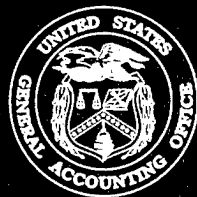


March 2001

# DEFENSE BUDGET

## Army Should More Accurately Portray How It Uses Tank Training Funds



**DISTRIBUTION STATEMENT A**  
Approved for Public Release  
Distribution Unlimited

20010402 126



**G A O**

Accountability \* Integrity \* Reliability

---

# Contents

---

---

<b>Letter</b>		3
<b>Appendixes</b>	Appendix I: Scope and Methodology	26
	Appendix II: Locations of the Army's Divisions in the Active Forces	28
	Appendix III: Comments From the Department of Defense	29
<b>Tables</b>	Table 1: Net Difference Between Conferees Initial Designation and Reported Obligation for Army Operating Tempo Subactivities, Fiscal Years 1997-2000	10
	Table 2: Net Difference Between Conferees Initial Designation and Reported Obligation for Divisions, Fiscal Year 2000	12
<b>Figures</b>	Figure 1: The Army's Building Block Approach to Armor Training	7
	Figure 2: The Army's Process for Converting Its Training Strategy Into a Budget Request	8
	Figure 3: Funds Moved From the Army's Division Training Subactivity, Fiscal Years 1997-2000	11
	Figure 4: Average Number of Home Station Tank Miles Budgeted and Achieved, Fiscal Year 1997-2000	13
	Figure 5: Armor Units Reporting of Overall Readiness Level, by Quarter, Fiscal Years 1997-2000	16
	Figure 6: Armor Units Reporting of Training Readiness Level by Quarter, Fiscal Years 1997-2000	18
	Figure 7: Average Number of Tank Miles Achieved by Training Location, Fiscal Years 1997-2000	20

---

## Abbreviations

CATS	Combined Arms Training Strategy
DOD	Department of Defense
O&M	operation and maintenance





United States General Accounting Office  
Washington, D.C. 20548

March 23, 2001

### Congressional Committees

Congress has expressed concern about the extent to which the Department of Defense (DOD) has moved funds that directly affect military readiness, such as those that finance training, to pay for other subactivities within its operation and maintenance (O&M) account such as real property maintenance and base operations.<sup>1</sup> Section 365 of the National Defense Authorization Act for Fiscal Year 2000 directed us to examine several issues associated with the movement of training funds. We are responding to the act with a series of reports. We reported last year on the extent that funds were being moved by all the services, pointing out that the Army had moved nearly \$1.1 billion from its training budget during fiscal years 1997 through 1999.<sup>2</sup> As agreed with your offices, in this report we assessed in more detail the extent to which Army tank training funds had been moved. Specifically, our objectives were to (1) identify whether the Army was continuing to move training funds planned for its divisions; (2) assess whether reported readiness remained at high levels for these divisions, specifically their armor (i.e., tank) battalions;<sup>3</sup> and (3) assess whether DOD and the Army are providing Congress with complete and consistent information regarding tank training. Appendix I describes our scope and methodology.

To have trained and ready forces, Army armor units conduct training at their home bases, called home station training; at the National Training Center at Fort Irwin, California, and the Combat Maneuver Training Center in Germany, which are the Army's premier locations to conduct training;

---

<sup>1</sup>Generally, funding for training, base operations, real property maintenance, and other ongoing purposes is provided by statute to the Army in its O&M appropriation. Usually, the actual amounts that are to be used for various purposes, such as training, are not set out in the statute, but they are displayed in the appropriation act's conference report by budget subactivity. DOD requests funding from Congress by dividing the O&M budget request for the military services into budget activities, then again into various activity groups, and then again into subactivity groups. Congressional conferees indicate by budget subactivity how they expect O&M funds to be spent. However, the Army has the flexibility to move funds among these subactivities.

<sup>2</sup>*Defense Budget: Analysis of Real Property Maintenance and Base Operations Fund Movements* (GAO/NSIAD-00-87, Feb. 29, 2000).

<sup>3</sup>Collectively, we refer to armor battalions to include cavalry squadrons and the 3rd Armored Cavalry Regiment throughout this report.

---

and in Kuwait as part of military exercises with the armed forces of Kuwait. The Army has determined that its armor units need to conduct 800 miles of training annually on their tanks at their home station in order to be adequately trained to carry out their wartime mission. In addition to conducting home station training, the Army periodically sends its armor units to the National Training Center and other training exercises. There are no tank mile goals associated with this training away from the home station. The Army tracks and reports the miles its tanks are driven on a monthly basis and aggregates them annually.

---

## Results in Brief

The Army continued to use division training funds for purposes other than training during fiscal year 2000. Over the 4-year period fiscal years 1997 through 2000, the Army obligated<sup>4</sup> almost \$1 billion (about 21 percent) less than the nearly \$4.8 billion that Congress provided for training. Generally, the Army moved training funds planned for its divisions to finance other expenses such as base operations and real property maintenance. At the same time, Army tanks drove an annual average of 591 miles at home stations for these years—which is much less than the established 800-mile goal. However, we found no evidence showing that reduced funding caused the Army to cancel or delay any planned tank training events or exercises. Starting with fiscal year 2001, the Army has taken action to restrict moving training funds by exempting unit training funds from any Army headquarters' adjustments and requiring prior approval before Army commands move any training funds.

Even though tank training funds have been reduced and the Army has not driven its tanks enough at home station to meet its 800-mile goal, the Army's tank units have reported that they are a trained and ready force. Army tank units reported high overall mission readiness during fiscal years 1997 through 2000. Similarly, tank units reported high training readiness. Specifically, the frequency with which Army tank units reported that they could be fully trained for their wartime mission within 28 days has been at 85 percent or higher during the same period. In the few instances when armor units have reported needing more than 28 days to be fully trained, it was generally for personnel reasons rather than for lack of funds to support training requirements.

---

<sup>4</sup>Obligations are a commitment of funds when a federal agency awards a contract, places an order, receives a service, or otherwise commits funds.

---

Both the Army and DOD provide Congress with information on the miles Army tanks are driven annually. However, the information is both incomplete and inconsistent. The Army conducts training that it does not always include in its reports on tank mile training. For example, the Army conducts not only home station training but also training at the National Training Center and other training locations, which is funded from budget subactivities other than the division training subactivity. The tank miles associated with this additional training, which is not part of the Army's goal of 800 tank miles from home station training, added an average of about 127 tank miles in addition to its reported average of 591 tank miles from home station training for the period fiscal years 1997 through 2000. All this training contributes to the Army's goal of having a trained and ready combat force. However, the categories of tank training (such as home station and National Training Center) that the Army includes in its budget submission documents vary from year to year because in some years it includes only home station training and in other years it includes both training at and away from home station. In addition to the Army's reporting on the number of tank miles achieved, DOD has chosen the number of tank miles as one of its performance measures under the Government Performance and Results Act. However, in its Results Act reporting, the Department is representing the 800-tank mile training goal differently than the Army, and depending on the year, is including different categories of training. Specifically, the Department's use of the 800-mile training goal refers to both home station and National Training Center tank training while the Army's 800-mile goal refers only to home station training. As a result, the Department and the Army are providing Congress with confusing information about what the 800-tank mile goal represents.

We are making several recommendations to improve the information the Department provides Congress in its budget submissions and its reporting under the Results Act. In written comments on a draft of this report, DOD fully agreed with our two recommendations concerning improving the information provided to Congress and in part with our recommendation concerning reexamining its operation and maintenance funding request. DOD agreed that the Army should reexamine its funding request in all areas of its operation and maintenance budget submission. However, DOD objected to the implication that the Army was requesting too much funding for division training. While we did not conclude that the Army was requesting too much funding for division training, we believe that the Army's movement of funds within its operation and maintenance account suggests a need for reexamination. A detailed discussion of the

---

Department's comments and our evaluation is contained in the body of this report.

---

## Background

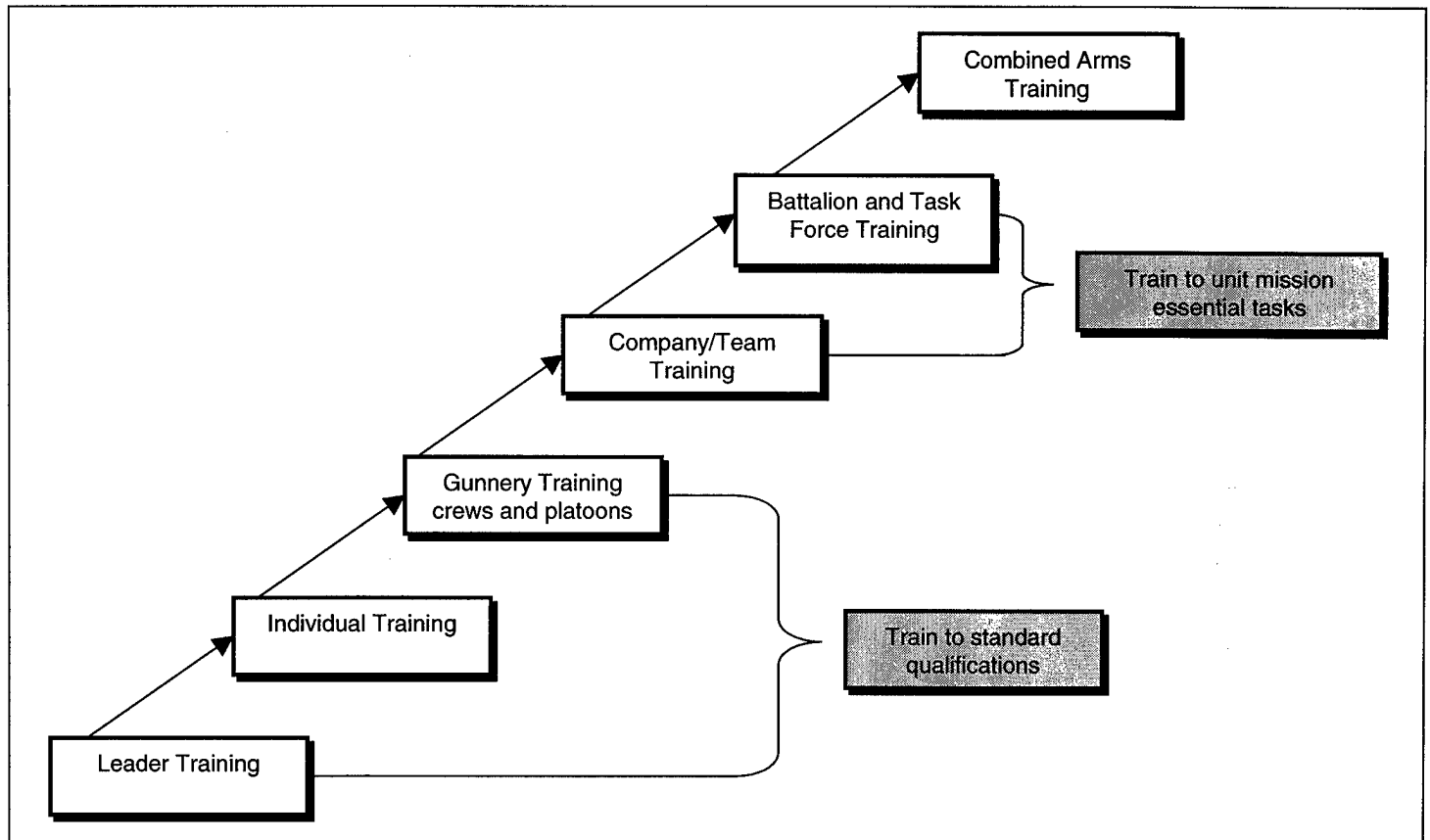
The Army has 10 active duty divisions, as listed in appendix II. Six of these divisions are called heavy divisions because they are equipped with large numbers of tanks, called armor. Two other divisions are called light divisions because they have no armor. The remaining two divisions are an airborne division and an air assault division. Heavy divisions accounted for the majority of the Army's division training funds, about 70 percent (\$808 million) in fiscal year 2000, and these divisions are the focus of this report.

The Army uses a building block approach to train its armor forces—beginning with individual training and building up to brigade-sized unit training, as shown in figure 1. This training approach is documented in the Army's Combined Arms Training Strategy (CATS).<sup>5</sup> The strategy identifies the critical tasks, called mission essential tasks, that units need to be capable of performing in time of war and the type of events or exercises and the frequency with which the units train to the task to produce a combat ready force. The strategy, in turn, guides the development of unit training plans.

---

<sup>5</sup>The Army has developed over a hundred strategies that together comprise CATS, each oriented toward different types of units. This report addresses the strategy for armor units.

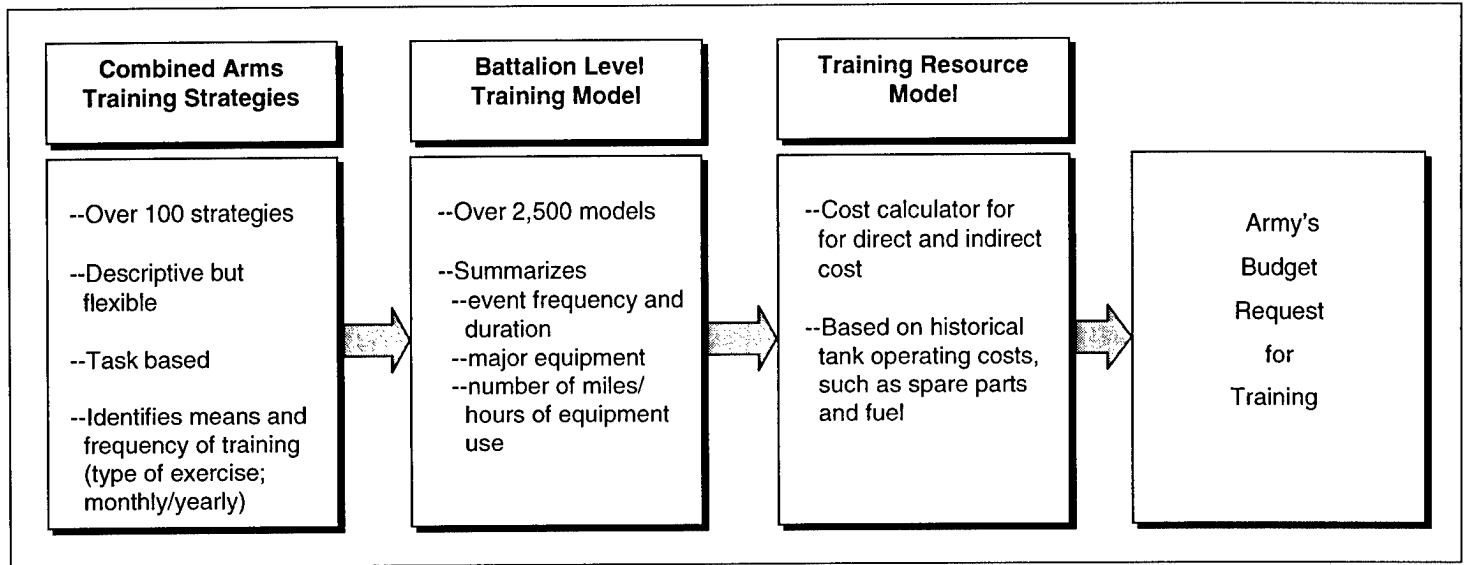
Figure 1: The Army's Building Block Approach to Armor Training



Source: Army training manuals.

The Army uses CATS as the basis for determining its training budget. To do this, it uses models to convert training events into budgetary resources, as shown in figure 2. For armor units, the Battalion Level Training Model translates the type of training events identified in CATS and the frequency with which they should be conducted into the number of tank miles to be driven in conducting those training events. The Army then uses another model, the Training Resource Model, to compute the estimated training cost for units based on the previous 3 years' cost experience. The output from these models is the basis for the Army's training budget.

**Figure 2: The Army's Process for Converting Its Training Strategy Into a Budget Request**



Source: The Army's Office of the Deputy Chief of Staff for Operations and Plans, Training Directorate.

CATS, in combination with the Battalion Level Training Model, has established that the tanks in armor units will be driven, on average, about 800 miles each year for home station training.<sup>6</sup> This is the level of training the Army has identified as needed to have a combat ready force, and its budget request states that it includes funds necessary to support that training. While the Army uses the 800-tank mile goal as a tool to develop its divisions' home station budgets, it does not identify the number of tank miles to be driven in its training guidance and training field manuals as a training requirement nor does it mention the miles in unit training plans.

To measure the readiness of its units, the Army uses the Global Status of Resources and Training System. Unit commanders use this readiness system to report their units' overall readiness level. Under this readiness system, each reporting unit provides information monthly on the current level of personnel, equipment on hand, equipment serviceability, and training, and the commander's overall assessment of the unit's readiness to undertake its wartime mission. Units can be rated on a scale of C-1 to C-5. A C-1 unit can undertake the full wartime mission for which it is organized

<sup>6</sup>Generally, the Army considers home station training to be training conducted where the unit is based and does not include training conducted at its National Training Center.

---

and designed; a C-2 unit can undertake most of its wartime mission; a C-3 unit can undertake many but not all elements of its wartime mission; a C-4 unit requires additional resources or training to undertake its wartime mission; and a C-5 unit is not prepared to undertake its wartime mission. Currently, the training readiness portion of the readiness report reflects the commander's assessment of the number of training days that are needed for the unit to be fully combat ready.

In addition to the Army setting a training goal of 800 miles for tanks located at unit home stations, in its performance report for fiscal year 1999, DOD began to use 800 tank training miles, including miles driven at units' home station and the National Training Center, as a performance benchmark for measuring near-term readiness in responding to the Government Performance and Results Act. This act is a key component of a statutory framework that Congress put in place during the 1990s to promote a new focus on results.

---

## **The Army Continues to Use Tank Division Training Funds for Other Purposes**

The Army is continuing to move training funds planned for its tank divisions to other purposes. Budget requests should reflect the funds needed to conduct an organization's activities and its spending priorities. The Army's budget request for tank division training includes funding needed to conduct 800 miles of unit home station tank training. However, each year since at least the mid-1990s, the Army has obligated millions of dollars less than it budgets to conduct training, and tanks have not trained to the 800-mile level. For the 4-year period fiscal years 1997 through 2000, the Army obligated a total of almost \$1 billion less than Congress provided for training all its divisions. At the same time, the Army trained on its tanks an annual average of 591 miles at home station. Beginning with fiscal year 2001, the Army is taking action to restrict moving tank training funds.

## Army Continues to Underexecute Its Proposed Spending Plan

Each fiscal year the Army develops a budget request to fund, among other activities and programs, the operation of its land forces. The largest component of the land forces budget is for training the Army's 10 active-duty divisions. The Army, through the President's budget submission, requests more than \$1 billion annually in O&M funds to conduct home station division training. The majority of this budget request is for the Army's six heavy divisions to use for unit training purposes. Over the last 4 years, Congress has provided the Army with the training funds it has requested. For much of the past decade, the Army has moved some of these funds from its division training to other purposes, such as base operations and real property maintenance. We previously reported that this occurred in fiscal years 1993 and 1994<sup>7</sup> and our current work shows that the Army continues to move training funds to other purposes. Although the Army has moved funds from all of its land forces subactivities, as shown in table 1, for the 4-year period fiscal years 1997 through 2000, it moved the most funds from its subactivity planned for division training.

**Table 1: Net Difference Between Conferees Initial Designation and Reported Obligation for Army Operating Tempo Subactivities, Fiscal Years 1997-2000**

Current dollars in millions

Army's O&M subactivities	Conferees initial designation <sup>a</sup>	Army reported obligation	Net difference	Percent obligated
Divisions	\$4,791.4	\$3,804.0	(\$987.4)	79
Corps combat forces	1,343.8	955.6	(387.8)	71
Corps support forces	1,257.0	1,140.9	(116.1)	91
Echelon above corps forces	1,794.7	1,686.9	(107.8)	94
Land forces operations support	3,087.8	3,084.8	(3.0)	100
<b>Total</b>	<b>\$12,274.7</b>	<b>\$10,672.2</b>	<b>(\$1,602.1)</b>	<b>87</b>

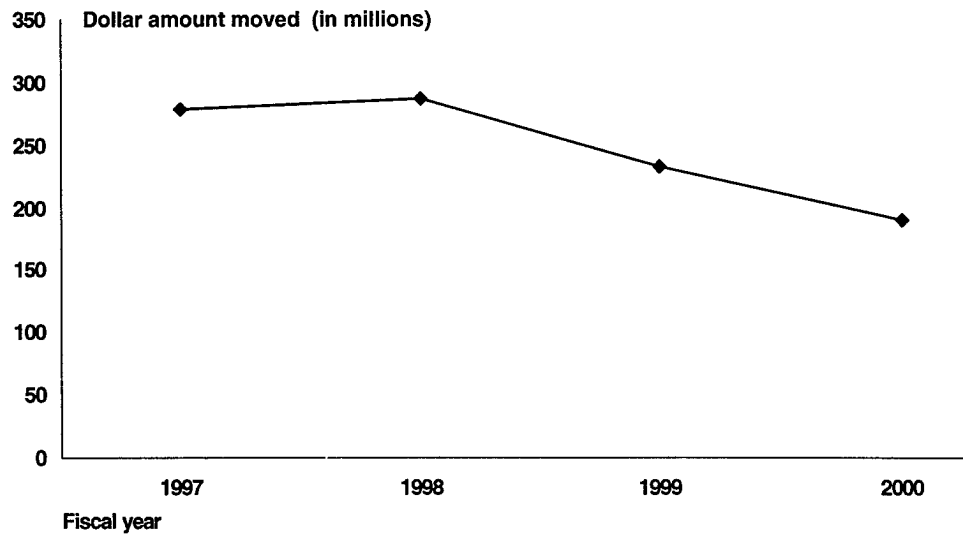
<sup>a</sup>We use the term "conferees initial designation" to refer to amounts set forth in an appropriation act's conference report.

Source: Our analysis based on appropriations acts' conference reports and DOD's O&M budget data.

<sup>7</sup>Army Training: One-Third of 1993 and 1994 Budgeted Funds Were Used for Other Purposes (GAO/NSIAD-95-71, Apr. 7, 1995).

Although the Army has moved the most funds out of its division training subactivity, the amount moved has decreased over the past 2 years, as shown in figure 3.

**Figure 3: Funds Moved From the Army's Division Training Subactivity, Fiscal Years 1997-2000**



Source: Our analysis based on (1) appropriations acts' conference reports and (2) DOD's O&M budget data.

Despite the recent decrease in training funds moved from the divisions, the Army moved almost \$190 million in fiscal year 2000. Most of the movement of training funds occurred within the Army's six heavy divisions. As shown in table 2, \$117.7 million of the \$189.7 million in division funds that were moved in fiscal year 2000 occurred in the heavy divisions.<sup>8</sup>

<sup>8</sup>Detailed data by type of division first became available for fiscal year 1999. Therefore, we were unable to provide a 4-year summary for fiscal years 1997 through 2000, as we did in table 1.

**Table 2: Net Difference Between Conferees Initial Designation and Reported Obligation for Divisions, Fiscal Year 2000**

Current dollars in millions

Army divisions	Conferees initial designation	Army reported obligation	Net difference	Percent moved
Heavy (six divisions)	\$807.7	\$690.0	(\$117.7)	62
Airborne (one division)	65.6	60.3	(5.3)	3
Air Assault (one division)	156.2	131.2	(25.0)	13
Light (two divisions)	113.7	97.2	(16.5)	9
<b>Subtotal</b>	<b>\$1,143.2</b>	<b>\$978.7</b>	<b>(\$164.5)</b>	
Unallocated adjustments <sup>a</sup>	25.2		(25.2)	13
<b>Total</b>	<b>\$1,168.4</b>	<b>\$978.7</b>	<b>(\$189.7)</b>	<b>100</b>

<sup>a</sup>Fund movement of \$25.2 million resulted from what we termed unallocated adjustments. Some of this fund movement—\$12.2 million—resulted from either the appropriation act or the conference report direction. Also, the Army moved \$13 million to align funds for a congressionally approved program into the proper budget subactivity in order to carry out DOD's understanding of what Congress intended. Army budget data show that these adjustments were made in the division subactivity but before funds were distributed to the divisions, thus cannot be assigned to any specific division.

Source: Our analysis based on DOD's O&M budget data.

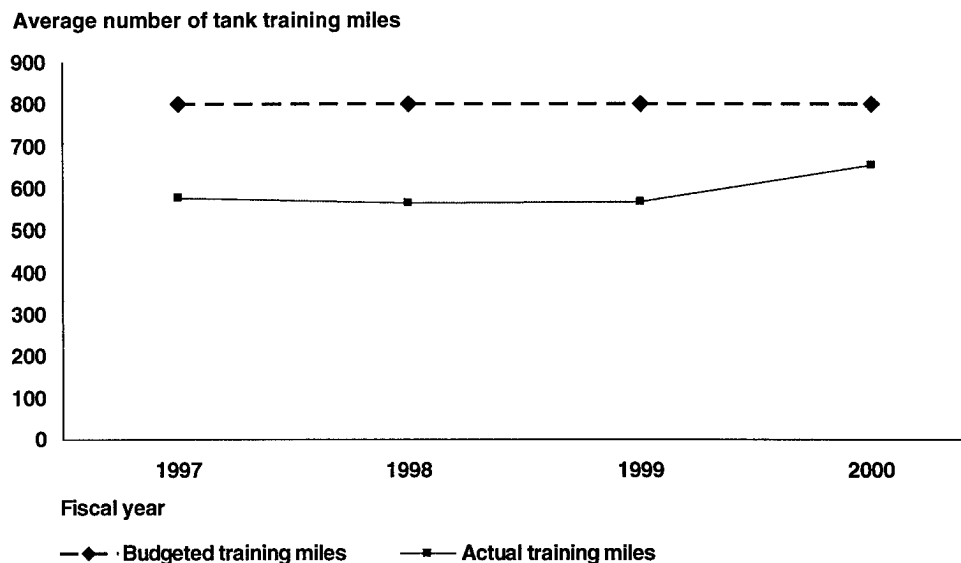
Although O&M funds cannot generally be traced dollar for dollar to their ultimate disposition, an analysis of funds obligated compared to the funds conferees' initially designated<sup>9</sup> shows which subactivities within the Army's O&M account had their funding increased or decreased during the budget year. Generally, the Army obligated funds planned for training its divisions for other purposes such as base operations, real property maintenance, and operational readiness (such as maintaining its training ranges).

<sup>9</sup>We use the term "conferees initially designated," "conferees designation," or variations of these terms throughout this report to refer to amounts set forth at the subactivity group level in an appropriation act's conference report.

## The Army Is Not Canceling Tank Training Due to Lack of Funds

Although the Army budgets to achieve 800 tank miles for home station training, it has consistently achieved less than the 800 training miles for the last 4 years (see fig. 4). During this period, armor units missed the 800-tank mile goal annually by about an average of 26 percent. Recently, however, the number of home station tank miles achieved increased, from 568 miles in fiscal year 1999 to 655 miles in fiscal year 2000.

**Figure 4: Average Number of Home Station Tank Miles Budgeted and Achieved, Fiscal Year 1997-2000**



Source: Our analysis based on data from the Army's budget submission and data from its Cost and Economic Analysis Center.

---

There are some valid reasons for not achieving the 800-tank mile goal at home station, which are described below. The Army, however, does not adjust its tank mile goal to reflect these reasons. The Army develops its data on tank mile achievement from each unit's tank odometer readings. Some home station training, however, does not involve driving tanks. Specifically, the 800-tank mile goal for home station training includes a 60-tank mile increment that some units can conduct through the use of training simulators.<sup>10</sup> These 60 miles are included in the funding for the 800-tank miles, but they are not reflected in tank mile reporting because they are not driven on real tanks.

In addition, deployment to contingency operations, such as the ones in the Balkans (Bosnia and Kosovo), affects both the available funding and the amount of training that can be conducted at home station. For example, when armor units are deployed to the Balkans they are not able to conduct their normal home station training. During fiscal year 1999, for example, the 1st Cavalry Division deployed to the Balkans for 11 months. Consequently, the division did very little home station training, which affected the Army-wide average home station tank training miles achieved for that year—specifically, an average of 568 tank training miles. However, if the Army had excluded the 1st Cavalry Division because it was deployed to the Balkans for most of that fiscal year, the Army-wide average home station tank mile training would have increased to 655 miles, nearly 90 miles more. In addition, the Army moved and used the funds associated with this missed training to offset the cost of Balkan operations. Although the magnitude of funding shifted to support contingency operations varies annually, the Army does not adjust its methodology and reporting to reflect the tank training miles associated with these cost offsets.

Even though the Army is not conducting 800 tank miles of home station training, its armor units are still able to execute their unit training events. During our work at five of the Army's six heavy divisions, we found no evidence to demonstrate that scheduled training events had been delayed or canceled in recent years because training funds were moved out of the division subactivity for other purposes. Training events included those at a unit's home station and at the Army's National Training Center and its Combat Maneuver Training Center. Unit trainers told us that if scheduled

---

<sup>10</sup>We are referring to the Army's close combat tactical trainer. These simulators have been fielded in several locations. The Army's plans to complete its fielding of these simulators by the end of fiscal year 2003.

---

training had to be canceled or delayed, it likely would be for reasons such as deployments or bad weather. In addition, when unit trainers establish their training plans for certain training events, they focus on achieving the unit's mission essential tasks and not on how many miles will be driven on the tanks.

According to the Army, units can execute their training plans despite funds being moved for several reasons. The major reasons were

- because most of the movement in funds occurs before the divisions receive the funds, division trainers, using past experience, anticipate the amount of training funds they will likely receive from higher commands and adjust their training plans accordingly and
- the intensity of the training event can be modified to fit within available funding by taking steps such as driving fewer miles and transporting—rather than driving—tanks to training ranges.

---

### **The Army Is Taking Action to Restrict Moving Funds Out of Training Subactivities**

In fiscal year 2001, the Army implemented an initiative to protect training funds from being moved that should result in the Army's using these training dollars for the purposes originally planned. Senior Army leadership directed that for fiscal year 2001, Army land forces would be exempt from any budget adjustments within the discretion of Army headquarters. The senior leadership also required that Army commands obtain prior approval from Army headquarters before reducing training funds. However, subactivities within the Army's O&M account that have received these funds in the past—such as real property maintenance, base operations, and operational readiness—may be affected by less funding unless the Army requests more funds for these subactivities in the future. At the time of our work, this initiative had been in effect for only a few months; thus, we believe it is too early to assess its success in restricting the movement of training funds.

---

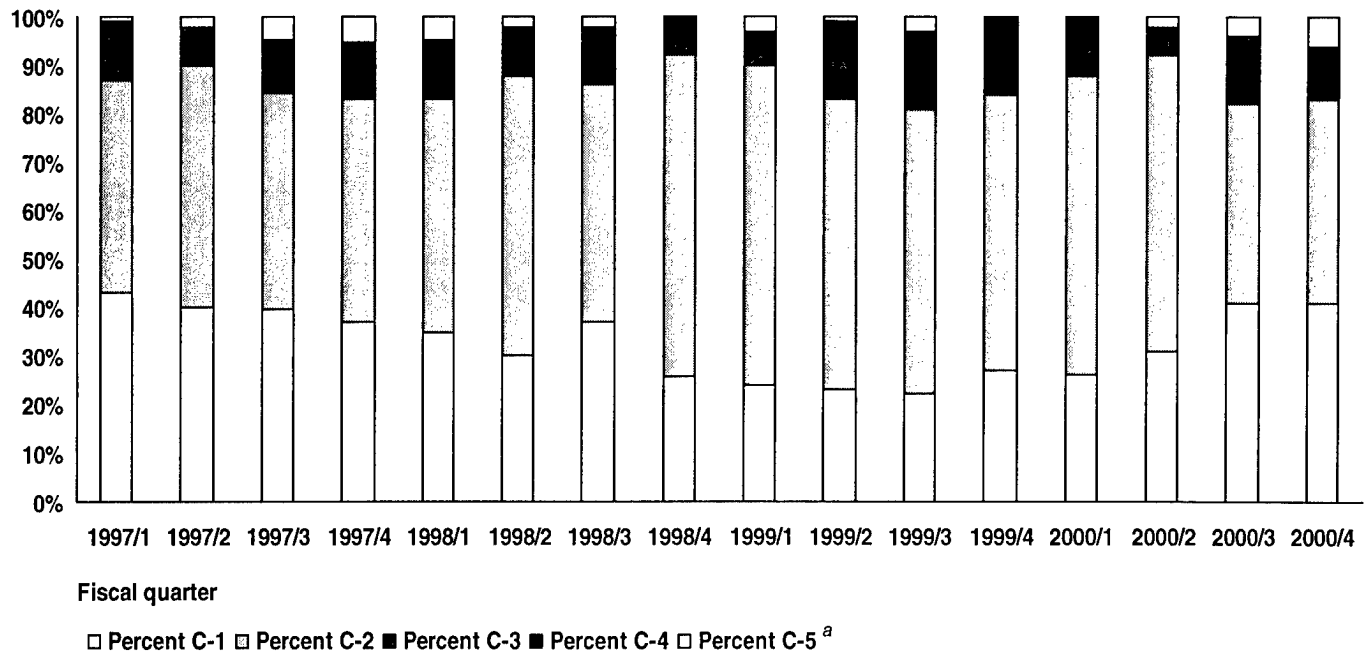
### **Armor Units Report High Levels of Readiness Despite Reduced Training Funds**

Army readiness assessments reported in the Global Status of Resources and Training System show that for the last 4 fiscal years, armor units have consistently reported high levels of readiness, despite reduced training funding and not achieving its tank mile goals. This readiness assessment system does not require considering tank miles driven as an explicit factor when a unit commander determines the unit's training or overall readiness posture. In fact, the number of tank miles driven is not mentioned in readiness reporting regulations.

We analyzed monthly Global Status of Resources and Training System data to see how often active-duty Army armor units were reporting readiness at high levels (C-1 or C-2) and lower levels (C-3 or C-4). Armor units reported high overall readiness for fiscal years 1997 through 2000, as shown in figure 5. Our analysis of the reported readiness of armor units showed that between 81 percent and 93 percent of the time all units reported high readiness levels.

**Figure 5: Armor Units Reporting of Overall Readiness Level, by Quarter, Fiscal Years 1997-2000**

Frequency of reported readiness



<sup>a</sup>For the most part, a unit reports C-5 because it is not prepared to undertake its wartime mission. For example, for the last quarter of fiscal year 2000, 3 units out of 37 reported C-5 because these units were either reorganizing or modernizing their equipment.

Note: Reporting units included between 35 and 39 armor battalions and cavalry squadrons depending on the reporting month.

Source: DOD's Global Status of Resources and Training System.

In our analysis of monthly readiness reports for fiscal years 1997 through 2000, we found that when armor units reported overall readiness of less than C-2, the reason was usually personnel readiness. In reviewing

---

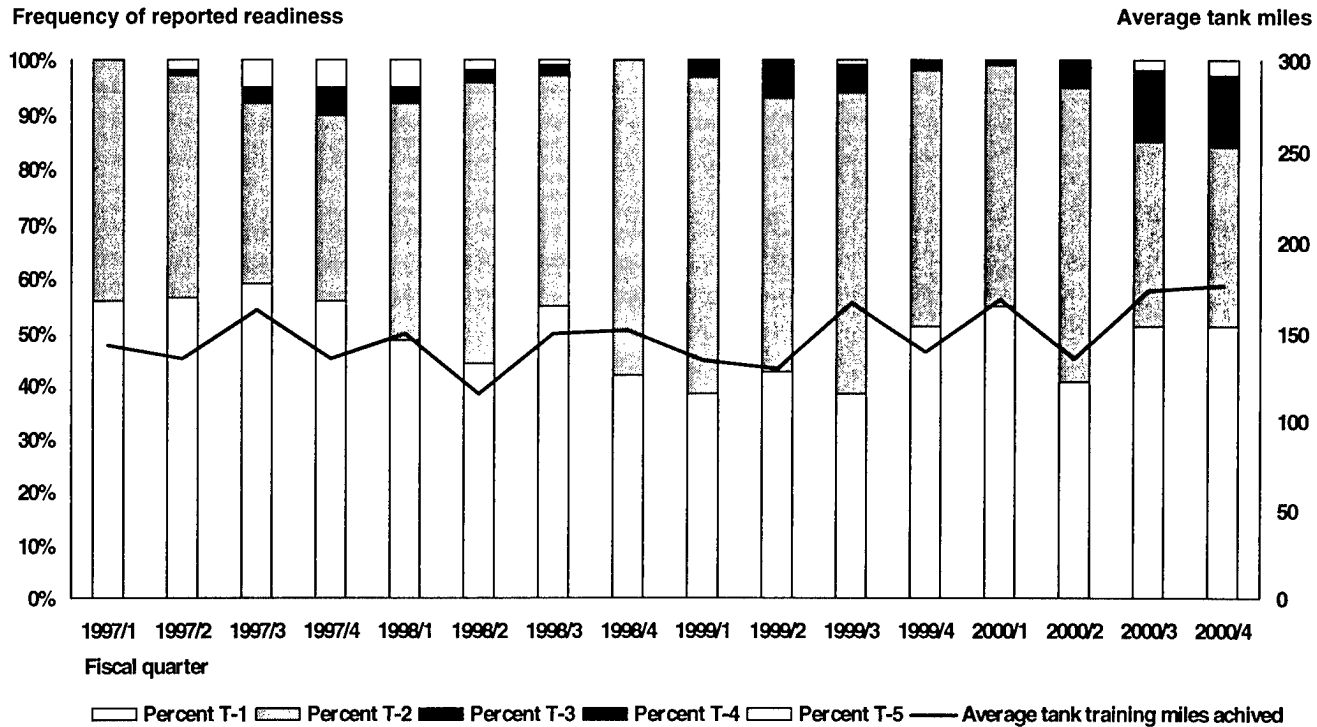
comments of commanders who reported degraded readiness for the same period, we found that insufficient funding was rarely cited as a cause of degraded readiness. In slightly over 200 unit reports filed in the 4-year period covering fiscal years 1997 through 2000, we identified only 11 instances in which a shortage of funds was cited as a factor in reporting C-3 or C-4 readiness levels. During the same period, when commanders cited training as the reason for reporting overall readiness of C-3 or C-4, they never cited insufficient funding as a cause.

Not only do unit commanders report on their overall readiness levels, but they also are required to report on the four subareas that comprise overall readiness. These subareas are current readiness levels of personnel, equipment on hand, equipment serviceability, and training. For the training readiness component, a unit's training status rating is based upon a commander's estimate of the number of training days required for the unit to become proficient in its wartime mission.<sup>11</sup> Our analysis of these readiness reports showed that armor units reported that their training status was high throughout fiscal years 1997 through 2000, with units reporting high training readiness more than 85 percent of the time in any fiscal quarter, as shown in figure 6.

---

<sup>11</sup>Commanders can assign a training status rating ranging from T-1, meaning most ready, to T-4, meaning least ready. Specifically, a T-1 rating assessment means the unit requires 0 to 14 days to train to proficiency in its wartime mission; a T-2 unit requires 15 to 28 days; a T-3 unit requires 29 to 42 days; and a T-4 unit requires 43 or more days to train to proficiency in its wartime mission. A T-5 rating assessment means that a unit's training proficiency cannot be determined due to special circumstances, such as an inactivation.

**Figure 6: Armor Units Reporting of Training Readiness Level by Quarter, Fiscal Years 1997-2000**



Note: Reporting units included armor battalions and cavalry squadrons. Tank miles achieved included all live training, such as home station training, National Training Center, and training conducted in Kuwait.

Source: DOD's Global Status of Resources and Training System and Army's Cost and Economic Analysis Center.

There seems to be no direct relationship between average tank miles achieved and reported training readiness. In addition to all active units reported training readiness, figure 6 also contains average tank miles achieved data. As shown in figure 6, there were times when tank miles achieved (1) increased while the proportion of time units reporting high readiness levels declined and (2) declined while the proportion of units reporting high readiness levels increased. For example, tank miles achieved rose more than 25 percent between the second and third quarter of fiscal year 2000 while the proportion of time units were reporting high readiness levels declined. Conversely, tank miles achieved fell by more than 20 percent between the third and fourth quarter of fiscal year 1999

---

while the proportion of time units were reporting high readiness levels increased.

---

## **DOD and the Army Are Not Presenting Congress a Clear Picture of All Tank Training Conducted**

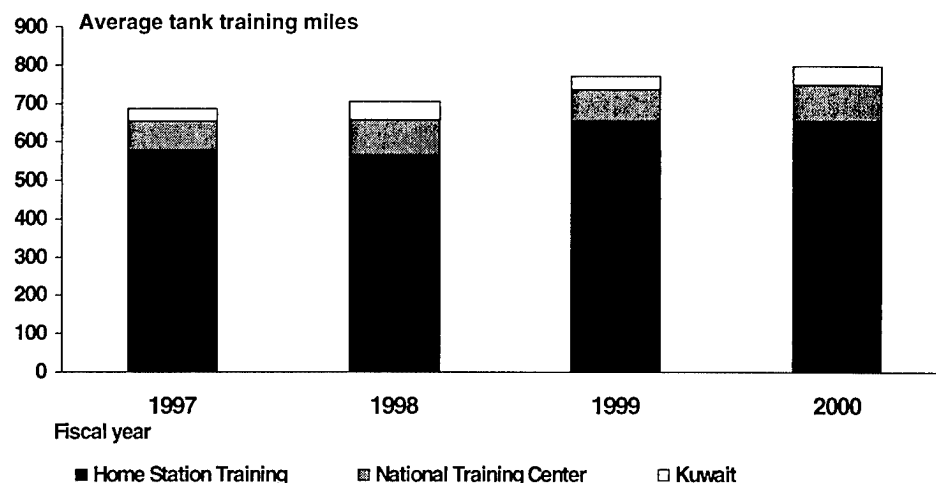
Both the Army and DOD provide Congress with information on tank miles achieved, but reporting is incomplete and inconsistent. The Army reports tank miles achieved to Congress as part of DOD's annual budget documentation. DOD reports tank miles achieved as part of its reporting under the Government Performance and Results Act. Army units train on their tanks at their home stations, at major training centers, and in Kuwait in concert with Kuwait's military forces. All armor training contributes to the Army's goal of having a trained and ready combat force. However, we found that the categories of tank training the Army includes in its annual budget documentation vary from year to year and the categories of training the Army includes in its budget documents and DOD includes in its Results Act reporting vary.

## **Army Conducts Additional Training That It Does Not Always Include in Reports on Tank Miles Achieved**

In addition to home station training, Army units conduct training away from home station. This additional training is paid from different budget subactivities within the Army's O&M account and thus is not included in the Army's budget request for funds to conduct 800 miles of home station training. One such subactivity funds training at the National Training Center. Armor units based in the United States train at the National Training Center on average once every 18 months. Based on congressional guidance, the Army includes funds for this training in a separate budget subactivity. This subactivity, in essence, pays for tank training miles in addition to the 800 miles for home station training that is funded in the divisions' training subactivity. During the period fiscal years 1997 through 2000, the National Training Center training added an annual average of 87 miles to overall Army tank training in addition to the average of 591 miles of home station training. Because, through fiscal year 2000, these miles have been conducted on prepositioned equipment rather than on a unit's own tanks, they appropriately have not been included in home station training activity. Beginning in fiscal year 2001, the Army plans to have an as yet undetermined number of units transport their own tanks for use at the National Training Center. As this occurs, these units will report National Training Center tank miles achieved as part of their home station training. The Army is examining how to adjust division and the National Training Center budget subactivities to reflect this shift.

Similarly, some armor units conduct training in Kuwait in conjunction with Kuwait's military forces in a training exercise called Desert Spring (formerly called Intrinsic Action). Kuwait pays part of the cost of this training and the balance is paid from funds appropriated for contingency operations. The tanks used for this training are prepositioned in Kuwait. Over the last 4 fiscal years, this training added an annual average of about 40 miles to overall Army tank training and was also appropriately not included in the home station training activity. However, this training also contributed to the Army's goal of having a trained and ready combat force. As shown in figure 7, when the miles associated with additional training are included, for the period fiscal years 1997 through 2000, an average of about 127 miles were added to the annual overall tank-miles achieved.

**Figure 7: Average Number of Tank Miles Achieved by Training Location, Fiscal Years 1997-2000**



Source: Our analysis based on data from the Army's Cost and Economic Analysis Center.

The Army has not been consistent about reporting these miles. We found that in some years the Army included these miles in its reporting on tank miles achieved and in some years it did not. For example, for fiscal year 1999, the latest year for which such data were available, the Army reported only home station tank miles in its budget submission, while for fiscal year 1998 it reported both home station and National Training Center miles. Further, the Army did not include tank miles driven in Kuwait in either year.

---

---

## DOD Presents an Unclear Picture to Congress in Its Results Act Reporting

In fiscal year 1999, DOD began to report on the Army's achievement of 800 tank miles of training as one of its performance goals under the Government Performance and Results Act. The Results Act seeks to strengthen federal decision-making and accountability by focusing on the results of federal activities and spending. A key expectation is that Congress will gain a clearer understanding of what is being achieved in relation to what is being spent. To accomplish this, the act requires that agencies prepare annual performance plans containing annual performance goals covering the program activities in agencies' budget requests. The act aims for a closer and clearer link between the process of allocating resources and the expected results to be achieved with those resources. Agency plans that meet these expectations can provide Congress with useful information on the performance consequences of budget decisions.

In its Results Act reporting, DOD is using a different training goal than the Army and, depending on the year, is including different categories of training. In response to the Results Act, DOD stated in its fiscal year 1999 performance plan that it planned to use 800 tank miles of training as one of its performance goals for measuring short-term readiness. In DOD's performance report for 1999, DOD reported, among other performance measures, how well it achieved its training mile goal for tanks. In its reporting on progress toward the goal, DOD included mileage associated with training at the National Training Center in its tank mile reporting. As discussed previously, for the Army, the 800-tank mile goal relates exclusively to home station training, and tank miles achieved at the National Training Center are funded through a separate subactivity within the Army's O&M account and tank miles achieved in Kuwait are paid for in part by Kuwait and in part by funds appropriated for contingency operations. In addition, because the Army has varied the categories of training (home station and National Training Center) it includes in its budget submission reporting, depending on the year, the Army and DOD are sometimes using different bases for their tank mile achievement reporting. As a result, Congress is being provided confusing information about what the 800-tank mile goal represents.

---

## Conclusions

Because the Army has consistently (1) not obligated all its O&M unit training funds for the purposes it told Congress that it needed them; (2) continues to conduct its required training events; and (3) reports that its heavy divisions remain trained and in a high state of readiness, questions

---

are raised as to the Army's proposed use of funds within its O&M account. In addition, the different ways in which the Army and DOD report tank mile training, results in Congress receiving conflicting information. By not providing Congress with clear and consistent information on Army tank training, the usefulness of the information is diminished.

---

## Recommendations to an Executive Agency

To better reflect Army funding needs and more fully portray all its tank training, we recommend that the Secretary of the Army

- reexamine the Army's proposed use of funds in its annual O&M budget submission, particularly with regard to the funds identified for division training and for other activities such as base operations and real property maintenance and
- improve the information contained in the Army's budget documentation by identifying more clearly the elements discussed in this report, such as (1) all funds associated with tank mile training; (2) the type of training conducted (home station, simulator, and National Training Center); (3) the training that could not be undertaken due to Balkan and any future deployments; (4) the budget subactivities within its O&M account that fund the training; and (5) the training conducted in and paid for in part by Kuwait.

To provide Congress with a clearer understanding of tank training, we also recommend that the Secretary of Defense, in concert with the Secretary of the Army, develop consistent tank training performance goals and tank mile reporting for use in Army budget submissions and under the Results Act.

---

## Agency Comments and Our Evaluation

DOD provided written comments on a draft of this report, which are reprinted in appendix III. DOD fully agreed with our two recommendations concerning improving the information provided to Congress and in part with our recommendation concerning reexamining its O&M funding request. DOD agreed that the Army should reexamine its funding request in all areas of its O&M budget submission. However, DOD objected to the implication that the Army was requesting too much funding for division training and noted that since we had not assessed the level of division training necessary to meet approved Army standards, any conclusion as to the adequacy of training funds is inappropriate. We did not directly examine whether the Army was training to its approved standards. We did

---

examine whether the Army had delayed or canceled training due to the movement of funds. We found no evidence to demonstrate that scheduled training events had been delayed or canceled in recent years because training funds were moved. We also found that Army unit trainers plan their training events to focus on their mission essential tasks. These tasks form the basis of the Army's training strategy. While we believe that our findings, including the Army's movement of almost \$1 billion—about 21 percent—of its division training funds to other O&M budget subactivities over the 4-year period fiscal years 1997 through 2000 suggests a need to reexamine the Army's proposed use of funds within that subactivity, we did not conclude that the Army was requesting too much funding in some areas and not enough in others. As noted above, DOD concurs that the Army should make such a reexamination. We have, however, clarified our recommendation to focus on the need to reexamine the Army's planned use of funds.

---

We are sending copies of this report to the Honorable Donald H. Rumsfeld, Secretary of Defense; Mr. Bruce A. Dauer, Under Secretary of Defense (Comptroller and Chief Financial Officer); the Honorable Joseph W. Westphal, Secretary of the Army (Acting); and the Honorable Mitchell E. Daniels, Jr., Director, Office of Management and Budget. We will make copies available to others on request.

If you or your staff have any questions concerning this report please call me on (757) 552-8100. This report was prepared under the direction of Steve Sternlieb, Assistant Director. Major contributors to this report were Howard Deshong, Brenda Farrell, Madelon Savvides, Frank Smith, Leo Sullivan, and Laura Talbott.



Neal P. Curtin, Director  
Defense Capabilities and Management

---

List of Congressional Committees

The Honorable John W. Warner  
Chairman

The Honorable Carl Levin  
Ranking Member  
Committee on Armed Services  
United States Senate

The Honorable Bob Stump  
Chairman

The Honorable Ike Skelton  
Ranking Democratic Member  
Committee on Armed Services  
House of Representatives



---

# Scope and Methodology

---

To identify whether the Army is continuing to move training funds planned for its divisions, we examined Army budget submissions, the Secretary of Defense's high priority readiness transfer reports to Congress, appropriations acts for the Department of Defense (DOD), and the conference reports on those acts. We focused our analysis on fiscal years 1997 through 2000. We began with fiscal year 1997 because the Army had revised its operation and maintenance (O&M) budget structure for operating forces beginning in that year. We extracted data from these documents to compare the amounts congressional conferees initially designated for the Army's operation of its land forces, including its divisions, to those the Army reported as obligated. We also obtained Army data on tank miles achieved for the Army overall and by armor battalion. To understand how the Army trains its armor forces to be combat ready as well as to ascertain how Army units adjust to reduced funding and if the Army had canceled or delayed any scheduled training due to the movement of training funds, we obtained briefings, reviewed training documents, and interviewed Army personnel at a variety of locations, including Army headquarters, the Army's Forces Command and U.S. Army Europe, five of the six heavy divisions both within the United States and Europe, and the Army's school for armor doctrine and training. We also analyzed tank mile data from the Army's Cost and Economic Analysis Center.

To assess the reported readiness of Army tank units, we examined monthly readiness reporting data from DOD's Global Status of Resources and Training System for fiscal years 1997 through 2000. We examined both the reported overall readiness and the training component of the readiness reports. We reviewed this system's readiness status ratings to determine (1) what level of readiness units were reporting, (2) whether unit readiness had declined, (3) whether training readiness was determined to be the primary cause for any decline in readiness, and (4) whether unit commanders had attributed training funding shortfalls as the cause for any decline in readiness levels.

To assess whether DOD and the Army are providing Congress with complete and consistent information regarding armor training, we compared Army budget submissions with Army tank training data and DOD's report on its performance required by the Government Performance and Results Act. We also discussed overall training versus home station training and the differences between Army and Results Act reports with Army officials.

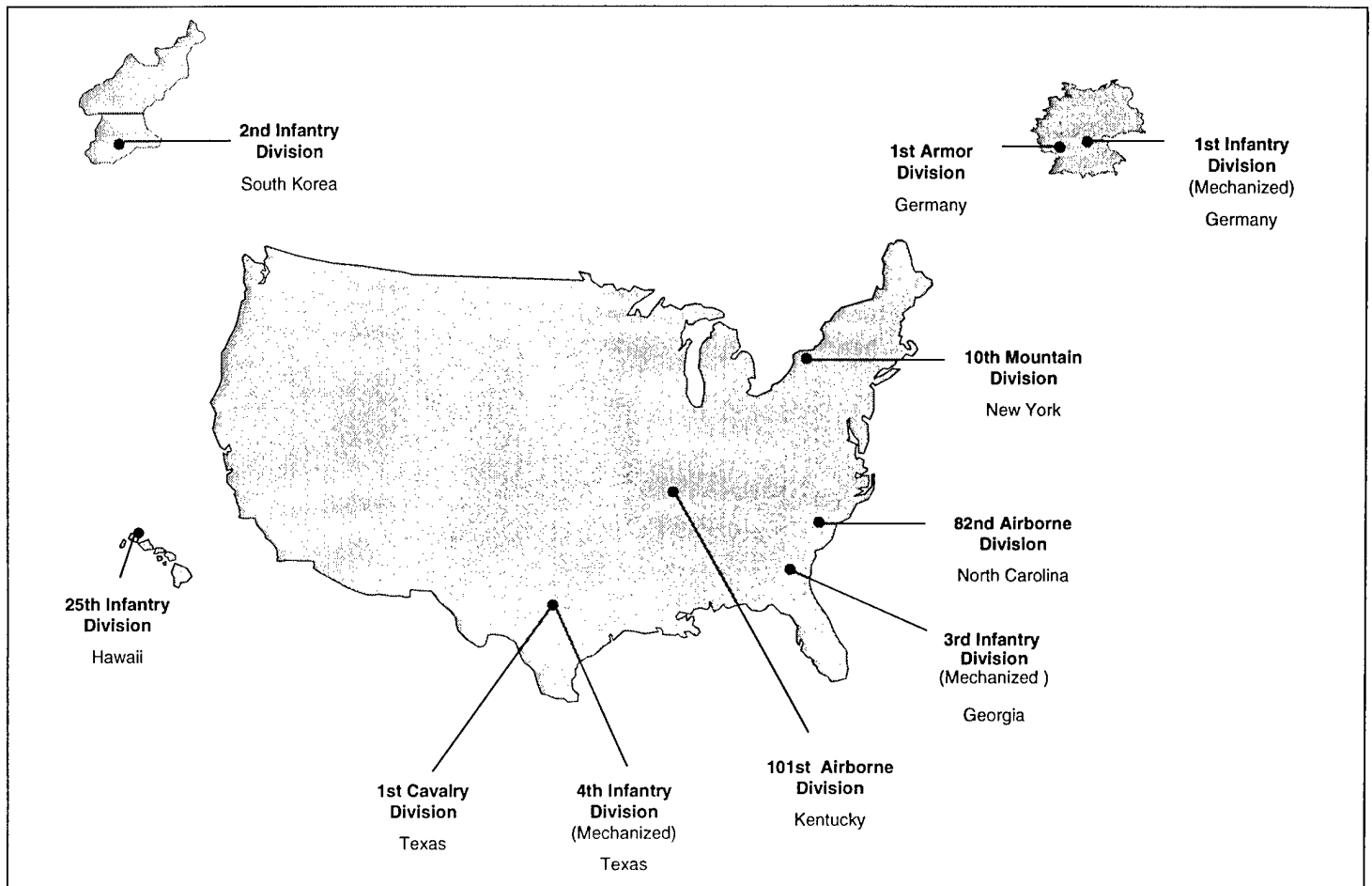
---

**Appendix I**  
**Scope and Methodology**

---

Our review was conducted from March 2000 through January 2001 in accordance with generally accepted government auditing standards.

# Locations of the Army's Divisions in the Active Forces



# Comments From the Department of Defense



PERSONNEL AND  
READINESS

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



March 14, 2001

Mr. Neal P. Curtin  
Director, Defense Capabilities and Management  
U. S. General Accounting Office  
Washington, D. C. 20548

Dear Mr. Curtin:

This is the Department of Defense response to the General Accounting Office draft report, "DEFENSE BUDGET: Army Should More Accurately Portray How It Uses Tank Training Funds," February 12, 2001 (GAO Code 702064/OSD Case 3039).

We have reviewed the draft report and our comments to the GAO's draft recommendations are attached. We appreciate the opportunity to review and comment on this report.

Sincerely,

Joseph J. Angello, Jr.  
Acting Deputy Under Secretary of Defense  
(Readiness)

Attachment



GAO DRAFT REPORT – DATED FEBRUARY 12, 2001  
GAO CODE 702064/OSD CASE 3039  
“DEFENSE BUDGET: ARMY SHOULD MORE ACCURATELY PORTRAY HOW IT  
USES TANK TRAINING FUNDS”

DEPARTMENT OF DEFENSE COMMENTS  
TO THE RECOMMENDATIONS

**RECOMMENDATION 1:** *In order to better reflect Army funding needs and more fully portray all its tank training, the GAO recommended that the Secretary of the Army reexamine whether the Army is requesting too much funding for division training and not enough funding in other areas such as base operations and real property maintenance in its annual O&M budget submission*

**DOD RESPONSE:** Concur in part with this recommendation. We concur that the Army should reexamine its funding request in all areas of the O&M budget submission. However, we object to the implication that the Army is requesting too much funding for division training. Since the GAO has not assessed the level of division training necessary to meet approved Army standards, any conclusion as to the adequacy of training funding is inappropriate.

Although the Army has used training funding in the past for programs and activities that enabled training, they have taken steps this year to ensure realistic training for heavy combat divisions by restricting funding migration out of those accounts. The Army is also studying the funding adequacy of its training enablers to ensure that all of its O&M accounts have adequate resources.

**RECOMMENDATION 2:** *In order to better reflect Army funding needs and more fully portray all its tank training, the GAO recommended that the Secretary of the Army improve the information contained in the Army's budget documentation to identify more clearly the elements discussed in this report, such as (1) all funds associated with tank mile training, (2) the type of training conducted (home station, simulator, and National Training Center), (3) training that could not be undertaken due to Balkan or any future deployments, (4) the budget sub-activities within its O&M account that fund the training, and (5) training conducted in and paid for by Kuwait.*

**DOD RESPONSE:** Concur with this recommendation. These issues are key elements of the Army's FY 2001 OPTEMPO management initiative. This initiative includes the development of standard reporting business rules which will address each of the points referenced in the above recommendation.

**RECOMMENDATION 3:** *To provide Congress with a clearer understanding of tank training, the GAO recommended that the Secretary of Defense in concert with the Secretary of the Army develop consistent tank training performance goals and tank mile reporting for use in Army budget submissions and under the Results Act.*

**DOD RESPONSE:** Concur with this recommendation. Methods to more accurately represent and report tank mileage execution are already underway, and the Army's proposed "reporting business rules" are expected to resolve any data presentation issues.

---

---

## Ordering Information

The first copy of each GAO report is free. Additional copies of reports are \$2 each. A check or money order should be made out to the Superintendent of Documents. VISA and MasterCard credit cards are accepted, also.

Orders for 100 or more copies to be mailed to a single address are discounted 25 percent.

Orders by mail:  
U.S. General Accounting Office  
P.O. Box 37050  
Washington, DC 20013

Orders by visiting:  
Room 1100  
700 4th St. NW (corner of 4th and G Sts. NW)  
U.S. General Accounting Office  
Washington, DC

Orders by phone:  
(202) 512-6000  
fax: (202) 512-6061  
TDD (202) 512-2537

Each day, GAO issues a list of newly available reports and testimony. To receive facsimile copies of the daily list or any list from the past 30 days, please call (202) 512-6000 using a touchtone phone. A recorded menu will provide information on how to obtain these lists.

Orders by Internet:  
For information on how to access GAO reports on the Internet, send an e-mail message with "info" in the body to:

[info@www.gao.gov](mailto:info@www.gao.gov)

or visit GAO's World Wide Web home page at:

<http://www.gao.gov>

---

## To Report Fraud, Waste, or Abuse in Federal Programs

Contact one:

- Web site: <http://www.gao.gov/fraudnet/fraudnet.htm>
- e-mail: [fraudnet@gao.gov](mailto:fraudnet@gao.gov)
- 1-800-424-5454 (automated answering system)