. 109-364, §§ 536, 538, 612, and 617 (2006).

DOD has taken to reduce the medical professional shortfalls is to convert uniformed medical positions to positions occupied by civilian medical professionals.¹¹ In addition, DOD is considering asking for legislative authority to shorten the service commitment for medical professionals from the required 8 years of service on active or reserve duty, to encourage more medical professionals to join the military. However, these efforts have not yet been funded and their effect on medical recruiting is uncertain.

All Services Had Problems Accessing Newly Commissioned Officers from Some Racial and Ethnic Groups

All services had problems accessing newly commissioned minority officers to meet DOD's goal of maintaining a racially and ethnically diverse officer corps.¹² For every service, African Americans were a smaller percentage—by either 1 or 2 percentage points—of the accessed officers in FY 2005 than they were in FY 2003, but the representation of Asians/Pacific Islanders increased between the same two periods for every service except the Navy (see table 9). As points of comparison, we noted in a September 2005 report¹³ that the representation of African Americans in the officer corps DOD-wide was about 9 percent, as was the representation of African Americans in the college-educated workforce. Therefore, the percentages shown in the table indicate that only the Army met or exceeded the African-American DOD-wide and college-educated-workforce representation levels.

¹¹GAO, *Military Personnel: Military Departments Need to Ensure That Full Cost of Converting Military Health Care Positions to Civilian Positions Are Reported to Congress*, GAO-06-642 (Washington, D.C.: May 1, 2006).

¹²Although women constitute around one-half of the U.S. population, they constitute a smaller part of the services' officer accessions. For example, in FY 2005, women constituted 20 percent of the officer accessions for the Army and Navy, 6 percent for the Marine Corps, and 25 percent for the Air Force. The National Defense Authorization Acts for Fiscal Years 1992, 1993, and 1994 authorized DOD to permanently assign women to combat aircraft and combatant ships. Since 1994, DOD policy has allowed women to be assigned to any unit except those below brigade whose primary mission is to engage in direct combat on the ground. A listing of the occupational specialties that exclude women is available in app. IV in GAO-05-952.

¹³GAO-05-952.

Table 9: Percent of Officer Accessions by Race and Ethnicity for Each Military Service

Services, by FY		Race					Ethnicity	
		White	African American	Asian/Pacific Islander	American Indian/Alaskan Native	Other ^a	Hispanic	Non-Hispanic
Army	2001	76	13	4	<1	7	5	95
	2003	74	13	5	<1	8	6	94
	2005	74	11	6	1	9	6	94
Navy	2001	81	9	5	1	5	6	94
	2003	81	9	4	<1	6	6	94
	2005	80	8	4	1	7	6	94
Marine Corps	2001	80	6	5	1	1	7	93
	2003	85	5	3	1	1	6	94
	2005	82	4	4	1	1	7	93
Air Force	2001	78	8	3	<1	8	2	98
	2003	78	6	3	<1	13	4	81 ^b
	2005	70	6	5	<1	20	^c	^c

Source: GAO analysis of Army, Navy, Marine Corps, and Air Force data.

^aFor the Army and the Marine Corps, “other” consists of those who declined to respond or were recorded as undefined.

^b15 percent of Air Force officers did not identify themselves as either Hispanic or non-Hispanic.

^cIn FY 2005, the Air Force reported that 41 percent of Air Force officers did not identify themselves as either Hispanic or non-Hispanic. We did not report FY 2005 Air Force ethnic data because data which includes a 41 percent unknown figure is not sufficiently reliable for the purposes of this report.

Similarly, recruiting Hispanic officers has presented challenges to the services. In FY 2005, the Marine Corps accessed a higher percentage of Hispanic officers than the other services. While the Air Force accessed a lower percentage than the other services in each of the 2 fiscal years reported, it doubled its percentage of newly commissioned Hispanic officers from FY 2001 to FY 2003. However, this percentage of Hispanic officers accessed is smaller than the percentage of Hispanics in the United States at the time of the 2000 census (about 13 percent) and the percentage of Hispanics in the U.S. college population (about 9 percent).

Some ambiguity is present in interpreting the findings for racial and ethnic groups because of the data. For example, the Air Force findings show large numbers of officers for whom some data were not available. Despite these data limitations, service officials explained that many of their

challenges relate to the need for the services to recruit minority officers from the military-eligible segment of the college population. Navy and Air Force officials stated that their officer commissioning programs have more stringent entrance requirements than the other services and emphasize mathematics and science skills needed for the high-technology occupations found in their services. Officials from the commissioning programs in each service further noted that only a small segment of the African-American college population meets these entrance requirements. Each service operates a preparatory school in association with its academy to increase the pool of qualified applicants to enter its academy, giving primary consideration to enrolling enlisted personnel, minorities, women, and recruited athletes.¹⁴ Moreover, all officer commissioning programs, particularly the service academies, must compete with colleges and universities that do not require a postgraduation service commitment. In addition, USMA officials stated that citizenship status represented a barrier to improving the percentage of Hispanic officers. As of the 2000 census, 65 percent of Hispanics were U.S. citizens.¹⁵

Army Faces Some Unique Future Officer Accession Problems

While all of the services experienced some specialty- and diversity-related challenges in FYs 2001, 2003, and 2005, based on our review the Army faces some future officer accession problems not shared by the other services and has not developed and implemented a strategic plan to overcome these projected shortfalls. Our review, analyses, and discussions with Army officials indicated that the Army may struggle to meet its future accession needs. While all the services are contributing forces to operations in Iraq and Afghanistan, the Army is providing most of the forces for these operations. Other unique stressors on the Army's commissioning programs include the expansion of the Army's officer corps as part of the congressionally authorized 30,000-soldier increase to the Army end strength and the Army's need for higher numbers of officers

¹⁴GAO, *Military Education: DOD Needs to Align Academy Preparatory Schools' Mission Statements with Overall Guidance and Establish Performance Goals*, GAO-03-1017 (Washington, D.C.: Sept. 10, 2003).

¹⁵Hispanic employment in the civilian federal workforce is similarly affected by the educational levels and citizenship status of this group. See GAO, *The Federal Work Force: Additional Insights Could Enhance Agency Efforts Related to Hispanic Representation*, GAO-06-832 (Washington, D.C.: Aug. 17, 2006).

as part of its ongoing transformation effort to create more modular quickly deployable units.¹⁶

Notwithstanding these needs for more officers, some of the Army's commissioning programs are not commissioning as many officers as they had in past years and are commissioning less than the Army had expected. The Army's current approach is to first focus on its ROTC program and academy to meet its officer accession needs, and then compensate for accession shortfalls in these programs by increasing OCS accessions. While Army OCS is currently meeting the Army's needs, Army ROTC and USMA are not. Army ROTC, for example, experienced a decline in its number of participants. In FY 2006, the Army calculated that 25,089 students would participate in ROTC. In contrast, 31,765 students were involved in Army ROTC in FY 2003. Army officials stated that to meet their current mission they need at least 31,000 participants in the program. Moreover, the Army uses its ROTC program for commissioning both active and reserve officers. Although the goal is 4,500 newly commissioned officers (2,750 active and 1,750 reserve) from Army ROTC in both FYs 2006 and 2007, Army officials project that the program will fall short of the goal by 12 percent in FY 2006 and 16 percent in FY 2007.

Furthermore, fewer officers may be commissioned from the Army's ROTC program in the future because fewer scholarships have been awarded recently, which Army officials attribute to budget constraints. For example, in FY 2003, the Army ROTC program had 7,583 officer candidates with 4-year scholarships; in FY 2004, 7,234; in FY 2005, 6,004. Army ROTC officials stated that fewer 4-year scholarship recipients means fewer newly commissioned officers in the future, since scholarship recipients are more likely to complete the program and receive their commission. Army ROTC officials believe that while negative attitudes toward Army ROTC are increasing on college campuses because of opposition to operations in Iraq, concerns about financing their education may make ROTC scholarships more attractive to officer candidates.

In addition to challenges with its ROTC program, the Army has recently experienced difficulties commissioning officers through USMA, and projections for newly commissioned officers from USMA show that these

¹⁶GAO, *Force Structure: Army Needs to Provide DOD and Congress More Visibility Regarding Modular Force Capabilities and Implementation Plans*, GAO-06-745 (Washington, D.C.: Sept. 6, 2006).

difficulties may continue in the future. In FY 2005, USMA commissioned 912 officers, fewer than its mission of 950 officers. Similarly, USMA's class that graduated in FY 2006 commissioned 846 graduates, short of the Army's goal of 900. While the number of officer candidates who successfully complete the 4-year program at USMA varies, according to USMA data 71 percent who began the program in 2002 completed it in 2006 and received their commission. In contrast, in both FY 2001 and in FY 2003, 76 percent of those who began their course of study 4 years earlier completed the program and commissioned into the Army; and in FY 2005, 77 percent.¹⁷ USMA officials told us that the smaller graduating class in FY 2006 may be the result of ongoing operations in Iraq. The class, which will graduate in 2010, should have an additional 100 officer candidates to help address recent shortfalls; however, USMA officials indicated that facilities and staff limit additional increases.

Commissioning shortfalls at USMA and in the Army ROTC program, as well as the Army's need to expand its new officer corps, have required OCS to rapidly increase the number of officers it commissions; however, its ability to annually produce more officers is uncertain. In FY 2006, OCS was required to produce 1,420 officers, and in FY 2007, the Army's goal for OCS is to commission 1,650 officers, more than double the number it produced in FY 2001. OCS program officials stated that without increases in resources and support such as additional housing and classroom space, OCS cannot produce more officers than 1,650 officers, its FY 2007 goal, limiting the viability of this approach.

Additionally, the Army's officer accession programs are decentralized¹⁸ and lack any sort of formal coordination, which prevents the Army from effectively balancing the results of failure in some officer accession programs. USMA does not directly report to the same higher-level command as ROTC or OCS. While ROTC and OCS both report to the same overall authority, they do not formally coordinate with one another or with

¹⁷The service academies may graduate more students than they commission into the armed services of the United States because they include foreign students who return home to their own military services.

¹⁸While the Army, Navy, and Air Force do not have a single command and control structure for their officer commissioning programs, Headquarters Air Force created a USAFA and Commissioning Programs Division in 2004 to consolidate all USAFA issues and officer commissioning functions under one headquarters division. This division serves as a single point of contact for policy issues, provides a standardized direction across officer accession sources, and provides USAFA support and oversight.

USMA. For example, the Army does not coordinate recruiting and accession efforts to ensure that accession programs meet Army accessions goals, nor does it use risk analysis to manage resource allocations among the programs. USMA relies on its own full-time recruiters and Military Academy Liaison Officers—reservists, retirees, and alumni who meet with possible academy recruits and hold meetings to provide information to students. Officials from Army Cadet Command,¹⁹ which does not coordinate recruiting efforts with USMA, stated that Army ROTC has a limited advertising budget that focuses on print media, brochures, and local print media. In addition, as we previously discussed, Army ROTC has experienced a decrease in its scholarship funding while the Army's needs for its graduates has increased, but the Army has not conducted a risk-based analysis of resource allocations to Army officer accession programs.

Shortfalls in Army officer accessions have been compounded by the decentralized management structure for the officer accessions programs, and the Army does not have a strategic plan to overcome these challenges. Army personnel officials set a goal for each commissioning program. While those officials attempt to ensure that any commissioning shortfalls (program outputs) are covered by other commissioning programs such as OCS, the Army does not coordinate the recruiting efforts of its various commissioning programs (the input to these programs) to ensure that officer accession programs meet overall Army needs. While the Army's has identified a number of options to increase officer accessions, it does not have a strategic plan for managing its shrinking accessions pipeline at a time when the force is expanding and its needs for commissioned officers are increasing. The Government Performance and Results Act of 1993 (GPRA)²⁰ and *Standards for Internal Control in the Federal Government*²¹ provide federal agencies with a results-oriented framework that includes developing a strategic plan.²² According to GPRA, a strategic plan should include outcome-related goals and objectives. Moreover, the *Standards* emphasize the need for identifying and analyzing potential risks that could slow progress in achieving goals. This risk assessment can form the basis for determining procedures for mitigating risks. The Army recognizes that

¹⁹Army Cadet Command manages the Army ROTC program.

²⁰Pub. L. No. 103-62 (1993).

²¹GAO/AIMD-00-21.3.1.

²²GAO, *Results-Oriented Government: GPRA Has Established a Solid Foundation for Achieving Greater Results*, GAO-04-38 (Washington, D.C.: Mar. 10, 2004).

offering more scholarships could improve its ROTC program accessions and has proposed increasing available scholarships. However, this is not part of a broader strategic plan that would realign resources to better meet the Army's officer accession needs and minimize risk. Without such an alternative, given the decentralized management of the officer accession programs, and without a strategic plan that identifies goals, risks, and resources to mitigate officer shortfalls, the Army's ability to meet future mission requirements is uncertain.

All Services Except Army Generally Met Past Officer Retention Needs, but All Face Challenges Retaining Certain Officer Groups

While most of the services generally met their past officer retention needs, the Army faces multiple retention challenges. The Army has experienced decreased retention among officers early in their careers, particularly among junior officers who graduated from USMA or received ROTC scholarships. Moreover, the Army is experiencing a shortfall of mid-level officers because it commissioned fewer officers 10 years ago due to a post-Cold War reduction in both force size and officer accessions. Despite these emerging problems, the Army has not performed an analysis that would identify and analyze risks of near term retention problems to determine resource priorities. Although the other services generally met their past retention needs, each faces challenges retaining officers in certain ranks or specialties.²³ Furthermore, each of the services had high continuation rates among African American and Hispanic officers, but each faces challenges retaining female officers.

Army Faces Multiple Retention Challenges, but Other Services Are Generally Retaining Enough Officers to Meet Their Needs

The Army has encountered retention challenges in the last few years, but the other services are generally retaining sufficient numbers of officers in the fiscal years that we examined.

²³The services use different terms when discussing specialties. For example, the Army uses branch to refer to general specialty areas, and these areas include infantry, armor, and transportation. In contrast, the Navy uses the term community to refer to its general specialty areas, which include surface warfare, submarine, and aviation.

Army Faces Challenges to Retain Officers at Junior and Mid-level Ranks and Certain Specialties

Overall, the Army has experienced decreased retention among officers early in their careers, particularly junior officers who graduated from USMA or received ROTC scholarships.²⁴ Additionally, the Army is currently experiencing a shortfall of mid-level officers and has shortages within certain specialty areas. It is examining a number of initiatives to improve the retention of its officers, but these initiatives are not currently funded or will not affect officer retention until at least FY 2009. Moreover, the Army does not have a strategic plan to address these retention challenges.

The Army has experienced multiple retention problems in recent years for officers commissioned through USMA and the ROTC scholarship program and for some occupational specialties despite retaining lieutenants and captains in FY 2006 at or above its 10-year Army-wide average. Our comparisons of the Army continuation rates shown in table 10 to those presented later for each of the other services revealed that the USMA continuation rates of 68 percent for FY 2001 and 62 percent for FY 2005 were 20 to 30 percentage points lower than the other academies' continuation rates for the same fiscal year. Caution is needed, however, when interpreting cross-service findings because USNA and USAFA produce a large number of pilots who incur additional obligations that may not allow many of those officers to leave until 8 or more years of service have been completed. Second, a comparison of the Army's FY 2001 and FY 2005 continuation rates for ROTC scholarship officers showed that rates decreased by 3 percentage points at years 4 and 5.

²⁴Our confirmation of the services' overall ability to meet their retention needs was based on our analyses of the data and other documents that the services provided to substantiate their needs or positions to fill, the numbers of officers available in specific subgroups, and continuation rates for officers by accession source, as well as occupational and demographic subgroups.

Table 10: Overall Continuation Rates in Percent for Army Commissioned Officers by Commissioning Program for Selected Fiscal Years and Key Retention-Related Years in Officers' Careers

Fiscal year and year of service	ROTC		OCS	Other ^a	Total	
	Academy	Scholarship				Nonscholarship
2001						
Year 3	95	96	86	85	90	92
Year 4	98	74	78	90	81	81
Year 5	68	85	90	97	87	84
Year 10	91	95	95	97	89	94
2003						
Year 3	99	98	90	93	88	94
Year 4	98	83	90	93	84	88
Year 5	80	90	93	98	92	90
Year 10	95	96	96	96	92	95
2005						
Year 3	98	97	87	87	90	93
Year 4	96	71	85	88	83	82
Year 5	62	82	88	94	90	81
Year 10	94	95	96	92	91	94

Source: GAO analysis of Army data.

^aThis category includes direct commissioned officers in the Army, interservice transfers, returns to active duty, and officers from unknown sources.

Our review of the continuation rates in table 10 also revealed three other notable patterns. First, the total continuation rate for FY 2003 was higher than the rate for the other 2 years, reflecting the stop-loss policy²⁵ that prevented officers from leaving the Army. Second, for each source and fiscal year, the lowest continuation rate for a commissioning source typically came in the first year that officers were eligible to leave the military—for example, year 5 for USMA and year 4 for ROTC scholarship. Third, since (1) the ROTC scholarship program produces more officers than any other commissioning source and (2) scholarship officers are eligible to leave the Army at year 4, that year of service had the lowest or

²⁵The stop-loss policy temporarily prevents personnel from leaving the military even when an obligation is finished. As a result, it may artificially inflate continuation rates for the period when the policy is in effect and artificially deflate continuation rates for the months after it is rescinded.

next lowest total continuation rate for all 3 of the fiscal years that we examined.

The Congressional Research Service reported that Army projections show that its officer shortage will be approximately 3,000 line officers in FY 2007, grow to about 3,700 officers in FY 2008, and continue at an annual level of 3,000 or more through FY 2013.²⁶ For example, the Army FY 2008 projected shortage includes 364 lieutenant colonels, 2,554 majors, and 798 captains who entered in FYs 1991 through 2002. The criteria that the Army uses to determine its retention needs are personnel-fill rates for positions, based on officers' rank and specialty. In addition to the general problem of not having enough officers to fill all of its positions, the Army is promoting some junior officers faster than it has in the recent past and therefore not allowing junior officers as much time to master their duties and responsibilities at the captain rank. For example, the Army has reduced the promotion time to the rank of captain (O-3) from the historical average of 42 months from commissioning to the current average of 38 months and has promoted 98 percent of eligible first lieutenants (O-2), which is more than the service's goal of 90 percent. Likewise, the Army has reduced the promotion time to the rank of major (O-4) from 11 years to 10 years and has promoted 97 percent of eligible captains to major—more than the Army's goal. Also, the Army is experiencing a large shortfall at the rank of major, and the shortfall affects a wide range of branches. For FY 2007, the Army projects that it will have 83 percent of the total number of majors that it needs. Table 11 shows that the positions for majors in 14 Army general specialty areas (termed branches by the Army) will be filled at 85 percent or less in FY 2007—a level that the Army terms a critical shortfall.

²⁶The Congressional Research Service noted that the shortfall in line officers includes infantry, armor, air defense, aviation, field artillery, engineer, military intelligence, military police, chemical, ordnance, quartermaster, signal, transportation, adjutant general, and finance. See Congressional Research Service, *Army Officer Shortages: Background and Issues for Congress*, RL33518 (Washington, D.C.: July 5, 2006).

Table 11: Army's Projected Percentages of Overfilled and Underfilled Positions for Majors in Specified Specialty Areas in FY 2007

Basic branch	Percent
Infantry	107
Armor	99
Finance	98
Special forces	97
Adjutant general	96
Ordnance	88
Quartermaster	86
Signal corps	84
Field artillery	79
Aviation	77
Military police	76
Chemical	75
Engineer	74
Military intelligence	73
Air defense	66
Transportation	48
Total	81

Special branch	Percent
Medical doctor	99
Chaplain	91
Army nurse	86
Medical service	82
Veterinary corps	78
Judge advocate	72
Medical specialist	67
Dentist	49
Total	85

Source: GAO analysis of Army data.

Numerous factors may have contributed to the retention challenges facing the Army. Among other things, Army officials noted that some of the shortfalls originated in the post-Cold War reduction in forces and accessions. Although Congress has increased the authorized end strength of the Army by 30,000 since FY 2004 to help the Army meet its many

missions expanding the mid-level officer corps could prove problematic since it will require retaining proportionally more of the officers currently in the service, as well as overcoming the officer accession hurdles that we identified earlier. Unlike civilian organizations, the Army requires that almost all of its leaders enter at the most junior level (O-1) and earn promotions from within the organization. Additionally, as part of our September 2005 report,²⁷ the Office of Military Personnel Policy acknowledged that retention may have suffered because of an improving civilian labor market and the high pace of operations. Army officers may have already completed multiple deployments in Iraq and Afghanistan since the Army is the service providing the majority of the personnel for those operations. Another reason why the Army may be having more difficulty than other services in retaining its officers could be related to its use of continuation pays and incentives. Table 12 shows that the Army spent less than any other service in FY 2005 on retention-related pays and incentives for officers.

Table 12: Service-Specific Continuation Pays and Incentives Awarded to Officers in FY 2005

Dollars in thousands	
Service	Total
Army	13,591
Marine Corps	18,707
Navy	129,273
Air Force	202,536

Source: GAO analysis of OUSD (P&R) data.

While the Army has identified some steps that it needs to take in order to improve officer retention, the actions that have been implemented will have no immediate effect on retention. The Army has begun guaranteeing entering officers their postcommission choice of general specialty area (branch), installation, or the prospect of graduate school to encourage retention. A number of Army officers commissioned in FY 2006 took advantage of this initiative, and as a result, have a longer active duty service obligation. For example, as of May 2006, 238 academy graduates accepted the offer of a longer service obligation in exchange for the Army paying for them to attend graduate school. Although the Army believes

²⁷GAO-05-952.

that these initiatives will help address future retention problems, none will affect continuation rates until 2009 at the earliest because servicemembers are obligated to stay in the Army for at least 3 years. The more immediate retention challenge for the Army is keeping officers with 3, 4, or 5 years of service, as we have identified in this report. However, these officers are not affected by these initiatives.

While the Army staff reported that they are exploring numerous options for addressing officer retention shortfalls, Army leadership has not identified which options will be funded and implemented. As noted earlier in this report, GPRA and the *Standards for Internal Control in the Federal Government* provide a basis for developing a results-oriented strategic plan. Moreover, GAO's guidance for implementing a results-oriented strategic plan highlights the importance of for ROTC scholarship identifying long-term goals and including the approaches or strategies needed to meet these goals. Without a plan to address both its accession and retention challenges, the Army will not have the information and tools it needs to effectively and efficiently improve its retention of officers in both the near term and beyond.

Other Services Generally Met Their Past Retention Needs but Will Face Certain Retention Challenges in the Future

The Marine Corps, Navy, and Air Force generally met their retention needs and had higher continuation rates from their major accession programs than did the Army. While the Navy and Air Force are currently undergoing force reductions that will decrease the size of their officer corps, all three services face officer retention challenges in certain ranks and specialties.

The Marine Corps was able to meet its overall retention needs for FYs 2001, 2003, and 2005 by generally retaining more than 9 of every 10 officers at the four career-continuation points that we examined. Except for the 4-year career mark, our analysis showed that the Marine Corps's total continuation rates for all 3 fiscal years typically exceeded 90 percent (see table 13). Officers who graduated from USNA had the lowest continuation rates at the end of their fifth year of service, coinciding with the minimum active duty service obligation for that commissioning source. Likewise, officers from ROTC scholarship programs had lower continuation rates at the end of year 4. For example, in FY 2003, the continuation rate was 67 percent; and in FY 2005, it was 79 percent.

Table 13: Overall Continuation Rates in Percent for Marine Corps Commissioned Officers by Commissioning Program for Selected Fiscal Years and Key Retention-Related Years in Officers' Careers

Fiscal year and year of service	Academy	ROTC		OCS ^a	Other ^b	Total
		Scholarship	Nonscholarship			
2001						
Year 3	100	^c	98	95	97	96
Year 4	99	85	74	87	89	88
Year 5	88	83	100	^c	94	96
Year 10	91	90	50	90	89	89
2003						
Year 3	100	100	^c	96	100	98
Year 4	99	67	93	93	96	94
Year 5	94	89	97	99	96	97
Year 10	95	92	88	90	90	91
2005						
Year 3	100	100	100	88	99	94
Year 4	98	79	86	83	88	85
Year 5	86	100	83	93	96	92
Year 10	93	91	100	92	91	92

Source: GAO analysis of Marine Corps data.

^aOCS includes Marine Enlisted Commissioning Education Program and Officer Candidate Course.

^bThis category does not include direct commissioned officers in the Marine Corps, though it does include officers commissioned through the Marine Corps's Platoon Leader's Class, interservice transfers, return to active duty, other, and unknown sources. The Marine Corps does not directly commission officers; instead, it relies on the Navy to provide it with the types of professionals—such as physicians, dentists, and nurses—who receive direct commissions. A certain number of officers are included whose accession source is unknown.

^cThe Marine Corps supplied data which exceeded 100 percent, an impossibility. According to Marine Corps officials, they attributed this to either missing or incorrect data entered in the first year and then subsequently corrected in the following years.

With a few exceptions, the Marine Corps met its retention needs and was able to fill critical specialties and ranks. We found that the Marine Corps was either under or just meeting its goal for fixed wing aviators (such as the junior officer level for the KC-130 tactical airlift airplane commanders and the AV-8 Harrier attack aircraft), rotary wing officers (at the junior officer level for all rotary wing occupations except one), and mid-level and senior intelligence, administrative, and communications officers in past fiscal years. Additional problems were present when we examined FY 2006 continuation data for emerging problems. Although the FY 2006 continuation rate averaged about 92 percent—excluding the fixed and rotary wing communities—the Marine Corps experienced lower than normal retention among combat support officers (such as administrative and financial management officers), combat arms officers (such as infantry, field artillery, and tank officers) as well as communications, logistics, and human source intelligence officers.²⁸ However, FY 2007 projections for these categories of jobs averaged about a 90 percent continuation rate, excluding fixed wing and rotary wing communities.

While the Navy generally retained sufficient numbers of officers in FYs 2001, 2003, and 2005, Navy officials and our independent review of documents revealed some areas that were not readily apparent solely by reviewing the continuation rates for the total Navy and officers entering through each commissioning program. The continuation rate among Navy junior officers commissioned from USNA or OCS was 90 percent or better in years 3, 4, and 5 of service for all 3 fiscal years studied (see table 14). However, officers commissioned from the Navy ROTC scholarship program had lower continuation rates at the end of 4 and 5 years of service, coinciding with their minimum active duty service obligation. Additionally, the Navy experienced lower continuation rates among officers, both overall and from each of the training programs, after 10 years of service. This lower rate at the 10-year career point may be partially explained because pilots incur additional obligations that may not allow them to leave until 8 or more years of service have been completed.

²⁸Marine Corps retention is comprised of three categories: releases, resignations, and retirements. Specifically, the Marine Corps experienced an increase in resignations, thus contributing to lower than normal retention rates among officer communities as listed above.

Table 14: Overall Continuation Rates in Percent for Navy Commissioned Officers by Commissioning Program for Selected Fiscal Years and Key Retention-Related Years in Officers' Careers

Fiscal year and year of service	Academy	ROTC		OCS	Other ^a	Total
		Scholarship	Nonscholarship			
2001						
Year 3	100	99	86	97	93	96
Year 4	99	85	96	93	89	91
Year 5	91	85	91	90	91	90
Year 10	83	79	81	86	88	85
2003						
Year 3	100	98	98	97	94	97
Year 4	99	86	94	94	89	92
Year 5	91	88	95	93	92	92
Year 10	85	86	93	94	89	88
2005						
Year 3	93	93	87	93	94	93
Year 4	95	85	92	92	89	90
Year 5	90	86	87	92	92	91
Year 10	91	88	88	89	90	89

Source: GAO analysis of Navy data.

^aThis category includes direct commissioned officers in the Navy, interservice transfers, returns to active duty, and officers from unknown sources.

The Navy's potential future retention challenges may be eased by the flexibility that the Navy gains from not having to retain officers in some specialties at traditional rates since it is going through downsizing. However, our discussions with the officials who manage the Navy general specialty areas (termed officer communities by the Navy) and our independent analyses of retention documents revealed that the medical, dental, surface warfare, and intelligence communities are experiencing junior officer losses, which can later exacerbate mid-level shortfalls. Moreover, several managers of general specialty areas indicated that they were concerned about using individual Navy officers (rather than Navy units) to augment Army and Marine Corps units. The managers were

unable to estimate the effect of such individual augmentee assignments on officer retention. These deployments are longer than the Navy's traditional 6-month deployments and sometimes occur after officers have completed their shipboard deployment and are expecting their next assignment to be ashore with their families.

Our review of documents for FYs 2001, 2003, and 2005, as well as our discussions with Air Force officials identified no major past retention problems. Except for the year 3 and 4 career points in FY 2001, the Air Force total continuation rates were 90 percent or higher (see table 15).

Table 15: Overall Continuation Rates in Percent for Air Force Commissioned Officers by Commissioning Program for Selected Fiscal Years and Key Retention-Related Years in Officers' Careers

Fiscal year and year of service	Academy	ROTC		OCS	Other ^a	Total
		Scholarship	Nonscholarship			
2001						
Year 3	100	88	91	93	76	88
Year 4	89	90	93	94	85	89
Year 5	88	92	94	95	89	91
Year 10	87	92	89	91	90	90
2003						
Year 3	99	90	93	96	80	92
Year 4	91	91	93	96	86	91
Year 5	93	93	93	97	90	93
Year 10	92	91	93	93	91	92
2005						
Year 3	98	85	89	96	84	91
Year 4	89	89	92	96	87	91
Year 5	92	93	94	96	89	93
Year 10	96	95	95	91	89	94

Source: GAO analysis of Air Force data.

^aThis category includes direct commissioned officers in the Air Force, interservice transfers, returns to active duty, and officers from unknown sources.

The Air Force is reducing the size of its officer corps through a planned downsizing. In FY 2006, the Air Force reduced its force by about 1,700 junior officer positions. By 2011, the Air Force plans to complete an approximate 13 percent reduction in the number of its officers, totaling approximately 9,200 officers. The Air Force plans to accomplish the downsizing through the use of force shaping tools such as selective early

retirement, voluntary separation pay, and other measures. Despite the need to retain fewer officers, the Air Force anticipates shortages in three specialties areas—control and recovery officers who specialize in recovering aircrews who have abandoned their aircraft during operational flights, physicians, and dentists. Staffing levels for these three specialties are just below 85 percent.

While All Services Had High Continuation Rates among African American and Hispanic Officers, Each Service Encountered Challenges Retaining Female Officers

While the services did well retaining African Americans and Hispanic officers, they did not do as well retaining women. The services want to retain a diverse, experienced officer corps to reflect applicable groups in the nation’s population. For the fiscal years and career points that we examined, African American and Hispanic officers usually had higher continuation rates than white and non-Hispanic officers, respectively; but female officers more often had lower continuation rates than male officers.

When we compared the continuation rate of African American officers to that of white officers for a specific fiscal year and career point, our analyses found that the services were typically retaining African Americans at an equal or a higher rate than whites (see table 16). At one extreme, 11 of the 12 comparisons (all except for the FY 2003 3-year point) for the Army officers showed equal or higher rates for African American officers. Similarly, 8 of the 12 comparisons for both the Navy and Marine Corps rates as well as 6 of the 12 Air Force rates showed a similar pattern.

Table 16: Service-Specific Continuation Rates in Percent for African-American and White Officers for Selected Fiscal Years

Race, by year of service	Army			Navy			Marine Corps			Air Force		
	2001	2003	2005	2001	2003	2005	2001	2003	2005	2001	2003	2005
African American												
Year 3	94	93	94	95	98	94	97	96	96	84	91	93
Year 4	88	91	87	91	95	91	89	96	90	88	91	90
Year 5	88	91	88	89	93	93	88	97	89	93	92	88
Year 10	94	96	96	88	94	87	92	93	85	93	94	96
White												
Year 3	91	94	93	97	97	93	96	99	95	88	92	92
Year 4	80	87	81	92	92	91	88	93	84	90	91	91
Year 5	83	89	80	90	92	91	93	96	92	91	93	94
Year 10	93	95	94	84	88	89	90	91	92	89	92	93

Source: GAO analysis of service-provided data.

Likewise, our analysis showed that the services were typically retaining Hispanic officers better than non-Hispanic officers (see table 17). In all 12 comparisons of the two groups of Army officers at the four career points in the 3 fiscal years, the continuation rates for Hispanic officers were equal to or higher than those for non-Hispanic officers. For 9 of the 12 Navy-based comparisons and 5 of the 12 Marine Corps-based comparisons, the same pattern was present. While the Air Force supplied information on Hispanics and non-Hispanic continuation rates for only FY 2005, the same pattern occurred for 3 of the 4 comparisons.²⁹

Table 17: Service-Specific Continuation Rates in Percent for Hispanic and Non-Hispanic Officers for Selected Fiscal Years

Ethnicity, by year of service	Army			Navy			Marine Corps			Air Force		
	2001	2003	2005	2001	2003	2005	2001	2003	2005	2001	2003	2005
Hispanic												
Year 3	92	95	95	99	97	93	92	94	94	a	a	93
Year 4	89	94	89	92	91	89	85	91	88	a	a	95
Year 5	90	96	88	90	93	87	95	96	87	a	a	92
Year 10	95	95	95	93	92	90	78	93	86	a	a	97
Non-Hispanic												
Year 3	92	94	93	96	97	93	96	99	94	a	a	92
Year 4	81	88	81	91	92	90	88	93	85	a	a	91
Year 5	83	89	81	90	91	91	92	96	92	a	a	93
Year 10	94	95	94	84	88	89	90	91	92	a	a	93

Source: GAO analysis of service-provided rates.

^aThe Air Force did not supply this information because prior to 2003 the Air Force did not collect ethnicity information based on officers identifying themselves as either Hispanic or non-Hispanic.

In contrast, our analyses showed that all services encountered challenges retaining female officers. In 11 out of 12 comparisons for both the Army and Navy, our analysis found that male officers continued their active duty service at a higher rate than female officers (see table 18). For 10 of the 12

²⁹In September 2005, we recommended that the services gather data on racial and ethnic subgroup membership in a manner that is consistent with the required procedures set forth by the Office of Management and Budget in 1997. We further noted that in addition to requiring that recruits provide their racial and ethnic subgroup membership using revised categories and procedures, DOD should also determine procedures that could be used for updating the information on servicemembers who previously provided their racial and ethnic subgroup membership with different subgroup categories and questions. For more information see, GAO-05-952.

Air Force-based comparisons and 6 of the 12 Marine Corps-based comparisons, the same pattern was present. Furthermore, each service generally experienced lower continuation rates among its female officers compared with male officers at years 3, 4, and 5 of service. For example, overall, the Navy had the greatest difference in continuation rates between male and female officers who reached years 4 and 5 of service for all fiscal years studied; female officers averaged at least a 9 percentage point lower continuation rate than male officers. Similarly, continuation rates among female Air Force officers averaged almost 7 percentage points lower than the rate for male Air Force officers; among Army female officers, almost 6 percentage points; and among Marine Corps female officers, almost 4 percentage points.

Table 18: Service-Specific Continuation Rates in Percent by Gender for Selected Fiscal Years

Gender, by year of service	Army			Navy			Marine Corps			Air Force		
	2001	2003	2005	2001	2003	2005	2001	2003	2005	2001	2003	2005
Female												
Year 3	92	92	92	94	96	90	89	98	99	83	89	86
Year 4	79	82	76	84	86	80	80	89	90	85	86	84
Year 5	79	84	78	82	83	84	87	96	83	88	87	87
Year 10	90	93	92	91	86	88	90	92	86	90	93	88
Male												
Year 3	91	95	93	97	97	94	96	98	94	90	92	93
Year 4	82	90	83	93	93	93	88	93	85	91	92	93
Year 5	84	91	82	91	93	92	93	96	93	92	95	95
Year 10	94	95	94	83	89	89	89	91	92	90	92	95

Source: GAO analysis of service-provided data.

Retaining women may be particularly challenging in certain occupational specialties. For example, Navy officials explained that some female surface warfare officers do not view service as a surface warfare officer as compatible with family life and have much less incentive to stay in the Navy even when offered a continuation bonus. DOD officials stated that the behavior of women is different than men because of family considerations, and they said it is not surprising that women have different retention patterns and behavior than men. Retaining female officers at lower rates than male officers in these critical years may result in negative consequences such as having a less diverse cadre of leaders. We have previously reported that DOD has responded positively to most demographic changes by incorporating a number of family-friendly

benefits; however, opportunities exist to improve current benefits in this area.³⁰

Steps Are Being Taken to Improve the Foreign Language Proficiency of Junior Officers, but Many Impediments Could Slow Progress

DOD and the services are taking steps to enhance the foreign language proficiency of junior officers, but many impediments must be overcome to achieve the language objectives that DOD has laid out for junior officers. For example, to address DOD's foreign language objectives, the service academies have requested additional funding and teaching positions to improve foreign language training for officer candidates at the academies. However, time demands on officer candidates, the inability to control foreign language curricula at ROTC colleges, hurdles in providing language training after commissioning, and problems in maintaining language skills among officers pose challenges to the services in developing a broader linguistic capacity.

DOD and the Services Are Taking Steps to Improve Junior Officers' Foreign Language Proficiency

DOD has issued guidance and the services have developed plans to achieve greater foreign language capabilities and cultural understanding among officers. In February 2005, DOD published its *Defense Language Transformation Roadmap* which stated, among other things, that post-September 11, 2001, military operations reinforce the reality that DOD needs to significantly improve its capability in emerging strategic languages and dialects. In July 2005, the Principal Deputy in OUSD (P&R) issued a memorandum that required the services' assistant secretaries for manpower and reserve affairs and their deputies to develop plans to achieve 2 of the Roadmap's 43 objectives: develop a recruiting plan for attracting university students with foreign language skills and establish a requirement that junior officers complete added language training by 2013. Specifically, the OUSD (P&R) memo stated that (1) 80 percent of junior officers (O-1 and O-2) will have a demonstrated proficiency in a foreign language by achieving Interagency Language Roundtable Level 1+ proficiency; and (2) 25 percent of commissioned officers ("non-foreign area officers") will have a Level 2 proficiency in a strategic language other

³⁰GAO, *Military Personnel: Active Duty Benefits Reflect Changing Demographics, but Opportunities Exist to Improve*, GAO-02-935 (Washington, D.C.: Sept. 18, 2002).

than Spanish or French, with related regional knowledge.³¹ The February 2006 *Quadrennial Defense Review* went further, recommending, among other things, required language training for service academy and ROTC scholarship students and expanded immersion programs and semester-abroad study opportunities.

In response to the 2005 OUSD (P&R) memo and the department's language objectives, the Marine Corps developed a foreign language training plan that discussed the costs of achieving the two objectives and offered an alternative proposal for planning, implementing, facilitating, and maintaining foreign language and cultural skills of Marine officers and enlisted personnel. Other services are still drafting their responses to the OUSD (P&R) memo and DOD's other language objectives for officers.

In addition, the service academies have requested additional funding and positions to expand the foreign language training offered to their officer candidates. USMA already requires all its officer candidates to take two semesters of a language as part of their core curriculum. Beginning with the class that entered in 2005 and will graduate in 2009, USMA will require its officer candidates who select humanities or social science majors to add a third, and possibly a fourth, semester of foreign language study. USMA is also expanding its summer immersion, exchange, and semester-abroad programs in FY 2007 to give more officer candidates exposure to foreign languages and cultural programs. Within the next year, USNA plans to expand the foreign language and cultural opportunities available to its officer candidates by developing foreign language and regional studies majors, adding 12 new regional studies instructors in the political science department, and adding 12 new language instructors in critical languages such as Arabic and Chinese. Starting with the class that will enter in 2007 and graduate in 2011, USAFA will require certain majors to study four semesters of a foreign language. This change will affect about half of the academy's officer candidates. The rest—primarily those in technical majors like engineering and the sciences—will take at least two

³¹DOD assesses language capability based on a scale established by the federal Interagency Language Roundtable. The scale has six levels—0 to 5—with 5 being the most proficient. The Roundtable describes speaking level 1 as “elementary proficiency,” in that the individual has a sufficient capability to satisfy basic survival needs and minimum courtesy and travel requirements. The Roundtable describes speaking level 2 capability as “limited working proficiency,” in that an individual has a sufficient capability to meet routine social demands and limited job requirements. A plus is assigned when proficiency substantially exceeds one skill level but does not fully meet the criteria for the next level capability.

semesters of foreign language, though they currently have no foreign language requirement.

Impediments Could Both Slow the Services' Efforts to Improve Foreign Language Proficiency for Junior Officers and Lead to Negative Recruiting Outcomes

Some service officials, particularly those associated with commissioning programs, have identified many impediments that could affect future progress toward the foreign language objectives identified by DOD. These impediments include the following:

- **Time demands on officer candidates.** Some academy and ROTC program officials expressed concerns about adding demands on the officer candidates' time by requiring more foreign language credits. Each academy requires its officer candidates to complete at least 137 semester credit hours, in contrast to the approximately 120 semester hours required to graduate from many other colleges. Reductions in technical coursework to compensate for increases in language coursework could jeopardize the accreditation of technical degree programs at the academies. Similarly, some officer candidates in ROTC programs may already be required to complete more hours than their nonmilitary peers. At some colleges, officer candidates may be allowed to count their ROTC courses as electives only. Academy and ROTC officer candidates in engineering and other technical majors may find it difficult to add hours for additional foreign language requirements since accreditation standards already result in students in civilian colleges often needing 5 years to complete graduation requirements.
- **Lack of control over ROTC officer candidates' foreign language curricula.** While one of the objectives outlined by the Principal Deputy of OUSD(P&R) indicated that 25 percent of commissioned officers (non-foreign area officers) will have a Level 2 proficiency in a strategic language other than Spanish or French, ROTC programs do not have control over the languages offered at the colleges where their officer candidates attend classes. For example, out of nearly 761 host and partner Army ROTC colleges, the Army states that only 12 offer Arabic, 44 offer Chinese, and 1 offers Persian Farsi, all languages deemed critical to U.S. national security. Even if the ROTC programs could influence the foreign languages offered, additional impediments include finding qualified instructors and adapting to annual changes to DOD's list of strategic languages. Moreover, if an officer candidate in ROTC or one of the academies takes a language in college based on DOD's needs at that time, the language may no longer be judged strategic later in the officer's career. For example, DOD operations in the Caribbean created a need for Haitian Creole speakers in the 1990s;

however, that language may not be as strategic today because of changing operational needs.

- **Language training expensive after commissioning.** While language training after commissioning may appear to be an alternative step to help the services achieve DOD's foreign language objectives, the Marine Corps identified significant costs associated with providing language training after commissioning. Unlike the other services, the Marine Corps obtains the vast majority of its officers through OCS or other, nonacademic sources. The Marine Corps estimated that it would need an end strength increase of 851 officers in order to extend its basic 6-month school of instruction by another 6 months and achieve Level 1+ foreign language proficiency for 80 percent of its junior officers, a stated goal in the OUSD (P&R) memo. It also estimated a one-time \$150 million cost for military construction plus \$115 million annually: \$94.1 million for additional end strength and \$21 million for training costs. The estimates for achieving the 25 percent goal for Level 2 proficiency totaled an additional \$163 million, largely because of the \$104 million associated with an end strength increase of 944 officers.
- **Maintaining foreign language proficiency throughout an officer's career.** Although DOD offers online tools for language maintenance, our prior work has shown the difficulties of maintaining foreign language capabilities.³² We noted that DOD linguists experienced a decline (of up to 25 percent in some cases) in foreign language proficiency when they were in technical training to develop their nonlanguage skills (such as equipment operation and military procedures). Proficiency could decline if officers do not have an opportunity to use their language skills between the times when they complete their training and are assigned to situations where they can use their skills.

Additional foreign language requirements could also have a negative effect on recruiting for the officer commissioning programs. Army, Marine Corps, and Air Force officials expressed concern that the new foreign language requirement may deter otherwise-qualified individuals from entering the military because they do not have an interest in or an aptitude for foreign languages. Service officials also stated that requiring additional academic credits for language study beyond the credits required for

³²GAO, *DOD Training: Many DOD Linguists Do Not Meet Minimum Proficiency Standards*, GAO/NSIAD-94-191 (Washington, D.C.: July 12, 1994).

military science courses could also be problematic, particularly for nonscholarship ROTC officer candidates who are not receiving a financial incentive for participating in officer training. Since at least 63 percent of Army's current ROTC officer candidates are not on a ROTC scholarship, officials said that increasing the language requirement could make it more difficult to reach recruiting and accession goals as well as the objective of having 80 percent of junior officers with a minimal foreign language proficiency.

At the same time, our recent reports raised concerns about foreign language proficiency in DOD and other federal agencies such as the Department of State.³³ Service officials recognize the impediments to foreign language training and are developing plans to implement DOD's initiatives. Since many of these problem-identification and action-planning efforts began in the last 2 years, it is still too early to determine how successful the services will be in implementing the foreign language and cultural goals outlined in DOD documents such the *Defense Language Transformation Roadmap* and the *Quadrennial Defense Review*; therefore, we believe that it would be premature to make any specific recommendations.

Conclusions

While all of the services are challenged to recruit, access, and retain certain types of officers, the Army is facing the greatest challenge. Frequent deployments, an expanding overall force, and a variety of other factors present Army officials with an environment that has made accessing and retaining officers difficult using their traditional management approaches. Moreover, delays in addressing its officer accession and retention shortages could slow the service's implementation of planned transformation goals, such as reorganizing its force into more modular and deployable units, which require more junior and mid-level officers than in the past. Although the Army has begun to implement some steps that could help with its long-term officer needs, accessing and retaining enough officers with the right specialties are critical issues. Moreover, the limited coordination among the Army's officer accession programs presents another hurdle in effectively addressing attrition rates at USMA, student participation in ROTC, and resource constraints for

³³GAO, *State Department: Targets for Hiring, Filling Vacancies Overseas Being Met, but Gaps Remain in Hard-to-Learn Languages*, GAO-04-139 (Washington, D.C.: Nov. 19, 2003); and GAO, *Department of State: Staffing and Foreign Language Shortfalls Persist Despite Initiatives to Address Gaps*, GAO-06-894 (Washington, D.C.: Aug. 4, 2006).

OCS. Similarly, the Army has not performed an analysis that would identify and analyze potential risks of continuing retention problems in the near term in order to determine priorities for allocating its resources. Without a strategic plan for addressing its officer shortages, the Army's ability to effectively and efficiently set goals, analyze risks, and allocate resources could jeopardize its ability to achieve future mission requirements.

Recommendation for Executive Action

In order for the Army to maintain sufficient numbers of officers at the needed ranks and specialties, we recommend that the Secretary of Defense direct the Secretary of the Army to develop and implement a strategic plan that addresses the Army's current and projected accession and retention shortfalls. Actions that should be taken in developing this plan should include

- developing an overall annual accession goal to supplement specialty-specific goals in order to facilitate better long-term planning,
- performing an analysis to identify risks associated with accession and retention shortfalls and develop procedures for managing the risks, and
- making decisions on how resources should best be allocated to balance near- and long-term officer shortfalls.

Agency Comments and Our Evaluation

In written comments on a draft of this report, DOD partially concurred with our recommendation. DOD's comments are included in this report as appendix II.

DOD partially concurred with our recommendation to develop and implement a strategic plan that addresses the Army's current and projected officer accession and retention shortfalls. DOD agreed that the Army does not have a strategic plan dedicated to current and projected officer accessions and retention. DOD said, however, that the Army performs analyses, identifies risk, develops procedures to mitigate risks, and performs other tasks associated with its strategy and planning process for officer accessions and retention. We recognize that these are important tasks, however they are not sufficient to correct the Army's current and future officer accession and retention problems for the following reasons. First, as noted in our report, these tasks are fragmented, administered in a decentralized manner across multiple Army offices, and lack the integrated, long-term perspective that is needed to deal with the Army's

current officer shortfalls and future challenges. A more strategic, integrated approach would allow the Army to (1) establish long-term, outcome-related program goals as well as integrated strategies and approaches to achieve these goals and (2) effectively and efficiently manage and allocate the resources needed to achieve these goals. Second, some of these tasks are not fully developed. For example, the Army's procedures for mitigating risk did not address important considerations such as the short- and long-term consequences of not implementing the option and an analysis of how various options could be integrated to maximize the Army's efforts. Third, with regard to funding—a key element in strategic planning, Army officials indicated that they hope to use supplemental funding to address some of the challenges that we identified, but they also acknowledged that supplemental funding may be curtailed. In recent reports,³⁴ we too noted our belief that supplemental funding is not a reliable means for decision-makers to use in effectively and efficiently planning for future resource needs, weighting priorities, and assessing tradeoffs. Considering all of the limitations that we have identified in the Army's current approach, we continue to believe that our recommendation has merit and that an integrated and comprehensive strategic plan is needed.

DOD mischaracterized our findings when it indicated our report (1) asserted that Army officer accessions and retention are down and (2) implied that recent decreases in accessions or retention have caused the challenges. On the contrary, our report discussed many factors that contributed to the Army's officer-related staffing challenges and provided data that even showed, for example, an increase in accessions from FY 2001 to FY 2003 and FY 2005. The first table of our report showed the Army commissioned 6,045 in FY 2005, an increase of 505 from FY 2001 and an increase of 116 from FY 2003. Also, our report provides a context for readers to understand that these increases in accessions would still leave the Army short of officers because of new demands for more officers. Among other things, a larger officer corps is needed to lead a larger active duty force and the reorganization of the force into more modular and deployable units. With regard to retention, our report does not state that overall retention is down. Instead, we document retention by

³⁴GAO has previously reported on DOD's over reliance on supplemental appropriations. See GAO, *Securing, Stabilizing, and Rebuilding Iraq: Key Issues for Congressional Oversight*, GAO-07-308SP (Washington, D.C.: Jan. 9, 2007) and GAO, *Global War on Terrorism: Observations on Funding, Costs, and Future Commitments*, GAO-06-885T (Washington, D.C.: July 18, 2006).

commissioning source, occupation, and pay grade, which revealed shortages that were not readily apparent at the aggregate level. Our report shows that the Army has experienced decreased retention among officers early in their careers, particularly among junior officers who graduated from USMA or received Army ROTC scholarships. Table 11 of our report makes the point by showing which types of occupations were over- and underfilled for officers at the rank of major. We show, for example, that infantry (an occupational group with a large number of officer positions) were overfilled (107 percent), but positions in numerous other occupational groups such as military intelligence (73 percent) were underfilled. Moreover, as with accessions, as the Army grows, it will be required to retain officers at higher than average percentages in order to fill higher pay grades.

DOD also provided technical comments that we have incorporated in this report where appropriate.

As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report until 30 days after its issue date. At that time we will provide copies of this report to interested congressional committees and the Secretary of Defense. We will also make copies available to others upon request. This report will be available at no charge on GAO's Web site at <http://www.gao.gov>.

If you or other members of the committee have any additional questions about officer recruiting, retention, or language training issues, please contact me at (202) 512-5559 or stewartd@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 major contributions to the report are listed in appendix III.



Derek B. Stewart
Director, Defense Capabilities and Management

Appendix I: Scope and Methodology

Scope

We limited the scope of our work to the four active duty Department of Defense (DOD) services: Army, Navy, Marine Corps, and Air Force. Also, we examined data for fiscal years 2001, 2003, and 2005 as well as projections for the current year (FY 2006 when we began our work) and future years. FY 2001 data represented the situations present immediately before the terrorist events of September 11, 2001; and FY 2005 data represented the most recent fiscal year for which the services had complete data. FY 2003 data provided information on interim conditions and allowed us to examine the data for trends.

Methodology

To determine the extent to which the services are accessing the numbers and types of commissioned officers required to meet their needs, we reviewed laws and DOD-wide and service-specific officer-management guidance, including Title 10 of the U.S. Code, including provisions originally enacted as part of the Defense Officer Personnel Management Act (DOPMA), defense authorization acts, the 2006 *Quadrennial Defense Review*, and policies and directives. To gain a firm background on the origin and evolution of the all volunteer force, we studied information in books¹ on the all volunteer force as well as information published by GAO, DOD, Congressional Research Service, Congressional Budget Office, and other organizations such as RAND. We reviewed documents from and obtained the perspectives of officials in Office Under Secretary of Defense for Personnel and Readiness, OUSD (P&R), services' headquarters, services' personnel and manpower commands, service academies, Reserve Officer Training Corps commands, and Officer Candidate Schools and Officer Training School commands (see table 19). The documents and meetings with officials allowed us to obtain an integrated understanding of recruitment and accession procedures, the availability of newly commissioned officers to fill positions in the military services, and potential causes and effects of any gaps between the numbers of officers available and the numbers of positions to be filled. We obtained and analyzed accessions and continuation data from DOD's Defense Manpower Data Center, but our assessment of the data's reliability identified incorrect information that was severe enough to prevent those

¹For example, Barbara A. Bicksler, Curtis L. Gilroy, and John T. Warner, eds., *The All-Volunteer Force: Thirty Years of Service* (Dulles, Va.: Brassey's, Inc., 2004).

data from being used for this report.² As a result, we subsequently obtained accession and continuation information from the services. While we did not conduct independent analyses using the services' databases, we did assess the reliability of their data through interviews and reviewing relevant documentation on service-specific databases. Comparisons of service-provided rates with similar information from other sources—such as information on the number of officer commissioned from the USMA—suggested that the service-provided rates were sufficiently reliable for the purposes of this report. Specifically, we examined information showing the numbers of officers commissioned from the services' officer programs during FY 2001, 2003, and 2005 for trends and other patterns and compared the numbers of officers accessed to staffing needs. We performed these comparisons with consideration for the specialty, race, ethnicity, and gender of the officers.

²Our assessment of the numbers of officers commissioned from the various training programs revealed major data reliability concerns for the information that we obtained from the Defense Manpower Data Center. The services subsequently supplied us with information that showed under- and overcounts for the officers commissioned in each service. At the extreme, the Center's results showed that the Marine Corps commissioned 17 officers in FY 2005; whereas the service indicated that it had actually commissioned 160. We, therefore, used only services-provided data in this report.

Table 19: Installations and Offices Where GAO Obtained Documentary Evidence and Officials' Views Pertaining to Officer Accessions

Organization	Installation or office
DOD	Office of the Under Secretary of Defense, Personnel and Readiness, Arlington, Virginia
	Defense Manpower Data Center, Seaside, California
Army	Office of the Chief of Staff of the Army, Arlington, Virginia
	U.S. Army Accessions Command, Fort Monroe, Virginia
	U.S. Army Cadet Command, Fort Monroe, Virginia
	U.S. Military Academy, West Point, New York
	Army Officer Candidate School, Fort Benning, Georgia
	Office of Economic and Manpower Analysis, West Point, New York
Navy	Office of the Chief of Naval Operations, Arlington, Virginia
	Navy Personnel and Reserve Commands, Millington Naval Air Station, Tennessee
	Navy Recruiting Command, Millington Naval Air Station, Tennessee
	U.S. Naval Academy, Annapolis, Maryland
	Naval Education and Training Command, Pensacola Naval Air Station, Florida
	Naval Reserve Officer Training Command, Pensacola Naval Air Station, Florida
Officer Training Command, Pensacola Naval Air Station, Florida	
Marine Corps	U.S. Marine Corps Manpower Plans & Policy Division, Quantico, Virginia
Air Force	Office of the Chief of Staff of the Air Force, Commissioning Programs Division, Arlington, Virginia
	Office of the Secretary of the Air Force, Manpower and Reserve Affairs, Arlington, Virginia
	U.S. Air Force, Medical Recruiting, Arlington, Virginia
	U.S. Air Force Personnel Center, Randolph Air Force Base, Texas
	U.S. Air Force Academy, Colorado Springs, Colorado
	Air Force Officer Accession and Training Schools, Maxwell Air Force Base, Alabama
	Air Force Officer Training School, Maxwell Air Force Base, Alabama
	Air Force Reserve Officer Training Corps, Maxwell Air Force Base, Alabama

Source: GAO.

To assess the extent to which the services are retaining the numbers and types of officers they need, we reviewed laws and DOD-wide and service-specific policies and directives to gain a comprehensive understanding of

officer retention. To gain a firm background on officer retention, we examined reports and studies by GAO, DOD, Congressional Research Service, Congressional Budget Office, and other organizations such as RAND. Additionally, we met with a number of DOD officials located at the services' personnel directorates to obtain an understanding of officer retention missions, goals, historical trends, and projected forecasts for each service. We worked with DOD and service officials to identify differences in the metrics that each service uses to assess retention success, and to review proposed initiatives for enhancing officer retention and to address downsizing efforts. We analyzed documents from and obtained the perspectives of officials in the services' headquarters, services' personnel and manpower commands, service academies, ROTC commands, and OCS/OTS commands to obtain an understanding of retention, specifically whether the services are retaining the total numbers they needed as well as the number of officers needed in specific ranks and specialties (see table 20). We obtained and analyzed data provided by service headquarters on officer continuation rates at critical years in an officer's service. In our calculation of continuation rates, officers were considered as having continued in a year if they were on the rolls on the first day of the fiscal year and the last day. We, in consultation with retention experts from the four services, chose to examine four key points in an officer's career: years 3, 4, 5, and 10. Years 3, 4, and 5 reflect the minimum active duty service obligation for the major accession programs, that is, the first year an officer could leave the active duty service through resignation. For example, the minimum active duty service obligation is 3 years for OCS graduates and officers who were commissioned by ROTC but did not receive scholarship. Officers who received an ROTC scholarship have an obligation to serve 4 years, and academy graduates must serve at least 5 years. Additionally, some officers who receive specialized training, such as pilots, may be obligated to serve at least a 10-year obligation or 8 years from the completion of pilot training. We also analyzed continuation rates for subgroup differences broken out by occupation, race, ethnicity, and gender. Once we identified particular issues of concern to the service, such as the shortages for mid-level officers in the Army, we explored these issues in further detail. We relied on rates provided by service headquarters because of our previously cited concerns about the Defense Manpower Data Center data. Using the data reliability-assessment procedures discussed for our accessions work, we determined that the data were sufficiently reliability for the purposes of our report.

Table 20: Installations and Offices Where GAO Obtained Documentary Evidence and Officials' Views Pertaining to Officer Retention

Organization	Installation or office
DOD	Office of the Under Secretary of Defense, Personnel and Readiness, Arlington, Virginia
	Defense Manpower Data Center, Seaside, California
Army	Office of the Chief of Staff of the Army, Arlington, Virginia
Navy	Office of the Chief of Naval Operations, Arlington, Virginia
	Navy Personnel and Reserve Commands, Millington Naval Air Station, Tennessee
Marine Corps	U.S. Marine Corps Manpower Plans & Policy Division
Air Force	Office of the Chief of Staff of the Air Force, Force Management Branch, Officer Management Policy, Arlington, Virginia

Source: GAO.

Finally, to assess the steps taken and impediments confronting the services in their attempts to increase foreign language proficiency among junior officers, we reviewed policy materials such as the *Quadrennial Defense Review*, DOD policies and directives on officer candidate training, curricula for the academies, DOD and service memoranda, reports by GAO and others, and other materials related to language acquisition and maintenance by military personnel and federal employees. We obtained additional perspectives about foreign language issues in meetings with DOD and service officials located in OUSD (P&R), the services' personnel directorates, service academies, ROTC commands, OCS/OTS commands, and the Defense Language Office. In each instance, we discussed the training programs for officer candidates, the ongoing and proposed steps to increase language proficiency among junior officers, and the challenges these programs face in providing officer candidates with the foreign language and training they need to serve as officers. We conducted our review from September 2005 through November 2006 in accordance with generally accepted government auditing standards.

Appendix II: Comments from the Department of Defense



PERSONNEL AND
READINESS

OFFICE OF THE UNDER SECRETARY OF DEFENSE
4000 DEFENSE PENTAGON
WASHINGTON, D.C. 20301-4000

DEC 21 2006

Mr. Derek B. Stewart
Director, Defense Capabilities Management
U.S. Government Accountability Office
441 G Street N.W.
Washington, DC 20548

Dear Mr. Stewart:

This letter constitutes the Department of Defense (DoD) response to GAO draft report, "MILITARY PERSONNEL: Strategic Plan Needed to Address Army's Emerging Officer Accession and Retention Challenges, (GAO-07-224)," dated November 22, 2006.

We partially concur with the recommendation in the subject draft report. We agree that the Army does not have a published strategic plan dedicated exclusively to current and future recruiting and retention. We note, however, that they do perform analysis and identify risk, develop procedures to mitigate risk, set objectives, decide on courses of action, and other tasks associated with the strategy and planning processes for recruiting and retention. The products from these tasks guide both policy-makers and implementers.

Further, we disagree with the draft report's assertions that Army officer accessions and retention are down—which form the bedrock for the recommendation. From fiscal years 2002 to 2006, the Army has accessed an average of 4,500 Army Competitive Category lieutenants; up from an average of 4,000 from fiscal years 1996 to 2001. Similarly, fiscal year 2006 company grade loss rates were 7.9 percent, below the 8.4 percent 10-year historical average and well below the pre-9/11 rates of over 9 percent (9.7 percent in FY99; 9.7 percent in FY00; and 9.1 percent in FY01). The mid-grade officer challenges the Army faces are primarily due to structure growth. Although recruiting and retention are key parts of the plan to address these challenges, it is misleading to imply that recent decreases in recruiting or retention have caused the challenges.

Attached to this letter are the Department's detailed responses to the GAO recommendation and technical comments, which will provide further detail. The Department appreciates the opportunity to comment on the draft report. The DoD point of contact is Lt Col Chuck Armentrout, ODUSD (MPP)/OEPM, 703-693-3939, e-mail charles.armentrout@osd.mil.

Sincerely,



William J. Carr
Acting Deputy Under Secretary
(Military Personnel Policy)

Attachments:
As stated

GAO DRAFT REPORT – DATED NOVEMBER 22, 2006

GAO CODE 350735/GAO-07-224

“MILITARY PERSONNEL: Strategic Plan Needed to Address Army’s Emerging Officer
Accession and Retention Challenges”

DEPARTMENT OF DEFENSE COMMENTS
TO THE RECOMMENDATION

RECOMMENDATION: The Government Accountability Office (GAO) recommends that the Secretary of Defense direct the Secretary of the Army to develop and implement a strategic plan that addresses the Army’s current and projected accessions and retention shortfalls. Actions that should be taken should include in developing this plan should include:

- developing an overall annual accession goal to supplement specialty-specific goals in order to facilitate better long-term planning;
- performing an analysis to identify risk associated with accession and retention shortfalls and develop procedures for managing the risks; and
- making decisions on how resources should best be allocated to balance near- and long-term officer shortfalls.

DOD RESPONSE: We partially concur with the recommendation. We concur that the Army has no strategic plan that specifically integrates current and projected accession and retention needs; however, we note that the Army does perform the tasks associated with the strategy and planning processes for recruiting and retention. We disagree with the implications that the Army has not developed an overall annual accession goal and that the Army has not performed analysis to identify risk associated with accession and retention shortfalls and developed procedures for managing the risks.

1. The Army has a strategic plan analyzing risks and prioritizing competing requirements. Representatives from the G8, G3, and the Assistant Secretary of the Army for Financial Management and Compensation [ASA(FMC)] analyze risks and determine requirements from these analyses. Options are vetted at the 3-star level by the G8, G3, and ASA(FMC). These are, in turn, briefed and approved by the Vice Chief of Staff of the Army, Chief of Staff of the Army, and the Secretary of the Army.

a. Current (base) funding supports a 482,400 Active Army force. However, the current program, which is the strategic plan, requires a much larger force. Funding for the difference is included in the supplemental funding requests. Global War On Terrorism

(GWOT) supplemental funding is allowed for OIF/OEF plus 2 years. The strategic plan has contingency options for a force reduction should supplemental funding be curtailed.

b. The Active Army Military Manpower Program (AAMMP) is the Army's plan to grow the Active Army strength. It is based on the Congressional end strength of 512,400. The AAMMP encompasses all of the retention, reenlistment, accession, and promotion goals and missions necessary to attain the projected strength.

2. The Army employs several processes to inform and receive direction from the Army staff and leadership on the plan and its execution. Every month representatives of the G1 brief the Active Army Military Manpower Program at the Program Update Briefing (PUB) to representatives across the Army Staff (ARSTAF), including Human Resources Command (HRC), G3, G8, Assistant Secretary of the Army for Manpower and Reserve Affairs (ASA(MRA)), and ASA(FMC). This brief updates current and projected strength. The Monthly Military Personnel Review (M2PR), focusing on financial execution and the Future Years Defense Program (FYDP) strategy is briefed to the same participants monthly. The Point Estimate Brief is a third, but less formal, briefing held monthly. Shortly after end of month data is received, Plans and Resources, Strength and Forecasting Division (PRS) briefs Army G1 leadership on current strength and projected end strength.

3. GAO's contention that there is no strategic plan without programmed funding implies that there was an Army budget/(FYDP) analysis portion of this study. It is unfortunate that Army did not understand this and appropriate personnel in Army G3/5/7, G8, and ASA(FMC) were not contacted to contribute input to this study.

Appendix III: GAO Contact and Staff Acknowledgments

GAO Contact

Derek B. Stewart, (202) 512-5559 or stewartd@gao.gov

Acknowledgments

In addition to the contact above, Jack E. Edwards, Assistant Director; Kurt A. Burgeson, Laura G. Czohara; Alissa H. Czyz; Barbara A. Gannon; Cynthia L. Grant; Julia C. Matta; Jean L. McSween; Bethann E. Ritter; Angela D. Thomas; and Adam J. Yu made key contributions to this report.

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