

GAO Highlights

Highlights of [GAO-14-439](#), a report to the Committee on Armed Services, House of Representatives

Why GAO Did This Study

DOD operates three functional combatant commands, which provide special operations, strategic forces, and transportation. GAO was mandated to review personnel and resources of these commands in light of plans announced by DOD to reduce headquarters. This report (1) identifies the trends in resources devoted to the functional combatant commands and their service component commands and (2) evaluates the extent to which DOD's reductions to headquarters could result in cost savings.

GAO analyzed data for fiscal years 2001 through 2013 on authorized positions and costs to support headquarters operations for the functional combatant commands and their service component commands. GAO also obtained documentation such as guidance and budget documents and interviewed officials regarding the commands' approach for implementing reductions to headquarters.

What GAO Recommends

GAO recommends that DOD (1) reevaluate the decision to focus reductions on management headquarters to ensure meaningful savings, (2) set a clearly defined and consistently applied starting point as a baseline for the reductions, and (3) track reductions against the baselines in order to provide reliable accounting of savings and reporting to Congress. DOD partially concurred with the first recommendation, questioning, in part, the recommendation's scope, and concurred with the second and third recommendations. GAO continues to believe the first recommendation is valid, as discussed in the report.

View [GAO-14-439](#). For more information, contact John Pendleton at (202) 512-3489 or pendletonj@gao.gov.

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DEFENSE HEADQUARTERS

DOD Needs to Reevaluate Its Approach for Managing Resources Devoted to the Functional Combatant Commands

What GAO Found

GAO analysis of the resources devoted to the Department of Defense's (DOD) functional combatant commands shows substantial increases in authorized positions and costs to support headquarters operations. Specifically, the number of authorized positions across the commands grew from 5,731 in fiscal year 2004 to 10,515 in fiscal year 2013. According to DOD officials, recent and emerging missions have driven up demands at all three functional combatant commands and driven the growth in authorized personnel. In addition, costs to support headquarters operations also increased substantially at the functional combatant commands. Data, in constant fiscal year 2013 dollars, show that the combined costs to support headquarters operations for the commands increased from about \$296 million in fiscal year 2001 to more than \$1.236 billion in fiscal year 2013. Authorized positions and costs to support headquarters operations at the service component commands supporting the functional combatant commands also increased. Specifically, authorized positions grew from about 6,675 in fiscal year 2002 to about 7,815 in fiscal year 2013, and costs to support headquarters operations increased from about \$614 million in fiscal year 2008 to about \$657 million in fiscal year 2013.

DOD's directed reductions to headquarters do not include all resources at the commands, which may affect DOD's ability to achieve significant savings in headquarters operations. In 2013, DOD directed reductions to management headquarters resources in an effort to streamline the department's management. However, GAO found that the department did not have a clear or accurate accounting of the resources being devoted to management headquarters to use as a starting point to track reductions. Officials noted that DOD relied on data self-reported by the commands, and GAO found that these data were potentially inconsistent and did not include the totality of headquarters resources. Specifically, GAO found that less than a quarter of the positions at the functional combatant commands are considered to be management headquarters even though many positions appear to be performing management headquarters functions such as planning, budgeting, and developing policies. As such, more than three quarters of the headquarters positions at the functional combatant commands are potentially excluded from DOD's directed reductions. However, the department does not have any plans to reevaluate the baseline on which the reductions are based, in part because it does not have an alternative source for complete and reliable data. GAO has also concluded that restructuring efforts must be focused on clear goals and consolidation initiatives grounded in accurate and reliable data. Section 904 of the National Defense Authorization Act for Fiscal Year 2014 requires that DOD develop and submit a plan for streamlining management headquarters by June 2014. Unless DOD reevaluates its decision to focus reductions to management headquarters and establishes a clearly defined and consistently applied starting point on which to base reductions, the department will be unable to track and reliably report its headquarters reductions and ultimately may not realize significant savings.