

Highlights of [GAO-13-188](#), a report to the Chairman, Committee on Armed Services, U.S. Senate

Why GAO Did This Study

DOD is in large part dependent on the skills and competencies of civilian personnel comprising almost 800,000 FTE positions. Between fiscal years 2002 and 2012, DOD's budgeted civilian personnel costs increased by about 21 percent, to about \$72 billion. In fiscal year 2010, the then-Secretary of Defense directed the Office of the Secretary of Defense and other headquarters commands to freeze (or cap) the number of civilian FTEs at the fiscal year 2010 level for fiscal years 2011-13. During fiscal year 2011, he extended the cap to the military services for fiscal years 2012-13 and granted exceptions adjusting the caps above fiscal year 2010 levels. As requested, GAO determined (1) the military services' progress in meeting adjusted civilian workforce cap targets for fiscal year 2012 and associated savings and (2) steps DOD has taken to help ensure that, in implementing the cap, it has maintained critical skills and competencies for its civilian workforce. GAO limited its focus to U.S. civilian direct-hire employees (not, for example, foreign national employees) and to service efforts to meet cap levels in fiscal year 2012. GAO reviewed DOD's efficiency guidance and analyzed service fiscal year 2010-12 budget information.

What GAO Recommends

GAO recommends that DOD involve functional community managers and use information from its critical skill and competency gap assessments as they are completed to make informed decisions for future changes to the workforce and document its strategies. DOD partially concurred with these recommendations and noted actions taken.

View [GAO-13-188](#). For more information, contact Brenda S. Farrell at (202) 512-3604 or farrellb@gao.gov.

HUMAN CAPITAL

Critical Skills and Competency Assessments Should Help Guide DOD Civilian Workforce Decisions

What GAO Found

In fiscal year 2012, the Navy and the Air Force met their adjusted civilian workforce cap targets, but the Army did not. The Department of Defense (DOD) estimated the civilian workforce cap saved the department \$2.2 billion in fiscal year 2012 and would save a total of \$11.5 billion through 2016. At the time the cap was extended to the services, each was executing its fiscal year 2011 budgets with additional planned growth expected. Further, the services were granted departmentwide and service-specific exceptions to exceed their fiscal year 2010 levels by 13,001 full-time equivalents (FTE), or 3.7 percent. The table below compares the services' fiscal years 2012 and 2010 levels.

Comparison of Fiscal Year 2012 Full-Time Equivalent Levels with Fiscal Year 2010 Levels and Exceptions (by Service in Full-time Equivalents)

Service	Fiscal year 2010 workforce level ^a	Exceptions granted	Fiscal year 2012 workforce cap	Fiscal year 2012 execution level
Navy	87,991	6,618	94,609	92,826
Air Force	123,940	3,839	127,779	122,097
Army	138,739	2,544	141,283	152,341

Source: GAO Analysis of DOD Data

^aThe Resource Management Decision determined the fiscal year 2010 workforce level for DOD, rather than the budgeted level.

It is unclear the extent to which DOD considered departmentwide priorities for critical skills and competencies to achieve current and future missions when implementing the cap. DOD's decisions about which skills and competencies to maintain were not informed by competency gap assessments because DOD has not completed most of those assessments. In 2006, Congress mandated that DOD conduct competency gap assessments, as part of its strategic workforce planning efforts, which GAO reported in September 2012 was only completed for 8 of 22 mission critical occupations. Functional community managers are responsible for these assessments, but did not provide input to the services to help preserve critical skills and competencies. DOD is working toward completing its gap assessments by 2015. Skill and competency gaps undermine agencies' ability to meet vital missions. For example, GAO has reported that the shortage of trained acquisition personnel impedes DOD's capability to oversee and manage contracts. A fully developed workforce plan, with all completed gap assessments, would help DOD make informed decisions about reducing its workforce and develop strategies to mitigate skill shortages that impact on achieving the mission. Moreover, DOD did not document how it maintained critical skills and competencies when making decisions in implementing the cap, including decisions about exceptions to the cap. DOD granted exceptions to the cap which, officials stated, were to meet specific mission priorities. For example, DOD granted exceptions for the acquisition workforce in an effort to meet the department's goal of increasing its acquisition workforce by 10,000 full-time equivalent positions by fiscal year 2015. Internal control standards state that significant events need to be clearly documented. Without documenting the approach, GAO cannot determine the extent to which DOD maintained the department's critical skills and competencies.