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# General Accounting Office



## Moving Air Force Operations From The Washington, D.C., Area Not Cost Effective

The Air Force announced plans in April 1978 to consolidate, eliminate, or transfer various functions from the Washington, D.C., area. The changes apparently were undertaken because of congressional and administration pressure to reduce the number of Federal employees and offices in the National Capital Region.

Air Force officials said the objective was to improve management, not to save money. Several organizations affected said that the changes have made work slower, more costly, or less reliable. GAO estimates that the relocation will cost \$2.8 million and will increase annual operating costs by \$1.4 million.

This report was requested by Representative Gladys Noon Spellman.



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LCD-79-326  
AUGUST 30, 1979

**GAO**

United States General Accounting Office  
Washington, DC 20548

Logistics and  
Communications  
Division

B-168700

The Honorable Gladys Noon Spellman  
House of Representatives

Dear Mrs. Spellman:

This is in response to your April 26, 1978, letter <sup>AGC0003</sup> requesting us to review the Air Force's realignment and relocation from the National Capital Region. The realignment was originally announced on April 12, 1978. Our review covered the planning process, the rationale and criteria for targeting certain functions, the implementation and status of the plan, and the estimated costs and savings. We reviewed cost data compiled by the Air Force and supporting documents and interviewed Air Force officials. Our review was hampered by a lack of documentation and delays in obtaining information. Although we used additional steps and procedures to corroborate available evidence, we are not confident that we obtained all relevant or completely factual information.

The results of our inquiry are summarized below and discussed in detail in the appendixes.

- The Air Force did not follow normal planning procedures. Rather than full-time professionals in the manpower and organization directorate, one Air Force official and later a small, ad hoc group planned the realignment. The planners worked in relative isolation; that is, affected organizations did not participate until after target numbers for relocating positions were decided. According to Air Force officials, the planning process was not formally documented.
- The underlying rationale for the realignment appears to be the congressional and administration emphasis on reducing the Federal presence in the National Capital Region. In terms of rationale for moving individual organizations, functions were reportedly selected for relocation because of the likelihood that they could be performed effectively elsewhere.
- Although some initial economic analyses were made, cost effectiveness was not an objective for this realignment. And, its relocations out of the National



Capital Region have not been cost effective. We estimate one-time costs at \$2.8 million and annual recurring costs at \$1.4 million.

--Fewer manpower authorizations in the National Capital Region were affected than originally planned. The Air Force estimates the net effect will be 599 fewer personnel spaces in the Region. Portions of the plan were deleted after a reevaluation showed potential adverse effects.

--The completed portions of the realignment have caused some operational inefficiencies. Twenty-seven more personnel spaces were authorized to coordinate work or to perform additional administrative tasks. Several organizations also reported that the realignment caused undesirable work allocation choices with results potentially slower, more costly, or less reliable.

After we completed our audit work, the Air Force announced revisions to the realignment. The Legal Services Center, the <sup>DLG02</sup> Office of Special Investigations, and the Intelligence Service <sup>DLG02</sup> will remain in the National Capital Region. About 40, rather than 140 positions, will be relocated from the National Capital Region to the Engineering and Services Center at Tyndall Air Force Base, Florida. The Air Force decided that operating and managing geographically separated staffs was ineffective and costly and plans to relocate about 25 civilian personnel from Tyndall Air Force Base back to Washington. We did not adjust manpower statistics or cost estimates to reflect this change.

We discussed a draft of this report with Air Force officials who generally agreed with its contents. Officials emphasized that the primary goal of this realignment was reduction of headquarters staff, not relocation of personnel from the National Capital Region. The Air Force said that, in addition to this realignment plan, it has reduced National Capital Region position authorizations by another 400 spaces and in total will vacate about 150,000 square feet of administrative space, meeting its National Capital Region space reduction goal. The Air Force reiterated its position that reduced user charges paid to the General Services <sup>4GC 00017</sup> Administration are properly recognized as Air Force savings.

B-168700

As arranged with your office, unless you publicly announce the contents of the report earlier, we plan no further distribution until 10 days after the date of the report. At that time, we will send copies to the Secretary of Defense, the Secretary of the Air Force, and other interested parties. *DLG 00751*

Sincerely yours,

A handwritten signature in black ink, appearing to read "R. W. Gutmann". The signature is written in a cursive style with a long horizontal flourish extending to the right.

R. W. Gutmann  
Director

AIR FORCE REALINEMENTSOUT OF THE NATIONAL CAPITAL REGIONBACKGROUND

The National Capital Region (NCR) is an area encompassing the District of Columbia; Montgomery and Prince Georges counties in Maryland; and Arlington, Fairfax, Loudon, and Prince William counties and the cities of Alexandria, Fairfax, Falls Church, Manassas, and Manassas Park in Virginia. As of September 30, 1977, about 406,000 Federal military and civilian employees worked in the NCR--an increase of 19 percent since 1965 but less than 1 percent since 1970. These employees were about 10 percent of all Federal employees in the United States, an increase of about 1 percent since 1970.

Several administrations and the Congress have sought to decrease the number of Federal employees and the amount of space they occupy in the NCR. As early as 1963, the Bureau of the Budget (currently the Office of Management and Budget) issued criteria for decentralizing Federal activities from the NCR (Circular No. A-60, July 18, 1963). The House Committee on Appropriations has reported that it will insist that some Department of Defense activities in the NCR be reduced and relocated to other areas of the country. In addition, section 901 of the Civil Service Reform Act of 1978 requires a Government-wide study to determine which activities can be decentralized and shifted from the NCR.

To emphasize a relocation policy, the House Committee on Appropriations has eliminated proposed military construction projects requested in or near the NCR. For example, the Committee denied a 1977 appropriation request for \$8 million to rehabilitate Defense Supply Agency facilities at Cameron Station, Virginia, until the Agency provided convincing evidence it had sought space outside the Washington, D.C., area. For the same reason, the Committee denied the Army's 1978 request for \$1.8 million for facilities at Fort Belvoir, Virginia, and the Navy's 1979 request for \$4.2 million to remodel space in the Washington Navy Yard. The Committee has stated that economic criteria should not be the sole determinant in decisions to relocate activities from the NCR. Although the Conference Committee restored the 1978 Army request and part of the 1979 Navy request, both the House and Conference Committee reports on the 1978

Military Construction Act stated that costs for new construction or modification at a location outside of Washington might be outweighed by advantages of such a move.

In 1972 the Secretary of Defense set a 5-year target to reduce Defense-occupied space in the NCR by 2 million square feet. By 1977 Defense reported that it had vacated about 1.9 million square feet, about 95 percent of the targeted amount. In tallying this total, however, Defense said it (1) gave the military services credit for actions prior to 1972 and for reduction of personnel and activities, (2) allowed a liberal interpretation of the plan's intent, (3) used no formal accounting or monitoring system to verify the data, and (4) gave credit for Navy activities planned after 1976. The House Appropriations Committee was not completely satisfied with these efforts and called for further personnel and space reductions in the NCR. The Committee reported that without specific, meaningful targets and strong assurances of intent to reduce activities in the area, any Defense requests for new or expanded NCR facilities would not likely be approved.

In March 1977 the Deputy Secretary of Defense directed the military departments to submit proposals to further reduce Defense presence in the NCR. By December 1977 no substantive proposals had been submitted. At that time, the Deputy Secretary established a goal of further reducing Defense presence in the NCR by 2 million square feet, phased over a 5-year period. The space was prorated among Defense agencies and the agencies were instructed to submit 5-year plans by February 1978 to meet these goals.

The stated objectives of the space reduction plan were to

- decentralize Defense activities from the NCR,
- reduce payments for non-Defense controlled administrative space in the NCR, and
- increase the use of existing installations outside the NCR.

Agencies were advised that economic criteria should not be the sole determinants in decisions to relocate activities. The plans were to reflect a comprehensive review of all NCR activities using criteria, such as the activity's purpose,

its principal working relationships with other governmental and non-governmental activities, costs, and special requirements.

In 1977 the Secretary of Defense had also directed the military services to reduce their headquarters staffs 20 to 25 percent. As we reported in an October 1978 staff study, most of the reductions were achieved without physical relocations (FPCD-78-72, Oct. 2, 1978). Functions, positions, and personnel were transferred on paper to non-headquarters activities within the NCR. Some civilian employees accepted early retirement, but few were separated involuntarily. Of the three military services, the Air Force had the fewest number of people in the NCR. Nevertheless, only the Air Force actually moved a significant number of personnel out of the NCR.

In addition to complying with these Defense requirements, the Air Force had to move about 800 personnel from the James Forrestal Building to make room for the Department of Energy. We discussed the reasoning for this relocation in a prior report (LCD-78-326, May 9, 1978).

The key events leading up to the Air Force announcing its realignment plan are shown in appendix II.

#### APRIL 1978 REALIGNMENT PLAN

On April 12, 1978, the Air Force announced plans to reduce Air Force presence in the NCR by about 1,500 manpower authorizations. The announced objective was to increase management cohesiveness and effectiveness by consolidating, eliminating, or transferring various functions. The Air Force intended to improve departmental managerial arrangements, reduce Air Force presence in the NCR, enhance the span of control of the Secretary of the Air Force and the Chief of Staff, and relocate functions from the Forrestal Building.

Air Force Headquarters was to be reduced approximately 29 percent (5-percent elimination and 24-percent transfers) from the January 31, 1977, assigned "onboard" strength of about 4,610 to an estimated 3,250. About 940 military and 560 civilian authorized positions would be affected. Approximately 370 of these positions had already been eliminated or transferred as part of programmed management actions.

The planned realignment was to begin in fiscal year 1978 and was to be completed by the end of fiscal year 1979. It included restructuring and transfers in and among headquarters offices, separate operating agencies, major commands, and field activities. The total plan envisioned some change for more than 1,500 positions when moves from the NCR were added to these other types of transfers. Transfers expected to affect the NCR included:

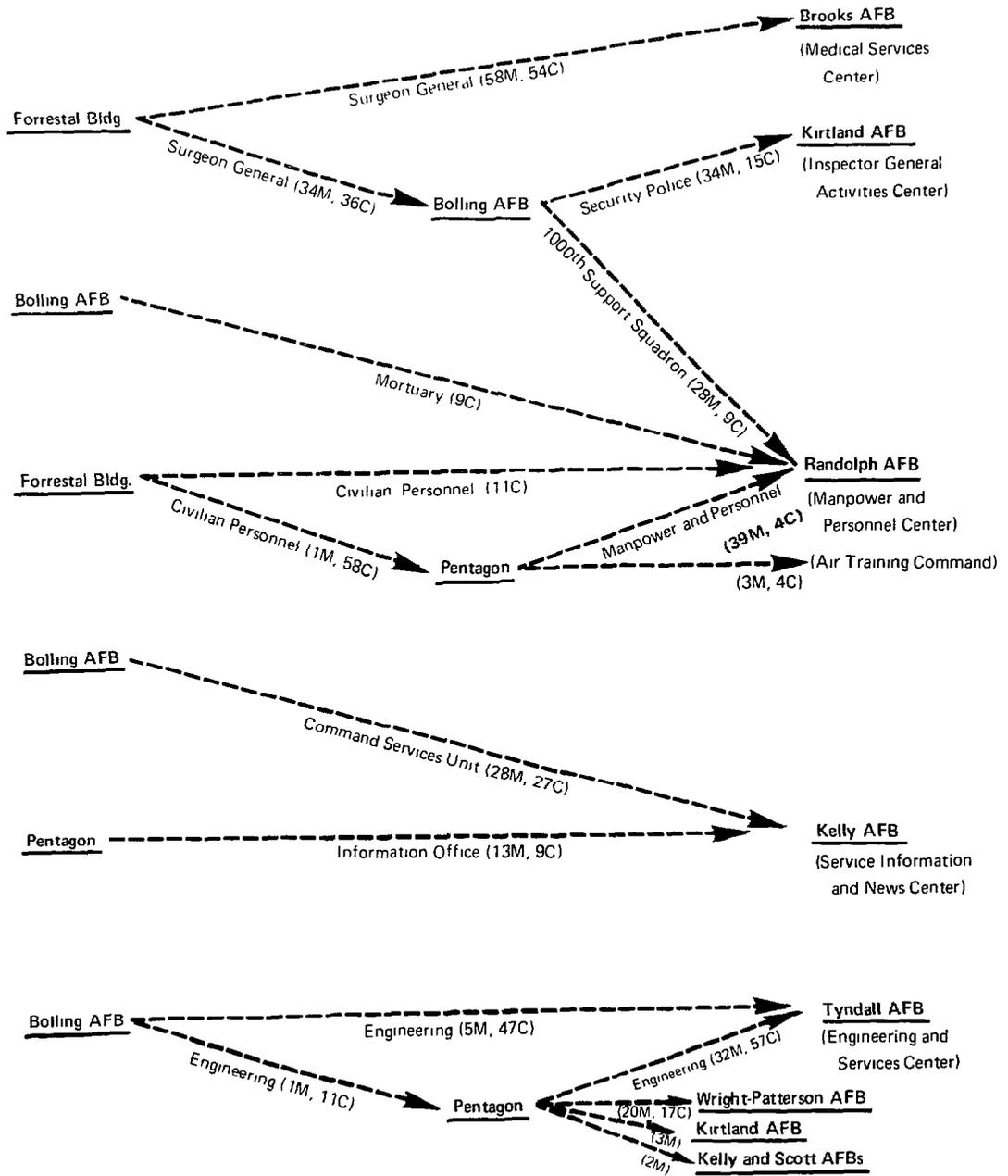
- Realining and reducing some headquarters units while establishing the 1947th Administrative Support Group in the NCR.
- Establishing the Medical Services Center at Brooks Air Force Base (AFB), Texas, staffed partially with NCR personnel assigned to the Surgeon General's office.
- Transferring some NCR manpower and personnel functions to the retitled Manpower and Personnel Center at Randolph AFB, Texas.
- Transferring some NCR personnel to the new Intelligence Center at Kelly AFB, Texas.
- Transferring some NCR functions and personnel to the new Service Information and News Center at Kelly AFB, Texas.
- Transferring some NCR personnel to the new Legal Services Center at Wright-Patterson AFB, Ohio.
- Transferring some NCR personnel to the new Inspector General Activities Center at Kirtland AFB, New Mexico.
- Transferring some NCR personnel to the new Engineering and Services Center at Tyndall AFB, Florida.

The NCR positions which have been transferred as a result of the plan are shown in the diagram on the following page.

NORMAL PLANNING PROCESS NOT FOLLOWED

Realignment planning did not follow the same pattern as in other Air Force realignments. Neither the Air Force organization directorate nor affected organizations were

**Relocations Out of the National Capital Region**



Note: Numbers in parentheses represent manpower authorizations transferred M=military C=civilian

responsible for developing the plan announced in April 1978. In addition, the planning process was not fully documented and cost effectiveness was not a major planning criterion.

The Deputy Chief of Staff for (at that time) Programs and Resources planned the realignment at the direction of the Secretary of the Air Force and the Air Force Chief of Staff. After working alone for several months, the Deputy Chief was assisted by an ad hoc study group which conducted detailed realignment planning. The group marked and treated its working papers as sensitive material and as "internal Air Force working documents" to prevent premature disclosure of actions being considered. The heads of staff and field activities being considered for possible realignment and/or reduction were not directly involved in the initial planning process.

According to the Deputy Chief of Staff, the study group did not prepare the type of documentation normally expected for this type of realignment. And the documentation which was prepared was not retained. The Deputy Chief of Staff stated that he received instructions verbally from the Air Force Secretary, Under Secretary, and the Chief and Vice Chief of Staff and reported progress to them verbally. He also stated that the limited guidance from the Office of the Secretary of Defense was verbal and that formal memorandums of staff discussions were not prepared. The study group did prepare and submit a detailed description of the plan to the Secretary of the Air Force.

To develop the plan, the group reportedly assessed the likelihood that activities in the NCR, particularly those in the Forrestal Building, could be effectively performed elsewhere. Air Force bases that received NCR activities were selected because they had compatible activities and space to absorb additional people without major military construction. Once a basic plan was decided upon, affected organizations formulated specific plans to implement the realignment. Some organizations were given as a target a number of position authorizations to relocate out of the NCR or to redistribute within the NCR. The organizations were allowed to select the specific functions and positions to be moved.

Air Force officials said the basic objective for this realignment was management improvement, not cost savings. Attempts were made initially to estimate total costs and/or cost savings. However, Air Force officials believed the

results were not reliable because the plan was not definitive at that time (organizations were allowed latitude in implementation) and the base realignment cost model was still in the experimental stage of development. Thus, the Air Force said it did not estimate costs and savings for the April realignment plan.

Although costs were not a major consideration, the Air Force took steps to minimize costs. In August 1977, it placed a selective moratorium on transferring personnel to departmental headquarters to reduce the number who would have to be relocated. NCR activities were to move from General Services Administration (GSA) space into Air Force-owned space, reducing user charges paid to GSA. The moves were also planned to avoid major construction.

During the planning process, the Air Force also made an environmental assessment in accordance with the National Environmental Policy Act of 1969. The Air Force concluded that the realignment would not have a significant impact on the quality of the human environment or be highly controversial with regard to environmental effects. Therefore, the Air Force did not prepare a formal draft environmental impact statement.

#### PLAN NOT FULLY IMPLEMENTED

The planned realignment has not been completed. Some personnel are scheduled to transfer out of the NCR during the summer and fall of 1979. Some organizations will retain more personnel in the NCR than planned and some portions of the plan may not be implemented. Thus, fewer manpower authorizations were affected and less space vacated than originally planned.

Updated Air Force figures show that the net effect of the realignment will be 599 fewer NCR positions; 230 military and 369 civilian. For the major organizations which we reviewed, the net effect will be 529 fewer NCR positions. As of June 1979, 517 of these organizations' NCR positions had been officially transferred. Primarily, these were positions transferred to the centers for medical services, information and news, engineering and services, and manpower and personnel--centers which were activated in the summer and fall of 1978. An additional 62 positions will relocate this year. Although this totals 579 positions transferring, 40 will be physically located in the NCR, and 1 organization was authorized another 10 NCR positions. (See appendix III for details on each center.)

The realignment did not reduce NCR administrative space as much as expected. To date, the realignment has resulted in the Air Force vacating about 62,000 square feet in the NCR, although the Air Force expects to have vacated about 152,000 square feet by the end of the fiscal year. If the realignment had been carried out as originally planned, the Air Force would have vacated 270,000 square feet of space. Air Force officials said the realignment will reduce the Air Force's amount of GSA-operated space, another Air Force objective.

The Air Force has reassessed several portions of the realignment announced in April 1978 because these portions of the plan do not seem as sound as when the study group developed the initial plans.

- The Legal Services Center will not be established at Wright-Patterson AFB, Ohio. The center will be established in the NCR.
- The Intelligence Center will not be established at Kelly AFB, Texas.
- Although the security police function was moved to the Inspector General Activities Center at Kirtland AFB, New Mexico, the Office of Special Investigations will not move there.

When affected organizations were brought into the realignment planning, they were instructed to formulate plans to accomplish the transfers and to identify any limiting factors that might preclude implementing the realignment. The functions listed above were determined to involve a high degree of interaction with other Government functions located in the NCR.

#### REALIGNMENT NOT COST EFFECTIVE

The Air Force did not accumulate cost data while implementing the realignment. At our request, the Air Force compiled cost data for the relocations which had been completed.

The Air Force reported that those portions of the realignment which involved moves from the NCR cost \$1.8 million with an annual recurring savings of \$0.6 million. We estimate that the realignment from the NCR cost \$2.8 million in

one-time costs and \$1.4 million in recurring costs. Air Force estimates exclude additional operating costs attributable to the realignment and are based primarily on costs and savings to the Department of Defense. Our estimates are based on costs and savings to the Government.

Some of the \$8.8 million which the Congress appropriated to move Department of Defense offices out of the Forrestal Building may be used to partially reimburse the Air Force for some of these moves outside the NCR. The \$8.8 million appropriation was based on estimated costs to move Defense offices directly to similar space within the NCR. GSA and the Air Force have not agreed on the amount allowable for moves directly from the Forrestal Building to locations outside the NCR. The Air Force will absorb the cost of Air Force associated moves, such as moving security police from Bolling AFB to Kirtland AFB. Part of the Surgeon General's office moved from the Forrestal Building to the space vacated by the security police at Bolling AFB.

#### One-time costs

The following table combines actual and estimated costs to relocate NCR personnel and functions. Details of the costs are shown by organization in appendix III.

## APPENDIX I

## APPENDIX I

|                                     | <u>Air Force</u>          | <u>GAO</u>        | <u>Difference</u> |
|-------------------------------------|---------------------------|-------------------|-------------------|
|                                     | ----- (000 omitted) ----- |                   |                   |
| Military relocation                 | \$ 218                    | \$ 251            | \$ 33             |
| Civilian relocation                 | 425                       | 609               | 184               |
| Transportation of equipment         | 106                       | 104               | -2                |
| Communications installation         | 190                       | 245               | 55                |
| Facility alteration<br>and addition | 642                       | 656               | 14                |
| Design costs                        | 18                        | 43                | 25                |
| Facility maintenance<br>and repair  | 35                        | 35                | -                 |
| Facility rehabilitation             | 147                       | 147               | -                 |
| Temporary facility:<br>Renovation   | -                         | 20                | 20                |
| Communications<br>installation      | -                         | 10                | 10                |
| Family housing renovation           | -                         | 75                | 75                |
| Equipment purchase                  | -                         | 90                | 90                |
| Recruitment of new staff            | -                         | 514               | 514               |
| Miscellaneous                       | -                         | 32                | 32                |
|                                     | <u>          </u>         | <u>          </u> | <u>          </u> |
| Total                               | <u>\$1,781</u>            | <u>\$2,831</u>    | <u>\$1,050</u>    |

Military relocation

The Air Force omitted costs for 13 military personnel transferred to Kelly AFB, Texas, and 3 military personnel transferred to Kirtland AFB, New Mexico. We used Air Force estimates of average relocation costs for officers and enlisted personnel to estimate the additional costs.

Civilian relocation

The Air Force omitted costs for 12 civilian transfers and estimates for relocations scheduled but not yet completed. About 37 additional civilian positions are scheduled to transfer. We used the Air Force estimate of the percentage of civilians who historically transfer with their positions (27 percent) and the Air Force estimate of average civilian relocation costs to estimate additional costs.

Transportation of equipment

An initial estimate was overstated according to supporting documents later provided.

Communications installation

The Air Force omitted costs to install additional auto-von lines at Tyndall AFB, Florida, and understated similar costs at Kirtland AFB, New Mexico.

Facility alteration and addition

On the basis of documents provided, the Air Force understated the cost of the addition at Kelly AFB, Texas, by \$14,500.

Design costs

The Air Force omitted \$25,000 of design costs for the building addition and alteration at Kelly AFB, Texas.

Temporary facilities

The Air Force did not include the cost to renovate temporary facilities at Kelly AFB, Texas, and Tyndall AFB, Florida, or to install telephone equipment in temporary space at Tyndall AFB.

Family housing renovation

The Air Force did not include \$75,000 spent to renovate six officer housing units at Tyndall AFB, Florida.

Equipment purchase

The Air Force did not include about \$90,000 spent to purchase new equipment, such as office furniture and safes, primarily at Kirtland AFB, New Mexico, and Randolph AFB, Texas.

Recruitment of new staff

The Air Force did not include costs to recruit new civilian employees to replace those who did not transfer with their positions. Recruiting costs include the costs to relocate new employees from their present work locations. Although about 290 civilian authorizations were scheduled to transfer from the NCR, only about 55 personnel physically transferred with the positions. On the basis of discussions with personnel specialists at each of the bases, we estimate that filling about 60 of the remaining positions required relocation expenses. Using the Air Force estimate of average civilian relocation costs, these relocations could cost \$513,600.

Miscellaneous expenses

Additional costs for temporary duty travel, supplies, and miscellaneous services were incurred in transferring some Intelligence Service positions to Kelly AFB, Texas, and Eglin AFB, Florida.

Annual recurring costs

The Air Force included as an estimate of annual recurring savings the difference between its reimbursement to GSA for assigned GSA-operated space before and after completed portions of the realignment.

|  | <u>Air Force</u>          | <u>GAO</u> | <u>Difference</u> |
|--|---------------------------|------------|-------------------|
|  | ----- (000 omitted) ----- |            |                   |
| Savings from reduced GSA<br>standard level user charge | \$550                     | \$-        | -\$550            |

These reimbursements represent interagency transfer of funds. While such transfers may affect GSA and Air Force budgets, no savings to the Government would occur unless the Government disposes of the vacated space or terminates a lease.

Even if we had accepted the GSA reimbursement as a savings, recurring costs reported by realigned organizations exceed that amount. Some annual costs shown in the table below are based on budgeted costs for fiscal year 1979. Other costs and savings were estimated using available data. Estimates of increased operating costs were provided by realigned organizations. Due to time constraints and dispersed locations, we did not verify them.

|  | <u>Annual<br/>recurring costs</u> |
|--|-----------------------------------|
| Increased staffing requirements                | \$ 579,667                        |
| Increased operating costs:                     |                                   |
| Temporary duty travel                          | 342,615                           |
| Leased communication<br>equipment and services | 246,365                           |
| Computer software                              | <u>212,600</u>                    |
| Total recurring costs                          | <u>\$1,381,247</u>                |

#### Staffing requirements

In addition to relocating personnel from the NCR, the total realignment plan envisioned some staff reductions. The latest Air Force estimate is that 35 military positions were added and 36 civilian positions were eliminated in the NCR--a net of one less NCR position. The organizations that have relocated some personnel outside the NCR, however, have a total of 27 more manpower authorizations in their NCR and field offices than before the realignment. Our estimate is based on average personnel costs used in the Air Force base realignment cost model.

#### Temporary duty travel

Because of coordination and joint responsibilities with NCR-based offices, all the realigned organizations reported increased temporary duty travel. Each organization estimated the costs.

#### Communication

All the realigned organizations reported increased lease costs for equipment, such as telephones, autovon lines, and

data transmission equipment. The cost is understated because the security police were not able to provide a cost estimate.

#### Computer software

The Intelligence Service reported that an estimated \$212,600 will be incurred annually to develop and maintain software computer models to support positions relocated from the NCR.

#### Personnel costs

Although the Air Force originally envisioned significant savings from restructuring and reclassifying civilian positions transferred to the field, no savings were claimed in the figures provided us. On the basis of information provided by realigned organizations, about 18 vacant civilian positions were restructured about one grade level lower. We did not include an estimate for this potential savings, however, because (1) General Schedule grade levels are subject to change, regardless of geographical location and (2) the Air Force reported that 73 employees retired under early retirement provisions. Early retirements increase the cost of the Civil Service Retirement System, but how much is under study.

The Air Force did not provide, and we did not attempt to estimate, the cost of lost time caused by realignment planning, physical transfers, or disruption during initial operations at new locations.

#### OPERATIONAL PROBLEMS

The realignments outside the NCR have caused some operational inefficiencies. In addition to increased costs for temporary duty travel and communications, realigned organizations were authorized 27 more personnel spaces. Several organizations also reported undesirable work allocation choices.

Some personnel spaces were reprogramed to perform increased administrative duties. The new centers were established as separate operating agencies. With this designation, each center must perform some administrative duties (such as preparing monthly accounting reports) which were previously provided by centralized support groups.

Other personnel spaces were authorized to coordinate work done in two locations or act as a liaison between organizations within and outside the NCR. For example, the security police organization has 10 additional spaces, located in the Pentagon, to communicate information between the Chief of Security Police at Kirtland AFB and other organizations in the NCR.

The realignment also caused some work allocation problems. For example, the Surgeon General's office must either (1) transmit work assignments by mail or telecommunications and await the results, (2) have employees in the NCR do the work, sometimes on overtime, or (3) if time is critical, make decisions without the supporting data normally expected and/or the involvement of appropriate personnel. Results may be slower, more costly, or less reliable.

CHRONOLOGY OF KEY EVENTSDATE

|                |  |
|----------------|--|
| February 1977  | House hearings on Military Construction Appropriation for 1978; NCR reduction emphasized.  |
| March 1977     | Defense called for military department proposals to reduce NCR presence.   |
| June 1977      | Secretary of Defense directed 20- to 25-percent reduction in headquarters staffs.  |
| June 1977      | House Committee report on Military Construction Appropriation for 1978 stated that economic criteria should not be the sole determinant in relocating NCR activities.  |
| June 1977      | President ordered Defense to vacate the Forrestal Building; Secretary of Defense asked whether any of these offices could be relocated out of the NCR.   |
| August 1977    | Conference Report on Military Construction Appropriation also encouraged NCR reductions without using economic criteria as the sole determinant.   |
| August 1977    | Air Force announced internally that (1) the Deputy Chief of Staff, Programs and Resources, would develop headquarters reduction plan, (2) vacant positions should be filled on a selective basis, and (3) majority of personnel in the Forrestal Building would probably have to relocate outside the NCR. |
| September 1977 | President requested Defense organization study.  |
| October 1977   | Chairman, House Appropriations Subcommittee on Military Construction, requested Defense views on transferring Forrestal organizations out of the NCR.  |

DATE

|               |  |
|---------------|--|
| November 1977 | Defense reply, which included Air Force input, gave reasons some Forrestal organizations could not relocate.   |
| November 1977 | Chairman reported dissatisfaction with Defense response and said he would not consider NCR construction proposals until some Forrestal personnel were relocated out of the NCR.                  |
| December 1977 | Defense instructed its agencies to submit plans to reduce NCR space by 2 million square feet by 1982.  |
| February 1978 | Defense informed the House Subcommittee Chairman that 18 percent of Forrestal space would be relocated outside the NCR.  |
| March 1978    | In congressional hearings, Defense said the 20- to 25-percent headquarters reductions would be primarily functional transfers, but the Secretary also expected absolute reductions of personnel. |
| April 1978    | Air Force announced its realignment plan.  |

REALIGNMENT OF KEY ORGANIZATIONS

In implementing the realignment, the Air Force to date has established five centers: Medical Services, Inspector General Activities (Security Police), Manpower and Personnel, Service Information and News, and Engineering and Services. In addition, the Air Force has relocated some Intelligence Service positions and has scheduled some Logistics and Engineering positions for relocation.

Each organizational summary that follows shows the number of personnel positions that were relocated as well as the number of people who actually transferred with the positions. The remaining military positions, vacant primarily because of the selective moratorium on transfers to the NCR, will be filled through normal rotation assignments. The remaining civilian positions were vacant because 73 Air Force employees retired under early retirement provisions and because

- 64 incumbents transferred to other Air Force Headquarters positions,
- 30 transferred to other agencies,
- 16 retired, and
- 10 resigned.

SERVICE INFORMATION AND NEWS CENTER

The Air Force Service Information and News Center, a newly created separate operating agency at Kelly AFB, Texas, is comprised of the following NCR organizations: Internal Information Division, Office of the Secretary of the Air Force; Detachment 16, 1100th Air Base Group, Bolling AFB (Command Services Unit); and the Books and Magazine Branch, Detachment 16, 1100th Air Base Group, Pentagon. The Air Force Hometown News Center at Tinker AFB, Oklahoma, will also relocate to the Center, and the Air Force expects the Army Hometown News Center in Kansas City to move to the Center.

Of 41 military and 36 civilian authorizations realigned from the NCR, 16 military and 15 civilians physically relocated to the Center. The Kelly AFB Civilian Personnel Office, after reviewing all civilian authorizations transferred, downgraded 17 positions by one or two grades and converted 3

positions to Wage Grade classifications. Four of the 17 downgraded positions were held by NCR incumbents who have "saved grade" benefits.

The Information and News Center obtained initial operational capability on October 2, 1978, and expects to be fully operational by the summer of 1979 when the Hometown News Center relocates from Oklahoma. Currently Center personnel are housed in temporary space at Kelly AFB pending renovations to permanent space in Building 1500. The Air Force spent approximately \$12,000 to provide temporary space at Kelly. Renovations to Building 1500 are projected to cost \$242,500, plus \$25,200 in design costs. This estimate is for altering existing space and adding 3,200 square feet to the building. A related project costing \$196,500 for maintenance and repair to Building 1500 is also underway, but it is not directly attributable to the realignment. This project was programed prior to April 1978 and would have been performed under normal maintenance schedules regardless of the occupancy by Center personnel.

Costs expected to be incurred from the realignment to the Center are:

| <u>Category</u>       | <u>One-time costs</u> | <u>Annual recurring costs</u> |
|-----------------------|-----------------------|-------------------------------|
| Move costs            | \$ 11,743             | \$ -                          |
| Facility alterations  | <u>a/242,500</u>      | -                             |
| Design cost           | <u>a/25,200</u>       | -                             |
| Temporary space       | <u>b/11,804</u>       | -                             |
| Communications        | 9,005                 | <u>c/1,000</u>                |
| Military relocation   | <u>d/35,971</u>       | -                             |
| Civilian relocation   | <u>e/126,589</u>      | -                             |
| Temporary duty travel | -                     | <u>c/3,000</u>                |
| Total                 | <u>\$462,812</u>      | <u>\$4,000</u>                |

a/Design costs and \$14,500 additional alteration costs identified in supporting documents.

b/Additional cost provided by Kelly AFB.

c/Information and News Center estimates.

d/\$26,356 higher than Air Force summary. Adjusted for 4 additional officer and 9 additional enlisted relocations, using average military relocation costs.

e/Costs for 11 additional transfers estimated using average civilian transfer costs.

Representatives of the Center stated that, since the realignment to Kelly, there have been no mission-related problems, but there have been some operational problems. A large part of the Center's mission is writing and publishing news stories about Air Force personnel. Representatives believe the new location near major news generating activities at

Lackland AFB (Air Training Command) and Randolph AFB (Manpower and Personnel Center) may have enhanced the Center's effectiveness. Operational problems have included increased coordination time with Washington headquarters, lack of support personnel to handle such duties as budgets, manpower, and supply required of a separate operating agency, and delays in filling vacant civilian positions. The Center plans to convert five manpower authorizations to do the support functions mentioned above, but it will not increase manpower authorizations as a result of this realignment.

#### SECURITY POLICE

Of 54 personnel positions in the Office of the Chief of Security Police at Bolling AFB, 5 transferred to the Air Training Command, Randolph AFB, Texas, and 49 transferred to a newly established Inspector General Activities Center at Kirtland AFB, New Mexico. Subsequently, the five Randolph AFB positions were transferred to the Chief of Security Police at Kirtland AFB, where one additional position was also authorized. Ten new positions were authorized at the Pentagon as a coordination and liaison office. Five vacant civilian positions that transferred to Kirtland AFB were reduced by one grade level. Eighteen military and 5 civilian personnel physically relocated.

Security Police representatives stated that the unit has performed its mission effectively since the realignment, but with greater difficulty and at higher cost. In addition to increased manpower authorizations, costs for temporary duty travel have increased. Some communication equipment has reportedly not worked well, delaying the transmission of information and requests for information and decisions. The Security Police also reported it is now a more cumbersome process to decide on joint policies with those military organizations that have headquarters in the NCR.

The Security Police moved into a partially empty wooden barracks, under renovation at an estimated cost of \$147,101. Airmen housed in the barracks are being moved to vacant spaces on the base.

Costs expected to be incurred from realining Security Police activities are:

| <u>Category</u>                    | <u>One-time costs</u> | <u>Annual recurring costs</u> |
|------------------------------------|-----------------------|-------------------------------|
| Transportation of office equipment | \$ 7,113              | \$ -                          |
| Facility rehabilitation            | 147,101               | -                             |
| Furniture and safes                | <u>a/72,500</u>       | -                             |
| Military relocation                | <u>b/49,185</u>       | -                             |
| Civilian relocation                | 46,026                | -                             |
| Communications                     | <u>c/19,500</u>       | (d)                           |
| Temporary duty travel              | -                     | <u>e/85,000</u>               |
| Increased manpower authorizations  | <u>-</u>              | <u>f/267,427</u>              |
| Total                              | <u>\$341,425</u>      | <u>\$352,427</u>              |

a/Additional cost provided by Security Police.

b/\$6,410 higher than Air Force summary. Adjusted for error in calculation and three additional officer relocations, using average relocation costs.

c/\$8,800 higher than Air Force summary, as provided by Security Police.

d/Costs not available but expected to increase for a secure voice system and data transmission.

e/Additional budget cost for fiscal year 1979 provided by Security Police.

f/Estimates using average civilian and officer personnel costs.

LOGISTICS AND ENGINEERING

One military and three civilian positions in the Directorate of Transportation and 19 military and 14 civilian positions in the Directorate of Maintenance and Supply are scheduled to transfer to Wright-Patterson AFB, Ohio. The Directorate of Maintenance and Supply will also transfer three military positions to Kirtland AFB, New Mexico; one military position to Kelly AFB, Texas; and one military position to Scott AFB, Illinois.

As currently planned, no military personnel will physically transfer with these positions; any military incumbents will be transferred to other NCR positions. But civilian incumbents may relocate. Using the Air Force's estimate of average costs and the Air Force's estimated historical 27-percent transfer rate, the civilian moves may cost \$42,800. We did not estimate the additional costs to recruit and train new employees for vacant positions.

ENGINEERING AND SERVICES

A total of 141 engineering positions will be transferred from the NCR to the Engineering and Services Center, Tyndall AFB, Florida. Thirty-six military and 84 civilian positions have been relocated with 1 military and 20 civilian positions scheduled to transfer this year. Total authorizations have not changed as a result of the realignment, but some positions were reprogramed to perform additional administrative duties required of a separate operating agency. Of the transferred civilian positions, a number were reduced by one grade, but a similar number were increased by one grade. Although the number varied from one source to another, apparently about 25 people have physically transferred with these positions.

Engineering representatives at Tyndall AFB and the Pentagon reported operational difficulties since the realignment. They stated that coordination with organizations in the NCR, including Army, Navy, and other Air Force offices, takes more time and is not as effective. Temporary duty travel and communication costs have increased. Consequently, engineering officials have requested a reevaluation of the realignment.

Engineering personnel moved into temporary space at Tyndall AFB. Six barracks, still scheduled for demolition, were renovated at a cost of \$8,000 and telephones were installed at a cost of \$10,000. A building under construction, programed

in 1976 for the Civil and Environmental Engineering Development Office, will provide permanent space for the engineers. The building is estimated to cost \$4.9 million--\$287,000 more than originally estimated. The engineers attribute the additional cost to inflation, not the change in tenants. The Development Office now has a need for a better laboratory.

Costs expected to be incurred from realining engineering and services activities are:

| <u>Category</u>                          | <u>One-time costs</u> | <u>Annual recurring costs</u> |
|--|-----------------------|-------------------------------|
| Transportation of equipment              | \$ 2,732              | \$ -                          |
| Renovated family housing                 | <u>a/75,000</u>       | -                             |
| Renovated temporary facility             | <u>b/8,000</u>        | -                             |
| Military relocation                      | 22,238                | -                             |
| Civilian relocation                      | <u>c/236,615</u>      | -                             |
| Communications--temporary facility       | <u>b/10,000</u>       | -                             |
| Communications--permanent space (note d) | 44,400                | 133,500                       |
| Temporary duty travel                    | <u>-</u>              | <u>e/20,000</u>               |
| Total                                    | <u>\$398,985</u>      | <u>\$153,500</u>              |

a/Additional cost provided by Directorate of Engineering and Services.

b/Additional cost provided by Tyndall AFB Engineering and Services Center.

c/\$42,800 higher than Air Force summary. Estimated costs for additional transfers using average costs and the 27-percent historical transfer rate.

d/Additional cost estimated by Engineering and Services Center.

e/Additional budget cost calculated by Engineering and Services Center.

SURGEON GENERAL

Of 184 personnel positions authorized the Surgeon General at the Forrestal Building, 70 moved to Bolling AFB, Washington, D.C., 2 to Europe, and 112 positions--the Directorates of Professional Services and Health Care Support--to the newly formed Medical Services Center at Brooks AFB, Texas. For increased coordination and communication requirements, the Surgeon General's total manpower authorization at these two locations increased by 16. About 36 personnel spaces are actually located at Bolling AFB, although they are officially assigned to Brooks AFB. No civilian positions were reduced in grade.

Operating from two locations has increased costs for temporary duty travel and leased communication equipment and has caused work allocation problems. Reportedly, personnel at Brooks AFB are often too distant to provide timely data and decisions. In these instances, NCR-based personnel must work overtime and/or elevate decisions to higher officials. With records moved to Brooks AFB, it also takes longer to obtain information.

To house the Surgeon General's two directorates, Brooks AFB moved personnel from two buildings to vacant space in five other buildings. In all, nine buildings were altered at an estimated cost of \$395,000 with an additional \$17,700 in design costs.

Costs expected to be incurred from realining Surgeon General activities are:

| <u>Category</u>                   | <u>One-time costs</u> | <u>Annual recurring costs</u> |
|-----------------------------------|-----------------------|-------------------------------|
| Transportation of equipment       | \$ 78,400             | \$ -                          |
| Facility alteration and addition  | 394,800               | -                             |
| Design costs                      | 17,700                | -                             |
| Maintenance and repair            | 35,121                | -                             |
| Military relocation               | 91,244                | -                             |
| Civilian relocation               | 86,942                | -                             |
| Communications                    | 167,905               | <u>a/83,165</u>               |
| Temporary duty travel             | -                     | <u>a/68,115</u>               |
| Increased manpower authorizations | <u>-</u>              | <u>b/312,240</u>              |
| Total                             | <u>\$872,112</u>      | <u>\$463,520</u>              |

a/Additional budget costs for fiscal year 1979 provided by the Surgeon General.

b/Estimate using average cost for separate operating agencies.

#### MANPOWER AND PERSONNEL

The renamed Manpower and Personnel Center, Randolph AFB, Texas, absorbed 123 NCR personnel positions:

--Eleven from the Forrestal Building.

--Sixty-six from the Pentagon.

--Thirty-seven directly and indirectly from the 1000th Support Squadron, Bolling AFB.

--Nine indirectly from the Mortuary Office, Bolling AFB.

Four Pentagon positions, involved in making assignments for colonels, actually remained in the Pentagon to provide information to NCR-based colonels. Twenty military and 6 civilian personnel physically transferred with these positions.

Pentagon manpower and personnel staff attributed some operational problems to the realignment. They have to reply almost daily on functions located in Texas, which "has not been easy," even considering available communication equipment. They reported some delays in response time and increased temporary duty travel.

Most of these personnel moved into vacant space in existing buildings at Randolph AFB. One building was altered at a cost of \$18,809 to house the Mortuary Office.

Costs expected to be incurred from realining manpower and personnel activities are:

| <u>Category</u>             | <u>One-time costs</u> | <u>Annual recurring costs</u> |
|-----------------------------|-----------------------|-------------------------------|
| Transportation of equipment | <u>a/\$ 4,279</u>     | \$ -                          |
| Furniture                   | <u>b/8,109</u>        | -                             |
| Facility alteration         | 18,809                | -                             |
| Military relocation         | 52,193                | -                             |
| Civilian relocation         | <u>c/69,797</u>       | -                             |
| Communications              | <u>d/4,000</u>        | <u>e/17,000</u>               |
| Temporary duty travel       | <u>-</u>              | <u>e/8,500</u>                |
| Total                       | <u>\$157,187</u>      | <u>\$25,500</u>               |

a/\$1,687 lower than Air Force summary according to documents provided.

b/Additional cost provided by Manpower and Personnel Center.

c/\$3,921 higher than Air Force summary; \$8,560 added for average cost of one additional transfer and \$4,639 subtracted for equipment transportation erroneously included.

d/\$1,551 additional costs provided by Manpower and Personnel Center.

e/Additional budget cost calculated by Manpower and Personnel Center.

INTELLIGENCE CENTER

Establishment of the Air Force Intelligence Center at Kelly AFB, Texas, has been temporarily suspended pending reassessment of the effectiveness of such a center. The Center was to have been comprised of the Intelligence Service (to relocate from the NCR), the Security Service (already at Kelly AFB), and the Foreign Technology Division (to remain at Wright-Patterson AFB). Although establishing the Center is now in question, the Intelligence Service continues to anticipate relocations. Of 265 manpower authorizations (military and civilian) originally scheduled to relocate to Kelly, the Intelligence Service plans to relocate 57 positions from Bolling AFB to Fort Belvoir, Virginia. Several locations (including three out of the NCR) are under consideration for most of the remaining positions. Cost estimates for these alternatives range from \$0 (maintain present locations) to \$1.3 million for one-time relocation costs, and \$0 to \$250,000 increased annual recurring costs.

Two Intelligence Service detachments, 26 of the 265 targeted manpower authorizations, have relocated to Eglin AFB, Florida, and Kelly AFB, Texas. No people physically relocated with these positions. These relocations were not part of the original April 1978 realignment plan but were added subsequently.

Costs expected to relocate these two detachments are:

| <u>Category</u>        | One-time<br>costs<br>( <u>note a</u> ) | Annual<br>recurring<br>costs<br>( <u>note a</u> ) |
|------------------------|--|---|
| Temporary duty travel  | <u>b/\$16,000</u>                      | <u>c/\$158,000</u>                                |
| Supplies               | 13,000                                 | 4,300   |
| Equipment (note d)     | 9,000                                  | 7,400   |
| Miscellaneous services | 3,000                                  | -   |
| Contract engineering   | <u>-</u>                               | <u>e/212,600</u>                                  |
| Total                  | <u>\$41,000</u>                        | <u>\$382,300</u>                                  |

a/All costs provided by the Air Force Intelligence Service.

b/Estimated cost of travel to Kelly and Eglin AFBs to bring those locations to operational status.

c/Estimated additional cost to support normal operations at Kelly and Eglin AFB.

d/Bulk is for communications.

e/To develop and maintain software computer models.

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