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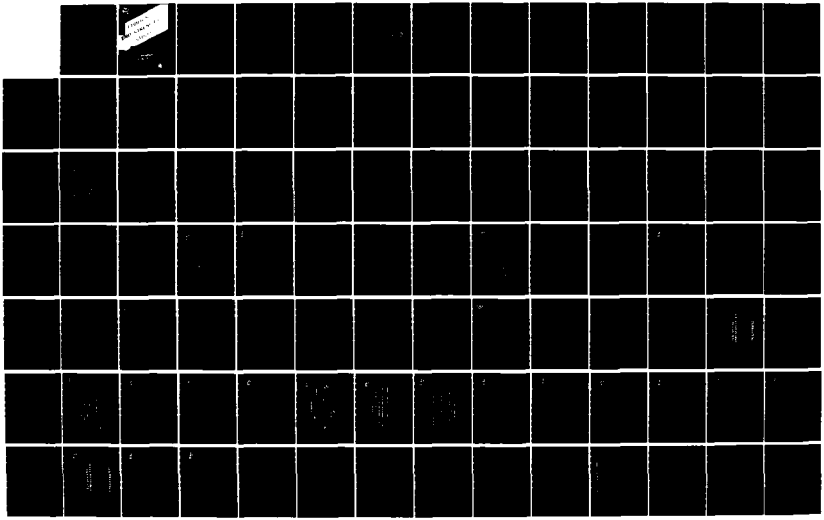

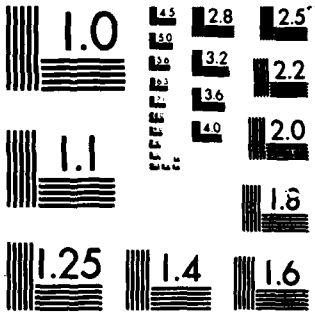

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The study objectives were to identify the cause of the growth in civilian employment, show potential areas of reduction, and determine the feasibility of a fixed end strength level. The final study conclusions were:

(a) The Army could live within a fixed end strength; however, returning to end strength controls was not recommended,

(b) Army's Productivity Programs have great potential for providing a substantial return on investment,

(c) Significant manpower savings can be realized through productivity enhancing automation, and

(d) Space savings should be on a 50/50 share basis between DA and the MACOMs. This procedure would permit reallocation of spaces to meet new initiatives. Keywords.

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Civilian End Strength Study

August 1985

Prepared by

Director, Resource Management
Office, Deputy Chief of Staff for Logistics
Department of the Army
Washington, D. C. 20310-0500

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EXECUTIVE SUMMARY

The Civilian End Strength Study (CESS) was tasked to the DCSLOG by the Chief of Staff to determine whether the Army could live within a level end strength. During the period 1981-1985 the civilian employment authorization increased as a result of lifting the end strength on the Army Industrial Fund (as a test) and, subsequently, lifting the end strength from the entire Army.

The resulting growth in authorization caused some concern as to the wisdom of operating without an end-strength control. The second element of interest centered on productivity. Has the Army done all it could (should) to enhance the productivity before increases to the authorized employment level? CESS was conducted to assess feasibility of living within a constrained employment level, using increased productivity to "pay the bills" associated with new or increasing requirements.

The study concluded that living within a fixed end strength was feasible although returning to end strength controls was viewed as a step back and therefore, was not recommended.

Increased control can be achieved by more stringent control of the current Annual Financial Target (AFT...Workyear Management). The ability to live within a constrained workforce is tied to productivity. The Army's Productivity Programs (QRIP, PECIP, PIF) have significant potential and given additional funding, can provide significant return on investment. The opportunity for increased productivity through automation programs is substantial. Previously no manpower impact analysis was required to receive automation funding. ACSIM will require manpower analysis as part of the resource development process.

A second area of efficiency is centered on Commercial Activities (CA), Army Performance Oriented Review System (APORS), and Military Staffing Standards System (MS3). Each program contributes differently. CA results in two savings in Army authorized civilian employment levels. First, as a by-product of a CA-MEO study the organization is reorganized to its "most-efficient" design....historically, savings of 10-15% are achievable. Second, when a contract goes out-of-house the spaces are available for redistribution to other claimants.

APORS is an efficiency program which is expected to achieve a small percent savings (1-3) across a large population. As a result, the APORS analysts have the potential to identify many surplus spaces for Army use.

MS3 is a requirements review, not an efficiency program. It has produced a savings in both requirements and authorizations. The challenge for MS3 analysts is to exploit lessons learned rapidly to

replace existing "Schedule X" or Manpower Survey Procedures which have generated requirements above the true requirement. This conclusion is substantiated by MS3, APORS and CA-MEO results.

The final area of concern is applicable only if Civilian End Strength controls are re-imposed on the Army. At issue is whether selected functions now counted as Army End Strength should be reconsidered or transferred to other appropriate categories. Each of these is described briefly below with additional detail provided in the body of the study:

a. Change current procedures which double counts military technicians (NGB and USAR) as both civilian end strength and RC strength.

b. Request personnel involved in Foreign Military Sales activities (on a reimbursable basis) not be counted against Army end strength. This seems prudent since workload fluctuates and is beyond the Army's control.

c. Consider transferring spaces supported by appropriated funds but in support of non-appropriated fund (NAF) activities to NAF accountability.

d. Consider moving selected RC training facilities to Reserve Components control with manpower provided by contract (or state) personnel.

Finally, the study group concluded that the current incentive program is fragmented and inconsistent. It recommended bringing all programs under a 50/50 percent share basis between DA and MACOMs. This procedure will in the long run provide the spaces for new initiatives without the necessity for decrements as currently being done.

All taskings are documented in a tasking memorandum from the Director of the Army Staff dated 6 September 1985.

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B. Study Directive, 7 June 1985

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CIVILIAN END STRENGTH STUDY

Abstract

This study examined the methodology by which the Army determines and manages the size of its civilian work force. Detailed analyses were made of the civilian manpower growth projections, the benefits to be derived from specific economy and efficiency programs, as well as alternative means of manpower management. The study identified initiatives which can be taken to enable the Army to operate within a fixed civilian employment level.

The Study Sponsor: LTG B. F. Register, Jr., Deputy Chief of Staff for Logistics. As sponsor, LTG Register idenfitied the study objectives, established guidelines for achieving those objectives, and continued to monitor the study group's efforts and progress.

The Study Work Group:

- Chaired by: BG Merle Freitag, Director, Resources and Management, Office of the Deputy Chief of Staff for Logistics

- Consisted of representatives from ODCSPER, ODCSLOG, ODCSOPS, ODCSRDA, OACSIM, OACSI, COA, OCE, OTSG, NGB, OCAR, PAED, ODM, OTJAG, OTIG, OCC

Chapter 1

I-1. Introduction

The Army has made significant progress in utilizing productivity enhancing technology to free soldiers from less productive tasks, thus enabling them to focus their efforts on combat capability. The Logistics Unit Productivity Study and related efforts contributed significantly to the Army's ability to maintain a fixed end strength for the active Army while accommodating the creation of two additional divisions. The reality of fiscal constraints, coupled with congressional emphasis on end strength management, mandated this study of civilian end strength management.

I-2. Background

Army civilian end strength was managed within the context of a congressionally mandated end strength cap until fiscal year 1983. With the lifting of this cap, a significant growth in actual and projected civilian end strength was experienced. This growth is viewed as inconsistent with the Army's maintaining a fixed active Army end strength. Hence, the Chief of Staff directed the conduct of this study (Appendix A).

I-3. Purpose

The purpose of this study is to determine the feasibility of achieving a fixed civilian end strength for the Army and to concurrently identify opportunities for capitalizing on productivity enhancing technology.

I-4. Objectives

The objectives of this study were to:

a. Determine the nature, character and cause of the growth in civilian end strength.

b. Identify areas for potential reduction in civilian end strength.

c. Determine the feasibility of maintaining a fixed end strength.

I-5. Scope. This study encompassed the totality of civilian manpower employed in support of the Active and Reserve Components of the Army, worldwide.

I-6. Timeframes. This study addressed the Program Objective Memorandum period 1987-1991.

I-7. Study Tasks. To fulfill the study objectives six principal tasks were identified and were the basis of the study methodology.

a. Review growth to facilitate understanding.

b. Review budget and program data base to ensure accurate status.

c. Identify preferred management methodology - annual financial target (AFT) versus civilian end strength (CES).

d. Review program for automation initiatives with manpower savings.

e. Solicit MACOM participation thru submission of ideas and new initiatives.

f. Summarize potential for savings.

I-8. Study Methodology.

a. A Study Working Group (SWG) and Study Advisory Group (SAG) were established in accordance with AR 5-5 and DA Pam 5-5. A copy of the Study Directive is attached as Appendix B.

b. The Study Working Group was organized into the following partitions to accomplish the study tasks and to satisfy the objectives.

(1) Partition A (COA lead) - Tasked to review current budget and program documents to ensure that all civilian manpower authorizations are accurately recounted and reflected in the data base. Particular attention will be paid to programs to ensure that space savings have been captured and perpetuated from prior year investment decisions.

(2) Partition B (DCSPER lead) - Tasked to review Army's position that civilian employment levels should be managed on the basis of budgeted personnel costs and average strength as opposed to end strength ceilings. DCSPER was also tasked to analyze and propose the most efficient civilian work force mix (permanent, temporary, foreign national, contractor).

(3) Partition C (DCSLOG lead) - Tasked to identify and evaluate initiatives with potential civilian personnel savings. Particular attention should be paid to productivity improvements and other areas offering space savings through consolidation, contracting or technology acquisition.

Chapter 2

Study Work Group Results

2-1. General. The efforts of each Study Work Group Partition, in horseblanket format, were presented to SAG II on 27 June 1985. The analysis findings and recommendations are provided in the following sections as they were provided during the course of the study and all subsequent reviews.

PARTITION A

2-2 Partition A. This partition was tasked to analyze and evaluate the civilian employment level authorization growth during the period 1981-1985. This analysis was to ensure understanding of where, how and why civilian authorizations had increased and to assure that data bases are correctly balanced with all prior savings properly identified and removed from the data base. The review was accomplished by:

a. Appropriation (Fig 2-1)
b. Major Commands (Fig 2-2)
c. Defense Planning & Programming Category (Fig 2-3)
d. Program Decision Increment Package (Fig 2-4)

The analysis of 1981-1985 showed clearly that employment authorizations grew as a function of four initiatives. First, the Army rebalanced workforces in the period, restoring Borrowed Military Manpower (BMM +14,300 spaces) and substituting civilians for military manpower (Civilian Substitution +500 spaces). Second, the Army increased civilian authorizations in support of Force Modernization (+2300 spaces). Administratively, there occurred an artificial increase in RDTE by a capitalization/decapitalization change in the Industrial Fund; however, this was not growth in operations.

As the analysis turned to FY 86 the primary growth initiatives are programmed to be Force Modernization (+2100) and Training Base (+1300).

The projected growth for 87-91 was programmed to occur in Civilian Substitution (+2300), Force Modernization (+3199) and Military Technicians (+4500). It is important to note that these programmed increases were only affordable by estimating future savings and decrementing other programs accordingly.

As MACOM analysis shows, the principal increases in 1981-1985 were in USAREUR (+12,400), FORSCOM (+5400), TRADOC (+3900) and AMC (+3000). In 1986 the major increases were FORSCOM (+1800) and TRADOC (+1300).

In an effort to determine how well the authorizations were being used, a review of Civilian Workyear utilization (Fig 2-5) was conducted from 1981 through March 1985. All commands are doing an excellent job of executing authorizatons (hiring personnel to fill spaces).

Charts that summarize the analysis are provided at Fig 2-6 and 2-7.

Fig 2-8 demonstrates graphically how civilian manpower has changed and is projected to change during the FY 81-91 period.

Fig 2-9 demonstrates graphically the relationship between the "Required Civilian Workforce" and the level authorizations now programmed at approximately 406K. It shows notionally that the potential to increase capability in the future is closely linked to a more accurate determination of the required workforce (MS3 has shown approximately a 10% reduction of both requirements and authorizations) and the expected savings to be achieved from Commercial Activities (Most Efficient Organization) and Army Performance Oriented Review System (APORS). The relationship is further described in paragraph 2-4.

APPROPRIATIONS

APPROPRIATION	ACTUAL DELTA 81-85	*	AUTHORIZED DELTA 5-85		DELTA 81-86		DELTA 5-91		STRENGTH 91
TOTAL	+29281	(+1678)	+30759	(+4667)	+35420	(-1178)	+34248		404881
OMA	+22228	(+ 908)	+23136	(-8952)	+32088	(-384)	+22104		271535
P2	+13245	(- 146)	+13099	(+508)	+15607	(+903)	+17510		110699
P5	+ 549	(- 116)	+ 433	(+ 276)	+ 709	(- 74)	+ 635		14038
P7	+ 3543	(+ 203)	+ 3746	(+4766)	+ 8512	(-2324)	+ 6188		53011
P8	+ 4040	(+1650)	+ 5690	(+1252)	+ 6942	(- 335)	+ 6607		77166
P9	+ 771	(- 636)	+ 137	(+ 150)	+ 287	(- 144)	+ 143		16185
P10	+ 80	(- 49)	+ 31	(-)	+ 31	(- 10)	+ 21		436
OMARNG	+ 1897	(- 325)	+ 1572	(+ 10)	+ 1582	(+2500)	+ 4082		27053
OMAR	+ 1208	(- 159)	+ 1049	(- 556)	+ 493	(+2373)	+ 2866		15506
MERHP	+ 1	(- 1)	-	-	-	-	-		17
RDTE	+ 2393	(- 51)	+ 2342	(+4785)	+ 7127	(- 764)	+ 6363		26032
MCA	+ 1046	(+ 596)	+ 1642	(- 345)	+ 1297	(-1268)	+ 29		7464
MCAR	+ 25	(- 25)	-	-	-	-	-		121
AIF	+ 129	(+ 608)	+ 737	(-8148)	- 7411	(-5008)	-10419		54414
NHP	+ 29	(- 33)	- 4	(+ 2)	- 2	-	- 2		364
ARM	+ 325	(- 40)	+ 285	(- 33)	+ 252	(- 27)	+ 225		2377

* REPRESENTS 0.4% OF FY 91 AUTHORIZATIONS

MAJOR GROWTH 81-85 → +30759

- OMA
  - BORROWED MILITARY MANPOWER +14300
  - CIVILIAN SUBSTITUTION + 5000
  - FORCE MODERNIZATION + 2300
  - CENTRAL SUPPLY + 1600
  - DEPOT MAINTENANCE + 700
- OMARNG
  - TECHNICIANS + 15[illegible]
- OMAR
  - TECHNICIANS + [illegible]
- RDTEE
  - TRANSFER FROM AIF + 19[illegible] *
- MCA
  - MX MISSILE + 1600

* OFFSET BY REDUCTIONS IN AIF

MAJOR INCREASES/DECREASES 86-91 → -1178

- OMA

INCREASES

- CIVILIAN SUBSTITUTION + 2300
- INTELLIGENCE + 100
- CPO MBS REQUIREMENTS + 396
- CIVILIAN INTERNS + 420
- OB/GYN CARE + 164
- FAMILY PROGRAM + 195
- FORCE MODERNIZATION + 3199
- MEDICAL PROGRAMS + 400

DECREASES

- CENTRAL SUPPLY - 1200
- DEPOT MAINTENANCE - 200
- TRAINING SUPPORT - 1000
- BASE OPERATIONS SUPPORT - 1700
- APORS - 3600

- OMARNG
  - INCREASE TECHNICIANS + 2500
- OMAR
  - INCREASE TECHNICIANS + 2000
- AIF DECREASE - 3000
- RDTE DECREASE - 800
- MCA DECREASE - 1200

MAJOR GROWTH 85-86 → [illegible]

- OMA
  - FORCE MODERNIZATION + [illegible]
  - TRAINING BASE + [illegible]
  - AMMUNITION MANAGEMENT IN EUROPE + [illegible]
  - CIVILIAN SUBSTITUTION + [illegible]
  - MEDICAL ACTIVITIES + [illegible] *
  - TRANSFER FROM AIF + [illegible]
- RDTEE
  - TRANSFER FROM AIF + [illegible] *

* OFFSET BY REDUCTIONS IN AIF

Fig 2-1

MAJOR COMMANDS

	81			82			83			84			85			86		
COMMAND	Req	Auth	%	Req	Auth	%	Req	Auth	%	Req	Auth	%	Req	Auth	%	Req	Auth	%
TOTAL	383739	370633	96.5	406406	383259	94.0	448612	392780	87.6	453781	399962	88.2	478239	401302	83.9	482809	406059	84.1
TRADOC	46037	35367	76.8	48032	37106	77.2	49630	36566	73.9	50637	38175	75.7	52082	40036	76.9	51910	41261	79.4
FORSCOM	44791	38063	85.1	49203	41810	84.9	49270	43665	88.6	52317	44749	85.2	53668	44937	83.8	55400	44973	81.2
AMC	116164	107233	92.3	130963	106438	81.3	128156	111575	87.1	127659	114620	89.8	132802	112366	84.7	133637	113596	85.1
USAISC	12962	10572	81.6	14028	10285	73.3	14233	10416	73.2	14483	10846	75.3	14792	12568	84.8	14821	12722	85.8
ARNGB	353	22888	*	302	22787	*	36366	23655	65.3	36366	24167	69.9	36793	24603	70.1	36793	24613	70.2
USAMSC	26777	23393	87.4	27325	23766	86.9	28797	23338	81.0	29301	23928	81.7	29701	23861	80.3	29920	24030	80.3
USAREUR	58833	58528	99.5	55515	63629	114.6	63096	66559	106.2	63653	63269	102.3	77570	66997	86.4	77515	68478	88.3
ALL OTHER	75002	73083	97.4	79037	77458	98.0	80066	78066	97.5	81367	78419	96.4	83051	76266	91.8	85005	76616	90.1

* THE MC TECHNICIANS WERE NOT INCLUDED IN TAADS. REQUIREMENTS BASE IS EARLY YEARS DID NOT INCLUDE ALL CIVILIAN EMPLOYEE CATEGORIES.

REQUIREMENTS VS AUTHORIZATIONS

- SOURCE
  - REQUIRED STRENGTH - DCSOPS VERIFIED BY DCSPER
  - AUTHORIZED STRENGTH - FY 87-91 POM
- ARMY AUTHORIZATIONS 86.1% OF REQUIREMENTS IN FY 86
- ARMY AUTHORIZATIONS 83.9% OF REQUIREMENTS IN FY 91

IMPROVEMENT IN AUTHORIZATION SHORTFALL

- +2500 ARNGB - FROM 39.8% TO 21.6%
- +2633 USAREUR - FROM 11.7% TO 8.3%
- +1613 FORSCOM - FROM 42.0% TO 13.5%
- + 801 USAMSC - FROM 19.7% TO 19.1%

INCREASED REQUIREMENTS WITHOUT AUTHORIZATIONS

- -6719 AMC - FROM 14.9 TO 20.0%
- - 481 TRADOC - FROM 46.5% TO 21.3%

BOTTOM LINE: REQUIREMENTS WILL CONTINUE TO EXCEED AUTHORIZATIONS REQUIRING CONTINUING EFFORTS TO IMPROVE EFFICIENCY IN-HOUSE AND CONTRACT WHERE POSSIBLE

COMMAND	ACTUAL CHG FR 81-85		CHG FR 81-86		CHG FR 81-87		CHG FR 81-91		REQUIREMENT 91
	AUTHORIZED								
TOTAL	+29281	(+1478)	+30759	(+4667)	+35426	(-1178)	+34248		604881
TRADOC	+ 3073	(+ 596)	+ 3669	(+1205)	+ 4874	(- 401)	+ 4473		40840
FORSCOM	+ 5819	(+ 255)	+ 6074	(+ 36)	+ 6110	(+1823)	+ 7933		46796
AMC	+ 4177	(+ 954)	+ 5133	(+1230)	+ 6363	(-6719)	- 356		106877
USAISC	+ 1863	(+ 113)	+ 1976	(+ 185)	+ 2161	(- 122)	+ 2039		12611
ARNGB	+ 1925	(- 322)	+ 1603	(+ 10)	+ 1613	(+2500)	+ 4113		26913
USAMSC	+ 269	(+ 199)	+ 468	(+ 169)	+ 637	(+ 164)	+ 801		24194
USAREUR	+ 8173	(+ 304)	+ 8477	(+1473)	+ 9950	(+2453)	+12403		70923
ALL OTHER	+ 3902	(- 623)	+ 3359	(+ 359)	+ 3718	(- 876)	+ 2842		75727

Fig 2-2

MAJOR GROWTH 81-85 +30759

- USAMSC
  - BORROWED MILITARY MANPOWER + 900

- FORSCOM
  - BORROWED MILITARY MANPOWER +3700
  - CIVILIAN SUBSTITUTION + 400
  - OMAR TECHNICIANS +1000
  - FORCE MODERNIZATION + 300
- TRADOC
  - BORROWED MILITARY MANPOWER +1000
  - CIVILIAN SUBSTITUTION +2200
  - FORCE MODERNIZATION + 700
- USAREUR
  - BORROWED MILITARY MANPOWER +10300
  - CIVILIAN SUBSTITUTION + 1200
  - FORCE MODERNIZATION + 900
- AMC
  - CIVILIAN SUBSTITUTION + 200
  - CENTRAL SUPPLY +1600
  - DEPOT MAINTENANCE + 700
  - FORCE MODERNIZATION + 500
- USAISC
  - BORROWED MILITARY MANPOWER + 200
  - CIVILIAN SUBSTITUTION + 400
  - TRANSFER OF COMPUTER SYSTEMS COMMAND +1000
  - TRANSFER OF ARMY AUDIOVISUAL CENTER + 900
  - TRANSFER OF US ARMY COMPUTER SYSTEMS & ACQUISITION AGENCY + 400
- ARNGB
  - TECHNICIANS +1600

MAJOR GROWTH 85-86 +4667

- TRADOC
  - TRAINING BASE +1300
- AMC
  - FORCE MODERNIZATION +1000
- USAREUR
  - AMMUNITION MANAGEMENT + 500
  - CIVILIAN SUBSTITUTION + 500
  - FORCE MODERNIZATION +1100

MAJOR INCREASES/DECREASES 86-91 -1178

- FORSCOM
  - OMAR TECHNICIANS +2000
  - APORS - 200
- ARNGB
  - TECHNICIANS +2500
- USAREUR
  - CIVILIAN SUBSTITUTION +1300
  - FORCE MODERNIZATION +1600
  - ATTRITION - 700
- AMC
  - CENTRAL SUPPLY -1200
  - DEPOT MAINTENANCE -3000
  - APORS -2000

DEFENSE PLANNING & PROGRAMING CATEGORY

DEFENSE PLANNING & PROGRAMMING CATEGORY	DELTA 81-85	AUTHORIZED	DELTA 86-86		DELTA 86-91	STRENGTH 91
TOTAL	+30759	(+4667)	+35426	(-1178)	+34248	404881
STRATEGIC	+ 63	(0)	+ 63	(+ 7)	+ 70	162
TACTICAL/MOBILITY	+ 1618	(+ 895)	+ 2513	(+1918)	+ 4431	29545
Land Forces	+ 1052	(+ 880)	+ 1932	(+1952)	+ 3884	27698
Division	+ 786	(+ 815)	+ 1601	(+1184)	+ 2785	25399
Theater	+ 266	(+ 65)	+ 331	(+ 768)	+ 1099	2299
Mobility	+ 566	(+ 15)	+ 581	(- 34)	+ 547	1847
AUXILIARY ACTIVITIES	+ 1656	(-186)	- 227	(- 6211)	- 6438	25680
Intelligence	+ 229	(+ [illegible])	+ 343	(+ 197)	+ 540	4860
Cntrly Mgd Comm	+ 377	(+ 184)	+ 561	(- 1003)	+ 456	4884
R&D	+ 1052	(-2179)	- 1127	(- 5537)	- 6664	18936
Geophysical	- 2	(0)	- 2	(0)	- 2	0
SUPPORT ACTIVITIES	+27422	(+5655)	+33077	(-2482)	+30595	349494
Base Op Spt	+ 4396	(+2816)	+ 7214	(+ 7157)	+ 14329	168152
Combat Instlns	+ 6246	(+1913)	+ 8159	(+ 5333)	+ 13492	88843
Spt Instlns	- 1848	(+ 903)	- 945	(+ 1823)	- 7563	79309
Medical Spt	+ 1370	(+ 80)	+ 1450	(+ 813)	+ 2531	15138
Personnel Spt	+ 1214	(+ 93)	+ 1307	(+ 4440)	+ 5747	9747
Individual Spt	+ 1677	(+1118)	+ 2795	(- 701)	+ 2094	14594
Force Spt Ing	+ 968	(- 22)	+ 946	(+ 111)	+ 1057	2057
Central Log	+11183	(+1219)	+12402	(-6174)	+ 6228	84287
Supply Opns	+ 6184	(+2307)	+ 8491	(-1849)	+ 6642	30524
Maint Opns	- 1570	(- 738)	- 2308	(-2952)	- 5260	34446
Log Spt Opns	+ 6569	(- 350)	+ 6219	(-1373)	+ 4846	19317
Central Spt	+ 6198	(+ 449)	+ 6647	(+3002)	+ 9649	40949
Hqtr HQ	+ 411	(- 98)	+ 313	(+ 144)	+ 457	14561
Intntl Mil	+ 41	(0)	+ 41	(- 4)	+ 37	184
Unified Cmds	+ 9	(- 2)	+ 7	(+ 16)	+ 23	159
Svc Spt-Combat	- 160	(+ 21)	- 139	(+ 13)	- 126	2909
Svc Spt-Spt	+ 521	(- 117)	+ 404	(+ 119)	+ 523	11309
Federal Agency Spt	+ 3	(0)	+ 3	(0)	+ 3	9

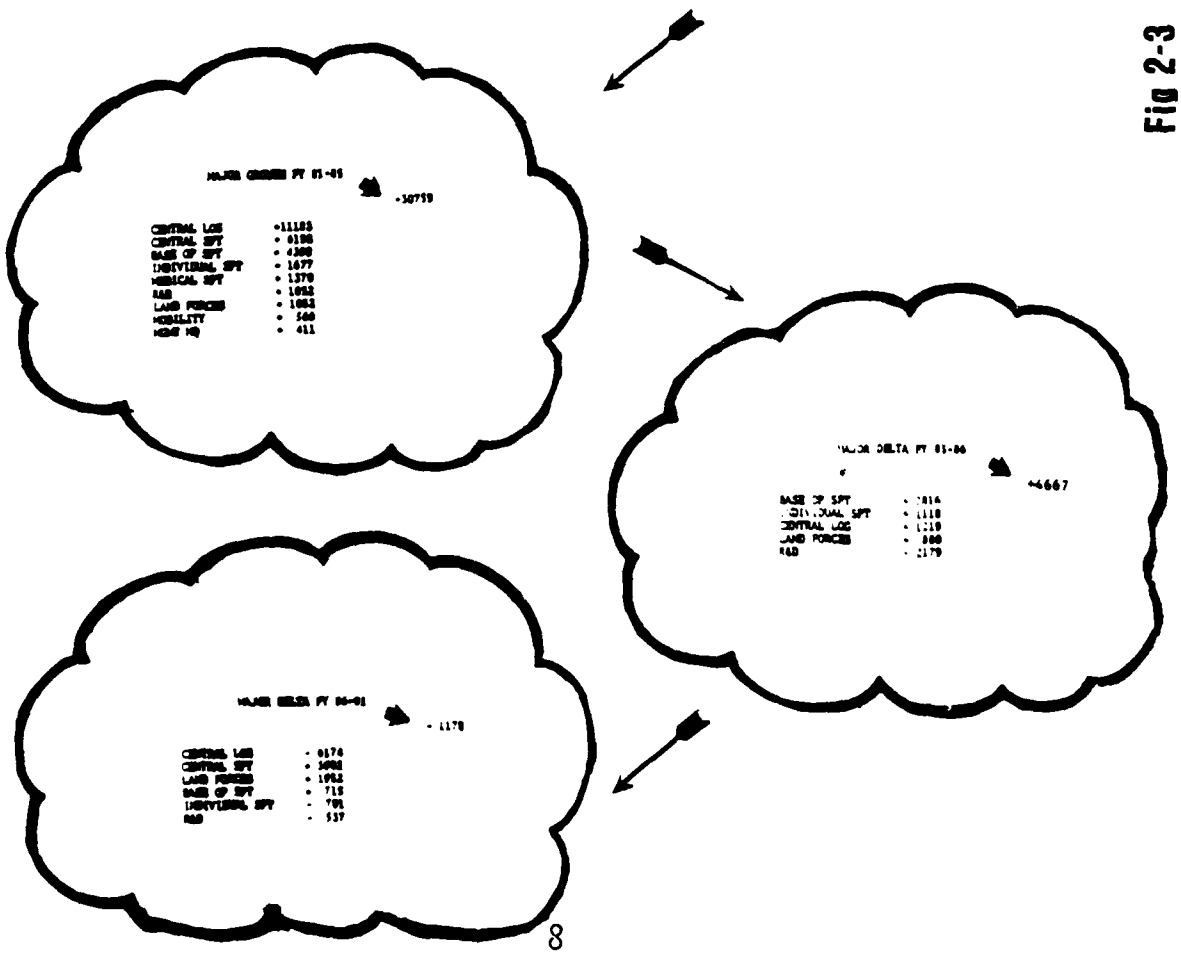


Fig 2-3

PROGRAM DEVELOPMENT INCREMENT PACKAGE (PDIP)

FUNCTIONAL

PANELS	AUTHORIZED STRENGTH 85	DELTA 85-86	DELTA 86-91	STRENGTH 91
TOTAL	401392	+4667	-1178	404881
Structure	54673	+1054	+6915	62642
Manning	41827	- 503	+ 656	41980
Training	11811	+ 59	- 206	11664
Mobilization	4269	+ 140	+ 124	4533
Facilities	48898	+ 288	- 529	48657
Information Management	18378	+ 478	- 285	18571
Equipping	35556	+6602	+4017	46175
Sustaining	163814	-6045	-4956	152013
Managing	22966	+2594	-6914	18646

MAJOR DELTAS

	85-86	86-91
• STRUCTURE		
1.5% TDA REDUCTION		+1985
CIVILIAN SUBSTITUTION	+ 832	+2017
FULL TOE UNITS		+2180
• MANNING		
PERSONNEL SUPPORT	- 309	- 97
SERVICE-WIDE SUPPORT	- 223	- 15
CIVILIAN INTERNS		+ 420
CPO MSJ REQUIREMENTS		+ 396
OB/GYN CARE		+ 164
FAMILY PROGRAMS		+ 193
ATTRITION EUROPE		- 676
EUROPE PERSONNEL		+ 175
• TRAINING		
AIT SPECIALIZED	- 369	
TRAINING SUPPORT	- 219	- 206

Fig 2-4

	85-86	86-91
• MOBILIZATION		
FORCES	+ 101	- 175
• FACILITIES		
MCA CORE PROGRAM	+ 663	- 542
RPMA CORE, ACTIVE COMPONENT	- 193	
RPMA CORE, RESERVE COMPONENT	- 143	
• INFORMATION MANAGEMENT		
LONG HAUL COMMUNICATIONS	+ 202	- 65
INFORMATION SYSTEM SOFTWARE	+ 157	- 38
SPARE PARTS ACQUISITION	+ 185	- 13
MANAGEMENT HQ COMMUNICATIONS	- 160	
FINANCIAL SYSTEMS REDESIGN		- 157

	85-86	86-91
• EQUIPPING		
FORCE MODERNIZATION	+1115	-3199
RESEARCH, DEVELOPMENT, TEST AND EVALUATION *	+3769	
• SUSTAINING		
ARMY INDUSTRIAL FUND	-7829	-4767
LOGISTICS SUPPORT	+2137	
AMMUNITION HANDLING	+ 502	+ 679
FOREIGN MILITARY SALES	- 250	- 410
BASE OPERATIONS EUROPE	- 403	
• MANAGING		
INSTALLATION COMMAND	+1064	-1976
EFFICIENCY/ATTRITION	+1530	-1530
MANAGEMENT EFFICIENCY		-3631

* TRANSFER FROM AIF

CIVILIAN WORKYEAR UTILIZATION

OSD/OMB UTILIZATION METHODOLOGY

- AVERAGE STRENGTH FY 82 =
  (FY 81 END STRENGTH + FY 82 END STRENGTH DIVIDED BY 2)
- UTILIZATION RATE FY 82 =
  (FY 82 WORKYEARS DIVIDED BY AVERAGE STRENGTH FY 82)

	UTILIZATION RATE (%)							
	ACTUAL					BUDGETED		
COMMAND	81	82	83	84	MARCH 85	85	86	87
TOTAL ARMY	98.5	102.5	102.9	100.8	48.9	100.4	100.4	100.8
TRADOC	100.2	103.9	103.7	101.3	47.7	[illegible]	102.1	101.9
FORSCOM	98.6	103.5	103.2	103.8	49.9	[illegible]	99.8	98.2
AMC	99.9	104.8	105.2	101.7	49.2	[illegible]	100.1	103.9
USAISC	101.4	101.4	104.2	103.5	49.3	[illegible]	100.0	100.0
ARNGB	103.2	98.9	99.5	98.9	49.3	[illegible]	99.7	100.0
USAMSC	98.6	100.5	99.2	98.0	48.6	[illegible]	100.7	99.1
USAAUR	95.0	103.1	[illegible]	98.9	47.9	99.9	101.8	101.5

Fig 2-5

HISTORICAL WORKYEAR UTILIZATION

ACTUAL WORKYEAR UTILIZATION HAS DEPRIVED

- TOTAL ARMY
  - FY 81 98.5%
  - FY 84 100.8%

BUDGETED WORKYEAR UTILIZATION

- ARMY HAS REPROGRAMMED FUNDS INTO WORKYEARS SINCE FY 82 TO REFLECT ACTUAL UTILIZATION
- FORSCOM IS BUDGETED 4.6% UNDER ACTUAL FY 84 EXPERIENCE
- BOTTOM LINE: ARMY SHOULD CONTINUE TO REPROGRAM FUNDING TO REFLECT ACTUAL UTILIZATION WHERE POSSIBLE

CIVILIAN END STRENGTH STUDY

WHAT DOES ANALYSIS OF PAST AND PROJECTED GROWTH SHOW?

-- REQUIREMENTS INCREASED 59800 + 14.4%

-- AUTHORIZATION INCREASED 30759 + 8.29%

-- MAJOR COMMAND GROWTH (CRITERIA > 5%)

	1981 - 1985		1981 - 1991 PROJECTION
	RQMTS	AUTH	AUTH %
TRADOC	13.1	12.3	15.5
FORSCOM	14.7	15.6	20.4
IN SYS COM	14.1	18.7	19.3
USAREUR	31.8	14.5	20.2

-- MAJOR APPROPRIATION GROWTH (> 5%)

	1981 - 1985 AUTH	1981 - 1991 PROJECTION
P2	14.1	18.8
P7	8.0	13.2
P8	8.1	9.3
OMARNG	8.4	17.8
OMAR	8.3	22.7

-- UTILIZATION OF AUTHORIZED SPACES AVERAGED 99%

Fig 2-6

CIVILIAN END STRENGTH STUDY

-- FUNCTIONAL BREAK BY PANEL 85-91

STRUCTURE	+ 14.6
MANNING	+ 0.4
TRAINING	- 1.3
MOBILIZATION	+ 6.2
FACILITIES	- 0.5
INFORMATION MGT	+ 1.0
EQUIPPING	+ 29.9
SUSTAINING	- 6.8
MANAGING	- 18.2

-- DEFENSE PLANNING PROGRAMING CATEGORY BREAK 81-91

BASOPS - COMBAT INSTALLATIONS	+ 8692	+ 10.8%
MEDICAL SUPPORT	+ 1531	+ 11.3%
PERSONNEL SUPPORT	+ 1747	+ 21.8%
INDIVIDUAL SUPPORT	+ 2094	+ 16.8%
FORCE SUPPORT	+ 957	+ 87.0%
CENTRAL LOGISTICS - SUPPLY	+ 6642	+ 27.8%
MAINT	- 5260	- 13.2%
LOG SPT	+ 4846	+ 33.5%
CENTRAL SUPPORT	+ 9649	+ 30.8%

Fig 2-7

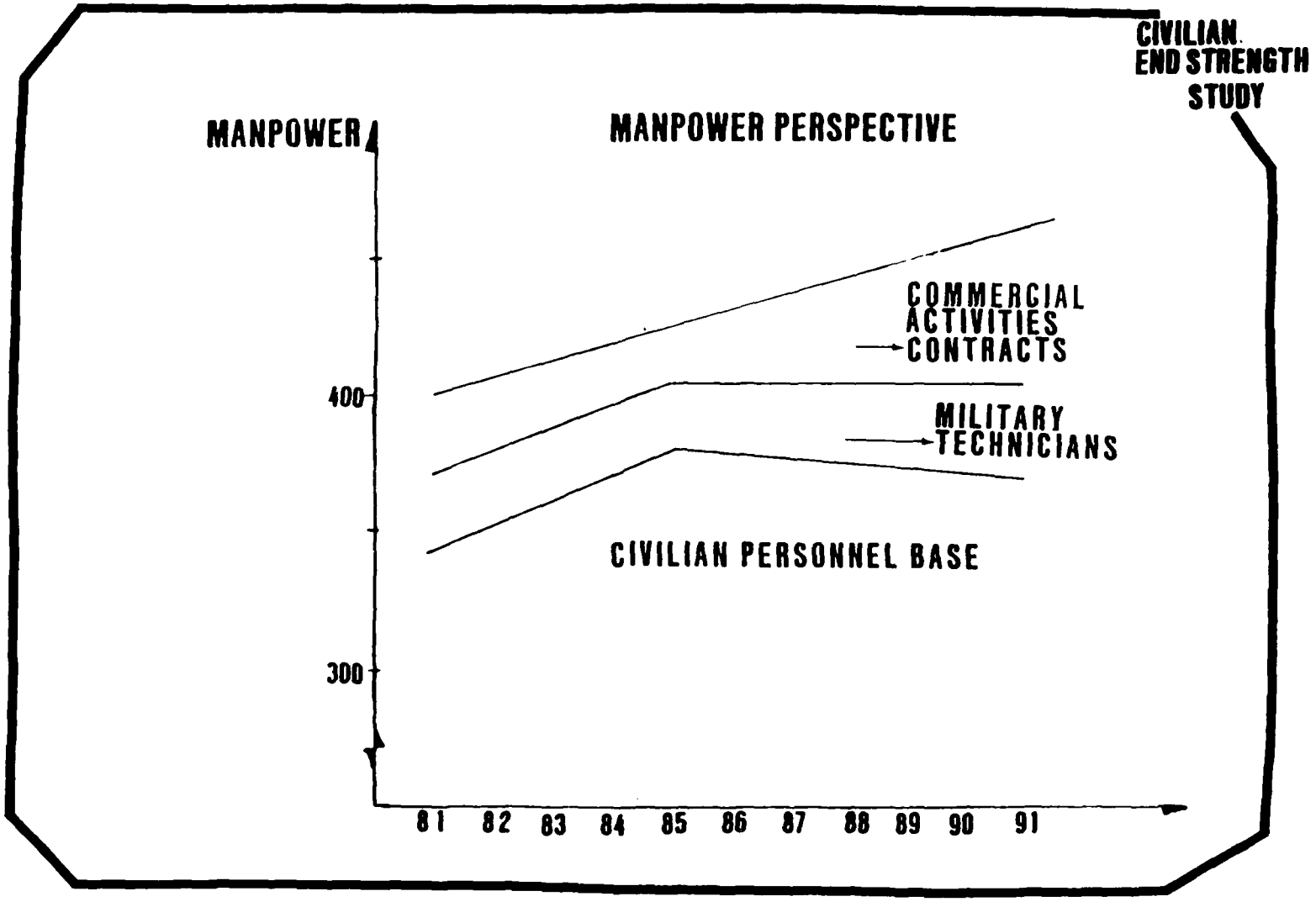

CIVILIAN
END STRENGTH
STUDY
MANPOWER PERSPECTIVE
MANPOWER
400
300
COMMERCIAL
ACTIVITIES
CONTRACTS
MILITARY
TECHNICIANS
CIVILIAN PERSONNEL BASE
81
82
83
84
85
86
87
88
89
90
91

Fig 2-8

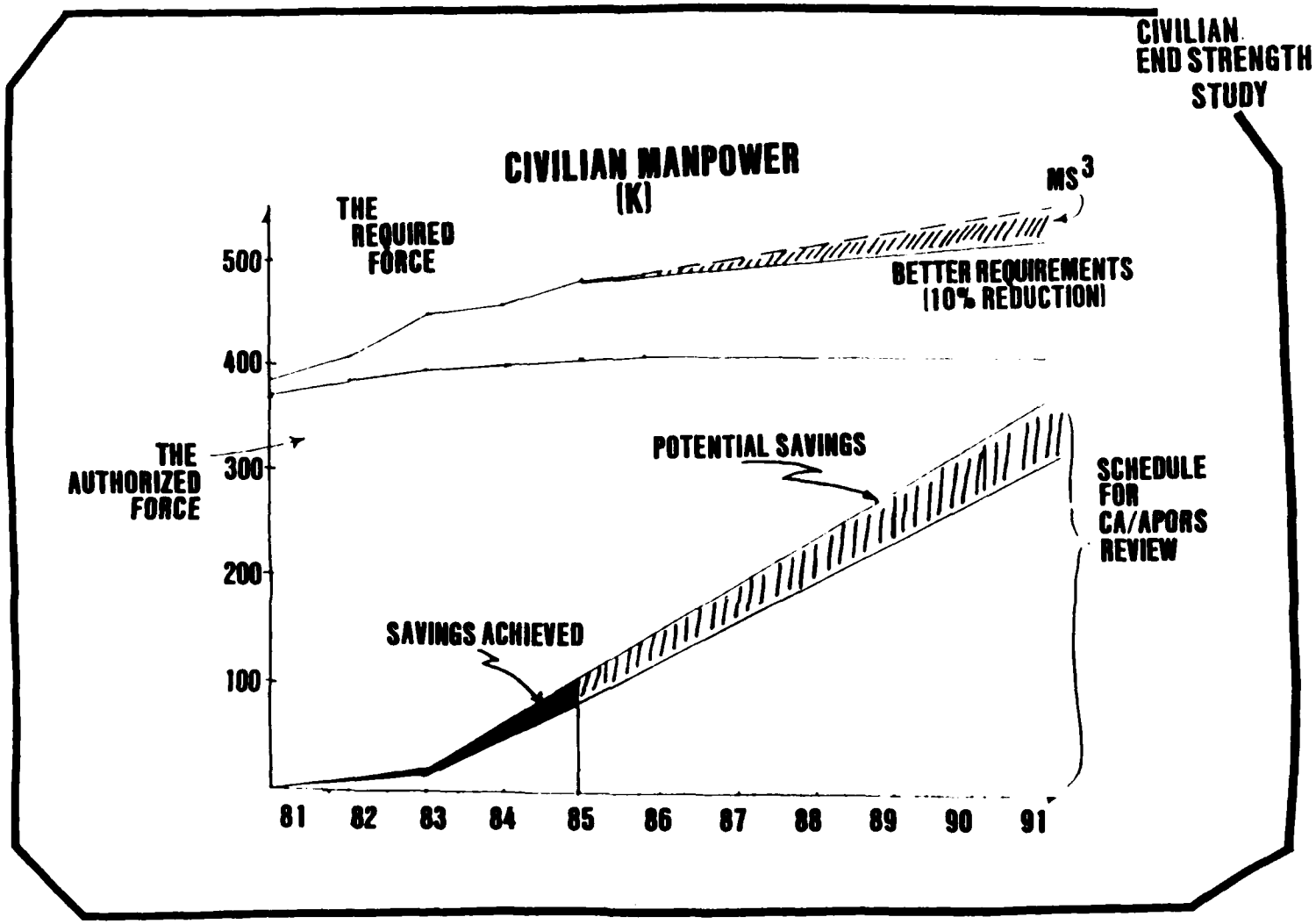

CIVILIAN END STRENGTH STUDY
CIVILIAN MANPOWER (K)
THE REQUIRED FORCE
MS3
BETTER REQUIREMENTS (10% REDUCTION)
THE AUTHORIZED FORCE
POTENTIAL SAVINGS
SCHEDULE FOR CA/APORS REVIEW
SAVINGS ACHIEVED
500
400
300
200
100
81
82
83
84
85
86
87
88
89
90
91

Fig 2-9

PARTITION B

2-3 Partition B. This partition was tasked to (Fig 2-10):

a. Identify the most effective method of managing civilian employment levels and Army programs with potential manpower savings.

b. Review the Army position that civilian employment levels should be managed on the basis of budgeted personnel costs and average strength as opposed to end strength ceilings.

c. Analyze and propose the most efficient civilian work force mix (permanent, temporary, foreign national, and contractor).

The partition consisted of representatives from DCSPER, COA, DCSRDA, TSG, NGB, and DM.

The workgroup organized a series of issues including the following:

- o Alternatives for Managing Civilian Manpower
  - Workyear Management
  - Average Strength
  - Budgeted Personnel Costs
  - Managing Full Time Permanents
  - End Strength Ceilings
- o Correction of Strength Reporting Errors
- o Capturing BASOPS impact of unit activations, inactivations, and significant changes
- o Span of Control: Should there be an Army policy on supervisory ratios?
- o NAF employment in MWR activities
- o Indirect Hire civilians: Should IDHs be exempt from the end strength ceiling?
- o Reimbursable work: Should reimbursables be counted against Army's end strength?
- o Application of other Agency standards
- o Allocation of Resources
- o The size of MACOM FOAs
- o "Kelly Temporaries"

The following findings and recommendations are set forth:

- o Management by Workyear
  - Defense Logistics Agency (DLA) manages its 48K-50K civilians by workyear allocations vice end strength ceilings. This service

organization performs homogeneous supply functions and relies extensively on workload estimates, engineered time standards, and efficiency goals to determine their workyear requirements. End strength is monitored only to ensure that DLA does not exceed its ceiling.

- RECOMMENDATION: To adopt this technique, Army would have to accelerate development with broader application of MS-3 standards. In addition, since Army has an extensive number of varying functions, DLA's management approach may not be cost effective to implement outside the logistics base.

o Average Employment

- The peaks and valleys of Army's civilian employment levels over the fiscal year are not representative of Army's use of manpower but rather reflective of varying workloads and management response to end strength constraints. By averaging the strength figures, the erratic rises and falls would be adjusted to reveal a more realistic picture of how Army is using its manpower resources rather than when.
- RECOMMENDATION: Bring option to the attention of Army leadership, demonstrating the method, and highlighting the pros and cons of approaching Congress, for example, with the FY 87 manpower program.

o Budgeted Personnel Costs

- For FY 85, no ceilings are imposed and the only limitation on civilian employment levels is a dollar constraint identified as budgeted personnel costs. These costs include: basic compensation, benefits, holiday pay, FY 85 pay supplemental, foreign national separation allowance. The Letter of Instruction, issued in Nov 84, set the groundwork for operating in FY 85 without an end strength ceiling. The Annual Financial Target, a summation of budgeted personnel costs at operating agency level, is the sole management tool. Coordination between DCSPER (DAPE-MBC) and COA (DACA-OMP) has facilitated this process; an updated LOI, in draft, will clear up some of the problems identified in the test.
- Advantages cited include increased flexibility to respond to new missions or changes in workload, improved manpower utilization, and emphasis on efficient and effective management of resources.
- RECOMMENDATION: Pursue continuation of ceiling-free authorization. Educate MACOMS on ceiling-free environments and the best ways to manage, stressing that this management method requires extensive management.

o Managing Full Time Permanents

- In FY 85, Full Time Permanents (FTP) were identified as a key area to watch. FTPs represent the stable, majority base of Army's manpower and are considerably more expensive than temporaries. Under a ceiling-free environment, drastic growth in FTPs would send Congress the wrong message -- Army is mismanaging or misinterpreting the intents of the legislation.

Should a ceiling be reimposed with the reasonable expectation that it will be considerably less than the FY 86 request, then Army would be forced into the very unpopular, politically-sensitive alternative of initiating a reduction-in-force (RIF).

- RECOMMENDATION: No recommendation made.

o End Strength Ceilings (Fig 2-11 thru 2-13)

- Up until FY 85, Army has operated under end strength constraints imposed by either Congress, OMB, or OSD. This ceiling is generally arbitrary and not related to Army missions. Employment trends over the fiscal year display a ramp-up from the 1st quarter, a peak in the 3rd quarter, and a drastic drop toward the end of the 4th quarter, 30 September. This fluctuation in the work force represents fluctuations in the workload. Under an end strength ceiling, the temporaries hired are released before the end of the fiscal year and rehired 1 October, the start of the new fiscal year. Disadvantages cited are:
  - -- Disruption of the workload.
  - -- Turbulence in the workforce.
  - -- No flexibility to respond to changes in workload.
  - -- No flexibility to recruit top June engineering and science graduates.
  - -- Excessive administrative costs in releasing/rehiring; estimated average cost per employee is $500; FY 84 costs $3.4 million.
  - -- Ceilings are significant only on 30 September, have no real correlation with the workload, and are simply arbitrary targets that Army is required to meet irrespective of workload.
  - -- No encouragement to manage efficiently and effectively.
- RECOMMENDATION: Do not pursue end strength ceilings. Seek legislation that prohibits managing by end strength.

o Correction of Strength Reporting Errors

- AR 690-330 sets out requirements and responsibilities for reporting manpower strength. However, there is no way of guaranteeing that transactions are timely and accurate. The system needs a uniform discipline for updating. Problems center on human error vice system disconnects. ACPERS scheduled for FY 88 should, according to TRADOC solve this problem.
- RECOMMENDATION: No recommendation made.

o Base Operations

- The Base Operations Methodology, developed to determine changes in BASOPS manpower for activations, inactivations, major increase or decreases in unit strength, is a computation that is under review at HQDA. Major users of the model, DAPE-MBC, DACS-DPM, and DAMO-FDP agree that the model is being applied in a disciplined manner. Factors, however, need to be updated. The Mobilization Base Requirements Model (MOBREM) is also being reviewed to see if BASOPS factors can be incorporated with a peacetime TDA application. The key advantage of the factors is better use of what we have and a potential for civilian space savings. Army has a total of 137,000 civilians or about one-third of the civilian strength in BASOPS.

- RECOMMENDATION: Continued review of BASOPS support methodology and, if feasible, incorporate of BASOPS factors in MOBREM.

o Span of Control: Supervisory Ratios
  - Supervisory ratios are generally addressed as part of a manpower survey. A mandatory ratio would not be advisable due to variations in functions and organizations. TAADS review by USAMARDA will examine and question structures with unusually low supervisory ratios.
  - RECOMMENDATION: Structures identified in TAADS review, having low supervisory ratios will be examined and questioned as the rationale for the low ratio. A recommendation, based on analysis of the rationale, will be made to either raise the ratio or to maintain it.

o NAF Employment in MWR Activities
  - MWR functions are performed by both appropriated fund (APF) and non-appropriated fund (NAF) employees. While both groups essentially perform the same functions, for manpower accounting purposes the NAF employees do not come under end strength controls while approximately 7,000 APF employees are counted in Army's total civilian end strength. Due to its structure, NAF personnel working in MWR functions approved for appropriated fund support are supported by appropriated funds via reimbursement.
  - By expanding the reimbursement process and staffing all MWR activities with NAF employees, Army will
    -- reduce MWR costs (NAF personnel cost less than APF personnel). An all NAF force in MWR would reduce APF reimbursement by 20%.
    -- provide more adequate staffing for MWR because MWR will not have to compete for civilian resources with other Army functions.
    -- establish a viable career ladder in MWR, currently staffed by a mixed force of Mil/DACS/NAF personnel.
  - RECOMMENDATION: Obtain Comptroller General's approval to permit expansion of APF reimbursement.

o Indirect Hires
  - Indirect Hires are local national civilians employed by the Host Nation on a contractual basis to serve Army activities overseas. The idea is to consider indirect hires as contract labor specifically. This proposal would take Congressional action as the annual Authorization Acts require DOD to count both direct and indirect hires as part of the total civilian work force. The suggestion is worth pursuing, because USAREUR advises that German labor unions are negotiating for a 38.5 hour work week. If this happens, Army would need 1,500 additional indirect hires to offset the difference. USAREUR, which employs about 90% of Army's indirect hires, favors this proposal.

- RECOMMENDATION: If civilian end strength controls are reimposed, pursue legislation to define indirect hires as contract labor.

o Reimbursable Work
  - Two specific types of work are performed: Intra-Army (supporting other Army activities on a reimbursable basis, e.g. host/tenant relationships) and Inter-Army (civilians support foreign governments or agencies other than Army). Authorizations for reimbursables have not been tracked due to the transitory nature of agreements, changing workloads, and difficulty identifying full-time support. The exception is Foreign Military Sales (FMS) which is fully funded by the customer. Attempts have been made to exempt FMS-dedicated civilians from the end strength on the basis that:
    -- FMS work is performed at no cost to the government. Increases dollar flow into the U.S.
    -- Requirement to divert civilians from direct funded readiness related missions to perform FMS workload could be eliminated.
    -- Workload fluctuations and exclusion of FMS from ceilings would permit flexibility to perform legitimate reimbursable work for foreign customers.
  - RECOMMENDATION: Pursue legislation to exclude FMS civilians from end strength ceilings or to let FMS float if no ceiling is imposed and a level strength is desired.

o Application of Other Agency Standards
  - The use of other agency standards are labeled BOSS (Use of Borrowed Staffing Standards). This practice is feasible and currently being used in the functions of Fire Protection and Drug/Alcohol Abuse. Indiscriminate application of other agency standards, however, is not recommended due to organizational differences.
  - RECOMMENDATION: Continue using and expand BOSS where it is applicable.

o Allocation of Resources
  - MACOMs expressed concern that resources are not allocated appropriately. Current allocation method is under fire from GAO, Congress and OSD, all of whom want a more discrete level of detail. It is anticipated, however, that by FY 90 MARC and MS-3 will be firmer and a reduction in requirements will be possible.
  - RECOMMENDATION: No recommendation made.

o Size of MACOM FOAs
  - A current study of ARSTAF FOAs is ongoing. A proposed study of MACOM FOAs was considered too large a task to complete during this Civilian End Strength Study. However, once the ARSTAF study is finished and recommendations are implemented, MACOMs should be directed to undertake a similar effort.

- RECOMMENDATION: Once ARSTAF FOA study is completed, direct MACOMs to initiate a study of their own FOAs.

o "Kelly Temporaries"

- FORSCOM expressed interest in permitting use of "Kelly Temporaries" in lieu of Civil Service employees.
- Army policy is that hiring individuals under the "Kelly Temporaries" concept is unauthorized. While no specific law prohibits this practice, the Comptroller General, in a 1965 decision identified this use of position temporaries external to Federal Service as a personal services arrangement, as defined in a court action, and therefore, not permissible. Such services, in which a non-Government employee temporary works directly under a Government supervisor, constitutes a personal services contract and the absence of legislation authorizing this form of contracting makes it illegal to pursue. Army would have to draft legislation and seek support to make "Kelly Temporaries" available but these efforts would not be well-placed. Rather, Army could contract out functions vice positions. Specific functions, for example, a secretarial pool, under a contracting officer's representative, would benefit Army far more than the time and effort to change a potentially sensitive issue.
- RECOMMENDATION: Army should look to contracting out functions such as administrative or clerical centers rather than individual positions.

o Optimum mix of civilian force. (Fig 2-14).

- For purpose of study the civilian force was subdivided into three components: Full-Time Permanent (FTP), Foreign National (FN), and Temporary/Other Hires. Arbitrary ratios on these categories are infeasible due to variations in size/mission of Army commands and unique local country agreements as they affect FN hires. Recent OPM action to extend temporary appointments from one year to four years will provide the greatest flexibility to adjust the mix of the civilian force and replace more expensive, less flexible FTP appointments with temporaries.
- RECOMMENDATION: Issue a message encouraging commands to expand use of temporary hires and establish a goal to back fill 2% of FTP positions with temporaries.

CIVILIAN END STRENGTH STUDY

PARTITION B

HOW SHOULD CIVILIAN MANPOWER LEVELS BE MANAGED?

OBJECTIVE: TO DETERMINE THE BEST METHOD FOR MANAGING CIVILIAN EMPLOYMENT LEVELS:

- END STRENGTH CEILINGS VERSUS OTHER ALTERNATIVE CONTROLS
- IMPROVEMENTS AND SUGGESTED CHANGES IN STRENGTH ACCOUNTING
- OPTIMUM MIX OF CIVILIAN FORCE

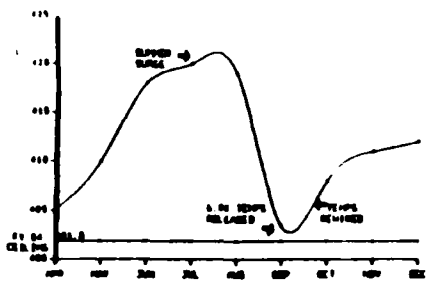
Fig 2-10

CONTROLS ON HIRING

OLD SYSTEM: ES CEILINGS

(HEAD COUNT)
END STRENGTH CEILING:

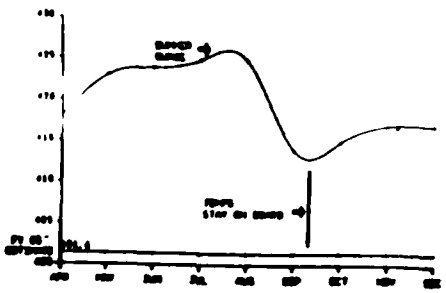
- MUST BE HIT ONLY ON 30 SEP
- USUALLY HIT THROUGH RELEASE OF TEMPS
- NOTE THAT HEAD COUNT IS USUALLY HIGHER THAN CEILING
- MGT TARGETS TO LAST DAY OF FY



NEW SYSTEM: RESOURCE CONTROLS (AFT)

(RESOURCE)
DOLLAR CONTROLS ONLY:

- RELEASE OF TEMPS TO MEET CEILING NOT REQUIRED
- HIRING IS BASED ON BUDGETED DOLLARS
- BUBBLE IN SUMMER MONTHS IS CAUSED BY SEASONAL HIRING
- BUDGET INVESTMENT (DOLLARS) FOR CIVILIANS IS EXPRESSED IN WORKYEARS AS SHOWN IN FY 86 PB:



FY 84	FY 85	FY 86
404.9 (ACTUAL)	404.1 (EST)	403.9 (REQUESTED)

	PRO	CON
ES CEILINGS	o RELATIVELY SIMPLE	o MEANINGLESS EMPLOYMENT MEASURE: IS ONLY HIT ON LAST DAY OF FY o PERSONNEL TURBULENCE ASSOCIATED WITH RELEASE/REHIRE OF TEMPS
AFT	o BETTER CONTROL OF PERSONNEL SPENDING o NO REQUIREMENT TO RELEASE TEMPS o REFLECTS ACTUAL MANPOWER UTILIZATION MORE REALISTICALLY	o INTENSIVE MGT REQUIRED THROUGHOUT FY

Fig 2-11

IMPACT OF REIMPOSING CEILINGS

Release of Temporary Hires to Meet Ceilings. Since ES ceilings apply only on the last day of the fiscal year, previous practice had been to release personnel hired on temporary appointments on 29 September and to rehire them on 1 October. This practice causes undue personnel turbulence and administrative costs.

FY 85 Operations Without Ceilings. As shown on this chart, in FY 84 commands released 6,800 temporary hires to meet the FY 84 ES ceiling. With elimination of ES ceilings in FY 85, Army expected to exceed the FY 85 Budget estimate for civilian employment by 12,000, as shown. However, Army's final FY 85 civilian strength total of 419,971 exceeded the FY 85 estimate of 401,392 by 18,579. Had the FY 85 Budget estimate been a ceiling, commands would have had to release 18,579 temporaries at an admin cost of $9.3 million.

IMPACT OF REIMPOSING CEILINGS

- o COMMANDS WILL BE REQUIRED TO RELEASE TEMPORARY HIRES ON THE LAST DAY OF THE FISCAL YEAR TO MEET ES CEILINGS AND WILL REHIRE TEMPS AT THE BEGINNING OF THE NEW FISCAL YEAR.
  - oo IN FY 84, COMMANDS RELEASED 6,800 TEMPS TO MEET CEILING AT AN ADMIN COST OF $3.4 MILLION (AVG $500 PER EMPLOYEE).
  - oo IN FY 85, COMMANDS WOULD BE REQUIRED TO RELEASE 12,000 TEMPS IF CEILINGS WERE IN EFFECT.
- o COMMANDS WILL LOSE FLEXIBILITY TO RECRUIT ENGINEERS/SCIENTISTS FROM JUNE GRADUATING CLASSES.
- o COMMANDS WILL LOSE FLEXIBILITY TO RESPOND TO UNEXPECTED WORK LOAD CHANGES.
- o INDIRECT FUNCTIONS SUCH AS CONTRACT MONITORING AND LABORATORY ANALYSIS TRADITIONALLY SUFFER IN DISTRIBUTION OF ES.

Fig 2-12

IMPROVEMENTS IN CIVILIAN MANPOWER ACCOUNTING RECOMMENDED FOR IMPLEMENTATION

Accounting improvements listed on this chart are intended to promote more accurate measurement of civilian contributions to readiness:

BASOP Factoring:	Aligns civilian manpower allocation with force structure changes.
NAF in MWR:	Expands use of nonappropriated fund personnel in Morale, Welfare, and Recreation Activities. NAF personnel are not federal employees and do not count in ES ceilings.
Indirect Hires:	IDH Personnel are hired by the host nation on a contractual basis to support OCONUS forces. Since these are not federal employees, an argument could be made to exclude them from ceilings.
Contracted Functions:	Once a function is contracted, Army loses track of manpower requirements to perform the function. This proposal provides a record of Army manpower required to perform the function in-house to assist in measuring contractor efficiency.
FMS Civilians:	Personnel costs for Army civilians supporting FMS activities are paid by the customer government and FMS work load is subject to frequent fluctuations. Since there is no impact on the Army budget, these personnel should be excluded from ES ceilings.
Service Contracts:	Several commands have expressed the desire to be able to procure "Kelly Girl" type services to meet emergencies rather than enduring perceived delays in the civilian personnel system. Although the use of "Kelly Girls" individually is a personal services contract, a contingency contract for a specific service on an as needed basis would accomplish the objective while avoiding the prohibited personal services contract.

IMPROVEMENTS IN CIVILIAN MANPOWER ACCOUNTING RECOMMENDED FOR IMPLEMENTATION:

- DEVELOP AND REFINE A FACTORING MODEL WHICH PERMITS ACCURATE BASOPS ADJUSTMENTS REQUIRED AS A RESULT OF UNIT ACTIVATIONS, INACTIVATIONS, AND CHANGES.
- EXPAND THE USE OF NAF PERSONNEL IN MWR ACTIVITIES.
- INITIATE A PROPOSAL TO EXCLUDE INDIRECT HIRES FROM CIVILIAN EMPLOYMENT TOTALS.
- REQUIRE TAADS DOCUMENTATION OF MANPOWER REQUIREMENTS FOR FUNCTIONS CURRENTLY BEING PERFORMED BY CONTRACTORS.
- EXCLUDE FOREIGN MILITARY SALES (FMS) CIVILIANS FROM LEVEL CIVILIAN STRENGTH POLICY.
- CONTRACT FOR SERVICES RATHER THAN INDIVIDUAL "KELLY GIRLS".

Fig 2-13

OPTIMUM MIX OF CIVILIAN FORCE

Components. The three components of the civilian force: FTP, Foreign National and Temporary, each have critical characteristics which affect the Army's flexibility to manage the civilian force. FTP employees are career civil servants who may be separated only through reduction-in-force. Temporary hires may be employed for up to four years and may be separated on seven day's notice. Foreign nationals are subject to local labor laws. In many cases hiring/firing requires host nation approval.

Characteristics. Since each component has different characteristics and since the varied Army functions are more/less amenable to use of one particular component, it is nearly impossible to prescribe an optimum mix between components.

Recommendations. The best approach to improving efficiency in this area would be to exploit the advantages of the recent OPM policy change which permits use of temporary hires for up to four years. Since temporary hires are less costly than FTP and since the size of the temporary component can be adjusted without undue turbulence, a program to substitute temporary hires for FTP would increase Army's flexibility to adjust the size of the civilian force to meet work load requirements and resource constraints.

OPTIMUM MIX OF CIVILIAN FORCE

COMPONENTS: FULL TIME PERMANENT (FTP)
FOREIGN NATIONAL (FN)
TEMPORARY/OTHER

CHARACTERISTICS: FTP: CAREER CIVIL SERVANT - ABOUT 77% OF FORCE
FN: SUBJECT TO LOCAL GOVERNMENT AGREEMENTS/PRACTICES
TEMP/OTHER: GREATEST FLEXIBILITY TO ADJUST SIZE OF FORCE - TEMPS MAY BE EXTENDED TO FOUR YEARS

RECOMMENDATIONS:

- o EMPHASIZE EFFICIENT USE OF FTP
- o EXPAND USE OF TEMPS BY ESTABLISHING A GOAL TO BACKFILL 2% OF FTP WITH TEMPS

Fig 2-14

RECAP OF PERSONNEL MANAGEMENT PANEL

AIF Test. In FY 83 and FY 84, Army Industrial Fund civilians (about 15% of total civilian force) were exempt by Congress from end strength ceilings. As shown in annual reports to Congress, AIF managers did not engage in unwarranted hiring in a ceiling free environment. For this reason, the AIF Test was considered a success and Congress eliminated all ceilings in FY 85.

FY 85 Exemption Test. In Jul 85, it appeared that the test would be a success. Final FY 85 execution, however, yielded mixed results in relation to the FY 85 Budget estimate: +18,579 strength, +18,000 workyears, +$200 million AFT.

AFT vs ES. AFt may prove to be a more effective method of controlling civilian employment, but FY 85 test reveals that Army leadership must support stricter enforcement of AFT constraints.

Reimposition of Ceilings. If ceilings are reimposed, externally, or in a self-imposed environment, Army should consider constraining manpower only in those programs over which Army has direct control of the work load. For this reason, FMS and other reimbursable manpower levels should not be constrained. NAF should be used in lieu of federal employment where possible. This could affect up to 7,000 AF spaces. The problem of accounting for reserve component technicians must also be explored. Technicians are civilian employees who are also drilling members of the reserve/NG unit for which they are employed. Hence, they are counted in Army's civilian strength and paid drill strength at the same time.

CIVILIAN END STRENGTH STUDY

RECAP OF PERSONNEL MANAGEMENT PANEL

- AIF TEST WITH NO END STRENGTH CONTROL SUCCESSFUL
- FY 85 TEST TO DATE SUCCESSFUL WITH NO END STRENGTH -- POSSIBLE AMC EXCEPTION --
- CONGRESS/OMB/OSD MAY REIMPOSE END STRENGTH CONTROLS
- AFT IS MORE EFFICIENT MANAGEMENT METHOD ALTHOUGH END STRENGTH HAS ADVANTAGE OF SIMPLICITY
- STAFF COORDINATE TO ENSURE THAT DATA BASE RETAINS VISIBILITY OF REQUIREMENTS AFTER CONTRACTING OUT
- COA/PER WORK TO ALIGN DATA BASE
- OPTIMUM MIX OF PERSONNEL (PERMANENT/TEMPORARY) VARIES FROM FUNCTION TO FUNCTION

Fig 2-15

CIVILIAN END STRENGTH STUDY

PERSONNEL MANAGEMENT PANEL (CONT'D)

- REVIEW OPPORTUNITY TO CONTRACT FUNCTIONAL SUPPORT ALA "KELLY GIRL" VS SERVICE CONTRACT
- IF END STRENGTH IS REINSTATED --
  - SHOULD FMS MANPOWER (2100 SPACES) BE REMOVED FROM END STRENGTH CONTROL?
    - -- REQUIRES LEGISLATIVE CHANGE
  - SHOULD APPROPRIATED FUND EMPLOYEES DOING MWR FUNCTONS BE TRANSFERRED TO NON-APPROPRIATED FUND (NAF - 7000 SPACES)?
    - -- REQUIRES COMPTROLLER GENERAL APPROVAL
  - SHOULD ARMY PURSUE AGAIN THE ISSUE THAT MILITARY TECHNICIANS (RC) SHOULD NOT BE DOUBLE COUNTED AS A COMPONENT OF CIVILIAN END STRENGTH?
    - -- REQUIRES OSD/OMB/CONGRESS TO AGREE

Fig 2-16

PARTITION C

2-4 Partition C. This partition was tasked to:

a. Identify those initiatives which offered the Army potential civilian personnel savings.

b. Attempt to quantify such savings.

The work group partition included representatives from ODCSPER, ODCSLOG, ODCSOPS, OACSIM, COA, NGB, OCAR and OCE. Based on suggestions from within the work group and recommendations received from the MACOMs, approximately twenty different initiatives were selected for evaluation.

As the work group progressed, it became evident that the greatest potential for significant Army wide savings resided in the following areas:

a. Automation
b. Improved Technology
c. Army Performance Oriented Reviews and Standards
d. Productivity Capital Investment Programs
e. Commercial Activities

As reflected by Figure 2-17, significant efficiencies are intuitively anticipated from many different automation initiatives, but relatively few space savings have in fact been quantified. The study work group concluded that removal of civilian end strength control resulted in less emphasis on personnel authorizations and resulted in few space savings from automation initiatives.

Recommendation: ACSIM should develop guidance which clearly defines the requirement for a thorough civilian manpower analysis in conjunction with all automation resource requests that claim savings as a result.

Also, shown on Figure 2-17 are those technology innovations (e.g., LOGMARS) which are expected to generate savings but for which few if any savings have been quantified. The work group concluded that increased emphasis is needed on the identification and resolution of such savings.

Although the Army Performance Oriented Reviews and Standards (APORS), Figure 2-18, have the potential to result in a savings of approximately 23,000 civilian spaces during the period 1984-1991, this figure is reduced by previous PBG decrements. As a result, APORS is anticipated to generate only 6,200 spaces (subject to further reductions by the incentive sharing policy).

Productivity Capital Investment Program (PCIP) initiatives include Quick Return on Investment (QRIP), Productivity Enhancing Capital Investment Program (PECIP), and OSD Productivity Investment Funding (OSD-PIF) (Figure 2-19) and are currently projected to result in

approximately three thousand spaces during the period 85-90. Again these projected savings are subject to reductions based on the incentive sharing policy.

The Commercial Activities (CA) Program provides additional manpower authorizations savings. The first savings is truly a productivity savings and results from reorganization to the "most efficient organization" (MEO) as a result of a CA review. Experience during early CA efforts resulted in an average of 15-18 percent below current authorized levels for the function under study. Estimated savings are 2100 during the period 85-88.

The second CA reduction is not a true savings but rather a transfer of in-house functions to an external organization. These space authorizations are then available for other use within the Army's workforce. Estimated spaces to be freed up by CA are 8300 for the period 85-88. These spaces are not available for redistribution until the contracts are in place in the year of execution. CA savings are reduced by prior year decrements of 2000 spaces and will be subject to the Shared Savings Program.

In reviewing projected savings, it became apparent that much of the incentive to vigorously pursue these programs is diminished by the current practice of taking the projected savings in advance. This procedure is viewed as a "salami slice" with little or no functional analysis. Figure 2-20 highlights this problem. It also indicates that although not an efficiency program, Manpower Staffing Standards has thus far resulted in approximately 10 percent reduction in both requirements and authorizations.

Recognizing that shared savings must provide the stimulus for efficiency programs, Figure 2-21 reflects a proposed shared savings program. The fundamental tenets of this policy are that all civilian manpower savings should be shared on a 50-50 basis and all military savings would revert to DA. This policy should be applied consistently across all efficiency/productivity programs (CA, APORS, and PCIP).

Figure 2-22 summarizes the effect of a 50-50 shared savings program for the period 1985-91 based on current projections. As can be seen, the MACOMs would realize approximately 2,200 civilian spaces per year for reapplication to other requirements. The net savings to DA is diminished by known decrements and is projected to range from a negative 818 in 1987 to a high of 1,521 in 1990.

The major conclusions of the partition work group are displayed at Figure 2-23. In summary, the group found that the new initiatives in POM 87-91 are being resourced based on projected APORS savings, European attrition, and prior year commercial activities decrements. The practice of taking savings in advance has:

a. Caused a negative MACOM perception that APORS is just another means of effecting a "salami slice" reduction.

b. Created a reluctance to identify potential savings due to the threat of premature decrement. If the efficiency programs are to be effective, a viable shared savings program must be established to provide the necessary incentive.

The partition work group also concluded that the removal of end strength controls has resulted in insufficient attention being given to the identification of space savings associated with automation and technological initiatives.

In addition to the recommendation to establish a 50-50 shared shared savings program, the partition work group recommended that: (Figure 2-24):

a. The potential to contract with the NGB for the operation of Wingate and Savannah Army Depots be explored given the success experienced with similar operations at Navajo.

b. The potential for state contract operation of selected additional Reserve Component training sites be studied.

c. The NGB consider contracting with the states for selected USPFO and state headquarters' functions.

d. The USAR address the potential for contracting selected headquarters' activities and maintenance/management functions at AMSAA/ECS.

e. The Assistant Chief of Staff for Information Management aggressively pursue identification of civilian space savings associated with automation.

CIVILIAN END STRENGTH STUDY

TECHNOLOGY/AUTOMATION

QRIP/PECIP/PIF	2936	SPACES IDENTIFIED 84 - 90
VIABLE	604	SPACES TAKEN 85 & 86
FINANCE SYSTEM REDESIGN	206	(SPACES INCLUDED IN QRIP/PECIP/PIF TOTAL)
PROJECT UPDATE	UNK	APPROX 1100 SPACES DEVOTED TO PRINT/EDIT/PUB FUNCTIONS

LOGMARS APPLICATIONS STILL EVOLVING

- PROPERTY ACCOUNTABILITY - EMERGING RESULTS WITH 3 COMMANDS INDICATE 4%
- TEXT BOOK ISSUE - USMA - ANTICIPATE SAVINGS APPROACHING 10%
- AMC - AMMUNITION MARKING/INVENTORY
  - WHOLESALE/RETAIL SHIPPING
  - GENERAL SUPPLY INVENTORY
  - TOOL CONTROL SYSTEM

Fig 2-17

ARMY PERFORMANCE ORIENTED REVIEWS AND STANDARDS

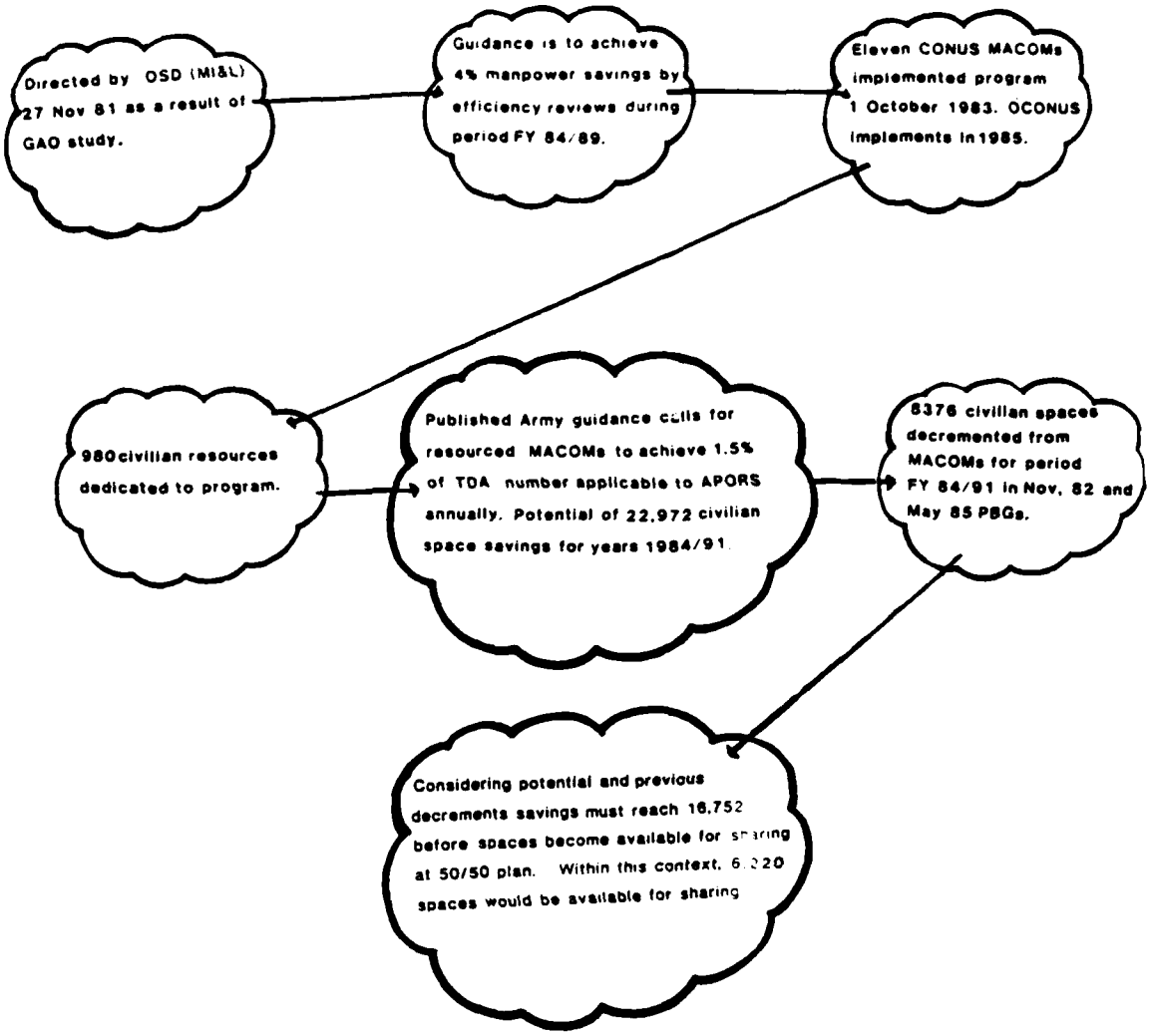


Fig 2-18

PRODUCTIVITY CAPITAL INVESTMENT PROGRAMS

OBJECTIVE

TO FINANCE FAST PAYBACK EQUIPMENT AND FACILITIES THAT INCREASE PRODUCTIVITY, REDUCE COSTS, SAVE MANPOWER, AND IMPROVE READINESS

PROGRAM	PROJECT COST	AMORTIZATION	FUNDED
• QUICK RETURN ON INVESTMENT PROGRAM (QRIP)	NTE $100,000	2 YEARS OR LESS	ARMY (PDIP 853A & 857A)
• PRODUCTIVITY ENHANCING CAPITAL INVESTMENT PROGRAM (PECIP)	$100,000 OR MORE	4 YEARS OR LESS	ARMY (PDIP 853A & 857A)
• OSD PRODUCTIVITY INVESTMENT FUNDING (OSD PIF)	$100,000 OR MORE	4 YEARS OR LESS	OSD (PBD 197)

FUNDING PROFILE

FY	85	86	87	88	89	90	91
QRIP PECIP	24.4	47.5	55.4	53.6	63.8	71.5	107.2
* OSD PIF	49.9	67.4	12.9	1.5	4		
TOTAL	74.3	114.9	68.3	55.1	64.2	71.5	107.2

*OSD Funds Annually

SAVINGS MATERIALIZE - 2 YEARS AFTER FUNDING YEAR

SAVINGS TRACK RECORD

DOLLAR SAVINGS ($MILLIONS)

81-84	85	86	87	88	89	90	TOTAL
93.4	48.0	181.1	270.6	280.8	265.0	199.0	1,140.0

MANPOWER SPACES SAVED

	81-84	85	86	87	88	89	90	TOTAL
CIVILIAN	58	100	174	644	610	605	590	2936
MILITARY	65	61	104	126	138	143	90	1015
TOTAL	130	160	278	770	784	756	940	3951

EQUIVALENT MANPOWER SAVINGS

	81-84	85	86	87	88	89	90	TOTAL
CIVILIAN	100	503	844	1379	1183	933	703	5644
MILITARY	65	187	1325	1004	1302	1834	1612	7769
TOTAL	301	700	2169	2383	2716	2487	2370	13413

Fig 2-19

CIVILIAN END STRENGTH STUDY

SPECIAL CONSIDERATIONS

- CA SAVINGS FROM CONTRACTING NOT AVAILABLE UNTIL YEAR OF EXECUTION
- MANY SAVINGS HAVE BEEN TAKEN IN ADVANCE
  - -- MACOM PERCEPTION OF SALAMI SLICE NOT EFFICIENCY PROGRAM - 8376
  - -- USAREUR SLICE NOT APORS - BUT SAME IMPACT - 676
  - -- CA SAVINGS FROM EARLY PROGRAM YEARS - 2046
- MS3 NOT AN EFFICIENCY PROGRAM - BUT - APPROX 8000 SPACES REVIEWED PRODUCED APPROX 10% REDUCTIONS IN REQUIREMENTS AND AUTHORIZATIONS
- DEFENSE GUIDANCE DELETED REFERENCE TO THE FACT THAT SERVICES MAY REAPPLY SAVINGS

Fig 2-20

TENTATIVE SHARED SAVINGS PROGRAM

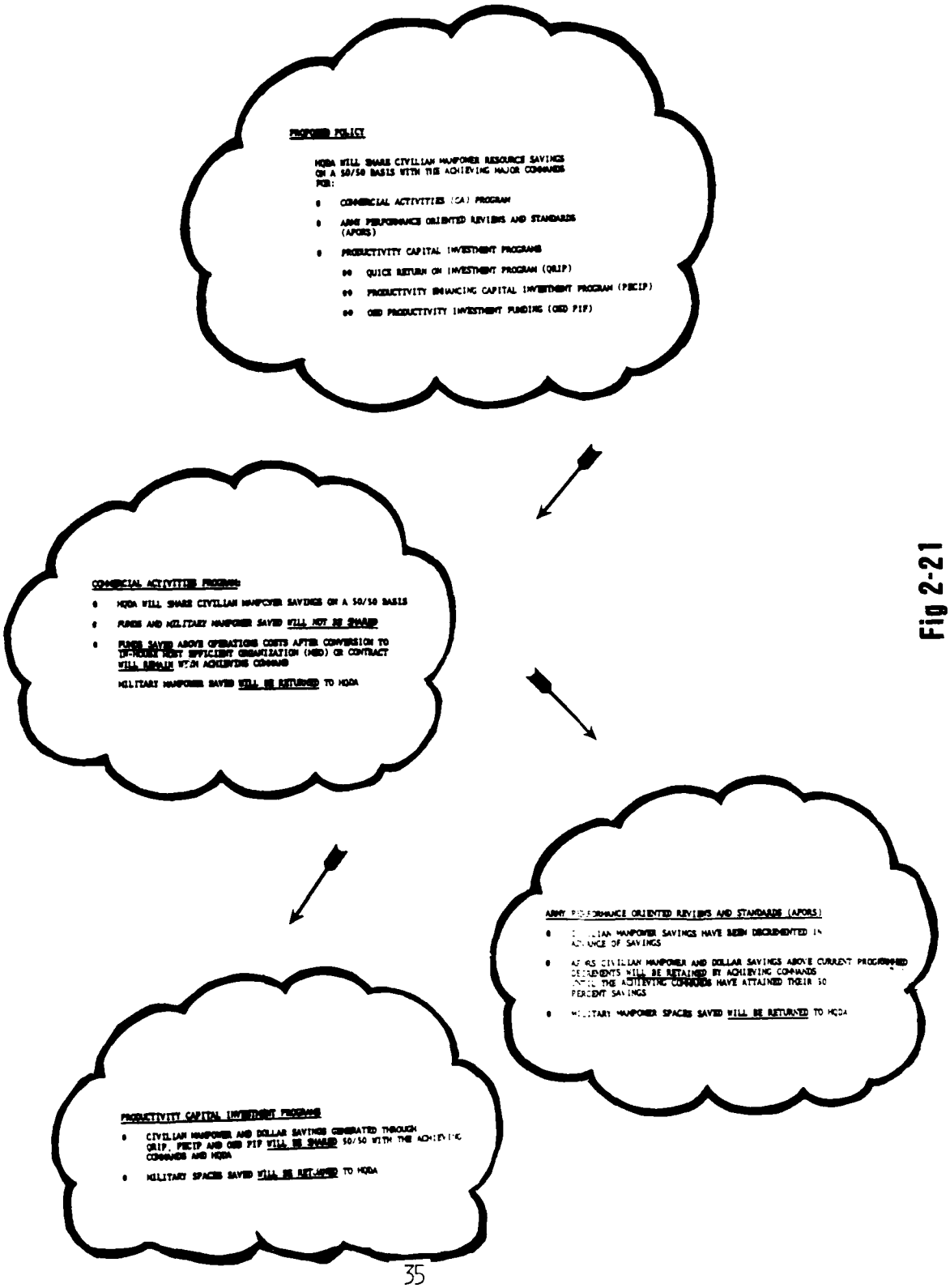


Fig 2-21

CIVILIAN END STRENGTH STUDY

SUMMARY MANPOWER

RQMIS (MS-3 (CURRENT EXPERIENCE - 10% OF REQUIREMENTS)

	1985	1986	1987	1988	1989	1990	1991
AUTHORIZED							
APORS	3705	3645	3585	3525	3465	3400	415
CA MED (10%)	275	1011	720	128	TBD	TBD	TBD
QRIP/PECIP/PIF	109	354	644	616	608	550	TBD
SUB-TOTAL	4089	5010	4949	4269	4073	3950	415
LESS MACOM SHARE (50%)	2044	2505	2474	2134	2036	1975	207
DA SHARE	2045	2505	2475	2135	2037	1975	208
DIO/DEH/MEDDAC S&M CONSOL	--	--	100	150	150	--	--
TOTAL AVAILABLE	2045	2505	2575	2285	2187	1975	208
DECREMENTS							
APORS	947	947	2780	1103	856	96	415
EUR ATTRITION	--	--	--	--	240	358	78
CA BILLS	940	40	613	436	17	--	--
NET (DA-DECREMENTS)	158	1518	(818)	746	1074	1521	(285)
YEAR OF EXECUTION SAVINGS - CA	1071	3354	3254	580	TBD	TBD	TBD

Fig 2-22

CIVILIAN END STRENGTH STUDY

CONCLUSIONS

- NEW INITIATIVES HAVE BEEN FUNDED IN POM 87-91 BY PROJECTING ANTICIPATED EFFICIENCIES THRU APORS 8376, EUROPEAN ATTRITION 676, AND PRIOR YEAR CA DECREMENTS
- PROJECTING EFFICIENCIES CAUSES A NEGATIVE PERCEPTION AT A.O. LEVEL THAT THE APORS PROGRAM IS "SALAMI SLICE" BY ANOTHER NAME
- REMOVAL OF END STRENGTH CONTROL RESULTED IN LESS ATTENTION BEING GIVEN TO SPACE SAVINGS OF AUTOMATION INITIATIVES
- STAFF/MACOMs RELUCTANT TO IDENTIFY POTENTIAL SAVINGS DUE TO FEAR OF PREMATURE DECREMENT
- AFT APPEARS TO BE MORE EFFECTIVE MANAGEMENT SYSTEM - THOUGH CES IS SIMPLER
- FIXING AND LIVING WITHIN A LEVEL END STRENGTH IS ACHIEVABLE IN THE NEAR TERM THROUGH CURRENT EFFICIENCY PROGRAMS ASSUMING REAPPLICATION OF SAVINGS
- TO ENSURE SUCCESS OF EFFICIENCY PROGRAMS A CHANGE TO THE CURRENT INCENTIVE PROGRAM IS ESSENTIAL

Fig 2-23

CIVILIAN END STRENGTH STUDY

RECOMMENDATIONS; LONGER TERM ACTIONS TO REDUCE CIVILIAN END STRENGTH

- STUDY POTENTIAL TO CONTRACT WITH STATE TO OPERATE TWO ADDITIONAL DEPOTS:

  -- WINGATE, NM)
  -- SAVANNAH, IL) BASED ON SUCCESS AT NAVAJO DEPOT

- STUDY POTENTIAL TO CONTRACT STATE OPERATION OF SELECTED RC TRAINING SITES:

CONSIDER	ALREADY DONE BY STATES
A. P. HILL	SHELBY, MS
PICKETT	ROBINSON, AR
MCCOY	ROBERTS, CA
BUCHANAN	BLANDING, FL
CHAFFEE	GOWON FIELD, ID
INDIANTOWN GAP	EDWARDS, MA
	GRAYLING, MI
	RIPLEY, MN

Fig 2-24

CIVILIAN END STRENGTH STUDY

RECOMMENDATIONS: (CONT'D)

- NGB - STUDY CONTRACT WITH STATES TO DO SELECTED US PROPERTY AND FISCAL OFFICE FUNCTIONS AND STATE HQ
- USAR - STUDY CONTRACT FOR AMSAA/ECS OR SELECTED FUNCTIONS IN HQ
- ENSURE MACOMs UNDERSTAND THEY NEED TO FUND ALL NEW INITIATIVES IN THEIR 50% OF EFFICIENCIES
- ACSIM DEVELOP "FULL COURT PRESS" ON IDENTIFICATION OF CIVILIAN SPACE SAVINGS WITH EACH AUTOMATION INITIATIVE
- COA/PER ALIGN STREAMLINE DATA BASES
- STUDY GROUP - MESSAGE TO MACOMs ON RESULTS OF STUDY RESULTS

Fig 2-24 (Contd)

Chapter 3

Conclusions and Recommendations

3-1. CSA Decision Briefing. As a result of the 27 June SAG III, a decision briefing was prepared and presented to the Chief of Staff on 18 July 1985. (copy at Appendix C).

a. Major conclusions were:

(1) Current procedures do not create incentives or quantify space savings associated with productivity/technology initiatives (exception - QRIP/PECIP/PIF).

(2) MACOMs project productivity improvements but do not identify space savings (reapply savings to other functions with no audit trail).

(3) No mechanism exists to share productivity improvements applicable to more than originating MACOM.

(4) New initiatives were funded in POM 87-91 by projecting anticipated efficiencies.

- APORS 8376 - European attrition 676 - and prior year CA decrements. (This causes a negative perception that APORS program is a "salami slice" by another name.)

(5) AFT appears to be more effective management system - though CES is simpler.

(6) To ensure success of efficiency programs, a change to the current incentive program is essential.

(7) Fixing and living within a level end strength is achievable in the near term through current efficiency programs (assumes reapplication of savings).

b. Recommendations were to:

(1) Continue to emphasize the need for productivity improvement, capitalizing on available technology.

(2) Approve concept of restoring decrements from CA spaces (year of execution).

(3) Develop PPBES procedures to apply savings - PAED/COA/DCSPER.

(4) Finalize/publicize shared savings policy to restore productivity incentives - COA.

(5) Develop guidance which clearly defines requirement for civilian manpower analysis with automation resource requests - ACSIM.

(6) Streamline personnel data bases - COA/DCSPER.

(7) Refine APORS savings estimates for program/budget action - COA.

(8) Continue personnel management by annual financial target - DCSPER/COA.

- Be prepared to execute under end strength (NAF, reimbursables, military technicians).

(9) Develop methods to evaluate and apply productivity opportunities beyond originating MACOM - COA/ACSIM.

(10) Study contract opportunities in U.S. property and fiscal offices and state headquarters - NGB.

c. The Chief of Staff deferred action on the recommendations and requested a subsequent briefing with the following guidance.

(1) Need to do more to take advantage of technology improving productivity of work force.

(2) Re-look civilian manpower management control and identify a control measure which avoids the inefficiencies of end strength control but provides a method of control in addition to annual financial target ($).

3-2. CSA Folow-on Brief. On 9 August 1985, the final Civilian End Strength Study was briefed to and approved by the Chief of Staff. A copy of the briefing is attached as Appendix D.

In summary, the study recommended establishment of a Productivity Improvement Program and continued emphasis on efficiency prograams to increase the capability of the work force. CSA also approved the development of a method of manpower management in addition to the Annual Financial Target Method currently (FY 85) in use.

3-3. Specific Taskings. The following are special taskings that resulted from the study. (Tasking memo is at Appendix E.)

a. COA will:

(1) Determine and publish the shared savings rule for implementation as of 1 October 1985.

(2) Develop (with ASA-FM) a Productivity Improvement Program and provide periodic updates to the CSA. SUSPENSE: 1 October 1985.

(3) Streamline data bases involved in civilian work force management as highlighted by MACOM responses. SUSPENSE: 31 October 1985.

(4) Refine APORS and CA (MEO) savings estimates; provide results to PAED for programming. SUSPENSE: 1 January 1986.

b. ACSIM will:

(1) Develop/implement guidance requiring manpower analysis for all resource requests for funding of automation/technology initiatives. SUSPENSE: 1 November 1985.

(2) ACSIM will establish staff procedures to cross-fertilize good (applicable) savings initiatives beyond originating MACOMs. SUSPENSE: 1 November 1985.

c. PAED will:

(1) Where possible, provide additional resources for the PIP beginning in FY 87. The goal is to implement the ramp approved by the CSA for the out years. SUSPENSE: 1 January 1986.

(2) Determine the programming procedures resulting from concept described in CESS to restore the "Efficiency Incentive Program." (CSA has directed that we stop decrementing MACOMs in advance. Outyear tails of Commercial Activity savings generated will be used as a billpayer in Total Army Analysis (TAA) in which restoral of advanced decrements will compete, along with other requirements identified in TAA. Execution year savings will receive priority consideration to APORS payback in that year.) SUSPENSE: Prior to POM 88.

d. DCSPER will:

(1) Develop method of civilian work force (manpower) control that provides discipline while allowing some MACOM flexibility.

(2) Identify procedures to be used in tightening controls for FY 86. SUSPENSE: 1 October 1985.

Appendices

UNITED STATES ARMY

THE CHIEF OF STAFF

5 March 1985

MEMORANDUM FOR: UNDER SECRETARY OF THE ARMY
VICE CHIEF OF STAFF
DIRECTOR OF THE ARMY STAFF
ALL ARMY STAFF PRINCIPALS

SUBJECT: Civilian Manpower End Strength

1. The Army deserves great credit for ongoing efforts to capitalize on productivity enhancing technology and thereby move soldiers from less productive tasks into combat capability. The Logistics Unit Productivity Study (LUPS) and other efforts such as acquisition of Mobile Subscriber Equipment, as well as mini-computers, all should contribute to improved productivity on the support side of the Army. The fixed end strength of the Active Army and efficient stewardship of resources require that we capitalize on these productivity enhancing endeavors in order to create as much deterrent strength as possible.

2. A parallel effort must be undertaken on the civilian side of the Army, and I recognize that some progress already is underway. Unless we are resourceful and aggressive in this area, growth of civilian end strength could be viewed by the Congress as inconsistent with the Army's efforts to improve productivity on the uniformed side. While it is recognized that modernization programs and increased facilities associated with the two additional divisions, as well as the growth of family programs, will warrant additional civilian manpower, our goal should be to hold civilian end strength relatively constant by capitalizing on productivity enhancing technology and other efficiencies.

3. Accordingly, I would like a task group to be organized, with DCSLOG in the lead, to lay out the feasibility of achieving a fixed civilian end strength goal together with opportunities for capitalizing on productivity enhancing technology.

Wickham

JOHN A. WICKHAM, JR.
General, United States Army
Chief of Staff

CF: ASA(CW)
ASA(FM)
ASA(I&L)
ASA(RDA)
ASA(M&RA)

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D.C. 20310

7 JUN 1985

DACS-ZD

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Civilian Manpower End Strength Study - INFORMATION MEMORANDUM

1. PURPOSE: The memorandum directs the performance of the subject study and provides for the establishment of the Study Working Group (SWG), the Study Advisory Group (SAG), and the milestones for the completion of the study.

2. BACKGROUND:

a. Selected references:

(1) Memorandum from Chief of Staff, Army, subject: "Civilian Manpower End Strength," 5 March 1985 (enclosed).

(2) Memorandum from the DCSLOG, subject: "Civilian Manpower End Strength," 18 March 1985 (enclosed).

b. Discussion:

(1) Recent Logistics Unit Productivity Studies (LUPS) have identified productivity enhancing technology in many support areas thus enabling military manpower resources to be applied to other critical requirements while maintaining a constant Active Army end strength.

(2) The draft FY 87-91 Program Objective Memorandum (POM), reflected significant growth in civilian manpower requirements. This growth was viewed as inconsistent with the Army maintaining a fixed Active Army end strength.

(3) Accordingly, the Chief of Staff has directed the conduct of this study to determine the feasibility of establishing a fixed civilian end strength goal and to identify potential productivity enhancements within the civilian work arena.

3. ORGANIZATION:

a. Study Sponsor: DCSLOG

b. Study Director: LTG Benjamin Register, Jr.

c. Study Advisory Group (SAG). The chairman of the SAG will be the DCSLOG. Members of the SAG will be ODCSPER's Director of Manpower, Programs and Budget, ODCSOP's Director of Force Development, ODCSRDA's Director of Materiel, Plans and Programs, the Comptroller of the Army, OCSA's Director of Program Analysis and Evaluation and Director of the Study Program Management Office, the Assistant Chief of Engineers, the Deputy Surgeon General, the Director Army National Guard, the Chief Army Reserve, the Deputy Assistant Chief of Staff for Information Management.

d. Study Working Group (SWG). The chairman of the SWG will be COL Merle Freitag. Each of the following will provide at least one member at the 0-6/GM-15 level to the SWG: DCSPER, DCSLOG, DCSOPS, DCSRDA, ACSIM, ACSI, COA, OCE, OTSG, NGB, OCAR, PAED, DM, JAG, TIG, Chaplain.

4. TERMS OF REFERENCE:

a. Scope. This study will embrace the totality of civilian manpower employed in support of the Active or Reserve Components of the Army, worldwide.

b. Objectives:

(1) Determine the nature, character, and cause of growth in civilian end strength as projected in POM 87-91.

(2) Identify the optimum means of expressing an Army civilian strength goal.

(3) Identify potential civilian high payoff productivity enhancements and areas for potential savings in civilian manpower.

c. Timeframes:

(1) Study period. The study should address the POM period 1987-1991.

(2) Study completion:

(a) The SWG will meet and initiate efforts NLT 29 March 1985.

(b) The study will be completed NLT 30 June 1985.

(c) The SWG will present Interim Progress Reviews to the SAG, as appropriate.

d. Study Methodology. The SWG will be partitioned in three elements as follows:

(1) Partition A (COA lead) - Review current budget and program documents to ensure that all civilian manpower authorizations are accurately recounted and reflected in the data base. Particular attention will be paid to programs to ensure that spac savings have been captured and perpetuated from prior year investment decisions.

(2) Partition B (DCSPER lead) - Review Army's position that civilian employment levels should be managed on the basis of budgeted personnel costs and average strength as opposed to end strength ceilings. Also, analyze and propose the most efficient civilian work force mix (permanent, temporary, foreign national, contractor).

(3) Partition C (DCSLOG lead) - Identify and evaluate initiatives with potential civilian personnel savings. Particular attention should be paid to productivity improvements similar to those in the Logistics Unit Productivity Study and other areas offering space savings through consolidation, contracting or technology acquisition.

e. STUDY REPORT. The SWG will prepare a final report that will be coordinated with appropriate ARSTAF agencies.

5. Controls:

a. The SWG chairman may consult with the SAG chairman or any SAG member at anytime.

b. The SWG will be guided by the decisions of the SAG.

DACS-ZD
SUBJECT: Civilian Manpower End Strength Study - INFORMATION MEMORANDUM

c. The SWG may communicate directly with all ARSTAF agencies, the Army FOAs, and Army MACOMs, which will provide requested information and support to the SWG during the conduct of this study.

d. Study will be conducted IAW AR 5-5 and DA Pamphlet 5-5.

Encls

for ARTHUR E. BROWN, JR.
Lieutenant General, GS
Director of the Army Staff

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DACS-DMZ-A
DACA-CACC

CIVILIAN END STRENGTH STUDY

UNCLASSIFIED

18 July 1985

CIVILIAN
END STRENGTI
STUDY

BACKGROUND

- 5 MAR - CSA MEMO
  - 29 MAR - STUDY GROUP CONVENED W/ARSTAF REPS
    - 8 APR - SECARMY MEMO
      (DECISION TO CAP POM APPROX 406.1)
      - 16 APR - SAG I
        - 20 MAY - SAG II

CIVILIAN
END STRENGTH
STUDY

MISSION

TO LAYOUT FEASIBILITY OF ACHIEVING A FIXED CIVILIAN END STRENGTH GOAL TOGETHER WITH OPPORTUNITIES FOR CAPITALIZING ON PRODUCTIVITY ENHANCING TECHNOLOGY.

CIVILIAN END STRENGTH STUDY

OVERVIEW OF CONDUCT OF STUDY

- REVIEW GROWTH TO PROMOTE UNDERSTANDING
- REVIEW BUDGET/PROGRAM DATA BASE TO ENSURE ACCURATE STATUS
- REVIEW/EVALUATE/RECOMMEND BEST MANAGEMENT METHODOLOGY - ANNUAL FINANCIAL TARGET VS CIVILIAN END STRENGTH
- REVIEW PROGRAM FOR AUTOMATION INITIATIVES WITH MANPOWER SAVINGS
- INVITE MACOM PARTICIPATION THRU SUBMISSION OF IDEAS, NEW INITIATIVES
- SUMMARIZE POTENTIAL FOR SAVINGS

CIVILIAN END STRENGTH STUDY

WHAT DOES ANALYSIS OF PAST AND PROJECTED GROWTH SHOW?

1981-1985

-- REQUIREMENTS INCREASED 59800 + 14.4%

-- AUTHORIZATION INCREASED 30759 + 8.29%

-- MAJOR COMMAND GROWTH (CRITERIA > 5%)

	1981 - 1985 (%)		1981 - 1991 PROJECTION
	RQMTS	AUTH	AUTH(%)
TRADOC	13.1	12.3	15.5
FORSCOM	14.7	15.6	20.4
IN SYS COM	14.1	18.7	19.3
USAREUR	31.8	14.5	20.2

-- MAJOR APPROPRIATION GROWTH (> 5%)

	1981 - 1985 AUTH (%)	1981 - 1991 PROJECTION (%)
P2	14.1	18.8
P7	8.0	15.2
P8	8.1	9.3
OMARNG	8.4	17.8
OMAR	8.3	22.7

-- UTILIZATION OF AUTHORIZED SPACES AVERAGED 99%

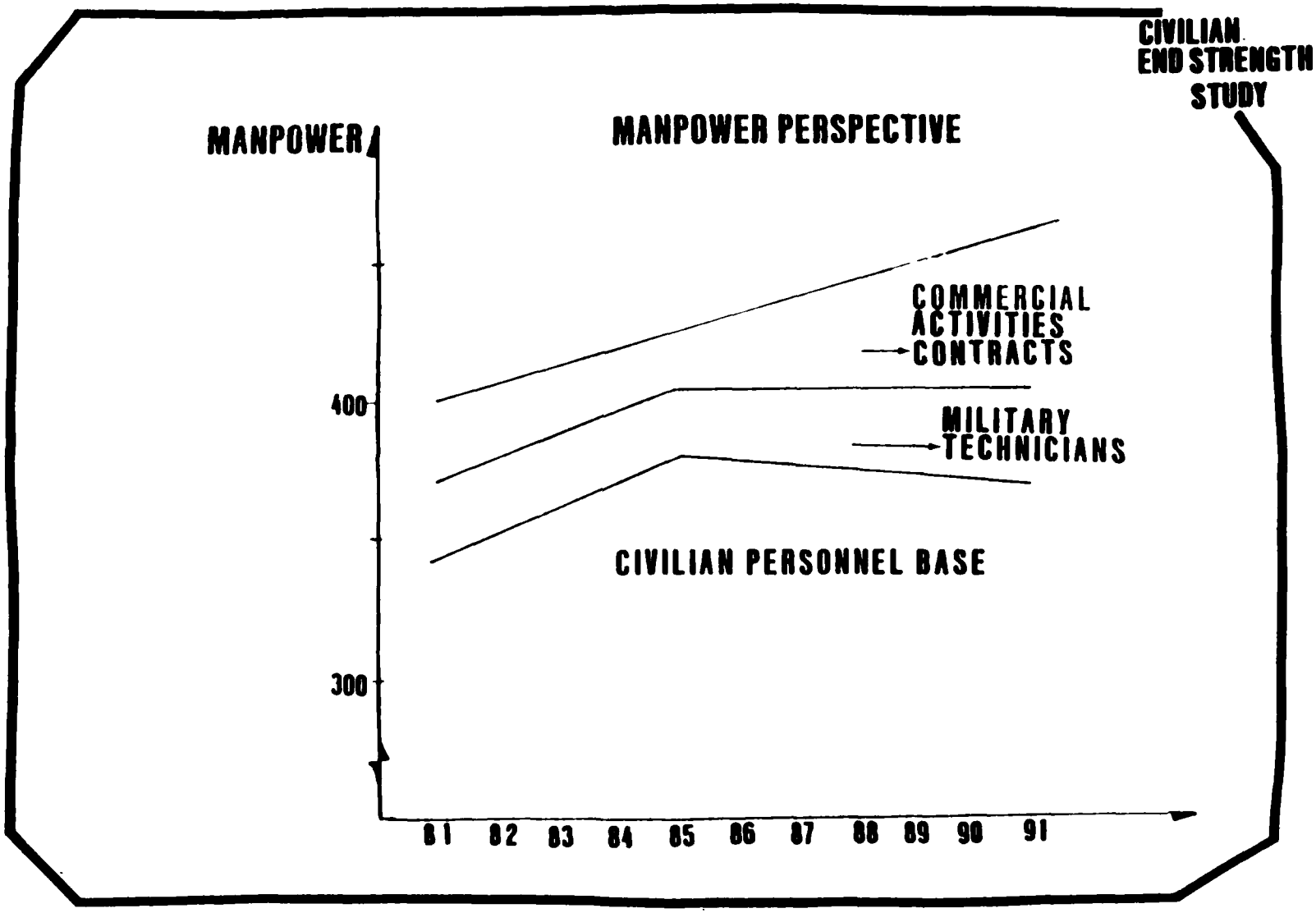
CIVILIAN END STRENGTH STUDY

-- FUNCTIONAL BREAK BY PANEL 85-91

STRUCTURE	+ 14.6
MANNING	+ 0.4
TRAINING	- 1.3
MOBILIZATION	+ 6.2
FACILITIES	- 0.5
INFORMATION MGT	+ 1.0
EQUIPPING	+ 29.9
SUSTAINING	- 6.8
MANAGING	- 18.2

-- SELECTED DEFENSE PLANNING PROGRAMING CATEGORIES 81-91

BASOPS - COMBAT INSTALLATIONS	+ 8692	+ 10.8%
MEDICAL SUPPORT	+ 1531	+ 11.3%
PERSONNEL SUPPORT	+ 1747	+ 21.8%
INDIVIDUAL SUPPORT	+ 2098	+ 16.8%
FORCE SUPPORT	+ 957	+ 87.0%
CENTRAL LOGISTICS - SUPPLY	+ 6642	+ 27.8%
MAINT	- 5260	- 13.2%
LOG SPT	+ 4846	+ 33.5%
CENTRAL SUPPORT	+ 9649	+ 30.8%


CIVILIAN END STRENGTH STUDY
MANPOWER PERSPECTIVE
MANPOWER
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MILITARY TECHNICIANS
CIVILIAN PERSONNEL BASE
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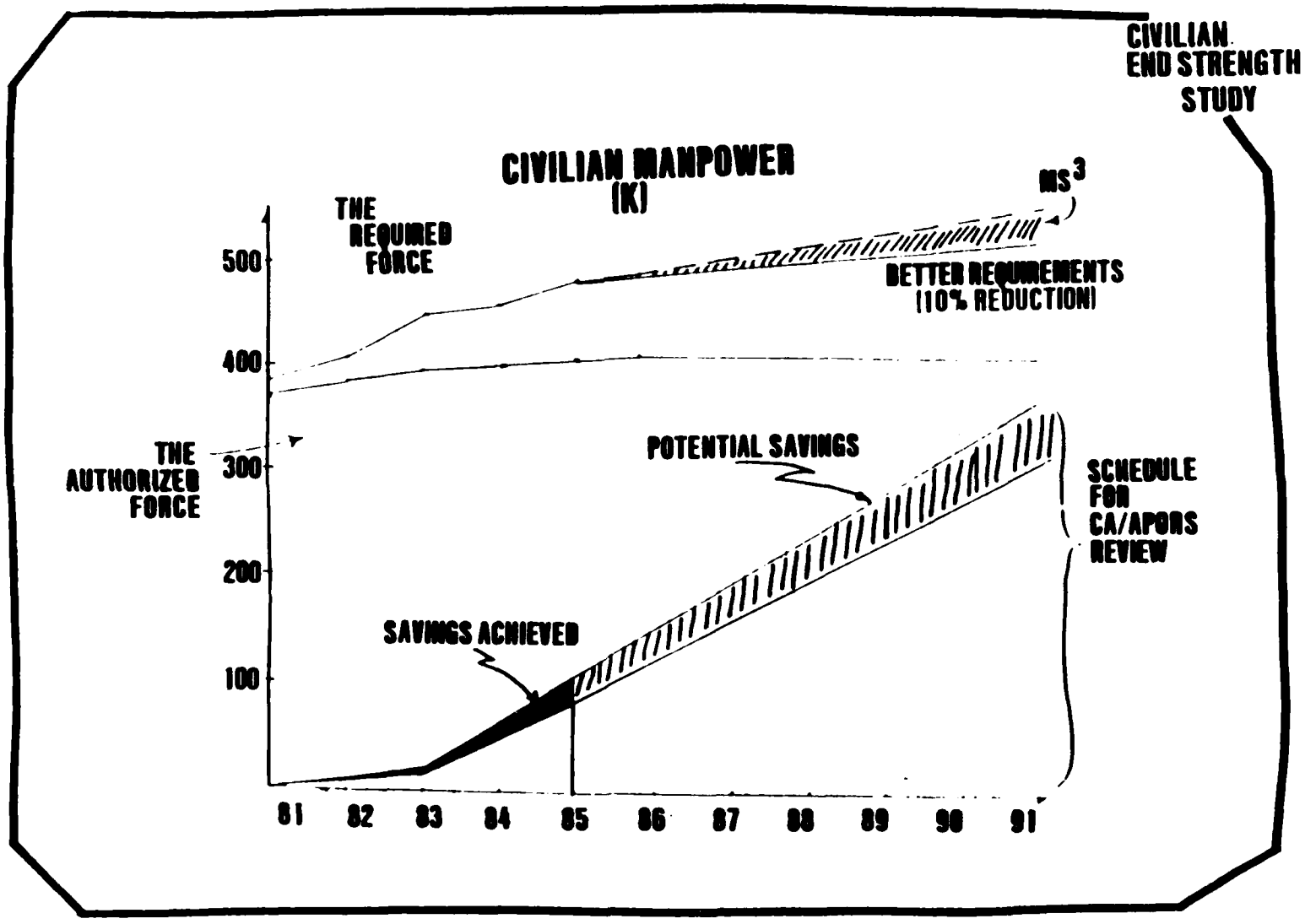
CIVILIAN END STRENGTH STUDY
CIVILIAN MANPOWER (K)
MS3
THE REQUIRED FORCE
BETTER REQUIREMENTS (10% REDUCTION)
500
400
300
200
100
THE AUTHORIZED FORCE
POTENTIAL SAVINGS
SCHEDULE FOR CA/APORS REVIEW
SAVINGS ACHIEVED
81
82
83
84
85
86
87
88
89
90
91

CIVILIAN
END STRENGTH
STUDY

RECAP OF PERSONNEL MANAGEMENT PANEL

- AIF TEST WITH NO END STRENGTH CONTROL SUCCESSFUL
- FY 85 TEST TO DATE SUCCESSFUL WITH NO END STRENGTH -- POSSIBLE AMC EXCEPTION --
- CONGRESS/OMB/OSD MAY REIMPOSE END STRENGTH CONTROLS
- AFT IS MORE EFFICIENT MANAGEMENT METHOD ALTHOUGH END STRENGTH HAS ADVANTAGE OF SIMPLICITY
- STAFF COORDINATE TO ENSURE THAT DATA BASE RETAINS VISIBILITY OF REQUIREMENTS AFTER CONTRACTING OUT
- COA/PER WORK TO ALIGN DATA BASE
- OPTIMUM MIX OF PERSONNEL (PERMANENT/TEMPORARY) VARIES FROM FUNCTION TO FUNCTION

PERSONNEL MANAGEMENT PANEL (CONT'D)

CIVILIAN END STRENGTH STUDY

REVIEW OPPORTUNITY TO CONTRACT FUNCTIONAL SUPPORT ALA "KELLY GIRL" VS SERVICE CONTRACT

IF END STRENGTH IS REINSTATED --

- SHOULD FMS MANPOWER (2100 SPACES) BE REMOVED FROM END STRENGTH CONTROL?
  - -- REQUIRES LEGISLATIVE CHANGE
- SHOULD APPROPRIATED FUND EMPLOYEES DOING MWR FUNCTONS BE TRANSFERRED TO NON-APPROPRIATED FUND (NAF - 7000 SPACES)?
  - -- REQUIRES COMPTROLLER GENERAL APPROVAL
- SHOULD ARMY PURSUE AGAIN THE ISSUE THAT MILITARY TECHNICIANS (RC) SHOULD NOT BE DOUBLE COUNTED AS A COMPONENT OF CIVILIAN END STRENGTH?
  - -- REQUIRES OSD/OMB/CONGRESS TO AGREE

CIVILIAN END STRENGTH STUDY

SPECIAL CONSIDERATIONS

- CA SAVINGS FROM CONTRACTING NOT AVAILABLE UNTIL YEAR OF EXECUTION
- MANY SAVINGS HAVE BEEN TAKEN IN ADVANCE
  - -- MACOM PERCEPTION OF SALAMI SLICE NOT EFFICIENCY PROGRAM - 8376
  - -- USAREUR SLICE NOT APORS - BUT SAME IMPACT - 676
  - -- CA SAVINGS FROM EARLY PROGRAM YEARS - 2046
- MS3 NOT AN EFFICIENCY PROGRAM - BUT - APPROX 8000 SPACES REVIEWED PRODUCED APPROX 10% REDUCTIONS IN REQUIREMENTS AND AUTHORIZATIONS
- DEFENSE GUIDANCE DELETED REFERENCE TO THE FACT THAT SERVICES MAY REAPPLY SAVINGS

CIVILIAN END STRENGTH STUDY

PRODUCTIVITY ENHANCING TECHNOLOGY

PROJECT	CIVILIAN SPACES SAVED	CIVILIAN MANYEARS
• FINANCE SYSTEM REDESIGN	206	
• ROBOTS FOR AMMUNITION PLANTS	7	
• CIVILIAN PERSONNEL OFFICE AUTOMATION	350	
• AUTOMATED ADMINISTRATIVE SYSTEM (TRADOC)	55	
• MICROWAVE LINK COMMUNICATION SYSTEM	11	
• MULTIFUNCTIONAL AUTOMATION SYSTEM	18	
• COMPUTER BASED INSTRUCTION SYSTEM (TRADOC)		573
• COMPUTER AIDED ENGINEERING DESIGN		37
• MILITARY OPERATIONS AUTOMATION SYSTEM		45
• STATE/TERRITORY AUTOMATION SYSTEM		923
• AUTOMATED DESIGN AND DRAFTING SYSTEM		14
• ADVANCED SENSOR TEST FACILITY		34
• HIGH POWER MICROWAVE TEST CHAMBER		10
• AUTOMATION OF BASELINE COST ESTIMATE PROCESS		53

PRODUCTIVITY ENHANCING TECHNOLOGY (CONT'D)	CIVILIAN SPACES SAVED	CIVILIAN MANYEARS
• AREA ORIENTED DEPOT SAVINGS		279 FY88 TO 1315 FY91
• CONSOLIDATION OF AIRCRAFT MAINTENANCE FUNCTIONS -- CORPUS CHRISTI	348	

- PROJECT UPDATE -- APPROX 1100 SPACES DEVOTED TO PRINT/EDIT/PUB FUNCTIONS
- LOGMARS APPLICATIONS STILL EVOLVING
  - PROPERTY ACCOUNTABILITY - EMERGING RESULTS WITH 3 COMMANDS INDICATE 4%
  - TEXT BOOK ISSUE - USMA - ANTICIPATE SAVINGS APPROACHING 10%
  - AMC - AMMUNITION MARKING/INVENTORY
    - WHOLESALE/RETAIL SHIPPING
    - GENERAL SUPPLY INVENTORY
    - TOOL CONTROL SYSTEM

CIVILIAN END STRENGTH STUDY

SUMMARY MANPOWER

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YEAR OF EXECUTION SAVINGS - CA	1071	3354	3254	580	TBD	TBD	TBD

CIVILIAN END STRENGTH STUDY

CONCLUSIONS

- CURRENT PROCEDURES DO NOT INCENTIVIZE OR QUANTIFY SPACE SAVINGS ASSOCIATED WITH PRODUCTIVITY/TECHNOLOGY INITIATIVES (EXCEPTION - QRIP/PECIP/PIF)
- MACOMs PROJECT MANYEAR PRODUCTIVITY IMPROVEMENTS BUT NOT SPACE SAVINGS (REAPPLYING SAVINGS -- NO AUDIT TRAIL)
- NO MECHANISM EXISTS TO SHARE PRODUCTIVITY IMPROVEMENTS APPLICABLE TO MORE THAN ORIGINATING MACOM
- NEW INITIATIVES WERE FUNDED IN POM 87-91 BY PROJECTING ANTICIPATED EFFICIENCIES - APORS 8376 - EUROPEAN ATTRITION 676 - AND PRIOR YEAR CA DECREMENTS (THIS CAUSES A NEGATIVE PERCEPTION THAT APORS PROGRAM IS "SALAMI SLICE" BY ANOTHER NAME)
- AFT APPEARS TO BE MORE EFFECTIVE MANAGEMENT SYSTEM - THOUGH CES IS SIMPLER
- TO ENSURE SUCCESS OF EFFICIENCY PROGRAMS A CHANGE TO THE CURRENT INCENTIVE PROGRAM IS ESSENTIAL

FIXING AND LIVING WITHIN A LEVEL END STRENGTH IS ACHIEVABLE IN THE NEAR TERM THROUGH CURRENT EFFICIENCY PROGRAMS (ASSUMES REAPPLICATION OF SAVINGS)

CIVILIAN END STRENGTH STUDY

RECOMMENDATIONS:	APPROVED	DISAPPROVED
1. CONTINUE TO EMPHASIZE THE NEED FOR PRODUCTIVITY IMPROVEMENT CAPITALIZING ON AVAILABLE TECHNOLOGY	_____	_____
2. APPROVE CONCEPT OF RESTORING DECREMENTS FROM CA SPACES (YEAR OF EXECUTION)	_____	_____
3. PAE W/COA/PER DEVELOP PPBES PROCEDURES TO APPLY SAVINGS	_____	_____
4. COA FINALIZE/PUBLICIZE SHARED SAVINGS POLICY TO RESTORE PRODUCTIVITY INCENTIVES	_____	_____
5. ACSIM - DEVELOP GUIDANCE WHICH CLEARLY DEFINES REQUIREMENT FOR CIVILIAN MANPOWER ANALYSIS WITH AUTOMATION RESOURCE RQUESTS	_____	_____
6. COA/PER STREAMLINE PERSONNEL DATA BASES	_____	_____
7. COA REFINE APORS SAVINGS ESTIMATES FOR PROGRAM/BUDGET ACTION	_____	_____
8. PER/COA CONTINUE PERSONNEL MANAGEMENT BY ANNUAL FINANCIAL TARGET -- BE PREPARED TO EXECUTE UNDER END STRENGTH (NAF, REIMBURSABLES, MILITARY TECHNICIANS)	_____	_____
9. COA/ACSIM DEVELOP METHODS TO EVALUATE/APPLY PRODUCTIVITY OPPORTUNITIES BEYOND ORIGINATING MACOM	_____	_____
10. NGB STUDY CONTRACT OPPORTUNITIES IN U. S. PROPERTY AND FISCAL OFFICES AND STATE HEADQUARTERS	_____	_____

CIVILIAN END STRENGTH STUDY

RECOMMENDATION: (CONT'D)	APPROVED	DISAPPROVED
11. USAR STUDY CONTRACT OPPORTUNITIES FOR ADMINISTRATIVE/LOGISTIC FUNCTIONS	_____	_____
12. NGB - STUDY POTENTIAL TO CONTRACT WITH STATE TO OPERATE TWO ADDITIONAL DEPOTS: WINGATE, NM AND SAVANNAH, IL (BASED ON SUCCESS AT NAVAJO DEPOT)	_____	_____
13. NGB - STUDY POTENTIAL TO CONTRACT STATE OPERATION OF SELECTED RC TRAINING SITES:	_____	_____

CONSIDER	ALREADY DONE BY STATES
A. P. HILL	SHELBY, MS
PICKETT	ROBINSON, AR
MCCOY	ROBERTS, CA
BUCHANAN	BLANDING, FL
CHAFFEE	GOWON FIELD, ID
INDIANTOWN GAP	EDWARDS, MA
	GRAYLING, MI
	RIPLEY, MN

14. PER - STUDY EXPANSION OF CONTRACTING IN RC PERSONNEL ADMINISTRATION CENTER (1300 SPACES)	_____	_____
15. STUDY GROUP PREPARE MESSAGE TO MACOMs	_____	_____

CIVILIAN END STRENGTH STUDY

UNCLASSIFIED

9 AUG 85

CIVILIAN END STRENGTH STUDY

CIVILIAN END STRENGTH STUDY FOLLOW-ON BRIEFING AGENDA

A. GUIDANCE

B. DCSPER PROPOSAL

C. STUDY GROUP SUMMARY CHARTS

CIVILIAN END STRENGTH STUDY

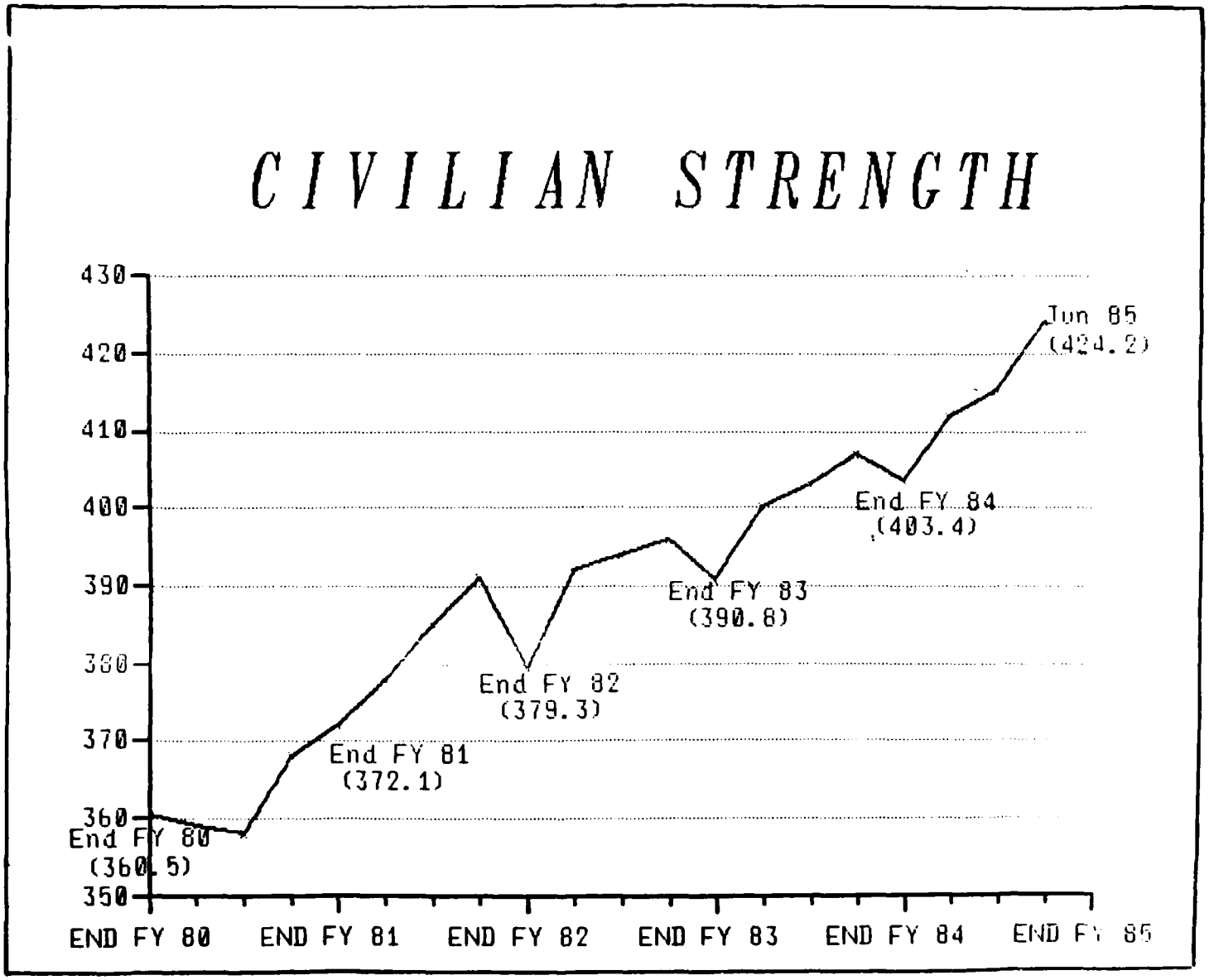
GUIDANCE FROM 18 JULY BRIEFING:

- NEED TO DO MORE TO TAKE ADVANTAGE OF TECHNOLOGY IMPROVING PRODUCTIVITY OF WORKFORCE
- RE-LOOK CIVILIAN MANPOWER MANAGEMENT CONTROL. IDENTIFY A CONTROL MEASURE WHICH AVOIDS THE INEFFICIENCIES OF END STRENGTH CONTROL BUT PROVIDES A METHOD OF CONTROL IN ADDITION TO ANNUAL FINANCIAL TARGET ($)

MANAGING THE ARMY CIVILIAN FORCE

OBJECTIVE: TO DEVELOP A METHODOLOGY FOR MANAGING CIVILIAN EMPLOYMENT LEVELS WHICH:

- FORCES COMMANDERS TO EXPLOIT PRODUCTIVITY INITIATIVES TO BECOME MORE EFFICIENT
- IS COMPATIBLE WITH PPBES
- PROVIDES A LEVEL OF WORK FORCE CONTROL THAT IS ACCEPTABLE TO CONGRESS
- INSURES BALANCED BUDGET EXECUTION: ALIGNS MANPOWER AND DOLLARS


CIVILIAN STRENGTH
430
420
410
400
390
380
370
360
350
End FY 80
(360.5)
End FY 81
(372.1)
End FY 82
(379.3)
End FY 83
(390.8)
End FY 84
(403.4)
Jun 85
(424.2)
END FY 80
END FY 81
END FY 82
END FY 83
END FY 84
END FY 85

THREE METHODS FOR MANAGING CIVILIAN EMPLOYMENT

END STRENGTH CEILINGS:	LIMITATION ON THE NUMBER OF CIVILIANS IN EMPLOYMENT STATUS ON THE LAST DAY OF THE FISCAL YEAR. TRADITIONALLY ACCEPTED MEASURE OF EMPLOYMENT.
BUDGETED PERSONNEL COSTS: (ANNUAL FINANCIAL TARGET)	LIMITATION ON CIVILIAN PAY COSTS WHICH EQUATES TO THE BUDGETED PERSONNEL COSTS TO PERFORM APPROVED WORKLOAD. USED IN ARMY DURING FY85 IN LIEU OF ES CEILINGS, AND IS USED BY OTHER SERVICES.
WORKYEAR CONTROLS:	LIMITATION ON THE CUMULATIVE AMOUNT OF OF SCHEDULED PAYROLLHOURS DIVIDED BY BY 2,087 AND EXPRESSED AS EQUIVALENT WORKYEARS. OMB PREFERRED METHOD OF CONTROLLING CIVILIAN EMPLOYMENT. USED IN NON-DOD AGENCIES.

CHARACTERISTICS OF THREE METHODS FOR MANAGING CIVILIAN EMPLOYMENT

ES CEILINGS:

- HIT ONLY ON THE LAST DAY OF THE FISCAL YEAR THROUGH RELEASE AND REHIRE OF TEMPORARIES
- EMPLOYMENT LEVEL FLUCTUATES BASED ON MISSION AND RESOURCE AVAILABILITY
- MANAGEMENT FOCUSES ON ACTIONS REQUIRED TO MEET CEILING
- NO LIMIT ON PERSONNEL SPENDING

AFT:

- HIRING IS BASED ON APPROVED PERSONNEL COSTS
- COMMANDERS MAY GENERATE HIGHER EMPLOYMENT LEVELS AND WORKYEAR UTILIZATION BY REDUCING AVERAGE COST PER EMPLOYEE.
- ACCURATE PROJECTIONS REQUIRED BY MACOMS TO INSURE PERSONNEL COSTS REMAIN WITHIN AFT.

WORKYEARS:

- HIRING IS BASED ON EQUIVALENT WORKYEAR LIMITATION
- ACCURATE PROJECTIONS REQUIRED TO INSURE LIMITATION IS NOT EXCEEDED.
- PERSONNEL SPENDING IS CONSTRAINED BY REQUIREMENT TO MEET WORKYEAR LIMITATION

ANALYSIS OF THREE METHODS FOR MANAGING CIVILIANS

	PRO	CON
ES CEILINGS	• RELATIVELY EASY TO MANAGE • GENERALLY ACCEPTED OUTSIDE OF ARMY	• ADMIN/PERSONNEL TURBULENCE ASSOCIATED WITH RELEASE OF TEMPS • NOT NECESSARILY AN EFFICIENCY INDICATOR • DOES NOT RELATE TO UTILIZATION
AFT	• PROMOTES BALANCED BUDGET EXECUTION • NO REQUIREMENT TO RELEASE TEMPS	• INTENSIVE MGT REQUIRED • EMPLOYMENT LEVEL IS NOT A CONTROLLING FACTOR
WORKYEARS	• WHEN ALIGNED WITH BUDGETED PERSONNEL COSTS: •• PROMOTES BALANCED BUDGET EXECUTION •• PROVIDES BOTH A FINANCIAL AND EMPLOYMENT CONTROL •• ACCEPTABLE OUTSIDE ARMY •• PROMOTES EFFICIENCY	• INTENSIVE MGT REQUIRED • CURRENTLY PROHIBITED

WHICH EMPLOYMENT CONTROL TO USE?

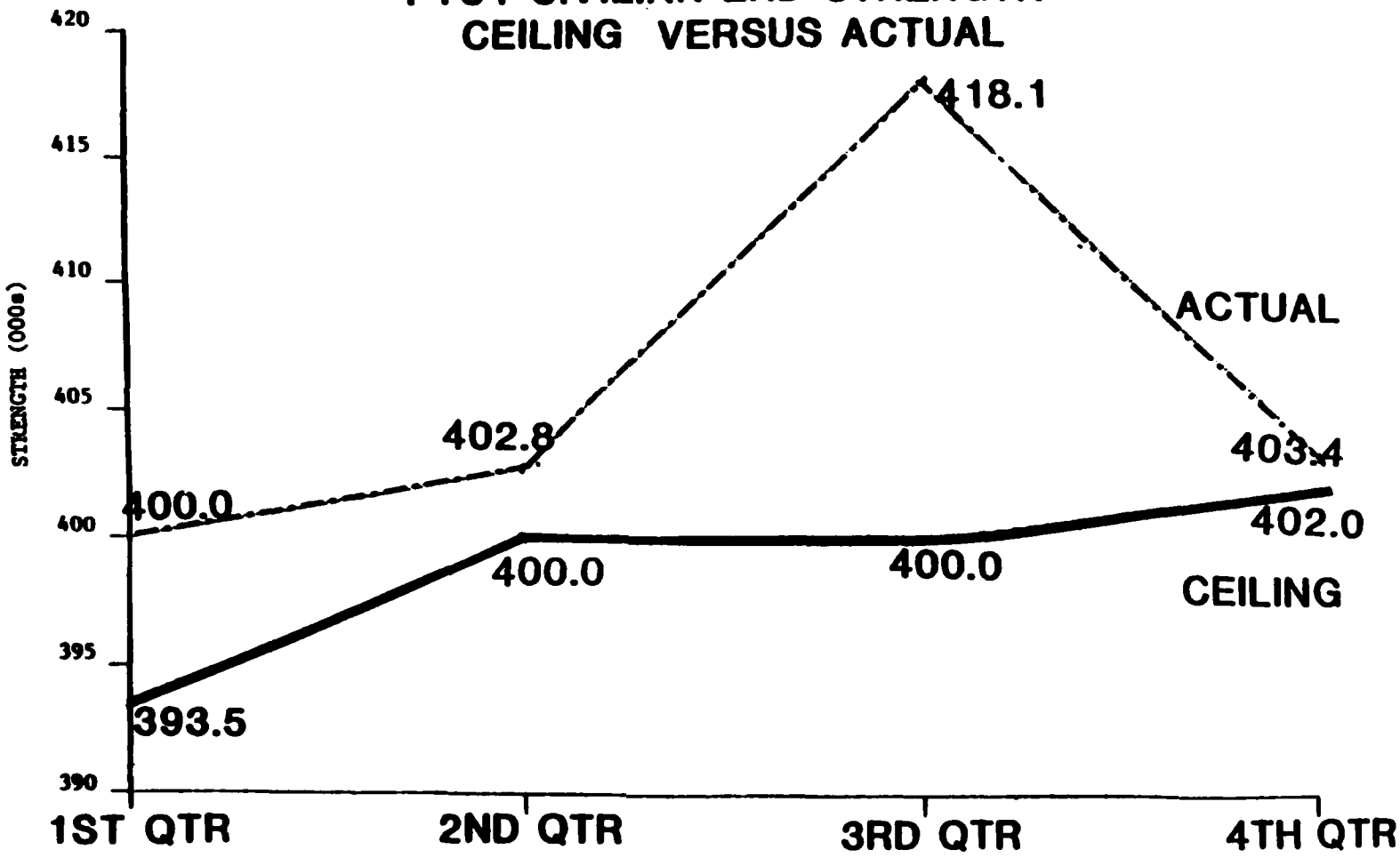
ES CEILINGS: RELATIVELY SIMPLE, BUT NOT ORIENTED TO EFFICIENCY. ALSO RESULT IN PERSONNEL TURBULENCE.

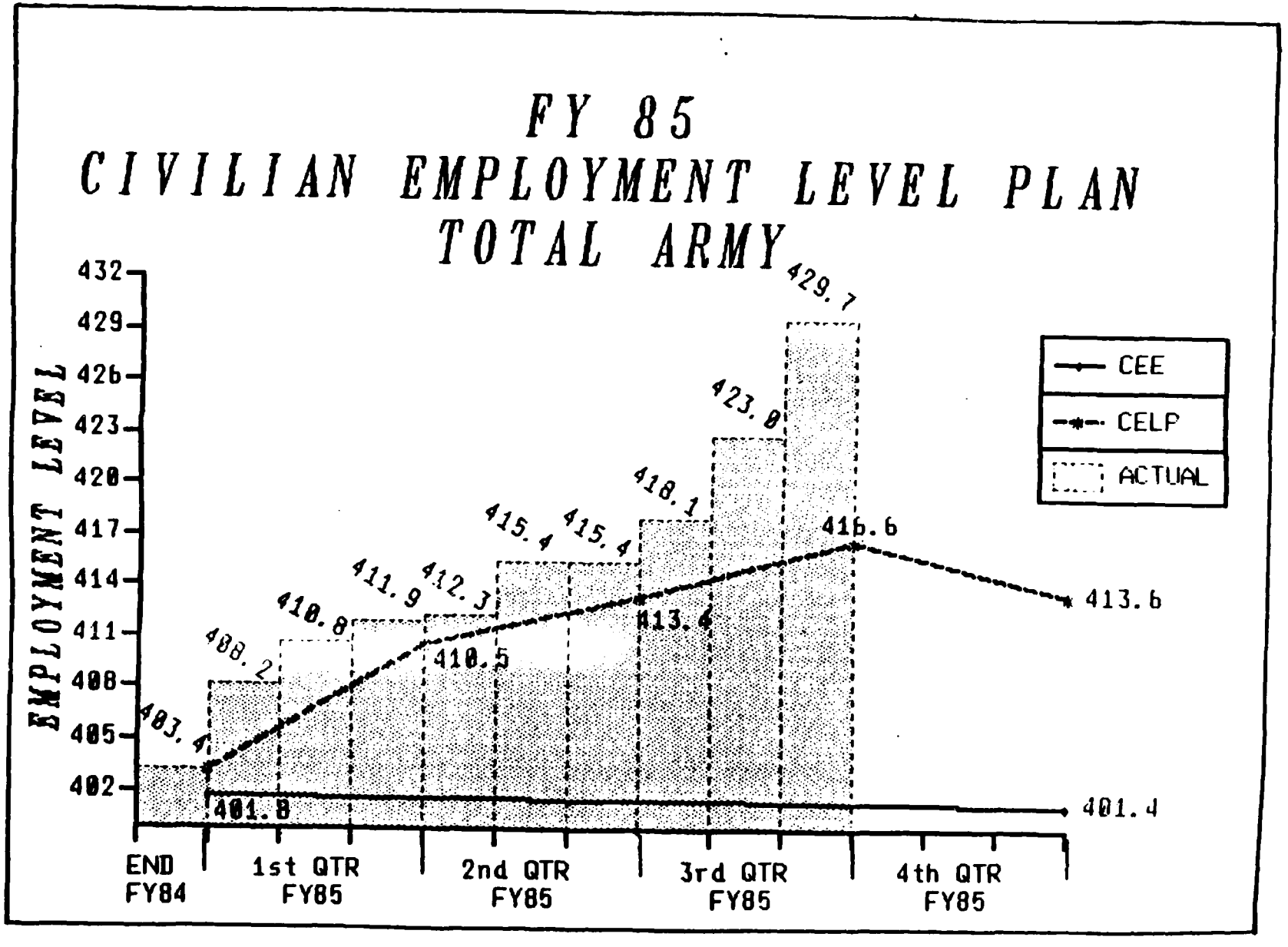
AFT: CONTROLS PERSONNEL SPENDING AND PROMOTES BALANCED BUDGET EXECUTION. HOWEVER, CIVILIAN HIRING IS LIMITED ONLY BY BUDGETED DOLLARS. NOT FORCED TO REDUCE NUMBER OF CIVILIANS HIRED AND SUBSTITUTE PRODUCTIVITY ENHANCING EFFICIENCIES. THE NUMBER OF CIVILIANS HIRED WITHIN AFT IN EFFECT BECOMES A MEASURE OF PRODUCTIVITY, I.E., MORE WORKYEARS FOR THE DOLLAR.

WORKYEARS: CONTINUES THE ADVANTAGES OF AFT AND AVOIDS TURBULENCE ASSOCIATED WITH ES CEILINGS. ALSO PROVIDES A CONTROL ON EMPLOYMENT WHICH PROMOTES PRODUCTIVITY BY CAPPING CIVILIAN HIRING, I.E., MORE MISSION PERFORMANCE FOR THE SAME WORKYEARS.

ARMY CIVILIAN MANPOWER PROGRAM

ACTUAL CIVILIAN EMPLOYMENT
FY84 CIVILIAN END STRENGTH
CEILING VERSUS ACTUAL




FY 85
CIVILIAN EMPLOYMENT LEVEL PLAN
TOTAL ARMY
EMPLOYMENT LEVEL
432
429
426
423
420
417
414
411
408
405
402
CEE
CELP
ACTUAL
403.4
408.2
410.8
411.9
412.3
415.4
415.4
418.1
423.0
429.7
401.8
410.5
413.4
416.6
413.6
401.4
END FY84
1st QTR FY85
2nd QTR FY85
3rd QTR FY85
4th QTR FY85

CONCLUSION

- WORKYEAR MANAGEMENT PROVIDES THE DESIRED OBJECTIVES IN MANAGING CIVILIAN EMPLOYMENT

- FLEXIBILITY & CONTROL

WHAT IS THE BEST WAY TO INSURE EMPLOYMENT/DOLLAR ALIGNMENT WHILE MEASURING PRODUCTIVITY?

CURRENT METHOD OF OPERATION:

- CIVILIAN PAY MANAGEMENT AND TO SOME EXTENT MANPOWER MANAGEMENT ARE CURRENTLY THE RESPONSIBILITY OF 21 DIFFERENT ARSTAF APPROPRIATION/PROGRAM DIRECTORS
- NO FORMAL CONTROLS ON AMOUNT OF TOA THAT CAN BE SPENT ON CIVILIAN PAY (EXCEPT FOR AFT IN FY 85)
- MANPOWER DECISIONS OFTEN MADE WITHOUT REGARD TO FINANCIAL IMPACT DURING EXECUTION
- DIFFICULT TO ENSTILL EFFICIENCY

AD-A163 638 CIVILIAN END STRENGTH STUDY STUDY SPONSOR ODCSLOG(U) 2/2
DEPUTY CHIEF OF STAFF FOR LOGISTICS (ARMY) WASHINGTON
DC B G FREITAG 30 DEC 85

UNCLASSIFIED F/G 5/9 NL

END
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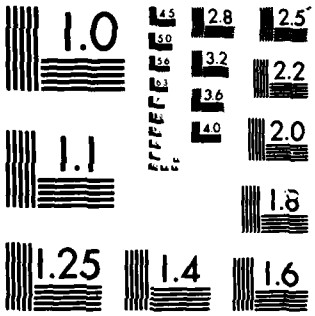

MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

COMPATIBILITY OF WORKYEAR MANAGEMENT WITH PPBES

- NO CHANGE TO CURRENT BUDGETING REQUIREMENTS
- END STRENGTH ESTIMATES IN BUDGET WOULD BE ALLOCATED AS WORKYEAR EQUIVALENTS

CHANGES TO THE CURRENT METHOD OF OPERATION

CHANGE DESIRED: CENTRALIZE CIVILIAN PAY MANAGEMENT DURING BUDGET EXECUTION IN A CIVILIAN PAY ACCOUNT SIMILAR TO MPA, BUT NON-STATUTORY. ACCOUNT WOULD INCLUDE ALL DISCRETE CIVILIAN PERSONNEL COSTS, INCLUDING TRAINING

ADVANTAGES:

- CIVILIAN EMPLOYMENT MANAGED AS A SINGLE PROGRAM NOT SUBJECT TO COMPETING DEMANDS WITHIN APPROPRIATION/PROGRAM
- BALANCES MANPOWER AND WORKYEARS: WORKYEARS CAP EMPLOYMENT, PAY ACCOUNT FENCES DOLLARS TO SUPPORT WORKYEARS
- PRODUCTIVITY IMPROVEMENTS WILL BE MORE VISIBLE BECAUSE EMPLOYMENT AND DOLLARS ARE CONTROLLED
- WORKYEAR CONTROL FORCES COMMANDS TO EXAMINE NON-MANPOWER ALTERNATIVES FOR MISSION PERFORMANCE

ACTIONS REQUIRED TO IMPLEMENT WORKYEAR AND CIVILIAN PAY ACCOUNT

- SECURE OSD, OMB, AND CONGRESSIONAL APPROVAL TO MANAGE CIVILIAN EMPLOYMENT BY WORKYEAR CONTROLS: REPEAL OF SECTION 140b(3), TITLE 10.
- COMPLETE DEVELOPMENT OF WORKYEAR REPORTING SYSTEM
- ESTABLISH A PBC SPONSORED TASK FORCE TO DEVELOP POLICY, PROCEDURES, AND ORGANIZATIONAL RESPONSIBILITY FOR CIVILIAN PAY ACCOUNT
- TARGET IMPLEMENTATION FOR FY 88 BUDGET

RECOMMENDATIONS

- INITIATE ACTION TO MANAGE CIVILIAN EMPLOYMENT ON THE BASIS OF WORKYEAR ALLOCATIONS
- ESTABLISH A TASK FORCE TO DEVELOP A CIVILIAN PAY ACCOUNT

SUMMARY OF STAFF COMMENTS ON PROPOSAL

- PAED AND ASA (M&RA) GENERALLY FAVOR THE CONCEPT OF WORK YEAR MANAGEMENT AND CIVILIAN PAY ACCOUNT
- APPROPRIATION DIRECTORS NONCONCUR IN PROPOSAL. CONSENSUS OF COMMENTS IS:
  - ELIMINATES FLEXIBILITY DURING BUDGET EXECUTION
  - COULD LEAD TO CLOSER CONGRESSIONAL CONTROL OF CIVILIAN PAY
  - DELINKS CIVILIAN PAY FROM MISSION EXECUTION

CIVILIAN END STRENGTH STUDY

HOW TO LIVE WITHIN A FIXED MANPOWER ENVIRONMENT:

1. INCREASE INVESTMENT IN PRODUCTIVITY ENHANCING TECHNOLOGY

2. IMPROVE EFFICIENCY THROUGH REORGANIZATION/REALIGNMENT

3. UTILIZE EXTERNAL WORKFORCE TO ACCOMPLISH SELECTED FUNCTIONS

CIVILIAN END STRENGTH STUDY

1. TO INCREASE EFFICIENCY AND PRODUCTIVITY THROUGH THE APPLICATION OF TECHNOLOGY

A. CSA/SEC ARMY LETTER INDORSING PRODUCTIVITY ACTION PLAN

B. COA/ACSIM (STAFF) INCREASE EMPHASIS ON PRODUCTIVITY PROGRAMS

- INCREASE ARMY-SPONSORED PRODUCTIVITY FUNDS ($M) - QRIP AND PECIP

	85	86	87	88	89	90	91
CURRENT	24	47	55	54	64	72	107
PROPOSED	END OF YEAR	75	75	100	100	100	125

- MAKE PRODUCTIVITY PART OF POM DEVELOPMENT (ACSIM) - FOR AUTOMATION --- TIE RESOURCES TO SPACE SAVINGS WHERE PRACTICABLE

- DEVELOP CROSS-FERTILIZATION PROGRAMS BETWEEN MACOMs E.G., AREA-ORIENTED DEPOT INITIATIVES APPLIED TO EUROPE/KOREA

- ESTABLISH --- THEN SUSTAIN SHARED SAVINGS INCENTIVES

C. ACCELERATE MAJOR PROGRAMS WHERE PRACTICABLE - LOGMARS
- ELECTRONIC PRINTING

CIVILIAN
END STRENGTH
STUDY

2. IMPROVE EFFICIENCY BY REORGANIZATION/REALIGNMENT

- MOST EFFICIENT ORGANIZATION (MEO) RECOMMENDATIONS FROM COMMERCIAL ACTIVITIES (AVERAGE 18% SAVINGS - IN-HOUSE)

- ARMY PERFORMANCE ORIENTED REVIEW SYSTEM - COMBINES ORGANIZATIONAL CHANGES WITH SOME HARDWARE INITIATIVES TO INCREASE PRODUCTIVITY (EXPECT 1.5% PER YEAR OF ELIGIBLE SPACES)

- MANPOWER STAFFING STANDARDS SYSTEM IS CURRENTLY EXPERIENCING A 10% SAVINGS IN THE REQUIREMENTS VALIDATION PROCESS

CIVILIAN END STRENGTH STUDY

3. UTILIZE EXTERNAL WORKFORCE TO ACCOMPLISH SELECTED FUNCTIONS

A. CONTRACT OUT

B. REDISTRIBUTE WORKLOAD -- NATIONAL GUARD BUREAU (NGB) STUDY FEASIBILITY OF OPERATING SELECTED FACILITIES

-- EXTEND OPERATION OF AC/RC TRAINING SITES TO STATES - A.P. HILL, PICKETT, ETC.

-- INCREASE STATE OPERATION OF SMALL DEPOTS - WINGATE, NM
SAVANNAH, IL

C. TRANSFER SPACE ACCOUNTABILITY FOR WORKLOAD NOT CONTROLLED BY ARMY - REIMBURSABLES - E. G., FOREIGN MILITARY SALES

D. TRANSFER SPACES TO FUNCTIONS - THE APPROPRIATED FUND SPACES IN SUPPORT OF MORALE, WELFARE, RECREATION (MWR) ACTIVITIES - NON-APPROPRIATED FUND

DEPARTMENT OF THE ARMY
OFFICE OF THE CHIEF OF STAFF
WASHINGTON, D.C. 20310

DACS-ZD

6 SEP 1985

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Civilian Manpower Management Controls

1. Purpose. To direct Army Staff Agencies to take the necessary action to implement recommendations of the Civilian End Strength Study (CESS).

2. Background.

a. Reference Chief of Staff memorandum, 5 March 1985, subject: Civilian Manpower End Strength.

b. Dicussion.

(1) CSA directed the DCSLOG to lead in a study effort to lay out the feasibility of achieving a level civilian end strength by capitalizing on productivity enhancing technology.

(2) On 9 August 1985 the final Civilian End Strength Study was briefed to and approved by the Chief of Staff. In summary, the study recommended establishment of a Productivity Improvement Program and continued emphasis on efficiency programs to increase the capability of the workforce. CSA also approved the development of a method of manpower management in addition to the Annual Financial Target Method currently (FY 85) in use.

3. Specific taskings as a result of the study are:

a. COA will.

(1) Determine and publish the shared savings rule for implementation as of 1 October 1985.

(2) Develop (with ASA-FM) a Productivity Improvement Program and provide periodic updates to the CSA. SUSPENSE: 1 October 1985.

(3) Streamline data bases involved in civilian workforce management as highlighted by MACOM responses. SUSPENSE: 31 October 1985.

(4) Refine APORS and CA (MEO) savings estimates; provide results to PAED for programing. SUSPENSE: 1 January 1986.

(5) Establish staff procedures to cross-fertilize good (applicable) savings initiatives beyond originating agency. SUSPENSE: 1 November 1985.

b. ACSIM will:

(1) Develop/implement guidance requiring manpower analysis for all resource requests for funding of automation/ technology initiatives. SUSPENSE: To be included in Army Guidance Vol II.

(2) ACSIM will establish staff procedures to cross-fertilize good (applicable) savings initiatives beyond originating MACOMs. SUSPENSE: 1 November 1985.

c. PAED will:

(1) Where possible, provide additional resources for the PIP beginning in FY 87. The goal is to implement the ramp approved by the CSA for the out years. SUSPENSE: 1 January 1986.

(2) Determine the programing procedures resulting from concept described in CESS to restore "Efficiency Incentive Program." (CSA has directed that we stop decrementing MACOMs in advance. Outyear tails of Commerical Activity savings generated will be used as a billpayer in Total Army Analysis (TAA) in which restorals of advanced decrements will compete along with other requirements identified in TAA. Execution year savings will receive priority consideration to APORS payback in that year.) SUSPENSE: Prior to POM 88.

d. DCSPER will develop method of civilian workforce (manpower) control which provides discipline while allowing some MACOM flexibility. Identify how to tighten controls for FY 86. SUSPENSE: 1 October 1985.

S. R. WOODS, JR.
Major General, GS
Acting Director of the Army Staff

DACS-ZD
SUBJECT: Civilian Manpower Management Controls

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3-86

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