



~~7848~~ 115050

UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

B-202925

APRIL 27, 1981

The Honorable Caspar W. Weinberger
The Secretary of Defense



115050

Dear Mr. Secretary:

Subject: Need To Establish Retention Periods and Optimal Time for Microfilming Military Personnel Records (GGD-81-59)

The General Accounting Office reviewed the official personnel records of active duty officers and enlisted men and reservists in the Army, Air Force, Navy, and Marine Corps to evaluate the manner in which the records were being maintained. The four services maintain their personnel records in several locations throughout the United States. The following chart shows the approximate number of records maintained by each service.

<u>Service</u>	<u>Number of personnel records</u>
Army	1,250,000
Air Force	865,000
Navy	915,000
Marine Corps	350,000

Although we found that the records generally were being maintained in a competent manner, we identified two areas where improvements could result in substantial savings.

- The Army and Navy have not established retention periods for personnel records.
- The Air Force, Navy, and Marine Corps have not developed formal cost benefit analyses to determine the most efficient time to microfilm personnel records.

RETENTION PERIODS

The four services do not have approved retention periods for military personnel records as required by the Federal Property

(941213)

216673

Management Regulations. The establishment of retention periods could reduce the Government's costs.

The Federal Records Management Amendments of 1976 (44 U.S.C. 2901) authorized the National Archives and Records Service (NARS) to provide for the efficient and economical management of Federal records and to develop and coordinate methods to ensure that agency records of continuing value are preserved and that those of no value are systematically destroyed. NARS is responsible for (1) developing standards and guidelines for records management and (2) operating centers for the storage and servicing of Federal records.

Section 101-11.4 of the Federal Property Management Regulations requires agencies to establish retention periods for their personnel records. In June 1978, at the invitation of the Navy, representatives of the services participated in a joint service committee on records management. The committee drafted an agreement among the services and NARS concerning military personnel records retirement and maintenance. The draft agreement, while not binding, was approved by all of the representatives in April 1980. It proposed the disposition of military personnel records 75 years from the date of transfer to the Military Personnel Records Center. The services retire personnel records to the NARS facility within 6 months after the individual's separation date.

Of the four services, only the Air Force has submitted a proposed 75-year retention period to NARS for approval. As of January 1981, NARS had not approved the proposal because it was awaiting submission of the other services' proposals. NARS would like to approve all proposals at the same time to allow for the negotiation of a uniform retention period.

The other services have not submitted proposed retention periods to NARS. The Naval Records Office is in the process of coordinating responses to the proposed 75-year retention period. One of the responses is from the Marine Corps, which submits responses on personnel records through the Navy to NARS. The Marine Corps concurs with the 75-year period as long as it has the option of changing to continued retention at a later date. ^{1/} The one Navy office opposed to a limited retention period, the

^{1/}NARS has agreed to permanent retention of all military personnel records, prior to and including 1912, and any subsequent very important person's records. Thus, the first records would not be destroyed until after 1987 if a 75-year retention period is adopted.

Naval Historical Center, concurs that the records have no administrative value after 75 years, but it feels that the records are needed for historical and genealogical research. The Navy's Records Office does not know when it will make a final decision on the matter and prepare an official response for both services. The Army has received concurrence for the 75-year retention period from all staff offices except the Army Historical Center, which feels that the records are of continuing historical significance. An Army Records Office official said that it is waiting to see what action NARS takes on the Air Force request before pursuing the matter further.

From the time an individual enters the service until separation, important personnel documents, such as enlistment record, performance ratings, and promotion certificates, are sent to the respective service's personnel center. The center microfilms the documents and maintains the film in the individual's personnel file. ^{1/} The original documents are destroyed. The services microfilm records for several reasons, including the minimal cost of copies for multiple users and reduction in space required for records storage.

Savings could be realized if a 75-year retention period is established. Without retention periods, the space required to store records increases annually, and more costly environmentally controlled space is necessary. Also, the services' microfilm either must be of such a high quality that it will last indefinitely or be inspected at regular intervals.

The Military Personnel Records Center in St. Louis, Missouri, was storing 1.1 million cubic feet of military personnel records at an annual cost of about \$560,000 at the end of fiscal year 1980. Although the use of microfilm records reduces the storage space required, the microfilm should be maintained in environmentally controlled space. In addition, all paper military records established as permanent also require environmentally controlled space. Environmentally controlled space costs \$1.10 per cubic foot compared to the present \$0.51 rate for the Center's standard storage space. The estimated cost to store the current 1.1 million cubic feet of records in environmentally controlled space would be \$1.2 million annually. Military records received for storage by the Center during fiscal years 1979 and 1980 averaged 23,100 cubic feet per year. A NARS official estimated that, at the current rate of records retirement, expansion of the Federal storage facility would be required by 1987. The official was unable to project the cost of such expansion.

^{1/}Excluding health and dental records, which remain in original form.

The Navy makes a silver halide copy of its microfilm when its records are retired because NARS accepts silver halide microfilm as a permanent record. Navy sends the original microfilm and the copy to the Military and Civilian Personnel Records Centers in St. Louis, Missouri. If a 75-year retention period is established, the Navy estimates it could use less expensive, nonpermanent diazo copies, which would save \$143,600 annually.

NARS has agreed to accept the Army, Air Force, and Marine retired updatable microfilm until tests determine the film's permanency. Until the film's permanency is established, however, NARS has started inspecting the film for deterioration every year instead of every 2 years. Tests conducted this year by private firms indicate that the updatable microfilm used by the Army and Marine Corps will be adequate for at least 75 years. The Air Force is awaiting the results of tests on the adhesive, which attaches the microfilm to a card used in its system, to determine what retention period its microfilm will satisfy.

Army and Navy officials agree that retention periods should be established, even though they cannot agree on specific retention periods. Because of the potential cost savings, we believe the Army and Navy should establish retention periods as required by NARS regulations.

OPTIMAL TIME FOR MICROFILMING

Of the four services using microfiche, only the Army has prepared a formal economic analysis to determine the optimal time for microfilming personnel records.

In response to a U.S. Army Audit Agency report prepared in August 1980, the U.S. Army Enlisted Records and Evaluation Center prepared a cost benefit analysis to determine the most efficient method for maintaining the records of active duty enlisted personnel.

The analysis identified four alternatives, including 14 benefits with points assigned to each benefit. Four of the major benefits are automated storage and retrieval, improved control over the records, improved file integrity, and improved transportability of the records. The following is a listing of the four alternatives and their associated cost and benefit point totals.

<u>Alternative</u>	<u>Annual cost (000s)</u>	<u>Total benefit points (000s)</u>
1. Maintain all personnel files on microfiche	\$2,640	7,066
2. Maintain personnel files on E-1s - E-4s on paper and all others on microfiche	\$2,419	3,896
3. Maintain first-term enlistee (non-prior service) personnel files on paper and all others on microfiche	\$2,447	4,925
4. Maintain first-term enlistee personnel files on paper for 7 months before converting to microfiche	\$2,620	7,067

As noted above, alternatives 1 or 4 would cost about \$200,000 more annually than alternatives 2 or 3, but their benefits would be about 80 and 45 percent greater than alternatives 2 or 3, respectively.

A Marine Corps official said that the Corps had never made a cost analysis. Air Force and Navy officials said that they had performed analyses which considered, among other issues, the optimal time for microfilming but that formal reports had not been prepared. Officials from the three services believe that their microfilming is being done at the proper time and that formal cost analyses would not show a need for any revisions.

The optimal time for microfilming for the other three services may vary from that of the Army for a number of reasons. Therefore, we believe that the other services should develop formal analyses to make that determination.

RECOMMENDATIONS

We recommend that the Secretary of Defense require

--the Army and Navy to determine and propose retention periods to NARS; and

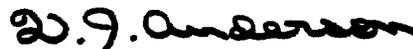
--the Air Force, Navy, and Marine Corps to develop formal cost analyses to determine the optimal time for micro-filming records.

- - - -

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the Senate Committee on Governmental Affairs and the House Committee on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the House Committee on Armed Services; Subcommittee on Military Personnel, House Committee on Armed Services; Subcommittee on Government Information and Individual Rights, House Committee on Government Operations; Senate Committee on Armed Services; Subcommittee on Manpower and Personnel, Senate Committee on Armed Services; Subcommittee on Defense, Senate Committee on Appropriations; Secretaries of the Army, Navy, and Air Force; Administrator of General Services; and Director, Office of Management and Budget.

Sincerely yours,



William J. Anderson
Director